

Part 9

Transport

Introduction

The Transport portfolio delivers an accessible, reliable and safe transport system across all modes of transport, including road, rail, bus, ferry, freight, shipping, boating, cycling and active transport. It ensures an integrated transport network that facilitates economic and regional development, and focuses on long-term planning and investment in transport infrastructure for the State's future.

The portfolio is contributing to the achievement of the following Our Priorities and associated targets:

- A Strong Economy
 - creating jobs;
- A Liveable Environment
 - building METRONET and increasing housing opportunities nearby; and
- Regional Prosperity
 - delivering strong regional economies.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Transport		
– Total Cost of Services	444,257	554,997
– Asset Investment Program	35,873	38,284
Commissioner of Main Roads		
– Total Cost of Services	1,346,728	1,489,935
– Asset Investment Program	1,222,169	1,265,111
Public Transport Authority of Western Australia		
– Total Cost of Services	1,479,389	1,558,662
– Asset Investment Program	483,426	1,169,372
METRONET Projects Under Development		
– Asset Investment Program	-	61,000

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Fremantle Port Authority		
– Asset Investment Program	69,475	41,785
Kimberley Ports Authority		
– Asset Investment Program	21,422	8,775
Mid West Ports Authority		
– Asset Investment Program	12,612	8,900
Pilbara Ports Authority		
– Asset Investment Program	163,149	56,784
Southern Ports Authority		
– Asset Investment Program	10,560	23,138

Ministerial Responsibilities

Minister	Agency	Services
Minister for Transport; Planning	Transport	<ol style="list-style-type: none"> 1. Strategic Transport Policy and Integrated Planning 2. Driver and Vehicle Services 3. Coastal Infrastructure 4. Marine Safety 5. On-demand Transport
	Commissioner of Main Roads	<ol style="list-style-type: none"> 1. Infrastructure for State Development 2. Road System Management 3. Road Efficiency Improvements 4. Road Network Maintenance 5. Road Safety 6. Infrastructure for Community Access
	Public Transport Authority of Western Australia	<ol style="list-style-type: none"> 1. Metropolitan and Regional Passenger Services 2. Country Passenger Rail and Road Coach Services 3. Regional School Bus Services 4. Rail Corridor and Residual Freight Issues Management
	METRONET Projects Under Development	n/a
Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade	Fremantle Port Authority	n/a
	Kimberley Ports Authority	n/a
	Mid West Ports Authority	n/a
	Pilbara Ports Authority	n/a
	Southern Ports Authority	n/a

Division 36 Transport

Part 9 Transport

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 79 Net amount appropriated to deliver services.....	58,519	77,301	73,589	204,692	45,005	33,868	31,666
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,257	1,257	894	894	894	896	899
Total appropriations provided to deliver services	59,776	78,558	74,483	205,586	45,899	34,764	32,565
ADMINISTERED TRANSACTIONS							
Item 80 Western Australian Coastal Shipping Commission.....	100	100	100	100	100	100	100
CAPITAL							
Item 140 Capital Appropriation	18,287	17,489	20,634	35,310	16,277	19,968	21,823
TOTAL APPROPRIATIONS	78,163	96,147	95,217	240,996	62,276	54,832	54,488
EXPENSES							
Total Cost of Services	377,429	436,152	444,257	554,997	422,990	420,643	423,330
Net Cost of Services ^(a)	40,716	99,411	99,492	210,795	45,490	35,476	33,178
CASH ASSETS ^(b).....	110,173	107,404	118,437	162,007	199,582	238,157	276,732

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
On-demand Transport Reform - Assistance for Regional Taxi Operators	3,100	-	-	-	-
Public Transport Cost and Service Optimisation Program.....	-	470	570	-	-
Service Western Australia (ServiceWA) Pilot	-	1,363	2,574	567	-
Ongoing Initiatives					
Election Commitments					
Continuation of the Principal Shared Path Program	-	-	-	-	20,000
Fremantle Container Rail Subsidy Increase	650	650	-	-	-
METRONET Program Management Costs	1,117	1,117	-	-	-
Westport Planning	1,039	1,179	5,000	5,000	-
Other					
Connected Portfolio Project.....	127	-	-	-	-
Enhanced Speed Enforcement Administration Costs.....	-	2,560	2,537	2,608	2,679
Government Office Accommodation Reform Program	85	23	(834)	(770)	(715)
Indexation for Non-Salary Expenses	-	-	-	-	63
Indian Ocean Territories Services Delivery Agreement.....	261	261	261	261	261
Intergovernmental Agreement on Identity Matching Services	225	-	-	-	-

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Memorandum of Understanding - Provision of Digital Evidence to					
Western Australia Police Force.....	131	-	-	-	-
Port Hedland Marina	3,000	2,000	-	-	-
Port of Wyndham Operating Agreement.....	452	1,968	-	-	-
Senior Executive Service Reduction Reallocation within the Transport					
Portfolio	750	750	750	750	750
Tariffs, Fees and Charges	221	(4,757)	7,632	16,765	23,412
Voluntary Targeted Separation Scheme	(423)	(426)	(431)	(438)	(438)

Significant Issues Impacting the Agency

On-demand Transport

1. Implementation of the On-demand Transport reform continues in 2019-20, with legislation governing the operation of taxis and charter vehicles across Western Australia planned to be repealed in mid-2019. The transition of hire or reward vehicles to the new authorisation framework builds on the new rules and safety obligations for on-demand booking services that commenced in February 2019.
2. From July 2019, the restrictions on how Perth and regional taxis can operate, and in what number, will be removed, allowing fair competition within the taxi and charter sector and greater choices for the travelling public. New online application processes and reduced annual fees for vehicle authorisation will be introduced.
3. In 2019-20, Perth taxi plate owners will begin to receive payments from the Government's buy-back scheme. It will also be the first full financial year of the on-demand passenger transport levy through which the buy-back scheme is funded.

Cycling Infrastructure

4. The most recent cycling data shows cycling demand in Perth has grown in 2018 compared to 2017, with trips in the Perth CBD increasing by 2%. Strong growth in cycling has been observed where new infrastructure has been provided. Cycling traffic on the Tonkin Highway Principal Shared Path (PSP) near the Perth Airport has grown by 23%. Similarly, cycling traffic on the Graham Farmer Freeway PSP near Matagarup Bridge and the Perth Stadium has grown by 49% compared to 2017 levels.
5. The Government's continued investment in cycling infrastructure will attract more cyclists by providing a safe and connected path network in Perth. The allocated funding will result in \$20 million for the PSP expansion program, \$3 million for the Safe Active Streets program, and \$5 million for the Perth and Regional Bike Network Grants program in 2019-20.

Coastal Infrastructure

6. Demand for coastal infrastructure continues to grow with the ongoing need for new or improved facilities in both metropolitan and regional locations to cater for both recreational and commercial boating demands. The Department is currently progressing the planning for an unprecedented number of significant maritime related projects to ensure this demand is met.

Westport Planning

7. The Westport Taskforce was established to develop a long-term integrated solution to Perth and the surrounding regions' ports, freight and logistics needs. The Westport Taskforce will develop the Westport: Port and Environs Strategy to provide guidance to Government, to ensure that Perth and the South West's future trade and logistics requirements are met.
8. The Westport Taskforce has completed Stage 1 of the project with the release of the What We Have Found So Far Report in December 2018 and has now commenced Stage 2. Stage 2 will see the completion of the multi-criteria analysis, which will result in a short list of infrastructure options.

Driver and Vehicle Services

9. The Department continues to explore and implement initiatives that deliver improved customer and compliance outcomes. Initiatives underway and/or planned for 2019-20 include:
 - 9.1. introduction of e-billing and personalisation of messages to improve convenience, payment outcomes and communication with customers;
 - 9.2. completing the trial of an enhanced delivery model for Practical Driving Assessments that offers improved productivity, extended hours of operation and improved focus on road safety outcomes through positively influencing driver behaviour;
 - 9.3. providing a leadership role in the commencement of the ServiceWA pilot bringing together a range of transactions from across Government into a single service point by leveraging the Department's established capability in this area;
 - 9.4. expanding the trial of national document verification services to validate identity documents used to obtain a drivers licence and connect to the National Driver Licence Facial Recognition service to prevent fraud, better capture disqualified drivers and support national crime and counter-terrorism efforts as part of the State's commitment to the National Identity Security Strategy;
 - 9.5. working closely with associated agencies across Australia to introduce a practical legislative framework for connected and automated vehicles by 2020. This includes national coordination of standards, regulation and data handling requirements to set the highest standards of community safety and interoperability between states and territories of what is internationally standardised technology;
 - 9.6. introduction of an increased range of online functionality to improve the customer experience including the e-learner log book; improved fleet management capabilities; digital forms; a single change of address platform; and support for whole-of-government online initiatives; and
 - 9.7. working with service provider partners to introduce body-worn cameras to improve compliance in the conduct of heavy vehicle Practical Driving Assessments performed on the Department's behalf.

Aviation

10. The 2017 Parliamentary Inquiry into Regional Airfares in Western Australia found that there are community concerns about airfares on unregulated air routes. The Department is leading the implementation of the Economics and Industry Standing Committee's recommendations, focusing on identifying initiatives that will increase the availability of affordable airfares. The Department is collaborating with agencies, airlines and community stakeholders to help inform the review of the State Aviation Strategy and identify opportunities for improvements in regional aviation.

Freight

11. The Government is investigating and implementing a number of initiatives to help reduce congestion and improve the efficiency of the entire container freight supply chain. The Government is committed to increasing the volume of freight on rail, and has increased the container rail subsidy in order to encourage the use of rail transport and reduce the impact of an increasing freight task on metropolitan roads. New leases for the Inner Harbour container terminals and North Quay Rail Terminal are expected to improve the integration of port and landside operations and make more effective use of the container rail subsidy.
12. Western Australian exporters rely on the efficient and safe transportation of freight to support their competitiveness in the global marketplace. The Government continues to work with industry to identify and address export supply chain constraints (both infrastructure and policy) in regional Western Australia. The Revitalising Agricultural Region Freight Strategy is being developed to identify challenges facing the agricultural sector and opportunities to improve the efficiency and productivity of Western Australia's agricultural supply chains.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goals	Desired Outcomes	Services
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Integrated transport systems that facilitate economic development.	1. Strategic Transport Policy and Integrated Planning
Strong Communities: Safe communities and supported families.	Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.	2. Driver and Vehicle Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	An accessible and safe transport system.	3. Coastal Infrastructure 4. Marine Safety 5. On-demand Transport

Service Summary

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Strategic Transport Policy and Integrated Planning	63,832	102,880	97,566	98,066	75,236	68,178	65,195
2. Driver and Vehicle Services.....	195,177	209,741	210,414	212,973	222,809	226,855	231,289
3. Coastal Infrastructure	59,783	71,322	81,668	67,789	66,809	67,894	68,862
4. Marine Safety	30,437	26,754	25,433	31,414	31,317	31,585	31,690
5. On-demand Transport	28,200	25,455	29,176	144,755	26,819	26,131	26,294
Total Cost of Services.....	377,429	436,152	444,257	554,997	422,990	420,643	423,330

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Integrated transport systems that facilitate economic development:					
Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port	16.1%	16.3%	20.2%	19%	1
Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth	91.6%	93.5%	91.6%	91.6%	
Outcome: Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers:					
Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)	95.3%	100%	96.3%	100%	
Percentage of drivers licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)	94.3%	100%	96.5%	100%	
Percentage of drivers licence cards issued within 21 days of completed application	100%	100%	100%	100%	
Outcome: An accessible and safe transport system:					
Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard ^(b)	n/a	n/a	97.9%	90%	
Percentage of time maritime infrastructure is fit for purpose when required....	99.8%	99.7%	99.5%	99.7%	
Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels	9.9	10.9	10.6	10.7	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

(b) Due to the recent On-demand Transport reform, this new efficiency indicator replaces the no longer current indicator 'percentage by which the waiting time standard, for metropolitan area taxis, is met'.

Explanation of Significant Movements

(Notes)

1. The increase between the 2018-19 Budget and the 2018-19 Estimated Actual is primarily due to the greater than forecast demand for rail freight services as a result of the increase to the Fremantle container rail subsidy.

Services and Key Efficiency Indicators

1. Strategic Transport Policy and Integrated Planning

This service contributes towards the provision of leadership for strategic transport management, development and protection of economic nodes and networks through the provision of a range of services, including:

- analysis, planning and implementation of urban infrastructure projects and models to manage future travel demands;
- strategic policy development which supports the achievement of sustainable, effective and practical solutions for Western Australian transport networks and addresses capacity issues;
- policy advice and strategic transport solutions to Government;
- representation and negotiation, on behalf of the State Government, at national level transport-related forums to produce positive outcomes that promote and protect Western Australian interests;
- program management and delivery of major intermodal infrastructure planning and development activities that assists in economic development;
- quality assurance and assessment of the return on investment for Government funds in transport projects; and
- monitoring industry and public demand-growth to provide best practice transport channels and access which alleviates environmental impacts.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 63,832	\$'000 102,880	\$'000 97,566	\$'000 98,066	
Less Income	66,332	63,140	64,257	67,535	
Net Cost of Service	(2,500)	39,740	33,309	30,531	
Employees (Full-Time Equivalents)	113	118	126	130	
Efficiency Indicators					
Average cost per policy hour for strategic transport policy development.....	\$94	\$125	\$148	\$118	
Average cost per planning hour for integrated transport planning development	\$108	\$159	\$191	\$148	

2. Driver and Vehicle Services

This service contributes towards the provision of safe, accessible, sustainable and efficient transport services and systems through the provision of driver licensing and vehicle registration services for:

- setting motor vehicle standards in accordance with national and State Government requirements, examining motor vehicles for compliance with those standards and registering and transferring compliant motor vehicles;
- setting standards and requirements for the issue of a drivers licence in accordance with State Government legislation and national identity and security and privacy policies;
- assessing driver competency, issuing and renewing drivers licences in accordance with national and State Government requirements and driver competency standards;
- securing and maintaining a database of registered vehicles and drivers, and managing vehicle identification numbers, to support the enforcement of road traffic and other relevant laws;
- collecting revenue on behalf of Government; and
- informing and educating road users about driver licensing, vehicle registration and related requirements.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	195,177	209,741	210,414	212,973	
Less Income	198,812	207,920	208,128	210,802	
Net Cost of Service	(3,635)	1,821	2,286	2,171	
Employees (Full-Time Equivalents)	934	954	962	916	
Efficiency Indicators					
Average cost per vehicle and driver transaction	\$17	\$18	\$18	\$18	
Average cost per vehicle inspection performed by vehicle examination centres	\$360	\$170	\$99	\$115	
Average cost per vehicle inspection delivered through authorised inspection stations	\$126	\$138	\$127	\$139	
Average cost per driver assessment	\$107	\$109	\$113	\$117	

3. Coastal Infrastructure

This service contributes towards the Department's outcome of an accessible and safe transport system through a range of coastal infrastructure services, including:

- planning, building and managing new and existing land and water-based maritime facilities;
- the provision of coastal engineering advice and solutions for new and existing land and water-based maritime facilities; and
- the provision of oceanographic, hydrographic, cartographic and geographic information.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	59,783	71,322	81,668	67,789	
Less Income	42,163	39,828	46,032	40,255	
Net Cost of Service	17,620	31,494	35,636	27,534	
Employees (Full-Time Equivalents)	104	110	116	119	
Efficiency Indicators					
Average cost per day per maritime infrastructure asset managed	\$81	\$85	\$86	\$85	

4. Marine Safety

This service contributes towards the safe and sustainable use of navigable waters through the provision of a range of marine safety regulatory and education services, including:

- regulation and administration of marine industry service and safety standards, including on water compliance patrols;
- licensing of recreational vessels, marine safety education, navigational services and aids in accordance with relevant legislation; and
- marine protection through provision of a pollution response team.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 30,437	\$'000 26,754	\$'000 25,433	\$'000 31,414	
Less Income	22,083	21,371	21,518	22,010	
Net Cost of Service	8,354	5,383	3,915	9,404	
Employees (Full-Time Equivalents)	116	123	123	119	
Efficiency Indicators					
Average cost per private recreational vessel registration	\$140	\$154	\$145	\$174	
Cost to maintain marine pollution response preparedness per registered vessel	\$31	\$31	\$32	\$41	

5. On-demand Transport

This service contributes towards the provision of safe, accessible and sustainable personal on-demand transport services and systems through the provision of services for:

- setting and monitoring standards for on-demand transport vehicles;
- authorising on-demand booking services;
- administering subsidies for taxi users, student and pensioner travel schemes; and
- investigating complaints from on-demand transport patrons, operators and drivers.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 28,200	\$'000 25,455	\$'000 29,176	\$'000 144,755	1
Less Income	7,323	4,482	4,830	3,600	
Net Cost of Service	20,877	20,973	24,346	141,155	
Employees (Full-Time Equivalents)	50	54	55	57	
Efficiency Indicators					
Cost per on-demand transport authorisation ^(a)	n/a	n/a	n/a	\$350	

(a) Due to the recent On-demand Transport reform, this new efficiency indicator replaces the no longer current indicator 'cost of regulation per taxi plate administered'.

Explanation of Significant Movements

(Notes)

1. The movement in the Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to an increase in grants and subsidies for the On-demand Transport Voluntary Taxi Plate Buy-back Scheme.

Asset Investment Program

1. The Department's Asset Investment Program for 2019-20 is \$38.3 million. Major projects include the following:

Transforming Bunbury's Waterfront - Stage 2 (Jetty Road)

- 1.1. This project will undertake upgrades to the Jetty Road causeway to provide the enabling infrastructure for installation of new boat pens for future Stages 3a and 3b. The works involve the reconstruction of the rock revetments, reconstruction of the access road including new parking bays, multi-use pathways, drainage, feature landscaping, public toilets, lighting and services upgrades. The reconstruction of the rock revetments was completed in 2018-19 with the remaining works commencing mid-2019.

