


Annual Report

2015-16



3.35am Sunday
—
Night Network



Published by

**PUBLIC TRANSPORT DEVELOPMENT AUTHORITY
TRADING AS PUBLIC TRANSPORT VICTORIA**

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2015–16 Annual Report

Accountable Officer's declaration

16 September 2016

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

Dear Minister

Annual Report 2015–16

In accordance with provisions of the *Financial Management Act 1994 (Vic)*, I am pleased to present the Public Transport Development Authority's Annual Report for the year ended 30 June 2016.



Patricia Faulkner AO
Chairman
Public Transport Development Authority trading as Public Transport Victoria

Abbreviations

AAS	Australian Accounting Standards	LSL	long service leave
AASB	Australian Accounting Standards Board	m	metre
AFL	Australian Football League	MJ	Mega joule
AMAF	Asset Management Accountability Framework	MP	Member of Parliament
ANZAC	Australia and New Zealand Army Corps	MTM	Metro Trains Melbourne
AO	Order of Australia	N/A	not applicable
API	Application Programming Interface	NPS	Net Promoter Score
ASD	Australian Signals Directorate	NPV	Net Present Value
ATO	Australian Taxation Office	OAM	Medal of the Order of Australia
BTS	Bus Tracking System	OHS	Occupational Health and Safety
CO2	Carbon Dioxide	PIDs	Passenger Information Displays
CBD	Central Business District	PIN	Provisional Improvement Notice
CEO	Chief Executive Officer	PPP	Public Private Partnership
CNPL	Civic Nexus Pty Ltd	PSO	Protective Services Officer
DDA	Disability Discrimination Act 1992	PTAC	Public Transport Access Committee
DEDJTR	Department of Economic Development, Jobs, Transport and Resources	PTDA	Public Transport Development Authority
DOJR	Department of Justice and Regulation	PTO	Public Transport Ombudsman
DSAPT	Disability Standards for Accessible Public Transport	PTOC	Public Transport Operators' Committee
DTF	Department of Treasury and Finance	PTV	Public Transport Victoria
DWG	Designated Working Group	RDR	Reduced Disclosure Requirement
EBA	Enterprise Bargaining Agreement	RNDP	Regional Network Development Plan
EMS	Environment Management System	RRL	Regional Rail Link
FOI	Freedom of Information	RRLA	Regional Rail Link Authority
FRD	Finance Reporting Direction	RTW	Return To Work
FTE	Full Time equivalent	SBMS	School Bus Management System
GDV	Guide Dogs Victoria	SDA	Services and Development Agreement
GST	Goods and Services Tax	SPAD	Signal Passed at Danger
GTFS	General Transit Feed Specification	sqm	square metre
HCMT	High Capacity Metro Train	T&H	Tourist and Heritage
HCS	High Capacity Signalling	t CO2 e	Tonnes of Carbon Dioxide Equivalent
HSRs	Health and Safety Representatives	TfV	Transport for Victoria
IAS	International Accounting Standards	TIA	Transport Integration Act 2010
IASB	International Accounting Standards Board	TSV	Transport Safety Victoria
IBAC	Independent Broad-based Anti-corruption Commission	VAGO	Victorian Auditor-General's Office
ICC	Incident Control Centre	VicFleet	Victorian State Government vehicle pool
ICT	Information Communications Technology	VicRoads	Roads Corporation of Victoria
IRP	Issue Resolution Procedure	VicTrack	Victorian Rail Track Corporation
km	kilometre	VIPP	Victorian Industry Participation Policy
KPI	Key Performance Indicator	V/Line	V/Line Corporation
		VMIA	Victorian Managed Insurance Authority
		VPIS	Vehicle Passenger Information System
		VPS	Victorian Public Service
		VWA	Victorian WorkCover Authority

Chairman of the Board's foreword

“With public transport services continuously adapting to the needs of an increasingly diverse Victorian community, 2015–16 has been an exciting year for PTV.”

I'm pleased to say that over the past 12 months, PTV has delivered a raft of network improvements for Victorians in partnership with our service providers and other transport agencies.

PTV staff have continued to promote public transport as a catalyst for economic development and for social inclusion and wellbeing across our state. As Victoria's public transport needs continue to evolve, and large investments in infrastructure are made, PTV's goal of improving the network remains critical to the future of a prosperous and inclusive Victoria.



Patricia Faulkner AO
Chairman of the Board

PTV has renewed its focus on community and stakeholder engagement. Victoria's \$100 million Better Bus Networks package, the \$50 million trial of *Night Network* all-night public transport on weekends, and consultation for the *Regional Network Development Plan*, released in May, are just some examples of this engagement. Through these important projects and many others, planning for station, stop, and service upgrades have been informed by Victorian voices. We are committed to listening to their voices even more in the future.

This year's patronage data suggests more Victorians and visitors are using public transport to make journeys across our state. A total of 233.4 million trips were taken on metropolitan trains in 2015–16, and 203.8 million on metropolitan trams. These statistics highlight PTV's need to continue to work collaboratively with the metropolitan train and tram operators to improve throughput across lines, decrease crowding and boost information to cater for an increasingly diverse number of passengers.

More trips were also taken on V/Line services (16.3 million this financial year), highlighting that PTV services between Melbourne and Victoria's regions are in need of continuous improvement. The Victorian Government's 2016–17 Budget, which invests \$1.3 billion in regional transport projects, provides an opportunity to create better inter-regional experiences for V/Line passengers.

The year has presented a number of challenges, and I am proud of the way PTV has managed a number of issues which affected customers, including disruption to V/Line services due to excessive wheel wear, and industrial action on the metropolitan rail and tram networks.

In June 2016 the Victorian Government announced plans to establish a new entity, Transport For Victoria (TFV) which is intended to integrate planning and development across multiple, transport-focused agencies. The role of PTV will change progressively throughout the coming year to achieve focus on integrating network changes and customer experience.

As Chair, I thank the CEO and the dedicated team at PTV for their efforts throughout 2015–16. I also acknowledge the work of former CEO Mark Wild, who moved on to lead the London Underground, and former Acting CEO Gary Liddle, who ably assisted PTV from late September 2015 to late January 2016. I also appreciate the efforts of my fellow Board members, who have worked hard to acquit their governance responsibilities.

Chief Executive's foreword

“As we review 2015–16, I’d like to acknowledge the whole PTV team for their dedication and commitment in a year that has seen large changes within our organisation.”

Our achievements over the last 12 months are testament to the passion and drive of our people to deliver our vision of a public transport network that Victorians choose to use.

2015–16 marked the start of a ten year period of sustained and major investment in our rail networks. The Level Crossing Removal Authority completed the removal of the level crossing at Burke Road, Glen Iris, with construction underway at nine other sites as part of the removal of 50 level crossings from our metropolitan rail network. We are harnessing this opportunity to upgrade our tracks, signalling and station infrastructure – and the Government has also committed to the extension and duplication of key parts of the metropolitan rail network.



Jeroen Weimar
Chief Executive Officer

Work has also started in earnest on the Melbourne Metro Rail Tunnel with the finalisation of the Business Case and the Government announcing a clear funding program. The Melbourne Metro Rail Authority is well advanced in design and procurement activity, with major works scheduled to begin in 2017.

Over the course of this year PTV led the procurement of our future High Capacity Metro Train which will run exclusively on the new Sunbury to Dandenong Melbourne Metro corridor. These new trains will set the benchmark for our future metropolitan train network and will be entering service from 2018–19.

With this huge pipeline of work now in planning, early works or delivery, the Government has announced the creation of Transport For Victoria to bring together the planning, coordination and operational functions of Victoria’s transport system. PTV will continue to play a leading role in managing the operation of the network, monitoring performance by operators, ensuring network readiness for changes and delivering consistent, high quality information for passengers, regardless of the mode.

PTV’s priority during the next decade of major investment and upheaval is to ensure progressive investment and improvement in the overall public transport network so that we can deliver the wider passenger and economic benefits from these major infrastructure investments.

Some of these capital works involve significant short term disruption to our customers and we have worked hard to provide alternative transport options and to ensure that we keep Melbourne moving. Working closely with all our transport operators, we are developing better interchanges, more service options and improved information flow to ensure our passengers can plan ahead and choose the best option.



Over the last year, PTV staff worked with transport operators and other agencies to deliver 24 hour public transport services across all modes at weekends – only the second city in the world to do so. Operationally, the *Night Network* has been an overwhelming success and provides a safe and reliable late night service for Victorians and visitors alike. It provides affordable and convenient travel options for shift workers and people on social outings in inner metropolitan, suburban and regional areas. It is an excellent example of a comprehensive network change that boosts liveability, while contributing to our state's economic development.

This year saw the largest expansion in regional rail services for many generations. From June 2015 we added 342 extra regional train services each week following the completion of the Regional Rail Link; enabling more frequent train services between Melbourne and Geelong, Ballarat and Bendigo. As a result we have seen almost 20% passenger growth on our regional rail network which is now carrying more passengers than at any point in its history. Our regional passengers experienced significant disruption to their train services between January and May 2016 following unanticipated wheel wear and track detection issues. Through close co-operation between V/Line, Metro and PTV we were able to progressively restore regional train services and implemented a further timetable enhancement in June 2016.

With Victoria's first-ever *Regional Network Development Plan* (RNDP), PTV and the Victorian Government in 2015–16 have delivered a blueprint for developing public transport in regional cities and areas. The significance of this comprehensive plan, which outlines a pipeline of investments in transport for regional Victoria, cannot go understated.

PTV is starting to deliver all real time information to all of our customers. The integration of PTV timetable data to the widely-used Google Maps application has given customers more information and choice to compare a trip on public transport with other modes. The progressive roll out of real time passenger information displays, including on regional bus networks such as in Bendigo, has complemented iterative wayfinding research over the past year, enabling our customers to safely and efficiently navigate through busy public transport spaces. Our successful retendering of the myki contract this year guarantees ticketing improvements for Victorians and visitors in the years to come.

We have strengthened our commitment to improving accessibility of the network, which our staff have embraced as a priority in the past year. Our wonderful Guide Dogs Victoria (GDV) puppy Spencer, adopted by PTV as part of our partnership with GDV, continues to take our staff on the journey to realise an accessible and inclusive network for all Victorians. Our work with Travellers Aid in its historic centenary year has also highlighted the importance of supporting passengers at all stages of their journey. In seeking to improve our services for these groups and others, we continue to eliminate barriers for all Victorians to access and make the most of public transport across our state.

None of these achievements or the hundreds of other network improvements delivered this year could have occurred without the dedicated group of professionals I am proud to work with every day. Our diverse and talented people are what make PTV an exceptional place to work.

As we look ahead to another year of building a better network for Victorians I would like to thank PTV staff, whose passion and enthusiasm for their work continue to inspire and challenge me every day.



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Establishment and functions

High-quality public transport is vital for improving liveability, encouraging economic activity and managing population growth.

The primary objective of PTV under the *Transport Integration Act 2010* (Vic) 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*.

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

- > managing the public transport network in a way which strives to improve the 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 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.

During 2015–16, PTV also supported the Parliamentary Secretary for Transport Shaun Leane MP.

Statement of expectations

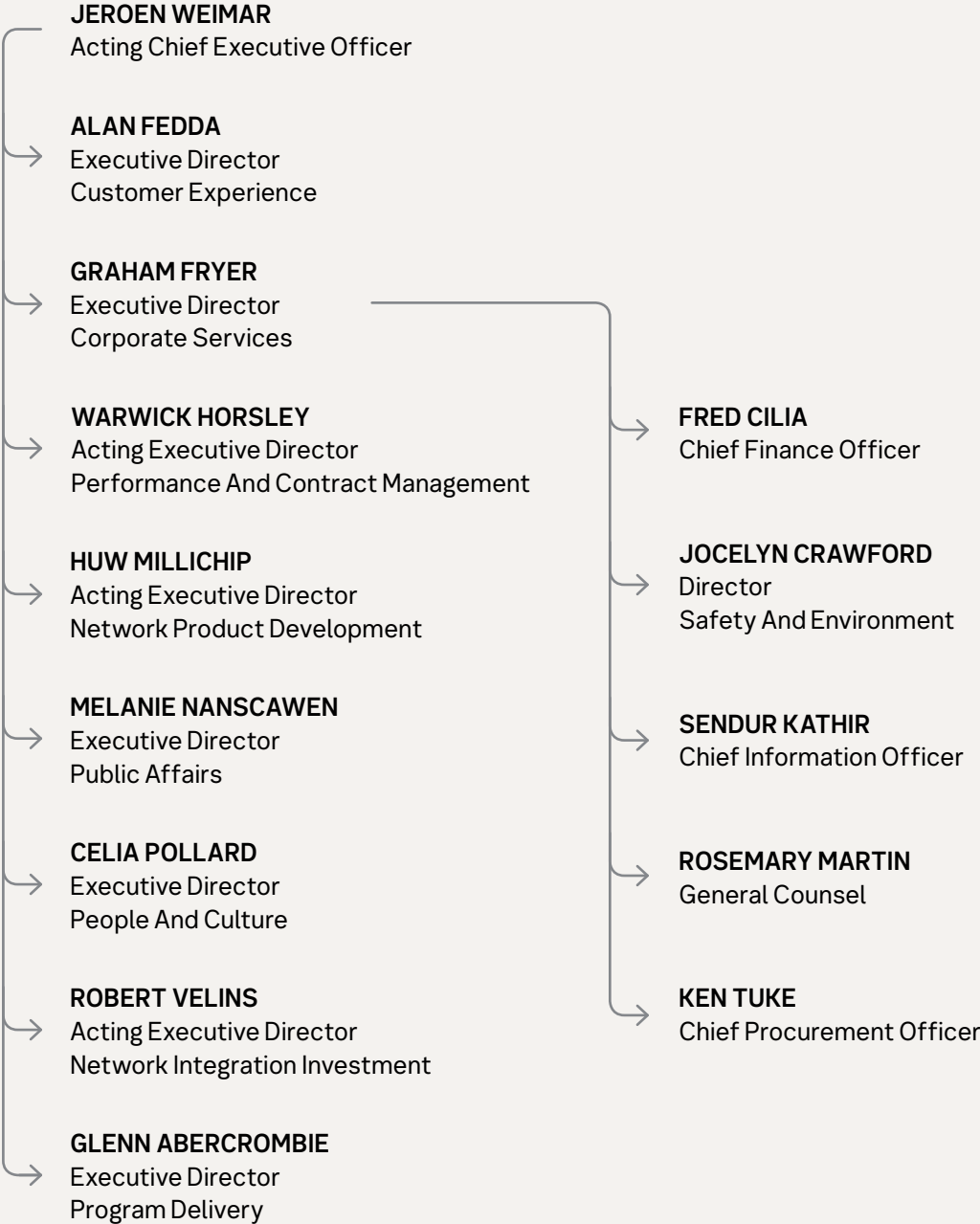
PTV operates pursuant to a direction under section 790(1)(a) of the *Transport Integration Act 2010* (Vic) which constitutes a binding Statement of Expectations.

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
 - > securing good value for money in the use of public funds
 - > 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
 - > supporting the needs of freight users of the transport network.

Organisation structure

PTV's organisation structure as at 30 June 2016:



Public Transport Victoria Board

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

Patricia Faulkner AO
Chairman of the Board

Doug Bartley
Deputy Chairman

Kevin Norris
Director

Virginia Hickey
Director

Thomas Sargent
Director

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

Chairman

Patricia Faulkner is a company director and business consultant with extensive senior executive experience across a range of sectors including health, welfare, telecommunications, government, superannuation, and professional services.

Patricia currently chairs the Boards of the Telecommunications Industry Ombudsman, the National Health Performance Authority, and Jesuit Social Services. She sits on the Boards of the Commonwealth Grants Commission, St Vincent's Healthcare, the Committee for Economic Development in Australia, the Melbourne Theatre Company, and on the Melbourne Racing Club Committee.

In 2015, she was appointed Deputy Commissioner to the Victorian Royal Commission into Family Violence.

Patricia was previously National Partner-in-Charge, Health Sector at KPMG and formerly Secretary of the Victorian Government Department of Human Services, holding a series of roles with the Victorian Government over a period of more than 20 years. From 2000–07, she was Secretary, Department of Human Services (Victoria), and previously Director of Consumer Affairs (Victoria) and Director of Occupational Health and Safety at the Department. She is a Fellow of the Australian College of Health Services Executives and a National Fellow of IPAA.

Patricia was made an Officer of the Order of Australia in 2008 for service to the community through the development and implementation of public policy relating to health, aged care, children's services, disability services and housing. In 2013 Patricia was recognised with an Honorary Doctorate from Monash University.

Patricia was appointed to the Board as Deputy Chairman on 1 July 2015 and as Chairman on 1 October 2015.

Deputy Chairman

Doug Bartley has extensive business experience in human resources, financial management and governance across the transport, financial services and trading industries. His most recent previous role was as Chair of KPMG in Victoria. He was also formerly Partner in Charge of KPMG's Global Japanese Practice in Australia.

Doug was appointed to the Board on 12 December 2011 and was Chairman from 1 July 2015 to 30 September 2015.

Public Transport Victoria Board

Director

Virginia Hickey is an experienced lawyer and 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

Kevin Norris has almost 30 years' experience in the bus industry in Victoria. His expertise lies in contract negotiations, industrial relations practice and advocacy, bus operations, bus network planning, public transport modal coordination and integration, ticketing systems and systems development. He is currently engaged on a major school bus expansion for the Kingdom of Saudi Arabia aimed at encouraging more girls to attend school through to the end of secondary level.

Kevin was appointed to the Board on 1 July 2015.

Director

Thomas Sargant is a company director and management consultant with extensive experience in the operation and maintenance of public transport assets and public transport safety regulation as well as major civil construction. He is the Pacific Representative for the UIC (Union Internationale Des Chemins de Fer), and holds an honours degree in Civil Engineering and a Master's Degree in Business Administration. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Institution of Engineers Australia.

Thomas was appointed to the Board as community representative on 1 July 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 environmental 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 COMMITTEE ATTENDANCE 2015–16

BOARD MEMBER	BOARD		AUDIT & RISK		REMUNERATION		HEALTH, SAFETY AND ENVIRONMENT	
	Attended	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible
Patricia Faulkner	13	17	2	N/A	5	5	4	4
Douglas Bartley	17	17	5	5	5	5	N/A	N/A
Kevin Norris	14	17	N/A	N/A	N/A	N/A	3	4
Virginia Hickey	17	17	5	5	3	5	N/A	N/A
Thomas Sargant	16	17	4	5	N/A	N/A	4	4

¹Patricia Faulkner was Deputy Chairman between 1 July and 1 October 2015.

Chief Finance Officer's Statement

The 2015–16 Annual Report includes PTV's fourth 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 2015–16, the net result was a deficit of \$54.9 million which reflects expenses that are not funded by government (\$68.5 million, mainly depreciation and provision for rail employee entitlements), offset by revenue received for capital purposes (\$13.6 million).

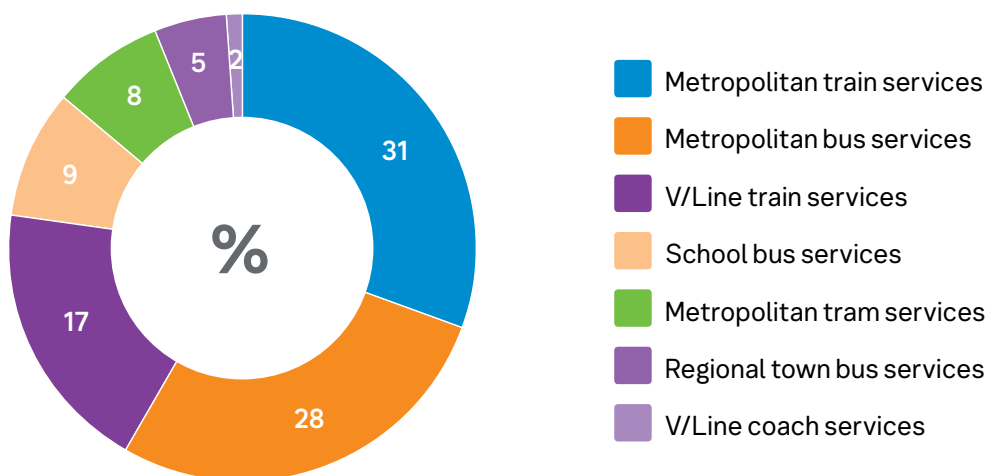
Income

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 2015–16 were \$4.5 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, \$1.7 billion for the government's capital assets charge for rail infrastructure and \$0.9 billion for bus services.

