

chief executive officer's summary



The 2005/06 financial year was another period of extraordinary growth in patronage for Perth's public transport system.

To year's end, customer numbers were up 3.7 per cent across our rail, bus and ferry services to more than 98 million boardings, adding to last year's 4.9 per cent growth.

Undoubtedly a large proportion of the increase, much of it in work-related trips, was a direct result of motorists being persuaded out of their cars by escalating fuel prices.

With no short-term relief in sight, I expect the steady migration to public transport to continue. Indeed, we may well be seeing a fundamental shift in transport patterns in a city where people rely too heavily on cars. It is well documented that public transport is a safer, more cost-effective and more environmentally friendly means of transporting large numbers of people in big cities.

All the world's great cities have efficient public transport systems and in those cities the individual cost of transport is substantially lower. Local market surveys are now telling us that people in Perth are waking up to the paradigm that public transport is not a cost but a benefit, and are demanding more expenditure in this area. I am very pleased to say the PTA has sufficient robustness built into its systems to cope with rising passenger numbers.

In the context of the petrol price escalation, the development of the Southern Suburbs Railway is particularly timely. With an expected 25,000 passengers each day and with a fully integrated bus service, this \$1.6 billion project will be a key contributor to sustainable growth in our city. During the year, there was a \$49.8 million increase in the project's budget and the completion date was pushed back three months to July 2007, but I consider these to be relatively minor issues in what will stand as the biggest public infrastructure project undertaken in Western Australia. The project is proving to be a catalyst for extraordinary growth in Mandurah and the southern suburban corridor, underlining the value of this substantial investment.

The PTA began recruiting the train drivers, transit guards and other staff who will operate the system. Approximately 300 jobs will be created in this process. New MetroRail focused 100 per cent on the Southern Suburbs Railway, following the completion and commissioning of the Thornlie spur line in August last year.

The Government's decision in 2001 that all new buses should be powered by compressed natural gas is also bearing dividends for Western Australia in our high fuel price environment. At the end of 2005/06, we had increased the number of gas-powered buses to 224 and were moving to bring a further 325 into the fleet over a five-year period. The shift to an abundant local resource is helping protect the public transport system from rising fuel prices.

The new vehicles, built to Euro 4 environmental standards, also have a lower impact on our environment.

The PTA is also making a substantial investment in new rollingstock. We have commissioned 90 new 'B' series railcars, and just three more of the current order remained to be delivered at the end of the financial year. The new railcars, costing approximately \$280 million, represent the latest technology and are both faster and more comfortable than existing units. They are earmarked for the Northern and Southern Suburbs Railways where higher speeds are possible because of greater distances between stations. Customer feedback about these railcars has been very positive.

Our new smart card ticketing system called SmartRider, the first of its kind in Australia, was very well received by some 7,000 users chosen to be our control group. This exciting new automatic ticketing system allows credit to be loaded onto a card and for passengers to pass through platform entry and exit gates, knowing the correct fare will be deducted automatically. SmartRider was steadily extended across all buses, trains and ferries. To ensure the system will function at maximum efficiency, the completion date was shifted back to late 2006.

Safety is at the forefront of the PTA's planning for school students. Following the State Government's announcement in late 2005 that seat belts would

be required on all government funded school buses, the PTA purchased 23 buses fitted with belts. These complemented the 46 buses that had already been fitted out to the new requirements.

I am pleased to report that a frustrating series of mechanical problems with the new Prospector train servicing the Goldfields came to an end. Our supplier, United Rail Group, undertook a major upgrade and redesign. This immediately began to put our on-time running figures back on track. Despite the problems, Transwa's customer satisfaction levels for rail services remained stable at approximately 85 per cent. Notably, satisfaction with Transwa bus services was very strong at approximately 91 per cent.

Another benefit was the introduction of a 50-cent standard student fare across the PTA transport system, representing a substantial saving to many families.

Overall, I have been delighted by a year of outstanding progress in many key projects. Our across-the-board satisfaction rating dipped slightly to 82.8 per cent during 2005/06, but this was largely the result of the New MetroRail works in the city, some timetable teething issues on the new Thornlie Line and laying of new sleepers on the Armadale Line. I consider this an acceptable short-term loss for a major longer-term gain.

The coming year is very promising. The whole organisation will look forward to:

- completing the construction phase of the Southern Suburbs Railway and major steps towards commencement of operations;
- rolling out the southern corridor bus network services to complement the new railway;
- starting the Rockingham City Centre Transit System, similar to Perth's Central Area Transit (CAT) service, integrating the new railway with the city centre and the beach;
- implementing a new customer information system on train stations and at train and bus interchanges to improve information delivery to customers;
- constructing new stations at Joondalup (servicing Joondalup Arena) and Victoria Park, along with major station upgrades at Kelmscott and East Perth; and
- completing, and bringing into full operation, Transperth's SmartRider ticketing system.