On-demand Transport Business System Enhancement

- 1.2. This project will develop system enhancements necessary to support the regulatory functions expected of the Department under a fully reformed on-demand transport industry. The project will enhance and corporately align the business systems needed for the annual authorisation and oversight of on-demand transport booking and dispatch services, vehicles and drivers. Enhancements will also be undertaken to support the ongoing education, enforcement and audit of all stakeholders in the safety chain of accountability.

Maritime Facilities Program

- 1.3. This program comprises asset replacement and additional public maritime infrastructure throughout the State to meet current and future boating requirements. Significant projects planned to be undertaken in 2019-20 include continuation of improvements and asset replacement works within Two Rocks Marina, reconstruction of the Onslow (Beadon Creek) Maritime Facility rock training wall and the replacement of the damaged weir at the Bandy Creek Boat Harbour in Esperance.

Driver and Vehicle Services Reform Program

- 1.4. This program of works will modernise Driver and Vehicle Services' information systems by implementing new technology that increases the number of transactions customers can conduct without face-to-face attendance at licensing centres. This program also enhances licensing centre facilities to improve customer service.

Information and Communications Infrastructure

- 1.5. This is a program for the development and ongoing maintenance of information and communications infrastructure and applications for the Department and shared projects on behalf of the Department of Planning, Lands and Heritage. The program includes asset upgrade and replacement of data storage, networks, servers, communications hardware and corporate information systems.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Coastal Infrastructure - Transforming Bunbury's Waterfront - Stage 2 (Jetty Road).....	9,877	3,704	3,532	6,173	-	-	-
Driver and Vehicle Services - Intergovernmental Agreement on Identity Matching Services	2,612	1,352	1,352	1,260	-	-	-
On-demand Transport - Business System Enhancement....	14,300	6,820	5,330	5,540	1,940	-	-
COMPLETED WORKS							
Business Information Systems - Information and Communications Infrastructure - 2018-19 Program	5,569	5,569	5,569	-	-	-	-
Coastal Infrastructure - Maritime Facilities - 2018-19 Program	13,185	13,185	13,185	-	-	-	-
Corporate - Accommodation and Refurbishment - 2018-19 Program	771	771	771	-	-	-	-
Driver and Vehicle Services - Reform - 2018-19 Program	4,707	4,707	4,707	-	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Marine Safety							
Marine Oil Pollution Response Equipment -							
Enhancement/Replacement - 2018-19 Program	133	133	133	-	-	-	-
Navigational Aids - 2018-19 Program	505	505	505	-	-	-	-
Vessel Replacement - 2018-19 Program	420	420	420	-	-	-	-
Minor Works - 2018-19 Program	369	369	369	-	-	-	-
NEW WORKS							
Business Information Systems - Information and Communications Infrastructure							
2019-20 Program	4,000	-	-	4,000	-	-	-
2020-21 Program	3,374	-	-	-	3,374	-	-
2021-22 Program	5,215	-	-	-	-	5,215	-
2022-23 Program	6,525	-	-	-	-	-	6,525
Coastal Infrastructure - Maritime Facilities							
2019-20 Program	11,315	-	-	11,315	-	-	-
2020-21 Program	7,840	-	-	-	7,840	-	-
2021-22 Program	8,743	-	-	-	-	8,743	-
2022-23 Program	9,180	-	-	-	-	-	9,180
Corporate - Accommodation and Refurbishment							
2019-20 Program	603	-	-	603	-	-	-
2020-21 Program	592	-	-	-	592	-	-
2021-22 Program	779	-	-	-	-	779	-
2022-23 Program	818	-	-	-	-	-	818
Driver and Vehicle Services - Reform							
2019-20 Program	6,013	-	-	6,013	-	-	-
2020-21 Program	2,150	-	-	-	2,150	-	-
2021-22 Program	3,200	-	-	-	-	3,200	-
2022-23 Program	3,200	-	-	-	-	-	3,200
ServiceWA Pilot	1,710	-	-	1,425	285	-	-
Marine Safety							
Marine Oil Pollution Response Equipment - Enhancement/Replacement							
2019-20 Program	200	-	-	200	-	-	-
2020-21 Program	200	-	-	-	200	-	-
2021-22 Program	200	-	-	-	-	200	-
2022-23 Program	200	-	-	-	-	-	200
Navigational Aids							
2019-20 Program	721	-	-	721	-	-	-
2020-21 Program	854	-	-	-	854	-	-
2021-22 Program	872	-	-	-	-	872	-
2022-23 Program	912	-	-	-	-	-	912
Vessel Replacement							
2019-20 Program	580	-	-	580	-	-	-
2020-21 Program	580	-	-	-	580	-	-
2021-22 Program	580	-	-	-	-	580	-
2022-23 Program	580	-	-	-	-	-	580
Minor Works							
2019-20 Program	454	-	-	454	-	-	-
2020-21 Program	522	-	-	-	522	-	-
2021-22 Program	379	-	-	-	-	379	-
2022-23 Program	408	-	-	-	-	-	408
Total Cost of Asset Investment Program	135,947	37,535	35,873	38,284	18,337	19,968	21,823
FUNDED BY							
Capital Appropriation			20,634	20,310	16,277	19,968	21,823
Funding Included in Department of Treasury							
Administered Item			-	5,220	1,940	-	-
Internal Funds and Balances			9,232	7,185	-	-	-
Other			2,475	1,322	120	-	-
Drawdowns from Royalties for Regions Fund			3,532	4,247	-	-	-
Total Funding			35,873	38,284	18,337	19,968	21,823

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The movement in the Total Cost of Services between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to an increase in grants and subsidies for the On-demand Transport Voluntary Taxi Plate Buy-back Scheme.

Income

3. The increase in income between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to revenue from Main Roads for cycling grants to local governments.

Statement of Financial Position

4. Restricted cash is increasing over the forward estimates period as the allocation of expenditure from the Perth Parking Licensing Account is yet to be determined.

Statement of Cashflows

5. The increase in service appropriation in the 2019-20 Budget Estimate compared to the 2018-19 Estimated Actual is primarily due to the On-demand Transport Voluntary Taxi Plate Buy-back Scheme.
6. The 2019-20 Budget Estimate for capital appropriation includes funding for the expected ongoing operational costs of managing the proposed Port Hedland Marina.
7. The administered equity contribution reflects funding to be applied to the development of the business information systems required to regulate the on-demand transport industry.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	137,355	140,738	141,142	143,641	144,940	145,790	143,840
Grants and subsidies ^(c)	91,559	132,012	127,571	236,433	98,011	90,589	94,078
Supplies and services	71,154	84,043	94,463	90,352	89,410	90,531	88,330
Accommodation	26,766	28,583	28,667	17,651	17,457	17,262	17,153
Depreciation and amortisation	21,590	22,368	22,327	35,332	36,380	34,822	34,824
Finance and interest costs	-	-	-	3,300	3,486	3,121	2,714
Other expenses	29,005	28,408	30,087	28,288	33,306	38,528	42,391
TOTAL COST OF SERVICES	377,429	436,152	444,257	554,997	422,990	420,643	423,330
Income							
Sale of goods and services	24,403	27,168	27,168	28,054	30,137	32,029	33,989
Regulatory fees and fines	203,922	212,185	213,486	214,556	230,159	235,556	240,364
Grants and subsidies	19,627	10,110	10,838	13,984	28,045	28,000	26,195
Taxation	57,890	58,225	58,225	58,911	60,081	60,081	60,081
Other revenue	30,871	29,053	35,048	28,697	29,078	29,501	29,523
Total Income	336,713	336,741	344,765	344,202	377,500	385,167	390,152
NET COST OF SERVICES	40,716	99,411	99,492	210,795	45,490	35,476	33,178
INCOME FROM STATE GOVERNMENT							
Service appropriations	59,776	78,558	74,483	205,586	45,899	34,764	32,565
Resources received free of charge	1,710	1,989	1,989	1,989	1,989	1,989	1,989
Royalties for Regions Fund: Regional Community Services Fund	36,649	42,914	46,542	34,447	35,447	34,448	34,349
TOTAL INCOME FROM STATE GOVERNMENT	98,135	123,461	123,014	242,022	83,335	71,201	68,903
SURPLUS/(DEFICIENCY) FOR THE PERIOD	57,419	24,050	23,522	31,227	37,845	35,725	35,725

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 1,317, 1,382 and 1,341 respectively.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Active Traffic Management.....	2,228	2,250	2,250	2,250	2,250	2,250	2,250
Australian Maritime Safety Authority	460	250	600	240	-	-	-
Aviation (Public Air Route) Subsidies	380	1,500	500	500	1,500	500	500
Bicycle Boulevards (Safe Active Streets Program).....	3,896	3,000	3,507	3,000	3,000	3,000	-
Coastal Projects and Zone Management	757	1,057	1,057	1,057	1,057	1,057	1,057
Community Police	1,284	1,300	1,300	1,300	1,300	1,300	1,300
Country Age Pension Fuel Card Scheme.....	26,163	30,923	30,923	30,891	30,891	30,891	30,891
East Perth Multi-Modal Transport Initiatives	1,749	-	-	-	-	-	-
Emergency Vehicle Insurance.....	161	-	-	-	-	-	-
Fare Subsidies (Pensioners)	1,465	1,589	1,589	1,589	1,589	1,589	1,589
Fremantle Container Rail Subsidy.....	3,549	5,250	5,900	5,900	5,250	1,169	-
Local Projects Local Jobs.....	1,405	788	1,154	-	-	-	-
Marine Communications.....	667	670	670	670	670	670	670
Multi-purpose Taxi - Vehicle Modification Grant.....	180	345	345	345	345	345	345
National Transport Reforms	309	300	300	300	300	300	300
On-demand Transport Reform Regional Reform.....	-	390	390	-	-	-	-
Transition Assistance Package.....	2,245	-	-	-	-	-	-
Voluntary Taxi Plate Buy-back Scheme.....	-	-	-	118,320	-	-	-
Other Grants and Subsidies	867	230	230	230	210	210	210
Port of Wyndham.....	1,928	1,988	2,222	2,569	1,988	1,988	1,988
Public Transport Authority - CAT Bus Services	14,894	15,690	16,216	16,055	15,292	15,292	15,292
Recreational Boat Facilities	1,805	6,730	9,538	500	2,500	1,500	1,500
Regional Airport Development Scheme	2,059	18,966	7,584	11,622	1,935	1,935	1,935
Regional Taxi Transition Fund.....	-	-	3,100	-	-	-	-
Student Fare Concessions	1,399	1,241	1,241	1,241	1,241	1,241	1,241
Taxi User Co-Payment	2,262	1,959	1,959	1,959	1,959	1,959	1,959
Taxi User Subsidy Scheme	9,932	8,826	8,826	8,826	8,826	8,826	8,826
Western Australian Bicycle Network (including Principal Shared Path Network)	9,515	26,770	26,170	27,069	15,908	14,567	22,225
TOTAL	91,559	132,012	127,571	236,433	98,011	90,589	94,078

**STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)**

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	31,004	13,164	16,214	8,454	5,355	3,137	1,069
Restricted cash.....	78,144	93,369	100,842	151,816	191,949	232,082	272,215
Receivables.....	15,204	9,230	15,204	15,204	15,204	15,204	15,204
Other.....	5,630	6,114	5,630	5,630	5,630	5,630	5,630
Assets held for sale.....	7,757	-	7,757	7,757	7,757	7,757	7,757
Total current assets.....	137,739	121,877	145,647	188,861	225,895	263,810	301,875
NON-CURRENT ASSETS							
Holding account receivables.....	236,457	256,332	256,291	279,583	303,880	325,829	346,941
Property, plant and equipment.....	427,856	450,433	434,683	532,836	517,199	503,826	492,318
Intangibles.....	36,184	28,670	35,403	35,627	33,841	33,060	32,279
Restricted cash.....	1,025	871	1,381	1,737	2,278	2,938	3,448
Total non-current assets.....	701,522	736,306	727,758	849,783	857,198	865,653	874,986
TOTAL ASSETS.....	839,261	858,183	873,405	1,038,644	1,083,093	1,129,463	1,176,861
CURRENT LIABILITIES							
Employee provisions.....	21,366	23,580	21,722	22,078	22,434	22,790	23,146
Payables.....	19,930	20,881	19,930	19,930	19,930	19,930	19,930
Other.....	713	530	713	3,713	713	713	713
Total current liabilities.....	42,009	44,991	42,365	45,721	43,077	43,433	43,789
NON-CURRENT LIABILITIES							
Employee provisions.....	5,973	6,559	5,973	5,973	5,973	5,973	5,973
Borrowings and leases.....	-	-	-	85,879	76,910	67,231	56,725
Other.....	81	183	81	81	81	81	81
Total non-current liabilities.....	6,054	6,742	6,054	91,933	82,964	73,285	62,779
TOTAL LIABILITIES.....	48,063	51,733	48,419	137,654	126,041	116,718	106,568
EQUITY							
Contributed equity.....	499,071	510,646	509,337	554,114	572,331	592,299	614,122
Accumulated surplus/(deficit).....	290,224	293,556	313,746	344,973	382,818	418,543	454,268
Reserves.....	1,903	2,248	1,903	1,903	1,903	1,903	1,903
Total equity.....	791,198	806,450	824,986	900,990	957,052	1,012,745	1,070,293
TOTAL LIABILITIES AND EQUITY.....	839,261	858,183	873,405	1,038,644	1,083,093	1,129,463	1,176,861

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	39,901	58,683	54,649	182,294	21,602	12,815	11,453
Capital appropriation.....	18,287	17,489	20,634	35,310	16,277	19,968	21,823
Administered equity contribution.....	-	200	-	5,220	1,940	-	-
Royalties for Regions Fund:							
Regional Community Services Fund.....	36,649	42,914	46,542	34,447	35,447	34,448	34,349
Regional Infrastructure and Headworks Fund	3,488	7,779	3,532	4,247	-	-	-
Receipts paid into Consolidated Account	-	(13,900)	(13,900)	-	-	-	-
Net cash provided by State Government	98,325	113,165	111,457	261,518	75,266	67,231	67,625
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(139,353)	(140,382)	(140,786)	(143,285)	(144,584)	(145,434)	(143,484)
Grants and subsidies	(86,923)	(132,012)	(127,571)	(236,433)	(98,011)	(90,589)	(94,078)
Supplies and services.....	(71,002)	(80,698)	(91,118)	(87,112)	(86,136)	(87,242)	(85,030)
Accommodation.....	(29,159)	(28,583)	(28,667)	(17,651)	(17,457)	(17,262)	(17,153)
GST payments.....	(23,114)	(26,706)	(26,706)	(26,706)	(26,706)	(26,706)	(26,706)
Finance and interest costs.....	-	-	-	(3,300)	(3,486)	(3,121)	(2,714)
Other payments	(29,265)	(29,764)	(31,443)	(29,539)	(34,591)	(39,828)	(43,702)
Receipts ^(b)							
Regulatory fees and fines	204,061	212,185	213,486	216,256	228,459	235,556	240,364
Grants and subsidies	12,986	10,110	10,838	13,984	28,045	28,000	26,195
Sale of goods and services.....	24,430	27,168	27,168	28,054	30,137	32,029	33,989
Taxation.....	57,890	58,225	58,225	58,911	60,081	60,081	60,081
GST receipts.....	23,003	26,706	26,706	26,706	26,706	26,706	26,706
Other receipts	30,293	29,053	35,048	29,997	27,778	29,501	29,523
Net cash from operating activities	(26,153)	(74,698)	(74,820)	(170,118)	(9,765)	1,691	3,991
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(25,422)	(32,405)	(35,873)	(38,284)	(18,337)	(19,968)	(21,823)
Proceeds from sale of non-current assets	89	7,500	7,500	-	-	-	-
Net cash from investing activities	(25,333)	(24,905)	(28,373)	(38,284)	(18,337)	(19,968)	(21,823)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	-	-	-	(9,546)	(9,589)	(10,379)	(11,218)
Net cash from financing activities	-	-	-	(9,546)	(9,589)	(10,379)	(11,218)
NET INCREASE/(DECREASE) IN CASH HELD.....							
	46,839	13,562	8,264	43,570	37,575	38,575	38,575
Cash assets at the beginning of the reporting period	70,872	93,842	110,173	118,437	162,007	199,582	238,157
Net cash transferred to/from other agencies	(7,538)	-	-	-	-	-	-
Cash assets at the end of the reporting period	110,173	107,404	118,437	162,007	199,582	238,157	276,732

(a) Full audited financial statements are published in the agency's Annual Report.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Regulatory Fees and Fines							
Motor Drivers Licence Fees	59,349	66,250	66,250	69,442	70,683	69,699	67,436
Motor Vehicle Recording Fee	60,659	58,567	58,567	55,502	59,621	64,474	69,617
Motor Vehicle Plate Fees	14,240	13,509	13,509	15,106	15,303	15,504	15,707
Motor Vehicle Transfer Fees	9,784	9,816	9,816	8,963	9,074	9,187	9,301
Motor Vehicle Inspection Fees	14,179	18,707	18,707	19,630	19,926	20,376	20,836
Other Driver and Vehicle Services Fees	6,877	6,146	6,147	5,968	6,077	6,189	6,304
Boat Registration Fees	18,780	19,641	19,641	20,258	20,761	21,016	21,405
Other Marine Safety Fees	1,320	1,837	1,837	1,820	1,852	1,884	1,917
Jetty Licences and Coastal Facility Fees	12,962	13,530	14,610	16,345	18,183	18,815	19,129
On-demand Services Revenue	5,911	4,182	4,402	3,222	6,979	8,412	8,712
Grants and Subsidies							
Grants and Contributions Received	12,986	10,110	10,838	13,984	28,045	28,000	26,195
Sale of Goods and Services							
Sale of Goods and Services	24,430	27,168	27,168	28,054	30,137	32,029	33,989
Taxation							
Perth Parking Levy	57,890	58,225	58,225	58,911	60,081	60,081	60,081
GST Receipts							
GST Input Credits	15,642	18,825	18,825	18,825	18,825	18,825	18,825
GST Receipts on Sales	7,361	7,881	7,881	7,881	7,881	7,881	7,881
Other Receipts							
Rents and Leases	17,121	17,561	17,553	17,404	17,404	17,404	17,404
Service Delivery Agreement	3,849	1,967	5,688	3,357	1,967	1,967	1,967
Interest Revenue	689	296	296	296	296	296	296
Other Revenue	8,634	9,229	11,511	8,940	8,111	9,834	9,856
TOTAL	352,663	363,447	371,471	373,908	401,206	411,873	416,858

(a) The moneys received and retained are to be applied to the Department's services as specified in the Budget Statements.

