Department of
**Transport**

# ANNUAL REPORT

2016-17

# Our Purpose

**We provide and enable safe, accessible and efficient movement for the economic and social prosperity of Western Australia.**

# Our Vision

**To have the best integrated and intelligent transport services and solutions for the State.**

# Our Values

### Clear Direction

We set clear direction and have the courage to follow through.

### Fresh Thinking

We welcome fresh thinking and better ways of working.

### Excellent Service

We work together to deliver excellent service.

### Great people

We make things happen through our great people.

# Statement of compliance with the *Financial Management Act 2006*

## For the year ended 30 June 2017

To the Minister
Hon. Rita Saffioti MLA
Minister for Transport

In accordance with Section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the Annual Report of the Department of Transport (DoT) for the financial year ended 30 June 2017.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and fulfils DoT's reporting obligations under the *Public Sector Management Act 1994*, the *Disability Services Act 1993 and the Electoral Act 1907*.

**Richard Sellers**
Director General - Transport

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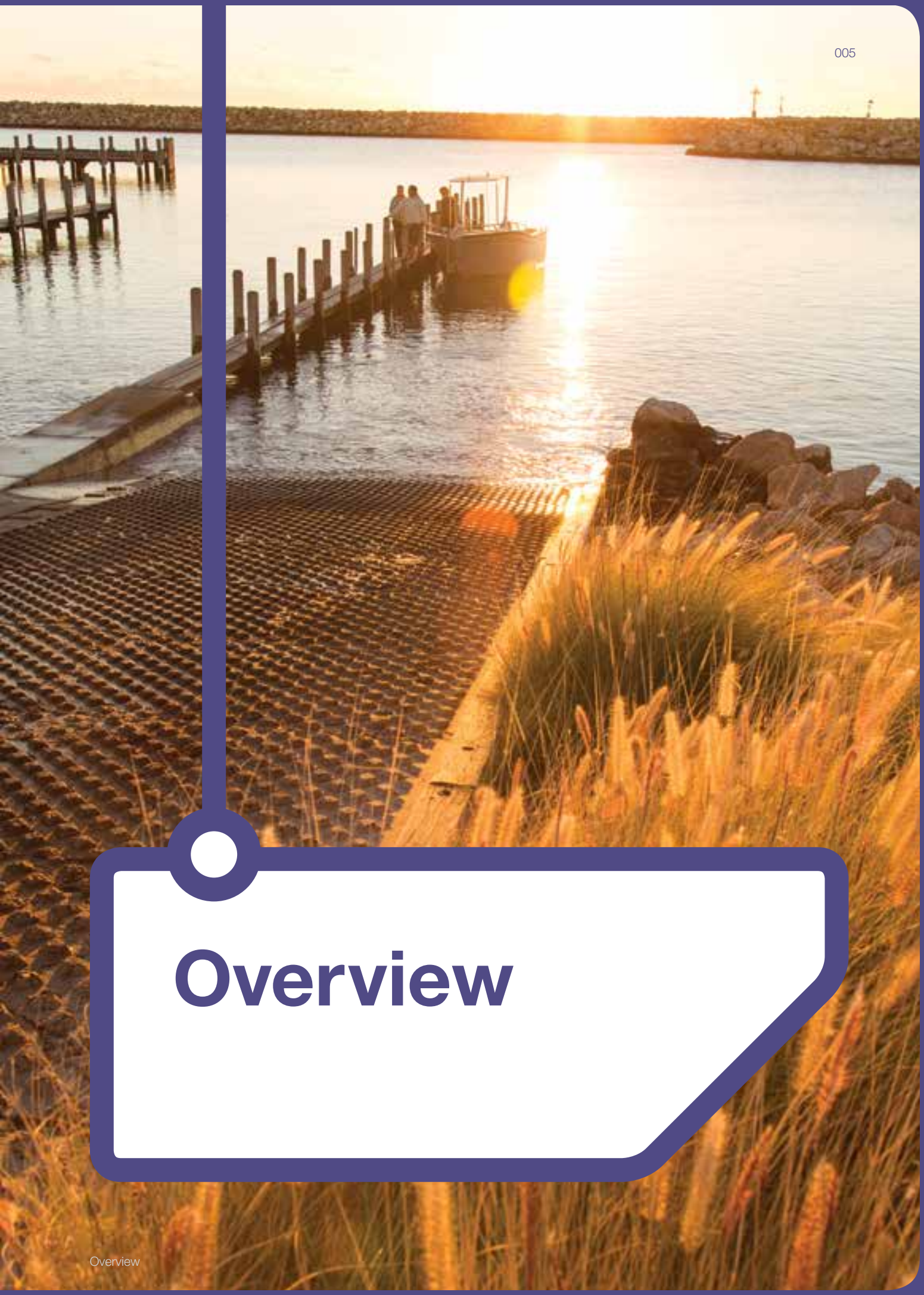


# Overview

# Director General's Foreword

I am proud to present the Department of Transport's (DoT) Annual Report for 2016-17.