PAYMENTS TO TRANSPORT SERVICE PROVIDERS



Capital expenditure

PTV's capital expenditure for 2015–16 was approximately \$800 million on major projects such as the Murray Basin Rail project, High Capacity Metropolitan Trains (and supporting infrastructure, the Bayside Rail Improvement Program, the Ringwood station interchange and accessibility upgrade, metropolitan city loop fire and safety upgrades, growth area railway stations, the Ballan railway station upgrade, country level crossing upgrades, network renewal and franchisee projects, myki ticketing and transport integration projects, and the construction of facilities to support the deployment of Protective Service Officers at railway stations.

PTV also procured new rolling stock in 2015–16, with vehicles delivered throughout the year.

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* (Vic) and applicable Australian accounting standards.

The table below shows the financial results for the financial years 2012–13 to 2015–16 and the period from 15 December 2011 (date of establishment) to 30 June 2012.

	2016	2015	2014	2013	2012
	Group ⁽ⁱ⁾ \$M	Group ⁽ⁱ⁾ \$M	Group ⁽ⁱ⁾ \$M	\$M	Group ⁽ⁱⁱ⁾ \$M
Grants from government	4,080.0	3,868.9	4,048.0	4,178.8	999.0
Total income from transactions	4,396.9	4,127.9	4,134.9	4,240.0	1,111.3
Total expenses from transactions	(4,450.9)	(4,152.2)	(4,166.1)	(4,240.0)	(996.0)
Net result from transactions	(53.9)	(24.3)	(31.2)	0.1	115.3
Total other economic flows included in net results	(0.9)	(45.7)	(0.3)	(1.1)	–
Net results	(54.9)	(70.0)	(31.5)	(1.0)	115.3
Net cash flows from/(used in) operating activities	22.9	(17.6)	29.9	84.6	16.9
Total assets	2,000.3	2,060.0	1,757.3	1,876.9	1,615.4
Total liabilities	(1,499.6)	(1,504.2)	(1,330.3)	(1,248.4)	(1,116.5)
Net assets	500.7	555.8	427.0	628.5	498.9


(i) For 2014 to 2016, the Group result relates to the financial information of PTV and Franchise Asset Holdings.

(ii) 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.



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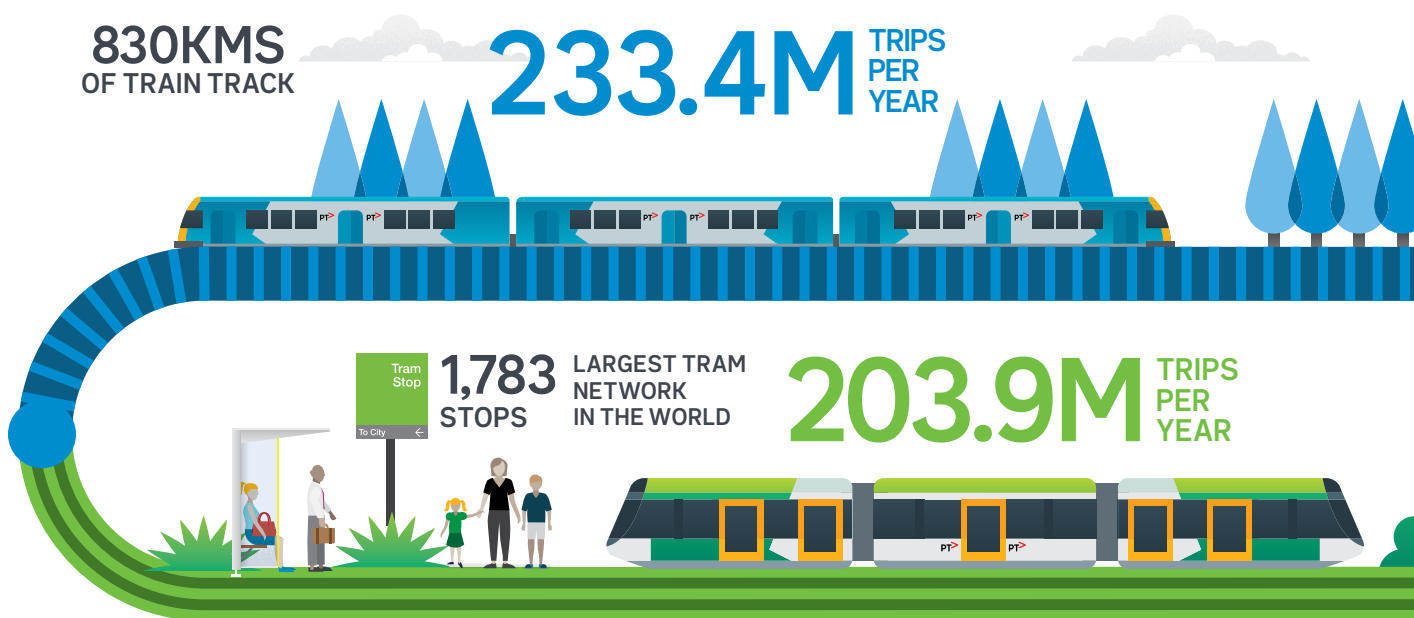
About our current public transport network

592M TRIPS PER YEAR

WHOLE NETWORK

830KMS OF TRAIN TRACK

233.4M TRIPS PER YEAR



1,783 LARGEST TRAM NETWORK IN THE WORLD

203.9M TRIPS PER YEAR

7,063 REGIONAL CENTRE STOPS

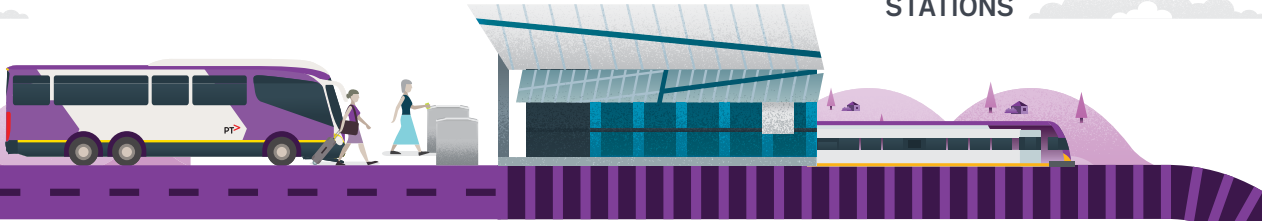


14.7M REGIONAL CENTRE BUS TRIPS PER YEAR

51 MELBOURNE BIKE SHARE STATIONS

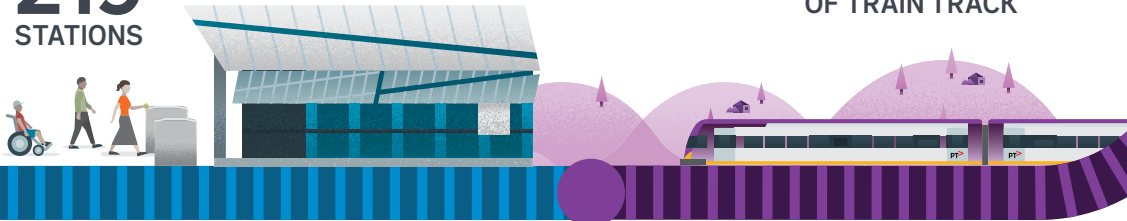
17.6M REGIONAL TRAIN & COACH
TRIPS PER YEAR

110
STATIONS



219
STATIONS

1,740KMS
OF TRAIN TRACK



250KMS
OF DOUBLE TRAM TRACK

18,296
METROPOLITAN
STOPS

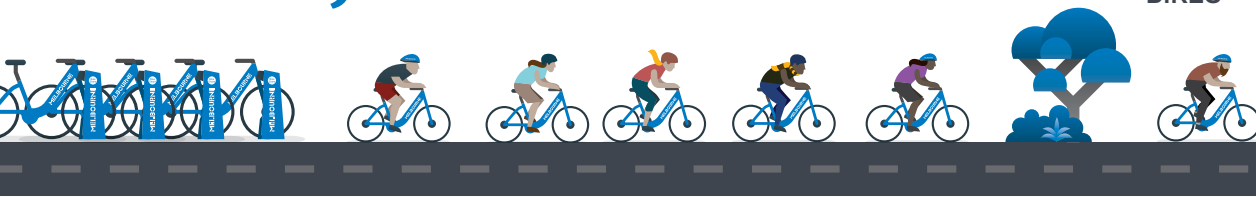


122.5M METROPOLITAN
TRIPS PER YEAR



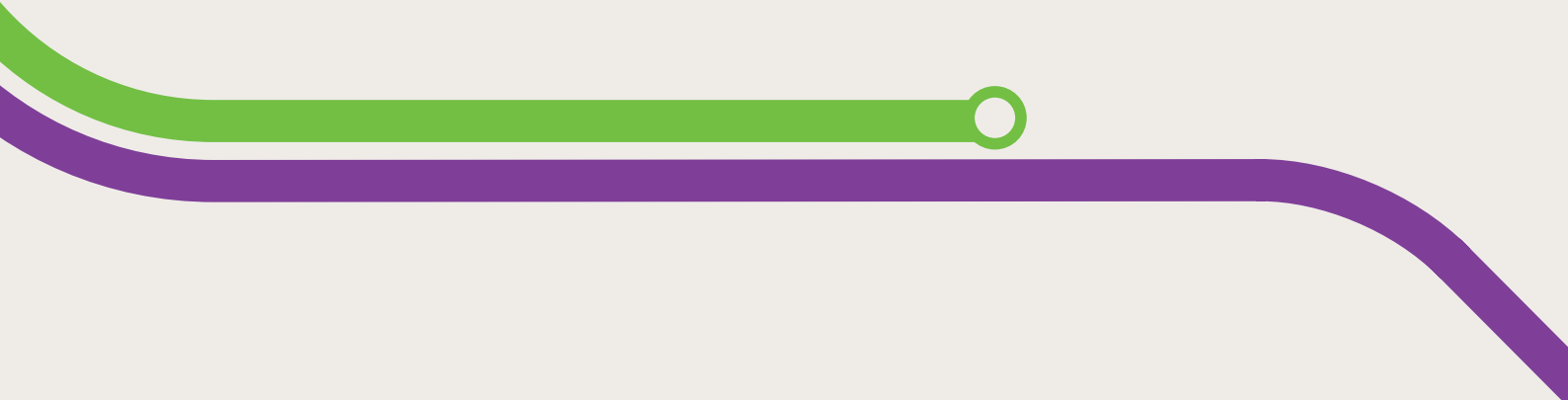
17,000 BIKES
USED
IN 2015

600
BIKES



Achievements this year

We adopt new technologies to deliver world-class transport journeys in the digital age.



When people catch trains, trams, buses and coaches in Victoria, they feel informed, included and safe.

We drive continuous improvement in public transport experiences for Victorians and visitors.

Our teams deliver valuable transport experiences for current network users, and learn from the past to plan the future network.

USER EXPERIENCE AND SERVICE DELIVERY

Night Network

PTV delivered the government's *Night Network* trial of 24-hour weekend public transport services from 1 January 2016. The trial provides a safe and easy public transport option for existing and potential late-night customers in the CBD on Fridays and Saturdays.

An average of 35,000 people use *Night Network* to get home safer and sooner every weekend. More than 20 per cent of passengers are shift workers, in hospitality, essential services or other industries operating overnight, meaning *Night Network* is providing a crucial service to the workforce and Victorians in general. With 300 overnight train services, 250 tram services and around 500 bus and coach services across the weekend, *Night Network* is delivering a convenient and affordable way to travel late at night.

A survey in early 2016 showed 71 per cent of metropolitan Melbourne passengers, and 65 per cent of regional Victorian passengers were aware of the trial. Eighty-six per cent of survey respondents in metropolitan Melbourne and 82 per cent in regional Victoria reported positive feelings toward the trial.

In addition to the late-night operational service changes, PTV led the implementation of brand and information development of *Night Network*, updating PTV apps, and adding high contrast maps to the network for late night passengers. The PTV Call Centre opened for 24 hours on Fridays and Saturdays to service customers during *Night Network* operating hours.

Flagstaff Station open on weekends

PTV successfully re-opened Flagstaff Station on weekends to enable local residents to access jobs and services via the metropolitan train network outside weekdays. The opening of Flagstaff on weekends coincided with the introduction of new Victorian train, tram and bus timetables on 1 January 2016.

Trains, trams, jobs

PTV delivered the government's ongoing rolling stock expansion in line with the *Victorian Rolling Stock Strategy*, with 30 new metropolitan rail carriages, 22 new regional rail carriages and 14 new E-Class trams delivered in 2015–16.

Five additional six-car sets (30 carriages) were placed on order for metropolitan rail services, and a further seven three-car sets (21 carriages) were ordered for the regional network.

Agreements were also signed to supply 20 new E-class trams in line with the *Victorian Rolling Stock Strategy*, and for the refurbishment of another two W-class trams.

In addition, PTV led the procurement process for High Capacity Metro Trains, a Public Private Partnership (PPP) which will be the largest investment in new rolling stock in Victorian history.

Achievements this year

Flinders Street Station restoration

Works began in March 2016 to restore Melbourne's iconic Flinders Street Station so the building is protected for current and future generations. The first package in this \$100 million project includes refurbishing the station's historic Administration Building, including repainting, stabilising the clock tower and waterproofing the roof. Other works as part of the restoration include fully refurbishing the station's toilets, improving access at congestion points and entrances, and installing better passenger information displays.

Bus network improvements

PTV supported the delivery of numerous bus network service changes in 2015–16, generating awareness of these changes in local areas.

Local bus networks received improved services based on passenger needs. The \$100 million Better Bus Networks program supports building a sustainable and more connected transport system for all Victorians.

The program has been designed to deliver more bus services where they are needed, with a focus on buses operating more frequently and for longer hours in key areas, improved access to trains, health services, education, businesses and retail precincts and stronger bus networks in regional areas to encourage social and economic inclusion.

The new bus network for Wyndham was activated in July 2015 to service Wyndham and Tarneit stations on the Regional Rail Network, along with more services connecting Sanctuary Lakes and Point Cook to Aircraft Station and the Aviation Road shopping centre in Laverton.

Major network improvements for the Epping/Wollert and Bendigo bus networks came into operation from January 2016. PTV also reinstated the Hope St bus service in West Brunswick in January this year.

New, higher frequency and better coordinated services were introduced to support students at Latrobe, Deakin, Monash and Melbourne Universities, while PTV reinstated the Hope Street bus service in West Brunswick and introduced a shopper service in Geelong to connect local residents to the Belmont Shopping Centre.

In April 2016, PTV launched a year-long trial of bike racks fitted to 15 buses operating in Bendigo and the City of Moreland, and on the Cowes to Wonthaggi coach service. In early June, a new shopper service was introduced in Geelong to connect local residents to the Belmont Shopping Centre.

Improved timetables

In early June 2016, timetable revisions came into effect across 46 bus routes in metropolitan Melbourne. The revised timetables better reflect current traffic conditions and improve the punctuality and reliability of services and connections with metropolitan trains. An extra 105 trips were added, mostly to weekend services on routes in Melbourne's south east. Further planning for major bus network improvements in Plenty Valley, Cranbourne, Ballarat and Caroline Springs was undertaken with the new networks to be introduced in the 2016–17 financial year.

myki enhancements

Following a successful pilot on E-class trams, next generation on-board myki readers were installed on all new E-class trams in 2015–16, and are being retrofitted to the existing E-class fleet. In June 2016 PTV trialled a world-first quick top-up machine for contactless card payments with overwhelmingly positive feedback. Over 12,000 myki devices were also made more resilient to wear.

Many of myki's back-of-house systems were also updated in 2015–16. The removal of paper-based forms for myki refunds and card replacements was completed in March 2016, achieving a 3.5 day turnaround time for customers receiving replacement cards. Improvements were also made to myki's auto-top up service, reducing customer complaints with the service by 60 per cent. Targeted myki brochures for Commuter Club and concession myki holders were updated to include frequently asked questions by customers.

More real-time information

PTV made more real-time data available to passengers in the past year including on metropolitan buses and on buses in Bendigo. Real-time information helps customers plan journeys and access information about the actual running time of scheduled services, rather than relying on static timetable data. Real-time projects also incorporate the delivery of real-time information through PTV's digital channels including PTV's iPhone and Android apps, and the PTV Journey Planner on the PTV website.



12,000

myki devices were made more resilient to wear.

Achievements this year

Google Maps integration

PTV successfully oversaw the integration of public transport timetable data into the popular journey planning app *Google Maps*, with the build, development and testing of General Transit Feed Specification (GTFS) data required by the application.

GTFS data is available as open access data to the app developer community, and enables other apps outside Google Maps to integrate data for customer use. Google Maps and other apps using GTFS and API timetable datasets have improved visibility of public transport as a viable transport choice for customers versus private vehicle options.

Free Tram Zone extension and ANZAC Day services

Melbourne's Free Tram Zone was extended twice in 2015–16 to accommodate the needs of those travelling across the central CBD area. The first Free Tram Zone extension was executed in the lead up to the AFL Grand Final, from 30 September through to 3 October 2015. Footy fans made the most of the extended Free Tram Zone to visit the AFL live site in Yarra Park.

PTV also successfully delivered free shuttle bus services for ANZAC Day Centenary services on 25 April 2016, in addition to over 40 additional metropolitan train services, and early tram services to the Shrine of Remembrance. Public transport services remained vital in transporting those paying their respects at the Dawn Service, the ANZAC Day March, and the Melbourne Cricket Ground during ANZAC Day events this year.

Customer advocacy, complaints and reimbursements

PTV's Customer Advocate function responded to 1,715 cases in 2015–16. Customer Advocacy case response times improved on the previous year, with a closure rate of six days, down from 10.8 days in 2014–15.

Record traffic and performance at PTV Hubs

The PTV Hub at Southern Cross station serviced more than 420,000 customers in 2015–16, at an average of 8,100 customers per week. This is up from 7,600 per week in 2014–15. A majority of PTV Hub customers reported they were satisfied with interactions and would actively promote the PTV Hub as a source of information.



420,000

customers serviced at the PTV Hub at Southern Cross station.

V/Line service restoration

Regional passengers experienced disruption to their train services between January and June 2016, following unanticipated wheel wear on V/Line's VLocity fleet. Collaboration between PTV and V/Line and an intensive focus on minimising the impacts to customers saw regional services progressively restored to full operation by the end of June 2016. PTV led disruption management during this period, coordinating replacement coach services, providing up-to-date information campaigns, and ensuring an effective reimbursement process for affected customers.

Better on-board passenger information

PTV led the delivery of Vehicle Passenger Information Systems (VPIS) on all 130 B-Class trams. The project was part of ongoing efforts to extend the life of tram assets under the *Victorian Rolling Stock Strategy*, to attain better value for tram customers across Melbourne's tram network.

Communication Accessibility accreditation

The PTV Call Centre and the PTV metropolitan Hubs were awarded Communication Accessibility Accreditation by Scope Australia in February 2016, following face-to-face Disability Awareness and Communication Access training. Assessment was based on a representative sample of regular contacts and National Relay service contacts. The accreditation is for three years, during which Scope Australia will provide ongoing support and annual refresher training for Call Centre and Hub staff.

Our services enable Victorians and visitors to access education, employment, and social opportunity. We plan for the delivery of Victorian goods to the global market.

We build an integrated, inclusive and resilient transport system that moves people and goods to support prosperity and liveable communities for all Victorians.

Our teams innovate in transport planning to adapt to demographic and environmental change in Melbourne and regional Victoria.

The future network is resilient, dependable, effective, efficient, and contributes to Victoria's economic and social development.

PLAN AND DEVELOP OUR FUTURE NETWORK

Metro Tunnel

The Melbourne Metro Rail Project will expand inner city capacity and untangle the network to allow more trains into the CBD from eight lines, including all those serving a number of Melbourne's growth areas in the north, west and south-east. PTV has played a critical role in the development of the project, contributing to patronage forecasting, the underpinning economic evaluation as well as the development of the detailed operational planning to specify the changed network and services enabled by the project. PTV has also identified the infrastructure and fleet configuration needed to deliver the full benefits of the project, supporting network changes to tram and bus networks during and following construction. PTV will closely support the Melbourne Metro Rail Authority which is now proceeding to deliver the infrastructure.