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Taxation							
Motor Vehicle Licence Fees.....	894,449	911,322	945,846	980,044	1,035,523	1,109,987	1,185,953
On-demand Transport Levy	-	2,500	2,500	29,500	29,500	29,500	28,000
Fines							
Final Demand Fees.....	2,364	2,469	2,469	2,459	2,508	2,558	2,610
Other Fines	28,666	23,028	23,028	23,028	23,028	23,028	23,028
Plate and Transfer Infringements.....	8,190	8,474	8,474	8,355	8,235	8,117	8,001
Speed and Red Light Fines.....	79,837	90,114	79,256	77,793	76,330	74,868	73,405
Other							
Appropriation.....	100	100	100	100	100	100	100
Collection of Interstate Licence Fees	3,298	-	-	-	-	-	-
Off Road Vehicle Fees.....	59	60	60	106	120	133	147
TOTAL ADMINISTERED INCOME	1,016,963	1,038,067	1,061,733	1,121,385	1,175,344	1,248,291	1,321,244
EXPENSES							
Statutory Authorities							
Western Australian Coastal Shipping Commission	100	100	100	100	100	100	100
Other							
All Other Expenses	3,722	-	-	-	-	-	-
Payments to Consolidated Account.....	932,383	947,792	982,316	1,043,386	1,098,794	1,173,190	1,247,592
Payments to Off Road Vehicle Trust Account	58	61	61	106	120	133	147
Payments to Road Trauma Trust Account....	79,837	90,114	79,256	77,793	76,330	74,868	73,405
TOTAL ADMINISTERED EXPENSES	1,016,100	1,038,067	1,061,733	1,121,385	1,175,344	1,248,291	1,321,244

Division 37 Commissioner of Main Roads

Part 9 Transport

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 81 Net amount appropriated to deliver services.....	332,019	323,019	318,553	349,411	370,224	369,569	366,944
Amount Authorised by Other Statutes							
- Road Traffic Act 1974.....	565,348	659,253	654,319	748,093	775,666	830,245	774,183
- Salaries and Allowances Act 1975.....	425	425	425	425	425	425	426
Total appropriations provided to deliver services	897,792	982,697	973,297	1,097,929	1,146,315	1,200,239	1,141,553
CAPITAL							
Capital Appropriation.....	-	3,000	-	-	-	3,318	-
- Road Traffic Act 1974.....	336,556	260,253	299,027	239,451	267,357	287,243	419,271
TOTAL APPROPRIATIONS	1,234,348	1,245,950	1,272,324	1,337,380	1,413,672	1,490,800	1,560,824
EXPENSES							
Total Cost of Services	1,263,566	1,281,944	1,346,728	1,489,935	1,307,259	1,281,464	1,281,145
Net Cost of Services ^(a)	167,372	207,918	389,706	518,748	658,473	692,350	337,768
CASH ASSETS ^(b).....	534,799	366,813	330,842	174,909	228,748	273,705	321,729

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Abernethy Road Upgrade.....	-	4,000	18,000	4,500	-
Duncan and Gordon Downs Road Upgrades	-	20,000	28,800	2,200	500
Lloyd Street Extension.....	800	3,900	8,900	6,400	-
Shorehaven Boulevard.....	100	800	1,800	2,300	-
Wheatbelt Secondary Freight Routes.....	-	100	1,000	1,300	13,640
Ongoing Initiatives					
Additional Third-Party Works.....	30,705	2,500	2,500	2,500	2,500
Asset Retirements and Depreciation Update.....	35,418	1,911	(12,271)	(8,589)	(15,236)
Brearley Avenue Road Works	-	12,400	-	-	-
Collie-Preston Road Upgrades - Transfer to the Department of Biodiversity, Conservation and Attractions	(200)	(3,000)	(100)	-	-
Heavy Vehicle Operations - Revenue Revision.....	(684)	(860)	(1,100)	(1,100)	(1,100)
Heavy Vehicle Safety and Productivity Program	250	500	568	-	-
Lease Renegotiation - Great Eastern Highway Office Accommodation	(1,296)	(1,285)	(1,274)	(1,263)	(1,263)
METRONET - Bayswater Train Station Road Related Works	-	9,958	31,865	25,177	-
Motor Vehicle Licence Fee Revenue Update	-	7,155	13,705	23,622	8,508
Operational Expense - Recurrent to Capital.....	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Principal Shared Path Program Continuation	-	-	-	-	(20,000)
Western Australia Natural Disaster Relief and Recovery Arrangements Update ...	89,246	65,199	(133)	(134)	(135)

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Commonwealth Interstate Road Transport Act 1985 - Revenue Update.....	(2,300)	(2,800)	(2,800)	(2,800)	(2,800)
Commonwealth Revenue Revision (Recurrent to Capital)	-	-	(20,000)	(25,885)	-
Indexation for Non-Salary Expenses	-	-	-	-	7,094
Senior Executive Service Reduction within the Transport Portfolio	(500)	(500)	(500)	(500)	(500)
Voluntary Targeted Separation Scheme	(2,259)	(2,280)	(2,302)	(2,302)	(2,334)

Significant Issues Impacting the Agency

1. Main Roads continues to drive the strategic direction Keeping WA Moving to move beyond the traditional three to five year planning horizon. Keeping WA Moving positions Main Roads to respond in a fast-changing world. It continues to set the direction for the next 10, 20 and even 30 years into the future.
2. Continuing the strong collaboration as a Transport portfolio is vital to the work Main Roads undertakes. Main Roads has a specific focus on the considerable benefits offered by a cohesive, integrated approach to the planning, investment and delivery of the State's transport system.
3. Succession planning and changing business requirements requires constant vigilance on workforce planning and development of appropriate training programmes to upskill Main Roads employees. Both the graduate program and the route management program are examples of Main Roads providing targeted, competency-based training in various areas of the business to ensure the workforce has the right skills at the right time.
4. The number of people that are killed or seriously injured on the State's road network is a significant concern and not acceptable. Main Roads' Road Safety Management System applies Safe System principles in order to manage the interaction between the road, travel speed, the vehicle and road user to assist in addressing road trauma. Main Roads is working with the Western Australian Local Government Association to develop a Road Safety Management System model that is appropriate for local governments. Main Roads continues to work collaboratively with the Western Australia Police Force and the Road Safety Commission to reduce the level of road trauma across Western Australia.
5. Progress has been made to increase the number of Aboriginal employment and business opportunities across the civil construction industry. Recent examples include the success that has been achieved on the Wyndham Spur Road project in the Kimberley region. Main Roads is continuing to build the provision of three years of ongoing road construction opportunities to enable a pool of skilled workers to be developed in the Kimberley region. The objective is to create a skilled workforce and enable Aboriginal service businesses to support Main Roads' ongoing program of works.
6. Congested roads affect travel time, impacting on the State's economy and the wellbeing of Western Australians. The avoidable cost of Perth's congestion in 2018 was estimated to be \$1.6 billion. Main Roads has, through the new Road Network Operations Centre, incorporated the use of 'big data' to measure and monitor various road network performance indicators. This data is used to improve planning and real-time operations supporting informed decision-making. Through new technologies and smarter operations, coupled with traditional civil widening, Main Roads continues to focus on reducing the impact of congestion by optimising the existing infrastructure assets.
7. Geographic isolation and vast distances mean that Western Australia depends heavily on the efficient movement of freight. Main Roads collaborates in the development of the Westport: Port and Environs Strategy which will provide a long-range vision to guide the planning, development and growth of both the Inner and Outer Harbours. In regional areas, efficient transport networks, including access to ports, is vital to sustain and grow economic activity. As the population and economy grows, a continued focus on multi-modal solutions is required.
8. The Commonwealth Government has put in place a new determination regarding the Recovery from Disaster Events. Main Roads has worked closely with the Department of Fire and Emergency Services to not only ensure that the State's road assets (State and local government owned) are restored to pre-disaster functionality but also to ensure that the State is able to maximise its claim for Commonwealth support.
9. Main Roads continues to monitor potential transport developments such as connected and automated vehicles, electric vehicles, ride sharing and micro mobility. Collaboration at State, national and international levels is ongoing to understand the possibilities and implications on the road network and the broader integrated land transport system. Predicting when the impact of these technologies will reach critical mass is a significant issue for urban and transport planners internationally.

10. Main Roads has put in place a new five year agreement with local government, which reinforces the strong working relationship between local governments and the State. There is a recognised need for cooperation and coordination between agencies with an interest in roads. This will ensure that the most efficient and effective use can be made of the funds available for roads and that the best possible outcomes are achieved.
11. The identification of new skills and capabilities required by the road sector to meet future growth and needs is evolving with an understanding of the new technologies. Austroads has undertaken research across Australia and New Zealand; however, this work has still to be advanced at a national level.
12. Main Roads continues to support Open Data principles aligned to the Western Australian Whole of Government Open Data Policy by releasing both historical and near real-time data through the Main Roads Open Data, Maps and Apps Portal. Providing access to data sources and collaborating with industry, consultants and academia facilitates the aim of contributing to enhanced economic and social benefits. Participation in a Transport portfolio project aligned to data also ensures that access to open data is optimised.
13. Main Roads recognises that Western Australia is a biodiversity hotspot and has unique environmental values. Protecting environmental values is imbedded in Main Roads' business. The Main Roads environmental management system and environmental policy establishes objectives of environmental protection, impact minimisation, conservation of natural resources and a commitment to enhanced environmental performance. Main Roads works collaboratively with the Departments of Water and Environmental Regulation, and Biodiversity, Conservation and Attractions to ensure environmental values are protected at the same time as meeting road safety objectives.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goals	Desired Outcomes	Services
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Facilitate economic and regional development.	1. Infrastructure for State Development
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Reliable and efficient movement of people and goods.	2. Road System Management 3. Road Efficiency Improvements
	A well maintained road network.	4. Road Network Maintenance
Strong Communities: Safe communities and supported families.	A safe road environment.	5. Road Safety
	Improved community access and roadside amenity.	6. Infrastructure for Community Access

Total Cost of Services - Reconciliation to Service Summary Table

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
Total Cost of Services	1,263,566	1,281,944	1,346,728	1,489,935	1,307,259	1,281,464	1,281,145
<i>Add:</i>							
Road Infrastructure Capital Works ^(a)	1,054,044	1,332,881	1,222,169	1,265,111	806,593	852,826	1,272,309
<i>Less:</i>							
Local Government Network Expenditure							
State Road Funds to Local Government							
Agreement ^(b)	(183,917)	(181,578)	(162,264)	(216,008)	(207,104)	(221,997)	(237,190)
Major Works on Local Government							
Roads ^(c)	(94,712)	(76,000)	(44,643)	(45,342)	(37,193)	(2,000)	-
Disaster Recovery on Local Government							
Roads ^(d)	(142,609)	(42,000)	(150,977)	(109,580)	(44,250)	(44,250)	(44,250)
Non-cash Expenditure							
Road Infrastructure Depreciation ^(e)	(350,909)	(378,871)	(375,766)	(406,886)	(427,416)	(426,570)	(423,831)
Road Transfers and Retirements ^(f)	(54,199)	(58,647)	(97,170)	(83,733)	(8,850)	(13,387)	(9,482)
Adjusted Total Cost of Services	1,491,264	1,877,729	1,738,077	1,893,497	1,389,039	1,426,086	1,838,701

- (a) Road Infrastructure Capital Works reflects road works expenditure capitalised to infrastructure which is not reflected in the Income Statement in accordance with Australian Accounting Standard AASB 1055.
- (b) A new State Road Funds to Local Government Agreement was signed in October 2018. This Agreement will run until the end of 2022-23.
- (c) The Major Works on Local Government Roads include works on the Mandurah Traffic Bridge, Nicholson Road Grade Separation, Stephenson Avenue, Broome-Cape Leveque and Outback Way.
- (d) Natural Disaster Expenditure on Local Government Roads estimates reflect a base notional allocation, which is updated when actual natural disaster event expenditure is recouped.
- (e) Road Infrastructure Depreciation includes amortisation of intangibles.
- (f) Road Transfers and Retirements reflect retired non-current fixed assets expense and expenditure related to non-current fixed assets transferred to local authorities, both of which are non-cash transactions.

Service Summary

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Infrastructure for State Development.....	458,406	505,295	446,304	459,282	277,593	407,621	476,531
2. Road System Management.....	144,460	144,596	151,895	144,816	139,197	148,058	153,386
3. Road Efficiency Improvements.....	268,594	542,003	472,226	584,344	337,882	243,398	558,702
4. Road Network Maintenance.....	411,096	440,460	433,569	413,887	390,817	392,698	394,560
5. Road Safety.....	182,015	211,608	202,253	191,659	169,421	160,159	154,466
6. Infrastructure for Community Access.....	26,693	33,767	31,830	99,509	74,129	74,152	101,056
Adjusted Total Cost of Services	1,491,264	1,877,729	1,738,077	1,893,497	1,389,039	1,426,086	1,838,701

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Facilitate economic and regional development:					
Return on construction expenditure.....	3.3	3.8	4	4	
Outcome: Reliable and efficient movement of people and goods:					
Community satisfaction	88%	90%	90%	90%	
Road network permitted for use by heavy freight vehicles					
B-Doubles 27.5m	97%	97%	97%	97%	
Double road trains 27.5m	97%	97%	97%	97%	
Double road trains 36.5m	80%	80%	80%	80%	
Triple road trains 53.5m	45%	45%	45%	45%	
Network configuration - roads.....	92%	90%	92%	90%	
Network configuration - bridges.....					
Strength	94%	93%	93%	93%	
Width	96%	96%	96%	96%	
Outcome: A well maintained road network:					
Smooth travel exposure.....	n/a	97%	97%	n/a	1
Community satisfaction with road maintenance	82%	90%	90%	90%	
Preventative maintenance indicator	84%	85%	84%	85%	
Outcome: A safe road environment:					
Community satisfaction with road safety	88%	90%	90%	90%	
Blackspot location indicator	7.92	7.66	7.4	6.81	
Outcome: Improved community access and roadside amenity:					
Percentage of the year that 100% of the Main Roads' State road network is available	87%	95%	91%	95%	
Community satisfaction with cycleways and pedestrian facilities	89%	90%	90%	90%	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

Explanation of Significant Movements

(Notes)

1. This indicator is based on the percentage of travel undertaken on the State road network meeting specific roughness criteria. In 2011, it was agreed to only capture data used for this reporting on a biennial basis. The period 2019-20 is a non-reporting period; the next result will be reported in 2020-21.

Services and Key Efficiency Indicators

1. Infrastructure for State Development

The objective of this service is to expand the road network in accordance with Government transport and land use strategies that will facilitate the economic and regional development of the State. These works are mostly aimed at increasing the capacity of the road network through the addition of new links, which include town bypasses.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 458,406	\$'000 505,295	\$'000 446,304	\$'000 459,282	1
Less Income	585,085	426,392	357,401	365,076	2
Net Cost of Service	(126,679)	78,903	88,903	94,206	
Employees (Full-Time Equivalents)	117	115	118	118	
Efficiency Indicators					
Percentage of projects completed on time	75%	90%	80%	90%	
Percentage of projects completed on budget	100%	90%	90%	90%	

Explanation of Significant Movements

(Notes)

- The reduction in the Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimate Actual is due mainly to lower expenditure on the Great Northern Highway - Muchea to Wubin works than previously forecast.
- Income is mainly from Commonwealth funding provided from National Partnership Agreements. In 2017-18, income is above the Total Cost of Service due mainly to the Commonwealth GST equalisation payment made to Western Australia where funds were received ahead of works' expenditure.

2. Road System Management

The objective of this service is to optimise real-time management of the network, provide traveller information and support delivery of projects. Works include activities of the traffic operation centre, heavy vehicle operation activities, metropolitan and regional road asset management, road user and customer services, emergency telephones, street lighting, intelligent transport systems, traffic signals and road advisory services to the community.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 144,460	\$'000 144,596	\$'000 151,895	\$'000 144,816	
Less Income	21,055	12,878	16,610	10,955	
Net Cost of Service	123,405	131,718	135,285	133,861	
Employees (Full-Time Equivalents)	581	568	586	585	
Efficiency Indicators					
Average cost of network management per million vehicle kilometres travelled	\$5,388	\$5,540	\$6,116	\$5,983	

3. Road Efficiency Improvements

The objective of this service is to improve the efficiency, capacity and utilisation of the existing road network. Improvements include providing a road of improved standard through geometric improvements, road widening, bridge strengthening and intersection improvements including roundabouts and interchanges.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 268,594	\$'000 542,003	\$'000 472,226	\$'000 584,344	1,2,3
Less Income	122,744	331,318	201,246	244,261	4
Net Cost of Service	145,850	210,685	270,980	340,083	
Employees (Full-Time Equivalents)	95	93	97	97	
Efficiency Indicators					
Percentage of projects completed on time	83%	90%	80%	90%	
Percentage of projects completed on budget	100%	90%	90%	90%	

Explanation of Significant Movements

(Notes)

- The increase in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is due mainly to increased expenditure on projects including Armadale Road (Anstey Road to Tapper Road), Great Northern Highway (Wyndham Spur and Maggie's Jump Up), Mitchell Freeway (Burns Beach Road to Hester Avenue) and Transforming Freeways (Roe Highway to Narrows Bridge).
- The reduction in the Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is due to lower expenditure for a number of projects than previously forecast. These included Mitchell Freeway (Hutton Street to Cedric Street), Great Northern Highway (New Norcia Bypass), Bunbury Outer Ring Road and Reid Highway (Altone Road to West Swan Road).
- The increase in the Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget is due mainly to increased expenditure on projects including Leach Highway (Carrington Street to Stirling Highway) and Reid Highway (Altone Road to West Swan Road).
- The movement in Income is due mainly to Commonwealth funding provided under National Partnership Agreements for individual projects. The funding is recovered on the basis of milestone achievements.