It highlights our achievements in delivering a range of transport services and solutions for Western Australia and our commitment to further improving these for our customers.

DoT together with the Public Transport Authority (PTA) and Main Roads Western Australia (Main Roads) have a clear focus on working collaboratively as a Portfolio, an approach that is evident right across our respective operations.

As Western Australia experiences a period of economic transition and our customers' needs continue to evolve, it is more important than ever that we maximise the value of the State's transport systems. To achieve this, we will continue to work closely with the PTA and Main Roads to better integrate the Transport Portfolio agencies to ensure holistic transport planning and delivery.

This approach is clear in the *Transport @ 3.5 Million: Perth and Peel Transport Plan for 3.5 Million People and Beyond.* The plan, released in February 2017, identifies the long-term infrastructure requirements, strategies for network optimisation and travel demand management that are needed to keep Perth moving as it grows towards a population of 3.5 million people.

DoT and its portfolio partners are working together to review and revise the plan to include the State Government's METRONET rail and land use planning enhancements.

During the reporting period the first tranche of the On-demand Transport reforms were rolled out which included a $27.5 million Transition Assistance Package to support eligible Perth taxi plate owners. Further work is currently underway, with our team progressing legislative changes to bring the taxi and charter sectors under a single unified Act in 2017-18.

We have a clear focus on providing services that best meet our customers' needs and changing expectations. During the reporting period we have made enhancements to our online service platform DoTDirect, with improved functionality to encourage customers to complete a range of transactions online.

We successfully trialled iAssess - a mobile tablet application that electronically records Practical Driving Assessments – to streamline the assessment process and save time for assessors and customers. The data collected from the system will be used to improve key driver behaviour and ultimately, road safety.

DoT has positively contributed to road safety through a number of initiatives in 2016-17. We worked closely with a range of State Government agencies to introduce

Western Australia's first Alcohol Interlock system aimed at reducing the road safety risk posed by drink driving.

Throughout the reporting period we continued to work with local governments to trial bike boulevards in the Cities of Vincent, Bayswater and Belmont. The boulevards are designed to create a safe environment for cars and bikes to share the road by reducing speeds to 30km per hour.

Safety is paramount not only on our roads but in and around our State's waterways. We undertook an Aquatic Use Review of Matilda Bay to ensure the safe, equitable and sustainable use of the popular Swan River waterway and implemented changes to lifejacket standards to improve wear rates amongst the growing recreational boating community.

The community will benefit from the August 2017 completion of the $20.146 million Exmouth Boat Harbour. Once complete, the harbour will provide Exmouth and the wider Gascoyne region increased capacity and efficiency as a service and support centre for the oil and gas sector.

Our regions also benefitted from improved airport infrastructure, with a total of 24 Regional Airports Development Scheme projects completed across the State in 2016-17. The projects, with a combined value of $13 million, included the $3.7 million redevelopment of Carnarvon Airport.

It is crucial that we continue to invest in both our metropolitan and regional transport networks and services to keep our communities connected and our economy strong.

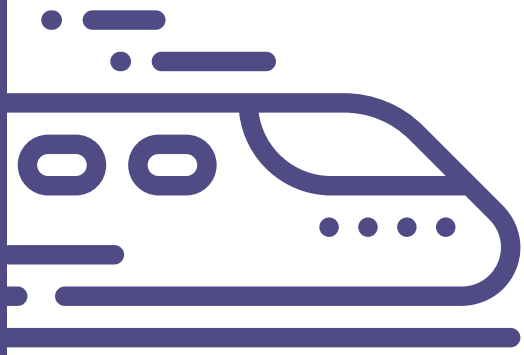
I have every confidence that DoT, together with our portfolio partners, have the expertise to contribute to the social and economic prosperity of Western Australia. I would like to acknowledge the dedication and hard work of all DoT employees who have and will continue to contribute directly to the Department's success in the year ahead.

As my first year as Director General comes to a close, it is clear that this is an exciting time for the Transport Portfolio. There are many planned projects and innovative changes that will provide significant benefits to Western Australian communities and the State's economy over the coming years. I look forward to what I'm sure will be another progressive year for transport in Western Australia in 2017-18.

**Richard Sellers**
Director General - Transport

***"It is crucial that we continue to invest in both our metropolitan and regional transport networks and services to keep our communities connected and our economy strong."***

# Highlights

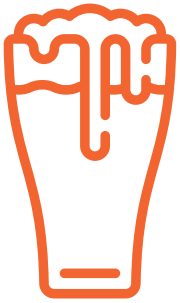


## Visionary Transport @ 3.5 Million:

Perth and Peel Transport Plan for 3.5 Million People and Beyond released.