Public transport for CityLink – Tullamarine Freeway widening

PTV led public transport disruption management for services affected by the widening of the Tullamarine Freeway, integrating planning activities with V/Line, MTM and VicRoads. PTV's planning team successfully outlined options for CityLink to support the widening of the freeway with limited disruption to bus services. The widening of the freeway will contribute to a 30 per cent increase in capacity along the busy arterial road.

Regional Network Development Plan

For the first time in Victoria's history, a blueprint for investments in regional rail and bus networks was developed with the delivery of the *Regional Network Development Plan*. The plan outlines the Victorian Government's short, medium and long-term initiatives to improve services between Melbourne and regional growth centres, and develop regional bus networks to improve community access to goods and services in local cities and towns. Delivered to government in June 2016, the *Regional Network Development Plan* was the culmination of the largest public transport community consultation initiative ever undertaken in Victoria. It involved 38 community and stakeholder sessions attended by more than 1400 people, with additional online surveys providing a total of 15,000 pieces of individual feedback.

Upgraded Preston Depot launched

PTV and Yarra Trams opened the new Preston Tram Depot and Workshop in April 2016, the culmination of a \$190 million redevelopment of the historic St Georges Road site. Around 250 on-site construction jobs were created to realise the new facility, which houses a full-sized tram cabin simulator, seven kilometres of new tracks, upgraded amenities, a new tram

Achievements this year

wash and automatic wheel measuring facilities. The site is large enough to stable 75 E-Class trams, which add capacity for more than 15,000 extra passengers. During construction it was the largest redevelopment of an operational heritage site ever undertaken in Australia.

Tram junction upgrades

As part of the modernisation of Melbourne's tram network, Yarra Trams and PTV completed upgrades to two major junctions on the network at Moonee Ponds and Port Junction.

The work at Moonee Ponds Junction involved constructing a pair of accessible platform stops and repairing and renewing tram tracks to create an intermodal interchange for buses and trams, which provides one tram stop for Routes 82 and 59.

As part of the Route 96 Upgrade, the stop at Port Junction and Whiteman Street was upgraded with a new level access platform and a separate platform to accommodate customers waiting for the popular Colonial Tramcar Restaurant. The Port Junction area is a busy tram junction located near the intersection of Normanby Road and Clarendon Street, in Southbank. It is a major interchange for routes 12,96 and 109.

Bus depot upgrades

Construction commenced on the new Heatherton Depot to replace the ageing Sandringham depot. The depot will be home to 65 staff, with up to 40 buses operating from the facility. New depots are also under construction at Thomastown and Sunshine West.

Works have begun to upgrade two of Melbourne's busiest bus depots in Fitzroy North and Doncaster as part of a \$12.4 million project. Both depots will be fitted with modern refuelling and cleaning facilities, providing an improved base for more than 300 metropolitan buses. Works commenced in June 2016 and are scheduled for completion in late 2016.

PTV also facilitated the provision of a temporary bus depot at North Melbourne while works are underway. The temporary depot is located on the site of the future Arden Station (to be built as part of Melbourne's Metro Tunnel project) and features maintenance, refuelling and washing facilities to ensure bus services continue to service routes uninterrupted.

More accessible tram stops

Ongoing upgrades of tram stops to meet *Disability Discrimination (DDA) Act 1992* (Cwlth) compliance continued in 2015–16, with PTV and Yarra Trams collaborating on renewing stops at Moonee Ponds Junction, Clarendon Street Junction, Gardiner Railway Station, Port Junction and the Toorak tram terminus. Track renewal and the construction of two pairs of easy access tram stops on Victoria Street were completed between Hoddle Street and Church Street. In the CBD, the length of Flinders Street has been fully upgraded, with the final installation of accessible stops between Russell Street and Exhibition Street. Collins Street in the CBD was also made fully accessible with upgrades completed between William Street and Queen Street.

In addition, busy inner Melbourne stops on St Kilda Road at Grant Street and Coventry Street and on Wellington Parade at Jolimont Station (MCG) were upgraded to 66-metre platforms, long enough to cater for two high-capacity E-Class trams.

More accessible bus stops

In collaboration with local councils, PTV facilitated the delivery of 1,141 DDA-compliant bus stops, carried out by different organisations and authorities including private companies and road authorities. PTV also oversaw the installation of 291 new bus stop shelters in 2015–16, enabling further DDA compliance at these network locations. Six road adjustments were made to improve bus routes, with 585 temporary bus stop closures completed to allow road works and developments, and 876 bus stop closures for special events activities.

Murray Basin Rail Project

The \$416 million project to upgrade the Murray Basin freight network began in 2015–16, with broad gauge sleepers laid between Maryborough and Mildura starting in 2016. The Murray Basin Rail Project will better connect primary producers to the state's major ports in Portland, Geelong and Melbourne, and will improve safety and reliability of freight services operating between Mildura and Maryborough.

Rowsley Crossing Loop

The first in a series of improvements to the Ballarat Line was delivered, with the \$14.1 million Rowsley Crossing Loop enabling quicker recovery from unexpected delays on the line. The installation of the loop has reduced the distance between existing crossing loops at Parwan and Bank Box, giving trains the flexibility to make up the time between these points in the event of delays.

Bendigo Bus Network

The upgraded Bendigo Bus Network was unveiled in January 2016, featuring more frequent, better coordinated and more direct bus services across the growing regional centre. The new network better services growth areas in Spring Gully, Eaglehawk, Jackass Flat and Epsom. It also boosts the frequency of services to La Trobe University's Bendigo campus and enables better coordination of buses with trains at Bendigo Station. Buses will run every 30 to 60 minutes on most routes from January 2017.

Bendigo buses were the first regional buses to integrate real-time bus information and multi-modal passenger information displays (PIDs) in 2015–16. Upgrades to Bendigo's busy Mitchell Street Interchange have enabled Bendigo customers access to real-time bus information through the PTV Mobile App, website (Next 5), timetable API and through on network PIDs.

Bendigo Metro launched

In partnership with V/Line, PTV launched phase one of Bendigo Metro services in June 2016, with two new peak services running on the Bendigo line. The two new services were the first phase of a series of timetable changes that will see 10 extra weekday services from Epsom Station, an extra evening service to Eaglehawk, and all weekday trains between Bendigo and Melbourne stopping at Kangaroo Flat. The Bendigo Metro project exemplified PTV's focus on, and commitment to improving regional public transport services. PTV played a critical role in the Bendigo Metro Rail Community Consultative Taskforce to realise the launch, engaging with a broad range of stakeholders to identify Bendigo's top commuter train service priorities.

Better Bus Network planning

As part of the Victorian Government's \$100 million Better Bus Networks program, enhancements to services in Ballarat, Warragul and Drouin, Latrobe Valley, Caroline Springs and Cranbourne are currently in planning or early stage consultation. Bus networks are being tailored to communities, and seek to directly respond to community and stakeholder needs in local metropolitan and regional areas.

High Capacity Metro Trains

PTV is responsible for procuring Melbourne's next generation High Capacity Metro Trains, to be delivered through a Public Private Partnership. An expression of interest process was conducted in mid-2015, resulting in three consortia being shortlisted with a contract to be awarded in late 2016. Design activities for the trains will commence in 2017, with the first train due to be ready for testing in late 2018. Environmental approvals and land acquisition processes are expected to be complete by end of 2016, with construction of the train depot to commence in 2017.

We open up transparent, robust and ongoing dialogue with Victorians about the public transport network priorities.

In partnership with government, transport industry stakeholders and media organisations we deliver a comprehensive vision for public transport in Victoria.

We build on the reputation of PTV through fostering trusted, valued relationships, responsive to stakeholder needs.

We plan for services that consider the user perspective and lead our network providers to deliver the highest standards and best value for Victorians.

DELIVER IN PARTNERSHIP

Level Crossing Removal Project

A significant section of the Frankston Line was closed for 37 days during May and June 2016 as part of the Victorian Government's commitment to remove 50 dangerous and congested level crossings across metropolitan Melbourne.

PTV facilitated the provision of bus replacement services during level crossing removals and ensured a consistent standard of customer information was provided as part of the disruption management. PTV facilitated the installation of temporary bus stops at Bayswater Station bus interchange as part of the project to remove level crossings at Mountain Highway and Scoresby Road. Bus replacements also operated on the Glen Waverley Line for a short period, while the first level crossing removal at Burke Road in Glen Iris was completed in early 2016.

Community consultation and engagement

PTV's commitment to listening to Victorians as it plans and delivers public transport services included a large range of engagement activities during 2015–16. Consultation was undertaken for a raft of train, bus and tram projects in partnership with delivery agencies.

More than 26,000 individuals accessed planning and project information through PTV's 'Get involved' online community engagement platform in 2015–16.

New train stations, bus interchanges, and car parks

Communities in Ringwood, Caroline Springs and around Southland Shopping Centre were consulted about new train station designs this year, while community consultation was also undertaken on car park improvements at Wendouree, Ballan, Berwick, Donnybrook, South Morang and Syndal. Other community consultation initiatives were undertaken for the Thompsons Road bus interchange project, the Rowsley Crossing Loop on the Ballarat Line, and for improvements to rail infrastructure on the Frankston, Werribee and Williamstown lines.

Wide-reaching bus consultation

PTV engaged with communities on proposed bus service changes in Cranbourne, Keysborough, Epping, Wollert, Plenty Valley, Bendigo, Geelong, Woodend, Bellarine and Ballarat. Conversation summaries from the sessions have provided PTV with guidance for future route and service improvements for affected passengers.

Tram network engagement

In partnership with Yarra Trams and other key stakeholders, local councils and communities, PTV continued to plan and deliver changes to Melbourne's tram network. The upgrade of Route 96 to become Melbourne's first fully accessible route continued, while Route 86 and Route 11 saw the roll-out of E-Class trams. PTV also facilitated power upgrades and accessibility improvements to enable high-capacity trams to operate on these routes.

26,000

individuals accessed planning and project information through PTV's 'Get involved' online platform.



Achievements this year

The Melbourne Metro Rail Authority continued to work closely with PTV, tram passengers and key stakeholders on delivery of this major project. As part of network continuity planning, PTV engaged with councils and tram users to communicate how the Metro Tunnel project will change the way customers use the city's network while works are completed over coming years.

Additional services delivered for bumper major events season

PTV's Special Events Unit worked with event organisers to provide extra services to 1,537 special events in 2015–16. Events included the International Champions Cup at the MCG, the AFL season (including the AFL Grand Final), the Royal Melbourne Show, the Spring Racing Carnival, Melbourne's first ever Ultimate Fighting Championship event, international cricket fixtures, the Australian Open, the St Kilda Festival, White Night, and the Australian Grand Prix. PTV also managed extra services for regional events such as the Groovin' The Moo music festival in Bendigo, and many smaller events such as bike races, fun runs and cultural events.

An additional 5,715 metropolitan train services were scheduled to transport more than three million passengers to special events this year, with trams running 17,239 extra services to transport a total of 1,195,052 passengers. V/Line ran 441 extra train services and transported a total of 161,945 passengers for events purposes. During the cruise ship season, PTV organised a bus shuttle from Station Pier to the Arts Centre precinct, transporting 53,901 passengers and boosting Melbourne's visitor economy over the summer events season.

Customer accessibility – Try Before you Ride

Through its relationships with accessibility groups, PTV helped coordinate the development of Try Before you Ride events at Box Hill in September 2015 and Bendigo in June 2016. These events provided an opportunity for customers and potential customers with mobility constraints to understand how they can make the most of accessibility enhancements at stations and stops to travel safely and securely through these environments. PTV works closely with accessibility advocacy groups and is planning further engagement events with accessibility community stakeholders during 2016–17.

Travelling in the Shoes of Others program

The PTV Transport Accessibility Unit operates the 'Travelling in the Shoes of Others' program in partnership with Vision Australia, Guide Dogs Victoria and Yooralla to increase awareness of public transport accessibility issues. In 2015–16 there were 226 industry staff participants – a 54 per cent increase on the previous year. The 'Travelling in the Shoes of Others' program has strengthened PTV's relationship with transport accessibility groups and is now a core component of the PTV staff induction program.

Guide Dogs Victoria partnership

PTV expanded its partnership with Guide Dogs Victoria this year, welcoming Spencer, PTV's guide dog ambassador into the organisation's offices for the first time. In March 2016, PTV celebrated Spencer's six-month birthday with Guide Dogs Victoria staff and stakeholders. Spencer's journey helps PTV staff better understand network accessibility issues through highlighting the needs of vision impaired customers and those experiencing vision disabilities. Guide Dogs Victoria recognised PTV's work in improving accessibility through its 2016 Inspiration Award and nominated PTV at the 2016 National Disability Awards for its ongoing commitment.

Closer tourism partnerships

PTV continued to build its partnerships across the tourism sector to improve the visitor experience on public transport. Major collaborations this year included those with Destination Melbourne, the Victorian Tourism Industry Council, the City of Melbourne and regional tourism groups and organisations. As part of the move to an inclusive transport network, PTV continues to be involved in the stakeholder forums to help make Melbourne a compelling visitor destination by supporting the key factors for enhancing visitor experience; a sense of welcome; transport networks; integrated messaging; digital connectivity; and accessibility.

Monash University research partnership launched

In December 2015 PTV and Monash University jointly established one of the largest public transport research centres in the world, with the launch of the Public Transport Research Group at Monash University in Clayton. The \$5 million investment supports 18 PhD scholarships for public transport researchers and enables Monash University's best and brightest minds to innovate through applied research within transport industry organisations.

More iUSE passes on network

In its second year of a three-year trial, the iUSE pass program (for international undergraduate students) grew significantly over 2015–16 with pass sales increasing 33 per cent year-on-year. While larger institutions signed up at the initial launch of the pass, consistent interest in the program has seen a greater number of smaller tertiary institutions participating in 2015–16. Updates to the PTV website were also made to boost information about the scheme for institutions and students.

Tourist and heritage railway assurance

PTV's Office of the Registrar for Tourist and Heritage Railways negotiated the repurposing of surplus materials from VicTrack, V/Line, Metro Trains Melbourne and Yarra Trams, to be made available to tourist and heritage railway groups through expressions of interest procurement. A number of groups were successful in obtaining rail sleepers and other rail materials, with considerable savings for tourist railways across the state.

When people catch trains, trams, and buses in Victoria, they feel safe and confident making journeys.

When Victorians and visitors use the public transport network, they contribute to an environmentally sustainable society that minimises their environmental footprint.

We drive improvements in safety standards, and monitor network risk so that industry staff are ready to lead responses to network incidents.

SAFETY AND THE ENVIRONMENT

Improved emergency response capability

During 2015–16 PTV developed the *State Public Transport Disruption Emergency Plan*, outlining an integrated approach to minimising the impact and consequences of an emergency on the public transport network. A three-year framework for emergency management training exercises was developed, which will test the capability of PTV, transport operators and emergency services agencies to respond to major public transport disruptions. PTV and our operating partners continued to work closely with Victoria Police in 2015–16, with enhanced information sharing boosting safety and security of passengers across Victoria.

\$134m

to upgrade the safety and security of Melbourne's City Loop.

City Loop fire and safety upgrades

PTV began a \$134 million project to upgrade the safety and security of Melbourne's City Loop in 2015–16. The updates include better trespasser detection in each of the four underground rail tunnels, upgraded fire prevention systems, new CCTV cameras, and more effective alarms and platform barriers. The improvements directly respond to a 2012 Victorian Ombudsman report into rail safety in the City Loop, and are expected to reduce delays to loop services caused by trespasser investigations.

Level crossing safety

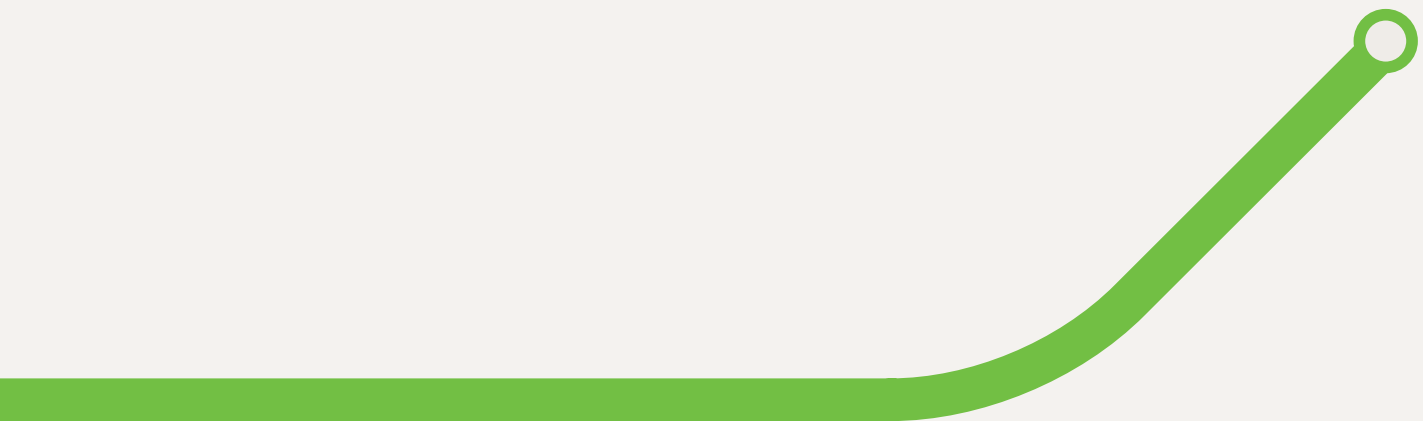
PTV has a focus on improving safety at level crossings through representation on the Victorian Rail Crossing Safety Steering Committee. PTV also participated in national and state rail crossing working groups and sub-committees this year.

Boosting systems safety expertise

A Risk Engineer/Technical Safety Expert was employed by PTV in late 2015, further establishing our role as the network safety authority. Internal executive training in March 2016 and ongoing integration of information sharing with Emergency Management Victoria continued to bolster PTV capability in the event of network safety and security incidents. PTV continued to adopt systems engineering approaches to manage network risk and fulfil statutory objectives as the network's safety authority.

Achievements this year

Our teams drive value for Victorians with rigorous, prudent and transparent governance of operations and projects.



We deliver the strongest integrity in financial, legal, procurement and information technology practices across our business.

We strive to exceed industry and government standards and enable best-practice policies and procedures in public transport.

We innovate and proactively explore options to improve our processes to minimise waste and plan for the resilience of the future network.

GOVERNANCE, FINANCIAL MANAGEMENT AND SYSTEMS

Ticketing Services Retender

The Ticketing Services Retender project was established in mid-2015 to conduct procurement processes and engage a service provider to operate and maintain the myki ticketing system. The key objectives were to engage a provider that could operate and maintain the existing myki ticketing system and provide a stable operating environment for future enhancements. The new agreement transfers greater liability to the operator and maximises value-for-money for the Victorian Government. Following an expression of interest process, the contract has been awarded to Payment Services Victoria Pty Ltd (part of the NTT Data Group), with the new service agreement due to start on 1 January 2017.

Fare evasion

Fare evasion on Victoria's public transport system reached its lowest level since data was first recorded in 2005, dropping to 3.8 per cent in the October 2015 survey. This significant improvement followed a targeted advertising campaign to encourage fare compliance.

School bus reform

PTV introduced a pilot of the new School Bus Management System (SBMS) in 11 regional locations. Data gathered from SBMS pilot networks has provided important network insights into traveller eligibility, bus network capacity, bus stopping locations and run times. Parents in pilot locations can now apply for school bus services, renew applications, accept travel offers, make payments, generate timetables and route maps, and re-order bus passes through the online service. Schools and bus operators have reported streamlined administrative processes. Feedback from stakeholders has been extremely positive.

Bus Tracking System expansion

Bus Tracking System (BTS) technology uses on-board global positioning system (GPS) and communications equipment to provide real-time updates on bus locations. PTV rolled out bus tracking system technology in regional cities in 2015-16, with the fitting of BTS devices on buses in regional growth networks of Ballarat, Bendigo, and Geelong among others. PTV also facilitated expansion of the BTS network to cover all metropolitan buses in the past year.

Boosting asset management expertise

PTV appointed a new Director, Asset Management to lead the development and implementation of an asset management framework covering the state's public transport asset portfolio. The framework will include strategies for compliance with ISO 55001 and Victoria's *Asset Management Accountability Framework* (AMAF).