4. Road Network Maintenance

The objective of this service is to maintain the existing road and bridge network by maximising asset life and minimising whole of life costs. Works include routine maintenance (crack patching, patching of potholes, control of declared plants and weeds, graffiti removal and litter collections), periodic maintenance (repairs to pavements, culverts and bridge decks, sealing and resealing of road surfaces and replacing line markings), rehabilitation works where the primary reason for the works is due to pavement failure and managing and administering various Integrated Service Arrangements.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 411,096	\$'000 440,460	\$'000 433,569	\$'000 413,887	1
Less Income	119,104	71,454	99,192	86,282	2
Net Cost of Service	291,992	369,006	334,377	327,605	
Employees (Full-Time Equivalents)	146	144	148	148	
Efficiency Indicators					
Average cost of road network maintenance per lane kilometre of network	\$9,129	\$6,800	\$7,836	\$7,950	

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is due mainly to works on the South Coast Highway, Indian Ocean Drive and minor works undertaken on behalf of third parties, while the reduction to the 2019-20 Budget is due to completion of these works.
2. Income for Road Network Maintenance reflects Commonwealth maintenance funding and third-party contributions for works undertaken by Main Roads.

5. Road Safety

The objective of this service is to reduce the road fatality rate to be the lowest in Australia, minimise road factors contributing to road trauma and reduce the serious crash injury rate. Works undertaken have safety as the foremost factor and include the State and national Black Spot programs and various projects that improve safety on the existing road network including passing lanes.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 182,015	\$'000 211,608	\$'000 202,253	\$'000 191,659	1
Less Income	80,031	97,943	89,473	102,891	
Net Cost of Service	101,984	113,665	112,780	88,768	
Employees (Full-Time Equivalents)	52	50	53	53	
Efficiency Indicators					
Percentage of projects completed on time	89%	90%	88%	90%	
Percentage of projects completed on budget	92%	90%	100%	90%	

Explanation of Significant Movements

(Notes)

1. The minor increase in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is due mainly to an increase in expenditure within the Regional Road Safety Program.

6. Infrastructure for Community Access

The objective of this service is to provide infrastructure that will improve personal mobility and community access, including increasing the quality of access where appropriate, providing levels of access commensurate with community expectations and meeting minimal levels of appropriate access. Works include providing access to remote communities, pedestrian facilities, cyclist facilities, vulnerable road users' facilities, road user amenities, public transport integration and improvements such as new bridges to address flood closures.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 26,693	\$'000 33,767	\$'000 31,830	\$'000 99,509	1
Less Income	15,835	6,525	11,544	52,142	
Net Cost of Service	10,858	27,242	20,286	47,367	
Employees (Full-Time Equivalents)	28	28	29	29	
Efficiency Indicators					
Percentage of projects completed on time	64%	90%	75%	90%	
Percentage of projects completed on budget	100%	90%	100%	90%	

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget is due mainly to additional road works to be undertaken that are associated with the METRONET program of works.

Asset Investment Program

1. Investment in the road network to enhance and expand the existing asset is crucial for Main Roads to deliver services that benefit the community and respond to current and future levels of demand. An integrated transport network makes provision for freight, commercial, public transport services and passenger vehicles as well as providing mobility access and active transport options for cyclists and pedestrians. Main Roads actively works within the Transport portfolio to coordinate and collaborate to deliver multi-modal transport solutions that support a progressive and developing State.

Tonkin Highway Corridor Upgrade

2. The works will include the extension of Stage 3, Thomas Road to South Western Highway, which incorporates the construction of a 14 km four-lane extension of Tonkin Highway from Thomas Road to South Western Highway south of Mundijong Road. The preferred option is at-grade intersections at Thomas Road, Orton Road, Mundijong Road and South Western Highway, and a grade-separated interchange at Bishop Road to allow for continued rail operation of the Perth to Bunbury Rail Line. The project will cater for the safe movement of regional traffic, particularly heavy vehicles, by providing a purpose-built route connecting Tonkin Highway with South Western Highway. This will maintain and enhance community amenity in Mundijong and Byford by deviating traffic away from the urban areas. It will also reduce congestion by reducing the volume of regional traffic on the existing road network and accommodate demand from increased population and economic activity in the region.
3. The upgrade works will also include the widening between Guildford Road to Great Eastern Highway, commonly referred to as the Tonkin Gap. This will also provide the initial accommodation works for construction of the METRONET Morley-Ellenbrook Line and the construction of collector-distributor roads between Collier Road and Great Eastern Highway. It will widen the existing bridges over Railway Parade, Guildford Road and Dunstone Road; provide modifications to Great Eastern Highway Interchange; and new reconfiguration and widening of the existing Redcliffe Bridge. The works will also include the construction of a new footbridge over Railway Parade and Guildford Road.
4. The third component of the Tonkin Highway corridor works will be the construction of grade separations at Hale Road, Welshpool Road and Kelvin Road. The works will cater for projected traffic volumes up to 2031 and be suitable to convert to All Lane Running after 2031 to, effectively, create a fourth traffic lane in each direction on Tonkin Highway.

Mitchell Freeway Extension, Hester Avenue to Romeo Road

5. This 5.6 km extension of the Mitchell Freeway includes north on and south off-ramps at the Hester Avenue interchange; an interchange at Lukin Drive; construction of a rail tunnel for the rail line to exit the freeway medium at Butler and freeway terminus at Romeo Road, with northbound off-ramp and southbound on-ramp. The project also includes the construction of Romeo Road from Marmion Avenue to Wanneroo Road and principal shared paths on the western side of the freeway and along Romeo Road. The project will provide improvements to current congestion levels and significantly improve connectivity via a major increase in the capacity of the regional transport network. The project will also support economic development within the North West corridor of the metropolitan area, particularly the Alkimos and Yancheep centres, by alleviating existing and future capacity pressures on the existing road network and transferring traffic to a safer and more efficient freeway environment.

Roe Highway, Great Eastern Highway Bypass, Grade-Separated Interchange (including Abernethy Road)

6. This project will construct a grade-separated interchange at the intersection of Roe Highway and Great Eastern Highway Bypass and incorporate a grade-separated interchange at Abernethy Road with Great Eastern Highway Bypass. Grant funding has also been provided to construct Lloyd Street to Great Eastern Highway Bypass and upgrade Abernethy Road. The project will reduce congestion and delays, and improve safety for traffic travelling to and from the Hazelmere/Forrestfield area. It will reduce impediments to productivity growth by ensuring existing infrastructure is optimised and connects the community to jobs and goods to markets, unlocking further opportunities for economic development.

Leach Highway, Welshpool Road Grade Separation

7. The project will construct an interchange with a bridge carrying Leach Highway over Welshpool Road, including duplication of the Leach Highway bridge over rail south of the interchange. This project will provide more capacity for traffic movements at the intersection, reduce congestion and improve safety. With reduced stop/start travel, there will be a reduction in noise and air pollution, travel time savings, reduced vehicle operating costs and fewer vehicle collisions.

Great Northern Highway - Construct New Alignment (Bindoon Bypass)

8. The Bindoon Western Bypass will provide a two-lane highway of a comparable standard to the upgrade works that are underway on the Great Northern Highway between Muchea to Wubin. The works include a 10 metre wide sealed bypass 45.6 km in length to the west of Bindoon, with connections to existing roads and overtaking lanes. This project seeks to provide enhanced freight transport from Perth to the North West of the State by removing constraints associated with heavy vehicles travelling through the Bindoon town site and down Bindoon Hill. This project will remove the final restriction to enabling access by triple road trains (53.5 metre vehicles) to travel within 58 km of Perth (at Muchea) linking with the NorthLink project.

Queen Victoria Street - Swan River Crossing (Fremantle Road and Rail Bridge)

9. This project will include the construction of a 257 metre long, four-lane (two each way) concrete road bridge with a three-track rail bridge (two passenger tracks, one freight track). It will provide for the safe passage of vehicles, cyclists and pedestrians across the bridge and vessels under the bridge. The project will also improve freight rail access by removing the passenger rail conflict and improve the productivity of the Port of Fremantle's inner harbour through improved landside port access.

Albany Ring Road

10. The Albany Ring Road extends from Albany Highway to Princess Royal Drive and includes construction of 10 km of new carriageway. The project will improve access to Albany Port and remove the conflict between heavy vehicles servicing the Port and general commuter and tourism traffic. The project will support the ongoing development and growth of Albany and provide a sustainable transport route to the international export facility at Albany Port.

Bunbury Outer Ring Road (BORR)

11. This project will involve the completion of the northern connection to Forrest Highway and southern connection to Bussell Highway. Stages 2 and 3 of the BORR will link the four major highways radiating from Bunbury on the outer edge of the city's development to the planned Bunbury Port Access Road and will also provide an effective bypass of Bunbury for inter-regional traffic. Construction of the BORR will provide more efficient freight access to the Port of Bunbury, reduce congestion, improve travel times and road safety on the local road network and strengthen Bunbury's position as a regional industrial hub and tourist destination for the South West region.

Karratha to Tom Price Road

12. This project will complete the construction and sealing of the remaining 155 km of road connecting the communities of Karratha and Tom Price. Outcomes of the project will include improved access to mining, tourism, pastoral land, and local access for nearby Aboriginal communities. Completion of these final two stages (Stages 3 and 4) will reduce the journey between the two towns by approximately 56 km and result in travel time savings of around two hours. Safety will be improved through geometric and surface improvements and result in fewer road closures due to wet weather events.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Armadale Road - Anstey Road to Tapper Road	145,000	96,346	53,918	41,457	6,247	650	300
Aubin Grove Train Station Precinct	28,426	28,332	176	94	-	-	-
Capitalisation of Reseal Program	562,622	276,886	66,906	68,050	70,430	72,540	74,716
Charles Street Bus Bridge	31,626	31,243	158	100	100	100	83
Coolgardie - Esperance Highway - Esperance Port Access	117,346	116,596	661	500	250	-	-
Dampier Highway - Balmoral Road to Burrup Peninsula Road (Stages 2-6) - Construct Second Carriageway	108,488	108,203	164	100	100	85	-
Department of Transport - Principal Shared Path Program	84,899	19,830	19,830	17,529	13,408	12,067	22,065
Election Commitments							
Albany Ring Road	175,000	1,007	592	993	50,000	62,000	50,000
Armadale Road Bridge - North Lake Road Flyover	237,000	63,081	60,509	81,082	80,758	9,262	2,817
Bunbury Outer Ring Road - Stages 2 and 3	852,000	8,044	4,864	30,750	27,500	42,000	241,830
Coolgardie-Esperance Highway - Widening, Overlay and Reconstruction	40,000	16	-	10,000	25,000	4,984	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Great Eastern Highway - Anzac Drive to Gatacre Drive -							
Dualling	14,000	9,600	9,110	4,400	-	-	-
Karratha-Tom Price Road - Stages 3 and 4	310,000	7,463	7,000	46,877	8,000	22,000	22,000
Leach Highway - Carrington Street to Stirling Highway	118,000	5,700	5,464	57,300	55,000	-	-
Reid Highway - Altone Road to West Swan Road - Construction of Dual Carriageway	70,000	17,000	14,297	53,000	-	-	-
Roe Highway - Kalamunda Road - Grade-Separated Interchange	86,000	13,279	11,172	51,308	21,413	-	-
South Highway - Upgrade between Albany and Jerramungup - Stage 1	30,000	11,000	10,804	19,000	-	-	-
Wanneroo Road Joondalup Drive - Grade-Separated Interchange	50,000	21,643	17,877	25,914	2,443	-	-
Ocean Reef Road Grade Separation	64,800	36,747	21,000	26,228	1,825	-	-
Gibb River Road - Derby - Gibb River - Wyndham - Improve Formation and Gravel	105,727	71,123	8,962	8,240	8,530	8,785	9,049
Great Eastern Highway - Walgoolan to Coolgardie - Upgrade and Widening	32,486	32,133	174	353	-	-	-
Great Northern Highway Muehea to Wubin Stage 2	347,241	274,098	76,714	67,217	5,926	-	-
Newman to Katherine Corridor - Broome to Kununurra Upgrade Stage 1	87,500	110	110	1,750	3,225	4,400	14,655
Karel Avenue - Farrington Road to Berrigan Drive - Construct Dual Carriageway	15,000	8,088	6,393	6,632	175	105	-
Kwinana Freeway Access to Murdoch Activity Centre	112,500	100,186	54,000	12,314	-	-	-
Manning Road - On-ramp Construction	35,000	18,295	2,477	15,250	1,455	-	-
Russell Road to Roe Highway - Widening Northbound Lanes	49,000	19,566	17,000	29,084	350	-	-
Transforming Freeways - Roe Highway to Narrows Bridge - Smart Freeways	47,000	22,232	20,844	12,621	12,147	-	-
Mitchell Freeway Burns Beach Road to Hester Avenue	216,488	210,591	8,508	5,300	297	300	-
Cedric Street to Vincent Street - Southbound Widening	40,000	30,500	28,519	9,500	-	-	-
Hutton Street to Cedric Street - Northbound Widening	15,000	2,000	2,000	13,000	-	-	-
National Highway Upgrade Program	40,441	33,698	1,722	6,743	-	-	-
North West Coastal Highway - Minilya to Barradale	106,115	103,849	14	63	25	2,178	-
Northern Australia Roads and Beef Road Programs - Great Northern Highway Ord River - Halls Creek to Warmun	58,898	10,195	9,898	36,912	11,191	600	-
NorthLink WA Section 1 - Tonkin Highway Grade Separations	231,200	203,606	11,902	23,780	3,400	414	-
Sections 2 and 3 - Swan Valley Bypass	787,700	701,360	260,102	82,618	2,722	1,000	-
Onslow Road - Post Construction Upgrade	67,480	44,162	18,895	23,318	-	-	-
Regional Road Safety Program	55,250	34,586	22,062	20,664	-	-	-
Road Safety Commission LED School Zone Lights	59,935	43,935	4,000	4,000	4,000	4,000	4,000
Metropolitan Intersections Crash Program	67,066	46,925	4,300	3,841	6,650	6,650	3,000
Run-Off Road Crashes Road Improvements	230,049	163,668	25,318	17,581	16,900	16,900	15,000
Rural Intersection Advanced Warning Signs	1,180	100	100	1,000	20	60	-
Safety Review - Indian Ocean Drive	23,000	13,000	12,307	10,000	-	-	-
Wheatbelt Safety Review Program - Great Eastern Highway and Great Southern Highway	23,470	13,050	6,800	10,420	-	-	-
Roe Highway - Tonkin Highway to Welshpool Road, Upgrade	41,000	40,550	1,096	250	200	-	-
Safer Roads and Bridges Program	423,228	262,341	29,412	42,655	38,250	39,400	40,582
South Western Highway - Donnybrook to Greenbushes	23,692	18,392	5,104	5,150	150	-	-
COMPLETED WORKS							
Bridges Renewal Program							
Ashton Avenue - Bridge 903	11,000	11,000	4,163	-	-	-	-
Coalling Brook - Bridge 24 and Williams River - Bridge 25	12,000	12,000	10,498	-	-	-	-
Building and Equipment - 2018-19 Program	26,250	26,250	26,250	-	-	-	-
Bussell Highway							
Margaret River Perimeter Road	47,583	47,583	3,208	-	-	-	-
Vasse to Newtown	21,211	21,211	562	-	-	-	-
Capitalised Operational Costs - 2018-19 Program	81,295	81,295	81,295	-	-	-	-
Election Commitment - Wanneroo Road Duplication							
Stage 3 - Joondalup Drive to Flynn Drive	31,000	31,000	12,286	-	-	-	-
Great Eastern Highway - Bilgoman Road to Mundaring	34,600	34,600	14,419	-	-	-	-
Great Northern Highway - Muehea to Wubin, Bindi Bindi Curves	40,000	40,000	993	-	-	-	-
Kwinana Freeway - Roe Highway to Russell Road - Widening Southbound	54,564	54,564	2,697	-	-	-	-
Minor Works (includes Black Spot and Urgent Minor Works) - 2018-19 Program	20,056	20,056	20,056	-	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Mitchell Freeway - Hepburn Avenue to Hodges Drive.....	23,703	23,703	624	-	-	-	-
New Lord Street - Reid Highway to Gnangara Road Duplication.....	49,000	49,000	14,197	-	-	-	-
Northern Australia Roads and Beef Roads Programs Great Northern Highway							
Bow River Bridge Replacement.....	23,242	23,242	16,049	-	-	-	-
Wyndham Spur and Maggie's Jump Up.....	48,140	48,140	33,561	-	-	-	-
Marble Bar Road - Coongan Gorge Realignment.....	34,480	34,480	31,615	-	-	-	-
Perth - Bunbury Highway - Bunbury Port Access Road Stage Two - Construct and Seal Including Bridges.....	39,272	39,272	219	-	-	-	-
Queen Victoria Street - Fremantle Traffic Bridge Replacement - Planning, Design and Maintenance Works....	20,429	20,429	196	-	-	-	-
Road Safety Commission - Toodyay Road Improvements.....	20,600	20,600	1,280	-	-	-	-
Wheatbelt Safety Review Program.....	7,208	7,208	4,766	-	-	-	-
NEW WORKS							
Buildings and Equipment							
2019-20 Program.....	18,963	-	-	18,963	-	-	-
2020-21 Program.....	19,625	-	-	-	19,625	-	-
2021-22 Program.....	20,215	-	-	-	-	20,215	-
2022-23 Program.....	20,821	-	-	-	-	-	20,821
Capitalised Operational Costs							
2019-20 Program.....	79,062	-	-	79,062	-	-	-
2020-21 Program.....	83,283	-	-	-	83,283	-	-
2021-22 Program.....	85,668	-	-	-	-	85,668	-
2022-23 Program.....	88,088	-	-	-	-	-	88,088
Great Eastern Highway Upgrade Program Stage 1 - Walgoolan Southern Cross Section.....	18,000	-	-	18,000	-	-	-
Great Northern Highway - Bindoon Bypass - Construct New Alignment.....	275,000	-	-	-	2,500	7,500	79,500
Leach Highway and Welshpool Road Grade Separated Interchange.....	93,000	-	-	-	-	23,000	50,000
Minor Works (includes Black Spot and Urgent Minor Works)							
2019-20 Program.....	41,882	-	-	41,882	-	-	-
2020-21 Program.....	51,759	-	-	-	51,759	-	-
2021-22 Program.....	29,712	-	-	-	-	29,712	-
2022-23 Program.....	23,254	-	-	-	-	-	23,254
Mitchell Freeway - Extension - Hester Avenue to Romeo Road.....	215,000	-	-	4,000	30,000	110,000	65,500
Pinjarra Heavy Haulage Deviation - Stage 1.....	27,500	-	-	100	100	11,400	13,500
Provision for Road Projects Under Development - METRONET-related Road Projects Under Development.....	209,145	-	-	60,166	8,359	46,131	94,489
Queen Victoria Street - Swan River Crossings (Fremantle Road and Rail Bridge) - Combined Road and Rail Solution.....	230,000	-	-	4,000	10,000	14,000	50,000
Roe Highway - Great Eastern Highway Bypass Including Abernethy Road.....	180,000	-	-	-	4,000	10,000	15,000
Smart Freeways -Transforming Freeways - Kwinana Freeway Corridor.....	100,000	-	-	-	-	4,000	10,000
Thomas Road and Nicholson Road Oakford.....	20,000	-	-	1,000	4,000	7,000	7,000
Tonkin Highway Corridor Upgrades - Tonkin Highway Gap; Grade Separations at Hale, Welshpool and Kelvin Roads; and Stage 3 Extension.....	1,161,000	-	-	33,000	114,880	173,720	255,060
Total Cost of Asset Investment Program	10,204,463	4,039,988	1,222,169	1,265,111	806,593	852,826	1,272,309
FUNDED BY							
Capital Appropriation.....			299,027	239,451	267,357	290,561	419,271
Commonwealth Grants.....			513,760	467,416	359,874	377,145	719,420
Drawdowns from the Holding Account.....			38,936	31,065	-	-	-
Internal Funds and Balances.....			180,179	377,340	121,282	120,751	55,843
Other.....			143,656	119,195	37,080	41,385	48,775
Drawdowns from Royalties for Regions Fund.....			46,611	30,644	21,000	22,984	29,000
Total Funding.....			1,222,169	1,265,111	806,593	852,826	1,272,309