## The $20.14 m

Exmouth Boat Harbour upgrade neared completion.



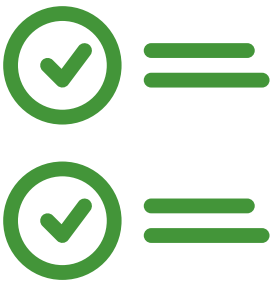
Western Australia's first

## Alcohol Interlock Scheme

introduced to reduce the road safety risk posed by drink driving.

## DoTDirect

improved customer convenience and choice by offering simpler sign-up and access to a wider range of online transactions.



First tranche of on-demand

## transport industry reforms

rolled out to deliver more equitable, flexible and innovative services for customers and operators.

## Safety improved

on the Swan River through the Matilda Bay Aquatic Use Review

## METRONET Office

established to drive the State Government's vision to transform Perth's transport network.

## WA's first bike boulevards

allowed drivers and cyclists to share streets more safely.

## $27.5 million

Transition Assistance Package supported metropolitan taxi plate owners through the reform.

## $4.5 million

invested in regional airports to improve infrastructure and safety.

## Over $40 million

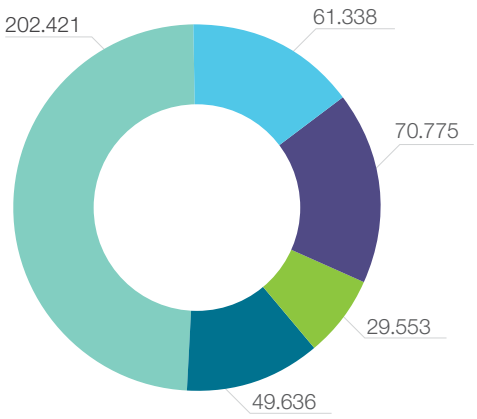
invested in transport initiatives to keep central Perth moving.

# Financial Summary

DoT provides services to numerous stakeholders, clients and customers aggregated into the following high-level service categories:

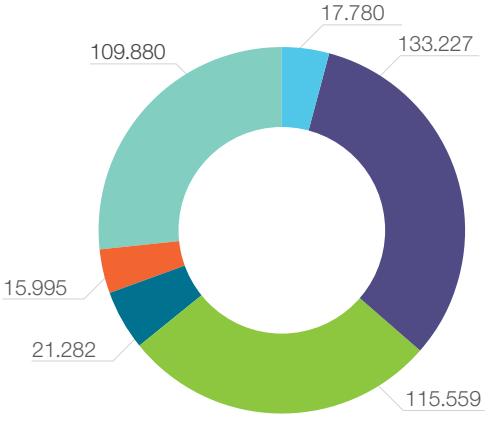
- Coastal Infrastructure
- Marine Safety
- On-demand Transport
- Driver and Vehicle Services
- Strategic Transport Policy and Integrated Planning

Gross expenses in 2016-17 totalled $413.72 million and the net cost of services, which takes into account operating revenue, was $87.75 million. The following charts illustrate gross expenses by service and expense categories.



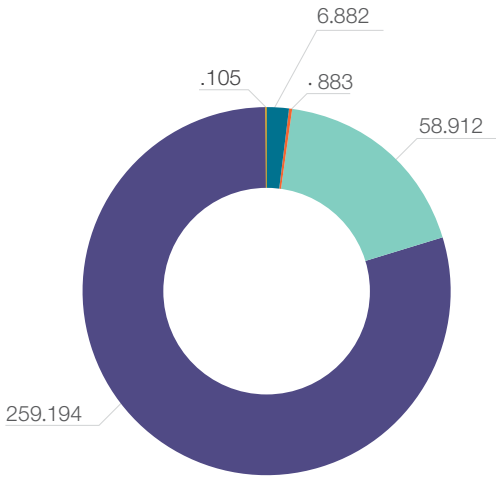

**Operating expenses by services $413.72 million**

- Strategic Transport Policy and Integrated Planning
- Coastal Infrastructure
- Marine Safety
- On-demand Transport
- Driver and Vehicle Services




**Operating expenses by category $413.72 million**

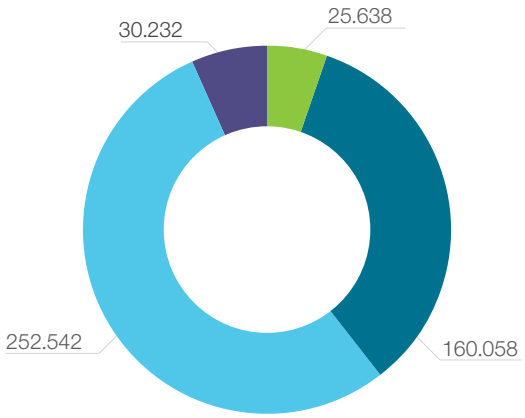
- Grants and subsidies
- Accommodation expenses
- Employee expenses
- Supplies and services
- Depreciation and amortisation expense
- All other expenses




### Income by Category $325.98 million

DoT generates income from operating activities primarily in the areas of driver and vehicle services, management of coastal facilities, marine safety, parking levies in the Perth Central Business District and regulation of the taxi industry.

