ANNUAL REPORT

2014>15

PUBLIC TRANSPORT VICTORIA

Published by

PUBLIC TRANSPORT DEVELOPMENT AUTHORITY
TRADING AS PUBLIC TRANSPORT VICTORIA

750 Collins Street, Docklands VIC 3008.

ISSN 2202-8315 (Online)

Print managed by Finsbury Green,
Level 9, 124 Exhibition Street,
Melbourne VIC 3000.

This document is available in an accessible format at ptv.vic.gov.au

Printed on environmentally friendly paper.

LEADING OUR PUBLIC TRANSPORT NETWORK

– FOR ALL VICTORIANS TODAY AND TOMORROW.

2014–15 Annual Report
Accountable Officer's declaration

19 October 2015

The Hon. Jacinta Allan MP
Minister for Public Transport
1 Spring Street
Melbourne VIC 3000

Dear Minister

Annual Report 2014–15

In accordance with provisions of the *Financial Management Act 1994*, I am pleased to present the Public Transport Development Authority's Annual Report for the year ended 30 June 2015.

DOUGLAS BARTLEY
Deputy Chairman
Public Transport Development Authority trading as Public Transport Victoria

Abbreviations

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AO	Order of Australia
API	Application Programming Interface
ASD	Australian Signals Directorate
ATO	Australian Taxation Office
C02	Carbon Dioxide
CBD	Central Business District
CEO	Chief Executive Officer
CNPL	Civic Nexus Pty Ltd
DDA	*Disability Discrimination Act 1992*
DEDJTR	Department of Economic Development, Jobs, Transport and Resources
DOJR	Department of Justice and Regulation
DSAPT	Disability Standards for Accessible Public Transport
DTF	Department of Treasury and Finance
DWG	Designated Working Group
EMS	Environment Management System
FOI	Freedom of Information
FRD	Finance Reporting Direction
FTE	Full Time equivalent
GST	Goods and Services Tax
GTFS	General Transit Feed Specification
HCS	High Capacity Signalling
HCMT	High Capacity Metro Train
HSRs	Health and Safety Representatives
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBAC	Independent Broad-based Anti-corruption Commission
ICC	Incident Control Centre
ICT	Information Communications Technology
IRP	Issue Resolution Procedure
km	kilometre
LSL	long service leave
m	metre
MJ	Mega joule
MP	Member of Parliament
MTM	Metro Trains Melbourne
N/A	Not applicable
NPS	Net Promoter Score
NPV	Net Present Value
OAM	Medal of the Order of Australia
OHS	Occupational Health and Safety
PIN	Provisional Improvement Notice
PPP	Public Private Partnership
PSO	Protective Services Officer
PTAC	Public Transport Access Committee
PTDA	Public Transport Development Authority
PTO	Public Transport Ombudsman
PTOC	Public Transport Operators' Committee
PTV	Public Transport Victoria
RDR	Reduced Disclosure Requirement
RRL	Regional Rail Link
RRLA	Regional Rail Link Authority
RTW	Return To Work
SDA	Services and Development Agreement
SPAD	Signal Passed at Danger
sqm	square metre
T&H	Tourist and Heritage
(t CO^2 e)	Tonnes of Carbon Dioxide Equivalent
TIA	*Transport Integration Act 2010*
TSV	Transport Safety Victoria
VAGO	Victorian Auditor-General's Office
VicFleet	Victorian State Government vehicle pool
VicRoads	Roads Corporation of Victoria
VicTrack	Victorian Rail Track Corporation
VIPP	*Victorian Industry Participation Policy*
V/Line	V/Line Corporation
VMIA	Victorian Managed Insurance Authority
VPS	Victorian Public Service
VWA	Victorian WorkCover Authority

Chief Executive's foreword

I'm pleased to present Public Transport Victoria's (PTV) *Annual Report* for 2014–15, which tells the story of an agency with energy and focus, which has grown within its legislative role.

Over the past year we have delivered projects on time, enhanced transport affordability and accessibility, improved timetables, released open access transport data, helped Government to form a long-term rolling stock strategy, and strengthened collaboration with industry partners. The metropolitan train and tram networks have maintained high levels of performance over the past year, with both having improved considerably in punctuality and reliability over the term of the current franchises.

Performance and punctuality on the regional train network have also both improved significantly over the past year.

In all our endeavours, we have put our customers first.

We have also reformed internally; fostering integrity in our people and systems. We have reformed our procurement processes and begun to realign our structure directly to the goals of our *Corporate Plan*.

MARK WILD
Chief Executive Officer

Internal improvements have put us in an excellent position to drive investment in Victoria, and further opportunities for all Victorians.

As PTV evolves, our staff have turned passion into productivity in the past twelve months. In February, we initiated Victoria's first industry-wide staff mentoring program, and our corporate social responsibility partnership with youth homelessness charity 'Ladder' has just begun.

Although we are proud to report on our success, our greatest achievements this year have evidenced less talking, and more listening. Through our stakeholder engagement strategy and community consultation initiatives, our planning has become directly informed by the communities we serve and the customers we value.

Overall, our emphasis has been on collaborating with Victorians, for Victorians, and I am extremely proud of our project teams which have reached out directly to communities in the past 12 months.

Looking to the year ahead, PTV stands well-placed to continue to improve the network for Victorians. Our partnerships with the Melbourne Metro Rail Authority and the Level Crossing Removal Authority will be pivotal in securing further benefits for customers in Melbourne, while we continue to focus on better transport in regional Victoria.

Working with the Department of Economic Development, Jobs, Transport and Resources, our role in the next 12 months will be to enable Victorians to better access employment and services, minimise their environmental footprint, and increase their capacity to contribute to Victoria's economic sustainability. Together with the Department and V/Line, we are working to develop the Government's *Regional Network Development Plan* to scope out the vision for public transport in regional Victoria.

As one year draws to a close and another year begins, PTV is full of energy. We look forward to reinvesting this energy into Victoria, and for Victorians, to add further value in the year to come.

Deputy Chairman’s foreword

The role of public transport policy, planning and operation is vital to the future economic and social wellbeing of our state.

Public Transport Victoria has a clear objective to lead our public transport network, to ensure excellence in service delivery today, while planning continuous improvement in the future. This year, the Regional Rail Link became operational and new trains, trams and buses expanded the network capacity, resulting in additional services.

PTV is now working closely with the recently established authorities to deliver the Melbourne Metro rail tunnel and the removal of 50 of the state’s worst level crossings. A longer-term objective is to deliver Melbourne a metro-style quality service. This will be supported by the development of high-capacity signalling for trains, with a trial set to begin on the Sandringham line in the coming year.

As PTV embarks on its fourth year, the organisation continues to focus of invigorating the transport system.

The considerable investment committed to public transport in the 2015–16 State Budget reflects the importance to the state of an efficient transport system and the investment required.

The 2015–2025 Victorian Rolling Stock Strategy sets out a pipeline of orders to meet the needs of our major new projects and carry the growing number of people using public transport. The community consultation now underway in regional areas to develop the *Regional Network Development Plan* will provide input for transport policy.

The Board of PTV acknowledges the considerable contribution of the inaugural Chairman, Ian Dobbs, and Directors Mike Taylor, Craig Opie and John Nicol during the formation of the organisation and the progress achieved during the first three years.

The PTV Board also thanks the staff and the people of partner organisations operating within the transport portfolio.

DOUGLAS BARTLEY
Deputy Chairman

SECTION 1: STRUCTURE AND GOVERNANCE

Establishment and functions

High quality transport options are of vital importance for improving liveability, encouraging economic activity and catering for population growth.

The primary objective of PTV under the *Transport Integration Act 2010* is:

To plan, coordinate, provide, operate and maintain a safe, punctual, reliable and clean public transport system consistent with the vision statement and transport system objectives contained in the *Transport Integration Act 2010*.

In seeking to meet its legislative objective, PTV's core functions include:

- Managing the public transport network in a way which strives to achieve the highest levels of safety and service delivery.
- Contributing to social wellbeing by providing access to opportunities and supporting liveable communities.
- Acting as the public face of the public transport network and as an advocate for public transport users.
- Interacting directly with customers through the PTV call centre, PTV Hubs and information technology platforms.
- Managing ongoing improvements to the network, for example through new rolling stock procurement and infrastructure delivery.
- Planning for the public transport needs of future generations.
- Ensuring that valuable public funds are spent prudently and efficiently.

PTV supports the Minister for Public Transport, Jacinta Allan MP.

It also supports the Parliamentary Secretary for Transport, Shaun Leane MP.

Statement of expectations

PTV operates pursuant to a direction under section 79O(1)(a) of the *Transport Integration Act 2010* which constitutes a binding Statement of Expectations.

In addition to assisting to define how PTV will consult and interact with other areas of government, the Statement of Expectations requires PTV to have a strong focus on:

- Excellence in the delivery of public transport services to the Victorian public.
- Building constructive partnerships with transport operators in which those operators are appropriately held to account for the quality of service and value for money they provide to the Victorian public.
- Delivering innovation and continuous improvement in public transport planning and service delivery.
- Ensuring that public transport services are properly coordinated.
- Providing a 'one stop shop' for the users of public transport and for key stakeholders who wish to access information about public transport in Victoria.
- Ensuring accuracy and transparency in public reporting about the performance of Victoria's public transport system.
- Providing high levels of safety and personal security for public transport users.
- Collaboration and partnership with other government agencies, particularly the Department of Economic Development, Jobs, Transport and Resources and VicRoads, to deliver integrated and coordinated transport outcomes; and
- Supporting the needs of freight users of the transport network.

Organisation structure

PTV's organisation structure as at 30 June 2015:

MARK WILD
CHIEF EXECUTIVE OFFICER

- **MELANIE NANSCAWEN**
  CHIEF OF STAFF
- **GRAHAM FRYER**
  EXECUTIVE DIRECTOR
  CORPORATE SERVICES
  - **JANE CHAPMAN**
    DIRECTOR, COMMERCIAL
  - **FRED CILIA**
    CHIEF FINANCE OFFICER
  - **SENDUR KATHIR**
    CHIEF INFORMATION OFFICER
  - **JAY MANGA**
    A/DIRECTOR, SAFETY AND ENVIRONMENT
  - **ROSEMARY MARTIN**
    GENERAL COUNSEL
  - **SONNY NG**
    ACTING GENERAL MANAGER, EPMO
  - **MELISSA WEBB**
    DIRECTOR, STRATEGY
    AND TRANSFORMATION
- **GLENN ABERCROMBIE**
  DIRECTOR, ASSET AND
  PROGRAM MANAGEMENT
- **AMANDA FAIRLEY**
  DIRECTOR, PRODUCT AND
  NETWORK DEVELOPMENT
- **ALAN FEDDA**
  DIRECTOR, CUSTOMER EXPERIENCE
- **SALLY PICKERING**
  DIRECTOR, COMMUNICATIONS
- **CELIA POLLARD**
  DIRECTOR, HUMAN RESOURCES
- **JEROEN WEIMAR**
  DIRECTOR, PERFORMANCE
  AND CONTRACT MANAGEMENT

PTV's Board of Directors

PTV is governed by a Board of Directors. The Directors of PTV in office during the financial year were:

IAN DOBBS
Chairman

DOUGLAS BARTLEY
Deputy Chairman

MICHAEL TAYLOR AO
Director

VIRGINIA HICKEY
Director

CRAIG OPIE
Director

JOHN NICOL OAM
Director

Particulars of the PTV Board members' qualifications, experience and special responsibilities are provided below.

Chairman

IAN DOBBS has worked in the public transport industry for over 38 years in Australia and the UK. After a career in the UK rail industry, Ian served as Chief Executive for the Public Transport Corporation in Victoria. He was previously Chief Executive of Stagecoach Group's rail division – one of the largest rail operators in the UK. Ian served as inaugural Chair and CEO of PTV from April 2012, following his appointment to the Board on 12 December 2011. He concentrated solely on the Chairman's role from January 2014 before his resignation from his role as Chair effective 30 June 2015.

Deputy Chairman

DOUGLAS BARTLEY has extensive business experience in human resources, financial management and governance across the transport, financial services and trading industries. His expertise in these fields is highlighted by his most recent previous role as Chair of KPMG in Victoria. He was also the Partner in Charge of KPMG's Global Japanese Practice in Australia. Doug was appointed to the Board on 12 December 2011.

Director

MICHAEL TAYLOR AO has worked in senior public sector roles during a career that spans over 15 years. His most recent roles include Secretary to the Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government, and Chair of the Murray Darling Basin Authority. He has been the Chair or a member of a large number of boards, including that of the Melbourne Business School. Michael was appointed to the Board on 12 December 2011.

Director

VIRGINIA HICKEY is an experienced lawyer and also an expert in corporate strategy and governance. Virginia has served on a large number of boards, including as former Chair of TransAdelaide, Adelaide's metropolitan passenger rail operator, and Commissioner at the National Transport Commission. Virginia was appointed to the Board on 1 July 2012.

Director

CRAIG OPIE has been the managing director of many iconic Melbourne tourist attractions, including the Colonial Tramcar Restaurant and Eureka Skydeck. He has owned and operated several other tourism and non-tourism businesses. He is currently Managing Director of Paperworld Pty Ltd and Greenheart Australia Pty Ltd, and a director of Tourism Victoria. In 2013 he received an award for outstanding individual contribution to tourism in Victoria. Craig was appointed to the Board on 1 November 2012.

Director

JOHN NICOL OAM had an extensive career in municipal government having completed 20 years as City Engineer at Werribee City Council. He chaired the Victorian Desalination Project Community Liaison Group, EastLink Community Reference Group, and the Regional Rail Link Community Reference Group. John was a committed Rotarian and President of the Werribee Football Club. John was appointed to the Board on 1 July 2014. John passed away on 26 August 2015.

PTV Board sub-committees

PTV Board Audit and Risk Committee

The Committee assists the PTV Board in fulfilling its responsibilities related to PTV's financial performance and the financial reporting process. The Committee is also responsible for review of, and recommendation to the Board on, accounting policies, the operation and implementation of the risk management framework, and compliance with the various directions and procedures contained in the *Standing Directions of the Minister for Finance.*

PTV Board Remuneration Committee

The Committee ensures that PTV has coherent remuneration policies and practices which enable it to attract and retain staffing resources. It also ensures that PTV fairly and responsibly rewards executives, staff and contractors/contract employees, considering their responsibilities and performance, the performance of PTV and prevailing engagement and remuneration policies and conditions applied to employment by the Victorian Government.

PTV Board Health, Safety and Environment Sub-Committee

The Committee assists the PTV Board to promote a strong and proactive culture at PTV which values health, safety and the environment. It reviews health, safety and environment compliance, including compliance standards, and recommends to the Board appropriate measures and responses. Developments in relevant health, safety and environment legislation and regulations are also considered by the Committee, which then may provide appropriate recommendations to the Board.

PTV BOARD AND SUB-COMMITTEE ATTENDANCE 2014–15

	Board		Audit and Risk		Remuneration		Health, Safety and Environment	
Board Member	Attended	Maximum possible	Attended	Maximum possible	Attended	Maximum possible	Attended	Maximum possible
Ian Dobbs	10	11	5	7	4	4	4	4
Douglas Bartley	11	11	7	7	4	4	–	–
Michael Taylor AO	10	11	5	7	4	4	2	4
Virginia Hickey	11	11	6	7	–	–	4	4
Craig Opie	11	11	–	–	4	4	–	–
John Nicol OAM	11	11	6	7	–	–	2	3

Chief Finance Officer's Statement

The 2014–15 Annual Report includes PTV's third full year financial statements. As was the case last year, this year's statements include Franchise Asset Holdings Pty Ltd (AssetCo), an entity established as a result of bus franchise arrangements with Transdev. As a controlled entity, AssetCo financial information has been consolidated with PTV's and is represented in the consolidated column of the financial statements.

Financial Result

As a government agency PTV is fully funded for its operating and capital expenditure, therefore the operating result will reflect accounting transactions that do not require government funding and where revenue has been received but has been used for capital purposes. For 2014–15, the net result was a deficit of $70 million which reflects expenses that are not funded by government (61.5 million, mainly depreciation and provision for rail employee entitlements), increase in long service liabilities of rail operators' employees due to a decrease in discount rates ($42 million), offset by revenue received for capital purposes ($33.5 million).

Property, plant and equipment as at 30 June 2015 was revalued by the Valuer General Victoria, resulting in revaluation surplus of $220.9 million.

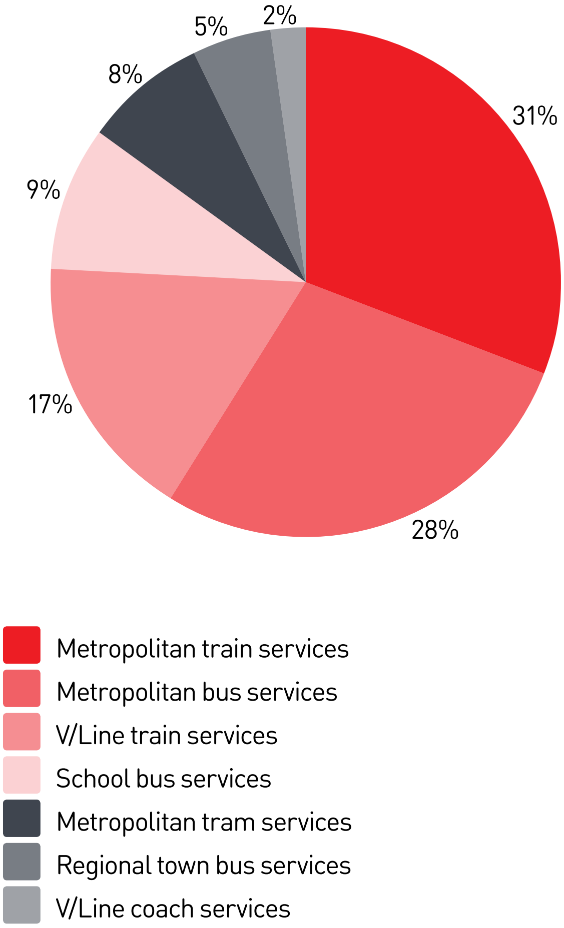
Income

PTV's income is primarily sourced from government grants, its share of fare receipts, licence fees from advertising panels at bus shelters, myki card sales and contributions from the operators for marketing and communications.

Expenses

PTV's total operating expenses in 2014–15 were $4.2 billion. The majority of PTV's expenditure was for payments to the transport service providers including $1.1 billion for metropolitan and regional train services, $0.2 billion for metropolitan tram services, $1.6 billion for the Government's capital assets charge for rail infrastructure and $0.9 billion for bus services.

PAYMENTS TO TRANSPORT SERVICE PROVIDERS



Chief Finance Officer's Statement

Capital Expenditure

PTV's capital expenditure for 2014–15 was approximately $0.9 billion on major projects such as the Bayside Rail Improvement Program, Ringwood Station interchange and accessibility upgrade, metropolitan city loop fire and safety upgrade, country level crossing upgrade, network renewal and franchisee projects, myki ticketing and transport integration projects, installation of the digital train radio system, and construction of facilities to support the deployment of Protective Service Officers at railway stations.

It also included expenditure on the procurement of new rolling stock, with vehicles delivered throughout the year. Rolling stock orders will provide for a total of 70 new low-floor high-capacity trams, 64 new regional railcars and 13 new X'Trapolis trains.

Rail assets created by PTV's capital expenditure are transferred by way of equity (refer to note 2(a) of the financial statements) to VicTrack as the entity responsible for reporting the State's transport infrastructure network. As such, these assets are not included in the asset figure in the table below.

Financial Summary

The financial statements presented later in this report are prepared in accordance with the *Financial Management Act 1994* and applicable Australian accounting standards.

The table below shows the financial results for the financial years 2014–15, 2013–14 and 2012–13 and the period from 15 December 2011 (date of establishment) to 30 June 2012.

	2015 Group* $M	2014 Group* $M	2013 $M	2012 Group** $M
Grant from Government	3,868.9	4,048.0	4,178.8	999.0
Total income from transactions	**4,127.9**	**4,134.9**	**4,240.0**	**1,111.3**
Total expenses from transactions	**(4,152.2)**	**(4,166.1)**	**(4,240.0)**	**(996.0)**
Net result from transactions	(24.3)	(31.2)	0.1	115.3
Total other economic flows included in net results	**(45.7)**	**(0.3)**	**(1.1)**	**–**
Net results	(70.0)	(31.5)	(1.0)	115.3
Net cash flows from/(used in) operating activities	(17.6)	29.9	84.6	16.9
Total assets	**2,062.1**	**1,757.3**	**1,876.9**	**1,615.4**
Total liabilities	**(1,506.3)**	**(1,330.3)**	**(1,248.4)**	**(1,116.5)**
Net assets	555.8	427.0	628.5	498.9

Notes:

* For 2014 to 2015, the Group result relates to the financial information of PTV and Franchise Asset Holdings.

** For 2012, the reporting period covered from 15 December 2011 (date of establishment) to 30 June 2012. PTV commenced operation on 2 April 2012. The 'Group' figures relate to the financial information of PTV and Metlink.

SECTION 2: REPORT ON OPERATIONS

Achievements this year

SERVICE DELIVERY AND CUSTOMER EXPERIENCE

"We will meet Victorians' public transport needs by relentlessly driving better service delivery. We recognise we need to continually raise the bar. We will focus on making public transport simple and easy to use throughout an entire journey. We will stand in our customers' shoes when designing our services. We will measure the adequacy of our services based on all customer interactions. Our customers will be our advocates."

– PTV Corporate Plan 2014–18

Customer satisfaction score >70 on all modes

Customer satisfaction results reached all-time highs for both metropolitan trains and trams, following an excellent 12 months for customer service improvements. The March 2015 quarter was the first ever in which PTV achieved customer satisfaction results of over 70 on each public transport mode. The results continue an overall upward trend in customer satisfaction results across the network.

New fleet delivered

Victoria continues to benefit from significant investment in rolling stock, with 19 new E-class trams providing capacity for almost 4,000 extra passengers. An additional 20 E-class trams were placed on order.

Five new X'Trapolis trains were ordered for the metropolitan rail network and 31 new VLocity carriages delivered on the regional rail network. An additional 21 VLocity carriages were placed on order.

July 2014 timetable

Almost 4,000 extra weekly train, tram and bus services were added in July 2014.

Train services on the Cranbourne and Pakenham lines increased by 50 per cent between peak periods, with trains now running every 20 minutes. Trains on the Dandenong corridor were boosted to 10 minute frequencies between peak periods, and every three to four minutes in the peak.

The new tram Route 12 and improvements to Route 11 increased services to growing areas in Melbourne's inner suburbs, and bus networks were improved in Bacchus Marsh, Banyule, Booroondara, Brimbank, Casey, Darebin, Hume, Maroondah, Manningham, Moonee Valley, Port Phillip, Whitehorse, Wyndham and Yarra.

Regional Rail Link activated

The $3.65 billion Regional Rail Link opened on 21 June, the largest public transport infrastructure project ever undertaken in Victoria, with 90 kilometres of new track, two new V/Line stations at Wyndham Vale and Tarneit, major bridge works and two level crossing removals.