Choosing the right ticket – myki pass campaign

A research-based marketing campaign was undertaken to reduce accidental fare evasion by encouraging the use of myki pass tickets. The campaign directly targeted the 17 per cent of regular myki users who currently load myki money on cards and could save by buying a myki pass. Key outcomes of the campaign included PTV's development of an interactive online myki calculator for users to compare myki money spend with their potential myki pass savings.

Boosting the regional economy

A multi-channel marketing campaign was delivered to boost engagement with events in regional Victoria, encouraging outbound, off-peak travel on V/Line services. The campaign promoted investments in regional economies, by outlining the benefits of visiting destinations outside metropolitan Melbourne including Bendigo, Ballarat, Geelong, Seymour and Traralgon.

Achievements this year

Our people work together as a team, and have the skills and capabilities to deliver excellence across our operations.

We are professional, accountable, and valued advisors to government and partners across the transport industry. Our people are agents for change in the Victorian community.

We ensure a flexible, agile and resilient industry workforce that is best placed to meet the requirements of the future network.

ENGAGED AND CAPABLE PEOPLE

Leading Culture Change program

PTV's People and Culture team launched the *Leading Culture Change* program in 2016, defining a process for setting positive culture and tone across the organisation. PTV's leadership is committed to embedding a culture which encourages collaboration, spirited internal debate, robust decision-making and a focus on delivering value for Victorians. The program builds and fosters strong, resilient and engaged leadership which is able to respond to the challenges of a changing work environment.

Embedding diversity, inclusion and flexibility

PTV implemented a new *Diversity and Inclusion Policy* during 2015–16, committing PTV to providing a more supportive work environment for our most valued assets, our people. PTV is dedicated to being fair, equitable and sensitive to the diverse needs of all staff. All staff are to be responsible for understanding and applying the principles of equal opportunity, equity and social justice and for ensuring their working environment is safe, inclusive and free from discrimination and harassment. In addition, PTV's Executive team endorsed the new *Flexible Working Arrangements Policy* in December 2015, committing to work with PTV employees to achieve an equitable balance in work and family commitments.

A new PTV EBA staff capability

Negotiations for a new PTV Enterprise Bargaining Agreement were finalised in the 2015–16 financial year. The new agreement includes provision for biannual pay increases for PTV staff up to 1 July 2019, and improvements to personal, compassionate, parental, grandparent and annual leave entitlements. Other workplace improvements under the new EBA include an increase in allowances for on-call staff, family violence support in line with Victorian Public Service standards, and one day per calendar year for staff to undertake charitable activities.

Health and wellbeing program

PTV is committed to providing a supportive work environment in which our staff are encouraged to make healthy lifestyle choices while maintaining a work/life balance. The Health and Wellbeing Program consists of a strategic framework across five important areas: work/life integration, fatigue and sleep health, physical activity, mental health and financial wellbeing.

In April 2016, PTV launched the Healthy Me @ PTV program which not only promotes healthy work/life balance, exercise and nutrition but also has us engaging and promoting local businesses which align with the purpose of Healthy Me @ PTV. This includes providing subsidised and/or corporate discounts and developing partnerships with fitness clubs and organisations with health-related programs.

2015–16

Implemented a new Diversity and Inclusion Policy to provide a more supportive work environment.

PTV Performance Report

16 September 2016

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 operating as Public Transport Victoria, I am pleased to submit Public Transport Victoria's report under section 79W of the *Transport Integration Act 2010* (Vic) 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 2015 to 30 June 2016, 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.



Patricia Faulkner AO
Chairman

Metropolitan public transport performance

METROPOLITAN TRAIN

Performance Summary – 12 months to 30 June 2016

MEASURE	UNIT	FULL YEAR TARGET	FULL YEAR ACTUAL
Customer satisfaction index	Score (/100)	70.1	72.3
Service punctuality	per cent	92.5	92.5
Scheduled services delivered (reliability)	per cent	99	98.7
Total kilometres scheduled	km (million)	22.8	22.9

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 for metropolitan trains for the 12 months to 30 June was 72.3. The result maintains a gradual and consistent growth from the previous year.

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 (by far the strongest driver of overall customer satisfaction) achieved a score of 72.7 for the 12 months to June 2016. This is a record score and a 0.9 point increase on the previous year. Satisfaction with information rose to 73.6 for the 12 months to 30 June 2016, a 1.2 point increase.

Patronage

Metropolitan train services carried 233.4 million passengers for the 12 months to 30 June 2016. Train patronage grew by 2.7 per cent for the twelve months ending June 2016.

The commute to work is the largest market on metropolitan trains; therefore, there is a strong relationship between patronage and Victoria's employment growth. In the year to 20 June 2016 employment grew at a similar rate to train patronage, at a rate of 2.9 per cent.

Punctuality, reliability and total kilometres scheduled

MTM exceeded contractual thresholds for service punctuality (88 per cent) and reliability (98 per cent) in each month from July 2015 to June 2016, and therefore, no customer compensation was paid for these periods.

Metropolitan train kilometres were slightly above the target of 22.8 million kilometres for the year. This is largely due to a small number of additional metropolitan train services being scheduled on the Pakenham line in January, in response to V/Line service cancellations caused by wheel wear issues.

Metropolitan public transport performance

METROPOLITAN TRAM

Performance Summary – 12 months to 30 June 2016

MEASURE	UNIT	FULL YEAR TARGET	FULL YEAR ACTUAL
Customer satisfaction index	Score (/100)	74	76
Service punctuality	per cent	82.9	83.7
Scheduled services delivered (reliability)	per cent	99.5	98.8
Total kilometres scheduled	km (million)	23.1	23.9

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

The overall customer satisfaction index for trams for the 12 months to 30 June was 76. The result represents a period of gradual improvement and a record score since measurement began in 2009.

The greatest improvement in customer satisfaction for trams during 2015–16 was in the area of personal security, the score up 1.2 points on the previous year to 75.3.

Patronage

Tram services carried 203.8 million passengers for the 12 months to 30 June 2016, an increase of 12.0% for the year.

Strong population growth is likely to be driving tram patronage growth. Since 2012 over a third of building approvals for new dwellings have been nearby tram routes. As these dwellings are built and occupied, this leads to a significant population growth in the tram catchment.

While trams continue to be affected by traffic congestion, there has been a significant improvement in passenger carrying capacity on the tram network enabling it to cater for the growing population. Since late 2013, 38 E-Class trams have progressively been rolled out on routes 96 and 11, with larger trams previously allocated on those routes being reallocated onto other routes.

In addition to improved capacity, the split of route 112 into routes 11 and 12, and the introduction of the Free Tram Zone, have improved the attractiveness of using tram to move around the CBD and Docklands – areas that have seen particularly strong growth in loads.

Punctuality, reliability and total kilometres scheduled

Yarra Trams exceeded contractual thresholds for punctuality (77%) and reliability (98%) in each month from July 2015 to June 2016, and therefore, no customer compensation was paid for these periods.

The tram punctuality target was met in 2015–16, a great result given a range of challenges including significant patronage growth, introduction of *Night Network*, major projects, and a high number of special events being scheduled concurrently in and around the CBD during early 2016.

METROPOLITAN BUS

Performance summary – 12 months to 30 June 2016

MEASURE	UNIT	FULL YEAR TARGET	FULL YEAR ACTUAL
Customer satisfaction index	Score (/100)	76	76.7
Service punctuality	per cent	85	78.8
Scheduled services delivered (reliability)	per cent	99.9	99.9
Total kilometres scheduled	km (million)	112.8	113.3

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

The overall customer satisfaction index for metropolitan buses for the 12 months to June 2015 was 76.7. This result was a marginal increase on the previous year's score of 76.

The largest improvement in customer satisfaction for metropolitan buses was in the critical aspect running of services, and the score increased by 1.1 points to 74.4.

Patronage

Metropolitan bus services carried 122.5 million passengers for the 12 months to 30 June 2016, a decrease of 0.9% for the year.

The change in metropolitan bus patronage varied across metropolitan Melbourne, with some areas growing and others declining. The Government's \$100 million Better Bus Networks plan sets out improvements to the bus network which will provide more frequent, coordinated and direct services to more places and thus emulate the success achieved in other areas of bus network reform such as Wyndham and Brimbank, where patronage has increased.

Punctuality, reliability and total kilometres scheduled

In 2015–16 PTV commenced using a new bus tracking system for assessing and reporting on operator punctuality performance. It has enabled PTV to more accurately monitor metropolitan bus punctuality performance (although operators' contracted punctuality definition has not changed). The service

punctuality of 78.8 per cent in 2015–16 reflects PTV's transition from relying on operator self-assessment to data generated by the bus tracking system. Traffic congestion continues to be the most significant negative contributor to bus punctuality.

LOAD STANDARDS

Load standard surveys to measure average peak passenger loads against load standard benchmarks were conducted in May 2016. 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 load standard is set according to the type of rolling stock and refers to the maximum desired passenger load. This standard does not relate to a safety requirement but refers to the relative comfort level.

Average loads for services were aggregated into rolling hours and service groups to calculate rolling hour average loads. Rolling stock load standards were combined in the same way to find rolling hour average capacities. From this data service groups with rolling hour breaches (where the average load was above the average capacity) were identified.

Metropolitan public transport performance

Metropolitan Train

The May 2016 Metropolitan Train Load Standard Survey recorded the following:

SURVEY DATE	MAY 2014	MAY 2015	MAY 2016
Number of AM peak Rolling Hour Breaches	9	12	9
Number of PM peak Rolling Hour Breaches	9	5	3
Total	18	17	12

In the AM peak there were nine Rolling Hour breaches. This represents a decrease from May 2015, in which twelve were recorded.

In the PM peak there were three Rolling Hour breaches. This represents a decrease from May 2015, in which five were recorded.

The most significant improvements were seen on the Werribee line, which reduced from 6 breaches in May 2015 (2 in the AM peak, 4 in the PM peak) to 1 breach in May 2016 (in the AM peak). This is due to the introduction of the Regional Rail Link during 2015, and the opening of two new stations in Wyndham's growth areas that attracted patronage away from the Werribee line. An additional service for the Werribee line was also added during the AM peak, and a further additional service was also added during the PM peak.

Metropolitan Tram

The May 2016 Metropolitan Tram Load Standard Survey recorded the following:

SURVEY DATE	MAY 2014	MAY 2015	MAY 2016
Number of AM peak Rolling Hour Breaches	15	6	5
Number of PM peak Rolling Hour Breaches	11	4	9
Total	26	10	14

In the AM peak there were five Rolling Hour breaches. This represents a decrease from May 2015, in which there were six recorded.

In the PM peak there were nine Rolling Hour breaches. This represents an increase from May 2015, in which there were four recorded.

Overall growth in tram loads (11.9 per cent) is consistent with the strong growth seen in patronage during the same period (11 per cent).

Regional public transport performance

REGIONAL (V/LINE) TRAIN AND COACH

Performance Summary – 12 months to 30 June 2016

MEASURE	UNIT	FULL YEAR TARGET	FULL YEAR ACTUAL
Customer satisfaction index: regional train	Score (/100)	77	75.9
Customer satisfaction index: regional coach ¹	Score (/100)	81	82.3
Service punctuality: regional train	per cent	92	86.6
Scheduled services delivered: regional train (reliability)	per cent	98.5	96.6
Total kilometres scheduled: regional train and coach	km (million)	23.6	24.1

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

The overall customer satisfaction index for V/Line trains for the 12 months to June 2016 was 75.9, a slight decrease on the previous year as a result of the wheel wear issues which impacted service in early 2016.

The overall customer satisfaction index for V/Line coach services decreased marginally to 82.3 for the 12 months to 30 June 2016. It should be noted this score is based on a small sample size and is subject to considerable variability, and is still an excellent result and above target.

Patronage

Regional train services carried 16.3 million passengers for the 12 months to 30 June 2016, while regional coach services carried 1.4 million passengers over the same period.

Patronage on regional trains increased by 19.4 per cent for the 12 months to 30 June 2016. Strong growth on regional trains is attributable to the opening of the Regional Rail Link, which improves the service frequency of some regional lines and also includes two new stations in Wyndham's growth areas. These two new stations are already in the top five busiest V/Line stations and have drawn significant demand away from Werribee and Hoppers Crossing stations.

Patronage on regional coach declined by 0.5 per cent for the 12 months to 30 June 2016. The change in regional coach patronage varied across Victoria, with some areas growing and others declining. Coach patronage appears to have declined in the west and north whereas it increased in the east; notably Inverloch, Yarram and Lakes Entrance.

Punctuality, reliability and total kilometres scheduled

For the year ended June 2016, punctuality of V/Line train services was 86.6 per cent, with monthly levels ranging from a low of 80.3 per cent in January 2016 to a high of 89.2 per cent in November 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 delivery was 96.6 per cent for the year ending June 2016, with monthly levels ranging from a low of 87.0 per cent in January 2016, when the impact of service disruption due to the wheel wear issues was at its most significant, to a high of 98.7 per cent in May 2016.

Performance was primarily impacted due to V/Line infrastructure and wheel wear issues but despite these challenges services had fully recovered by June 2016 and patronage grew significantly over the course of 2015–16.

Notes:

1. Regional coach refers to long-haul coach services, not town bus services.

Regional public transport performance

REGIONAL BUS (TOWN BUS SERVICES)

Performance Summary – 12 months to 30 June 2016

MEASURE	UNIT	FULL YEAR TARGET	FULL YEAR ACTUAL
Customer satisfaction index	Score (/100)	81	78.6
Service punctuality	per cent	94	94.8
Scheduled services delivered (reliability)	per cent	99	99.9
Total kilometres scheduled	km (million)	24.6	24.8

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

Of the centres where data was available, customer satisfaction with town bus services in Ballarat, Geelong, Bendigo, the Latrobe Valley, Shepparton, Wangaratta and Wodonga achieved an average score of 78.6 for the 12 months to 30 June 2016, down 2 points from 80.6.

Patronage

Regional buses carried 14.7 million passengers for the 12 months to 30 June 2016. Patronage on regional bus is estimated to have grown by 1.5 per cent in the year ending 30 June 2016.

PTV has been piloting an improved estimation of regional town bus patronage based on myki data that will replace the current approach to estimate patronage from July 2016 onwards.

Punctuality, reliability and total kilometres scheduled

For the year ended June 2016, the percentage of regional bus services delivered and service punctuality are 99.9 per cent and 94.8 per cent respectively. Bus punctuality and reliability results are operator self-assessed and based on small sampling rates.

Fare evasion

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

In October 2015 the lowest ever metropolitan fare evasion rate was recorded (3.8 per cent) since surveys began, followed by a slightly higher result in May 2016 of 4.1 per cent.

The rates for each mode are shown below:

SURVEY DATE	METROPOLITAN TRAIN	TRAM	METROPOLITAN BUS	METROPOLITAN NETWORK	REGIONAL TRAIN
October 2014	4.1%	6.0%	8.7%	5.9%	7.0%
May 2015	2.7%	4.8%	8.7%	5.0%	6.1%
October 2015	2.6%	4.8%	5.1%	3.8%	4.9%
May 2016	2.3%	4.7%	7.3%	4.1%	4.3%

The total revenue impact of fare evasion in 2015–16 is estimated at \$30.9 million, down from an estimate of \$38.2 million in the 2014–15 financial year.

A coordinated approach to revenue protection has continued through the annual Network Revenue Protection Plan. During 2015–16, the revenue protection strategy continued to be based on the four themes of making the ticketing system easier to use, system support (e.g. ticket barriers and network staff), marketing and education, and enforcement. Key activities have included:

- > A review of Authorised Officer training with a focus on diffusion and de-escalation, and a more consistent approach
- > A continuation of customer engagement activities to support fare compliance
- > An evidence based approach to the deployment of Multi-Modal Authorised Officers.

In May 2016, two major reports into public transport ticketing compliance were released by the Victoria Ombudsman and DEDJTR. These reports included recommendations for operational reforms to support a fairer and simpler policy framework for ticketing compliance.

Key recommendations are focused on:

- > Removing on-the-spot Penalty Fares and retaining the existing infringement system, including the right to review
- > Ticketing and system improvements (e.g. further education about touch on and touch offs, changes to myki purchase arrangements and promotion of 90 minute online top ups)
- > Modifications to the infringements system (e.g. reviewing public information in relation to infringements and the internal review process, updating guidelines for internal reviews, including on the grounds of special circumstances)
- > Measures to improve training and support for Authorised Officers (e.g. developing a more consistent approach to Authorised Officer training, adding a checkbox to Reports of Non-Compliance (RONCs) to flag the possible existence of special circumstances).

PTV is working with DEDJTR to implement these recommendations and incorporate changed approaches into the broader revenue protection strategy.



Section 3: Consolidated financial statements

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These consolidated financial statements for the year ended 30 June 2016 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 Direction 4.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994* (Vic), 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 2016 and financial position of the Public Transport Development Authority and its controlled entity as at 30 June 2016.

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.



Patricia Faulkner
Chairman

21 September 2016
Melbourne



Alan Fedda
Acting Chief Executive

21 September 2016
Melbourne



Fred Cilia
Chief Finance Officer

21 September 2016
Melbourne

Victorian Auditor-General's Report

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Public Transport Development Authority

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Public Transport Development Authority which comprises the consolidated comprehensive operating statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated 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. The consolidated entity comprises the authority and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 1(d) of 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 public interest

Victorian Auditor-General's Report

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, I and my staff and delegates have complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Public Transport Development Authority and the consolidated entity as at 30 June 2016 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*.

MELBOURNE
23 September 2016



Andrew Greaves
Auditor-General

CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CONTINUING OPERATIONS					
Income from transactions					
Grants from Victorian Government		4,080,034	3,868,874	4,080,034	3,868,874
Supply of transport services	3(a)	212,981	159,617	212,981	159,617
Fair value of assets and resources received free of charge ⁽ⁱ⁾	3(b)	56,430	56,633	56,430	56,633
Operators' contribution for marketing and communications		8,988	8,892	8,988	8,892
Issuance fee of myki cards		12,863	13,712	12,863	13,712
Licence fee from advertising panels at bus shelters		19,682	14,175	19,682	14,175
Interest		3,749	4,057	3,749	4,057
Other income	3(c)	2,216	1,924	2,216	1,924
Total income from transactions		4,396,943	4,127,884	4,396,943	4,127,884
Expenses from transactions					
Payments to service providers and transport agencies	4(a)	(4,198,205)	(3,905,354)	(4,198,205)	(3,905,354)
Supplies and services	4(b)	(80,605)	(82,739)	(80,605)	(82,739)
Employee expenses	4(c)	(52,844)	(49,832)	(52,844)	(49,832)
Depreciation and amortisation	4(d)	(49,264)	(42,996)	(49,264)	(42,996)
Interest expense	4(e)	(39,056)	(39,229)	(39,056)	(39,229)
Capital asset charge		(7,155)	(7,155)	(7,155)	(7,155)
Fair value of assets and services provided free of charge ⁽ⁱⁱ⁾	4(f)	(23,755)	(24,850)	(23,755)	(24,850)
Total expenses from transactions		(4,450,884)	(4,152,155)	(4,450,884)	(4,152,155)
Net result from transactions (net operating balance)		(53,941)	(24,271)	(53,941)	(24,271)
Other economic flows included in net result					
Net gains/(losses) on non-financial assets	5(a)	(304)	(3,589)	(304)	(3,589)
Other gains/(losses) from other economic flows	5(b)	(377)	(42,147)	(377)	(42,147)
Changes in fair value of foreign currency forward contracts	5(c)	(241)	-	(241)	-
Total other economic flows included in net result		(922)	(45,736)	(922)	(45,736)
Net result		(54,863)	(70,007)	(54,863)	(70,007)

CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
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		(54,863)	150,949	(54,863)	150,949

(i) \$55,654,000 (2015: \$53,310,000) 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 \$23,755,000 (2015: \$23,100,000).