- User charges and fees
- Sales
- Grants and subsidies
- Interest revenues
- Other revenues

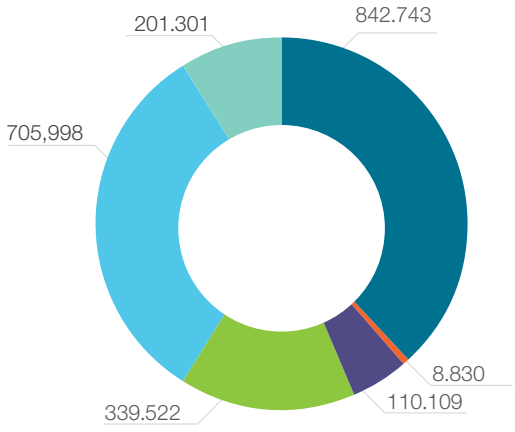



### Assets Under Management $468.47 million

DoT managed a diverse physical asset base totaling $468.47 million to deliver its services. The chart shows the distribution by asset class.

DoT's equity at 30 June 2017 was $719.57 million.

- Intangible Assets
- Construction in Progress
- Property, plant and equipment
- Infrastructure




### Administered Revenues $2.2 billion

DoT also administers functions where the revenue is taken directly to the Consolidated Account or to other Government agencies. Total administered revenue from these functions totalled $2.2 billion in 2016-17 as illustrated.

- Motor vehicle registrations
- Plate and transfer infringements
- Speed and red light infringement fines
- Stamp duty
- Third party motor vehicle insurance premiums
- Other

# Operational Structure

## The Transport Portfolio

DoT is part of the State Government's Transport Portfolio and takes a lead role in integrating and enhancing coordination of the State's transport operations, regulatory functions and planning and policy development processes.

Throughout 2016-17, Richard Sellers concurrently held the positions of Director General – Transport, Chief Executive Officer of the Public Transport Authority (PTA) and Commissioner of Main Roads WA (Main Roads).

The structure of the Transport Portfolio is outlined on page 13.

## The Department of Transport

DoT delivers its services through two divisions – Policy, Planning and Investment (PPI) and Transport Services.

PPI provides strategic transport policy, integrated transport planning solutions and coordinated investment decisions in collaboration with key stakeholders, to assist in the development of a safe and sustainable transport system for the movement of people and freight.

Transport Services leads and manages the State-wide delivery of a number of specialist transport services, including driver and vehicle services, coastal infrastructure and marine safety, while also regulating Western Australia's on-demand transport industry.

The core functions of each directorate that make up these divisions are outlined in the Organisational Chart on page 14.

## Changes to the Department

Throughout 2016-17, DoT refined the structure of its cycling team, which sits within the Integrated Transport Planning directorate. The changes better align the team's functions and skill sets with the business needs to ensure it is well placed to meet the State's cycling needs.

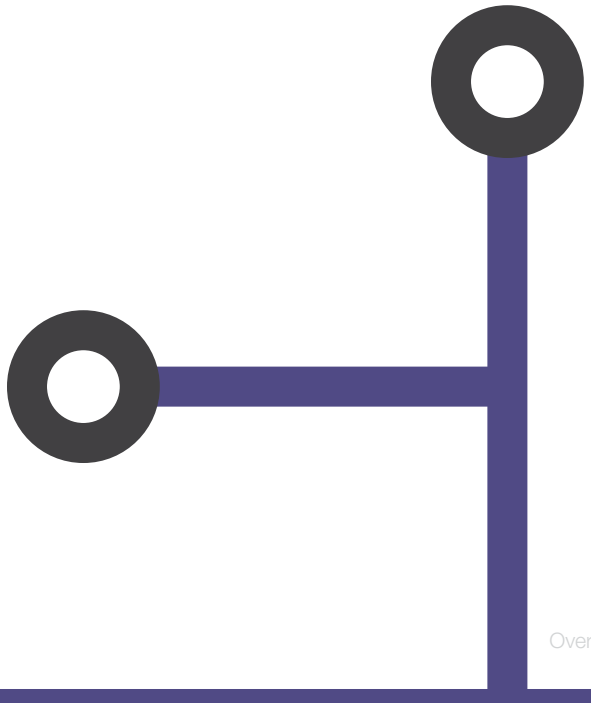
In June 2017, the METRONET Office was established to oversee the delivery of this transformational State Government project. The Office, comprising experts in transport planning, land development and town planning, is led by a Project Director reporting directly to the Minister for Transport; Planning; Lands.