The project, which was delivered ahead of time and under budget, provides dedicated tracks for regional trains from Melbourne to Geelong, Ballarat and Bendigo.

New Geelong, Bellarine and Wyndham bus networks

Following extensive community consultation, PTV delivered re-designed bus networks in Geelong, the Bellarine Peninsula and Wyndham, to support the new Regional Rail Link and provide more frequent services.

PTV collaborated with the Geelong, Surf Coast and Wyndham City Councils at all stages of planning the new networks, including site visits, consultation and information sharing.

myki

The one billionth touch on since the introduction of the myki ticketing system was made: a significant ticketing milestone.

Numerous operational efficiencies were realised. A new-look single myki card was launched, a number of paper-based forms were removed, and card administration was streamlined. Next generation gates were installed at key locations across the network, including at the busy 'CBD/events end' of Richmond Station.

The iUSE pass for international undergraduate students was successfully launched through tertiary institutions.

mykiretail.com.au was launched for myki retail partners, incorporating a new online training system and Retail Quick Reference Guide available in multiple languages. The Quick Reference Guide was also produced in simplified Chinese for the first time.

Disability Discrimination Act (DDA) Upgrade Program

The delivery of 1,223 DDA-compliant bus stops was carried out by different organisations and authorities, including private companies and road authorities in consultation with local councils. PTV also delivered 11 bus stop improvement contracts and 10 road adjustments for bus routes. The total value of all project and maintenance works for bus accessibility was in excess of $6.5 million.

Raised boarding platforms allowed more passengers with mobility aids to board and alight trains unassisted, while six metropolitan and one regional station received accessible toilet facilities.

Accessibility improvements, including platform resurfacing and the installation of tactile indicators, were delivered at 20 V/Line stations, and handrail and access path upgrades were key to the reinstatement of the Seymour buggy service.

PTV has recently completed an audit of all regional and metropolitan railway stations for DDA compliance. Audit data will inform the future upgrade of stations and station facilities to improve compliance with legislation.

PTV has continued to deliver on its commitment to improving accessibility across the network for tram customers. Busy stops at Victoria Gardens in Richmond, at the corner of Elgin and Lygon Streets in Carlton, as well as at the World Trade Centre stop on Spencer Street in the CBD, were upgraded to level access, with greatly improved accessibility and wayfinding for customers. Accessible stops were also delivered on Nicholson Street in Melbourne's north, and along Collins Street in the CBD.

Travelling in the Shoes of Others

Run by the PTV Transport Accessibility Unit, in partnership with Vision Australia, Guide Dogs Victoria and Yooralla, the 'Travelling in the Shoes of Others' program increases awareness of public transport accessibility issues. This program has strengthened PTV's relationship with transport accessibility groups and is now a core component of the PTV staff induction program.

Complaints resolution audit and customer advocacy

PTV audited the case handling of over 600 complaints to public transport operators, evaluating them against 12 key service areas. Tailored reports were delivered to operators, and 18 industry-wide recommendations were made to improve complaint resolution processes. Operators have since submitted advocacy plans with timeframes for implementing PTV's recommendations.

PTV's Customer Advocate function has been an important channel to escalate public transport complaints, with approximately 1,100 cases received this financial year from across the industry. The Customer Advocate group has also presented to around 1,000 community members regarding access to public transport over the past year.

Customer experience standards

Journey maps were developed to establish an evidence-base of the most important moments customers experience when using public transport across modes. The process included development of a new customer insight analysis model, allowing PTV to analyse all available qualitative and quantitative customer data. The development of Customer Experience Standards reshapes the way PTV plans, designs and delivers products and services for customers, and will continue to shape customer experience outcomes in the coming year.

Disruption information

PTV is improving disruption information so customers can have access to the latest information no matter where they are. Network Status Boards, for up-to-the-minute multi-modal information, were rolled out at the Southern Cross PTV Hub and along the Frankston line and disruption information was integrated on the PTV website and PTV app. Live disruption updates were expanded to operate 24 hours a day during major events such as New Year's Eve and the White Night event in February.

Achievements this year

PTV Call Centre

The PTV Call Centre received an average of 115,000 calls per month, with 80.4 per cent of calls answered within 30 seconds, above annual targets. Customer satisfaction results remained high as we transitioned to a new provider which delivered significant cost efficiencies. Further value will be added in 2015 with the launch of PTV's Automated Interactive Voice Response self-service channel, and the roll-out of the online Virtual Assistant in 2016.

PTV Hubs

Additional myki ticket terminals were installed at the PTV Hub at Southern Cross Station, allowing staff to sell, top up and replace myki cards. The Hub saw an average of 8,000 customers per week, with most interactions regarding myki and journey planning.

A pop-up hub operated at Station Pier for the cruise ship season, where 35,000 myki visitor packs were sold. The Collins Street Hub also processed over 4,000 free travel passes and 1,600 concession cards across the year.

PTV Hub kiosks opened in Geelong and Bendigo in October 2014, with 16,000 customer interactions and 3,000 myki cards sold to the end of June 2015. 3,000 Net Promoter Score (NPS) surveys have been completed at Regional Hubs, achieving an outstanding result of +90.

Tourist and Heritage railways

Plastic sleepers are currently being designed for use on Tourist and Heritage (T&H) railways throughout Victoria, which are expected to boost resilience, improve track safety conditions, and minimise sleeper purchase costs for T&H groups. Plastic sleeper trials have been run at Daylesford, Walhalla, Castlemaine and on Victoria's famous Puffing Billy line.

Car park enforcement trial

Enforcement of parking regulations was trialled at Box Hill, Burwood, Camberwell, Heidelberg, Highett and Murrumbeena stations, with Authorised Officers conducting random patrols of station carparks to ensure they are being used by commuters. Drivers or passengers in a vehicle parked at these locations risk fines if they do not have a valid ticket to show they have used public transport. The trial will be evaluated in late 2015.

GROWTH AND FINANCIAL MANAGEMENT

"By driving public transport use, we will support a sustainable and prosperous Victoria. PTV will retain and attract patronage through an expert understanding of our customers and the transport market. We will deliver more value for every dollar spent on public transport."

– PTV Corporate Plan 2014–18

Introduction of the Free Tram Zone and Zone 1 fare for travel across Zones 1+2

Since 1 January 2015, Victorians have enjoyed more affordable public transport with the introduction of Zone 1 fares for travel between Zones 1+2 and the introduction of the Free Tram Zone in Melbourne's CBD.

More than 70 tram stops in Melbourne's CBD and Docklands received improved customer information to ensure easy recognition of the zone, and the launch was supported by a widespread stakeholder information campaign to both customers and industry.

Rail maintenance and renewal

PTV's investments in rail maintenance and renewal totalled $251 million on the metropolitan rail network, $63 million on the tram network and $143 million on the regional passenger and freight network.

Leading work included replacement of several bridges in the metropolitan and regional network (including Morwell River bridge), installation of axle counter technology on the Stony Point line, introduction of the Queensbridge Street multi-modal platform stop and renewal of tram infrastructure on Elgin and Lygon streets.

This year also saw the commencement of the Customer Enhancement initiative from the Maintaining Our Rail Network fund, delivering canopies, speakers and extra seating at stops and stations, and new Parkiteer bike cages.

Sandown Park Station car park

PTV collaborated with Melbourne Racing Club and the City of Greater Dandenong to allow the Sandown gravel car park to be used by rail commuters. This has created space for an additional 130 cars at Sandown Park Station, helping to cater for growing demand on the Cranbourne and Pakenham rail corridor, Melbourne's busiest.

New V/Line stations

PTV opened new V/Line stations at Epsom and Eaglehawk in Bendigo, and at Waurn Ponds in Geelong, with bus routes extended to provide access to the new stations. Wyndham Vale and Tarneit stations opened as part of Regional Rail Link in June 2015.

More than 100 trains a week service the new Waurn Ponds Station.

Balaclava Station upgrade

The upgrade to Balaclava Station has provided safer, more accessible public transport services to the more than 3,000 commuters who use the station each weekday.

This is the 81st Premium Station delivered on the public transport network, with additional myki readers, more shelter, increased lighting and CCTV, improved passenger information displays and accessibility, and more facilities for PSOs.

Rolling Stock Strategy

The State Government's *Trains, Trams, Jobs 2015–2025 – Victorian Rolling Stock Strategy* is a plan of action to support manufacturing in Victoria and to ensure a supply of new trains and trams for Melbourne and regional Victoria over the next decade. With support from PTV's research and modelling, the strategy is a key document in the forward planning agenda.

High Capacity Metro Trains

The Expression of Interest was released for the supply of 37 High Capacity Metro Trains (HCMT) for Melbourne, the largest ever single investment by a Victorian Government in trains. The HCMT project is being delivered by PTV on behalf of the State Government, and will be procured and delivered as an 'availability based' PPP.

The project will provide a dedicated train fleet for the Cranbourne and Pakenham line and will boost capacity across Melbourne's rail network through the redeployment of existing trains.

Achievements this year

LEADING THE NETWORK

"PTV will lead operators, service providers and stakeholders to deliver superior results through a disciplined and clear partnership approach. Public transport operators are committed to our vision and see contractual standards as the platform on which to build. We will ensure our stakeholders are informed and engaged with our work. Our collaboration with community and partners will deliver the best outcomes for customers, the broader community and rail freight services."

– PTV Corporate Plan 2014–18

Regional Network Development Plan

PTV began delivering widespread community consultation on the Government's *Regional Network Development Plan*, which will provide Victoria's first ever short, medium and long-term strategy for better regional public transport.

The *Regional Network Development Plan* will move Victoria towards a more coordinated regional public transport network where train and bus services work together to get people where they need to go quickly and safely.

Community consultation

A new focus on community consultation to deliver better projects and services saw an unprecedented level of engagement with PTV's stakeholders. Community consultation sessions were held for the new Geelong and Wyndham bus networks, Southland Station preliminary design and location, Route 96 tram project, Mernda Rail Extension, Caroline Springs Station and reinstatement of the Route 509 Hope Street bus.

Tourism partnerships

PTV has engaged the tourism industry as a key stakeholder, presenting at the Victorian Tourism Conference, the Melbourne Tourism Industry Exchange and the Victorian Visitor Centre Summit.

Industry-wide mentoring

Over 100 professionals participated in PTV's new industry-wide mentoring program, providing a much-needed new connection between PTV and the broader public transport industry.

Ticketing Services retender

A shortlist of bidders has been selected in the tender process for the services contract of Victoria's smartcard ticketing system – myki. PTV is seeking an operator to run the existing system and deliver maximum value for money for Victorian taxpayers.

The tender process is expected to be complete by mid–2016 with the successful respondent to commence the new contract at the start of 2017.

SAFETY AND THE ENVIRONMENT

"PTV will provide a public transport system which is safe for employees, customers and the community, and we will take action to understand and manage our environmental footprint. Our safety culture will ensure operators achieve the highest standards, and customers will be confident that public transport will deliver people safely to their destination."

– PTV Corporate Plan 2014–18

Safety and Environment Division

This new division is designed to ensure the provision of a safer public transport network, and to improve the management of our environmental footprint. The Safety and Environment Division works with operators and key stakeholders across Victorian transport to improve existing standards and practices.

PTV has responded to the Victorian Auditor-General's Office investigation into the environmental impacts of public transport, and an integrated Safety Management System is being developed to provide PTV employees and contractors with policies, practices and tools to manage health, safety and environment across the network, ultimately aimed at prioritising the safety of our customers and employees.

Incident Control Centre

PTV launched Victoria's first ever state-wide Incident Control Centre (ICC) for the public transport network. This state-of-the-art coordination facility is staffed 24 hours a day, and is best placed to respond to emerging multi-modal issues and incidents across the network.

The PTV ICC is built to best practice industry standards, and contains its own independent Wi-Fi and telecommunications networks in the event of major incidents. The centre has access to 5,500 CCTV feeds and monitors broadcast, digital and social media channels.

The ICC was used during the Australian Formula One Grand Prix, providing necessary support to one of Victoria's world-class international events.

Bus safety

PTV rolled out focused programs to improve safety on and around buses for drivers and passengers, including a trial of security screens and relocation of fare payment devices.

Trials also commenced for the installation of CCTV on Latrobe Valley Bus Lines, aimed at improving driver safety, reducing fare evasion, and bringing buses into step with current employee privacy legislation. Of the 1,355 school buses identified for seatbelt fittings across the state, 703 (51.9 per cent) were fitted in 2014–15.

Safer country level crossings

$50 million has been committed over four years for the Safer Country Crossings Program. In regional Victoria 52 road level crossings will be upgraded from passive lights to include flashing lights and boom barriers, and 25 pedestrian level crossings will be improved with automatic gates and emergency exit gate latches.

Integrated safety management plan

During 2014–15 PTV commenced work on an integrated safety and environmental management system. The plan will be a comprehensive, risk-based, structured approach to proactively manage health, safety and environmental matters across PTV. The plan reflects PTV's safety and environmental policies, and develops procedures and activities necessary for a safer, more sustainable network.

INFORMATION, SYSTEMS AND PROCESSES

"We help customers make informed choices when they use the public transport network, enhancing their experience of it. We maintain quality data, embrace open access, and encourage market innovators to use our data. Our systems make sure information is available in the right place at the right time. We will introduce new processes that enable us to work across the network and with our partners to deliver our goals."

– PTV Corporate Plan 2014–18

Procurement reform

PTV's new procurement policy is now best practice, in line with *Victorian Government Purchasing Board Guidelines*, and fully aligned to business needs. New monitoring and control processes have been implemented, and all staff have participated in an updated procurement, fraud and corruption training program.

The responsibilities of contract managers have been clearly set and defined and a new contract management system is being implemented. In the interests of improving public sector procurement standards more widely, a presentation about PTV's reform has been delivered to a number of State Government departments as well as to an annual Australian Government Procurement Conference.

Information security

PTV partnered with the Australian Signals Directorate (ASD), the then Department of State Development, Business and Innovation and the Australian Computer Emergency Response Team to boost its information security.

A 'gap assessment' conducted against the ASD's top 35 security controls for cyber-attacks enabled PTV to identify risks and mitigation strategies. A recent KPMG audit appraised PTV information security at a maturity level of three, up from one in 2013.

An Intrusion Prevention System now detects suspicious activity on PTV IT platforms. Additionally, PTV's new Payment Management Platform on the myki website has reduced the number of fraudulently processed transactions by 95 per cent in under one year, with no system down time and no impact to PTV customers or information assets.

Integrated digital strategy

PTV's digital strategy progressively rolled out real-time information to customers, developing robust external relationships to share public transport data in customer-friendly formats. There were enhancements to mobile applications, an Interactive Voice Response tool was introduced to the PTV call centre, and online virtual assistant functions were tested for the first time. The launch of PTV's twitter account is changing the way customers receive real-time news and information about PTV's services and products.

Open Access Data and Bus Tracking System

PTV released General Transit Feed Specification (GTFS) timetable data, enabling transit application providers to create mobile apps mapping journeys on public transport across Melbourne.

PTV commenced delivery of real-time bus information, in its latest release of Application Programming Interface (API) timetable data. Delivery is currently underway in Bendigo and Geelong using SmartTrack technology. Three operator training sessions have been held in collaboration with the Bus Association of Victoria (BAV), and one-on-one in-depot training sessions are currently in progress. Real-time train data is currently in project delivery phase, and will complement the available tram and bus real time information in due course.

The API release included PTV's first ever VicTripathon, an open access data event to engage and encourage the development of applications using PTV data to provide customers with more and better information.

Performance reporting system

PTV oversaw Metro's delivery of Melbourne's first automated data collection for trains across the metropolitan train network. The new system detects trains passing over markers along the tracks, providing recorded arrival and departure times. The automatic performance reporting system replaces a time-consuming and outdated manual recording of train arrival times, enabling efficiencies at Metro.

With new performance reports available, PTV implemented a new measure reporting the number of Metro trains skipping stops. More in-depth performance reports have led to greater transparency for customers.

IT improvements

PTV refreshed its entire desktop hardware and software environment, including the installation of over 600 units. The rollout removed two separate operating environments for PTV staff, delivering significant improvement to overall performance in desktop operation and staff productivity.

PTV implemented a new Wi-Fi network on all levels for PTV staff, resulting in greater speed and efficiency of Wi-Fi across PTV, and better staff mobility and connectivity outside the office.

ENGAGED AND CAPABLE PEOPLE

"PTV people are passionate, practical, know their accountabilities and work as a team. Our people are ready to deliver the business strategy and have the right expertise, skills, and access to development opportunities to be successful. PTV will look to the long term and set standards for the skills and capabilities required by the industry."

– PTV Corporate Plan 2014–18

Corporate Plan

Extensive staff engagement was undertaken to develop the *Corporate Plan 2014–18*, which outlines PTV's purpose, strategic intent, vision and organisational values. The plan forms PTV's basis for operations and sets numerous targets under PTV's five defined strategic themes.

Value chain and operating model

PTV's organisational value chain has been developed to determine our organisational alignment against long term targets. From this work, PTV's executive team has proposed changes to our operating model to embed the value chain into our work streams. Work is now underway to reorganise PTV resources to best suit the value chain.

Employee Value Proposition

On 2 April 2015, PTV celebrated its third birthday and launched its Employee Value Proposition. The *Employee Value Proposition – Shape Our Future* – provides an opportunity for employees to understand the reciprocal value they provide to the business, and learn about the career opportunities that PTV provides them.

PTV induction program

A comprehensive two-day induction program has been developed for all new starters, incorporating addresses from senior PTV leaders, an on-network component, interactive visits to the PTV Hub at Southern Cross Station, the PTV Call Centre, and participation in the 'Travelling in the Shoes of Others' program, highlighting accessibility constraints across the network.

Staff capability

PTV continued to build the knowledge, skills and behavioural capabilities of staff to deliver against targets for customers. A three year strategy provides staff with opportunities for individual learning and development, and organisation-wide capabilities are progressively being developed in targeted training modules.

PTV Voice

PTV delivered its first edition of the monthly *PTV Voice* staff magazine. The magazine informs and engages staff about people, projects, news and events from within PTV and across industry partners. The magazine enables greater visibility of PTV projects, and encourages links between project stakeholders and PTV staff.

Payroll in-house

Payroll services previously provided under a Service Level Agreement through DEDJTR have been moved in-house, resulting in a comprehensive HR systems capability.

PTV Performance Report

19 October 2015

The Hon. Jacinta Allan MP
Minister for Public Transport
1 Spring Street
Melbourne VIC 3000

Dear Minister

PUBLIC TRANSPORT SYSTEM PERFORMANCE REPORT

On behalf of the Public Transport Development Authority, I am pleased to submit Public Transport Victoria's report under section 79W of the *Transport Integration Act 2010* on the performance of Victoria's public transport system.

This report provides information on the performance of trains, trams and buses across Victoria for the period 1 July 2014 to 30 June 2015, through measurements in the key areas of customer satisfaction, service punctuality, service reliability and scheduled kilometres. It also includes information on patronage and fare evasion.

DOUGLAS BARTLEY
Deputy Chairman

Metropolitan Public Transport Performance

METROPOLITAN TRAIN

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2015

Measure	Unit	Full year target	Full year actual
Customer satisfaction index	Score (/100)	70.0	71.5
Service punctuality	per cent	92.5	92.7
Scheduled services delivered (reliability)	per cent	99.0	98.8
Total kilometres scheduled	km (million)	22.5	22.4

Note: Targets are set annually, are agreed with Department of Treasury and Finance and are published in Budget Paper No. 3 each year.

Customer satisfaction

Overall customer satisfaction with metropolitan trains for the 12 months to 30 June was 71.5. The result maintains the gradual and consistent growth from the prior year. Importantly and significantly for the March 2015 quarter, metropolitan trains achieved a record score of 71.9 (the highest since records began in 2009).

A feature of the solid results for metropolitan trains is the consistent increases across all key drivers of overall customer satisfaction. Notably, running of services (which is by far the strongest driver of overall customer satisfaction) achieved a score of 71.8 for the 12 months to June 2015. This is a record score and it represents an increase of 1.4 points on the previous year. Satisfaction with personal security rose to 70.5 for the 12 months to 30 June 2015, also a record, due in part to the impact of PSOs on the network.

Patronage

Metropolitan train services carried 227.5 million passengers for the 12 months to 30 June 2015. Train patronage grew by 0.6 per cent for the twelve months ending June 2015. Train patronage growth is heavily dependent on Victoria's rate of employment, which has been flat over the year but has started to increase in the last few months.

Lower than expected fuel prices in the 2014–15 Financial Year also contributed to patronage remaining flat. Prices were much lower this year than in the 2013–14 year, and in January 2015 petrol prices in Melbourne hit a six year low.

Punctuality, reliability and total kilometres scheduled

Metro exceeded contractual thresholds for punctuality and reliability in each month from July 2014 to June 2015. No customer compensation was paid for these periods as Metro met its benchmarks for punctuality (88 per cent) and delivery (98 per cent).

While the punctuality target was met, timetable delivery (at 98.8 per cent) fell short of target by 0.2 per cent. A range of factors contributed to this, including a significant reduction in the practice of unplanned express running.

Metropolitan train kilometres were slightly below the target of 22.5 million kilometres due to a delay in a timetable change originally scheduled for April 2015.

METROPOLITAN TRAM

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2015

Measure	Unit	Full year target	Full year actual
Customer satisfaction index	Score (/100)	74.0	74.9
Service punctuality	per cent	82.9	83.0
Scheduled services delivered (reliability)	per cent	99.5	99.1
Total kilometres scheduled	km (million)	23.6	23.7

Note: Targets are set annually, are agreed with Department of Treasury and Finance and are published in Budget Paper No. 3 each year.

Customer satisfaction

Overall customer satisfaction with trams for the 12 months to 30 June was 74.9. The result represents a period of gradual improvement and a record score since measurement began in 2009.

The greatest improvements in customer satisfaction for trams during 2014–15 were in the area of ticketing, up 3.3 points to 62.7, and price, up 4.2 points to 67.7.

Patronage

Tram services carried 182.1 million passengers for the 12 months to 30 June 2015, an increase of 3.1 per cent for the year. The strong growth was largely attributable to the introduction of the Free Tram Zone, which has boosted CBD tram boardings by over 20 per cent.

Punctuality, reliability and total kilometres scheduled

Yarra Trams exceeded contractual thresholds for punctuality and reliability in each month from July 2014 to June 2015. No customer compensation was paid for these periods as Yarra Trams met its contract benchmarks for punctuality (77 per cent) and delivery (98 per cent).

Tram punctuality targets were met in 2014–15 despite a range of challenges including timetable changes and a high number of special events being scheduled concurrently in and around the CBD during early 2015. Tram timetable delivery improved from 98.9 per cent in 2013–14 to 99.1 per cent in 2014–15; however, this did not meet the challenging 99.5 per cent target.

A revised operational corrective action plan was implemented from April 2015 and results to date reflect an improvement in performance. A significant improvement in punctuality was evident in June 2015.