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. Total Cost of Services as per the Income Statement differs from the adjusted Total Cost of Services as per the Service Summary Table. The latter includes capitalised road works expenditure and excludes several expense groupings, including road infrastructure depreciation, State road funds provided for significant works on local government roads, natural disaster funding applied to local roads, road transfers to local governments and road retirements. These expense groupings have been excluded to provide a clearer picture of the cost of works undertaken on the State roads network.

Income

3. The movement between years in the sale of goods and services is due mainly to changes in the level of works to be carried out on behalf of third parties (local governments, principal shared paths and works for other agencies).
4. The majority of grants and subsidies income comes from the Commonwealth Government and fluctuates according to its contribution to the Asset Investment Program in each particular year. Whilst the works may be capital in nature, the grants are shown as receipts in the Income Statement.
5. Other revenue includes road assets transferred to the State from third parties, including local governments.

Statement of Financial Position

6. Restricted cash includes funding that is currently unallocated; however, is set aside for METRONET road-related works. 2018-19 and 2019-20 also includes the last of the GST equalisation payments received for road works.
7. Current receivables in the 2018-19 Estimated Actual are well above the long-term average due mainly to payments made to local governments under the Western Australian Natural Disaster Relief and Recovery Arrangements.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	74,174	75,223	67,505	68,283	68,966	69,517	70,255
Grants and subsidies ^(c)	271,178	237,411	288,517	267,781	250,552	235,877	222,400
Supplies and services	477,013	515,067	491,341	627,139	515,214	499,916	518,571
Accommodation	17,652	21,155	19,859	17,612	17,804	17,804	18,088
Depreciation and amortisation	350,909	378,871	375,766	406,886	427,416	426,570	423,831
Finance and interest costs	-	-	-	932	888	824	737
Other expenses	72,640	54,217	103,740	101,302	26,419	30,956	27,263
TOTAL COST OF SERVICES	1,263,566	1,281,944	1,346,728	1,489,935	1,307,259	1,281,464	1,281,145
Income							
Sale of goods and services	119,311	65,245	96,224	77,202	42,523	41,182	50,980
Grants and subsidies	949,848	952,248	816,102	879,868	592,146	533,815	878,280
Other revenue	27,035	56,533	44,696	14,117	14,117	14,117	14,117
Total Income	1,096,194	1,074,026	957,022	971,187	648,786	589,114	943,377
NET COST OF SERVICES	167,372	207,918	389,706	518,748	658,473	692,350	337,768
INCOME FROM STATE GOVERNMENT							
Service appropriations	897,792	982,697	973,297	1,097,929	1,146,315	1,200,239	1,141,553
Resources received free of charge	1,672	2,700	2,700	2,700	2,700	2,700	2,700
Royalties for Regions Fund:							
Regional Community Services Fund	6,128	29,913	8,890	32,936	20,896	2,795	295
Regional Infrastructure and Headworks Fund	-	12,600	6,936	11,414	6,250	2,200	-
TOTAL INCOME FROM STATE GOVERNMENT	905,592	1,027,910	991,823	1,144,979	1,176,161	1,207,934	1,144,548
SURPLUS/(DEFICIENCY) FOR THE PERIOD	738,220	819,992	602,117	626,231	517,688	515,584	806,780

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 1,019, 1,031 and 1,030 respectively.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Aglime Route	-	8,000	6,836	3,164	-	-	-
Bayswater Station	-	-	-	9,958	31,865	25,177	-
Bridges Renewal Program Round Three	2,304	4,147	4,147	-	-	-	-
Department of Transport Cycling Grants	-	3,000	3,000	3,000	5,340	5,340	5,340
Election Commitments	3,500	18,500	18,000	-	-	-	-
Heavy Vehicle Safety and Productivity Program - Round Six	-	-	3,000	3,032	-	-	-
Local Government Commodity Freight Routes...	-	10,000	-	10,000	-	-	-
Local Road Grants and Subsidies	98,251	114,048	106,442	122,697	119,847	111,560	107,920
Other	1,860	500	500	500	500	500	500
Principal Shared Paths	-	-	-	-	10,000	10,000	20,000
Road Assets Transferred	-	24,216	13,216	-	-	-	-
Stephenson Avenue Extension	560	13,000	2,000	8,000	40,000	40,000	33,000
Western Australia Natural Disaster Relief and Recovery Arrangements Funding Applied to Local Government Roads Network	164,703	42,000	131,376	107,330	42,000	42,000	42,000
Wheatbelt Secondary Freight Routes	-	-	-	100	1,000	1,300	13,640
TOTAL	271,178	237,411	288,517	267,781	250,552	235,877	222,400

**STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)**

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	283,740	272,273	181,164	106,236	116,231	86,562	111,313
Restricted cash.....	251,059	94,540	149,678	68,673	112,517	187,143	210,416
Holding account receivables.....	38,936	45,767	31,065	-	-	-	-
Receivables.....	105,600	73,788	200,771	54,517	46,311	45,605	44,899
Other.....	24,870	33,241	24,870	24,870	24,870	24,870	24,870
Assets held for sale.....	11,621	1,579	11,621	11,621	11,621	11,621	11,621
Total current assets.....	715,826	521,188	599,169	265,917	311,550	355,801	403,119
NON-CURRENT ASSETS							
Holding account receivables.....	2,502,858	2,780,110	2,790,346	3,139,757	3,509,981	3,879,550	4,246,494
Property, plant and equipment.....	44,146,680	46,831,075	45,619,279	47,193,462	48,369,543	49,570,148	51,107,261
Receivables.....	238	1,147	238	238	238	238	238
Intangibles.....	14,826	9,147	12,906	10,816	9,112	7,664	6,397
Other.....	88,120	16,446	5,775	5,775	5,775	5,775	5,775
Total non-current assets.....	46,752,722	49,637,925	48,428,544	50,350,048	51,894,649	53,463,375	55,366,165
TOTAL ASSETS.....	47,468,548	50,159,113	49,027,713	50,615,965	52,206,199	53,819,176	55,769,284
CURRENT LIABILITIES							
Employee provisions.....	34,134	32,717	34,134	34,134	34,134	34,134	34,134
Payables.....	11,982	12,464	13,035	14,088	15,141	16,194	17,247
Other.....	302,321	277,405	304,156	325,191	308,626	309,661	311,496
Total current liabilities.....	348,437	322,586	351,325	373,413	357,901	359,989	362,877
NON-CURRENT LIABILITIES							
Employee provisions.....	4,867	4,986	4,867	4,867	4,867	4,867	4,867
Borrowings and leases.....	-	-	-	19,479	17,387	15,675	12,856
Other.....	58	48	58	58	58	58	58
Total non-current liabilities.....	4,925	5,034	4,925	24,404	22,312	20,600	17,781
TOTAL LIABILITIES.....	353,362	327,620	356,250	397,817	380,213	380,589	380,658
EQUITY							
Contributed equity.....	5,052,391	5,364,319	5,398,285	5,668,380	5,956,737	6,270,282	6,718,553
Accumulated surplus/(deficit).....	14,426,502	15,087,799	15,028,619	15,531,250	16,048,938	16,564,522	17,371,302
Reserves.....	27,636,300	29,379,381	28,244,566	29,018,525	29,820,318	30,603,790	31,298,778
Other.....	(7)	(6)	(7)	(7)	(7)	(7)	(7)
Total equity.....	47,115,186	49,831,493	48,671,463	50,218,148	51,825,986	53,438,587	55,388,626
TOTAL LIABILITIES AND EQUITY.....	47,468,548	50,159,113	49,027,713	50,615,965	52,206,199	53,819,176	55,769,284

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	568,932	659,678	654,744	748,518	776,091	830,670	774,609
Capital appropriation	336,556	263,253	299,027	239,451	267,357	290,561	419,271
Holding account drawdowns	32,300	38,936	38,936	31,065	-	-	-
Royalties for Regions Fund:							
Regional Community Services Fund	3,095	29,913	8,890	32,936	20,896	2,795	295
Regional Infrastructure and Headworks Fund	135,155	70,297	53,547	42,058	27,250	25,184	29,000
Net cash provided by State Government	1,076,038	1,062,077	1,055,144	1,094,028	1,091,594	1,149,210	1,223,175
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(73,667)	(75,223)	(67,505)	(68,283)	(68,966)	(69,517)	(70,255)
Grants and subsidies	(251,228)	(213,195)	(275,301)	(267,781)	(250,552)	(235,877)	(222,400)
Supplies and services	(486,085)	(508,948)	(483,926)	(619,735)	(507,821)	(492,534)	(511,189)
Accommodation	(18,275)	(21,155)	(21,155)	(21,612)	(21,804)	(21,804)	(22,088)
GST payments	(149,346)	(147,054)	(147,054)	(147,054)	(147,054)	(147,054)	(147,054)
Finance and interest costs	-	-	-	(932)	(888)	(825)	(737)
Other payments	(13,406)	(20,307)	(20,307)	(15,375)	(15,364)	(15,353)	(15,565)
Receipts							
Grants and subsidies	927,327	952,248	713,724	914,516	573,746	533,015	878,280
Sale of goods and services	128,704	72,688	103,667	84,644	50,965	42,124	51,922
GST receipts	148,325	146,808	146,808	146,808	146,808	146,808	146,808
Other receipts	21,949	14,117	14,117	14,117	14,117	14,117	14,117
Net cash from operating activities	234,298	199,979	(36,932)	19,313	(226,813)	(246,900)	101,839
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,054,044)	(1,332,881)	(1,222,169)	(1,265,111)	(806,593)	(852,826)	(1,272,309)
Proceeds from sale of non-current assets	3,387	-	-	-	-	-	-
Net cash from investing activities	(1,050,657)	(1,332,881)	(1,222,169)	(1,265,111)	(806,593)	(852,826)	(1,272,309)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(4,163)	(4,349)	(4,527)	(4,681)
Net cash from financing activities	-	-	-	(4,163)	(4,349)	(4,527)	(4,681)
NET INCREASE/(DECREASE) IN CASH HELD							
	259,679	(70,825)	(203,957)	(155,933)	53,839	44,957	48,024
Cash assets at the beginning of the reporting period	275,120	437,638	534,799	330,842	174,909	228,748	273,705
Cash assets at the end of the reporting period	534,799	366,813	330,842	174,909	228,748	273,705	321,729

(a) Full audited financial statements are published in the agency's Annual Report.

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Taxation							
Permits - Oversize Vehicles and Loads	7,459	8,184	7,500	7,500	7,500	7,500	7,500
TOTAL ADMINISTERED INCOME	7,459	8,184	7,500	7,500	7,500	7,500	7,500
EXPENSES							
Grants to Charitable and Other Public Bodies							
Receipts Paid into the Consolidated Account	7,459	8,184	7,500	7,500	7,500	7,500	7,500
TOTAL ADMINISTERED EXPENSES	7,459	8,184	7,500	7,500	7,500	7,500	7,500

Division 38 Public Transport Authority of Western Australia

Part 9 Transport

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	359	359	359	359	359	360	361
Total appropriations provided to deliver services	359	359	359	359	359	360	361
CAPITAL							
Item 141 Capital Appropriation	159,825	484,555	466,053	704,375	570,875	562,876	269,628
Item 142 Capital Appropriation							
METRONET Projects Under Development...	-	526,700	2,400	287,002	188,200	250,700	290,000
TOTAL APPROPRIATIONS	160,184	1,011,614	468,812	991,736	759,434	813,936	559,989
EXPENSES							
Total Cost of Services	1,469,916	1,491,188	1,479,389	1,558,662	1,574,473	1,718,008	1,713,262
Net Cost of Services ^(a)	1,176,516	1,213,096	1,189,026	1,229,700	1,238,706	1,311,029	1,396,006
CASH ASSETS ^(b)	223,606	608,356	395,262	650,124	496,596	183,046	110,743

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Armadale Line Capacity Planning	-	6,500	4,500	-	-
Public Transport Cost and Service Optimisation Program.....	140	1,310	880	-	-
Ongoing Initiative					
Election Commitment - METRONET Program Management Costs	198	192	-	-	-
Other					
Bus Service Contracts Efficiency.....	(1,100)	(1,051)	(1,110)	(987)	(917)
Externally Funded Services and Works.....	1,488	428	-	-	-
Indexation for Non-Salary Expenses	-	-	-	-	6,828
Karel Avenue Road Bridge Project.....	-	6,650	-	-	-
Payroll Tax	2,908	3,006	3,128	3,224	3,292
Regional Workers Incentive Allowance Payments	(3)	(3)	(3)	(3)	(3)
Revised Electricity Expenses	(1,193)	(2,603)	(3,683)	(3,614)	(2,395)
Revised Fuel Expenses.....	3,667	2,988	4,255	4,795	5,191
Revised Interest Expenses.....	(8,991)	(19,716)	(17,312)	(10,622)	1,344
RiskCover Contribution Adjustment.....	(358)	1,179	778	844	1,181
School Bus Additional Service Days	-	-	1,953	2,668	1,368
Senior Executive Service Reduction Reallocation within the Transport Portfolio.....	(250)	(250)	(250)	(250)	(250)
Voluntary Targeted Separation Scheme	(381)	(387)	(393)	(400)	(400)

Significant Issues Impacting the Agency

1. Total patronage on Perth's public transport system slipped 0.7% in 2017-18. The decline continued a softer trend that has occurred since 2013-14. This Budget seeks to improve the trend and grow patronage by encouraging behavioural change in patrons, making public transport more attractive and by creating new jobs and wealth for the State. Marginal patronage growth of 0.1% is forecast for 2019-20.
2. The Transperth urban passenger network carries over 140 million passengers per annum. Without this network, Perth could not function. By the start of 2019-20, the network will be serviced by 96 A-Series railcars and 234 B-Series railcars operating across the network. The Authority's budget includes funding for an additional 102 railcars for the METRONET Stage 1 expansion and an additional 144 railcars to replace the ageing A-Series railcars, which will be progressively retired from around 2026. This will bring total procurement to 246 railcars and the Authority is working closely with manufacturers and other relevant authorities to maximise local content, creating local jobs and strengthening the local economy.
3. The Government's METRONET vision will transform Perth's public transport network. The Authority's budget provides funding for the construction of the Forrestfield-Airport Link, the Thornlie-Cockburn Link, the Yanchep Rail Extension, the removal of level crossings at Denny Avenue and on the Inner Armadale Line.
4. The Request for Proposals for the Thornlie-Cockburn Link and Yanchep Rail Extension competitive alliance closed late 2018. Following an extensive evaluation process, two proponents have been shortlisted for further consideration and development of the projects. It is expected that a contract will be awarded to the successful tenderer in the second half of the 2019 calendar year, with construction set to commence shortly after.
5. For the Morley-Ellenbrook Line, the focus for 2019-20 will be to complete the Project Definition Plan and facilitate a Government investment decision. Forward works for the planned Morley-Ellenbrook Line will be undertaken as part of the Bayswater Station project.
6. Concept designs have been released for the new Bayswater Station and the removal of the level crossing at Denny Avenue in Kelmscott. Construction tenders for these projects will be awarded in 2019-20.
7. Completing the Forrestfield-Airport Link is a key part of the METRONET plan, creating a 20 minute direct link between the eastern foothills and the CBD, as well as the wider public transport network via the airport. Three new stations are under construction as part of the new rail link at Redcliffe, Airport Central and Forrestfield. Planning is underway to upgrade the Claremont Station and construct the associated rail turnback facilities. About 2,000 jobs will be created over the life of the project, including in the manufacturing and construction industries. Due to delays in the work previously announced, completion is now expected in 2021.
8. The Authority is planning for the introduction of new technology across the urban passenger rail infrastructure network and its train fleet to enable increased train service frequency. This Budget provides for further planning and procurement preparation for the Automatic Train Control system. A new Automatic Train Control system would replace life-expired systems with an integrated contemporary system solution, before their obsolescence impacts the safe and reliable provision of public transport services, and improve the resilience of train operations.
9. With a fleet of over 1,630 Transperth and Transregional buses, the Authority needs to ensure that buses are safe, efficient and reliable. The Authority does this by staying abreast of new technologies, by maintaining rigorous maintenance standards and through a rolling bus replacement program. The Authority has awarded a new contract to Volvo buses for the next 10 year bus replacement program which will see an estimated 900 new technology buses purchased over the 10 year contract period commencing in October 2019. The bus body and interior will be manufactured in Perth and continue jobs for about 160 workers throughout the supply chain.
10. The Authority recognises that passengers are entitled to feel comfortable and safe in using bus, rail and ferry services. To ensure this, the Authority maintains a team of highly trained and effective security and customer service personnel. Additionally, the Authority ensures that all infrastructure and rolling stock have adequate lighting and are monitored by CCTV cameras.