## Enabling legislation

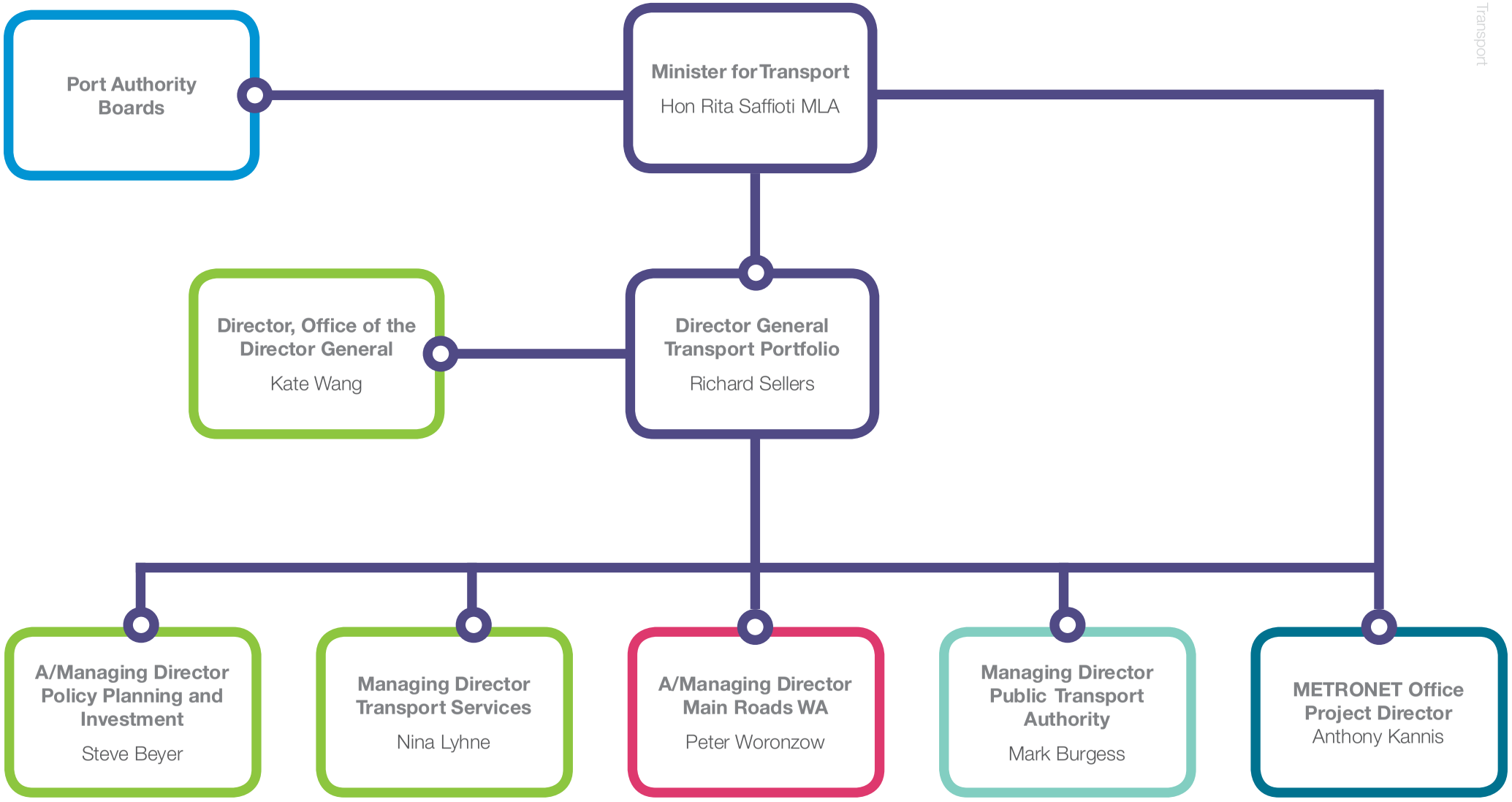
DoT was established on 1 July 2009, under the *Public Sector Management Act 1994.*