METROPOLITAN BUS

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2015

Measure	Unit	Full year target[1]	Full year actual[2]
Customer satisfaction index	Score (/100)	76.0	76.1
Service punctuality	per cent	95.0	93.2
Scheduled services delivered (reliability)	per cent	99.9	99.9
Total kilometres scheduled	km (million)	110.8	111.0

Customer satisfaction

Overall customer satisfaction with metropolitan buses for the 12 months to June 2015 was 76.1. This result was not significantly different to the previous year's score of 76.2.

The largest improvements in customer satisfaction for metropolitan buses were with ticketing (up 3.7 points) and with price (up 2.0 points) in 2014–15 to scores of 66.9 and 69.9 respectively.

Patronage

Metropolitan bus services carried 124.0 million passengers for the 12 months to 30 June 2015, a decrease of 0.8 per cent for the year. Patronage on the Doncaster Area Rapid Transit increased by 8 per cent in the morning peak which can be partly attributed to the Zone 1 and 2 fare changes.

Punctuality, reliability and total kilometres scheduled

Until June 2015, metropolitan bus punctuality was based on self-assessment reporting by bus operators on a sample of their routes. On this measure, metropolitan bus punctuality improved from 91.8 per cent in 2013–14 to 93.2 per cent in 2014–15. This level of performance was assessed as being relatively consistent throughout the year. Traffic congestion is the most significant negative contributor to bus punctuality. PTV has now rolled out a new bus tracking system to all buses in metropolitan Melbourne. This enables operators to accurately track their vehicles and will generate far more accurate performance figures on bus punctuality. PTV will use this dataset for 2015–16 to assess and report on metropolitan bus performance.

[1] Targets are set annually, are agreed with Department of Treasury and Finance and are published in Budget Paper No. 3 each year.
[2] Bus punctuality and reliability results are operator self-assessed and based on small sampling rates.

LOAD STANDARDS

Load standard surveys to measure average peak passenger loads against load standard benchmarks were conducted in May 2015. The survey findings help PTV and operators pinpoint when loads exceed the desired load standards during peak periods on each of Melbourne's 15 rail lines and on sections of tram routes.

The survey results have an important role in examining the rail network's capacity and are used for planning purposes. A desired standard is set according to the vehicle type and refers to the maximum desired passenger load. This standard does not relate to a safety requirement but refers to the relative comfort level.

Metropolitan Train

The May 2015 Metropolitan Train Load Standard Survey recorded the following:

	May 2013	May 2014	May 2015
Number of AM peak Rolling Hour Breaches	5	9	12
Number of PM peak Rolling Hour Breaches	6	9	5
Total	11	18	17

In the AM peak there were 12 Rolling Hour breaches. This represents an increase from May 2014, in which nine were recorded.

In the PM peak there were five Rolling Hour breaches. This represents a decrease from May 2014, in which nine were recorded.

Metropolitan Tram

The May 2015 Metropolitan Tram Load Standard Survey recorded the following:

	May 2013	May 2014	May 2015
Number of AM peak Rolling Hour Breaches	14	15	6
Number of PM peak Rolling Hour Breaches	8	11	4
Total	22	26	10

In the AM peak there were six Rolling Hour breaches. This represents a decrease from May 2014, in which there were 15 recorded.

In the PM peak there were four Rolling Hour breaches. This represents a decrease from May 2014, in which there were 11 recorded.

Regional Public Transport Performance

REGIONAL (V/LINE) TRAIN AND COACH

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2015

Measure	Unit	Full year target[3]	Full year actual[4]
Customer satisfaction index: regional train	Score (/100)	77.0	76.3
Customer satisfaction index: regional coach	Score (/100)	81.0	83.0
Service punctuality: regional train	per cent	92.0	89.7
Scheduled services delivered: regional train (reliability)	per cent	98.5	98.6
Total kilometres scheduled: regional train and coach	km (million)	22.3	23.9

Customer satisfaction

Overall customer satisfaction with V/Line trains for the 12 months to June 2015 was 76.3, a 0.2 point increase from the corresponding period in 2014 (76.1).

Overall customer satisfaction with V/Line coach services increased to 83.0 for the 12 months to 30 June 2015, up 0.9 points from the same period in the previous year. It should be noted this score is based on a small sample size and is subject to considerable variability.

Patronage

Regional train services carried 13.6 million passengers for the 12 months to 30 June 2015, while regional coach services carried 1.4 million passengers over the same period.

Patronage on regional trains increased by 4.7 per cent for the 12 months to 30 June 2015 compared to the previous year, yet did not achieve the 2014–15 target.

Patronage on regional coach declined by 4.4 per cent for the 12 months to 30 June 2015 compared to the previous year, yet exceeded the 2014–15 target.

Punctuality, reliability and total kilometres scheduled

For the year ending June 2015, punctuality of V/Line train services was 89.7 per cent, with monthly levels ranging from a low of 86.8 per cent in June 2015 to a high of 91.4 in January 2015. V/Line did not meet its punctuality threshold of 92 per cent on a number of lines and therefore was required to pay passenger compensation for those lines on multiple occasions during the year. Regional train punctuality is affected by a range of factors including infrastructure and train faults, congestion on the metropolitan train network and disruptions and speed restrictions due to track condition. Regional Rail Link is a crucial project for relieving congestion impacting performance on the regional and metropolitan networks.

Regional train delivery was 98.6 per cent for the year ending June 2015, exceeding the 98.5 per cent target. There has been an increase in regional train kilometres at the end of June 2015 which reflects the additional timetabled kilometres for the Regional Rail Link.

[3] Targets are set annually, are agreed with Department of Treasury and Finance and are published in Budget Paper No. 3 each year.
[4] Regional coach refers to long-haul coach services, not town bus services.

REGIONAL BUS (TOWN BUS SERVICES)

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2015

Measure	Unit	Full year target[5]	Full year actual
Customer satisfaction index	Score (/100)	81	80.6
Service punctuality	per cent	94.0	95.1
Scheduled services delivered (reliability)	per cent	99.0	99.0
Total kilometres scheduled	km (million)	23.2	23.3

Customer satisfaction

Of the centres where data was available, customer satisfaction with town bus services in Ballarat, Geelong, Bendigo, Latrobe Valley, Shepparton, Wangaratta and Wodonga achieved an average score for the 12 months to 30 June 2015 of 80.6.

Regular surveying of regional town bus customers in defined locations commenced in early 2012 to allow for reporting on a rolling annual basis at any point in time.

Patronage

Regional buses carried 15.4 million passengers for the 12 months to 30 June 2015. Patronage on regional buses grew by 1.6 per cent in the year ending 30 June 2015.

Punctuality, reliability and total kilometres scheduled

For the year to June 2015, the percentage of regional bus services delivered and punctuality are estimated to be 99 per cent and 95.1 per cent respectively. Bus punctuality and reliability results are operator self-assessed and based on small sampling rates.

[5] Targets are set annually, are agreed with Department of Treasury and Finance and are published in Budget Paper No. 3 each year.

Fare Evasion

Fare evasion rates are measured through surveys taken in May and October each year.

In May 2015 the lowest ever metropolitan fare evasion rate was recorded (5.0 per cent) since surveys began, following a previous record low set in October 2014 of 5.9 per cent.

The rates for each mode are shown below:

Date	Metropolitan train	Metropolitan tram	Metropolitan bus	Metropolitan network	Regional train
October 2013	8.4%	8.0%	11.2%	8.9%	5.1%
May 2014	6.3%	8.8%	12.7%	8.7%	4.9%
October 2014	4.1%	6.0%	8.7%	5.9%	7.0%
May 2015	2.7%	4.8%	8.7%	5.0%	6.1%

The total revenue impact of fare evasion in 2014–15 was $38.2 million, down from $54.9 million in the 2013–14 financial year. Collaboration between PTV and the operators in delivering revenue protection initiatives translated to an additional $16.7 million per year to contribute toward public transport.

The *Network Revenue Protection Plan*, developed by PTV with the operators, continues to support targeted activities to improve fare compliance.

Activities in 2014–15:

- In rural and regional Victoria, the implementation of a targeted low-balance fare evasion strategy in partnership with V/Line resulted in halving low-balance fare evasion.
- The 'Freeloaders' customer education campaign, with research showing 73 per cent of people understood the message that you will be caught if you fare evade, and 53 per cent of people saying the campaign is likely to make them change their behaviour.
- The introduction of multi-modal Authorised Officers enabling PTV to deploy resources across the network.
- Authorised Officers checking around 1.3 million tickets per month, with more than 170,000 ticket infringement notices issued this year. This is in addition to the more than 69,000 commuters who elected to pay an on-the-spot penalty fare.

[5] Targets are set annually, are agreed with Department of Treasury and Finance and are published in Budget Paper No. 3 each year.

SECTION 3: CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements for the year ended 30 June 2015 are prepared for the Public Transport Development Authority (operating as Public Transport Victoria) and its controlled entity.

A description of the nature of PTV's operations and its principal activities are included in the report of operations.

For queries in relation to these financial statements please visit **www.ptv.vic.gov.au**

Board's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration

PUBLIC TRANSPORT DEVELOPMENT AUTHORITY

The attached consolidated financial statements for the Public Transport Development Authority have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the consolidated comprehensive operating statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2015 and financial position of the Public Transport Development Authority and its controlled entity as at 30 June 2015.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the directors.

DOUGLAS BARTLEY Deputy Chairman	**GARY LIDDLE** Chief Executive	**FRED CILIA** Director Finance
19 October 2015 Melbourne	19 October 2015 Melbourne	19 October 2015 Melbourne

Victorian Auditor-General's Report

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Public Transport Development Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Public Transport Development Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Board's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising the Public Transport Development Authority and the entities it controlled at year's end or from time to time during the financial year as disclosed in note 1(d) to the consolidated financial statements.

The Board Members' Responsibility for the Financial Report

The Board Members of the Public Transport Development Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the Public Transport Development Authority and the consolidated entity as at 30 June 2015 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

T McQuld

MELBOURNE
21 October 2015

for Dr Peter Frost
Acting Auditor-General

Auditing in the Public Interest

CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CONTINUING OPERATIONS					
Income from transactions					
Grants		3,868,874	4,048,025	3,868,874	4,048,025
Supply of transport services	3(a)	159,617	–	159,617	–
Fair value of assets and services received free of charge[i]	3(b)	56,633	54,827	56,633	54,827
Operators' contribution for marketing and communications		8,892	8,649	8,892	8,649
Issuance fee of myki cards		13,712	13,651	13,712	13,651
Licence fee from advertising panels at bus shelters		14,175	–	14,175	–
Interest		4,057	3,916	4,057	3,916
Other income	3(c)	1,924	5,821	1,924	5,821
Total income from transactions		**4,127,884**	**4,134,889**	**4,127,884**	**4,134,889**
Expenses from transactions					
Payments to service providers and transport agencies	4(a)	(3,905,354)	(3,948,003)	(3,905,354)	(3,948,003)
Supplies and services	4(b)	(82,739)	(61,292)	(82,739)	(61,292)
Employee expenses	4(c)	(49,832)	(45,625)	(49,832)	(45,625)
Depreciation and amortisation	4(d)	(42,996)	(47,070)	(42,996)	(47,070)
Interest expense	4(e)	(39,229)	(39,074)	(39,229)	(39,074)
Capital asset charge		(7,155)	(7,155)	(7,155)	(7,155)
Fair value of assets and services provided free of charge[ii]	4(f)	(24,850)	(17,900)	(24,850)	(17,900)
Total expenses from transactions		**(4,152,155)**	**(4,166,119)**	**(4,152,155)**	**(4,166,119)**
Net result from transactions (net operating balance)		**(24,271)**	**(31,230)**	**(24,271)**	**(31,230)**

CONTINUED NEXT PAGE

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Other economic flows included in net result					
Net gains/(losses) on non-financial assets	5(a)	(3,589)	(12)	(3,589)	(12)
Other gains/(losses) from other economic flows	5(b)	(42,147)	(298)	(42,147)	(298)
Total other economic flows included in net result		**(45,736)**	**(310)**	**(45,736)**	**(310)**
Net result		**(70,007)**	**(31,540)**	**(70,007)**	**(31,540)**
Other economic flows – Other comprehensive income					
Item that will not be reclassified to net result					
Changes in physical asset revaluation surplus		220,956	–	220,956	–
Comprehensive result		**150,949**	**(31,540)**	**150,949**	**(31,540)**

(i) $53,310,000 (2014: $54,472,000) represents the use of ticketing (myki) assets held by VicTrack. The fair value calculation of this income is determined as the depreciation charge of the assets (see note 3(b) for details).

(ii) As above, PTV provided maintenance of ticketing assets free of charge to VicTrack. The fair value calculation is the actual cost of maintenance for these assets of $23,100,000 (2014: $17,900,000).

The consolidated comprehensive operating statement should be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
ASSETS					
Financial assets					
Cash and deposits	17(a)	44,083	58,714	44,083	58,714
Receivables	6	566,071	434,514	566,071	434,514
Total financial assets		**610,154**	**493,228**	**610,154**	**493,228**
Non-financial assets					
Prepayments		1,020	579	1,020	579
Inventories	7	6,095	5,031	6,095	5,031
Property, plant and equipment	8	1,438,156	1,251,091	1,438,156	1,251,091
Intangible assets	9	6,663	7,405	6,663	7,405
Total non-financial assets		**1,451,934**	**1,264,106**	**1,451,934**	**1,264,106**
Total assets		**2,062,088**	**1,757,334**	**2,062,088**	**1,757,334**
LIABILITIES					
Payables	10	645,732	521,964	645,732	521,964
Borrowings	11	474,329	481,993	474,329	481,993
Provisions	12	386,200	326,351	386,200	326,351
Total liabilities		**1,506,261**	**1,330,308**	**1,506,261**	**1,330,308**
Net assets		**555,827**	**427,026**	**555,827**	**427,026**
EQUITY					
Contributed capital		322,112	344,260	322,112	344,260
Accumulated surplus/(deficit)		12,759	82,766	12,759	82,766
Physical asset revaluation surplus		220,956	–	220,956	–
Net worth		**555,827**	**427,026**	**555,827**	**427,026**
Commitments for expenditure	14				
Contingent assets and liabilities	15				

The consolidated balance sheet should be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	Contributions by Owner $'000	Accumulated Surplus $'000	Physical Asset Revaluation Surplus $'000	Total $'000
CONSOLIDATED					
Balance at 30 June 2013		**514,175**	**114,306**	**–**	**628,481**
Net result for the year		–	(31,540)	–	(31,540)
Capital contributions funding from DEDJTR during the period		626,455	–	–	626,455
Capital transfer to VicTrack	2(a)	(796,370)	–	–	(796,370)
Balance at 30 June 2014		**344,260**	**82,766**	**–**	**427,026**
Net result for the year		–	(70,007)	–	(70,007)
Capital contributions funding from DEDJTR during the period		923,021	–	–	923,021
Capital transfer to VicTrack	2(a)	(945,169)	–	–	(945,169)
Revaluation increment		–	–	220,956	220,956
Balance at 30 June 2015		**322,112**	**12,759**	**220,956**	**555,827**
PARENT					
Balance at 30 June 2013		**514,175**	**114,306**	**–**	**628,481**
Net result for the year		–	(31,540)	–	(31,540)
Capital contributions funding from DEDJTR during the year		626,455	–	–	626,455
Capital transfer to VicTrack	2(a)	(796,370)	–	–	(796,370)
Balance at 30 June 2014		**344,260**	**82,766**	**–**	**427,026**
Net result for the year		–	(70,007)	–	(70,007)
Capital contributions funding from DEDJTR during the year		923,021	–	–	923,021
Capital transfer to VicTrack	2(a)	(945,169)	–	–	(945,169)
Revaluation increment		–	–	220,956	220,956
Balance at 30 June 2015		**322,112**	**12,759**	**220,956**	**555,827**

The consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Receipts from Government		3,742,830	4,101,318	3,742,830	4,101,318
Fare receipts[i][ii]		573,815	435,185	573,815	435,185
Goods and Services Tax recovered from the ATO		271,579	301,767	271,579	301,767
Receipts from operators		8,892	8,649	8,892	8,649
Interest received		4,057	3,916	4,057	3,916
Other receipts		27,195	19,563	27,195	19,563
Total receipts		**4,628,368**	**4,870,398**	**4,628,368**	**4,870,398**
Payments					
Payments to service providers and transport agencies		(2,477,609)	(2,716,841)	(2,477,609)	(2,716,841)
Fare receipts (remitted to DEDJTR)[i][ii]		(60,070)	(438,777)	(60,070)	(438,777)
Fare receipts (remitted to transport operators)		(355,987)	(3,568)	(355,987)	(3,568)
Payments to suppliers and employees		(123,889)	(111,493)	(123,889)	(111,493)
Interest and other costs of finance paid		(39,098)	(38,261)	(39,098)	(38,261)
Capital asset charge		(1,589,355)	(1,531,580)	(1,589,355)	(1,531,580)
Total payments		**(4,646,008)**	**(4,840,520)**	**(4,646,008)**	**(4,840,520)**
Net cash flows from/(used in) operating activities	17(c)	**(17,640)**	**29,878**	**(17,640)**	**29,878**

CONTINUED NEXT PAGE

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for non-financial assets		(921,515)	(747,328)	(921,515)	(635,128)
Proceeds from disposals of non-financial assets		182	130	182	130
Cash from ticketing settlement bank accounts transferred in		9,116	–	9,116	–
Net cash flows from/(used in) investing activities		**(912,217)**	**(747,198)**	**(912,217)**	**(634,998)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from capital contributions by DEDJTR		923,020	626,456	923,020	626,456
Proceeds from borrowings		1,206	112,200	–	–
Repayments of borrowings and finance lease liabilities		(9,000)	(8,449)	(7,794)	(8,449)
Net cash flows from/(used in) financing activities		**915,226**	**730,207**	**915,226**	**618,007**
Net increase/(decrease) in cash and cash equivalents		**(14,631)**	**12,887**	**(14,631)**	**12,887**
Cash and cash equivalents at the beginning of the financial year		58,714	45,827	58,714	45,827
Cash and cash equivalents at the end of the financial year	**17(a)**	**44,083**	**58,714**	**44,083**	**58,714**

(i) Up until 31 December 2013, the metropolitan fare receipts were received and paid to former Department of Transport, Planning and Local Infrastructure (DTPLI), while the train and tram franchisees received the New Ticketing Revenue Guarantee Payments (NTRGP). From 1 January 2014 the NTRGP ceased, with the train and tram franchisees receiving their agreed share of the metropolitan fare receipts directly.

(ii) Before the abolishment of Public Transport Fund on 30 September 2014, fare receipts after the distribution to the rail franchisees and V/Line (the net fare receipts) were paid to the former DTPLI. After 30 September 2014, PTV retains the net fare receipts.

The consolidated cash flow statement should be read in conjunction with the notes to the consolidated financial statements.

Notes to the consolidated financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated annual financial statements represent the audited general purpose financial statements for the Public Transport Development Authority, operating as Public Transport Victoria (PTV) and the group, for the financial year ended 30 June 2015. The purpose of the report is to provide users with information about PTV's stewardship of resources entrusted to it.

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable *Australian Accounting Standards* (AAS), which include interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 25.

The annual financial statements were authorised for issue by the PTV Board on 19 October 2015.

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements have been prepared on a going concern basis, despite the negative working capital position of $53.7 million (2014: $47.6 million). The going concern assumption has been made as PTV continues to be fully funded by government grant and capital contribution in accordance with the approved budget and the board is satisfied that PTV will be able to meet its financial obligations as and when they fall due for 12 months after the sign off of the annual report.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(l)); and
- Superannuation expense (refer to Note 1(h)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- Non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- The fair value of an asset other than land is generally based on its depreciated replacement value; and
- Certain liabilities that are calculated with regard to actuarial assessments.

Consistent with AASB 13 *Fair Value Measurement*, PTV determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, PTV has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, PTV determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended 30 June 2015 and the comparative information of PTV presented for the year ended 30 June 2014 to conform to current year presentation.

(c) Reporting entity

The consolidated financial statements cover the Public Transport Development Authority, operating as Public Transport Victoria (PTV) and the entity controlled during the period (refer to Notes 1(b) and 1(d)).

PTV is a statutory authority of the State of Victoria, established under the *Transport Integration Act 2010.*

The legislation to establish the Public Transport Development Authority was passed by the Parliament on 8 November 2011 and received Royal Assent on 15 December 2011. Operations for PTV commenced on 2 April 2012.

Its principal address is 750 Collins Street, Docklands, Victoria 3008.

The financial statements include all the controlled activities of PTV.

A description of the nature of PTV's operations and its principal activities is included in the report of operations on page 15 , which does not form part of the consolidated financial statements.

Objectives and funding

PTV leads Victoria's public transport system by managing train, tram and bus services. It provides a single contact point for customers seeking information on public transport services, fares, tickets and initiatives.

PTV is predominantly funded by grants from Department of Economic Development, Jobs, Transport and Resources (DEDJTR) (formerly Department of Transport, Planning and Local Infrastructure (DTPLI)).

(d) Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements*, the consolidated financial statements of PTV incorporate assets and liabilities of a reporting entity controlled by PTV as at 30 June 2015, and its income and expenses for that part of the reporting period in which control existed.

PTV is considered to have control over Franchise Asset Holdings Pty Ltd ("Franchise Asset Holdings") from 4 August 2013. Franchise Asset Holdings is a special purpose entity for the purpose of acquisition and financing of buses and development of bus depots as part of the franchise arrangement with Transdev Melbourne Pty Ltd. The results of Franchise Asset Holdings are included in the consolidated comprehensive operating statement from 4 August 2013, the date on which control commenced. The only reporting entity controlled by PTV as at 30 June 2015 and 30 June 2014 was Franchise Asset Holdings.

In the process of preparing consolidated financial statements for PTV, all material transactions and balances between the consolidated entities are eliminated.

(e) Scope and presentation of financial statements

Consolidated comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market re-measurements. They include:

> Gains and losses from disposals of non-financial assets;

> Revaluations and impairments of non-financial physical and intangible assets; and

> Gains or losses arising from changes to bond rates in revaluation of long service leave liabilities.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Consolidated balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current generally being those assets or liabilities expected to be recovered or settled more than 12 months after reporting date) are disclosed in the notes, where relevant.

Consolidated cash flow statements

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

Consolidated statement of changes in equity

The consolidated statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts recognised in 'Other economic flows – other movements in equity' related to 'Transactions with owner in its capacity as owner'.

Rounding

Amounts in the financial statements have been rounded to the nearest $1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to Note 25 for a style convention for explanations of minor discrepancies resulting from rounding.

(f) Changes in accounting policies

Subsequent to the 2013–14 reporting period, the following new standard has been adopted for the first time in the current period with their financial impact detailed as below.

AASB 10 *Consolidated Financial Statements*

AASB 10 provides a new approach to determine whether an entity has control over an entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an entity for financial reporting purposes:

(i) The investor has power over the investee;

(ii) The investor has exposure, or rights to variable returns from its involvement with the investee; and

(iii The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, PTV has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the group. PTV has concluded that no additional entity has met the control criteria.