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 2016

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS					
Financial assets					
Cash and deposits	17(a)	24,960	44,083	24,960	44,083
Receivables	6	530,809	563,986	530,809	563,986
Total financial assets		555,769	608,069	555,769	608,069
Non-financial assets					
Prepayments		507	1,020	507	1,020
Inventories	7	37,866	6,095	37,866	6,095
Property, plant and equipment	8	1,400,190	1,438,156	1,400,190	1,438,156
Intangible assets	9	5,974	6,663	5,974	6,663
Total non-financial assets		1,444,537	1,451,934	1,444,537	1,451,934
Total assets		2,000,306	2,060,003	2,000,306	2,060,003
LIABILITIES					
Payables	10	585,323	643,647	585,323	643,647
Borrowings	11	506,257	474,329	506,257	474,329
Provisions	12	408,061	386,200	408,061	386,200
Total liabilities		1,499,641	1,504,176	1,499,641	1,504,176
Net assets		500,665	555,827	500,665	555,827
EQUITY					
Contributed capital		321,813	322,112	321,813	322,112
Accumulated surplus/(deficit)		(42,104)	12,759	(42,104)	12,759
Physical asset revaluation surplus		220,956	220,956	220,956	220,956
Net worth		500,665	555,827	500,665	555,827
Commitments for expenditure	14				
Contingent assets and contingent 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 2016

	CONTRIBUTIONS BY OWNER	ACCUMULATED SURPLUS/ (DEFICIT)	PHYSICAL ASSET REVALUATION SURPLUS	TOTAL
Note	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED				
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
Net result for the year	-	(54,863)	-	(54,863)
Capital contributions funding from DEDJTR during the period	873,462	-	-	873,462
Capital transfer to VicTrack	2(a) (873,761)	-	-	(873,761)
Balance at 30 June 2016	321,813	(42,104)	220,956	500,665
PARENT				
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
Net result for the year	-	(54,863)	-	(54,863)
Capital contributions funding from DEDJTR during the year	873,462	-	-	873,462
Capital transfer to VicTrack	2(a) (873,761)	-	-	(873,761)
Balance at 30 June 2016	321,813	(42,104)	220,956	500,665

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 2016

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Receipts from Government		4,134,647	3,742,830	4,134,647	3,742,830
Fare receipts ⁽ⁱ⁾		813,945	573,815	813,945	573,815
Goods and Services Tax recovered from the ATO		307,402	271,579	307,402	271,579
Receipts from operators		8,988	8,892	8,988	8,892
Interest received		3,602	4,057	3,602	4,057
Other receipts		31,773	27,195	31,773	27,195
Total receipts		5,300,357	4,628,368	5,300,357	4,628,368
Payments					
Payments to service providers and transport agencies		(2,791,242)	(2,477,609)	(2,791,242)	(2,477,609)
Fare receipts (remitted to DEDJTR) ⁽ⁱ⁾		-	(60,070)	-	(60,070)
Fare receipts (remitted to transport operators)		(600,652)	(355,987)	(600,652)	(355,987)
Payments to suppliers and employees		(105,040)	(123,889)	(105,040)	(123,889)
Interest and other costs of finance paid		(39,297)	(39,098)	(39,297)	(39,098)
Capital asset charge		(1,741,258)	(1,589,355)	(1,741,258)	(1,589,355)
Total payments		(5,277,489)	(4,646,008)	(5,277,489)	(4,646,008)
Net cash flows from/(used in) operating activities	17(c)	22,868	(17,640)	22,868	(17,640)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for non-financial assets		(947,602)	(921,515)	(947,602)	(921,515)
Proceeds from disposals of non-financial assets		222	182	222	182
Cash from ticketing settlement bank accounts transferred in		-	9,116	-	9,116
Net cash flows from/(used in) investing activities		(947,380)	(912,217)	(947,380)	(912,217)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from capital contributions by DEDJTR		873,461	923,020	873,461	923,020
Proceeds from loans		42,085	1,206	30,234	-
Repayments/Proceeds of finance lease liabilities		(10,157)	(9,000)	1,694	(7,794)
Net cash flows from/(used in) financing activities		905,389	915,226	905,389	915,226
Net increase/(decrease) in cash and cash equivalents		(19,123)	(14,631)	(19,123)	(14,631)
Cash and cash equivalents at the beginning of the financial year		44,083	58,714	44,083	58,714
Cash and cash equivalents at the end of the financial year	17(a)	24,960	44,083	24,960	44,083

(i) Prior to the abolishment of the 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 Department of Transport, Planning and Local Infrastructure. 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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated 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 2016. 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 (Vic)* 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 16 September 2016.

(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 \$28.9 million (2015: \$53.7 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 AASs 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));
- > superannuation expense (refer to Note 1(h)); and
- > actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(m)).

Notes to the consolidated financial statements

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
- > Employee benefit provisions that are calculated with regard to actuarial assumptions on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates.

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 2016 and the comparative information of PTV presented for the year ended 30 June 2015 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 Note 1(d)).

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

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 19, 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 the Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

(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 2016, 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 2016 and 30 June 2015 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
- > 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'.

Notes to the consolidated financial statements

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

There were no changes in accounting policies in the current financial year.

(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 transport services

Income from the supply of transport 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
- > it is probable the economic benefits associated with the transaction will flow to PTV.

Grants from Victorian Government

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

Fair value of assets and resources 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 (refer to Note 16).

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 and land) 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)	
	2016	2015
Buildings	22–80	22–80
Leased building	60	-
Infrastructure	5–100	20–185
Plant and equipment		
- Furniture and fittings	10	10
- Computer equipment	3–4	3–4
- Field plant and scientific equipment	10–30	10–30
- Office machines and equipment	5	5
IT infrastructure	4	4
Leasehold improvements	5–15	5–15
Leased vehicles⁽ⁱ⁾	3	3
Vehicles	18	18
Cultural assets	20–100	20–100

(i) 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.

Notes to the consolidated financial statements

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

A charge levied on the written down value of controlled non-current physical assets in a public sector agency's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to agency to identify and dispose of underutilised or surplus assets in a timely manner. 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 an other 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.

Notes to the consolidated financial statements

(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 receivable 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.

(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
- > 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 use.

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.

Notes to the consolidated financial statements

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 derecognition 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.

Payables for settlement deficits are recognised when PTV is required to cover the deficits between the settlement of ticketing system and fare receipt distribution. These include negative balances of expired myki cards.

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 cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

Notes to the consolidated financial statements

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 the 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.

Notes to the consolidated financial statements

(p) Commitments for expenditure

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.

Exposure to foreign currency risk is hedged by entering into forward foreign exchange contracts with the Treasury Corporation of Victoria. Changes in fair value of the outstanding forward foreign exchange contracts at the end of the reporting period are included in other economic flows in the net result.

(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 2016 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 2016, 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:

Notes to the consolidated financial statements

STANDARD ¹	SUMMARY
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.
AASB 2010–7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> > The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and > Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.
AASB 2014–1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	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.
AASB 2014–7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.
AASB 2014–5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.
AASB 2016–3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: <ul style="list-style-type: none"> > A promise to transfer to a customer a good or service that is ‘distinct’ to be recognised as a separate performance obligation; > For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and > For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.
AASB 2014–4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]</i>	Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to: <ul style="list-style-type: none"> > 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) For the current year, given the number of consequential amendments to AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON PUBLIC SECTOR ENTITY FINANCIAL STATEMENTS
1 Jan 2018	<p>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>
1 Jan 2018	<p>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.</p> <p>Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).</p> <p>Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge.</p>
1 Jan 2018	<p>This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.</p>
1 Jan 2018	<p>The assessment has indicated that there will be no significant impact for the public sector.</p>
1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	<p>The assessment has indicated that there will be no significant impact for the public sector.</p>
1 Jan 2018	<p>The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.</p>
1 Jan 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>
1 Jan 2016	<p>The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.</p>

Notes to the consolidated financial statements

In addition to the new standards outlined on pages 76 and 77, the AASB has issued a list of amending standards that are not effective for the 2015–16 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 1057 *Application of Australian Accounting Standards*
- > AASB 2015–2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*
- > AASB 2015–10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10*
- > AASB 2016–2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

NOTE 2. ASSET TRANSFERS

PTV had the following asset transfers:

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

On 30 June 2016 and 30 June 2015 rail infrastructure assets under construction were transferred from PTV to VicTrack as a capital contribution.

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS				
Infrastructure assets under construction	873,761	945,169	873,761	945,169
Net assets transferred to VicTrack	873,761	945,169	873,761	945,169

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

On the cessation 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

Notes to the consolidated financial statements

NOTE 3. INCOME FROM TRANSACTIONS

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(A) SUPPLY OF TRANSPORT SERVICES				
Supply of transport services ⁽ⁱ⁾	212,981	159,617	212,981	159,617
Total supply of transport services	212,981	159,617	212,981	159,617
(B) FAIR VALUE OF ASSETS AND RESOURCES RECEIVED FREE OF CHARGE				
Fair value of free use of ticketing assets ⁽ⁱⁱ⁾	55,654	53,310	55,654	53,310
Fair value of resources received free of charge	61	-	61	-
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	715	500	715	500
Total fair value of assets and resources received free of charge	56,430	56,633	56,430	56,633
(C) OTHER INCOME				
Cost recovery	568	576	568	576
Proceeds from insurance for flood damage	-	778	-	778
Extension of development rights	1,620	540	1,620	540
Property rental	28	30	28	30
Total other income	2,216	1,924	2,216	1,924

(i) Prior to the abolishment of the 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		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(A) PAYMENTS TO SERVICE PROVIDERS AND TRANSPORT AGENCIES					
Rail system operation and related services ⁽⁶⁾		(1,395,419)	(1,287,351)	(1,395,419)	(1,287,351)
Grants for capital asset charge		(1,734,103)	(1,582,200)	(1,734,103)	(1,582,200)
Total rail services		(3,129,522)	(2,869,551)	(3,129,522)	(2,869,551)
Bus services		(958,014)	(931,380)	(958,014)	(931,380)
Ticketing service operating costs		(55,015)	(51,113)	(55,015)	(51,113)
Fair value of free use of ticketing assets	3(b)	(55,654)	(53,310)	(55,654)	(53,310)
Total payments to service providers and transport agencies		(4,198,205)	(3,905,354)	(4,198,205)	(3,905,354)
(B) SUPPLIES AND SERVICES					
Communications, marketing and information technology		(41,768)	(46,178)	(41,768)	(46,178)
Grants for community and social benefits		(7,896)	(7,379)	(7,896)	(7,379)
Accommodation		(7,016)	(6,431)	(7,016)	(6,431)
Insurance, legal and internal audit fees		(3,314)	(2,426)	(3,314)	(2,426)
Contractors for services		(20,361)	(20,080)	(20,361)	(20,080)
Audit fee		(250)	(245)	(250)	(245)
Total supplies and services		(80,605)	(82,739)	(80,605)	(82,739)
(C) EMPLOYEE EXPENSES					
Salaries and wages		(34,386)	(33,252)	(34,386)	(33,252)
Annual leave and long services leave expense		(7,177)	(6,853)	(7,177)	(6,853)
Superannuation (excluding salary sacrifice)		(4,945)	(4,728)	(4,945)	(4,728)
Workforce reduction payments		(1,673)	(722)	(1,673)	(722)
Other on-costs (fringe benefits tax, payroll tax and work cover levy)		(4,663)	(4,277)	(4,663)	(4,277)
Total employee expenses		(52,844)	(49,832)	(52,844)	(49,832)
(D) DEPRECIATION AND AMORTISATION					
Depreciation and amortisation of property, plant and equipment					
Buildings ⁽⁶⁾		(13,452)	(12,347)	(13,424)	(12,347)
Leased building		-	-	(28)	-
Infrastructure assets		(24,436)	(19,275)	(24,436)	(19,275)
Plant and equipment		(81)	(128)	(81)	(128)

Notes to the consolidated financial statements

NOTE 4. EXPENSES FROM TRANSACTIONS *continued*

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Leasehold improvements		(701)	(702)	(701)	(702)
Vehicles		(9,287)	(9,095)	-	-
Leased vehicles		(145)	(182)	(9,432)	(9,277)
Cultural Assets		(25)	(77)	(25)	(77)
Total for property, plant and equipment	8	(48,127)	(41,806)	(48,127)	(41,806)
Amortisation					
Intangible assets		(1,137)	(1,190)	(1,137)	(1,190)
Total for intangibles	9	(1,137)	(1,190)	(1,137)	(1,190)
Total depreciation and amortisation		(49,264)	(42,996)	(49,264)	(42,996)
(E) INTEREST EXPENSES					
Interest on loan		(6,397)	(6,545)	-	-
Interest on finance leases		(32,659)	(32,684)	(39,056)	(39,229)
Total interest expenses		(39,056)	(39,229)	(39,056)	(39,229)
(F) ASSETS AND SERVICES PROVIDED FREE OF CHARGE					
Fair value of services provided free of charge ⁽ⁱⁱⁱ⁾		(23,755)	(23,100)	(23,755)	(23,100)
Fair value of land provided free of charge to DEDJTR		-	(1,750)	-	(1,750)
Total assets and services provided free of charge		(23,755)	(24,850)	(23,755)	(24,850)

(i) Of the balance in rail system operation and related services, \$17,603,000 (2015: \$16,616,000) related to operating and maintenance of the Southern Cross Station building contracted under the Public Private Partnership (PPP) arrangement.

(ii) Of the balance in depreciation – buildings, \$12,248,000 (2015: \$11,291,000) related to Southern Cross Station contracted under the PPP arrangement.

(iii) 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

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(A) NET GAIN/(LOSS) ON NON FINANCIAL ASSETS					
Gross proceeds from sale of plant and equipment					
Leased vehicles		222	181	222	181
Total proceeds		222	181	222	181
Gross disposals of plant and equipment					
Infrastructure		-	(72)	-	(72)
Leased vehicles		(526)	(117)	(526)	(117)
Total disposals of plant and equipment	8	(526)	(189)	(526)	(189)
Total net gain/(loss) on disposals of plant and equipment		(304)	(8)	(304)	(8)
Revaluation deficit of vehicles		-	(3,581)	-	-
Revaluation deficit of leased vehicles		-	-	-	(3,581)
Total net gain/(loss) on non-financial assets		(304)	(3,589)	(304)	(3,589)
(B) OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS					
Net gain/(loss) arising from changes to bond rates in revaluation of long service leave liability		(377)	(42,147)	(377)	(42,147)
Total other gains/(losses) from other economic flows		(377)	(42,147)	(377)	(42,147)
(C) CHANGES IN FAIR VALUE OF FOREIGN CURRENCY FORWARD CONTRACTS					
Changes in fair value of forward contracts for hedging exposure to foreign currency risk	13(d)	(241)	-	(241)	-
Total changes in fair value of foreign currency forward contracts		(241)	-	(241)	-

Notes to the consolidated financial statements

NOTE 6. RECEIVABLES

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CURRENT RECEIVABLES				
Contractual				
Amounts owing from government and agencies	20,830	5,149	20,830	5,149
Trade receivables ⁽ⁱ⁾	14,429	11,553	14,429	11,553
Total current receivables	35,259	16,702	35,259	16,702
Statutory				
Amounts owing from DEDJTR – Grant Receivable ⁽ⁱⁱ⁾	462,718	517,330	462,718	517,330
GST input tax credit recoverable from the ATO	32,832	28,954	32,832	28,954
Total statutory receivables	495,550	546,284	495,550	546,284
Total current receivables	530,809	562,986	530,809	562,986
NON-CURRENT RECEIVABLES				
Contractual				
Amounts recoverable from service provider at the end of the term of the service contract	-	1,000	-	1,000
Total non-current receivables	-	1,000	-	1,000
Total receivables	530,809	563,986	530,809	563,986

(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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current inventories				
Card inventories held for sale				
At cost	37,866	6,095	37,866	6,095
Total inventories	37,866	6,095	37,866	6,095

Notes to the consolidated financial statements

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

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

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
LAND AT FAIR VALUE				
At valuation 2015	495,451	494,322	493,818	494,322
Total land	495,451	494,322	493,818	494,322
LAND UNDER FINANCE LEASE AT FAIR VALUE				
At cost	-	-	1,633	-
Total land under finance lease	-	-	1,633	-
BUILDINGS AT FAIR VALUE				
At valuation 2015	510,573	506,471	506,471	506,471
Less: accumulated depreciation	(13,452)	-	(13,424)	-
Total buildings⁽ⁱ⁾	497,121	506,471	493,047	506,471
LEASED BUILDING AT FAIR VALUE				
At cost	-	-	4,102	-
Less: accumulated depreciation	-	-	(28)	-
Total leased buildings	-	-	4,074	-
INFRASTRUCTURE AT FAIR VALUE				
At cost of acquisition	7,862	975	7,862	975
At valuation 2015	258,319	258,319	258,319	258,319
Less: accumulated depreciation	(24,448)	(12)	(24,448)	(12)
Total infrastructure	241,733	259,282	241,733	259,282
PLANT AND EQUIPMENT AT FAIR VALUE				
At cost of acquisition	768	760	768	760
Less: accumulated depreciation	(592)	(511)	(592)	(511)
Total plant and equipment	176	249	176	249
LEASEHOLD IMPROVEMENT AT FAIR VALUE				
At cost of acquisition	4,745	4,745	4,745	4,745
Less: accumulated depreciation	(2,450)	(1,749)	(2,450)	(1,749)
Total leasehold improvement	2,295	2,996	2,295	2,996

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
VEHICLES AT FAIR VALUE				
At valuation 2015	92,540	92,540	-	-
At cost of acquisition	5,815	-	-	-
Less: accumulated depreciation	(9,262)	-	-	-
Total vehicles	89,093	92,540	-	-
LEASED VEHICLES AT FAIR VALUE				
At valuation 2015	-	-	92,540	92,540
At cost of acquisition	724	869	6,539	869
Less: accumulated depreciation	(209)	(292)	(9,471)	(292)
Total leased vehicles	515	577	89,608	93,117
CULTURAL ASSETS AT FAIR VALUE				
At valuation 2015	2,238	2,238	2,238	2,238
Less: accumulated depreciation	(25)	-	(25)	-
Total cultural assets	2,213	2,238	2,213	2,238
ASSETS UNDER CONSTRUCTION AT COST				
Infrastructure	71,593	79,481	71,593	79,481
Total assets under construction	71,593	79,481	71,593	79,481
Net carrying amount of property, plant and equipment	1,400,190	1,438,156	1,400,190	1,438,156

(i) Of the balance in Buildings at fair value, \$479,368,000 (2015: \$491,616,000) is attributable to the Southern Cross Station building contracted under PPP arrangement.