11. Safe access to the Authority's many stations and bus ports is critical. The Authority ensures that appropriate systems, processes, resources (particularly customer service and security staff) and communications are in place to safely guide and control regular patronage and further tailors these to meet specific needs of the very large crowds that result from special events such as football games and concerts. The Authority also recognises that some passengers are particularly vulnerable to slips, trips and falls in using the many escalators that provide access and egress for railway stations and bus ports. To help safeguard these passengers, the Authority has increased the presence of customer service personnel at escalators and embarked on a series of marketing campaigns to educate elderly passengers on better options to use, such as lifts, or guidance on the safe usage of escalators.
12. Transperth passengers' first experience in accessing Transperth's fully integrated bus, train and ferry public transport system is via the Authority's ticketing system, SmartRider. The SmartRider card and ticketing system has been operational since 2007 and has been highly successful due to its simplicity and quick transaction times. Whilst not readily obvious to passengers, the technology is dated. Work is progressing to upgrade the existing SmartRider ticketing system.
13. The provision of safe and cost-effective public transport services to regional Western Australia remains a priority for Government. Despite experiencing a decline in inter-regional patronage over recent years, more than 373,000 trips were made on Transwa services in 2017-18. Accordingly, the Authority continues to invest in Transwa services and to look for opportunities to enhance the services. This investment in our towns and regions includes the purchase of a new Australind railcar fleet and the upgrade of Yarloop, Cookernup and North Dandalup train stations.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Accessible, reliable and safe public transport system.	1. Metropolitan and Regional Passenger Services 2. Country Passenger Rail and Road Coach Services 3. Regional School Bus Services
	Protection of the long-term functionality of the rail corridor and railway infrastructure.	4. Rail Corridor and Residual Freight Issues Management

Service Summary

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Metropolitan and Regional Passenger Services.....	1,121,613	1,156,020	1,142,480	1,229,538	1,253,091	1,392,685	1,397,917
2. Country Passenger Rail and Road Coach Services	50,154	52,457	53,377	54,985	55,823	56,572	56,899
3. Regional School Bus Services.....	127,867	128,373	129,921	134,946	136,563	140,526	139,410
4. Rail Corridor and Residual Freight Issues Management	170,282	154,338	153,611	139,193	128,996	128,225	119,036
Total Cost of Services.....	1,469,916	1,491,188	1,479,389	1,558,662	1,574,473	1,718,008	1,713,262

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Accessible, reliable and safe public transport system:					
Use of public transport - passengers per service kilometre:					
Metropolitan bus services	1.14	1.16	1.15	1.15	
Metropolitan train services	2.8	2.93	2.86	2.87	
Metropolitan ferry services	12.89	13.45	13.3	13.3	
Regional bus services	0.527	0.537	0.518	n/a	1
Intra-town regional bus services	n/a	n/a	n/a	0.693	1
Country passenger rail services	0.189	0.193	0.19	0.193	2
Country passenger road coach services	0.059	0.059	0.059	0.059	
Inter-town country bus services	n/a	n/a	n/a	0.013	1
Accessible public transport - the proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service					
	85%	85%	85%	85%	
Metropolitan and regional passenger services reliability:					
Bus services within four minutes of scheduled time	86%	85%	86%	85%	
Train arriving within four minutes of scheduled time	96%	95%	96%	95%	
Ferries arriving within three minutes of scheduled time	95%	96%	96%	96%	
Country passenger rail and road coach services reliability:					
Prospector arriving within 15 minutes of scheduled time	50%	80%	68%	80%	3
Australind arriving within 10 minutes of scheduled time	83%	90%	90%	90%	
MerredinLink arriving within 10 minutes of scheduled time	79%	90%	87%	90%	3
AvonLink arriving within 10 minutes of scheduled time	98%	90%	95%	90%	
Road Coaches arriving within 10 minutes of scheduled time	97%	95%	96%	95%	
Satisfaction with school bus availability at arrival/departure time	99%	99%	99%	99%	
Level of overall customer satisfaction - customer satisfaction index:					
Metropolitan bus services	89%	88%	89%	89%	
Metropolitan train services	94%	92%	92%	92%	
Metropolitan ferry services	99%	99%	99%	99%	
Country passenger rail and road coach services	92%	92%	92%	92%	
Customer perception of safety - independent external surveys:					
Train station - daytime	99%	96%	96%	96%	
On-board train - daytime	98%	97%	97%	97%	
Train station - night-time	76%	70%	70%	70%	
On-board train - night-time	82%	76%	76%	76%	
Bus station - daytime	98%	98%	98%	98%	
On-board bus - daytime	99%	99%	99%	99%	
Bus station - night-time	82%	75%	75%	75%	
On-board bus - night-time	87%	83%	82%	82%	
Level of notifiable safety occurrences - notifiable occurrences:					
Category A occurrences per million passenger boardings	0.43	0.23	0.33	0.27	4
Category A occurrences per million train kilometres	1.11	0.72	0.84	0.76	4
Category B occurrences per million passenger boardings	21.37	12.26	30.25	16.06	5
Category B occurrences per million train kilometres	55.28	37.1	77.66	45.01	5
Regional school bus services - notifiable occurrences (accidents) reported each school year					
	24	19	12	19	6
Return on construction expenditure	n/a	n/a	1.5	1.6	7
Outcome: Protection of the long-term functionality of the rail corridor and railway infrastructure:					
Number of lease breaches	nil	nil	nil	nil	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

Explanation of Significant Movements

(Notes)

- From 1 July 2019, the Authority will realign its operations whereby all inter-town services will be managed by its Country Passenger Rail and Road Coach services. The previous 'Regional Bus Services' effectiveness indicator will be split into two indicators - 'Intra-town Regional Bus Services' and 'Inter-town Country Bus Services' effectiveness indicators.
- The 2018-19 Estimated Actual has reduced compared to the 2018-19 Budget mainly as a result of the Australind train being out of service for four months in 2018-19 due to major repairs.
- The 2018-19 Estimated Actual for the Prospector and the MerredinLink reliability has reduced compared to the 2018-19 Budget due to a number of delays associated with crossings and track-related issues as a result of maintenance work undertaken by Arc Infrastructure. These works are largely complete with fewer delays anticipated in 2019-20.
- The 2019-20 Budget Target for notifiable safety occurrences is based on the average annual number of occurrences over the last five years. For the 2018-19 Estimated Actual, most notifiable occurrences relate to public behaviour on the Authority's network which is beyond the Authority's control, and there was a notable increase in these occurrences in 2018-19.
- The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to an increase in the occurrences of incidents including slips, trips and falls, trespass, and level crossing occurrences.
- The 2018-19 Estimated Actual has reduced compared to the 2018-19 Budget due to improved education of school bus drivers on the importance of adopting a safe system approach to road safety.
- The new effectiveness indicator measures the weighted average economic benefit to the community that is delivered by relevant asset investment projects.

Services and Key Efficiency Indicators

1. Metropolitan and Regional Passenger Services

Provision of customer focused, safe and cost effective passenger transport to the Metropolitan area and regional towns.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	1,121,613	1,156,020	1,142,480	1,229,538	1
Less Income	253,000	242,512	252,995	293,073	2
Net Cost of Service	868,613	913,508	889,485	936,465	
Employees (Full-Time Equivalents)	1,474	1,591	1,584	1,665	
Efficiency Indicators					
Average cost per passenger kilometre:					
Transperth bus operations	\$1.28	\$1.30	\$1.28	\$1.35	3
Transperth train operations	\$0.56	\$0.58	\$0.58	\$0.63	3
Transperth ferry operations	\$1.28	\$1.52	\$1.52	\$1.54	
Average cost per 1,000 place kilometres:					
Regional bus services	\$73.40	\$74.50	\$74.01	n/a	4
Intra-town regional bus services	n/a	n/a	n/a	\$87.11	4

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2019-20 Budget Target increased by \$87.1 million (7.6%) from the 2018-19 Estimated Actual due to:
 - a one-off increase in the METRONET - Yanchep Rail Extension funded by the Western Australian Planning Commission (WAPC) (\$30 million);
 - escalation of bus contract costs (\$13.1 million);
 - increased depreciation expense (\$12.6 million);
 - additional service operating costs for the Forrestfield-Airport Link (\$12.3 million);
 - increased interest expense (\$10.5 million);
 - the Karel Avenue road bridge transferred to local government (\$6.7 million);
 - the Armadale Line capacity planning (\$6.5 million);
 - escalation of contractor costs (\$5.5 million); and
 - escalation of labour costs (\$3.5 million).

This was offset by a decrease in expenditure due to:

- the rolling efficiency dividend (\$8.6 million);
- public sector wages policy (\$2.2 million);
- reduced fuel expense (\$2 million); and
- a reduction in expensing of assets transferred to local government (\$1 million).

2. Income in the 2019-20 Budget Target increased by \$40.1 million from the 2018-19 Estimated Actual. The increase is mainly attributable to:
 - a one-off receipt from WAPC for the METRONET - Yanchep Rail Extension project (\$30 million);
 - a one-off receipt from Main Roads for the METRONET - Bayswater Station project (\$10 million);
 - increased Transperth fare revenue (\$6.1 million); and
 - a one-off receipt of interest earned on METRONET Commonwealth funding received in advance (\$2.1 million).

This is offset by a decrease due to:

- a reduction in Commonwealth funding in 2018-19 (\$6.7 million); and
- a reduction in funding for external works undertaken for third parties (\$1.2 million).

3. The increase in the efficiency indicators in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to the increase in the Total Cost of Service, as explained in Note 1.
4. From 1 July 2019, the Authority will realign its operations whereby all inter-town services will be managed by its Country Passenger Rail and Road Coach services. The 'Regional Bus Services' efficiency indicator will be split into two efficiency indicators - 'Intra-town Regional Bus Services' managed by Metropolitan and Regional Passenger Services and 'Inter-town Country Bus Services' managed by Country Passenger Rail and Road Coach Services.

2. Country Passenger Rail and Road Coach Services

Provision of customer focused, safe and cost effective passenger transport to regional communities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 50,154	\$'000 52,457	\$'000 53,377	\$'000 54,985	1
Less Income	10,939	10,475	10,875	11,204	2
Net Cost of Service	39,215	41,982	42,502	43,781	
Employees (Full-Time Equivalents)	134	137	135	135	
Efficiency Indicators					
Average cost per passenger kilometre:					
Transwa rail	\$0.60	\$0.57	\$0.57	\$0.56	
Transwa road coaches	\$0.26	\$0.27	\$0.29	\$0.31	
Average cost per 1,000 place kilometres - inter-town country bus services	n/a	n/a	n/a	\$18.03	3

Explanation of Significant Movements

(Notes)

- The Total Cost of Service in the 2019-20 Budget Target increased by \$1.6 million (3%) from the 2018-19 Estimated Actual due to:
 - increased interest expense (\$1.2 million);
 - escalation of contractor costs (\$0.7 million); and
 - escalation of labour costs (\$0.3 million).

This was offset by a decrease in expenditure due to:

- reduced depreciation expense (\$0.2 million);
 - reduced fuel expense (\$0.2 million); and
 - public sector wages policy (\$0.2 million).
- The income in the 2019-20 Budget Target increased by \$0.3 million from the 2018-19 Estimated Actual, which is mainly attributable to the Transwa fare increase.
 - From 1 July 2019, the Authority will realign its operations whereby all inter-town services be managed by its Country Passenger Rail and Road Coach services. The 'Regional Bus Services' efficiency indicator will be split into two efficiency indicators - 'Intra-town Regional Bus Services' managed by Metropolitan and Regional Passenger Services and 'Inter-town Country Bus Services' managed by Country Passenger Rail and Road Coach Services.

3. Regional School Bus Services

Provision of regional school bus transport to Western Australian school students.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 127,867	\$'000 128,373	\$'000 129,921	\$'000 134,946	1
Less Income	5,129	5,265	5,265	5,265	
Net Cost of Service	122,738	123,108	124,656	129,681	
Employees (Full-Time Equivalents)	39	36	37	37	
Efficiency Indicators					
Average cost per contracted kilometre - school bus services	\$3.81	\$3.77	\$3.87	\$3.95	

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2019-20 Budget Target increased by \$5 million (3.9%) from the 2018-19 Estimated Actual due to:

- increased school bus service days (\$3.2 million);
- escalation of bus contract costs (\$2.8 million);
- escalation of contractor costs (\$0.1 million); and
- escalation of labour costs (\$0.1 million).

This was offset by a decrease in expenditure due to:

- decreased fuel expense (\$0.6 million).
- decreased depreciation expense (\$0.3 million);
- the rolling efficiency dividend (\$0.2 million); and
- public sector wages policy (\$0.1 million).

4. Rail Corridor and Residual Freight Issues Management ^(a)

Managing the rail freight corridor and infrastructure leased to the private sector and associated freight transport issues.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 170,282	\$'000 154,338	\$'000 153,611	\$'000 139,193	1
Less Income	24,332	19,840	21,228	19,420	2
Net Cost of Service	145,950	134,498	132,383	119,773	
Employees (Full-Time Equivalents)	30	33	31	30	
Efficiency Indicators					
Total cost of managing the rail freight corridor and residual freight issues	\$170,282	\$154,338	\$153,611	\$139,193	

(a) Under the terms and conditions of the Railway Infrastructure Lease, an independent inspection of the Railway Infrastructure is carried out every five years.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2019-20 Budget Target decreased by \$14.4 million (9.4%) from the 2018-19 Estimated Actual due to:

- decreased depreciation expense (\$11.6 million);
- completion of the Nicholson Road grade separation project in 2018-19 (\$3.6 million);
- the rolling efficiency dividend (\$0.4 million);
- decreased fuel expense (\$0.1 million); and
- public sector wages policy (\$0.1 million).

This was offset by an increase in expenditure due to:

- escalation of contractor costs (\$0.6 million);
- escalation of labour costs (\$0.6 million); and
- increased interest expense (\$0.2 million).

2. The total income in the 2019-20 Budget Target decreased by \$1.8 million from the 2018-19 Estimated Actual. The decrease is mainly attributable to:

- the completion of the Nicholson Road grade separation project in 2018-19 (\$1.2 million);
- a reduction in interest revenue (\$0.7 million); and
- a reduction in funding from external works undertaken for third parties (\$0.2 million).

This is offset by an increase in rent revenue (\$0.3 million).

Asset Investment Program

METRONET - Yanchep Rail Extension

1. \$420.2 million will be invested to extend the northern suburbs rail line to Yanchep. An additional \$100 million will be expended by the Western Australian Planning Commission (WAPC). In 2019-20, an estimated total of \$149.2 million will be expended, consisting of \$119.2 million by the Authority and \$30 million by the WAPC. The total cost includes the construction of three new stations at Yanchep, Eglinton and Alkimos, with bus interchanges and park and ride facilities.

METRONET – Thornlie-Cockburn Link

2. \$535.8 million will be spent to extend the Thornlie rail line to Cockburn. In 2019-20, an estimated \$158.9 million will be expended. The total cost includes the construction of two new stations at Nicholson Road and Ranford Road, with park and ride facilities and bus interchanges.

Railcar Acquisition for METRONET and A-Series Railcar Replacement

3. \$1.6 billion will be spent to procure new Transperth railcars. In 2019-20, an estimated \$134 million will be expended. In total, 246 railcars will be procured to provide for METRONET Stage 1 projects (102 railcars) and to replace A-Series railcars (144 railcars). The new railcars will be six-car sets, which provide additional passenger capacity compared to the three-car sets currently in operation. This program of works also provides for the construction of a manufacturing facility.