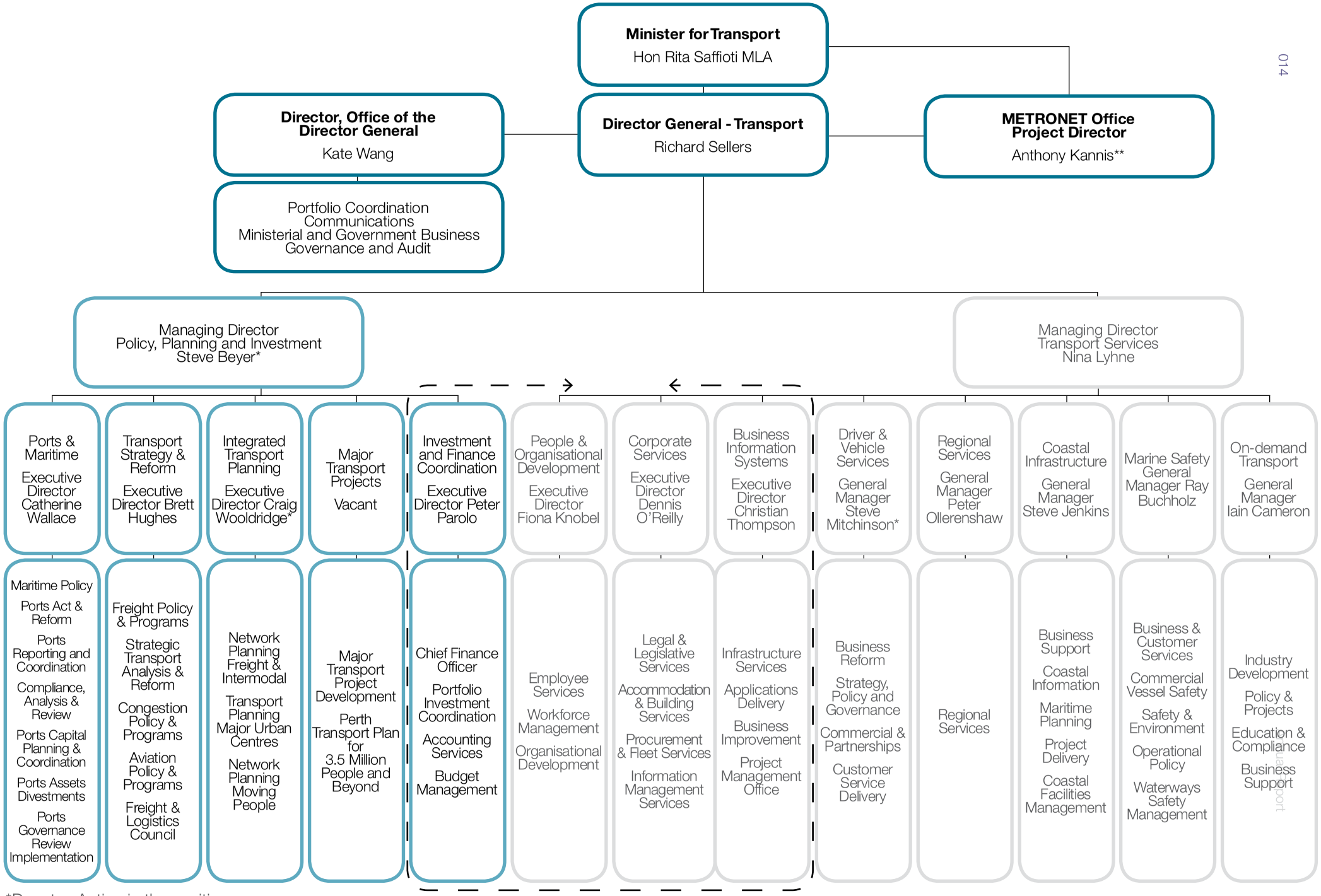
## Responsible Minister

Hon. Rita Saffioti MLA, Minister for Transport.



# Transport portfolio






*Denotes Acting in the position

** The METRONET Office is administered by DoT and headed by the Project Director who reports to the Minister.

# Corporate Executive

**Richard Sellers**
Director General – Transport

Richard was appointed as the Director General of DoT in September 2016.

He holds a Bachelor of Applied Science in Biology, a Graduate Diploma in Education and Master of Public Policy and Management.

Richard has extensive experience in the public sector. In his former position as the Director General of the Department of Mines and Petroleum (DMP), he took a lead role in encouraging exploration to ensure the State's ongoing development.

His stewardship of DMP during the busiest growth period of Western Australia's resources industry was marked by innovations and significant reforms in a number of areas, including safety, the environment, approvals and administration.

His contribution has been recognised by the Institute of Public Administration Australia (IPAA), which awarded him the 2014 WA Patron's Award, and nationally by IPAA who also announced him a National Fellow at its annual conference in 2014.

The Patron's Award is the highest honour in public administration given annually to an individual who has made a significant contribution to the State and the National Fellow accolade recognises outstanding contribution to the practice and study of public administration.

**Steve Beyer**
A/Managing Director – Policy, Planning and Investment

Steve was appointed as Acting Managing Director – Policy, Planning and Investment in February 2017. He brings a wealth of knowledge to the role with 30 years' experience working with Western Australian transport agencies, including seven years as Executive Director of DoT's Integrated Transport Planning business unit.