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

		LAND	LAND UNDER FINANCE LEASE	BUILDINGS	LEASED BUILDING	INFRA- STRUCTURE
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED						
Carrying amount at 30 June 2014		334,520	-	474,163	-	233,599
Additions		-	-	-	-	7,208
Disposals/write-offs		-	-	-	-	(72)
Depreciation/amortisation expense	4(d)	-	-	(12,347)	-	(19,275)
Assets provided as contributed capital		-	-	-	-	-
Assets received free of charge		-	-	-	-	501
Assets provided free of charge		(1,750)	-	-	-	-
Transfers between classes		-	-	13,010	-	10,763
Revaluation of property, plant and equipment		161,552	-	31,645	-	26,558
Carrying amount at 30 June 2015		494,322	-	506,471	-	259,282
Additions		1,633	-	4,102	-	6,172
Disposals/expensed		-	-	-	-	-
Depreciation/amortisation expense	4(d)	-	-	(13,452)	-	(24,436)
Assets provided as contributed capital		(504)	-	-	-	-
Assets received free of charge		-	-	-	-	715
Assets provided free of charge		-	-	-	-	-
Carrying amount at 30 June 2016		495,451	-	497,121	-	241,733
PARENT						
Carrying amount at 30 June 2014		334,520	-	474,163	-	233,599
Additions		-	-	-	-	7,208
Disposals/write-offs		-	-	-	-	(72)
Depreciation/amortisation expense	4(d)	-	-	(12,347)	-	(19,275)
Assets provided as contributed capital		-	-	-	-	-
Assets received free of charge		-	-	-	-	501
Assets provided free of charge		(1,750)	-	-	-	-
Transfers between classes		-	-	13,010	-	10,763
Revaluation of property, plant and equipment		161,552	-	31,645	-	26,558
Carrying amount at 30 June 2015		494,322	-	506,471	-	259,282
Additions		-	1,633	-	4,102	6,172
Disposals/expensed		-	-	-	-	-
Depreciation/amortisation expense	4(d)	-	-	(13,424)	(28)	(24,436)
Assets provided as contributed capital		(504)	-	-	-	-
Assets received free of charge		-	-	-	-	715
Assets provided free of charge		-	-	-	-	-
Carrying amount at 30 June 2016		493,818	1,633	493,047	4,074	241,733

PLANT AND EQUIPMENT	LEASEHOLD IMPROVEMENT	VEHICLES	LEASED VEHICLES	CULTURAL ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11,128	3,698	104,011	415	1,114	88,443	1,251,091
12	-	1,205	408	-	949,217	958,050
-	-	-	(117)	-	-	(189)
(128)	(702)	(9,095)	(182)	(77)	-	(41,806)
-	-	-	-	-	(945,169)	(945,169)
-	-	-	53	-	-	554
-	-	-	-	-	-	(1,750)
(10,763)	-	-	-	-	(13,010)	-
-	-	(3,581)	-	1,201	-	217,375
249	2,996	92,540	577	2,238	79,481	1,438,156
8	-	6,274	333	-	868,068	886,590
-	-	(434)	(190)	-	(2,698)	(3,322)
(81)	(701)	(9,287)	(145)	(25)	-	(48,127)
-	-	-	-	-	(873,258)	(873,762)
-	-	-	-	-	-	715
-	-	-	(60)	-	-	(60)
176	2,295	89,093	515	2,213	71,593	1,400,190
11,128	3,698	-	104,426	1,114	88,443	1,251,091
12	-	-	1,613	-	949,217	958,050
-	-	-	(117)	-	-	(189)
(128)	(702)	-	(9,277)	(77)	-	(41,806)
-	-	-	-	-	(945,169)	(945,169)
-	-	-	53	-	-	554
-	-	-	-	-	-	(1,750)
(10,763)	-	-	-	-	(13,010)	-
-	-	-	(3,581)	1,201	-	217,375
249	2,996	-	93,117	2,238	79,481	1,438,156
8	-	-	6,607	-	868,068	886,590
-	-	-	(624)	-	(2,698)	(3,322)
(81)	(701)	-	(9,432)	(25)	-	(48,127)
-	-	-	-	-	(873,258)	(873,762)
-	-	-	-	-	-	715
-	-	-	(60)	-	-	(60)
176	2,295	-	89,608	2,213	71,593	1,400,190

Notes to the consolidated financial statements

FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 30 JUNE 2016

	CARRYING AMOUNT ⁽ⁱ⁾				FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING LEVEL 3 ⁽ⁱ⁾			
	Consolidated		Parent		Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
LAND AT FAIR VALUE								
Specialised land	495,451	494,322	493,818	494,322	495,451	494,322	493,818	494,322
Total land	495,451	494,322	493,818	494,322	495,451	494,322	493,818	494,322
BUILDINGS AT FAIR VALUE								
Specialised buildings	17,752	14,855	13,679	14,855	17,752	14,855	13,679	14,855
Total buildings	17,752	14,855	13,679	14,855	17,752	14,855	13,679	14,855
INFRASTRUCTURE AT FAIR VALUE								
Infrastructure at fair value	241,733	259,282	241,733	259,282	241,733	259,282	241,733	259,282
Total infrastructure	241,733	259,282	241,733	259,282	241,733	259,282	241,733	259,282
PLANT AND EQUIPMENT AT FAIR VALUE								
Plant and equipment at fair value	176	249	176	249	176	249	176	249
Total plant and equipment	176	249	176	249	176	249	176	249
LEASEHOLD IMPROVEMENT AT FAIR VALUE								
Leasehold improvement at fair value	2,295	2,996	2,295	2,996	2,295	2,996	2,295	2,996
Total leasehold improvement	2,295	2,996	2,295	2,996	2,295	2,996	2,295	2,996
VEHICLES AT FAIR VALUE								
Vehicle at fair value	89,093	92,540	-	-	89,093	92,540	-	-
Total vehicles	89,093	92,540	-	-	89,093	92,540	-	-
CULTURAL ASSETS AT FAIR VALUE								
Cultural assets at fair value	2,213	2,238	2,213	2,238	2,213	2,238	2,213	2,238
Total cultural assets	2,213	2,238	2,213	2,238	2,213	2,238	2,213	2,238
ASSETS UNDER CONSTRUCTION AT FAIR VALUE								
Infrastructure at fair value	71,593	79,481	71,593	79,481	71,593	79,481	71,593	79,481
Total assets under construction	71,593	79,481	71,593	79,481	71,593	79,481	71,593	79,481
Net carrying amount of property, plant and equipment	920,306	945,963	825,507	853,423	920,306	945,963	825,507	853,423

(i) Assets that are subject to leasing transactions within the scope of AASB 117 *Leases* are not included. 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).

Independently valuation was performed by the Valuer-General Victoria on property, plant and equipment as at 30 June 2015.

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 2016 (2015: 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	SPECIALISED BUILDINGS	INFRASTRUCTURE
	\$'000	\$'000	\$'000
CONSOLIDATED			
Opening balance as at 30 June 2014	334,520	7,782	233,599
Transfers between classes of assets within Level 3	-	13,010	10,763
Additions	-	-	7,208
Assets received free of charge	-	-	501
Disposals	-	-	(72)
Assets provided as contributed capital	-	-	-
Assets provided free of charge	(1,750)	-	-
Depreciation	-	(1,055)	(19,275)
Revaluation of property, plant and equipment	161,552	(4,882)	26,558
Closing balance as at 30 June 2015	494,322	14,855	259,282
Additions	1,633	4,102	6,172
Disposals/expensed	-	-	-
Assets received free of charge	-	-	715
Assets provided as contributed capital	(504)	-	-
Depreciation	-	(1,205)	(24,436)
Closing balance as at 30 June 2016	495,451	17,752	241,733
PARENT			
Opening balance as at 30 June 2014	334,520	7,782	233,599
Transfers between classes of assets within Level 3	-	13,010	10,763
Additions	-	-	7,208
Assets received free of charge	-	-	501
Disposals	-	-	(72)
Assets provided as contributed capital	-	-	-
Assets provided free of charge	(1,750)	-	-
Depreciation	-	(1,055)	(19,275)
Revaluation of property, plant and equipment	161,552	(4,882)	26,558
Closing balance as at 30 June 2015	494,322	14,855	259,282
Additions	-	-	6,172
Assets received free of charge	-	-	715
Disposals/expensed	-	-	-
Assets provided as contributed capital	(504)	-	-
Depreciation	-	(1,176)	(24,436)
Closing balance as at 30 June 2016	493,818	13,679	241,733

(i) Assets that are subject to leasing transactions within the scope of AASB 117 *Leases* are not included. Please refer to note 1(b) for the fair value hierarchy.

PLANT AND EQUIPMENT	LEASEHOLD IMPROVEMENT	VEHICLES	CULTURAL ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11,128	3,698	104,011	1,114	88,443	784,295
(10,763)	-	-	-	(13,010)	-
12	-	1,205	-	949,217	957,642
-	-	-	-	-	501
-	-	-	-	-	(72)
-	-	-	-	(945,169)	(945,169)
-	-	-	-	-	(1,750)
(128)	(702)	(9,095)	(77)	-	(30,332)
-	-	(3,581)	1,201	-	180,848
249	2,996	92,540	2,238	79,481	945,963
8	-	6,274	-	868,068	886,257
-	-	(434)	-	(2,698)	(3,132)
-	-	-	-	-	715
-	-	-	-	(873,258)	(873,762)
(81)	(701)	(9,287)	(25)	-	(35,735)
176	2,295	89,093	2,213	71,593	920,306
11,128	3,698	-	1,114	88,443	680,284
(10,763)	-	-	-	(13,010)	-
12	-	-	-	949,217	956,437
-	-	-	-	-	501
-	-	-	-	-	(72)
-	-	-	-	(945,169)	(945,169)
-	-	-	-	-	(1,750)
(128)	(702)	-	(77)	-	(21,237)
-	-	-	1,201	-	184,429
249	2,996	-	2,238	79,481	853,423
8	-	-	-	868,068	874,248
-	-	-	-	-	715
-	-	-	-	(2,698)	(2,698)
-	-	-	-	(873,258)	(873,762)
(81)	(701)	-	(25)	-	(26,419)
176	2,295	-	2,213	71,593	825,507

Notes to the consolidated financial statements

DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATION FOR 2016 AND 2015

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 the 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.

The significant unobservable inputs have remained unchanged from 2015.

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-profit Public Sector Entities* is early adopted.

NOTE 9. INTANGIBLE ASSETS

	Note	CAPITALISED SOFTWARE DEVELOPMENT		WORK IN PROGRESS (SOFTWARE)		TOTAL	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CONSOLIDATED							
Gross carrying amount							
Opening balance		8,726	8,726	5,353	4,905	14,079	13,631
Additions		-	-	448	448	448	448
Assets provided as contributed capital		-	-	-	-	-	-
Closing balance		8,726	8,726	5,801	5,353	14,527	14,079
Accumulated amortisation and impairment							
Opening balance		(7,416)	(6,226)	-	-	(7,416)	(6,226)
Amortisation expense	4(d)	(1,137)	(1,190)	-	-	(1,137)	(1,190)
Closing balance		(8,553)	(7,416)	-	-	(8,553)	(7,416)
Net book value at the end of the financial year		173	1,310	5,801	5,353	5,974	6,663
PARENT							
Gross carrying amount							
Opening balance		8,726	8,726	5,353	4,905	14,079	13,631
Additions		-	-	448	448	448	448
Asset provided as contributed capital		-	-	-	-	-	-
Closing balance		8,726	8,726	5,801	5,353	14,527	14,079
Accumulated amortisation and impairment							
Opening balance		(7,416)	(6,226)	-	-	(7,416)	(6,226)
Amortisation expense	4(d)	(1,137)	(1,190)	-	-	(1,137)	(1,190)
Closing balance		(8,553)	(7,416)	-	-	(8,553)	(7,416)
Net book value at the end of the financial year		173	1,310	5,801	5,353	5,974	6,663

Notes to the consolidated financial statements

NOTE 10. PAYABLES

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CURRENT PAYABLES				
Contractual				
Supplies and services ⁽ⁱ⁾	575,872	631,134	575,872	631,134
Amounts payable to government and agencies	9,451	12,513	9,451	12,513
Total contractual payables	585,323	643,647	585,323	643,647

(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(c) 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

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CURRENT BORROWINGS					
Advances from government ⁽ⁱ⁾		11,097	-	11,097	-
Loan		8,707	8,353	-	-
Motor vehicle & bus depot lease liabilities ⁽ⁱⁱ⁾	18	166	249	8,873	8,602
Southern Cross Station Transport Interchange Facility liability	18	1,704	772	1,704	772
Total current borrowings		21,674	9,374	21,674	9,374
NON-CURRENT BORROWINGS					
Advances from government ⁽ⁱ⁾		19,137	-	19,137	-
Loan		89,870	87,695	-	-
Motor vehicle & bus depot lease liabilities ⁽ⁱⁱ⁾	18	353	333	90,223	88,028
Southern Cross Station Transport Interchange Facility liability	18	375,223	376,927	375,223	376,927
Total non-current borrowings		484,583	464,955	484,583	464,955
Total borrowings		506,257	474,329	506,257	474,329

(i) These are unsecured loans which bear no interest. The term of a loan is generally agreed by the Minister at the time the advance was provided.

(ii) 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.

Notes to the consolidated financial statements

NOTE 12. PROVISIONS

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CURRENT PROVISIONS					
Employee benefits – annual leave ⁽ⁱ⁾					
Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾		2,908	2,537	2,908	2,537
Unconditional and expected to settle after 12 months ⁽ⁱⁱⁱ⁾		2,482	2,177	2,482	2,177
Employee benefits – long service leave ⁽ⁱ⁾					
Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾		919	896	919	896
Unconditional and expected to settle after 12 months ⁽ⁱⁱⁱ⁾		4,115	4,012	4,115	4,012
Employee benefits – performance and retention incentive provision ⁽ⁱ⁾		540	417	540	417
Total employee benefits	12(a)	10,964	10,039	10,964	10,039
Provisions for on-costs					
Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾		619	546	619	546
Unconditional and expected to settle after 12 months ⁽ⁱⁱⁱ⁾		1,068	986	1,068	986
Total provision for on-costs	12(a)	1,687	1,532	1,687	1,532
Other provisions					
Provision for the employee entitlements of rail operators ^(iv)	12(b)	3,352	3,225	3,352	3,225
Provision for fringe benefits tax	12(b)	21	55	21	55
Total other provisions		3,373	3,280	3,373	3,280
Total current provisions		16,024	14,851	16,024	14,851

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
NON-CURRENT PROVISIONS					
Employee benefits and on-costs					
Employee benefits ^(v)	12(a)	1,896	1,574	1,896	1,574
On-costs	12(a)	306	249	306	249
Total employee benefits and on-costs		2,202	1,823	2,202	1,823
Other provisions					
Provision for employee entitlements of rail operators ^(iv)	12(b)	379,662	359,353	379,662	359,353
Provision for train replacement	12(b)	10,173	10,173	10,173	10,173
Total other provisions		389,835	369,526	389,835	369,526
Total non-current provisions		392,037	371,349	392,037	371,349
Total provisions		408,061	386,200	408,061	386,200

(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 of Victoria assumes liabilities for the employee entitlements of the employees of the public transport operators.

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

Notes to the consolidated financial statements

(a) Employee benefits and on-costs⁽ⁱ⁾

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CURRENT PROVISIONS FOR EMPLOYEE BENEFITS				
Annual leave entitlements	5,390	4,714	5,390	4,714
Unconditional long service leave entitlements	5,034	4,908	5,034	4,908
Fringe benefits tax	21	55	21	55
Accrued performance and retention incentive	540	417	540	417
Provision for the employee entitlements of rail operators	3,352	3,225	3,352	3,225
Total current provisions for employee benefits	14,337	13,319	14,337	13,319
NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS				
Conditional long service leave entitlements	1,896	1,574	1,896	1,574
Provision for the employee entitlements of rail operators	379,662	359,353	379,662	359,353
Total non-current provisions for employee benefits	381,558	360,927	381,558	360,927
Total employee benefits	395,895	374,246	395,895	374,246
ON-COSTS				
Current on-costs	1,687	1,532	1,687	1,532
Non-current on-costs	306	249	306	249
Total on-costs	1,993	1,781	1,993	1,781
Total employee benefits provisions and related on-costs	397,888	376,027	397,888	376,027

(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	PERFORMANCE & RETENTION INCENTIVE PROVISION	ON-COSTS	RAIL OPERATORS' EMPLOYEE BENEFITS	TRAIN REPLACEMENT	FRINGE BENEFITS TAX	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED							
Opening balance at 30 June 2015	11,196	417	1,781	362,578	10,173	55	386,200
Additional provisions recognised	7,765	826	292	21,648	-	227	30,758
Reductions arising from payments/other sacrifices of future economic benefits	(6,141)	(703)	-	(1,212)	-	(261)	(8,317)
Unwinding of discount and effect of changes in the discount rate	(500)	-	(80)	-	-	-	(580)
Closing balance at 30 June 2016	12,320	540	1,993	383,014	10,173	21	408,061
Current	10,424	540	1,687	3,352	-	21	16,024
Non-current	1,896	-	306	379,662	10,173	-	392,037
Total consolidated	12,320	540	1,993	383,014	10,173	21	408,061
PARENT							
Opening balance at 30 June 2015	11,196	417	1,781	362,578	10,173	55	386,200
Additional provisions recognised	7,765	826	292	21,648	-	227	30,758
Reductions arising from payments/other sacrifices of future economic benefits	(6,141)	(703)	-	(1,212)	-	(261)	(8,317)
Unwinding of discount and effect of changes in the discount rate	(500)	-	(80)	-	-	-	(580)
Closing balance at 30 June 2016	12,320	540	1,993	383,014	10,173	21	408,061
Current	10,424	540	1,687	3,352	-	21	16,024
Non-current	1,896	-	306	379,662	10,173	-	392,037
Total parent	12,320	540	1,993	383,014	10,173	21	408,061

Notes to the consolidated financial statements

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, foreign currency 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 & RECEIVABLES \$'000	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST \$'000	TOTAL \$'000
CONSOLIDATED				
2016				
Contractual financial assets				
Cash and deposits	17(a)	24,960	-	24,960
Receivables	6			
Amounts owing from government and agencies		20,830	-	20,830
Receivables – current		14,429	-	14,429
Total contractual financial assets⁽ⁱⁱ⁾		60,219	-	60,219
Contractual financial liabilities				
Payables	10			
Supplies and services		-	575,872	575,872
Amounts payable to government and agencies		-	9,451	9,451
Borrowings	11			
Loan			98,577	98,577
Finance lease liabilities – motor vehicles		-	519	519

		CONTRACTUAL FINANCIAL ASSETS – LOANS & RECEIVABLES	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
	Note	\$'000	\$'000	\$'000
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		-	376,927	376,927
Total contractual financial liabilities ⁽ⁱⁱⁱ⁾		-	1,061,346	1,061,346
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
PARENT				
2016				
Contractual financial assets				
Cash and deposits	17(a)	24,960	-	24,960
Receivables	6			
Amounts owing from government and agencies		20,830	-	20,830
Receivables – current		14,429	-	14,429
Total contractual financial assets ⁽ⁱⁱ⁾		60,219	-	60,219

Notes to the consolidated financial statements

CATEGORISATION OF FINANCIAL INSTRUMENTS⁽ⁱ⁾ *continued*

		CONTRACTUAL FINANCIAL ASSETS – LOANS & RECEIVABLES	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
	Note	\$'000	\$'000	\$'000
Contractual financial liabilities				
Payables	10			
Supplies and services		-	575,872	575,872
Amounts payable to government and agencies		-	9,451	9,451
Borrowings	11			
Finance lease liabilities – motor vehicles and bus depot		-	99,096	99,096
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		-	376,927	376,927
Total contractual financial liabilities⁽ⁱⁱⁱ⁾		-	1,061,346	1,061,346
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

(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

	Note	TOTAL INTEREST INCOME/(EXPENSE)			
		Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Contractual financial liabilities					
Financial liabilities at amortised cost ⁽ⁱ⁾	4(e)	(32,659)	(32,684)	(39,056)	(39,229)
Total contractual financial liabilities		(32,659)	(32,684)	(39,056)	(39,229)

(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 deal with entities with acceptable credit ratings or credit history, receivable amount from these debtors are not material.

In addition, PTV does not engage in hedging for its contractual financial assets and mainly obtains interest bearing financial assets, which are mainly cash at bank, with bank with high credit ratings. As with the policy for debtors, PTV's policy is to deal with entities with acceptable credit ratings or credit history.

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.

Notes to the consolidated financial statements

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

	GOVERNMENT AGENCIES (AAA CREDIT RATING)	OTHER (AA CREDIT RATING)	OTHER (NOT RATED)	TOTAL
	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED				
2016				
Cash and deposits	12,216	12,744	-	24,960
Receivables				
Amounts owing from government and agencies	20,830	-	-	20,830
Receivables – current	-	-	14,429	14,429
Total contractual financial assets	33,046	12,744	14,429	60,219
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				
2016				
Cash and deposits	12,216	12,744	-	24,960
Receivables				
Amounts owing from government and agencies	20,830	-	-	20,830
Receivables – current	-	-	14,429	14,429
Total contractual financial assets	33,046	12,744	14,429	60,219
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

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 LIABILITIES⁽ⁱ⁾

	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	MATURITY DATES				IMPAIRED FINANCIAL ASSETS
			LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED							
2016							
Contractual financial assets							
Cash and deposits	24,960	24,960	-	-	-	-	-
Receivables							
Amounts owing from government and agencies	20,830	19,208	-	1,575	47	-	-
Receivables – current	14,429	13,901	1	176	351	-	-
Total contractual financial assets	60,219	58,069	1	1,751	398	-	-
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	-	-	-	-

Notes to the consolidated financial statements

AGEING ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES⁽ⁱ⁾ *continued*

	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	MATURITY DATES				IMPAIRED FINANCIAL ASSETS
			LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PARENT							
2016							
Contractual financial assets							
Cash and deposits	24,960	24,960	-	-	-	-	-
Receivables							
Amounts owing from government and agencies	20,836	19,208	-	1,575	47	-	-
Receivables – current	14,423	13,901	1	176	351	-	-
Total contractual financial assets	60,219	58,069	1	1,751	398	-	-
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	-	-	-	-

(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 Victorian Government's 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 data from previous years 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⁾

	CARRYING AMOUNT	NOMINAL AMOUNT	MATURITY DATES				
			LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS	5+ YEARS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED							
2016							
Contractual financial liabilities							
Payables⁽ⁱⁱ⁾							
Supplies and services	575,872	575,872	575,822	50	-	-	-
Amounts payable to government and agencies	9,451	9,451	9,449	2	-	-	-
Borrowings							
Loan	98,577	99,858	1,463	2,778	12,170	58,984	24,463
Finance lease liabilities – motor vehicles	519	548	78	19	85	366	-
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	376,927	820,365	-	8,486	25,774	145,818	640,287
Total contractual financial liabilities	1,061,346	1,506,094	586,812	11,335	38,029	205,168	664,750
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
PARENT							
2016							
Contractual financial liabilities							
Payables⁽ⁱⁱ⁾							
Supplies and services	575,872	575,872	575,822	50	-	-	-
Amounts payable to government and agencies	9,451	9,451	9,449	2	-	-	-

Notes to the consolidated financial statements

MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES ⁽ⁱ⁾ *continued*

	CARRYING AMOUNT	NOMINAL AMOUNT	MATURITY DATES				
			LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS	5+ YEARS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings							
Finance lease liabilities – motor vehicles and bus depot	99,096	100,406	1,541	2,797	12,255	59,350	24,463
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	376,927	820,365	-	8,486	25,774	145,818	640,287
Total contractual financial liabilities	1,061,346	1,506,094	586,812	11,335	38,029	205,168	664,750

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
Contractual financial liabilities	1,117,976	1,608,524	643,678	11,937	38,157	200,958	713,794

(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 and foreign currency risk. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Foreign currency risk

PTV reimburses a service supplier in Australian dollars of the supplier's costs denominated in Swiss Franc and British Pound and is indirectly exposed to foreign currency risk through foreign exchange rate fluctuations.