METRONET - Rail Line Planning

4. \$39.8 million will be spent to undertake planning for the Morley-Ellenbrook rail line and extension of the Armadale line to Byford. In 2019-20, an estimated \$18.4 million will be expended.

METRONET - Level Crossing Removal

5. \$76.5 million will be spent to remove the rail level crossing at Denny Avenue (Kelmscott) and to plan for the future removal of level crossings at Caledonian Avenue (Maylands), and at Hamilton Street, Wharf Street and William Street (between Queens Park and Beckenham). In 2019-20, an estimated \$43.7 million will be expended.

METRONET - Level Crossing Removal - Inner Armadale Line

6. \$415 million will be spent to remove the rail level crossings on the Inner Armadale Line at Mint Street, Oats Street and Welshpool Road (between Victoria Park and Bentley). In 2019-20, an estimated \$17.5 million will be expended on works including detailed planning and project definition.

METRONET - New Stations and Existing Station Upgrades

7. \$83.9 million will be spent on new stations and upgrading existing stations. Of this, \$35.8 million will be spent on planning and preliminaries for new stations (\$24.3 million in 2019-20). Planning will be undertaken for a new station on the Mandurah line and for the relocation of the Midland station to the Midland town centre. Works will also be undertaken to upgrade existing train stations (\$48.1 million), including \$10.5 million toward the Claremont Station precinct in 2019-20. Existing stations will be upgraded to improve disability access, CCTV, lighting, station access and pathways.

METRONET - Forrestfield-Airport Link

8. The Forrestfield-Airport Link is well advanced. Three new stations will be built as part of the new rail link: Redcliffe Station, Airport Central Station and Forrestfield Station. As part of the \$1.9 billion project, the Authority will make upgrades to Claremont Station, including associated rail turnback facilities. The Authority will also construct a multi-deck car park at Forrestfield. In 2019-20, an estimated \$315 million will be expended.

METRONET - Bayswater Station

9. \$146.2 million will be spent on the new Bayswater Station to accommodate the new Forrestfield-Airport Link services and provide forward works for the planned Morley-Ellenbrook Line. In 2019-20, an estimated \$17 million will be expended.

METRONET - Automatic Train Control - Project Definition

10. A total of \$18.8 million will be spent to undertake additional business case work and procurement planning for a future investment in an Automatic Train Control (ATC) system. In 2019-20, an estimated \$9.6 million will be expended. An ATC system would replace the existing Transperth rail network signalling system and allow increased service frequencies to meet rail demand forecast under long-term transport planning.

Australind Train Service - Rail Future Fund

11. \$32 million will be spent to purchase a new Australind railcar fleet and upgrade the Yarloop, Cookernup and North Dandalup train stations on the Bunbury rail line. In 2019-20, an estimated \$12.2 million will be expended. The stations upgrades include construction of high level platforms and improved disability access.

Mandurah Train Station Car Park

12. \$32.1 million will be spent to construct a multi-storey car park at Mandurah train station and replace part of the existing station parking facilities. Detailed planning and project definition will commence in 2019-20, following confirmation from the Commonwealth Government of the 50% contribution to match existing State Government funding. In 2019-20, an estimated \$2.6 million will be expended.

Rail to Kemerton Industrial Park

13. \$10 million will be spent for planning, land acquisition and as a contribution towards the construction of a rail link from the existing Bunbury freight line to Kemerton Industrial Park. In 2019-20, an estimated \$3 million will be expended.

SmartRider System Asset Replacement and Technology Update

14. \$33.8 million will be spent to replace SmartRider system assets and update the technology used by the system. In 2019-20, an estimated \$18.3 million will be expended.

Transperth Rail 'At Grade' Crossing Improvement Project

15. \$23.2 million will be spent to improve level crossings on the Fremantle, Midland and Armadale rail lines. In 2019-20, an estimated \$2.7 million will be expended. The works will improve safety, reduce traffic delays and upgrade pedestrian crossings to comply with Commonwealth disability standards under the *Disability and Discrimination Act 1992 (Commonwealth)*.

Optus Stadium Transport Project

16. The \$366.4 million transport package to service Optus Stadium including the Swan River pedestrian bridge is now commissioned and operational. An amount of \$7 million will be spent in 2019-20 to support the final closeout activities of the project including minor works.

Radio System

17. \$138.1 million is provided over the forward estimates period to replace the obsolete analogue radio system used by the Authority to operate its passenger rail services with a modern digital radio system capable of serving the Authority's foreseeable needs over the next 20 years. In 2019-20, an estimated \$59.6 million will be expended.

Future Urban Railcar Procurement

18. Thirty new B-Series railcars have been delivered over a two-year period commencing in 2017-18 at a cost of \$122.7 million to provide services between Forrestfield and Claremont. The Authority will also spend \$90 million relocating Arc Infrastructure from Bellevue to a new maintenance facility, of which \$33.2 million has been spent on purchasing land at Kenwick to enable the relocation. \$17.1 million was spent upgrading the Nowergup depot to assist with the increased operational demand of the new railcars. It is anticipated that \$37.7 million will be expended in 2019-20.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Bus Infrastructure Program							
Bus Priority Projects	18,976	18,519	2,037	457	-	-	-
SmartRider System Asset Replacement and Technology Update	33,821	15,558	15,330	18,263	-	-	-
Bus Replacement Program							
New Bus Replacement Program	626,526	-	-	50,075	65,278	102,808	61,326
Regional Bus Acquisition	71,983	66,280	5,581	5,703	-	-	-
Common Infrastructure Program - Minor Capital Works Program in Progress	6,505	2,939	2,939	3,566	-	-	-
Freight Program - Election Commitment - Rail to Kemerton Industrial Park	10,000	1,500	1,500	3,000	5,500	-	-
Major Projects							
Aubin Grove Station	66,753	65,753	20	1,000	-	-	-
Election Commitment - Mandurah Station - New Parking Bays	32,085	-	-	2,624	29,461	-	-
METRONET							
Automatic Train Control - Project Definition	18,789	6,809	4,225	9,611	2,369	-	-
Bayswater Station (Forrestfield-Airport Link Services and Morley-Ellenbrook Line Forward Works)	146,198	4,730	4,730	17,000	69,532	54,936	-
Forrestfield-Airport Link	1,861,000	947,637	218,504	314,967	294,058	304,338	-
Level Crossing Removal Program	76,530	6,373	5,481	43,653	26,338	166	-
Level Crossing Removal Program - Inner Armadale Line	415,000	-	-	17,500	60,000	65,000	65,000
New Stations and Existing Station Upgrades	83,886	12,412	10,778	34,743	923	-	11,631
Rail Line Planning	39,753	20,120	16,644	18,359	1,274	-	-
Railcar Acquisition	508,199	5,398	3,785	80,035	50,000	80,199	124,000
Thornlie-Cockburn Link	535,797	25,030	18,810	158,887	150,141	201,739	-
Yanchep Rail Extension	420,170	17,819	12,479	119,249	199,421	83,681	-
Optus Stadium Transport Project	366,401	359,430	8,148	6,971	-	-	-
Perth City Link	576,469	572,580	4,392	3,889	-	-	-
Radio Systems Replacement	138,074	28,401	19,524	59,604	24,914	25,155	-
Operational Business Support Systems Program							
Business Support Upgrades	63,346	51,392	11,201	9,236	1,100	1,618	-
CCTV Systems Program	23,895	1,527	972	4,368	7,300	9,000	1,700
Train Control Remote Terminal Unit Five Year Life Extension	4,593	2,251	617	1,795	547	-	-
Parking Facilities In Progress	4,079	2,275	800	1,804	-	-	-
Rail Infrastructure Program							
Election Commitment - Rail Futures Fund (Upgrade to Cookernup and North Dandalup Train Stations and Completion of Yarloop)	2,000	1,200	841	800	-	-	-
Escalator Replacements	28,138	27,633	12,153	505	-	-	-
Rail Infrastructure In Progress	233,789	95,886	17,859	65,416	24,623	15,968	24,296
Resilience Package	59,877	47,451	8,878	10,526	1,900	-	-
Transperth Urban Passenger Rail 'At Grade' Crossing Improvement Project	23,246	2,572	1,604	2,712	5,777	5,793	6,392
Railcar Program							
Election Commitment - Rail Futures Fund (Australind Railcar Replacement)	30,000	1,110	1,110	11,373	12,417	5,100	-
Future Urban Railcar Procurement	229,861	173,060	21,962	37,715	19,086	-	-
Railcar Replacement	1,059,500	1,500	1,500	53,966	25,000	70,700	65,008
COMPLETED WORKS							
Bus Replacement Program	308,344	308,344	37,390	-	-	-	-
Common Infrastructure Program - Minor Capital Works Program	25,765	25,765	2,986	-	-	-	-
Major Projects - Edgewater Multi-Storey Car Park	22,110	22,110	6	-	-	-	-
Mount Claremont Bus Depot Acquisition	5,741	5,741	5,672	-	-	-	-
Rail Station Upgrades	8,384	8,384	364	-	-	-	-
Vessel Replacement Program - Transperth Ferry Acquisition	2,604	2,604	2,604	-	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
NEW WORKS							
Common Infrastructure Program - Minor Capital Works Program	10,500	-	-	-	3,500	3,500	3,500
Operational Business Support Systems Program Business Support Upgrades	16,054	-	-	-	-	3,554	6,000
Parking Facilities Program	5,000	-	-	-	1,000	2,000	2,000
Rail Infrastructure Program	200,755	-	-	-	35,587	43,632	55,448
Total Cost of Asset Investment Program	8,420,496	2,958,093	483,426	1,169,372	1,117,046	1,078,887	426,301
Loan and Other Repayments			137,798	182,009	174,790	127,436	133,397
Total	8,420,496	2,958,093	621,224	1,351,381	1,291,836	1,206,323	559,698
FUNDED BY							
Capital Appropriation			164,103	361,825	463,575	199,176	164,828
Borrowings			247,005	468,204	393,550	440,657	138,441
Drawdowns from the Holding Account			69,285	154,933	114,240	102,765	81,326
Internal Funds and Balances			(170,845)	(4,759)	149,928	69,748	70,303
Other			6,650	9,958	31,865	25,177	-
Drawdowns from Royalties for Regions Fund			3,076	17,931	31,378	5,100	-
Funding Included in Department of Treasury - New Perth Stadium			-	739	-	-	-
Capital Appropriation - Other			25,700	16,000	11,300	47,000	104,800
Capital Appropriation - Sourced from Commonwealth (METRONET and Related Projects)			276,250	326,550	96,000	316,700	-
Total Funding			621,224	1,351,381	1,291,836	1,206,323	559,698

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The Total Cost of Services in the 2019-20 Budget Estimate is forecast to increase by \$79.3 million (5.4%) from the 2018-19 Estimated Actual.

Income

3. The total income in the 2019-20 Budget Estimate is forecast to increase by \$38.6 million (13.3%) from the 2018-19 Estimated Actual. This is mainly attributable to a one-off receipt from the WAPC for the METRONET - Yanchep Rail Extension project (\$30 million) and a receipt from Main Roads for the METRONET - Bayswater Station project (\$10 million).

Statement of Financial Position

4. The total equity in the 2019-20 Budget Estimate is forecast to increase by \$613.8 million from the 2018-19 Estimated Actual. This comprises a projected increase in total assets of \$926.3 million and an increase in total liabilities of \$312.5 million.
5. The Authority's statement shows accumulated deficits across the forward estimates period as accrual appropriation is not being provided to fund depreciation. It has been determined that there is no need to provide the significant accrual appropriation that would be required to fund depreciation.

Statement of Cashflows

6. Proceeds from borrowings in the 2018-19 Estimated Actual have decreased by \$428.3 million from the 2018-19 Budget, which is predominantly attributable to the deferral of capital expenditure within the forward estimates period.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	178,260	197,759	198,865	213,160	222,729	228,728	232,411
Grants and subsidies ^(c)	539,452	554,384	558,290	567,083	567,093	573,997	573,391
Supplies and services	231,280	200,845	203,321	235,167	220,013	303,262	242,213
Accommodation	33,109	30,562	29,369	28,941	33,311	36,366	37,585
Depreciation and amortisation	372,719	382,745	369,452	374,019	379,611	409,930	454,799
Finance and interest costs	86,640	99,699	90,708	103,953	121,497	134,841	141,640
Other expenses	28,456	25,194	29,384	36,339	30,219	30,884	31,223
TOTAL COST OF SERVICES	1,469,916	1,491,188	1,479,389	1,558,662	1,574,473	1,718,008	1,713,262
Income							
Sale of goods and services	204,576	206,393	206,776	213,171	233,703	241,462	246,829
Regulatory fees and fines	3,867	3,940	3,940	3,940	3,940	3,940	3,940
Grants and subsidies	17,892	15,705	24,099	26,028	47,172	40,484	15,307
Other revenue	67,065	52,054	55,548	85,823	50,952	121,093	51,180
Total Income	293,400	278,092	290,363	328,962	335,767	406,979	317,256
NET COST OF SERVICES	1,176,516	1,213,096	1,189,026	1,229,700	1,238,706	1,311,029	1,396,006
INCOME FROM STATE GOVERNMENT							
Service appropriations	359	359	359	359	359	360	361
Resources received free of charge	728	-	-	-	-	-	-
Royalties for Regions Fund:							
Regional Community Services Fund	10	13	10	10	10	79,936	79,936
Other appropriations (operating subsidy)	812,143	834,456	829,627	872,019	899,383	854,898	869,682
TOTAL INCOME FROM STATE GOVERNMENT	813,240	834,828	829,996	872,388	899,752	935,194	949,979
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(363,276)	(378,268)	(359,030)	(357,312)	(338,954)	(375,835)	(446,027)

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 1,677, 1,787 and 1,867 respectively.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Department of Transport - Optus Stadium							
Jetty	4,500	-	-	-	-	-	-
Local Government	12,636	-	-	-	-	-	-
METRONET Office Expenses	951	1,518	1,588	1,589	1,532	1,536	1,536
Metropolitan and Regional Town Services							
Bus Operators	382,651	410,212	414,166	415,752	415,269	420,441	421,089
Ferry Services	1,237	1,372	1,300	1,562	1,560	1,580	1,582
Regional Bus Services	16,709	18,614	17,497	-	-	-	-
Intra-town Regional Bus Services	-	-	-	16,603	16,584	16,791	16,816
Country Passenger Services - Inter-town							
Country Bus Services	-	-	-	990	1,000	1,000	1,000
Regional School Bus Services							
Conveyance Allowance	2,266	2,312	2,312	2,333	2,356	2,371	2,371
School Bus Services	118,502	120,356	121,427	128,254	128,792	130,278	128,997
TOTAL	539,452	554,384	558,290	567,083	567,093	573,997	573,391

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	205,087	61,805	114,051	84,494	82,614	82,613	77,310
Restricted cash.....	15,418	542,728	278,110	562,529	410,881	97,332	30,332
Holding account receivables.....	122,641	75,917	160,658	198,497	206,504	190,728	179,043
Receivables.....	28,833	31,624	28,833	28,833	28,833	28,833	28,833
Other.....	32,217	32,356	32,217	32,217	32,217	32,217	32,217
Assets held for sale.....	2,860	-	2,860	2,860	2,860	2,860	2,860
Total current assets.....	407,056	744,430	616,729	909,430	763,909	434,583	350,595
NON-CURRENT ASSETS							
Holding account receivables.....	619,946	544,029	512,644	319,872	197,625	110,636	40,995
Property, plant and equipment.....	7,743,267	8,562,222	7,854,233	8,677,795	9,423,960	10,098,053	10,070,979
Intangibles.....	13,035	5,198	15,054	17,850	12,230	10,258	11,562
Restricted cash.....	3,101	3,823	3,101	3,101	3,101	3,101	3,101
Total non-current assets.....	8,379,349	9,115,272	8,385,032	9,018,618	9,636,916	10,222,048	10,126,637
TOTAL ASSETS.....	8,786,405	9,859,702	9,001,761	9,928,048	10,400,825	10,656,631	10,477,232
CURRENT LIABILITIES							
Employee provisions.....	44,476	42,566	44,476	42,918	42,918	42,918	42,918
Payables.....	86,613	81,734	85,729	85,729	85,729	85,729	85,729
Borrowings and leases.....	137,798	160,688	197,827	211,929	169,751	146,183	177,849
Other.....	29,997	30,183	29,997	29,997	29,997	29,997	29,997
Total current liabilities.....	298,884	315,171	358,029	370,573	328,395	304,827	336,493
NON-CURRENT LIABILITIES							
Employee provisions.....	7,328	7,294	7,328	7,328	7,328	7,328	7,328
Borrowings and leases.....	2,125,713	2,643,379	2,174,891	2,480,325	2,741,047	3,077,548	3,050,348
Other.....	178,833	172,610	173,367	167,901	162,435	156,969	151,503
Total non-current liabilities.....	2,311,874	2,823,283	2,355,586	2,655,554	2,910,810	3,241,845	3,209,179
TOTAL LIABILITIES.....	2,610,758	3,138,454	2,713,615	3,026,127	3,239,205	3,546,672	3,545,672
EQUITY							
Contributed equity.....	4,659,972	5,690,834	5,131,501	6,102,588	6,701,241	7,025,415	7,293,043
Accumulated surplus/(deficit).....	(1,775,410)	(2,166,362)	(2,134,440)	(2,491,752)	(2,830,706)	(3,206,541)	(3,652,568)
Reserves.....	3,291,085	3,196,776	3,291,085	3,291,085	3,291,085	3,291,085	3,291,085
Total equity.....	6,175,647	6,721,248	6,288,146	6,901,921	7,161,620	7,109,959	6,931,560
TOTAL LIABILITIES AND EQUITY.....	8,786,405	9,859,702	9,001,761	9,928,048	10,400,825	10,656,631	10,477,232