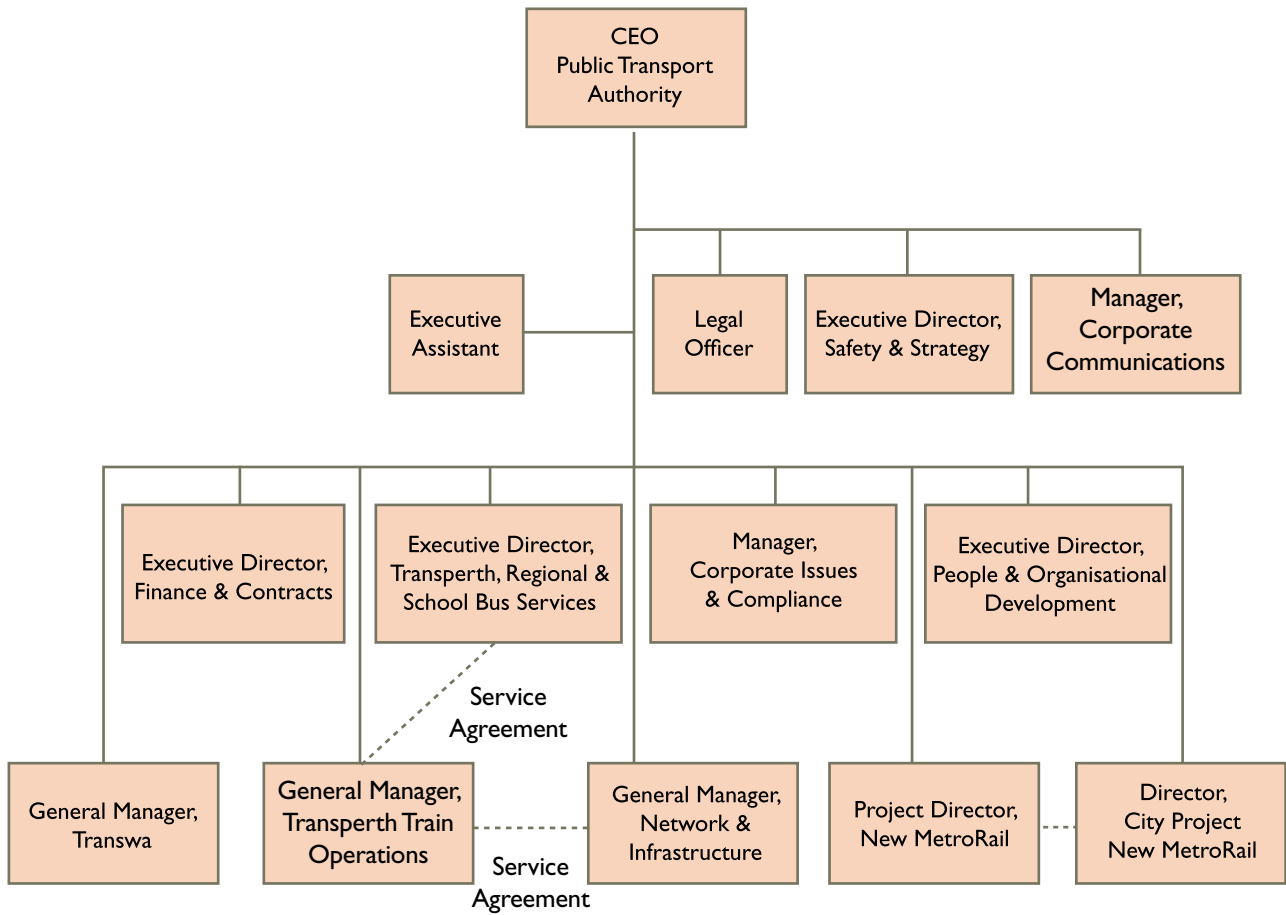
Reece Waldock
Chief Executive Officer



Station construction at Bull Creek was well under way.

Senior Management Structure

30 June 2006



the pta executive



Reece Waldock



Mark Burgess



Kim Stone



Pat Italiano



Hugh Smith

Reece Waldock

Chief Executive Officer

Reece has 22 years experience in strategic management with particular expertise in organisational reform. He held a number of senior executive roles within the Department of Commerce and Trade and Department of Transport from the early 1990s through to the end of 2000. In December 2000, following the sale of the rail freight business of The Western Australian Government Railways Commission, Reece acted in the position of Commissioner of Railways until the Railways Commission was extinguished on 30 June 2003.

With the creation of the Public Transport Authority on 1 July 2003, Reece acted in the position of Chief Executive Officer Public Transport Authority, to which he was appointed on 17 August 2004. Prior to his career with the public sector in Western Australia, Reece held a number of senior management roles with BHP.