In order to protect against exchange rate movements, PTV has entered into forward foreign exchange contracts with the Treasury Corporation of Victoria. These contracts are hedging highly probable forecasted cash flows for the term of the contract with the supplier.

The maturity, settlement amounts and the average contractual exchange rates of the outstanding forward foreign exchange contracts at 30 June 2016 are as follows:

MATURITY SETTLEMENT AMOUNTS AND THE AVERAGE CONTRACTUAL EXCHANGE RATES

	SELL AUSTRALIAN DOLLARS				AVERAGE EXCHANGE RATES			
	Consolidated		Parent		Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Buy Swiss Francs								
Maturity								
0-3 months	1,090	-	1,090	-	0.7215	-	0.7215	-
3-6 months	1,020	-	1,020	-	0.7156	-	0.7156	-
6-9 months	340	-	340	-	0.7116	-	0.7116	-
Total	2,450	-	2,450	-				
Buy British Pounds								
Maturity								
0-3 months	110	-	110	-	0.5495	-	0.5495	-
3-6 months	114	-	114	-	0.5473	-	0.5473	-
6-9 months	38	-	38	-	0.5458	-	0.5458	-
Total	262	-	262	-				

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.

Notes to the consolidated financial statements

INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	CARRYING AMOUNT	INTEREST RATE EXPOSURE		
			FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON-INTEREST BEARING
	%	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED					
2016					
Contractual financial assets					
Cash and deposits	2.01%	24,960	10,213	14,744	3
Receivables					
Amounts owing from government and agencies		20,830	-	-	20,830
Receivables – current		14,429	-	-	14,429
Total contractual financial assets		60,219	10,213	14,744	35,262
Contractual financial liabilities					
Payables					
Supplies and services		575,872	-	-	575,872
Amounts payable to government and agencies		9,451	-	-	9,451
Borrowings					
Loan	6.29%	98,577	98,577	-	-
Finance lease liabilities – motor vehicles	4.75%	519	519	-	-
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	376,927	376,927	-	-
Total contractual financial liabilities		1,061,346	476,023	-	585,323
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

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	CARRYING AMOUNT	INTEREST RATE EXPOSURE		
			FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON-INTEREST BEARING
			\$'000	\$'000	\$'000
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
PARENT					
2016					
Contractual financial assets					
Cash and deposits	2.01%	24,960	10,213	14,744	3
Receivables					
Amounts owing from government and agencies		20,830	-	-	20,830
Receivables – current		14,429	-	-	14,429
Total contractual financial assets		60,219	10,213	14,744	35,262
Contractual financial liabilities					
Payables					
Supplies and services		575,872	-	-	575,872
Amounts payable to government and agencies		9,451	-	-	9,451
Borrowings					
Finance lease liabilities – motor vehicles and bus depot	6.30%	99,096	99,096	-	-
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	376,927	376,927	-	-
Total contractual financial liabilities		1,061,346	476,023	-	585,323

Notes to the consolidated financial statements

INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS *continued*

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	CARRYING AMOUNT	INTEREST RATE EXPOSURE		
			FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON-INTEREST BEARING
			%	\$'000	\$'000
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
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

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					
2016					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	24,957	(499)	(499)	499	499
Total impact		(499)	(499)	499	499
2015					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	44,078	(882)	(882)	882	882
Total impact		(882)	(882)	882	882
PARENT					
2016					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	24,957	(499)	(499)	499	499
Total impact		(499)	(499)	499	499
2015					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	44,078	(882)	(882)	882	882
Total impact		(882)	(882)	882	882

(i) Cash and deposits include deposits of \$24,957,000 (2015: \$44,078,000) that is exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

- 2016: $\$24,957,000 \times -0.02 = -\$499,000$; and $\$24,957,000 \times 0.02 = \$499,000$

- 2015: $\$44,078,000 \times -0.02 = -\$882,000$; and $\$44,078,000 \times 0.02 = \$882,000$

(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 obligations of Victorian Government agencies.

Notes to the consolidated financial statements

NOTE 14. COMMITMENTS FOR EXPENDITURE

(a) Commitments other than Public Private Partnership⁽ⁱ⁾

	CONSOLIDATED		PARENT	
	2016 \$'000 Nominal value	2015 \$'000 Nominal value	2016 \$'000 Nominal value	2015 \$'000 Nominal value
RAIL SERVICE COMMITMENTS				
Transport service provided by rail operators	2,164,605	3,384,131	2,164,605	3,384,131
Total rail service commitments	2,164,605	3,384,131	2,164,605	3,384,131
BUS SERVICE COMMITMENTS				
Transport service provided by bus operators	3,116,158	4,104,297	3,116,158	4,104,297
Total bus service commitments	3,116,158	4,104,297	3,116,158	4,104,297
TICKETING AND CALL CENTRE SERVICE COMMITMENTS				
Ticketing and call centre services provided by operators	69,206	178,443	69,206	178,443
Total ticketing and call centre service commitments	69,206	178,443	69,206	178,443
OPERATING LEASE COMMITMENTS				
Office & Retail	38,547	42,279	38,547	42,279
Total operating lease commitments	38,547	42,279	38,547	42,279
CAPITAL EXPENDITURE COMMITMENTS				
Plant, equipment and vehicles	1,039,327	1,214,902	1,039,327	1,214,902
Total capital expenditure commitments	1,039,327	1,214,902	1,039,327	1,214,902
Total commitments other than public private partnerships	6,427,843	8,924,052	6,427,843	8,924,052

(i) Figures presented are inclusive of GST.

(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 (2015: 8.65 per cent) per annum and an inflation rate of 2.5 per cent (2015: 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			
	2016		2015		2016		2015	
Commissioned public private partnership ^{(i) (iii) (iv)}	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	261,771	594,664	242,083	572,267	261,771	594,664	242,083	572,267
Total PPP operation and maintenance commitment	261,771	594,664	242,083	572,267	261,771	594,664	242,083	572,267

(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 increase in the nominal amounts of the commitments reflects the additional operating and maintenance requirements, the payments made, and 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 additional operating and maintenance requirements, the payments made, the impact of changes in estimates of future inflation rates and the discounting period being one reporting period shorter.

(iv) Please note that the total commitments will not equal the sum of the minimum lease payments and other commitments because they are discounted, whereas total commitments are at nominal value.

Notes to the consolidated financial statements

(c) Commitments payable⁽ⁱ⁾

	CONSOLIDATED		PARENT	
	2016 \$'000 Nominal value	2015 \$'000 Nominal value	2016 \$'000 Nominal value	2015 \$'000 Nominal value
RAIL SERVICE COMMITMENTS PAYABLE				
Less than 1 year	1,358,532	1,493,680	1,358,532	1,493,680
Longer than 1 year but not longer than 5 years	753,582	1,804,260	753,582	1,804,260
5 years or more	52,491	86,191	52,491	86,191
Total rail service commitments	2,164,605	3,384,131	2,164,605	3,384,131
BUS SERVICE COMMITMENTS PAYABLE				
Less than 1 year	1,128,567	1,060,927	1,128,567	1,060,927
Longer than 1 year but not longer than 5 years	1,987,591	3,043,370	1,987,591	3,043,370
5 years or more	-	-	-	-
Total bus service commitments	3,116,158	4,104,297	3,116,158	4,104,297
TICKETING AND CALL CENTRE SERVICE COMMITMENTS PAYABLE				
Less than 1 year	50,427	101,007	50,427	101,007
Longer than 1 year but not longer than 5 years	18,779	77,436	18,779	77,436
5 years or more	-	-	-	-
Total ticketing and call centre service commitments	69,206	178,443	69,206	178,443
OPERATING LEASE COMMITMENTS PAYABLE⁽ⁱⁱ⁾				
Less than 1 year	10,433	8,748	10,433	8,748
Longer than 1 year but not longer than 5 years	26,680	32,068	26,680	32,068
5 years or more	1,434	1,463	1,434	1,463
Total operating lease commitments	38,547	42,279	38,547	42,279
CAPITAL EXPENDITURE COMMITMENTS PAYABLE				
Less than 1 year	524,077	604,083	524,077	604,083
Longer than 1 year but not longer than 5 years	515,250	610,819	515,250	610,819
5 years or more	-	-	-	-
Total capital expenditure commitments	1,039,327	1,214,902	1,039,327	1,214,902
PPP OPERATION AND MAINTENANCE COMMITMENTS				
Minimum lease payments for non-cancellable leases payable				
Less than 1 year	23,272	19,024	23,272	19,024
Longer than 1 year but not longer than 5 years	96,256	88,400	96,256	88,400
5 years or more	475,136	464,843	475,136	464,843
Total lease commitments	594,664	572,267	594,664	572,267

	CONSOLIDATED		PARENT	
	2016 \$'000 Nominal value	2015 \$'000 Nominal value	2016 \$'000 Nominal value	2015 \$'000 Nominal value
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)	7,022,507	9,496,319	7,022,507	9,496,319
Less: GST recoverable from the Australian Tax Office	(638,410)	(863,302)	(638,410)	(863,302)
Total commitments (exclusive of GST)	6,384,097	8,633,017	6,384,097	8,633,017

(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.

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. On 29 June 2016, the term of the service agreement was extended to 31 December 2016.

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 2016 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.

Notes to the consolidated financial statements

NOTE 15. CONTINGENT ASSETS AND CONTINGENT 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 (2015:Nil).

(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 (Vic)* 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Legal claims	5,000	5,623	5,000	5,623
Total	5,000	5,623	5,000	5,623

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:

FUND	PAID CONTRIBUTION FOR THE YEAR				CONTRIBUTIONS OUTSTANDING AT YEAR END			
	Consolidated		Parent		Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
DEFINED BENEFIT PLANS⁽ⁱ⁾								
State Superannuation Fund – revised and new	202	219	202	219	-	-	-	-
Transport Superannuation Fund	142	186	142	186	-	-	-	-
Total defined benefit plans	344	405	344	405	-	-	-	-
DEFINED CONTRIBUTION PLANS								
VicSuper	3,399	3,052	3,399	3,052	-	-	-	-
Various others	3,378	2,982	3,378	2,982	-	-	-	-
Total defined contribution plans	6,777	6,034	6,777	6,034	-	-	-	-
Total superannuation plans	7,121	6,439	7,121	6,439	-	-	-	-

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

Notes to the consolidated financial statements

NOTE 17. CASH FLOW INFORMATION

(a) Reconciliation of cash and cash equivalents

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash and bank deposits	12,747	23,870	12,747	23,870
Deposits with Treasury Corporation of Victoria	12,213	20,213	12,213	20,213
Balance as per cash flow statement	24,960	44,083	24,960	44,083

(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.

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Acquisition of property, plant and equipment by means of finance leases	8	333	408	12,342	1,613
Total non-cash financing and investing activities		333	408	12,342	1,613

(c) Reconciliation of net result

	Note	CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result for the reporting period		(54,863)	(70,007)		(70,007)
NON-CASH MOVEMENTS					
Loss on disposal of non-financial assets	5(a)	304	8	304	8
Revaluation deficit of vehicles		-	3,581	-	-
Revaluation deficit of leased vehicles		-	-	-	3,581
Depreciation and amortisation of non-financial assets	4(d)	49,264	42,996	49,264	42,996
Net fair value of assets and services received and provided free of charge		(32,615)	(32,293)	(32,615)	(32,293)
Revaluation of long service leave liabilities due to changes in bond rates		377	42,147	377	42,147
Changes in fair value of foreign currency forward contracts		241	-	241	-
MOVEMENTS IN ASSETS AND LIABILITIES					
(Increase)/decrease in receivables		36,568	(134,250)	36,568	(134,250)
(Increase)/decrease in prepayments		513	(441)	513	(441)
(Increase)/decrease in inventories		(31,771)	(1,064)	(31,771)	(1,064)
Increase/(decrease) in payables		32,988	71,614	32,988	71,614
Increase/(decrease) in provisions		21,862	60,069	21,862	60,069
Net cash flows from/(used in) operating activities		22,868	(17,640)	22,868	(17,640)

Notes to the consolidated financial statements

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 were 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. After the last quarter of 2014, the actual cash payments to CNPL are more than the deemed finance lease interest expense.

(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 3 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	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
COMMISSIONED PPP RELATED FINANCE LEASE LIABILITIES PAYABLE									
Not longer than one year		34,259	33,424	34,259	33,424	1,704	772	1,704	772
Longer than one year and not longer than five years		145,819	142,262	145,819	142,262	18,384	13,505	18,384	13,505
Longer than five years		640,287	678,103	640,287	678,103	356,839	363,422	356,839	363,422
OTHER FINANCE LEASE LIABILITIES PAYABLE⁽ⁱⁱ⁾									
Not longer than one year		182	272	17,049	16,273	166	249	8,873	8,602
Longer than one year and not longer than five years		365	348	60,571	58,235	353	333	37,615	35,451
Longer than five years		-	-	60,906	63,919	-	-	52,608	52,577
Minimum future lease payments		820,912	854,409	958,891	992,216	377,446	378,281	476,023	474,329
Less future finance charges		(443,466)	(476,128)	(482,868)	(517,887)	-	-	-	-
Present value of minimum lease payments		377,446	378,281	476,023	474,329	377,446	378,281	476,023	474,329

	Note	MINIMUM FUTURE LEASE PAYMENTS ⁽ⁱ⁾				PRESENT VALUE OF MINIMUM FUTURE LEASE PAYMENTS			
		CONSOLIDATED		PARENT		CONSOLIDATED		PARENT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
INCLUDED IN THE FINANCIAL STATEMENTS AS:									
Current borrowings	11					1,870	1,021	10,577	9,374
Non-current borrowings	11					375,576	377,260	465,446	464,955
Total interest bearing liabilities						377,446	378,281	476,023	474,329

(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* (VIC), 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** (1 July 2015 to 30 June 2016)

Directors of the Board:

- > **Mr Douglas Bartley – Chairman**
(1 July 2015 to 30 September 2015)
- > **Ms Patricia Faulkner – Chairman**
(1 October 2015 to 30 June 2016)
- > **Ms Patricia Faulkner – Deputy Chairman**
(1 July 2015 to 30 September 2015)
- > **Mr Douglas Bartley – Deputy Chairman**
(1 October 2015 to 30 June 2016)
- > **Ms Virginia Hickey**
(1 July 2015 to 30 June 2016)
- > **Mr Kevin Norris**
(1 July 2015 to 30 June 2016)
- > **Mr Thomas Sargent**
(1 July 2015 to 30 June 2016)

Accountable Officer:

- > **Mr Jeroen Weimar – Acting Chief Executive**
(28 January 2016 to 30 June 2016)
- > **Mr Gary Liddle – Interim Chief Executive**
(16 September 2015 to 27 January 2016)
- > **Mr Mark Wild – Chief Executive**
(1 July 2015 to 15 September 2015)

Notes to the consolidated financial statements

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 were as follows:

Income band	TOTAL REMUNERATION			
	CONSOLIDATED		PARENT	
	2016 Number	2015 Number	2016 Number	2015 Number
\$40,000 – 49,999	3	5	3	5
\$60,000 – 69,999	1	-	1	-
\$100,000 – 109,999	1	-	1	-
\$130,000 – 139,999	1	-	1	-
\$140,000 – 149,999	1	-	1	-
\$170,000 – 179,999	1	-	1	-
\$310,000 – 319,999	-	1	-	1
\$470,000 – 479,999	-	1	-	1
Total numbers	8	7	8	7
Total amount	\$778,275	\$1,044,591	\$778,275	\$1,044,591

Related party transaction

Mr Thomas Sargant, a director of the board from 1 July 2015, is also an Australian representative of International Union of Railways. The following transaction was made between PTV and the International Union of Railways.

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Membership fee	17	-	17	-

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of ministers, the register of members' interests is publicly available from: www.parliament.vic.gov.au/publications/registerofinterests.

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 on the following page includes movements in and out of the executive team.

Notes to the consolidated financial statements

INCOME BAND	TOTAL REMUNERATION				BASE REMUNERATION			
	CONSOLIDATED		PARENT		CONSOLIDATED		PARENT	
	2016 No.	2015 No.	2016 No.	2015 No.	2016 No.	2015 No.	2016 No.	2015 No.
Less than \$100,000	4	9	4	9	8	11	8	11
\$100,000–109,999	-	-	-	-	-	-	-	-
\$110,000–119,999	1	-	1	-	2	-	2	-
\$120,000–129,999	-	-	-	-	-	-	-	-
\$130,000–139,999	3	2	3	2	1	2	1	2
\$140,000–149,999	1	2	1	2	1	5	1	5
\$150,000–159,999	4	2	4	2	5	2	5	2
\$160,000–169,999	2	6	2	6	3	6	3	6
\$170,000–179,999	2	4	2	4	2	5	2	5
\$180,000–189,999	3	4	3	4	3	6	3	6
\$190,000–199,999	6	4	6	4	9	3	9	3
\$200,000–209,999	1	3	1	3	2	2	2	2
\$210,000–219,999	5	4	5	4	1	-	1	-
\$220,000–229,999	4	-	4	-	3	2	3	2
\$230,000–239,999	2	1	2	1	2	-	2	-
\$240,000–249,999	4	1	4	1	2	-	2	-
\$250,000–259,999	1	2	1	2	1	2	1	2
\$260,000–269,999	1	-	1	-	1	-	1	-
\$270,000–279,999	-	1	-	1	1	-	1	-
\$280,000–289,999	2	-	2	-	1	-	1	-
\$290,000–299,999	1	-	1	-	2	2	2	2
\$300,000–309,999	2	-	2	-	3	-	3	-
\$310,000–319,999	-	1	-	1	-	-	-	-
\$320,000–329,999	1	2	1	2	-	-	-	-
\$330,000–339,999	2	-	2	-	-	-	-	-
\$340,000–349,999	1	1	1	1	-	1	-	1
Total numbers	53	49	53	49	53	49	53	49
Total annualised employee equivalent	42.76	39.10	42.76	39.10	42.76	39.10	42.76	39.10
Total amount	\$10,973,285	\$8,586,210	\$10,973,285	\$8,586,210	\$9,918,071	\$7,655,581	\$9,918,071	\$7,655,581

(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 contractors with significant management responsibilities which are disclosed in the relevant expense band. As a result of an organisational change in 2015-16, three contractors were responsible for planning, directing or controlling, directly or indirectly, PTV's activities on project leadership.

Expense Band	TOTAL EXPENSE (EXCLUSIVE OF GST)			
	CONSOLIDATED		PARENT	
	2016 No.	2015 No.	2016 No.	2015 No.
\$360,000 – 369,999	1	-	1	-
\$520,000 – 529,999	1	-	1	-
\$610,000 – 619,999	1	-	1	-
Total number	3	-	3	-
Total expenses (exclusive of GST)⁽ⁱ⁾	\$1,503,908	-	\$1,503,908	-

(i) \$522,300 was capitalised project expenditure.

There was no ex gratia payments made to employees of PTV (2015: Nil).