(g) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Interest

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Supply of services

Income from the supply of services

Income from the supply of services is recognised by reference to the stage of completion of services being performed. The income is recognised when:

- The amount of income, stage of completion and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to PTV.

Grants from State Government

Income from grants from State Government is recognised when PTV obtains control over the contribution, or the right to receive the contribution.

Fair value of assets and services received free of charge

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

PTV has the use of ticketing assets free of charge from VicTrack. Fair value of the use of ticketing assets free of charge is determined as the depreciation charge of ticketing assets.

Operators' contribution for marketing and communications

Under the franchise agreements in relation to provision for transport services, transport service operators have to make a contribution towards the costs of marketing and communications. The contribution is recognised as revenue when deduction for the contribution is made from payments to the transport service operators.

Issuance fee of myki cards

Issuance fee of myki cards is recognised at the time of sale of myki cards.

Licence fee from advertising panels at bus shelters

Licence fee from advertising panels at bus shelters is recognised on a straight line basis over the term of which the right to advertise is granted to the bus shelter provider.

Other income

Other income includes rental income and other miscellaneous items which are one-off items.

(h) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Refer to the section in Note 1(m) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation, which is accounted for separately) including wages and salaries, payroll tax, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

Depreciation and amortisation

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases, land and investment properties) that have a finite useful life are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current year and prior period.

Asset category	Estimated useful life (years)
Buildings	**22–80**
Infrastructure	**20–185**
Plant and equipment	
Furniture and fittings	10
Computer equipment	3–4
Field plant and scientific equipment	10–30
Office machines and equipment	5
IT infrastructure	**4**
Leasehold improvements	**5–15**
Leased vehicles*	**3***
Vehicles	**18**
Cultural assets	**20–100**

* Leased vehicles are depreciated on a straight-line basis to their residual value (cost less estimated projected market value) over the period of the lease – three years.

Land which is considered to have an indefinite life is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

Intangible produced assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets with indefinite useful lives are not depreciated or amortised, but are tested for impairment by comparing its recoverable amount with its carrying amount:

(i) annually, and

(ii) whenever there is an indication that the intangible asset may be impaired. (Refer Note 1(l)).

Interest expense

Interest expense is recognised as expenses in the period in which it is incurred. Refer to the Glossary of terms and style convention in Note 25 for an explanation of interest expense items.

Grants and other transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants and subsidies made to State owned agencies. Refer to Glossary of terms and style conventions in Note 25 for an explanation of grants and other transfers.

Capital asset charge

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

Payments to service providers and transport agencies

Payments to service providers and transport agencies are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to other agencies, such as V/Line Pty Ltd (V/Line).

Supplies and services

Supplies and services costs are recognised as expenses in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Bad and doubtful debts

Refer to Impairment of financial assets in Note 1(k).

Fair value of assets and services provided free of charge

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from a government department or another agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at its carrying value.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

PTV provided maintenance of ticketing assets free of charge to VicTrack. Fair value of maintenance of ticketing assets free of charge is determined as the actual costs of maintenance of ticketing assets.

(i) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to accounting policy provided in Note 1(l) – Property, plant and equipment.

Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

Intangible assets with indefinite useful lives including those that are not yet available for use, are tested annually for impairment and whenever there is an indication that the asset may be impaired.

All other assets are assessed annually for indications of impairment, except for assets arising from construction contracts (refer Note 1(l)).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as another economic flow, except to the extent that the write down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(l) in relation to the recognition and measurement of non-financial assets.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(j) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the PTV's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(k)), trade receivables, other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of PTV's contractual payables, deposits held and advances received, and interest-bearing arrangements.

(k) Financial assets

Cash and deposits

Cash and deposits recognised on the consolidated balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts (if any), which are included as borrowings on the balance sheet.

Receivables

Receivables consist of:

- Contractual receivables, such as debtors in relation to goods and services and accrued investment income; and
- Statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables. Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(j).

Impairment of financial assets

At the end of each reporting period, PTV assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, PTV applies professional judgement in assessing materiality and using estimates, averages and computational methods in accordance with AASB 136 *Impairment of Assets*.

(l) Non-financial assets

Inventories

Inventories include goods and other property held either for sale or for consumption in the ordinary course of business. Depreciable assets are excluded. Inventories are measured at the lower of cost and net realisable value.

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying value. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 8 Property, plant and equipment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(n)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Non-current physical assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

The fair value of cultural assets and collections and other non-financial physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes are measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(i).

Leasehold improvements

The cost of leasehold improvements is capitalised as an asset and depreciated over the shorter of remaining term of the lease or the estimated useful life of the improvements.

Restrictive nature of cultural heritage assets

During the reporting period, PTV also holds cultural assets that PTV intends to preserve because of their unique historical, cultural or environmental attributes.

The fair value of those assets is measured at the depreciated replacement cost.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other comprehensive income' and accumulated in equity under the revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'Other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'Other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

Intangible assets

Intangible assets are initially measured at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to PTV.

When the recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated depreciation/amortisation and impairment.

Refer to Depreciation in Note 1(h), Amortisation of non-produced intangible assets in Note 1(h) and Impairment of non-financial assets in Note 1(i).

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
b) An intention to complete the intangible asset and use or sell it.
c) The ability to use or sell the intangible asset.
d) The intangible asset will generate probable future economic benefits.
e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight line basis over their useful lives as follows:

> Capitalised software development costs – three to five years.

Other non-financial assets

Prepayments

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(m) Liabilities

Payables

Payables consist of:

- Contractual payables such as accounts payable and unearned income. Accounts payable represent liabilities for goods and services provided to PTV prior to the end of the financial year that are unpaid and arise when PTV becomes obliged to make future payments in respect of the purchase of those goods and services; and
- Statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(j)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liability at amortised cost, because they do not arise from a contract.

Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. (Refer to Note 1(n) Leases).

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption borrowing being recognised in the net result over the period of the borrowing using the effective interest method.

Provisions

Provisions are recognised when PTV has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of receivable can be measured reliably.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as current liabilities, because PTV does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- Undiscounted value if PTV expects to wholly settle within 12 months; or
- Present value if PTV does not expect to wholly settle within 12 months.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the financial statements as a current liability even where PTV does not expect to settle the liability within 12 months because it does not have an unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – if PTV expects to wholly settle within 12 months; and
- Present value – if PTV does not expect to wholly settle within 12 months.

Conditional LSL is disclosed in the financial statements as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value using the official published discount rate by DTF.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(i) Other economic flows included in net result).

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. PTV recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs such as payroll tax and workers compensation are recognised separately from the provision for employee benefits.

(n) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

PTV as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset. If there is certainty that PTV will obtain the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Franchise Asset Holdings as lessor

Amount due from PTV as lessee under finance lease is recorded as receivable. Finance lease receivable is initially recorded at amount equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest income and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

In preparing the consolidated balance sheet, finance lease receivable and payable between the consolidated entities are eliminated.

Operating leases

PTV as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

(o) Equity

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

(p) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 14 Commitments for expenditure) at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(q) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 15 Contingent assets and liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(r) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as operating cash flow.

Commitments, contingent assets and liabilities are also stated inclusive of GST (refer to Note 1(p) and Note 1(q)).

(s) Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction.

(t) Administered (non-controlled) items

PTV collects on-the-spot penalty fares on behalf of the State. On-the-spot penalty fares are required to be paid into the Consolidated Fund of the State. PTV does not gain control over the assets arising from the on-the-spot penalty fares, consequently no income is recognised in PTV's consolidated financial statements. These are disclosed in Note 23.

(u) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between PTV and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent years.

(v) New accounting standards and interpretations

Certain new AASs have been published that are not mandatory for the 30 June 2015 reporting period. DTF assesses the impact of these new standards and advises PTV of their applicability and early adoption where applicable.

As at 30 June 2015, the following standards (applicable to PTV) have been issued by the AASB but not yet effective. They become effective for the first financial statements for the reporting periods commencing after the stated operative dates as follows:

Standard	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2014 1 *Amendments to Australian Accounting Standards [Part E Financial Instruments]*	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 *Hedge Accounting*, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018–19 reporting period in accordance with the transition requirements.
AASB 2014 4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* [AASB 116 & AASB 138]	Amends AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* to: > Establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; > Prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	1 January 2016	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 2015 6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 *Related Party Disclosures* to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 January 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2014–15 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2010 7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*
- AASB 2013 9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.*
- AASB 2014 7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014).*
- AASB 2014 8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)].*
- AASB 2015 2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049].*
- AASB 2015 3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.*
- AASB 2015 7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* is early adopted by PTV in the 2014–15 reporting period.

NOTE 2: ASSET TRANSFERS

PTV had the following asset transfers:

(a) Transfer of rail infrastructure assets from PTV to VicTrack

On 30 June 2015 and 30 June 2014 rail infrastructure assets under construction were transferred from PTV to VicTrack as a capital contribution.

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
ASSETS				
Infrastructure assets under construction	945,169	796,370	945,169	796,370
Net assets transferred to VicTrack	**945,169**	**796,370**	**945,169**	**796,370**

(b) Transfer of assets from the former Department of Transport, Planning and Local Infrastructure (DTPLI) to PTV

On the wind up of the Public Transport Fund on 30 September 2014, the following asset and liabilities were transferred from the former DTPLI to PTV.

	2015 $'000
ASSETS	
Receivable from the former DTPLI	8,834
Other receivable	2,823
Asset transferred from the former DTPLI to PTV	**11,657**
LIABILITIES	
Fare receipts in advance	(8,834)
Liabilities transferred from the former DTPLI to PTV	**(8,834)**
Net asset transferred free of charge from the former DTPLI to PTV (Note 3 (b))	**2,823**

NOTE 3: INCOME FROM TRANSACTIONS

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
(a) SUPPLY OF TRANSPORT SERVICES				
Supply of transport services[i]	159,617	–	159,617	–
Total supply of transport services	**159,617**	–	**159,617**	–
(b) FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE				
Fair value of resources received free of charge[ii]	53,310	54,472	53,310	54,472
Fair value of assets transferred on the wind up of the Public Transport Fund (See Note 2(b))	2,823	–	2,823	–
Fair value of assets received free of charge from local councils and developers	500	355	500	355
Total fair value of assets and services received free of charge	**56,633**	**54,827**	**56,633**	**54,827**
(c) OTHER INCOME				
Revenue adjustment from levies	–	5,068	–	5,068
Cost recovery	576	723	576	723
Proceeds from insurance for flood damage	778	–	778	–
Extension of development rights	540	–	540	–
Property rental	30	30	30	30
Total other income	**1,924**	**5,821**	**1,924**	**5,821**

(i) Before the abolishment of Public Transport Fund on 30 September 2014, fare revenue after distribution to the rail franchisees and V/Line was paid to and reported as revenue by the former Department of Transport, Planning and local Infrastructure. After 30 September 2014, fare revenue after distribution to the rail franchisees and V/Line is retained by PTV.

(ii) PTV has the use of assets of myki ticketing system (myki assets) owned by VicTrack. As a result, PTV recognises the fair value of the use of myki assets free of charge. Fair value of the use of myki assets is determined as the depreciation charge of myki assets and is recognised as resources received free of charge.

NOTE 4: EXPENSES FROM TRANSACTIONS

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
(a) PAYMENTS TO SERVICE PROVIDERS AND TRANSPORT AGENCIES					
Rail system operation and related services[i]		(1,287,351)	(1,403,724)	(1,287,351)	(1,403,724)
Grants for capital asset charge		(1,582,200)	(1,524,425)	(1,582,200)	(1,524,425)
Total rail services		**(2,869,551)**	**(2,928,149)**	**(2,869,551)**	**(2,928,149)**
Bus services		(931,380)	(926,477)	(931,380)	(926,477)
Ticketing services[ii]		(104,423)	(93,377)	(104,423)	(93,377)
Total payments to service providers and transport agencies		**(3,905,354)**	**(3,948,003)**	**(3,905,354)**	**(3,948,003)**
(b) SUPPLIES AND SERVICES					
Communications, marketing and information technology		(46,178)	(37,390)	(46,178)	(37,390)
Grants for community and social benefits		(7,379)	(7,493)	(7,379)	(7,493)
Accommodation		(6,431)	(5,993)	(6,431)	(5,993)
Insurance, legal and internal audit fees		(2,426)	(2,019)	(2,426)	(2,019)
Contractors for services		(20,080)	(8,157)	(20,080)	(8,157)
Audit fee		(245)	(240)	(245)	(240)
Total supplies and services		**(82,739)**	**(61,292)**	**(82,739)**	**(61,292)**
(c) EMPLOYEE EXPENSES					
Salaries and wages		(33,252)	(32,286)	(33,252)	(32,286)
Annual leave and long service leave expense		(6,853)	(4,763)	(6,853)	(4,763)
Superannuation (excluding salary sacrifice)		(4,728)	(3,684)	(4,728)	(3,684)
Workforce reduction payments		(722)	(1,315)	(722)	(1,315)
Other on-costs (fringe benefits tax, payroll tax and work cover levy)		(4,277)	(3,577)	(4,277)	(3,577)
Total employee expenses		**(49,832)**	**(45,625)**	**(49,832)**	**(45,625)**

CONTINUED NEXT PAGE

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
(d) DEPRECIATION AND AMORTISATION					
Depreciation and amortisation of property, plant and equipment					
Buildings[iii]		(12,347)	(11,898)	(12,347)	(11,898)
Infrastructure assets		(19,275)	(15,357)	(19,275)	(15,357)
Plant and equipment		(128)	(3,722)	(128)	(3,722)
Leasehold improvements		(702)	(4,764)	(702)	(4,764)
Vehicles		(9,095)	(8,189)	–	–
Leased vehicles		(182)	(192)	(9,277)	(8,381)
Cultural assets		(77)	(77)	(77)	(77)
Total for property, plant and equipment	8	**(41,806)**	**(44,199)**	**(41,806)**	**(44,199)**
Amortisation					
Intangible assets		(1,190)	(2,871)	(1,190)	(2,871)
Total for intangibles	9	**(1,190)**	**(2,871)**	**(1,190)**	**(2,871)**
Total depreciation and amortisation		**(42,996)**	**(47,070)**	**(42,996)**	**(47,070)**
(e) INTEREST EXPENSES					
Interest on loan		(6,545)	(6,422)	–	–
Interest on finance leases		(32,684)	(32,652)	(39,229)	(39,074)
Total interest expenses		**(39,229)**	**(39,074)**	**(39,229)**	**(39,074)**
(f) ASSETS AND SERVICES PROVIDED FREE OF CHARGE					
Fair value of services provided free of charge[iv]		(23,100)	(17,900)	(23,100)	(17,900)
Fair value of land provided free of charge to DEDJTR		(1,750)	–	(1,750)	–
Total assets and services provided free of charge		**(24,850)**	**(17,900)**	**(24,850)**	**(17,900)**

(i) Of the balance in rail system operation and related services, $16,616,000 (2014: $15,702,000) related to operating and maintenance of the Southern Cross Station building contracted under the Public Private Partnership (PPP) arrangement.

(ii) Ticketing services of $93,377,000 for 2013–14 included a write back of $16,893,000 of provision for dismantling, removal and decommissioning of Metcard ticketing system.

(iii) Of the balance in depreciation – buildings, $11,291,000 (2014: $11,291,000) related to Southern Cross Station contracted under the PPP arrangement.

(iv) PTV provided the services of myki ticketing system maintenance free of charge to VicTrack. Fair value of the asset maintenance services is recognised as services provided free of charge.

NOTE 5: OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
(a) NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS					
Gross proceeds from sale of plant and equipment					
Leased vehicles		181	130	181	130
Total proceeds		**181**	**130**	**181**	**130**
Gross disposals of plant and equipment					
Infrastructure		(72)	(62)	(72)	(62)
Leased vehicles		(117)	(80)	(117)	(80)
Total disposals of plant and equipment	**8**	**(189)**	**(142)**	**(189)**	**(142)**
Total net gain/(loss) on disposals of plant and equipment		**(8)**	**(12)**	**(8)**	**(12)**
Revaluation deficit of vehicles		**(3,581)**	**–**	**–**	**–**
Revaluation deficit of leased vehicles		**–**	**–**	**(3,581)**	**–**
Total net gain/(loss) on non-financial assets		**(3,589)**	**(12)**	**(3,589)**	**(12)**
(b) OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS					
Net gain/(loss) arising from changes to bond rates in revaluation of long service leave liability		(42,147)	(298)	(42,147)	(298)
Total other gains/(losses) from other economic flows		**(42,147)**	**(298)**	**(42,147)**	**(298)**

NOTE 6: RECEIVABLES

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CURRENT RECEIVABLES				
Contractual				
Amounts owing from government and agencies	5,149	5,032	5,149	5,032
Trade receivables [i]	11,553	14,532	11,553	14,532
Total current receivables	**16,702**	**19,564**	**16,702**	**19,564**
Statutory				
Amounts owing from DEDJTR – Grant Receivable [ii]	517,330	391,340	517,330	391,340
GST input tax credit recoverable from the ATO	31,039	22,610	31,039	22,610
Total statutory receivables	**548,369**	**413,950**	**548,369**	**413,950**
Total current receivables	**565,071**	**433,514**	**565,071**	**433,514**
NON-CURRENT RECEIVABLES				
Contractual				
Amounts recoverable from service provider at the end of the term of the service contract	1,000	1,000	1,000	1,000
Total non-current receivables	**1,000**	**1,000**	**1,000**	**1,000**
Total receivables	**566,071**	**434,514**	**566,071**	**434,514**

(i) The average credit period on sales of goods is 30 days. No interest is charged on receivables.

(ii) The amounts recognised from DEDJTR represent funding for all commitments incurred.

(a) Nature and extent of risk arising from receivables.
Please refer to Note 13 for the nature and extent of credit risk arising from contractual receivables.

(b) Ageing analysis of receivables.
Please refer to Note 13(b) for the ageing analysis of receivables.

NOTE 7: INVENTORIES

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CURRENT INVENTORIES				
Card inventories at cost	6,095	5,031	6,095	5,031
Total inventories	**6,095**	**5,031**	**6,095**	**5,031**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

CLASSIFICATION BY 'TRANSPORTATION AND COMMUNICATIONS' PURPOSE GROUP – CARRYING AMOUNTS

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
LAND AT FAIR VALUE				
At cost of acquisition	–	3,395	–	3,395
At valuation 2015	494,322	–	494,322	–
At valuation 2010	–	331,125	–	331,125
Total land	**494,322**	**334,520**	**494,322**	**334,520**
BUILDINGS AT FAIR VALUE				
At valuation 2015	506,471	–	506,471	–
At valuation 2010	–	500,941	–	500,941
Less: accumulated depreciation	–	(26,778)	–	(26,778)
Total buildings[(i)]	**506,471**	**474,163**	**506,471**	**474,163**
INFRASTRUCTURE AT FAIR VALUE				
At cost of acquisition	975	123,109	975	123,109
At valuation 2015	258,319	–	258,319	–
At valuation 2010	–	139,069	–	139,069
Less: accumulated depreciation	(12)	(28,579)	(12)	(28,579)
Total infrastructure	**259,282**	**233,599**	**259,282**	**233,599**
PLANT AND EQUIPMENT AT FAIR VALUE				
At valuation 2015	–	–	–	–
At cost of acquisition	760	15,099	760	15,099
Less: accumulated depreciation	(511)	(3,971)	(511)	(3,971)
Total plant and equipment	**249**	**11,128**	**249**	**11,128**

CONTINUED NEXT PAGE

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
LEASEHOLD IMPROVEMENT AT FAIR VALUE				
At cost of acquisition	4,745	9,340	4,745	9,340
Less: accumulated depreciation	(1,749)	(5,642)	(1,749)	(5,642)
Total leasehold improvement	**2,996**	**3,698**	**2,996**	**3,698**
VEHICLES AT FAIR VALUE				
At valuation 2015	92,540	–		–
At cost of acquisition	–	112,200	–	–
Less: accumulated depreciation	–	(8,189)	–	–
Total vehicles	**92,540**	**104,011**	**–**	**–**
LEASED VEHICLES AT FAIR VALUE				
At valuation 2015	–	–	92,540	–
At cost of acquisition	869	753	869	112,953
Less: accumulated depreciation	(292)	(338)	(292)	(8,527)
Total leased vehicles	**577**	**415**	**93,117**	**104,426**
CULTURAL ASSETS AT FAIR VALUE				
At valuation 2015	2,238	–	2,238	–
At valuation 2010	–	1,287	–	1,287
Less: accumulated depreciation	–	(173)	–	(173)
Total cultural assets	**2,238**	**1,114**	**2,238**	**1,114**
ASSETS UNDER CONSTRUCTION AT COST				
Infrastructure	79,481	87,896	79,481	87,896
Leasehold improvements	–	547	–	547
Total assets under construction	**79,481**	**88,443**	**79,481**	**88,443**
Net carrying amount of property, plant and equipment	**1,438,156**	**1,251,091**	**1,438,156**	**1,251,091**

(i) Of the balance in Buildings at fair value, $491,616,000 (2014: $466,380,000) is attributable to the Southern Cross Station building contracted under PPP arrangement.