Mark Burgess

Executive Director Transperth, Regional and School Bus Services

Mark has gained extensive logistic, transport and people management skills through 21 years in the Army and eight years managing the Transperth system. He joined the PTA at its formation after six years with the Department of Transport and the Department for Planning and Infrastructure.

Mark is responsible for managing, coordinating and marketing the Transperth system, comprising commercial bus contractors, a commercial ferry contractor and the urban passenger rail services. He is also responsible for regional town bus services and school bus services throughout Western Australia. His focus is on delivering quality, reliable public transport services through more than 925 transport service contracts across the State.

Kim Stone

General Manager, Transwa

Kim joined the PTA in August 2004 after two years' secondment from the Department for Planning and Infrastructure as Director of School Bus Reform. He had previously been Director of Coastal and Facilities Management in the Department of Transport for four

years. Kim has worked in both the State and Federal Government arenas in addition to a number of roles in the private sector, including running his own management consulting business. His background is in engineering and management.

Kim is responsible for managing Transwa's regional rail and road coach network as well as implementing the strategic elements of PTA's corporate plan which apply to Transwa. He is also responsible for the delivery of key performance indicators in the areas of customer service, maintenance and revenue building within Transwa.

Pat Italiano

General Manager, Transperth Train Operations

During his 33-year railway career, Pat has gained extensive experience in business management, financial management, procurement, audit and, more recently, operational experience within an urban rail mass transit environment. A qualified accountant, he also has considerable experience in strategic management and is a leader in risk management.

Pat's role in the Executive includes the commitment to ensuring that the high service delivery standards enjoyed on the existing passenger rail network are attained on the passenger rail services being developed to Mandurah through the New MetroRail project.

Hugh Smith

General Manager, Network and Infrastructure

Hugh launched his engineering career at British Steel in the United Kingdom and joined the Western Australian Government Railways (WAGR) in 1972 as an Assistant Engineer at the Midland Workshops, where he subsequently held senior management positions in design and production. He was appointed General Manager of the Urban Passenger Division in 1994.

In this role he was responsible for developing strategies for customer focus, reliability of services and improved on-time running of trains. Following the sale of WAGR's freight business in December 2000, Hugh was appointed General Manager, Network and Infrastructure in an organisation focused exclusively on passenger transport and customer service.



John Leaf



Cliff Gillam



Sue McCarrey



Garry Willox



Richard Mann

John Leaf

Executive Director, Finance and Contracts

John is a fellow of the Institute of Chartered Accountants and the Institute of Company Directors. He joined the Western Australian Government Railways in 1989 and performed a strategic role in the continuous improvement and restructuring of the organisation, as well as its evolution into a customer-focused public transport service provider.

Cliff Gillam

Executive Director, People and Organisational Development

Cliff is an industrial relations, human resources and organisational development professional with 16 years experience in The Western Australian Public Sector. He holds post-graduate qualifications in the arts, business, public policy and management, and is a Fellow of the Australian Human Resources Institute. He believes that high performance organisations achieve excellence through a genuine commitment to their people and sustained attention to their development.

He joined the Public Transport Authority on secondment in September 2003, and was appointed to the Executive in May 2004.

Sue McCarrey

Acting Executive Director, Safety and Strategy

Sue joined the Western Australian Government Railways in June 2002 as the Director of Policy. A law degree and post-graduate qualifications in policy and administration provide Sue with expertise in government policy and administration, including legal frameworks and the mechanics of government.

Her expertise also includes making the link between high level policy and operations within the agency. Prior to joining the PTA, Sue worked in a number of government administration roles within the Department

of Education and Training including policy development and review, strategic planning, Commonwealth-State relations, and she spent time as a school principal.

Garry Willox

Project Director, New MetroRail

Garry was appointed Project Director in April 2000 and has overseen the New MetroRail Project from the end of the planning stage to implementation.

He is a Civil Engineer who joined the Western Australian Government Railways (WAGR) in 1969, working in district engineering offices. He then held a number of senior management positions within WAGR.

From 1988 to 1993 he was Project Manager for the Perth Urban Rail Electrification Project and Project Director for the Northern Suburbs Railway Project. He was then General Manager Engineering and Supply, before joining National Rail Corporation in Sydney. He also worked on major railway works in Thailand between 1998 and 2000.

Richard Mann

Project Director, City Project, New MetroRail

Richard came to New MetroRail with more than 10 years' experience in project and contract management at government and semi-government level. He joined the then Main Roads Department in 1988 after graduating in engineering, and spent the next 14 years predominantly in WA's north-west. He returned to Perth as Manager of Term Contracts (Metro Region) where he was responsible for the maintenance of all of Main Roads' metropolitan-area assets including the Northbridge tunnel. He was seconded to the PTA (then WAGR) in April 2002 to help the Perth City Rail Advisory Committee prepare its second report, including recommendations on the alignment of the Perth-Mandurah line through the city. When the report was finished and its recommended alignment adopted by Government, Richard stayed on to head the City Project.