Steve and his expert team provide policy advice, strategic transport solutions and coordinated investment decisions to the State Government to assist in effective movement of people and goods.

Steve is committed to working with the State Government to define and implement priority transport projects, build relationships and collaboration across the Transport Portfolio and shape new directions for the Policy, Planning and Investment division for a unified approach to the planning and delivery of Western Australia's transport services, infrastructure and systems.

**Nina Lyhne**
Managing Director – Transport Services

Nina joined DoT in January 2011 as the Managing Director – Transport Services. Nina holds a Bachelor of Arts degree in Psychology and has previously held the positions of WorkSafe Western Australia Commissioner and the Executive Director of the Office of Road Safety. Nina has worked in diverse roles across government agencies in sectors ranging from trade and commerce to community development and occupational safety and health.

In her key role with DoT, Nina is responsible for the delivery of a wide range of transport services including driver and vehicle services, coastal infrastructure, marine and rail safety and on-demand transport. She also oversees the provision of information technology, people and corporate services for DoT.

**Kate Wang**
Director – Office of the Director General

Kate joined DoT as Director – Office of the Director General in October 2014. In this strategically focused role, Kate leads the communications, ministerial and government business and governance and audit activities of the Department, ensuring strong coordination and collaboration across the Transport Portfolio.

Kate has more than 20 years' State Government experience, having worked in policy and project roles for a range of agencies and Ministerial offices across the portfolios of Transport, Commerce, and Education.

As Principal Policy Advisor to the Minister for Transport for five years, she has a thorough understanding of the challenges and opportunities facing DoT and its portfolio partners. This background, together with a Masters of Business Administration, enables Kate to effectively lead the business and strategic planning for DoT and the Transport Portfolio and to facilitate the progression of key priorities on behalf of the Director General.

**Fiona Knobel**
Executive Director – People and Organisational Development

Fiona joined DoT as the Executive Director – People and Organisational Development in July 2011.

At DoT, Fiona has played an integral role in creating a sustainable values-driven organisation to enable DoT's vision. She has overseen the strategic alignment and delivery of people strategies to support the values and deliver excellent customer service.

Fiona holds a Master of Business in Human Resource Management and is a Fellow with the Australian Human Resources Institute. She has more than 25 years' experience working across both the public and private sectors. Fiona is a strategically focused executive, leader and practitioner of managing people, performance and organisational culture to achieve the desired financial and non-financial business results.

**Dennis O'Reilly**
Executive Director – Corporate Services

Dennis was appointed as the Executive Director - Corporate Services in February 2012.

A public servant for over 25 years, Dennis' previous roles include more than six years leading Main Road's customer service transformation and DoT's Regional Services Business Unit.

In his current role, Dennis builds internal partnerships to provide quality services in the areas of accommodation and buildings, procurement and fleet, information and records management, as well as legal and legislative services.

During his time with Corporate Services, Dennis has provided his team with a clear focus in respect to customer service, relationship-building, business improvement and innovation and governance and accountability.

*DoT Corporate Executive (L-R) Dennis O'Reilly, Fiona Knobel, Steve Mitchinson, Richard Sellers, Christian Thompson, Peter Parolo, Kate Wang, Steve Beyer and Nina Lyhne.*

**Peter Parolo**
Executive Director – Investment and Finance Coordination

Peter was appointed as Executive Director – Investment and Finance Coordination in 2015. He joined DoT in 2011 as Executive Director of Ports and Maritime.

Previously Peter was Chief Financial Officer for the Department of Water and has more than 30 years' experience in financial management within the public and private sectors.

Peter holds a Master in Accounting and is a Fellow of Certified Practising Accountants Australia. He is responsible for leading and managing DoT's broad financial accounting services, reporting requirements, budgeting and planning. He is also responsible for the portfolio coordination unit that manages portfolio project assessment and coordination.

**Steve Mitchinson**
A/General Manager – Driver and Vehicle Services

Steve joined DoT's Driver and Vehicle Services business unit as Director, Customer Service Delivery in November 2015 and was appointed as Acting General Manager in February 2017.

He is responsible for overseeing all aspects of driver and vehicle licensing in Western Australia to ensure DoT achieves its outcomes of safe drivers, safe vehicles, secure identities and excellence in service.

Steve has extensive experience in both the public and private sectors. He has worked and consulted for a broad range of Australia's public utilities, agencies and iconic brands, including VicRoads and NSW Roads and Maritime Services.

His expertise in licensing services, strategic planning and achieving operational excellence allow him to empower his dynamic team and optimise new technologies to improve all aspects of driver and vehicle licensing in Western Australia.

As Chair of DoT's Customer Experience Steering Committee Steve understands and is committed to meeting the needs of our customers.