CLASSIFICATION BY 'TRANSPORTATION AND COMMUNICATIONS' PURPOSE GROUP – MOVEMENTS IN CARRYING AMOUNTS

	Note	Land $'000	Buildings $'000	Infrastructure $'000	Plant and equipment $'000	Leasehold improvement $'000	Vehicles $'000	Leased vehicles $'000	Cultural assets $'000	Assets under construction $'000	Total $'000
CONSOLIDATED											
Carrying amount at 30 June 2013		**334,520**	**486,061**	**251,841**	**5,259**	**8,456**	**–**	**603**	**1,191**	**174,865**	**1,262,796**
Additions		–	–	6,405	8	–	112,200	80	–	648,229	766,922
Disposals/write-offs		–	–	(62)	–	–	–	(80)	–	–	(142)
Depreciation/amortisation expense	4(d)	–	(11,898)	(15,357)	(3,722)	(4,764)	(8,189)	(192)	(77)	–	(44,199)
Assets provided as contributed capital		–	–	–	–	–	–	–	–	(734,645)	(734,645)
Assets received free of charge		–	–	355	–	–	–	23	–	–	378
Assets provided free of charge		–	–	–	–	–	–	(19)	–	–	(19)
Transfers between classes		–	–	(9,583)	9,583	6	–	–	–	(6)	–
Carrying amount at 30 June 2014		**334,520**	**474,163**	**233,599**	**11,128**	**3,698**	**104,011**	**415**	**1,114**	**88,443**	**1,251,091**
Additions		–	–	7,208	12	–	1,205	408	–	949,217	958,050
Disposals/write-offs		–	–	(72)	–	–	–	(117)	–	–	(189)
Depreciation/amortisation expense	4(d)	–	(12,347)	(19,275)	(128)	(702)	(9,095)	(182)	(77)	–	(41,806)
Assets provided as contributed capital		–	–	–	–	–	–	–	–	(945,169)	(945,169)
Assets received free of charge		–	–	501	–	–	–	53	–	–	554
Assets provided free of charge		(1,750)	–	–	–	–	–	–	–	–	(1,750)
Transfers between classes		–	13,010	10,763	(10,763)	–	–	–	–	(13,010)	–
Revaluation of property, plant and equipment		161,552	31,645	26,558	–	–	(3,581)	–	1,201	–	217,375
Carrying amount at 30 June 2015		**494,322**	**506,471**	**259,282**	**249**	**2,996**	**92,540**	**577**	**2,238**	**79,481**	**1,438,156**

CONTINUED NEXT PAGE

	Note	Land $'000	Buildings $'000	Infrastructure $'000	Plant and equipment $'000	Leasehold improvement $'000	Vehicles $'000	Leased vehicles $'000	Cultural assets $'000	Assets under construction $'000	Total $'000
PARENT											
Carrying amount at 30 June 2013		**334,520**	**486,061**	**251,841**	**5,259**	**8,456**	**–**	**603**	**1,191**	**174,865**	**1,262,796**
Additions		–	–	6,405	8	–	–	112,280	–	648,229	766,922
Disposals/write-offs		–	–	(62)	–	–	–	(80)	–	–	(142)
Depreciation/amortisation expense	4(d)	–	(11,898)	(15,357)	(3,722)	(4,764)	–	(8,381)	(77)	–	(44,199)
Assets provided as contributed capital		–	–	–	–	–	–	–	–	(734,645)	(734,645)
Assets received free of charge		–	–	355	–	–	–	23	–	–	378
Assets provided free of charge		–	–	–	–	–	–	(19)	–	–	(19)
Transfers between classes		–	–	(9,583)	9,583	6	–	–	–	(6)	–
Carrying amount at 30 June 2014		**334,520**	**474,163**	**233,599**	**11,128**	**3,698**	**–**	**104,426**	**1,114**	**88,443**	**1,251,091**
Additions		–	–	7,208	12	–	–	1,613	–	949,217	958,050
Disposals/write-offs		–	–	(72)	–	–	–	(117)	–	–	(189)
Depreciation/amortisation expense	4(d)	–	(12,347)	(19,275)	(128)	(702)	–	(9,277)	(77)	–	(41,806)
Assets provided as contributed capital		–	–	–	–	–	–	–	–	(945,169)	(945,169)
Assets received free of charge		–	–	501	–	–	–	53	–	–	554
Assets provided free of charge		(1,750)	–	–	–	–	–	–	–	–	(1,750)
Transfers between classes		–	13,010	10,763	(10,763)	–	–	–	–	(13,010)	–
Revaluation of property, plant and equipment		161,552	31,645	26,558	–	–	–	(3,581)	1,201	–	217,375
Carrying amount at 30 June 2015		**494,322**	**506,471**	**259,282**	**249**	**2,996**	**–**	**93,117**	**2,238**	**79,481**	**1,438,156**

FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 30 JUNE 2015

	Carrying amount				Fair value measurement at end of reporting period using Level 3[i]			
	Consolidated		Parent		Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
LAND AT FAIR VALUE								
Specialised land	494,322	334,520	494,322	334,520	494,322	334,520	494,322	334,520
Total land	**494,322**	**334,520**	**494,322**	**334,520**	**494,322**	**334,520**	**494,322**	**334,520**
BUILDINGS AT FAIR VALUE								
Specialised buildings	14,855	7,782	14,855	7,782	14,855	7,782	14,855	7,782
Total buildings	**14,855**	**7,782**	**14,855**	**7,782**	**14,855**	**7,782**	**14,855**	**7,782**
INFRASTRUCTURE AT FAIR VALUE								
Infrastructure at fair value	259,282	233,599	259,282	233,599	259,282	233,599	259,282	233,599
Total infrastructure	**259,282**	**233,599**	**259,282**	**233,599**	**259,282**	**233,599**	**259,282**	**233,599**
PLANT AND EQUIPMENT AT FAIR VALUE								
Plant and equipment at fair value	249	11,128	249	11,128	249	11,128	249	11,128
Total plant and equipment	**249**	**11,128**	**249**	**11,128**	**249**	**11,128**	**249**	**11,128**
LEASEHOLD IMPROVEMENT AT FAIR VALUE								
Leasehold improvement at fair value	2,996	3,698	2,996	3,698	2,996	3,698	2,996	3,698
Total leasehold improvement	**2,996**	**3,698**	**2,996**	**3,698**	**2,996**	**3,698**	**2,996**	**3,698**
VEHICLES AT FAIR VALUE								
Vehicle at fair value	92,540	104,011	–	–	92,540	104,011	–	–
Total vehicles	**92,540**	**104,011**	**–**	**–**	**92,540**	**104,011**	**–**	**–**
CULTURAL ASSETS AT FAIR VALUE								
Cultural assets at fair value	2,238	1,114	2,238	1,114	2,238	1,114	2,238	1,114
Total cultural assets	**2,238**	**1,114**	**2,238**	**1,114**	**2,238**	**1,114**	**2,238**	**1,114**
ASSETS UNDER CONSTRUCTION AT FAIR VALUE								
Infrastructure at fair value	79,481	88,443	79,481	88,443	79,481	88,443	79,481	88,443
Total assets under construction	**79,481**	**88,443**	**79,481**	**88,443**	**79,481**	**88,443**	**79,481**	**88,443**
Net carrying amount of property, plant and equipment	**945,963**	**784,295**	**853,423**	**680,284**	**945,963**	**784,295**	**853,423**	**680,284**

(i) Please refer to note 1(b) for the fair value hierarchy.

There have been no transfers between levels during the year. Please refer to Note 1(b) for the fair value hierarchy.

Independent valuation was performed by the Valuer-General Victoria on property, plant and equipment as at 30 June 2015. For property, plant and equipment transferred to PTV on 2 April 2012 as part of the machinery of government changes, the last independent valuation was engaged by the former Department of Transport in the 2009–10 financial year.

Specialised land and buildings

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For specialised buildings, the depreciated cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

Infrastructure and cultural assets

Infrastructure and cultural assets are valued using the depreciated replacement cost method. As depreciation adjustments are considered as significant, unobservable inputs in nature, infrastructure and cultural assets are classified as Level 3 fair value measurements.

Vehicles

Vehicles are valued using the depreciated replacement cost method. PTV obtains control over buses under an arrangement with Transdev Melbourne Pty Ltd and Franchise Asset Holdings Pty Ltd. Depreciation rates of buses are agreed by the parties to the arrangement and the disposal of buses will be at their net book value. As a result, the fair value of vehicles approximates the depreciated replacement cost.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost method is used.

There were no changes in valuation techniques throughout the year to 30 June 2015 (2014: Nil).

For all assets measured at fair value, the current use is considered the highest and best use.

RECONCILIATION OF LEVEL 3 FAIR VALUE[i]

	Specialised land $'000	Specialised buildings $'000	Infrastructure $'000	Plant and equipment $'000	Leasehold improvement $'000	Vehicles $'000	Cultural assets $'000	Assets under construction $'000	Total $'000
CONSOLIDATED									
Opening balance as at 30 June 2013	**334,520**	**8,391**	**251,841**	**5,259**	**8,456**	–	**1,191**	**174,865**	**784,523**
Transfers between classes of assets within Level 3	–	–	(9,583)	9,583	6	–	–	(6)	–
Additions	–	–	6,405	8	–	112,200	–	648,229	766,842
Assets received free of charge	–	–	355	–	–	–	–	–	355
Disposals	–	–	(62)	–	–	–	–	–	(62)
Assets provided as contributed capital	–	–	–	–	–	–	–	(734,645)	(734,645)
Depreciation	–	(609)	(15,357)	(3,722)	(4,764)	(8,189)	(77)	–	(32,718)
Closing balance as at 30 June 2014	**334,520**	**7,782**	**233,599**	**11,128**	**3,698**	**104,011**	**1,114**	**88,443**	**784,295**
Transfers between classes of assets within Level 3	–	13,010	10,763	(10,763)	–	–	–	(13,010)	–
Additions	–	–	7,208	12	–	1,205	–	949,217	957,642
Assets received free of charge	–	–	501	–	–	–	–	–	501
Disposals	–	–	(72)	–	–	–	–	–	(72)
Assets provided as contributed capital	–	–	–	–	–	–	–	(945,169)	(945,169)
Assets provided free of charge	(1,750)	–	–	–	–	–	–	–	(1,750)
Depreciation	–	(1,055)	(19,275)	(128)	(702)	(9,095)	(77)	–	(30,332)
Revaluation of property, plant and equipment	161,552	(4,882)	26,558			(3,581)	1,201	–	180,848
Closing balance as at 30 June 2015	**494,322**	**14,855**	**259,282**	**249**	**2,996**	**92,540**	**2,238**	**79,481**	**945,963**

CONTINUED NEXT PAGE

	Specialised land $'000	Specialised buildings $'000	Infrastructure $'000	Plant and equipment $'000	Leasehold improvement $'000	Vehicles $'000	Cultural assets $'000	Assets under construction $'000	Total $'000
PARENT									
Opening balance as at 30 June 2013	**334,520**	**8,391**	**251,841**	**5,259**	**8,456**	**–**	**1,191**	**174,865**	**784,523**
Transfers between classes of assets within Level 3	–	–	(9,583)	9,583	6	–	–	(6)	–
Additions	–	–	6,405	8	–	–	–	648,229	654,642
Assets received free of charge	–	–	355	–	–	–	–	–	355
Disposals	–	–	(62)	–	–	–	–	–	(62)
Assets provided as contributed capital	–	–	–	–	–	–	–	(734,645)	(734,645)
Depreciation	–	(609)	(15,357)	(3,722)	(4,764)	–	(77)	–	(24,529)
Closing balance as at 30 June 2014	**334,520**	**7,782**	**233,599**	**11,128**	**3,698**	**–**	**1,114**	**88,443**	**680,284**
Transfers between classes of assets within Level 3	–	13,010	10,763	(10,763)	–	–	–	(13,010)	–
Additions	–	–	7,208	12	–	–	–	949,217	956,437
Assets received free of charge	–	–	501	–	–	–	–	–	501
Disposals	–	–	(72)	–	–	–	–	–	(72)
Assets provided as contributed capital	–	–	–	–	–	–	–	(945,169)	(945,169)
Assets provided free of charge	(1,750)	–	–	–	–	–	–	–	(1,750)
Depreciation	–	(1,055)	(19,275)	(128)	(702)	–	(77)	–	(21,237)
Revaluation of property, plant and equipment	161,552	(4,882)	26,558	–	–	–	1,201	–	184,429
Closing balance as at 30 June 2015	**494,322**	**14,855**	**259,282**	**249**	**2,996**	**–**	**2,238**	**79,481**	**853,423**

(i) Please refer to note 1(b) for the fair value hierarchy.

DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATION

Category	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
		Useful life of specialised buildings
Infrastructure	Depreciated replacement cost	Cost per unit
		Useful life of infrastructure
Plant and equipment	Depreciated replacement cost	Cost per unit
		Useful life of plant and equipment
Leasehold improvement	Depreciated replacement cost	Cost per unit
		Useful life of leasehold improvement
Vehicles	Depreciated replacement cost	Cost per unit
		Useful life of vehicles
Cultural assets	Depreciated replacement cost	Cost per unit
		Useful life of culture assets

The above assets are held for their current service potential rather than to generate net cash inflows.

NOTE 9: INTANGIBLE ASSETS

	Note	Capitalised software development 2015 $'000	Capitalised software development 2014 $'000	Work in progress (software) 2015 $'000	Work in progress (software) 2014 $'000	Total 2015 $'000	Total 2014 $'000
CONSOLIDATED							
Gross carrying amount							
Opening balance		**8,726**	**8,726**	**4,905**	**66,403**	**13,631**	**75,129**
Additions		–	–	448	227	448	227
Assets provided as contributed capital		–	–	–	(61,725)	–	(61,725)
Closing balance		**8,726**	**8,726**	**5,353**	**4,905**	**14,079**	**13,631**
Accumulated amortisation and impairment							
Opening balance		**(6,226)**	**(3,355)**	**–**	**–**	**(6,226)**	**(3,355)**
Amortisation expense	4(d)	(1,190)	(2,871)	–	–	(1,190)	(2,871)
Closing balance		**(7,416)**	**(6,226)**	**–**	**–**	**(7,416)**	**(6,226)**
Net book value at the end of the financial year		**1,310**	**2,500**	**5,353**	**4,905**	**6,663**	**7,405**
PARENT							
Gross carrying amount							
Opening balance		**8,726**	**8,726**	**4,905**	**66,403**	**13,631**	**75,129**
Additions		–	–	448	227	448	227
Assets provided as contributed capital		–	–	–	(61,725)	–	(61,725)
Closing balance		**8,726**	**8,726**	**5,353**	**4,905**	**14,079**	**13,631**
Accumulated amortisation and impairment							
Opening balance		**(6,226)**	**(3,355)**	**–**	**–**	**(6,226)**	**(3,355)**
Amortisation expense	4(d)	(1,190)	(2,871)	–	–	(1,190)	(2,871)
Closing balance		**(7,416)**	**(6,226)**	**–**	**–**	**(7,416)**	**(6,226)**
Net book value at the end of the financial year		**1,310**	**2,500**	**5,353**	**4,905**	**6,663**	**7,405**

NOTE 10: PAYABLES

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CURRENT PAYABLES				
Contractual				
Supplies and services[i]	631,134	490,147	631,134	490,147
Amounts payable to government and agencies	12,513	29,811	12,513	29,811
Total contractual payables	**643,647**	**519,958**	**643,647**	**519,958**
Statutory				
GST payable	2,085	2,006	2,085	2,006
Total payables	**645,732**	**521,964**	**645,732**	**521,964**

(i) The average credit period for creditors is 30 days, a period in which no interest is charged.

(a) Maturity analysis of payables.
Please refer to Note 13(b) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables.
Please refer to Note 13 for interest rate contractual exposure.

NOTE 11: BORROWINGS

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CURRENT BORROWINGS					
Loan		8,353	8,284	–	–
Motor vehicle lease liability [i]	18	249	254	8,602	8,538
Southern Cross Station Transport Interchange Facility liability	18	772	–	772	–
Total current borrowings		**9,374**	**8,538**	**9,374**	**8,538**
NON-CURRENT BORROWINGS					
Loan		87,695	95,654	–	–
Motor vehicle lease liability [i]	18	333	166	88,028	95,820
Southern Cross Station Transport Interchange Facility liability	18	376,927	377,635	376,927	377,635
Total non-current borrowings		**464,955**	**473,455**	**464,955**	**473,455**
Total borrowings		**474,329**	**481,993**	**474,329**	**481,993**

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(a) Maturity analysis of borrowings.
Please refer to Note 13(c) for the maturity analysis of borrowings.

(b) Nature and extent of risk arising from borrowings.
Please refer to Note 13 for the nature and extent of risks arising from borrowings.

NOTE 12: PROVISIONS

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CURRENT PROVISIONS					
Employee benefits – annual leave (i)					
Unconditional and expected to settle within 12 months (ii)		2,537	2,046	2,537	2,046
Unconditional and expected to settle after 12 months (iii)		2,177	1,772	2,177	1,772
Employee benefits – long service leave (i)					
Unconditional and expected to settle within 12 months (ii)		896	737	896	737
Unconditional and expected to settle after 12 months (iii)		4,012	3,301	4,012	3,301
Employee benefits – performance and retention incentive provision (i)		**417**	**466**	**417**	**466**
Total employee benefits	12(a)	**10,039**	**8,322**	**10,039**	**8,322**
Provisions for on-costs					
Unconditional and expected to settle within 12 months (ii)		546	435	546	435
Unconditional and expected to settle after 12 months (iii)		986	802	986	802
Total provisions for on-costs	12(a)	**1,532**	**1,237**	**1,532**	**1,237**
Other provisions					
Provision for the employee entitlements of rail operators (iv)	12(b)	3,225	7,334	3,225	7,334
Provision for fringe benefits tax	12(b)	55	45	55	45
Total other provisions		**3,280**	**7,379**	**3,280**	**7,379**
Total current provisions		**14,851**	**16,938**	**14,851**	**16,938**

CONTINUED NEXT PAGE

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
NON-CURRENT PROVISIONS					
Employee benefits and on-costs					
Employee benefits [v]	12(a)	1,574	1,734	1,574	1,734
On-costs	12(a)	249	266	249	266
Total employee benefits and on-costs		**1,823**	**2,000**	**1,823**	**2,000**
Other provisions					
Provision for employee entitlements of rail operators [iv]	12(b)	359,353	297,240	359,353	297,240
Provision for train replacement	12(b)	10,173	10,173	10,173	10,173
Total other provisions		**369,526**	**307,413**	**369,526**	**307,413**
Total non-current provisions		**371,349**	**309,413**	**371,349**	**309,413**
Total provisions		**386,200**	**326,351**	**386,200**	**326,351**

(i) Provisions for employee benefits consist of amounts for annual leave, long service leave, performance and retention incentive payments accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

(iv) The State provides a guarantee for the employee entitlements of the employees of the public transport operators.

(v) The amounts disclosed represent long service leave entitlements for employees with less than seven years of continuous service discounted to present value.

a) EMPLOYEE BENEFITS AND ON-COSTS [i]

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CURRENT PROVISIONS FOR EMPLOYEE BENEFITS				
Annual leave entitlements	4,714	3,818	4,714	3,818
Unconditional long service leave entitlements	4,908	4,038	4,908	4,038
Fringe benefits tax	55	45	55	45
Accrued performance and retention incentive	417	466	417	466
Provision for the employee entitlements of rail operators	3,225	7,334	3,225	7,334
Total current provisions for employee benefits	**13,319**	**15,701**	**13,319**	**15,701**
NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS				
Conditional long service leave entitlements	1,574	1,734	1,574	1,734
Provision for the employee entitlements of rail operators	359,353	297,240	359,353	297,240
Total non-current provisions for employee benefits	**360,927**	**298,974**	**360,927**	**298,974**
Total employee benefits	**374,246**	**314,675**	**374,246**	**314,675**
ON-COSTS				
Current on-costs	1,532	1,237	1,532	1,237
Non-current on-costs	249	266	249	266
Total on-costs	**1,781**	**1,503**	**1,781**	**1,503**
Total employee benefits provisions and related on-costs	**376,027**	**316,178**	**376,027**	**316,178**

(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are recognised as a separate provision.

b) MOVEMENT IN PROVISIONS

	Employee benefits $'000	Performance and retention incentive provision $'000	On-costs $'000	Rail operators' employee benefits $'000	Train replacement $'000	Fringe benefits tax $'000	Total $'000
CONSOLIDATED							
Opening balance at 30 June 2014	**9,590**	**466**	**1,503**	**304,574**	**10,173**	**45**	**326,351**
Additional provisions recognised	6,782	578	318	62,346	–	40	70,064
Reductions arising from payments/other sacrifices of future economic benefits	(4,925)	(627)	–	(4,342)	–	(30)	(9,924)
Unwinding of discount and effect of changes in the discount rate	(251)	–	(40)	–	–	–	(291)
Closing balance at 30 June 2015	**11,196**	**417**	**1,781**	**362,578**	**10,173**	**55**	**386,200**
Current	9,622	417	1,532	3,225	–	55	14,851
Non-current	1,574	–	249	359,353	10,173	–	371,349
Total consolidated	**11,196**	**417**	**1,781**	**362,578**	**10,173**	**55**	**386,200**
PARENT							
Opening balance at 30 June 2014	**9,590**	**466**	**1,503**	**304,574**	**10,173**	**45**	**326,351**
Additional provisions recognised	6,782	578	318	62,346	–	40	70,064
Reductions arising from payments/other sacrifices of future economic benefits	(4,925)	(627)	–	(4,342)	–	(30)	(9,924)
Unwinding of discount and effect of changes in the discount rate	(251)	–	(40)	–	–	–	(291)
Closing balance at 30 June 2015	**11,196**	**417**	**1,781**	**362,578**	**10,173**	**55**	**386,200**
Current	9,622	417	1,532	3,225	–	55	14,851
Non-current	1,574	–	249	359,353	10,173	–	371,349
Total parent	**11,196**	**417**	**1,781**	**362,578**	**10,173**	**55**	**386,200**

NOTE 13: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

PTV's principal financial instruments comprise of:

- cash and term deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables);
- borrowings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudently manage PTV's financial risks within the Government's policy parameters.

PTV's main financial risks include credit risk, liquidity risk and interest rate risk. PTV manages these financial risks in accordance with its financial risk management policy.

PTV uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Audit and Risk Committee of PTV.

CATEGORISATION OF FINANCIAL INSTRUMENTS [i]

	Note	Contractual financial assets – loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
CONSOLIDATED				
2015				
Contractual financial assets				
Cash and deposits	**17(a)**	**44,083**	**–**	**44,083**
Receivables	**6**			
Amounts owing from government and agencies		5,149	–	5,149
Receivables – current		11,553	–	11,553
Receivables – non-current		1,000	–	1,000
Total contractual financial assets [ii]		**61,785**	**–**	**61,785**
Contractual financial liabilities				
Payables	**10**			
Supplies and services		–	631,134	631,134
Amounts payable to government and agencies		–	12,513	12,513
Borrowings	**11**			
Loan			96,048	96,048
Finance lease liabilities – motor vehicles		–	582	582
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		–	377,699	377,699
Total contractual financial liabilities [iii]		**–**	**1,117,976**	**1,117,976**

CONTINUED NEXT PAGE

	Note	Contractual financial assets – loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
CONSOLIDATED				
2014				
Contractual financial assets				
Cash and deposits	**17(a)**	**58,714**	**–**	**58,714**
Receivables	**6**			
Amounts owing from government and agencies		5,032	–	5,032
Receivables – current		14,532	–	14,532
Receivables – non-current		1,000	–	1,000
Total contractual financial assets (ii)		**79,278**	**–**	**79,278**
Contractual financial liabilities				
Payables	**10**			
Supplies and services		–	490,147	490,147
Amounts payable to government and agencies		–	29,811	29,811
Borrowings	**11**			
Loan			103,938	103,938
Finance lease liabilities – motor vehicles		–	420	420
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		–	377,635	377,635
Total contractual financial liabilities (iii)		**–**	**1,001,951**	**1,001,951**

CONTINUED NEXT PAGE

	Note	Contractual financial assets – loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
PARENT				
2015				
Contractual financial assets				
Cash and deposits	**17(a)**	**44,083**	**–**	**44,083**
Receivables	**6**		**–**	
Amounts owing from government and agencies		5,149	–	5,149
Receivables – current		11,553	–	11,553
Receivables – non-current		1,000	–	1,000
Total contractual financial assets (ii)		**61,785**	**–**	**61,785**
Contractual financial liabilities				
Payables	**10**			
Supplies and services		–	631,134	631,134
Amounts payable to government and agencies		–	12,513	12,513
Borrowings	**11**			
Finance lease liabilities – motor vehicles		–	96,630	96,630
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		–	377,699	377,699
Total contractual financial liabilities (iii)		**–**	**1,117,976**	**1,117,976**

CONTINUED NEXT PAGE

	Note	Contractual financial assets – loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
PARENT				
2014				
Contractual financial assets				
Cash and deposits	**17(a)**	**58,714**	**–**	**58,714**
Receivables	**6**			
Amounts owing from government and agencies		5,032	–	5,032
Receivables – current		14,532	–	14,532
Receivables – non-current		1,000	–	1,000
Total contractual financial assets (ii)		**79,278**	**–**	**79,278**
Contractual financial liabilities				
Payables	**10**			
Supplies and services		–	490,147	490,147
Amounts payable to government and agencies		–	29,811	29,811
Borrowings	**11**			
Finance lease liabilities – motor vehicles		–	104,358	104,358
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		–	377,635	377,635
Total contractual financial liabilities (iii)		**–**	**1,001,951**	**1,001,951**

(i) The amount disclosed represents the carrying amount for the reporting period.