NOTE 21. REMUNERATION OF AUDITORS

	CONSOLIDATED		PARENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Victorian Auditor General's Office				
Audit or review of the financial statements	250	245	250	245

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

Notes to the consolidated financial statements

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 2016, \$835,386,338 (2015: \$844,740,265) of metropolitan and regional farebox revenue and non-farebox receipts was distributed from the myki ticketing system went to PTV, V/Line and the franchisees.

As at 30 June 2016, the following amounts were held in PTV managed bank accounts:

- > for distribution to rail franchisees and V/Line
\$7,131,626
(2015: \$9,115,704)
- > myki cardholder funds
\$95,687,078
(2015: \$80,948,588)

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 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ADMINISTERED INCOME FROM TRANSACTIONS				
Administered income from transactions				
On-the-spot penalty fares	5,978	5,206	5,978	5,206
Interest revenue	9	5	9	5
Total administered income from transactions	5,987	5,211	5,987	5,211
Administered expenses from transactions				
Payments into the Consolidated Fund via DEDJTR	(4,708)	(3,238)	(4,708)	(3,238)
Other expenses	(924)	(1,406)	(924)	(1,406)
Total administered expenses from transactions	(5,632)	(4,644)	(5,632)	(4,644)
Total administered comprehensive result	355	567	355	567
Accumulated administered result at the beginning of the year	567	-	567	-
Accumulated administered result at the end of the year	922	567	922	567
Administered financial assets				
Cash at bank	922	567	922	567
Total administered financial assets	922	567	922	567
Total administered assets	922	567	922	567

Other public transport fines are administered by the Department of Economic Development, Jobs, Transport and Resources.

NOTE 24. SUBSEQUENT EVENTS

Transport For Victoria

The Victorian Government announced on 27 June 2016 that it would establish Transport for Victoria (TFV) to bring together the planning, coordination and operation of Victoria's transport system and its agencies, including PTV. The establishment of TFV in 2016-17 will include the transfer of strategic transport planning and major capital and operating project development functions of PTV to TFV.

The Government intends to introduce legislation to create TFV and change Public Transport Victoria by the end of the 2016 calendar year.

New ticketing contract

The Victorian Government announced on 5 July 2016 that it had awarded a new contract for the operation of the myki ticketing system. The new contract will begin on 1 January 2017 with a term of seven years.

Notes to the consolidated financial statements

NOTE 25. GLOSSARY OF TERMS AND STYLE OF CONVENTIONS

Administered item

Administered item generally refers to a public sector agency lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

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 an other economic flow.

Borrowings

Borrowings refers to interest bearing liabilities mainly raised from public borrowings raised through the Victorian Government, 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

A charge levied on the written down value of controlled non current physical assets in a public sector agency's balance sheet which aims to: attribute to agency outputs the opportunity cost of capital used in service delivery; and provide incentives to agency to identify and dispose of underutilised or surplus assets in a timely manner.

Commitments

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

Controlled item

Controlled item generally refers to the capacity of a public sector agency to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

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).

Notes to the consolidated financial statements

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 is 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 2015-16 *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.



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PTV people

COMPARATIVE WORKFORCE DATA

TABLE 1: FULL TIME EQUIVALENT (FTE) STAFFING TRENDS 2013, 2014, 2015 AND 2016⁽ⁱ⁾

YEAR	2013	2014	2015	2016
Number	425 ⁽ⁱⁱ⁾	462	523	602

(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, 2015 AND 2016⁽ⁱ⁾

EMPLOYEE TYPE	ONGOING EMPLOYEES		FIXED TERM & CASUAL		
	Employee Headcount	Full Time Headcount	Part Time Headcount	FTE ⁽ⁱⁱ⁾	FTE ⁽ⁱⁱ⁾
Jun-13	377	350	27	370	56
Jun-14	409	388	21	402	60
Jun-15	437	409	28	428	95
Jun-16	462	433	29	453	149

(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, 2015 AND 2016

	2016			2015			2014			2013		
	Employees (HC)	FTE	FT & CAS	Employees (HC)	FTE	FT & CAS	Employees (HC)	FTE	FT & CAS	Employees (HC)	FTE ⁽ⁱⁱ⁾	FT & CAS
GENDER												
Male	243	242	88	233	232	51	229	228	31	221	219	34
Female	223	215	57	204	196	44	180	174	29	156	150	22
Total	466	457	145	437	428	95	409	402	60	377	370	56
AGE												
Under 25	7	7	2	4	4	4	5	5	10	6	6	2
25–34	120	117	47	116	115	24	123	121	17	105	103	14
35–44	177	174	50	143	140	41	126	123	13	109	107	19
45–54	108	107	31	116	112	18	103	102	12	102	100	11
55–64	52	50	14	49	48	7	49	48	6	52	51	9
Over 64	2	2	2	9	9	1	3	3	2	3	3	1
Total	466	457	145	437	428	95	409	402	60	377	370	56
CLASSIFICATION												
PTV1	0	0	0	–	–	0	–	–	7	–	–	14
PTV2	2	2	0	–	–	–	–	–	–	–	–	–
PTV3	49	47	13	50	48	13	50	48	16	52	50	10
PTV4	100	98	42	80	91	21	80	79	11	64	64	10
PTV5	122	121	33	117	112	25	117	116	14	110	107	15
PTV6	108	106	43	106	108	21	106	104	9	103	101	5
PSE	18	18	6	10	18	5	10	10	3	–	–	–
STS	11	11	9	10	12	4	10	10	–	5	5	–
Exec.	56	55	0	36	39	5	36	36	–	36	36	–
Other⁽ⁱⁱⁱ⁾	0	0	0	–	–	1	–	–	1	7	7	3
Total	466	457	145	409	428	95	409	402	60	377	370	56

(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 FTE's and the FTE totals appear for 2013.

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

FT = Fixed Term

CAS = Casual

HC = Headcount

PTV people

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 AND SAFETY

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

PTV strengthened its commitment to safety in 2015–16, through the expansion of the Safety and Environment division with the primary task of developing an Integrated Safety and Environment Management System for PTV. The Health, Safety and Wellbeing function merged with the Business Engagement team as part of the People and Culture Division to create a user friendly service for our business divisions.

The key achievement for the Health, Safety and Wellbeing team during the financial year is the development and launch of PTV Health and Wellbeing Program 'Healthy Me @ PTV'.

Other safety activities during the financial year included the purchase of 25 sit/stand desks to improve the ergonomics of workstations, 326 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	2015-16
Incidents	No. of reported incidents	9	17	27	12
	Rate per 100 FTE	1.18	2.23	3.55	2.16
Claims	No. of standard claims	1	2	3	3
	No. of minor claims	–	–	1	0
	Rate per 100 FTE	–	–	0.13	0.36
	No. of claims exceeding 13 weeks ⁽ⁱⁱ⁾	0	0	2	2
	Rate per 100 FTE	–	–	0.26	0.36
Fatalities	Fatality claims	0	0	0	0
Claim costs	Average cost per standard claim ⁽ⁱⁱⁱ⁾	\$183	\$2,874	\$21,268	\$22,675
Return to work	Percentage of claims with RTW plan <30 days	N/A	N/A	N/A	0
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	Completed
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel)	Completed	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of designated work groups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs)	Completed	Completed	Completed	Completed
	Compliance with agreed structure on DWGs, HSRs, and IRPs	Completed	Completed	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned	100%	100%	100%	100%
	Percentage of issues identified actioned arising from:				
	– internal audits	100%	51%	68%	79%
	– HSR provisional improvement notices (PINs)	N/A	N/A	0	0
	– WorkSafe notices	N/A	N/A	1	0

PTV people

MEASURE	KPI	2012–13	2013–14	2014–15	2015–16
Training	Percentage of managers and staff that have received OHS training:				
	– induction	0%	91%	97%	98%
	– management training	0%	90%	90%	92%
	– contractors, temps, and visitors.	N/A	N/A	95%	99%
	Percentage of HSRs trained:				
	– acceptance of role	100%	78%	100%	100%
	– re training (refresher)	N/A	N/A	100%	100%

- (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) 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).
- (iii) Data is provided by PTV insurer Xchanging.

OVERVIEW

Incidents

There were no notifiable incidents requiring notification to the authority WorkSafe Victoria in 2015–16.

The majority of reported incidents were from PTV employees who interact with the public through frontline roles such as working in the customer service hubs. PTV is developing training and education to support staff in dealing with conflict and confrontation in these environments.

Management commitment

This KPI was partially completed with the formation of the Integrated Safety and Environment Management System Project Steering Committee, comprising PTV executives and key internal stakeholders.

Workers' compensation

There were a total of three workers' compensation claims in 2015–16. These were standard claims, where the employee was paid compensation for lost time due to their compensable injury. Of the three standard claims, one claim exceeded 13 weeks.

At the conclusion of 2015–16, two standard claims were closed, with the employees returning to full pre-injury hours and duties, and one remains open with the employee receiving ongoing treatment and support to eventually return to pre-injury hours and duties.

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 *Managing the Environmental Impacts of Transport* (2014).

PTV has developed the *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 procurement processes.
- > Promotion of forms of energy and transport technologies which have least environmental impact.
- > Development and implementation of sustainability specifications.

PTV's Environment Management System (EMS) has been established to meet Government expectations and to reduce the impact on the environment. The initial focus is 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.

PTV's environment and sustainability responsibilities will grow in 2016–17 with more partnerships with our operators. Projects have been proposed and will be further developed to reduce the energy consumption and emissions of our suburban train operation, to introduce solar photovoltaic panels and L.E.D lighting to existing buildings and fleet, and to deliver a feasibility study on electric bus services in Victoria. Work will also start on the Flinders Street Station redevelopment in partnership with the Infrastructure Sustainability Council of Australia so that we deliver an accredited sustainably-based project. Improving the sustainability performance and resilience to climate change impacts of our transport networks is a key priority for PTV.

Environment

ENERGY

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.

Indicator	2015–16		
	Electricity	Natural gas	Green power
Total energy usage segmented by primary source (MJ)	3,738,875	–	–
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO ₂ e)	1,181	–	–
Percentage of electricity purchased as green power	0	–	–
Units of energy used per FTE (MJ/FTE)	6668.5	–	–
Units of energy used per unit of office area (MJ/m ²)	265	–	–
Actions undertaken			
N/A	N/A		

Target

> 10 per cent energy intensity reduction, measured as MJ/m², from 2015–16 values by 30 June 2018.

WASTE

The waste generated by processes within PTV is divided into two general classes – landfill and commingled recycling. Compostable waste was added late in 2015–16 and is not available within the 2015–16 Annual Report due to the lack of comprehensive data. Waste at 750 Collins St is managed by the building owner/manager, GPT.

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

Indicator	2015–16	
	Landfill	Co-mingled recycling
Total units of waste disposed of by destination (kg/yr)	15,842.5	10,722.5
Units of waste disposed of per FTE by destinations (kg/FTE)	28.34	19.18
Recycling rate (percentage of total waste)		40.4%
Greenhouse gas emissions associated with waste disposal (t CO ₂ e)		22.17
Actions undertaken		
Avoidance to landfill	Organics bins introduced in May 2016 – awaiting data	

Targets

- > Monitor waste volumes and contamination to increase our percentage of waste avoiding landfill.
- > Work with local food/drink businesses to reduce non-recyclable food waste packaging taken back to PTV offices
- > Introduce and encourage waste solutions for staff for commonly thrown away items – such as by keeping cups to replace disposable coffee cups.
- > Provide regular feedback to staff on the building's waste performance and how they can assist.
- > Clear and simple system set up expanded over 2015–16 to include organics. The next step is to monitor and provide feedback and look for solutions to commonly landfilled items.

Explanatory notes

Waste greenhouse gas emissions calculations have been determined from the *National Greenhouse Accounts Factors (2015)* for waste disposed to landfill. They are measured in tonnes of carbon dioxide equivalent.

Environment

PAPER

INDICATOR	2015–16
Total units of copy paper used (reams)	5,416
Units of copy paper used per FTE (reams/FTE)	9.68
Percentage of 75 100% recycled content copy paper purchased	94.3
Percentage of 50 75% recycled content copy paper purchased	–
Percentage of 0 50% recycled content copy paper purchased	5.7
Actions undertaken	
Printing defaults	> PTV has default black and white printing enabled across the office
Multifunctional devices	> PTV has default duplex printing enabled across the office > PTV has 30 multifunctional printing devices across the office > PTV has introduced 'follow me' printing

Target

- > Reduce total units of A4 equivalent copy paper used (reams) by 5 per cent based on 2015–16 baselines by 30 June 2018.

WATER

This data is based on water meter readings from the tenancy. The building is a 'five-star' rated building.

INDICATOR	2015–16
Total units of metered water consumed by usage types (kilolitres)	2,794*
Units of metered water consumed in offices per FTE (kilolitres/FTE)	5
Units of metered water consumed in offices per unit of office area (kilolitres/m ²)	0.19
Actions undertaken	
Water-saving features	Through GPT, PTV has introduced low-flow taps across bathrooms on all PTV floors at 750 Collins St

Target

- > 10 per cent reduction in water consumption based on 2015–16 baseline (litres per FTE) by 30 June 2018.

Explanatory notes

Water data is provided by building management (GPT) as per lease requirements for the entire 750 Collins Street building. Water usage for PTV is calculated by dividing the total water consumed at 750 Collins Street by the number of floors occupied by PTV.

Environment

TRANSPORT

PTV's fleet contains 19 vehicles comprising:

- > 8 executive fleet vehicles
- > 11 operational vehicles

Fleet details:

- > 17 vehicles (89%) run on unleaded fuel (10 are hybrid vehicles)

- > Two vehicles run on diesel fuel.
- > 13 vehicles (68%) are four-cylinder vehicles.
- > 4 vehicles are six-cylinder vehicles.

PTV also made 52 pool vehicle hires (38 different vehicles) during 2015–16. Of these, two were diesel, four were hybrid, one was LPG and 31 were unleaded fuel. The fuel usage and distance travelled are included within the adjacent table.

REPORTING PERIOD	2015–16	2015–16
Vehicle type	4 cyl	6 cyl
Total energy consumption by vehicles (MJ)		
Diesel	–	47.89
LPG	101	–
Unleaded	10,086.78	–
Hybrid	4440.55	–
Total vehicle travel associated with entity operations (km)		203,745
Diesel	–	950
LPG	7.87	–
Unleaded	107,161	–
Hybrid	95,626	–
Total greenhouse gas emissions from vehicle fleet (t CO² e)		35
Diesel	–	–
LPG	–	–
Unleaded	24	–
Hybrid	11	–
Greenhouse gas emissions from vehicle fleet per 1,000 km travelled (t CO² e)		0.17
Diesel	–	–
LPG	–	–
Unleaded	–	–
Hybrid	–	–

Work-related flights	Total distance travelled by aeroplane (km)	GHG
2015–16	577,207.32	146.77

Target

Investigate efficiencies to reduce consumption of fuels used by PTV's passenger vehicle fleet (compared with 2015–16) by 10 per cent by 30 June 2018.

GREENHOUSE GAS EMISSIONS

The emissions disclosed below are taken from the previous sections and combined here to show PTV's greenhouse footprint measured in tonnes of carbon dioxide equivalent (t CO₂ e).

INDICATOR	2015-16
Total greenhouse gas emissions associated with energy use (t CO ₂ e)	1181
Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ e)	35
Total greenhouse gas emissions associated with air travel (t CO ₂ e)	146.77
Total greenhouse gas emissions associated with waste production (t CO ₂ e)	22.17
Greenhouse gas emissions offsets purchased (t CO ₂ e)	None

Target

- > To investigate options to reduce environmental footprint at PTV.

Explanatory notes

PTV has recently assessed its environmental footprint, creating a baseline from which to investigate efficiencies to reduce our carbon footprint.

Other information

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

- > environmental staff awareness programs into the PTV induction
- > 10 hybrid vehicles into the executive fleet to reduce fuel use and greenhouse gas emissions
- > 'Follow me' printing to reduce the volume of printing by PTV employees, saving paper and energy associated with printing.

PTV has developed a green purchasing policy that complies with the Victorian 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* (Vic).

Protected Disclosure Act 2012

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

The Protected Disclosure Act encourages and assists people in making disclosures of improper or corrupt conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act 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.

Freedom of information summary

The Freedom of Information Act 1982 (Vic) 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. One was resolved informally with the applicant and one complaint remained outstanding as at 30 June 2016.

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. In summary, the requirements for making a request are that:

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

Requests for documents in the possession of Public Transport Victoria 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 summary

FREEDOM OF INFORMATION ACTIVITY 2015–16

REQUESTS RECEIVED

Member of Parliament	39
Media	23
Others ⁽ⁱ⁾	35
Total	97

DECISIONS MADE

Full access	21
Part access	42
Denied access	5
No documents	14
Transferred/Withdrawn ⁽ⁱⁱ⁾	20
Total	102

PROCESSING TIME

Average processing time	24.9 days
45 days or less	99
46 to 90 days	3
Over 90 days	0
Total	102

FOIC REVIEW/COMPLAINTS RECEIVED

Member of Parliament	4
Media	1
Others	3
Total	8

OUTCOME OF FOIC REVIEW/COMPLAINTS

Complaint resolved – No further action	1
Decision confirmed	1
Decision varied	1
Review dismissed/withdrawn following fresh decision by agency	2
Decision pending	3
Total	8

VCAT APPEALS RECEIVED

Member of Parliament	0
Media	0
Others	0
Total	0
Total	0

VCAT APPEALS DECIDED

Withdrawn	0
Struck out	0
Decision not finalised	0
Total	0

(i) Includes solicitors, companies/organisations, private persons and lobby groups.

(ii) Includes requests transferred, withdrawn, not processed, not proceeded with and where The *FOI Act* does not apply.

Disclosure of Victorian Government advertising expenditure

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

NAME OF CAMPAIGN	CAMPAIGN SUMMARY	START/ END DATE	EXPENDITURE (EXCLUDING GST)				
			Advertising (media)	Creative and campaign development	Research and evaluation	Print and collateral	Other campaign
Homesafe – 24-hr weekend public transport trial	Increase awareness and encourage use of the <i>Night Network</i> , 24-hour public transport on Friday and Saturday nights, trial from 1 January 2016.	Phase 1 23/10/2015– 03/12/2015	\$812,739.29	\$36,318	\$96,732	\$45,117	–
		Phase 2 13/12/2015– 03/04/2016	–	\$921,026	–	–	–
Fare Compliance/ myki pass	This campaign promotes the benefits of myki pass to frequent (myki money) travellers of the network. The campaign aims to address accidental and unintentional fare evasion that occurs when customers are unprepared to travel with insufficient funds on their myki. By transitioning them to a 'high readiness' or 'prepaid' product we ensure more customers are ready to travel and that our frequent users are on the best myki product for them.	06/06/2015– 16/07/2016	\$499,733.61	\$144,269	\$0	\$29,722	–

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
- > 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.

PTV is therefore working to enable Victoria to fulfil 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

PTV commenced three contracts in 2015–16, with an average of 94% estimated to be of local content.

Risk and insurance attestation

ATTESTATION FOR COMPLIANCE WITH THE MINISTERIAL STANDING DIRECTION 4.5.5 – RISK AND INSURANCE

I, Patricia Faulkner, 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 Risk and Insurance for the 2015–2016 financial year, with the exception of a partial compliance with the requirements for the management of shared inter-agency risks.

The partial compliance relates to the introduction of the risk management of interagency risks during the year. Processes are being developed with related agencies however, due to the recent development of these processes, it is not yet possible to ascertain if they have been appropriately integrated and embedded into the organisation.

The PTV Audit and Risk Committee verifies this.



Patricia Faulkner
Chairman
Public Transport Victoria
16 September 2016

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*(Vic).

Disclosure of major contracts compliance

PTV has disclosed, in accordance with the requirements of Victorian Government policy and accompanying guidelines, all contracts greater than \$10 million in value which it entered into during the year ended 30 June 2016.

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 2015–16, there were 79 consultancies where the total fees payable to the consultants were \$10,000 or greater. Total expenditure incurred in 2015–16 in relation to these consultancies was \$42,525,232 (excl. GST).

Details of consultancies under \$10,000

In 2015–16, there were two consultancies where the total fees payable to the consultants were less than \$10,000. Total expenditure incurred in 2015–16 in relation to these consultancies was \$4,845 (excl. GST).

A full list of PTV contractors and consultants engaged in 2015–16, 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 (Vic)* 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.
- > 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.

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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.

PTVH2071/16. Authorised by Public Transport Victoria, 750 Collins Street, Docklands