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	812,502	834,815	829,986	872,378	899,742	855,258	870,043
Capital appropriation	159,825	1,011,255	468,453	991,377	759,075	813,576	559,628
Holding account drawdowns	58,285	122,641	69,285	154,933	114,240	102,765	81,326
Royalties for Regions Fund:							
Regional Community Services Fund	10	13	10	10	10	79,936	79,936
Regional Infrastructure and Headworks Fund	276	5,624	3,076	17,931	31,378	5,100	-
Other	98,175	739	-	739	-	-	-
Net cash provided by State Government	1,129,073	1,975,087	1,370,810	2,037,368	1,804,445	1,856,635	1,590,933
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(177,788)	(197,759)	(198,865)	(214,718)	(222,729)	(228,728)	(232,411)
Grants and subsidies	(530,340)	(554,384)	(558,290)	(567,083)	(567,093)	(573,997)	(573,391)
Supplies and services	(239,320)	(200,845)	(204,205)	(235,167)	(220,013)	(303,262)	(242,213)
Accommodation	(30,628)	(30,562)	(29,369)	(28,941)	(33,311)	(36,366)	(37,585)
GST payments	(132,904)	(179,801)	(154,417)	(204,588)	(182,448)	(144,215)	(135,707)
Finance and interest costs	(87,766)	(99,699)	(90,708)	(103,953)	(121,497)	(134,841)	(141,640)
Other payments	(23,697)	(24,205)	(28,395)	(29,689)	(30,219)	(30,884)	(31,223)
Receipts							
Regulatory fees and fines	3,711	3,940	3,940	3,940	3,940	3,940	3,940
Grants and subsidies	18,039	15,705	24,099	26,028	47,172	40,484	15,307
Sale of goods and services	207,303	206,393	206,776	213,171	233,703	241,462	246,829
GST receipts	139,191	179,801	154,417	204,588	182,448	144,215	135,707
Other receipts	59,301	46,588	50,082	80,357	45,486	115,627	45,714
Net cash from operating activities	(794,898)	(834,828)	(824,935)	(856,055)	(864,561)	(906,565)	(946,673)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(557,879)	(1,160,312)	(483,426)	(1,169,372)	(1,117,046)	(1,078,887)	(426,301)
Net cash from investing activities	(557,879)	(1,160,312)	(483,426)	(1,169,372)	(1,117,046)	(1,078,887)	(426,301)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(160,490)	(316,524)	(319,569)	(332,125)	(372,177)	(322,303)	(188,118)
Other payments	(1,800)	-	-	(40,000)	(191,800)	(494,502)	(292,000)
Proceeds from borrowings	283,761	857,080	428,776	615,046	587,611	632,072	189,856
Net cash from financing activities	121,471	540,556	109,207	242,921	23,634	(184,733)	(290,262)
NET INCREASE/(DECREASE) IN CASH HELD	(102,233)	520,503	171,656	254,862	(153,528)	(313,550)	(72,303)
Cash assets at the beginning of the reporting period	318,569	87,853	223,606	395,262	650,124	496,596	183,046
Net cash transferred to/from other agencies	7,270	-	-	-	-	-	-
Cash assets at the end of the reporting period	223,606	608,356	395,262	650,124	496,596	183,046	110,743

(a) Full audited financial statements are published in the agency's Annual Report.

METRONET Projects Under Development

Part 9 Transport

Asset Investment Program

1. A \$1.3 billion provision, including \$1 billion over the forward estimates period, is incorporated for the Morley-Ellenbrook line and extension of the Armadale line to Byford. Once detailed costings of these METRONET projects are complete, the provision will be allocated to the relevant delivery agency.
2. The \$1 billion provision over the forward estimates period is funded from a \$774.5 million contribution from the Commonwealth, \$243.8 million capital appropriation paid to the METRONET account and \$21 million from the Metropolitan Region Improvement Fund.
3. Refer to Budget Paper No. 3 for an overview of investment in METRONET.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
NEW WORKS							
METRONET Projects Under Development.....	1,326,902	-	-	61,000	191,800	494,502	292,000
Total Cost of Asset Investment Program	1,326,902	-	-	61,000	191,800	494,502	292,000
FUNDED BY							
Commonwealth Funding Held in METRONET Special Purpose Account			-	40,000	191,800	250,700	292,000
Capital Appropriation Funding Held in METRONET Special Purpose Account ^(a)			-	-	-	243,802	-
Metropolitan Region Improvement Fund			-	21,000	-	-	-
Total Funding.....			-	61,000	191,800	494,502	292,000

(a) This provision is part funded by the sale of Landgate's shareholding in Property Exchange Australia Limited to be transferred to the METRONET Special Purpose Account in 2019-20.

Fremantle Port Authority

Part 9 Transport

Asset Investment Program

1. The Authority's Asset Investment Program for 2019-20 to 2022-23 totals \$207.9 million. Major approved projects planned or underway include:
 - 1.1. Kwinana Bulk Terminal (KBT) - \$9.6 million (2019-20) and \$39.4 million (2020-21 to 2022-23) is planned to be spent on the replacement and upgrade of assets at KBT to facilitate the ongoing import, export and storage of bulk materials for customers;
 - 1.2. Kwinana Bulk Jetty (KBJ) - the projected growth of the export and import of bulk commodities at KBJ requires an additional spend of \$5 million in (2019-20) and \$34.5 million (2020-21 to 2022-23) on improved product handling infrastructure and equipment. This investment will improve the utilisation of the Jetty;
 - 1.3. Fremantle Inner Harbour Berths Upgrades - \$14.9 million (2020-21 to 2021-22) is planned to be spent on continuing upgrades to certain berths in the Inner Harbour to accommodate larger vessels and to allow for heavy duty use; and
 - 1.4. Fremantle Waterfront Implementation Plan including the commercial precinct - the objective of this project is to undertake the works and provide the services associated with the developments and land uses identified in the Fremantle Waterfront Masterplan for the western end of Victoria Quay. Expenditure of \$3 million (2019-20) and \$12.2 million (2020-21 to 2022-23) is subject to the Authority being able to secure private sector interest in the development through a planned Expressions of Interest process.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Fremantle Waterfront Project Commercial Precinct							
Access and Services	4,279	1,329	-	-	2,950	-	-
Inner Harbour							
Deepening of the Inner Harbour Stage 1	107,655	97,415	-	-	-	10,240	-
Overseas Passenger Terminal	10,234	3,004	1,611	1,400	-	-	1,330
North Quay							
Berth Upgrades - Western Stage	74,213	69,522	-	-	4,691	-	-
Environmental Improvement Program	3,600	3,100	298	300	-	200	-
Land Acquisitions	25,400	18,200	18,040	-	1,700	5,500	-
Outer Harbour - Kwinana Bulk Terminal							
Civil and Mechanical Assets Upgrade	4,849	3,251	300	1,598	-	-	-
Dust Control and Roadworks	2,386	1,386	-	1,000	-	-	-
Infrastructure, Equipment Replacement and Upgrade	39,659	10,659	1,500	3,050	9,000	11,050	1,300
Land Acquisition	33,232	32,000	32,000	1,232	-	-	-
Replacement and Relocation of Operations/Maintenance Offices and Workshop	3,901	1,901	1,847	2,000	-	-	-
Plant and Equipment							
Mobile Truck Mounted Capstans	700	200	-	-	250	-	-
Replacement of Navigational Aids	3,977	1,840	200	200	130	500	547
Rous Head Seawall Construction and Extension - Stage 2	52,042	51,327	431	715	-	-	-
Victoria Quay							
Fremantle Waterfront Implementation Plan	16,226	3,953	-	3,000	3,273	3,000	3,000
Berth H Fender Replacement	3,800	100	100	1,200	2,500	-	-
COMPLETED WORKS							
Inner and Outer Harbour Security Upgrades Stage 2	3,000	3,000	3,000	-	-	-	-
Inner Harbour							
Replacement of Mechanical Plant	490	490	490	-	-	-	-
Rous Head - Replace Street Lighting (West)	1,250	1,250	1,250	-	-	-	-
Shore Tension Mooring System	4,650	4,650	476	-	-	-	-
Minor Works - 2018-19 Program	3,810	3,810	3,810	-	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Outer Harbour							
Kwinana Bulk Jetty							
Fire Fighting Foam System.....	4,043	4,043	1,235	-	-	-	-
Replace/Upgrade Transformer and Switchgear.....	4,700	4,700	2,656	-	-	-	-
Kwinana Bulk Terminal - Upgrade Rail Infrastructure and Replacement of Other Plant.....	501	501	231	-	-	-	-
NEW WORKS							
Inner and Outer Harbour Water Minimisation (Environmental).....	3,900	-	-	200	1,500	900	1,300
Inner Harbour							
Provision of Alternative Vehicular Access.....	1,000	-	-	-	-	1,000	-
Replacement of High Voltage Cable from Main Substation to Substation 4.....	550	-	-	550	-	-	-
Minor Works							
2019-20 Program.....	7,840	-	-	7,840	-	-	-
2020-21 Program.....	6,000	-	-	-	6,000	-	-
2021-22 Program.....	6,000	-	-	-	-	6,000	-
2022-23 Program.....	12,000	-	-	-	-	-	12,000
North Quay - Berth - Heavy Duty Pad.....	7,900	-	-	-	-	7,900	-
Outer Harbour							
Kwinana Bulk Jetty - Export/Import Infrastructure.....	39,500	-	-	5,000	4,000	10,500	20,000
Kwinana Bulk Terminal							
Bulk Handling Equipment.....	12,000	-	-	2,000	10,000	-	-
High Voltage Power System Upgrade.....	6,000	-	-	3,000	3,000	-	-
Replacement of JC01 Conveyor.....	5,000	-	-	-	5,000	-	-
Plant and Equipment - Replace Floating Plant.....	15,000	-	-	7,500	-	-	-
Victoria Quay - Motor Vehicle Decking.....	15,900	-	-	-	-	2,000	13,900
Total Cost of Asset Investment Program.....	547,187	321,631	69,475	41,785	53,994	58,790	53,377
FUNDED BY							
Borrowings.....			12,000	14,000	33,000	38,000	28,000
Internal Funds and Balances.....			57,425	27,735	20,944	20,740	25,327
Other.....			50	50	50	50	50
Total Funding.....			69,475	41,785	53,994	58,790	53,377

Kimberley Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's 2019-20 Asset Investment Program includes spending of:
 - 1.1. \$1.3 million to finalise the Entrance Point boating facilities upgrade;
 - 1.2. \$5.9 million for a replacement marine crane; and
 - 1.3. \$1.6 million for minor works.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Major Port Infrastructure - Boating Facilities Upgrade.....	2,987	1,687	1,687	1,300	-	-	-
COMPLETED WORKS							
Major Port Infrastructure							
Channel Dredging.....	15,300	15,300	14,300	-	-	-	-
Gangway at Broome Port	750	750	637	-	-	-	-
Wharf Essential Works (Electrical Upgrade).....	729	729	630	-	-	-	-
Wharf Extension of Life.....	23,364	23,364	1,878	-	-	-	-
Minor Works - 2018-19 Program	2,290	2,290	2,290	-	-	-	-
NEW WORKS							
Major Port Infrastructure - Crane Acquisition.....	5,900	-	-	5,900	-	-	-
Minor Works							
2019-20 Program.....	1,575	-	-	1,575	-	-	-
2020-21 Program.....	1,575	-	-	-	1,575	-	-
2021-22 Program.....	1,575	-	-	-	-	1,575	-
2022-23 Program.....	1,575	-	-	-	-	-	1,575
Total Cost of Asset Investment Program	57,620	44,120	21,422	8,775	1,575	1,575	1,575
FUNDED BY							
Funding Included in Department of Treasury							
Administered Item.....			2,500	5,900	-	-	-
Internal Funds and Balances.....			7,685	1,575	1,575	1,575	1,575
Drawdowns from Royalties for Regions Fund			11,237	1,300	-	-	-
Total Funding.....			21,422	8,775	1,575	1,575	1,575

Mid West Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's Asset Investment Program over the period 2019-20 to 2022-23 includes:
 - 1.1. \$3.6 million for the first stages of an improved port-wide firefighting system; and
 - 1.2. \$23.4 million for minor works projects, which will be applied to the upgrading of the Authority's services and civil infrastructure, security, environmental systems and computer systems and equipment replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Comprehensive Rehabilitation Works to Berth 3 Extension and Berth 4 Structures	7,906	7,906	6,372	-	-	-	-
Information and Communications Technology Software Upgrade	2,500	2,500	117	-	-	-	-
Miscellaneous Works - 2018-19 Program	6,123	6,123	6,123	-	-	-	-
NEW WORKS							
Miscellaneous Works							
2019-20 Program	6,900	-	-	6,900	-	-	-
2020-21 Program	5,500	-	-	-	5,500	-	-
2021-22 Program	5,500	-	-	-	-	5,500	-
2022-23 Program	5,500	-	-	-	-	-	5,500
Port-wide Firefighting System	3,600	-	-	2,000	1,600	-	-
Total Cost of Asset Investment Program	43,529	16,529	12,612	8,900	7,100	5,500	5,500
FUNDED BY							
Borrowings			6,662	398	294	-	-
Internal Funds and Balances			5,950	8,502	6,806	5,500	5,500
Total Funding			12,612	8,900	7,100	5,500	5,500

Pilbara Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's 2019-20 Asset Investment Program totals \$56.8 million for the provision of major and minor works, Berth 3 Deck Replacement at Port Hedland, construction of port infrastructure at the Port of Ashburton and capital projects funded by the Port Improvement Rate (PIR) at the Port of Port Hedland.
2. The PIR was established to fund critical capital improvements necessary to sustain the long-term operation and development of the Port of Port Hedland. The PIR-funded projects Integrated Marine Operations Centre and Channel Marker Replacement Program have forecast expenditure of \$8.1 million and \$11.9 million respectively in 2019-20. The PIR-funded Channel Risk Optimisation Project is scheduled for completion in 2018-19.
3. Chevron's handover of the Port of Ashburton infrastructure was completed during 2018-19. Works to provide a gatehouse, security systems and supporting utility infrastructure were recently awarded, with forecast expenditure of \$5 million and project completion scheduled for 2019-20. Development planning is underway for an earthworks project, which is expected to take 18 months to complete. These earthworks will support future development of the multi-user facilities.
4. The Port Hedland Berth 3 Deck Replacement project has forecast expenditure of \$12.2 million and is scheduled for completion in 2019-20.
5. The minor works program, excluding the Port of Ashburton, totals \$17.3 million in 2019-20 and \$53.7 million over the forward estimates period. The program provides for replacement of mobile plant and office equipment, upgrades to safety, information and communications technology, electrical and other equipment, and infrastructure (civil and marine).

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Port of Ashburton							
Minor Works	7,467	2,034	2,034	2,302	1,052	1,014	1,065
Port Infrastructure Construction Project.....	32,400	11,626	11,126	5,000	8,000	7,774	-
Port of Port Hedland							
Berth 3 Deck Replacement.....	33,274	21,095	19,987	12,179	-	-	-
Port Improvement Rate							
Channel Marker Replacement Program.....	39,550	27,695	19,436	11,855	-	-	-
Integrated Marine Operations Centre.....	55,782	47,658	14,645	8,124	-	-	-
COMPLETED WORKS							
Minor Works - 2018-19 Program	14,430	14,430	14,430	-	-	-	-
Port of Port Hedland - Port Improvement Rate - Channel Risk Optimisation Project.....	104,943	104,943	81,491	-	-	-	-
NEW WORKS							
Minor Works							
2019-20 Program.....	17,324	-	-	17,324	-	-	-
2020-21 Program.....	17,325	-	-	-	17,325	-	-
2021-22 Program.....	18,191	-	-	-	-	18,191	-
2022-23 Program.....	18,140	-	-	-	-	-	18,140
Total Cost of Asset Investment Program	358,826	229,481	163,149	56,784	26,377	26,979	19,205
FUNDED BY							
Internal Funds and Balances.....			41,464	19,365	18,377	19,205	19,205
Other			121,685	37,419	8,000	7,774	-
Total Funding.....			163,149	56,784	26,377	26,979	19,205

Southern Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's 2019-20 Asset Investment Program of \$23.1 million includes:
 - 1.1. \$7.4 million across three ports for the replacement of plant and equipment, improvements to port infrastructure and other civil works;
 - 1.2. \$8.9 million to upgrade capacity at the Port of Bunbury's Berth 8 to provide flexibility and trade facilitation benefits to meet future trade demands whilst maintaining berth utilisation; and
 - 1.3. \$6.9 million to upgrade Shed 4 at the Port of Esperance to improve operational flexibility at the Esperance Port and provide it with a multi-user storage and export facility that could cater to commodities other than iron ore, such as spodumene, gypsum, potash and aggregate.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Minor Works - 2018-19 Program							
Port of Albany	1,000	1,000	1,000	-	-	-	-
Port of Bunbury	6,000	6,000	3,450	-	-	-	-
Port of Esperance	4,750	4,750	4,750	-	-	-	-
Port of Esperance - Port Road Upgrades	5,734	5,734	1,360	-	-	-	-
NEW WORKS							
Southern Ports Authority - Minor Works							
2019-20 Program	7,405	-	-	7,405	-	-	-
2020-21 Program	9,000	-	-	-	9,000	-	-
2021-22 Program	9,000	-	-	-	-	9,000	-
2022-23 Program	9,000	-	-	-	-	-	9,000
Port of Bunbury - Berth 8 Capacity Upgrade	8,882	-	-	8,882	-	-	-
Port of Esperance - Shed 4 Upgrade	6,851	-	-	6,851	-	-	-
Total Cost of Asset Investment Program	67,622	17,484	10,560	23,138	9,000	9,000	9,000
FUNDED BY							
Internal Funds and Balances			10,560	23,138	9,000	9,000	9,000
Total Funding			10,560	23,138	9,000	9,000	9,000