(ii) The amount of receivables disclosed excludes statutory receivables.
(i.e. amounts owing from Victorian Government and GST input tax credit recoverable).

(iii) The amount of payables disclosed excludes statutory payables (i.e. GST output tax payable).

NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

		Total interest income/(expense)			
		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CONTRACTUAL FINANCIAL LIABILITIES					
Financial liabilities at amortised cost [i]	4(e)	(32,684)	(32,652)	(39,229)	(39,074)
Total contractual financial liabilities		**(32,684)**	**(32,652)**	**(39,229)**	**(39,074)**

(i) Includes interest for Southern Cross Station Transport Interchange Facility.

(b) Credit risk exposures

Credit risk arises from the contractual financial assets of PTV, which comprise cash and cash deposits and non-statutory receivables. PTV's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to PTV. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with PTV's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, PTV's policy is to only deal with entities with high credit ratings. Receivable amounts from these debtors are not material.

In addition, PTV does not engage in hedging for its contractual financial assets and mainly obtains financial assets that are of fixed interest rate except for cash assets, which are mainly cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that PTV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents PTV's maximum exposure to credit risk without taking account of the value of any collateral obtained.

CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

	Government agencies (AAA credit rating) $'000	Other (AA credit rating) $'000	Other (not rated) $'000	Total $'000
CONSOLIDATED				
2015				
Cash and deposits	**20,218**	**23,865**	**–**	**44,083**
Receivables				
Amounts owing from government and agencies	5,149	–	–	5,149
Receivables – current	–	–	11,553	11,553
Receivables – non-current	–	–	1,000	1,000
Total contractual financial assets	**25,367**	**23,865**	**12,553**	**61,785**
CONSOLIDATED				
2014				
Cash and deposits	**40,225**	**18,489**	**–**	**58,714**
Receivables				
Amounts owing from government and agencies	5,032	–	–	5,032
Receivables – current	–	–	14,532	14,532
Receivables – non-current	–	–	1,000	1,000
Total contractual financial assets	45,257	18,489	15,532	79,278

CONTINUED NEXT PAGE

	Government agencies (AAA credit rating) $'000	Other (AA credit rating) $'000	Other (not rated) $'000	Total $'000
PARENT				
2015				
Cash and deposits	**20,218**	**23,865**	**–**	**44,083**
Receivables				
Amounts owing from government and agencies	5,149	–	–	5,149
Receivables – current	–	–	11,553	11,553
Receivables – non-current	–	–	1,000	1,000
Total contractual financial assets	**25,367**	**23,865**	**12,553**	**61,785**
PARENT				
2014				
Cash and deposits	**40,225**	**18,489**	**–**	**58,714**
Receivables				
Amounts owing from government and agencies	5,032	–	–	5,032
Receivables – current	–	–	14,532	14,532
Receivables – non-current	–	–	1,000	1,000
Total contractual financial assets	**45,257**	**18,489**	**15,532**	**79,278**

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently PTV does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing analysis of contractual financial assets that are past due but not impaired.

AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS[i]

	Carrying[i] amount $'000	Not past due and not impaired $'000	Maturity dates: Less than 1 month $'000	1 – 3 months $'000	3 months – 1 year $'000	1 – 5 years $'000	Impaired financial assets $'000
CONSOLIDATED							
2015							
Contractual financial assets							
Cash and deposits	**44,083**	**44,083**	**–**	**–**	**–**	**–**	**–**
Receivables							
Amounts owing from government and agencies	5,149	4,670	479	–	–	–	–
Receivables – current	11,553	11,377	176	–	–	–	–
Receivables – non-current	1,000	1,000	–	–	–	–	–
Total contractual financial assets	**61,785**	**61,130**	**655**	**–**	**–**	**–**	**–**
CONSOLIDATED							
2014							
Contractual financial assets							
Cash and deposits	**58,714**	**58,714**	**–**	**–**	**–**	**–**	**–**
Receivables							
Amounts owing from government and agencies	5,032	4,387	645	–	–	–	–
Receivables – current	14,532	10,593	3,609	–	330	–	–
Receivables – non-current	1,000	1,000	–	–	–	–	–
Total contractual financial assets	**79,278**	**74,694**	**4,254**	**–**	**330**	**–**	**–**

CONTINUED NEXT PAGE

	Carrying[i] amount $'000	Not past due and not impaired $'000	Maturity dates: Less than 1 month $'000	1 – 3 months $'000	3 months – 1 year $'000	1 – 5 years $'000	Impaired financial assets $'000
PARENT							
2015							
Contractual financial assets							
Cash and deposits	**44,083**	**44,083**	**–**	**–**	**–**	**–**	**–**
Receivables							
Amounts owing from government and agencies	5,149	4,670	479	–	–	–	–
Receivables – current	11,553	11,377	176	–	–	–	–
Receivables – non-current	1,000	1,000	–	–	–	–	–
Total contractual financial assets	**61,785**	**61,130**	**655**	**–**	**–**	**–**	**–**
PARENT							
2014							
Contractual financial assets							
Cash and deposits	**58,714**	**58,714**	**–**	**–**	**–**	**–**	**–**
Receivables							
Amounts owing from government and agencies	5,032	4,387	645	–	–	–	–
Receivables – current	14,532	10,593	3,609	–	330	–	–
Receivables – non-current	1,000	1,000	–	–	–	–	–
Total contractual financial assets	**79,278**	**74,694**	**4,254**	**–**	**330**	**–**	**–**

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amount owing from Victorian Government and GST input tax credit recoverable).

(c) Liquidity risk

Liquidity risk is the risk that PTV would be unable to meet its financial obligations as and when they fall due. PTV operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

PTV's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed in the face of the balance sheet. PTV continuously manages its liquidity risk through monitoring future cash flows.

PTV's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity analysis for PTV's contractual financial liabilities.

MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES[i]

			Maturity dates				
	Carrying amount $'000	Nominal amount $'000	Less than 1 month $'000	1 – 3 months $'000	3 months – 1 year $'000	1 – 5 years $'000	5+ years $'000
CONSOLIDATED							
2015 Contractual financial liabilities							
Payables [ii]							
Supplies and services	631,134	631,134	629,755	803	576	–	–
Amounts payable to government and agencies	12,513	12,513	12,513	–	–	–	–
Borrowings							
Loan	96,048	110,469	1,369	2,810	12,250	58,348	35,692
Finance lease liabilities – motor vehicles	582	620	41	45	186	348	–
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	377,699	853,788	–	8,279	25,145	142,262	678,102
Total contractual financial liabilities	**1,117,976**	**1,608,524**	**643,678**	**11,937**	**38,157**	**200,958**	**713,794**
2014 Contractual financial liabilities							
Payables [ii]							
Supplies and services	490,147	490,147	490,147	–	–	–	–
Amounts payable to government and agencies	29,811	29,811	29,811	–	–	–	–
Borrowings							
Loan	103,938	143,068	1,350	2,646	11,548	54,507	73,017
Finance lease liabilities – motor vehicles	420	444	54	39	179	172	–
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	377,635	886,397	–	8,077	24,532	138,792	714,996
Total contractual financial liabilities	**1,001,951**	**1,549,867**	**521,362**	**10,762**	**36,259**	**193,471**	**788,013**

CONTINUED NEXT PAGE

Notes to the consolidated financial statements

	Carrying amount $'000	Nominal amount $'000	Maturity dates: Less than 1 month $'000	1 – 3 months $'000	3 months – 1 year $'000	1 – 5 years $'000	5+ years $'000
PARENT							
2015 Contractual financial liabilities							
Payables [ii]							
Supplies and services	631,134	631,134	629,755	803	576	–	–
Amounts payable to government and agencies	12,513	12,513	12,513	–	–	–	–
Borrowings							
Finance lease liabilities – motor vehicles	96,630	111,089	1,410	2,855	12,436	58,696	35,692
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	377,699	853,788	–	8,279	25,145	142,262	678,102
Total contractual financial liabilities	**1,117,976**	**1,608,524**	**643,678**	**11,937**	**38,157**	**200,958**	**713,794**
2014 Contractual financial liabilities							
Payables [ii]							
Supplies and services	490,147	490,147	490,147	–	–	–	–
Amounts payable to government and agencies	29,811	29,811	29,811	–	–	–	–
Borrowings							
Finance lease liabilities – motor vehicles	104,358	143,512	1,404	2,685	11,727	54,679	73,017
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	377,635	886,397	–	8,077	24,532	138,792	714,996
Total contractual financial liabilities	**1,001,951**	**1,549,867**	**521,362**	**10,762**	**36,259**	**193,471**	**788,013**

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

(ii) The amount in payables disclosed excludes statutory payables (i.e. GST output tax payable).

(d) Market risk

PTV's exposures to market risk are primarily through interest rate risk. PTV has no exposure to foreign currency risk. Objectives, policies and processes used to manage each of these risks are disclosed in the following paragraphs.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. PTV does not hold any interest bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

PTV has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

PTV manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing PTV to significant bad risk, management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the following table.

INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

			Interest rate exposure		
	Weighted average effective interest rate %	Carrying amount $'000	Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
CONSOLIDATED					
2015 Contractual financial assets					
Cash and deposits	**2.41%**	**44,083**	**10,213**	**33,865**	**5**
Receivables					
Amounts owing from government and agencies		5,149	–	–	5,149
Receivables – current		11,553	–	–	11,553
Receivables – non-current		1,000	–	–	1,000
Total contractual financial assets		**61,785**	**10,213**	**33,865**	**17,707**
2015 Contractual financial liabilities					
Payables					
Supplies and services		631,134	–	–	631,134
Amounts payable to government and agencies		12,513	–	–	12,513
Borrowings					
Loan	6.40%	96,048	96,048	–	–
Finance lease liabilities – motor vehicles	6.55%	582	582	–	–
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	377,699	377,699	–	–
Total contractual financial liabilities		**1,117,976**	**474,329**	**–**	**643,647**

CONTINUED NEXT PAGE

	Weighted average effective interest rate %	Carrying amount $'000	Interest rate exposure Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
CONSOLIDATED					
2014 Contractual financial assets					
Cash and deposits	**2.52%**	**58,714**	**10,213**	**48,490**	**11**
Receivables					
Amounts owing from government and agencies		5,032	–	–	5,032
Receivables – current		14,532	–	–	14,532
Receivables – non-current		1,000	–	–	1,000
Total contractual financial assets		**79,278**	**10,213**	**48,490**	**20,575**
2014 Contractual financial liabilities					
Payables					
Supplies and services		490,147	–	–	490,147
Amounts payable to government and agencies		29,811	–	–	29,811
Borrowings					
Loan	6.40%	103,938	103,938	–	–
Finance lease liabilities – motor vehicles	6.55%	420	420	–	–
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	377,635	377,635	–	–
Total contractual financial liabilities		**1,001,951**	**481,993**	**–**	**519,958**
PARENT					
2015 Contractual financial assets					
Cash and deposits	**2.41%**	**44,083**	**10,213**	**33,865**	**5**
Receivables					
Amounts owing from government and agencies		5,149	–	–	5,149
Receivables - current		11,553	–	–	11,553
Receivables – non-current		1,000	–	–	1,000
Total contractual financial assets		**61,785**	**10,213**	**33,865**	**17,707**

CONTINUED NEXT PAGE

			Interest rate exposure		
	Weighted average effective interest rate %	Carrying amount $'000	Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
2015 Contractual financial liabilities					
Payables					
Supplies and services		631,134	–	–	631,134
Amounts payable to government and agencies		12,513	–	–	12,513
Borrowings					
Finance lease liabilities – motor vehicles	6.40%	96,630	96,630		
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	377,699	377,699	–	–
Total contractual financial liabilities		**1,117,976**	**474,329**	**–**	**643,647**
PARENT					
2014 Contractual financial assets					
Cash and deposits	**2.52%**	**58,714**	**10,213**	**48,490**	**11**
Receivables					
Amounts owing from government and agencies		5,032	–	–	5,032
Receivables - current		14,532	–	–	14,532
Receivables – non-current		1,000	–	–	1,000
Total contractual financial assets		**79,278**	**10,213**	**48,490**	**20,575**
2014 Contractual financial liabilities					
Payables					
Supplies and services		490,147	–	–	490,147
Amounts payable to government and agencies		29,811	–	–	29,811
Borrowings					
Finance lease liabilities – motor vehicles	6.48%	104,358	104,358	–	–
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	377,635	377,635	–	–
Total contractual financial liabilities		**1,001,951**	**481,993**	**–**	**519,958**

Sensitivity disclosure analysis

Taking into account past performance, future expectations and economic forecasts, PTV believes that interest rate movements, a parallel shift of +2.0 per cent and -2.0 per cent in market interest rates from year-end rates, will not have a material impact on its financial position. PTV's management cannot be expected to predict movement in market rates and prices; sensitivity analysis shown is for illustrative purposes only.

The following table discloses the impact on PTV's net result and equity for each category of financial instrument held by PTV at year-end as presented to key management personnel, if the above movements were to occur.

		Interest rate			
		-200 basis points		+200 basis points	
	Carrying amount $'000	Net result $'000	Equity $'000	Net result $'000	Equity $'000
CONSOLIDATED					
2015 Contractual financial assets					
Cash and deposits [i]	44,078	(882)	(882)	882	882
Total impact		**(882)**	**(882)**	**882**	**882**
2014 Contractual financial assets					
Cash and deposits [i]	58,703	(1,174)	(1,174)	1,174	1,174
Total impact		**(1,174)**	**(1,174)**	**1,174**	**1,174**
PARENT					
2015 Contractual financial assets					
Cash and deposits [i]	44,078	(882)	(882)	882	882
Total impact		**(882)**	**(882)**	**882**	**882**
2014 Contractual financial assets					
Cash and deposits [i]	58,703	(1,174)	(1,174)	1,174	1,174
Total impact		**(1,174)**	**(1,174)**	**1,174**	**1,174**

(i) Cash and deposits include deposits of $44,078,000 (2014: $58,703,000) that is exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

– 2015: $44,078 ,000 x -0.02 = -$882,000 ; and $44,078,000 x 0.02 = $882,000

– 2014: $58,703,000 x -0.02 = -$1,174,000; and $58,703,000 x 0.02 = $1,174,000

(e) Fair value of financial assets and liabilities

PTV considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

On-statement of balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of PTV equals their carrying amounts.

Off-statement of balance sheet

PTV has potential financial assets and liabilities which may arise from certain contingencies disclosed in Note 15. As explained in Note 15, contingent liabilities by definition are similar to a liability, the distinguishing feature being the uncertainty over the government agencies' obligation.

NOTE 14: COMMITMENTS FOR EXPENDITURE

(a) Commitments other than public private partnership [i]

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
RAIL SERVICE COMMITMENTS				
Transport service provided by rail operators	3,384,131	4,559,940	3,384,131	4,559,940
Total rail service commitments	**3,384,131**	**4,559,940**	**3,384,131**	**4,559,940**
BUS SERVICE COMMITMENTS				
Transport service provided by bus operators	4,104,297	3,473,579	4,104,297	3,473,579
Total bus service commitments	**4,104,297**	**3,473,579**	**4,104,297**	**3,473,579**
TICKETING AND CALL CENTRE SERVICE COMMITMENTS				
Ticketing and call centre services provided by operators	178,443	208,067	178,443	208,067
Total ticketing service commitments	**178,443**	**208,067**	**178,443**	**208,067**
OPERATING LEASE COMMITMENTS				
Office & Retail	42,279	47,911	42,279	47,911
Total operating lease commitments	**42,279**	**47,911**	**42,279**	**47,911**
CAPITAL EXPENDITURE COMMITMENTS [ii]				
Plant, equipment and vehicles	1,214,902	1,342,344	1,214,902	1,342,344
Total capital expenditure commitments	**1,214,902**	**1,342,344**	**1,214,902**	**1,342,344**
Total commitments other than public private partnerships	**8,924,052**	**9,631,841**	**8,924,052**	**9,631,841**

(i) Figures presented are inclusive of GST.

(ii) As a result of a review of the capital expenditure commitments in 2014–15, commitments of the termination values of leased rolling stock in the sum of $336,346,000 were identified and are included in the capital expenditure commitments as at 30 June 2015 and 30 June 2014.

(b) Southern Cross Station public private partnership commitments [(i)]

On 2 July 2002 the Southern Cross Station Authority and Civic Nexus Pty Ltd (CNPL) entered into a Services and Development Agreement (SDA) for the redevelopment of Southern Cross Station (Station). Under the SDA, CNPL had to design, construct and commission the Station. Construction commenced in September 2002 and on 1 August 2006, CNPL was granted a 30-year lease over the Station and has an obligation to operate and maintain the Station, until the end of the 30-year period, at which time these rights and obligations will transfer back to the State.

Upon formation of PTV, the contract commitments to CNPL, as part of the Public Private Partnership (PPP) arrangement, were transferred from the Director of Public Transport to PTV.

These commitments include operating and finance lease interest costs that extend until 30 June 2036.

PTV makes quarterly payments over a 30 year operating period which commenced on 27 April 2005. These future payments are subject to abatement in accordance with the terms and conditions of the SDA. The quarterly payments reimburse CNPL for the annual operating, maintenance and insurance costs. The Net Present Value (NPV) is calculated using a discount rate of 8.65 per cent (2014: 8.65 per cent) per annum and an inflation rate of 2.5 per cent (2014: 2.5 per cent) per annum, or actual inflation, whichever is higher.

The nominal amounts for the operation and maintenance commitment below represents the charges payable under the SDA at the end of the reporting period.

	Consolidated				Parent			
	2015		2014		2015		2014	
Commissioned public private partnership [(ii) (iii)]	Net Present Value $'000	Nominal Value $'000	Net Present Value $'000	Nominal Value $'000	Net Present Value $'000	Nominal Value $'000	Net Present Value $'000	Nominal Value $'000
Southern Cross Station operation and maintenance commitments	242,083	572,267	234,905	579,449	242,083	572,267	234,905	579,449
Total PPP operation and maintenance commitment	**242,083**	**572,267**	**234,905**	**579,449**	**242,083**	**572,267**	**234,905**	**579,449**

(i) The present values of the minimum lease payments for commissioned PPP are recognised on the balance sheet and are not disclosed as commitments.

(ii) The year on year reduction in the nominal amounts of the commitments reflects the payments made, offset by the impact of changes in estimates of future inflation rates.

(iii) The year on year increase in the present values of the commitments mainly reflects the payments made, offset by the impact of changes in estimates of future inflation rates and the discounting period being one reporting period shorter.

(c) Commitments Payable[i]

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
RAIL SERVICE COMMITMENTS PAYABLE				
Less than 1 year	1,493,680	1,421,070	1,493,680	1,421,070
Longer than 1 year but not longer than 5 years	1,804,260	2,989,460	1,804,260	2,989,460
5 years or more	86,191	149,410	86,191	149,410
Total rail service commitments	**3,384,131**	**4,559,940**	**3,384,131**	**4,559,940**
BUS SERVICE COMMITMENTS PAYABLE				
Less than 1 year	1,060,927	1,022,355	1,060,927	1,022,355
Longer than 1 year but not longer than 5 years	3,043,370	2,109,094	3,043,370	2,109,094
5 years or more	–	342,130	–	342,130
Total bus service commitments	**4,104,297**	**3,473,579**	**4,104,297**	**3,473,579**
TICKETING AND CALL CENTRE SERVICE COMMITMENTS PAYABLE				
Less than 1 year	101,007	91,684	101,007	91,684
Longer than 1 year but not longer than 5 years	77,436	116,383	77,436	116,383
5 years or more	–	–	–	–
Total ticketing service commitments	**178,443**	**208,067**	**178,443**	**208,067**
OPERATING LEASE COMMITMENTS PAYABLE[ii]				
Less than 1 year	8,748	7,978	8,748	7,978
Longer than 1 year but not longer than 5 years	32,068	34,787	32,068	34,787
5 years or more	1,463	5,146	1,463	5,146
Total operating lease commitments	**42,279**	**47,911**	**42,279**	**47,911**

CONTINUED NEXT PAGE

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CAPITAL EXPENDITURE COMMITMENTS PAYABLE [iii]				
Less than 1 year	604,083	631,015	604,083	631,015
Longer than 1 year but not longer than 5 years	610,819	607,587	610,819	607,587
5 years or more	–	103,742	–	103,742
Total capital expenditure commitments	**1,214,902**	**1,342,344**	**1,214,902**	**1,342,344**
PPP OPERATION AND MAINTENANCE COMMITMENTS				
Minimum lease payments for non-cancellable leases payable				
Less than 1 year	19,024	17,671	19,024	17,671
Longer than 1 year but not longer than 5 years	88,400	81,542	88,400	81,542
5 years or more	464,843	480,236	464,843	480,236
Total lease commitments	**572,267**	**579,449**	**572,267**	**579,449**
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	–	–	–	–
TOTAL COMMITMENTS				
Total commitments (inclusive of GST)	**9,496,319**	**10,211,290**	**9,496,319**	**10,211,290**
Less: GST recoverable from the Australian Tax Office	(863,302)	(928,299)	(863,302)	(928,299)
Total commitments (exclusive of GST)	**8,633,017**	**9,282,991**	**8,633,017**	**9,282,991**

(i) For future finance lease and non-cancellable operating lease payments that are recognised on the balance sheet, refer to Note 18 Leases.

(ii) Operating lease commitments relate to office and retail facilities with lease terms between one and seven years. These contracts do not allow PTV to purchase the facilities after the lease ends.

(iii) As a result of a review of the capital expenditure commitments in 2014–15, commitments of the termination values of leased rolling stock in the sum of $336,346,000 were identified and are included in the capital expenditure commitments as at 30 June 2015 and 30 June 2014.

Rail and bus commitments

The Director of Public Transport and/or Secretary of the former Department of Transport entered into a number of contracts with private operators to provide Victoria's train, tram and bus services. The current contracts with Metro Trains Melbourne (MTM) and Yarra Trams commenced on 30 November 2009 and have an initial franchise period of eight years (with the possibility of a seven-year extension). Under the terms of these franchise contracts, the subsidies are provided for transport services and capital commitments. All of the contracts were transferred from the Director of Public Transport and/or Secretary to PTV on 2 April 2012.

The commitments with MTM and Yarra Trams have been calculated up to the end of the initial franchise period with the exception of the rolling stock lease payments for which PTV is legally committed beyond the initial franchise period.

Bus services are covered by long term service contracts established with the bus service operators. Commitments of the bus service contracts are determined from the service fees payable during the term of the service contracts.

V/Line rail services

V/Line rail services reverted to government control with a partnership arrangement established from 1 October 2003. A service agreement between PTV and V/Line extending the term of the franchise agreement to 30 June 2016 was signed on 13 November 2013.

Capital expenditure commitments

Capital expenditure commitments include contracts for capital projects relating to infrastructure and transport-related projects separate and in addition to the commitments entered into through the partnership agreements (which include rolling stock and branding projects). These commitments have been signed prior to 30 June 2013 and have established a legal and binding obligation on PTV to make future payments.

Lease commitments

Lease commitments include contracts for office and retail accommodation.

NOTE 15: CONTINGENT ASSETS AND LIABILITIES

(a) Contingent assets

Contingent assets arise from guarantees, indemnities and other forms of support provided to PTV and from legal disputes and other claims by PTV arising from a past event. Contingent assets by definition are similar to an asset with the distinguishing feature being the uncertainty over PTV's entitlement. PTV has no contingent assets.

(b) Contingent liabilities

Contingent liabilities arise from guarantees, indemnities and other forms of support provided by PTV and from legal disputes and other claims against PTV arising from a past event. Contingent liabilities by definition are similar to a liability with the distinguishing feature being the uncertainty over PTV's obligation.

Unquantifiable contingent liabilities

Public transport rail partnership agreements

PTV is party to partnership contractual arrangements with franchisees to operate metropolitan rail transport services in the State, operative from 30 November 2009 until 30 November 2017. The following summarises the major contingent liabilities arising from the contractual arrangements in the event of early termination, or expiry of the partnership contractual agreement, which are:

Partnership assets

To maintain continuity of services, at early termination or expiry of the franchise contract, assets will revert to PTV, or a successor. In the case of some assets, a reversion back to PTV would entail those assets being purchased.

Unfunded Superannuation

At the early termination or expiry of the contract, PTV will assume any unfunded superannuation amounts (apart from contributions the operator is required to pay over the contract term) to the extent that the State becomes the successor operator.

Compulsory property acquisition to deliver transport projects

The State has compulsorily acquired a number of properties (residential and commercial) through the *Land Acquisition and Compensation Act 1986* to facilitate delivery of various transport projects. Possible future claims for compensation arising from the compulsory acquisition of these properties cannot be quantified at this stage.

Quantifiable contingent liabilities

Details and estimates of other contingent liabilities are as follows:

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Legal claims	5,623	1,357	5,623	1,357
Total	**5,623**	**1,357**	**5,623**	**1,357**

NOTE 16: SUPERANNUATION

Employees of PTV are entitled to receive superannuation benefits and PTV contributes to both defined benefit and defined contribution plans. The defined benefit plans provides benefits based on years of service and final average salary.

PTV does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. DTF recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of PTV.

The name and details of the major employee superannuation funds and contributions (including salary sacrifice contributions) made by PTV are as follows:

	Paid contribution for the year				Contributions outstanding at year end			
	Consolidated		Parent		Consolidated		Parent	
Fund	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
DEFINED BENEFIT PLANS [i]								
State Superannuation Fund – revised and new	219	246	219	246	–	–	–	–
Transport Superannuation Fund	186	180	186	180	–	–	–	–
Total defined benefit plans	**405**	**426**	**405**	**426**	**–**	**–**	**–**	**–**
DEFINED CONTRIBUTION PLANS								
VicSuper	3,052	2,542	3,052	2,542	–	–	–	–
Various others	2,982	2,390	2,982	2,390	–	–	–	–
Total defined contribution plans	**6,034**	**4,932**	**6,034**	**4,932**	**–**	**–**	**–**	**–**
Total superannuation plans	**6,439**	**5,358**	**6,439**	**5,358**	**–**	**–**	**–**	**–**

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of cash and cash equivalents

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash and bank deposits	23,870	18,501	23,870	18,501
Deposits with Treasury Corporation of Victoria	20,213	40,213	20,213	40,213
Balance as per cash flow statement	**44,083**	**58,714**	**44,083**	**58,714**

(b) Non-cash financing and investing activities

Acquisition of property, plant and equipment by means of finance leases

The acquisitions relate to motor vehicle purchases under finance leases which are not reflected in the cash flow statement.

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Acquisition of property, plant and equipment by means of finance leases	8	408	80	1,613	112,280
Total non-cash financing and investing activities		**408**	**80**	**1,613**	**112,280**

(c) Reconciliation of net result

		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Net result for the reporting period		**(70,007)**	**(31,540)**	**(70,007)**	**(31,540)**
NON-CASH MOVEMENTS					
Loss on disposal of non-financial assets	5(a)	8	12	8	12
Revaluation deficit of vehicles		3,581	–	–	–
Revaluation deficit of leased vehicles		–	–	3,581	–
Depreciation and amortisation of non-financial assets	4(d)	42,996	47,070	42,996	47,070
Net fair value of assets and services received and provided free of charge		(32,293)	(36,927)	(32,293)	(36,927)
Revaluation of long service leave liabilities due to changes in bond rates		42,147	–	42,147	–
MOVEMENTS IN ASSETS AND LIABILITIES					
(Increase)/decrease in receivables		(134,250)	34,500	(134,250)	34,500
(Increase)/decrease in prepayments		(441)	(7,278)	(441)	(7,278)
(Increase)/decrease in inventories		(1,064)	1,245	(1,064)	1,245
Increase/(decrease) in payables		71,614	7,699	71,614	7,699
Increase/(decrease) in provisions		60,069	15,097	60,069	15,097
Net cash flows from/ (used in) operating activities		**(17,640)**	**29,878**	**(17,640)**	**29,878**

NOTE 18: LEASES

(a) Leasing arrangements – Commissioned public private partnership

The Services and Development Agreement for the redevelopment of Southern Cross Station with CNPL as disclosed in Note 14(b) is deemed a finance lease as it effectively transfers the risks and benefits incidental to ownership of the leased assets to the State. Please refer to Note 14(b) for details.

Up to the last quarter of 2014, the actual cash payments to CNPL are less than the deemed finance lease interest expense.

The finance lease liability increased to approximately $378 million at the last quarter of 2014 when the cash payments overtook the value of the finance lease interest.

(b) Other finance lease liabilities

The other finance leases entered into by PTV relate to buses with a lease term of the same duration as the franchise term of seven years with an option to extend for a further three years; and motor vehicles with lease terms of three years or 60,000 kilometres, whichever occurs first.

		Minimum future lease payments [i]				Present value of minimum future lease payments			
		Consolidated		Parent		Consolidated		Parent	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
COMMISSIONED PPP-RELATED FINANCE LEASE LIABILITIES PAYABLE									
Not longer than one year		33,424	32,609	33,424	32,609	772	–	772	–
Longer than one year and not longer than five years		142,262	138,792	142,262	138,792	13,505	–	13,505	–
Longer than five years		678,103	714,996	678,103	714,996	363,422	377,635	363,422	377,635
OTHER FINANCE LEASE LIABILITIES PAYABLE [ii]									
Not longer than one year		272	272	16,273	14,516	249	254	8,602	8,538
Longer than one year and not longer than five years		348	172	58,235	54,923	333	166	35,451	34,241
Longer than five years		–	–	63,919	74,073	–	–	52,577	61,579
Minimum future lease payments		**854,409**	**886,841**	**992,216**	**1,029,909**	**378,281**	**378,055**	**474,329**	**481,993**
Less future finance charges		(476,128)	(508,786)	(517,887)	(547,916)	–	–	–	–
Present value of minimum lease payments		**378,281**	**378,055**	**474,329**	**481,993**	**378,281**	**378,055**	**474,329**	**481,993**
INCLUDED IN THE FINANCIAL STATEMENTS AS:									
Current borrowings	11					**1,021**	**254**	**9,374**	**8,538**
Non-current borrowings	11					**377,260**	**377,801**	**464,955**	**473,455**
Total interest bearing liabilities						**378,281**	**378,055**	**474,329**	**481,993**

(i) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

(ii) Other finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating lease commitments are disclosed in Note 14.

NOTE 19: RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers, Directors of the Board and accountable officer in PTV are as follows:

Responsible Ministers:

> Hon. Jacinta Allan MP, Minister for Public Transport (4 December 2014 to 30 June 2015).

> Hon. Terry Mulder MP, Minister for Public Transport (1 July 2014 to 4 December 2014).

Directors of the Board:

> Mr Ian Dobbs – Chairman (1 July 2014 to 30 June 2015).

> Mr Douglas Bartley (1 July 2014 to 30 June 2015).

> Mr Michael Taylor AO (1 July 2014 to 30 June 2015).

> Ms Virginia Hickey (1 July 2014 to 30 June 2015).

> Mr Craig Opie (1 July 2014 to 30 June 2015).

> Mr John Nicol OAM (1 July 2014 to 30 June 2015).

Accountable Officer:

> Mr Mark Wild – Chief Executive (1 July 2014 to 30 June 2015).

Remuneration

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

The number of responsible persons whose remuneration from PTV was within the specified bands was as follows:

	Total remuneration			
	Consolidated		Parent	
Income band	2015 No.	2014 No.	2015 No.	2014 No.
$40,000 – 49,999	5	4	5	4
$170,000 – 179,999	–	1	–	1
$310,000 – 319,999	1	–	1	–
$470,000 – 479,999	1	–	1	–
$480,000 – 489,999	–	1	–	1
Total numbers	**7**	**6**	**7**	**6**
Total amount	**$1,044,591**	**$852,864**	**$1,044,591**	**$852,864**

Related party transaction

There was no related party transaction during the year (2014: Nil).

NOTE 20: REMUNERATION OF EXECUTIVES AND PAYMENTS TO OTHER PERSONNEL (i.e. contractors with significant management responsibilities)

(a) Remuneration of executives

The numbers of executive officers (other than Minister, Directors of the Board and the accountable officer) and their total remuneration during the reporting period are shown in the first four columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the fifth to eighth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated and a number of executives received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

The table below includes movements in and out of the executive team.

	Total remuneration				Base remuneration			
	Consolidated		Parent		Consolidated		Parent	
Income band	2015 No.	2014 No.	2015 No.	2014 No.	2015 No.	2014 No.	2015 No.	2014 No.
Less than $100,000	9	8	9	8	11	12	11	12
$100,000–109,999	–	3	–	3	–	1	–	1
$110,000–119,999	–	1	–	1	–	1	–	1
$120,000–129,999	–	–	–	–	–	1	–	1
$130,000–139,999	2	2	2	2	2	1	2	1
$140,000–149,999	2	–	2	–	5	1	5	1
$150,000–159,999	2	–	2	–	2	5	2	5
$160,000–169,999	6	4	6	4	6	5	6	5
$170,000–179,999	4	3	4	3	5	5	5	5
$180,000–189,999	4	7	4	7	6	3	6	3
$190,000–199,999	4	4	4	4	3	4	3	4
$200,000–209,999	3	3	3	3	2	1	2	1
$210,000–219,999	4	4	4	4	–	2	–	2
$220,000–229,999	–	1	–	1	2	1	2	1
$230,000–239,999	1	1	1	1	–	–	–	–
$240,000–249,999	1	2	1	2	–	–	–	–
$250,000–259,999	2	–	2	–	2	1	2	1
$270,000–279,999	1	2	1	2	–	1	–	1
$280,000–289,999	–	–	–	–	–	1	–	1
$290,000–299,999	–	–	–	–	2	–	2	–
$310,000–319,999	1	–	1	–	–	–	–	–
$320,000–329,999	2	1	2	1	–	–	–	–
$340,000–349,999	1	–	1	–	1	–	1	–
Total numbers	**49**	**46**	**49**	**46**	**49**	**46**	**49**	**46**
Total annualised employee equivalent	**39.10**	**33.29**	**39.10**	**33.29**	**39.10**	**33.29**	**39.10**	**33.29**
Total amount	**$8,586,210**	**$7,724,125**	**$8,586,210**	**$7,724,125**	**$7,655,581**	**$6,635,836**	**$7,655,581**	**$6,635,836**

(b) Payments to other personnel (i.e. contractors with significant management responsibilities)

The following disclosures are made in relation to other personnel of PTV, i.e. contractors charged with significant responsibilities.

Payments have been made to a number of contractors with significant management responsibilities, which are disclosed in the relevant expense band. These contractors are responsible for planning, directing or controlling, directly or indirectly, PTV's activities.

	Total expense (exclusive of GST)			
	Consolidated		Parent	
Expense band	2015 No.	2014 No.	2015 No.	2014 No.
Less than $100,000	–	2	–	2
$100,000–109,999	–	1	–	1
$150,000–159,999	–	1	–	1
Total numbers	–	**4**	–	**4**
Total expenses (exclusive of GST)	–	**$395,683**	–	**$395,683**

NOTE 21: REMUNERATION OF AUDITORS

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of PTV's financial statements:

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Paid as at 30 June	63	66	63	66
Payable as at 30 June	182	174	182	174
Total remuneration of auditors	**245**	**240**	**245**	**240**

The Victorian Auditor-General's Office has not provided PTV with any other paid services.

NOTE 22: FARE AND CARDHOLDER FUNDS ADMINISTRATION

Under the Revenue Sharing and Transport Services Agreement with the rail franchisees and V/Line, PTV is required to distribute fare receipts to the rail franchisees and V/Line. Up to 30 September 2014, the fare receipts after the distribution to the rail franchisees and V/Line (the net fare receipts) were paid to and reported as revenue of the former Department of Transport, Planning and Local Infrastructure (DTPLI). After the abolishment of the Public Transport Fund on 30 September 2014, the net fare receipts were retained by and reported as revenue of PTV.

Up to 30 September 2014, PTV received fare receipts in its capacity as agent for DTPLI and the transport operators, to be distributed in accordance with their respective entitlements under the Agreement referred to above. The cash flows, bank balances and payables associated with these activities are therefore excluded from PTV's accounts as they do not meet economic benefit or control criteria of AAS. Similarly, myki cardholders funds ('myki money') held in trust are not reported in PTV's financial statements.

For the year ended 30 June 2015, $844,740,265 (2014: $805,764,520) of metropolitan and regional farebox revenue and non-farebox receipts were distributed from the myki ticketing system to DTPLI, V/Line and the franchisees.

As at 30 June 2015, the following amounts were held in PTV managed bank accounts:

- For distribution to rail franchisees and V/Line.
  $9,115,704 (2014: $8,159,632)
- myki cardholder funds.
  $80,948,588 (2014: $65,618,994)

PTV also receives and manages myki customer money balances. These balances come from various channels including ticketing machines, railway stations, retail outlets, the internet and the PTV Hub. PTV performs the accounts receivable function for the ticketing system and administers the agreement with the contractor NTT Data Victorian Ticketing System (formerly named Kamco) to ensure cash collection services and payments via the banking system are managed effectively.

PTV manages the revenue audit function which focuses on reviewing and reporting on controls around farebox revenue collection and distribution processes within transport operators. Formal planned revenue audits are undertaken by PTV at metropolitan and V/Line train stations, as well as metropolitan and regional bus depots.

NOTE 23: ADMINISTERED (NON-CONTROLLED) ITEMS

In addition to the specific operations which are included in the consolidated financial statements (consolidated comprehensive operating statement, consolidated balance sheet, consolidated statement of changes in equity and consolidated cash flow statement), PTV administers or manages other activities and resources on behalf of the State. The transactions relating to these State activities are reported as administered items in this note.

PTV administers on-the-spot penalty fares on behalf of the State from 10 August 2014. PTV does not gain control over the assets arising from the on-the-spot penalty fares.

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
ADMINISTERED (NON-CONTROLLED) ITEMS				
Administered income from transactions				
On-the-spot penalty fares	5,206	–	5,206	–
Interest revenue	5	–	5	–
Total administered income from transactions	**5,211**	**–**	**5,211**	**–**
Administered expenses from transactions				
Payments into the Consolidated Fund via DEDJTR	(3,238)	–	(3,238)	–
Other expenses	(1,406)	–	(1,406)	–
Total administered expenses from transactions	**(4,644)**	**–**	**(4,644)**	**–**
Total administered comprehensive result	**567**	**–**	**567**	**–**
Administered financial assets				
Cash at bank	567	–	557	–
Total administered financial assets	**567**	**–**	**567**	**–**
Total administered assets	**567**	**–**	**567**	**–**

NOTE 24: SUBSEQUENT EVENT

There is no event after the reporting period and before the authorisation of the financial statements that are material to influence the economic decisions that the users of the financial statements make on the basis of the financial statements.

NOTE 25: GLOSSARY OF TERMS AND STYLE OF CONVENTIONS

Amortisation
Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as another economic flow.

Borrowings
Borrowings refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest bearing arrangements.

Comprehensive result
The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Capital Asset Charge
The capital asset charge represents the amount deemed to be equivalent to the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs.

Commitments
Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current Grants
Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation
Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the ' net result from transaction'.

Employee benefits expenses
Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset
A financial asset is any asset that is:

(a) Cash.

(b) An equity instrument of another entity.

(c) A contractual right or statutory right:
- To receive cash or another financial asset from another entity; or
- To exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) A contract that will or may be settled in the entity's own equity instruments and is:
- A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability
A financial liability is any liability that is:

(a) A contractual or statutory obligation:
- To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:
- A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

(a) Balance sheet as at the end of the period;

(b) Comprehensive operating statement for the period;

(c) A statement of changes in equity for the period;

(d) Cash flow statement for the period;

(e) Notes, comprising a summary of significant accounting policies and other explanatory information;

(f) Comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and

(g) A statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly, benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits in the form of goods or services to particular taxpayers in return for their taxes. For this reason grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants for on-passing

All grants paid to one institutional sector (e.g. a state general government) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets
Non-financial assets are all assets that are not 'financial assets'.

Other economic flows included in net result
Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- Gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets;
- Fair value changes of financial instruments and agricultural assets; and
- Depletion of natural assets (non-produced) from their use or removal.

Payables
Includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables
Includes amounts owing from government through appropriation receivable, short and long term credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and service
Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services
Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs incurred in the normal operations of PTV.

Transactions
Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Style conventions
Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notions used in the tables are as follows:

–	zero, or rounded to zero
(xxx.x)	negative numbers
200x	year period
200x–0x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2014–15 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publication of PTV's annual report.

SECTION 4:
APPENDICES

PTV People

COMPARATIVE WORKFORCE DATA

TABLE 1: FULL TIME EQUIVALENT (FTE) STAFFING TRENDS 2013, 2014 AND 2015 [i]

2015	2014	2013
523	462	425 [ii]

Notes:
(i) Headcount and FTE figures reflect employment levels during the last full pay period in June of each year.
(ii) FTE numbers have been rounded to nearest whole number, therefore some variances between individual FTEs and the FTE totals appear for 2013.

TABLE 2: SUMMARY OF EMPLOYMENT LEVELS IN JUNE OF 2013, 2014 AND 2015 [i]

	Ongoing Employees				Fixed Term & Casual
	Employee Headcount	Full Time Headcount	Part Time Headcount	FTE [ii]	FTE [ii]
June 2013	377	350	27	370	56
June 2014	409	388	21	402	60
June 2015	437	409	28	428	95

Notes:
(i) Headcount and FTE figures reflect employment levels during the last full pay period in June of each year.
(ii) FTE numbers have been rounded to nearest whole number, therefore some variances between individual FTEs and the FTE totals appear for 2013.

TABLE 3: DETAILS OF EMPLOYMENT LEVELS IN JUNE 2013, 2014 AND 2015

	2015			2014			2013		
			Fixed Term & Casual			Fixed Term & Casual			Fixed Term & Casual
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE (ii)	FTE (ii)
GENDER									
Male	233	232	51	229	228	31	221	219	34
Female	204	196	44	180	174	29	156	150	22
Total	**437**	**428**	**95**	**409**	**402**	**60**	**377**	**370**	**56**
AGE									
Under 25	4	4	4	5	5	10	6	6	2
25–34	116	115	24	123	121	17	105	103	14
35–44	143	140	41	126	123	13	109	107	19
45–54	116	112	18	103	102	12	102	100	11
55–64	49	48	7	49	48	6	52	51	9
Over 64	9	9	1	3	3	2	3	3	1
Total	**437**	**428**	**95**	**409**	**402**	**60**	**377**	**370**	**56**
CLASSIFICATION									
PTV1	–	–	0	–	–	7	–	–	14
PTV2	–	–	–	–	–	–	–	–	–
PTV3	50	48	13	50	48	16	52	50	10
PTV4	80	91	21	80	79	11	64	64	10
PTV5	117	112	25	117	116	14	110	107	15
PTV6	106	108	21	106	104	9	103	101	5
PSE	10	18	5	10	10	3	–	–	–
STS	10	12	4	10	10		5	5	–
Executives	36	39	5	36	36	–	36	36	–
Other (iii)			1			1	7	7	3
Total	**409**	**428**	**95**	**409**	**402**	**60**	**377**	**370**	**56**

Notes:

(i) Headcount and FTE figures reflect employment levels during the last full pay period in June of each year.

(ii) FTE numbers have been rounded to nearest whole number, therefore some variances between individual FTEs and the FTE totals appear for 2013.

(iii) Classification 'Other' includes staff on agreements/contracts other than the PTV Agreement.

EMPLOYMENT AND CONDUCT PRINCIPLES

PTV is committed to applying merit and equity principles when appointing staff.

The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

Employees have been correctly classified in workforce data collections.

PUBLIC ADMINISTRATION AND EMPLOYMENT PRINCIPLES

PTV continues to implement directions and policies with respect to upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances, and selecting on merit.

PTV has introduced a suite of detailed employment policies, including policies with respect to grievance resolution, recruitment, redeployment, and managing diversity. Policies with respect to managing underperformance and discipline were produced and have been implemented across PTV.

OCCUPATIONAL HEALTH, SAFETY AND WELLBEING

PTV is committed to providing and maintaining workplaces which are safe for all employees, visitors and contractors.

During the 2014–15 financial year, PTV has strengthened its commitment to safety through the appointment of a new Safety and Environment division with the primary task of developing an Integrated Safety and Environment Management System for PTV.

The development of a Safety and Environmental Policy has been the foundation for the Integrated Safety Management System, with PTV's commitment to safety being clearly articulated and endorsed at executive level. Key milestones achieved during the financial year in the development of the Integrated Safety Management System include the development of incident management, workers' compensation and contractor management modules.

Safety activities during the financial year included an increase of ergonomic assessments, improving communication and consultation in the workplace through utilisation of staff safety announcements on the interactive intranet page, 208 flu vaccinations administered and all safety training records for first aid officers, emergency wardens and health and safety representatives at 100 per cent completion.

PTV'S PERFORMANCE AGAINST OHS MANAGEMENT MEASURES

Measure	KPI	2012–13	2013–14	2014–15
Incidents	No. of reported incidents	9	17	27
	Rate per 100 FTE	1.18	2.23	3.55
Claims	No. of standard claims[i]	1	0	3
	No. of minor claims	–	–	1
	Rate per 100 FTE	–	–	0.13
	No. of claims exceeding 13 weeks [i]	0	0	2
	Rate per 100 FTE	–	–	0.26
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per standard claim[iv]	$725	0	$9938
Return to work	Percentage of claims with RTW plan <30 days	N/A	N/A	N/A
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans (signed by CEO or equivalent)	Completed	Partially completed	Partially completed
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel)	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs)	Completed	Completed	Completed
	Compliance with agreed structure on DWGs, HSRs, and IRPs	Completed	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned	100%	100%	100%
	PERCENTAGE OF ISSUES IDENTIFIED ACTIONED ARISING FROM:			
	internal audits	100%	51%	68%
	HSR provisional improvement notices (PINs)	N/A	N/A	0
	WorkSafe notices	N/A	N/A	1
Training [ii]	PERCENTAGE OF MANAGERS AND STAFF THAT HAVE RECEIVED OHS TRAINING:			
	– induction	0%	91%	97%
	– management training	0%	90%	90%
	– contractors, temps, and visitors	N/A	N/A	95%
	PERCENTAGE OF HSRS TRAINED:			
	– acceptance of role	100%	78%	100%
	– re training (refresher)	N/A	N/A	100%

Notes:

(i) Standard claims are those that have exceeded the employer excess (days or dollars) or are registered as a standard claim and are open with payments at the time of extraction. Fatality claims are also based on the same definition of standardised claims. Under threshold claims are excluded from this figure.

(ii) A time lost claim is one with one (1) or more days compensated by the Victorian WorkCover Authority (VWA) Insurer (that is: once the employer has paid the 10 day excess) at the time of extraction. Lost time claims are a sub set of standardised claims. Under-threshold claims are excluded from this figure.

(iii) Thirteen week claims is a measure of the number of claims exceeding 13 week compensation based on a derived day count. The 13 week measure begins at day one (that is: employer excess and VWA payments).

(iv) Data is provided by PTV insurer Xchanging.

OVERVIEW

Incidents

There were no notifiable incidents requiring notification to the authority WorkSafe Victoria for the period 2014–15. There was an increase in reported incidents from previous years, which is attributed to the appointment of a dedicated Manager Occupational Health, Safety and Wellbeing (OHSW) to enhance and promote the reporting of incidents and near-misses at PTV. The development of the Incident Management component of the Integrated Management System has ensured there is a process for reporting, investigating and managing incidents and near-misses.

The majority of reported incidents were musculoskeletal disorders associated with workstation ergonomics. There have been 59 ergonomic assessments completed during this period.

Management Commitment

This KPI was partially completed as the Safety & Environment team is currently developing the Integrated Safety and Environment Management System which is a risk-based, businesslike approach to proactively managing health and safety in the workplace. The Safety and Environment Policy has been developed and defines the PTV management commitment to providing and maintaining a safe and environmentally sustainable workplace.

Risk Management

PTV's safety consultation forum, which comprises health and safety representatives and divisional safety leaders, has seen an increase in completed workplace hazard inspections and risk assessments. The development of the PTV safety risk register ensures all risks are recorded with appropriate controls applied. This forms the foundation of the overall Integrated Safety and Environment Management System. A collaborated effort across multiple divisions has ensured that risks are reviewed monthly and controls are reviewed.

Workers' Compensation

There were a total of four workers' compensation claims for the period 2014–15. Three of these were standard claims, where the employee was paid compensation for lost time due to their compensable injury, and one was a medical and like expenses claim only. Of the three standard claims, two claims exceeded 13 weeks.

At the conclusion of the period 2014–15, two of the standard claims were closed, with both employees returning to full pre-injury hours and duties, and the remaining active claims are one standard claim exceeding 13 weeks and one medical and like expenses claim.

Environment

OFFICE-BASED ENVIRONMENTAL IMPACTS

PTV has committed to a number of environmental initiatives as a result of the recent Victorian Auditor-General's Report (2014).

PTV has developed an *Environment and Sustainability Strategy (2015–2020)* to provide broad guidance on key environmental initiatives to be addressed in the medium term in accordance with the *PTV Corporate Plan (2014–18)*.

Key initiatives to be addressed that are relevant to office-based impacts include the following:

- Development and implementation of an Environmental Management System based on ISO 14001 to be integrated with the safety management system.
- Completion of an environmental footprint to understand impacts.
- Development and implementation of a monitoring and evaluation framework for PTV targeted at understanding the baseline performance of public transport.
- Integration of whole of lifecycle considerations into the procurement process.
- Promotion of forms of energy and transport technologies which have least impact.
- Development and implementation of sustainability specifications.

PTV's Environment Management System (EMS) will be established to meet Government expectations and to reduce the impact on the environment. The initial focus will be on the PTV's office based activities in the areas of energy consumption, transportation, waste generation, water consumption, and procurement.

The EMS objectives include:

- Adopting an environmental management system based on ISO 14001.
- Communicating environmental performance through regular reporting.
- Encouraging staff to reduce environmental impacts.
- Reducing the amount of waste, and maximising the amount reused and recycled.
- Reducing vehicle fleet emissions.
- Making environmentally sound purchasing decisions for capital items and consumables.

ENERGY

	2014–15		
Indicator	Electricity	Natural gas	Green power
Total energy usage segmented by primary source (MJ)	3,838,318		
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO^2 e)	1,248		
Percentage of electricity purchased as green power	0		
Units of energy used per FTE (MJ/FTE)	7,558		
Units of energy used per unit of office area (MJ/m^2)	330		
ACTIONS UNDERTAKEN			
Environmental Footprint	PTV is gathering environmental footprint data to determine baseline impacts for reporting in 2015–16.		

PTV consumes energy for a number of different uses including office facilities and customer services (e.g. PTV Hubs).

The data presented was collected through energy retailer billing information and represents information collected for the corporate office and PTV hubs. PTV is continuing to develop systems to more comprehensively collect data regarding expenditure of natural gas and green power, particularly at operational facilities.

Target

- 10 per cent energy intensity reduction, measured as MJ/m^2, from 2014–15 values by 30 June 2018.

Explanatory notes

PTV has recently completed an environmental footprint to measure impacts and determine a baseline measurement from which to establish realistic targets.

WASTE

	2014–15		
Indicator	Landfill	Commingled recycling	Compost
Total units of waste disposed of by destination (kg/yr)	17,009	35,326	
Units of waste disposed of per FTE by destinations (kg/FTE)	33.5	69.5	
Recycling rate (percentage of total waste)	67.5		
Greenhouse gas emissions associated with waste disposal (t CO^{2} e)	20.41		
ACTIONS UNDERTAKEN			
Environmental Footprint	PTV is gathering environmental footprint data to determine baseline impacts for reporting in 2015–16.		

The waste generated by processes within PTV is divided into two general classes – landfill and commingled recycling. Waste at 750 Collins St is managed by the building owner/manager, GPT.

The data presented below is derived from GPT *Waste Profiling Report – PTV Tenancy.*

Targets

> Desk bins to be removed.

> Colour coded bins for rubbish and recycling to be established in kitchen and other central areas.

> Current commingled recycling bins located throughout the floors will be converted to paper and cardboard only.

> Commingled containers will be collected in the designated commingled recycling central bins.

Explanatory notes

Waste greenhouse gas emissions calculations have been determined from the National Greenhouse Accounts Factors (2014) for waste disposed to landfill. They are measured in tonnes of carbon dioxide equivalent.

PAPER

Indicator	2014–15
Total units of copy paper used (reams)	5823
Units of copy paper used per FTE (reams/FTE)	11.5
Percentage of 75–100% recycled content copy paper purchased	95
Percentage of 50–75% recycled content copy paper purchased	<1%
Percentage of 0–50% recycled content copy paper purchased	<2%
ACTIONS UNDERTAKEN	
Printing defaults Multifunctional devices	> PTV has default black and white printing enabled across the office. > PTV has default duplex printing enabled across the office. > PTV has 30 multifunctional printing devices across the office.

Target

> Reduce total units of A4 equivalent copy paper used (reams) by 5 per cent based on 2014–15 baselines by 30 June 2018.

WATER

Indicator	2014–15
Total units of metered water consumed by usage types (kilolitres)	15,492
Units of metered water consumed in offices per FTE (kilolitres/FTE)	30.5
Units of metered water consumed in offices per unit of office area (kilolitres/m^2)	530
ACTIONS UNDERTAKEN	
Environmental Footprint	PTV is gathering environmental footprint data to determine baseline impacts for reporting in 2015–16.

This data is based on water meter readings from sub-meters within the tenancy. The building is a 'four-star' rated building.

Target

> 10 per cent reduction in water consumption based on 2014–15 baseline (litres per FTE) by 30 June 2018.

Explanatory notes

Water data provided by building management team (GPT) as per lease requirements.

TRANSPORT

PTV's fleet comprises 36 vehicles comprising:

- 34 executive fleet vehicles.
- Two pool vehicles for booking by staff members.

Fleet details:

- Three vehicles (eight per cent) run on LPG.
- 29 vehicles (81 per cent) run on unleaded fuel. (14 of these vehicles are hybrid vehicles).
- Four vehicles run on diesel fuel.
- 17 vehicles (47 per cent) are four-cylinder vehicles.
- 19 vehicles are six-cylinder vehicles.
- There are no four-wheel drive vehicles and five all-wheel drive vehicles.

Reporting period	Operational vehicles 2014–15	
Vehicle type	4 cyl diesel van	6 cyl
Total energy consumption by vehicles (MJ)	**481,839**	**1,267,896**
Diesel	–	173,839
LPG	–	229,276
Unleaded	137,997	864,781
Hybrid	343,842	
Total vehicle travel associated with entity operations (km)	**312,226**	**650,277**
Diesel	–	52,812
LPG	–	82,271
Unleaded	39,435	515,194
Hybrid	272,791	–
Total greenhouse gas emissions from vehicle fleet (t CO^2 e)	**34**	**86**
Diesel	–	12
LPG	–	14
Unleaded	10	60
Hybrid	24	
Greenhouse gas emissions from vehicle fleet per 1 000km travelled (t CO^2 e)	**0.33**	**0.52**
Diesel	–	0.23
LPG	–	0.17
Unleaded	0.24	0.12
Hybrid	0.09	–

Work related flights	2014–15
Total distance travelled by aeroplane (km)	**403,926.03**

Target

- Investigate efficiencies to reduce consumption of fuels used by PTV's passenger vehicle fleet compared to 2014–15 by 10 per cent by 30 June 2018.

GREENHOUSE GAS EMISSIONS

The emissions disclosed in the section below are taken from the previous sections and brought together here to show PTV's greenhouse footprint measured in tonnes of carbon dioxide equivalent (t CO^2 e).

Indicator	2014–15
Total greenhouse gas emissions associated with energy use (t CO^2 e)	1,248
Total greenhouse gas emissions associated with vehicle fleet (t CO^2 e)	120
Total greenhouse gas emissions associated with air travel (t CO^2 e)	106
Total greenhouse gas emissions associated with waste production (t CO^2 e)	20
Greenhouse gas emissions offsets purchased (t CO^2 e)	0
ACTIONS UNDERTAKEN	
Undertaken an environmental footprint to determine baseline impacts	
PTV has commenced developing an environmental and sustainability strategy	
PTV has developed generic sustainability specifications	

Target

> To investigate options to reduce environmental footprint at PTV.

Explanatory notes

PTV has recently undertaken an environmental footprint. These findings will create the baseline from which to investigate efficiencies that lead to a reduced carbon footprint.

OTHER INFORMATION

Actions taken during the year to reduce energy use in buildings include:

- Introduction of environmental staff awareness programs into the PTV induction.
- Introduction of 14 hybrid vehicles into the executive fleet to reduce fuel usage and greenhouse gas emissions.

PTV has developed a green purchasing policy that complies with the Government's *Environmental Purchasing Policy*. While value for money is the core principle governing PTV's procurement activities, the purchasing policy also requires environmental considerations to be included in the procurement planning stage, tender specifications and in the tender evaluation criteria where applicable. This is compatible with the requirements of the *Transport Integration Act (2010)*.

PROCUREMENT

PTV's main areas of procurement are contractors, goods and services.

Examples of how PTV has incorporated environmental considerations into procurement decision making include:

- Clauses in quotes and tender documents requiring tenderers to disclose environmental breaches;
- Clauses in quotes and tender documents requiring tenderers to disclose environmental practices; and
- Weighting of environmental considerations in quotes and tenders.

Protected Disclosure Act 2012

The following information is required in the annual report pursuant to section 70 of the *Protected Disclosure Act 2012*.

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper or corrupt conduct by public officers and public bodies. The *Protected Disclosure Act 2012* provides protection to people who make disclosures in accordance with the *Protected Disclosure Act 2012*, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Independent Broad-based Anti-corruption Commission (IBAC) has a key role in receiving, assessing and investigating disclosures about corrupt or improper conduct and police personnel conduct as well as responsibility for preparing and publishing guidelines to assist public bodies to interpret and comply with the protected disclosures regime.

PTV does not tolerate improper conduct by employees, or the taking of reprisals against those who come forward to disclose such conduct. PTV is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety, or the environment.

PTV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Protected disclosures about PTV or any of its employees and/or officers may be made to IBAC:

Independent Broad-based
Anti-corruption Commission
Level 1, North Tower, 459 Collins Street,
Melbourne VIC 3000
Toll free: 1300 735 135

Internet: **www.ibac.vic.gov.au/contact-us**

Email: **www.ibac.vic.gov.au/report-corruption-or-misconduct/online-form**

Further information

Written procedures outlining the system for reporting disclosures of improper conduct or detrimental action by PTV, or any of its employees and/or officers, are available on PTV's website in accordance with section 59 of the *Protected Disclosure Act 2012.*

Freedom of information summary

The *Freedom of Information Act 1982* allows the public a right of access to documents held by government departments and agencies.

There were two complaints made to the Freedom of Information Commissioner concerning the processing of FOI requests. These were resolved informally with the applicant.

Making a request

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in section 17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

- It should be in writing;
- It should identify as clearly as possible which document is being requested; and
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of PTV should be addressed to:

Freedom of Information Manager
Public Transport Victoria
PO Box 4724
Melbourne Victoria 3001

Email: **ptvfoi@ptv.vic.gov.au**

Requests can also be lodged online through Freedom of Information Online at **foi.vic.gov.au**

FREEDOM OF INFORMATION ACTIVITY DURING 2014–15

Requests received	
Member of Parliament	8
Media	11
Others[1]	32
Total	51

Decisions made	
Full access	8
Part access	16
Denied access	2
No documents	4
Transferred/Withdrawn[2]	16
Total	46

Processing time	
Average processing time	21.4 days
45 days or less	45
46 to 90 days	1
Over 90 days	0
Total	46

FOIC review received	
Member of Parliament	0
Media	1
Others	1
Total	2

Reviews decided	
Decision confirmed	1
Decision varied	3
Decision overturned	0
Decision not finalised	1
Total	5

VCAT appeals received	
Member of Parliament	0
Media	0
Others[3]	0
Total	0

Appeals decided	
Withdrawn	0
Struck out	0
Decision not finalised	0
Total	0

Notes:

1. Includes solicitors, companies/organisations, private persons and lobby groups.
2. Includes requests transferred, withdrawn, not processed, not proceeded with, and where *FOI Act* does not apply.
3. Three FOIC Reviews decided in the current financial year were from applications for review made in the previous financial year

Disclosure of Government advertising expenditure

DETAILS OF PTV ADVERTISING EXPENDITURE (CAMPAIGNS WITH A MEDIA SPEND OF $150,000 OR GREATER).

Expenditure ($000) excluding GST							
Name of Campaign	Campaign summary	Start/End date	Advertising (Media)	Creative and campaign development	Research and evaluation	Print and collateral	Other Campaign
myki visitor value pack	To promote the myki visitor value pack to visitors during the busy summer tourist period.	Jul 2014–Jun 2015	$309,290	N/A	N/A	N/A	
On-the-Spot Penalty Fares	Education campaign to promote new On-the –Spot Penalty Fares and increase fare compliance	Aug–Oct 2014	$963,662	N/A	$19,000	N/A	
Model Commuters #2	Etiquette campaign promoting positive customer behaviours	Feb–Mar 2015	$248,484	$228,125	N/A	$12,383	$23,782
Fare Evasion – Freeloaders	To increase fare compliance by increasing awareness of Authorised Officers on the network	Mar–Apr 2015	$686,663	$57,818	$16,400	$16,676	
Regional Rail Link timetable changes	Promote and generate awareness of the opening of Regional Rail Link, including two new stations and major train and bus changes in regional areas.	31 May 2015–5 Jul 2015	$399,110	$396,818	$110,903	$13,205	
Summer events	To promote additional services to and from a variety of events over the summer.	Dec 2014–Apr 2015	$304,433	$9,020	N/a	$47,953	

National Competition Policy

Under the *National Competition Policy*, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- The benefits of the restriction to the community as a whole outweigh the costs; and
- The objectives of the legislation can only be achieved by restricting competition.

PTV continues to comply with the requirements of the *National Competition Policy*.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership be removed if they are not in the public interest. Government businesses are required to cost and price these services as if they were privately owned and thus be fully cost reflective. Competitive neutrality policy provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Therefore PTV is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the *National Reform Agenda.*

Victorian Industry Participation Policy

VICTORIAN INDUSTRY PARTICIPATION POLICY

During 2014–15, PTV commenced three contracts with an average of 100% estimated to be of local content. A VIPP plan was not required as the procurement activity was local by nature.

Attestation of Risk Management

ATTESTATION FOR COMPLIANCE WITH THE AUSTRALIAN/ NEW ZEALAND RISK MANAGEMENT STANDARD

I, Douglas Bartley , Deputy Chairman of the Board, certify that the Public Transport Development Authority operating as Public Transport Victoria (PTV) has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes for the 2014–15 financial year. The PTV Audit & Risk Committee has verified this.

DOUGLAS BARTLEY
Deputy Chairman
Public Transport Victoria
19 October 2015

Insurance Attestation

ATTESTATION FOR COMPLIANCE WITH THE MINISTERIAL STANDING DIRECTION 4.5.5 – INSURANCE

I, Douglas Bartley, Deputy Chairman of the Board, certify that the Public Transport Development Authority operating as Public Transport Victoria (PTV) has complied with Ministerial Direction 4.5.5 in respect of Insurance for the 2014–2015 financial year. The PTV Audit and Risk Committee verifies this.

DOUGLAS BARTLEY
Deputy Chairman
Public Transport Victoria
19 October 2015

Compliance with the *Building Act 1993*

PTV does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Disclosure of major contracts compliance

PTV has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than $10 million in value which it entered into during the year ended 30 June 2015. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed online at **tenders.vic.gov.au**

Consultancies

Details of consultancies over $10,000

In 2014–15, there were 59 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2014–15 in relation to these consultancies is **$13,369,444** (excl. GST).

Details of consultancies under $10,000

In 2014–15, there were five consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2014–15 in relation to these consultancies is **$20,761** (excl. GST).

A full list of PTV contractors and consultants engaged in 2014–15, as defined by FRD22F, can be found in the Additional Information to this Annual report, online at **www.ptv.vic.gov.au**

Additional information available

The Directions of the Minister for Finance, pursuant to the *Financial Management Act 1994,* require a range of information to be prepared in relation to the financial year.

This material is itemised below, and where not published in this report, is published on the PTV website as Additional Information, on the same page as the Annual Report:

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by the entity about the entity, and how these can be obtained.
- Details of changes in prices, fees, charges, rates and levies charged by the entity.
- Details of any major external reviews carried out on the entity.
- Details of major research and development activities undertaken by the entity.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- General statement on industrial relations within the entity and details of time lost through industrial accidents and disputes.
- List of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved, and
- Details of all consultancies and contractors including:
  - consultants/contractors engaged;
  - services provided, and
  - expenditure committed to for each engagement.

Disclosure index

The PTV Annual Report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of PTV's compliance with statutory disclosure requirements.

MINISTERIAL DIRECTIONS

Legislation	Requirement	Page
REPORT OF OPERATIONS – FRD GUIDANCE		
Charter and Purpose		
FRD 22F	Manner of establishment and the relevant Ministers	8
FRD 22F	Purpose, functions, powers and duties	8–9
FRD 22F	Initiatives and key achievements	16–24
FRD 22F	Nature and range of services provided	8–9
Management and structure		
FRD 22F	Organisational structure	10
Financial and other information		
FRD 10	Disclosure index	141–143
FRD 12A	Disclosure of major contracts	138
FRD 8C, SD4.2(k)	Performance against output performance measures	25–32
FRD 22F	Employment and conduct principles	118
FRD 22F	Occupational health and safety policy	118
FRD 22F	Summary of the financial results for the year	13–14
FRD 22F	Significant changes in financial position during the year	13–14
FRD 22F	Major changes or factors affecting performance	4–5, 25–32
FRD 22F	Subsequent events	111
FRD 22F	Application and operation of the *Freedom of Information Act 1982*	130
FRD 22F	Compliance with building and maintenance provisions of the *Building Act 1993*	137
FRD 22F	Statement on National Competition Policy	133
FRD 22F	Application and operation of the *Protected Disclosure Act 2012*	129
FRD 22F	Details of consultancies over $10 000	139
FRD 22F	Details of consultancies under $10 000	139
FRD 22F	Statement of availability of other information	140
FRD 24C	Reporting of office-based environmental impacts	121
FRD 25B	Victorian Industry Participation Policy disclosures	134
FRD 29A	Workforce Data disclosures	116–117
SD 4.5.5	Risk management compliance attestation	135
SD 4.5.5.1	Ministerial Standing Direction 4.5.5.1 compliance attestation	136
SD 4.2(j)	Sign off requirements	2, 25

Disclosure index

LEGISLATION

Legislation	Page
Freedom of Information Act 1982	130–131
Building Act 1983	137
Protected Disclosure Act 2012	129
Victorian Industry Participation Policy Act 2003	134
Financial Management Act 1994	2, 13–14, 34–114, 140
Transport Integration Act 2010	8–9

Contact

Public Transport Victoria
750 Collins Street
Docklands Victoria 3008
Australia

Online:
ptv.vic.gov.au

Telephone:
1800 800 007

International:
+61 3 8608 5021

Postal address:
PO Box 4724
Melbourne Victoria 3001

For more information visit
ptv.vic.gov.au or call **1800 800 007**

Public Transport Victoria is your central stop for information on public transport services, tickets, improvement projects and to provide customer feedback. Up-to-date information is available via our website, call centre and mobile applications.

PTVH1549/15. Authorised by Public Transport Victoria, 750 Collins Street, Docklands

VICTORIA State Government

PUBLIC TRANSPORT VICTORIA