**Christian Thompson**
Executive Director – Business Information Systems

Christian commenced as Executive Director – Business Information Systems in April 2015. In this newly created role, Christian provides strategic direction for the development and support of information technology across DoT.

His expertise in leading high-performing, innovative technology teams ensures the smooth delivery of IT services both internally and externally, as DoT continues to improve its online service delivery to meet the growing needs of its customers.

Christian holds qualifications in geology and IT and has more than 30 years' experience in the latter. He has worked in various IT roles within the mining industry including General Manager of Shared Business Services for Rio Tinto and Chief Information Officer for iron ore junior Citic Pacific Mining.

# Administered Legislation

**On behalf of the Minister for Transport, DoT administers the following Acts:**

- *Air Navigation Act 1937*
- *Civil Aviation (Carriers' Liability) Act 1961*
- *Damage by Aircraft Act 1964*
- *Harbours and Jetties Act 1928*
- *Jetties Act 1926*
- *Lights (Navigation Protection) Act 1938*
- *Marine and Harbours Act 1981*
- *Marine Navigational Aids Act 1973*
- *Maritime Fees and Charges (Taxing) Act 1999*
- *Motor Vehicle Drivers Instructors Act 1963*
- *Owner-Drivers (Contracts and Disputes) Act 2007*
- *Perth Parking Management Act 1999*
- *Perth Parking Management (Consequential Provisions) Act 1999*
- *Perth Parking Management (Taxing) Act 1999*
- *Pilots' Limitation of Liability Act 1962*
- *Pollution of Waters By Oil and Noxious Substances Act 1987*
- *Port Authorities Act 1999*
- *Rail Safety National Law (WA) Act 2015*
- *Road Traffic (Administration) Act 2008*
- *Road Traffic (Authorisation to Drive) Act 2008*
- *Road Traffic (Vehicles) Act 2012*
- *Road Traffic (Vehicles) (Taxing) Act 2008*
- *Sea-Carriage of Goods Act 1909*
- *Shipping and Pilotage Act 1967*
- *Taxi Act 1994*
- *Taxi Drivers Licensing Act 2014*
- *Trans-Continental Railway Act 1911*
- *Transport Co-ordination Act 1966*
- *Western Australian Marine Act 1982*
- *Wire and Wire Netting Act 1926*
- *Western Australian Photo Card Act 2014*

**Other legislation affecting the functions and operation of DoT include:**

- *State Records Act 2000*
- *State Trading Concerns Act 1916*
- *Criminal Code 1913*
- *Electronic Transactions Act 2011*
- *Evidence Act 1906*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Limitation Act 2005*
- *Public Sector Management Act 1994*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Industrial Relations Act 1979*
- *Interpretation Act 1984*
- *Library Board of Western Australia Act 1951*
- *Minimum Conditions of Employment Act 1993*
- *Native Title Act 1993 (Commonwealth)*
- *Occupational Safety and Health Act 1984*
- *Royal Commission (Custody of Records) Act 1992*
- *State Supply Commission Act 1991*

# Performance Management Framework

## Outcome-based management framework

Under an outcome-based management framework, DoT contributes to two of the State Government's strategic goals:

| State Government strategic goals | DoT outcomes | DoT services |
|---|---|---|
| **Results based service delivery**<br>Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians | 1. An accessible and safe transport system | **Service 1:** Coastal Infrastructure<br>**Service 2:** Marine Safety<br>**Service 3:** On-demand Transport |
| | 2. Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers | **Service 4:** Driver and Vehicle Services |
| **State building – major projects**<br>Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development | 3. Integrated transport systems that facilitate economic development | **Service 5:** Strategic Transport Policy and Integrated Planning |

## Changes to outcome-based management framework

DoT received approval for the following changes to its outcome-based management framework in 2016–17.

The Key Performance Indicator (KPI) titled 'Percentage of regional airports receiving scheduled Regular Public Transport (RPT) air services' was revised to 'Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth'.

The change, reflected in this reporting period, provides a more meaningful indicator to measure access to RPT air services to communities in regional and remote Western Australia.

The arrival of new app-based charter booking services has seen a significant change in the demand and usage of taxi and taxi-like services in Western Australia. In response, DoT commenced its reform of the on-demand transport industry, removing a number of restrictions on the existing taxi sector to allow fairer competition.

One of the key changes resulting from the reforms was the removal of the requirement for taxi operators to operate their taxi vehicles for a minimum number of hours.

As a result of this early reform, the KPI titled 'Compliance with mandatory taxi operating hours' will be replaced by a new KPI that reflects the broader on-demand transport industry.

# Shared responsibilities with other agencies

## Ensuring an holistic approach to integrated transport policy and planning

DoT works in collaboration with Transport portfolio partners the PTA and Main Roads to ensure an holistic approach to integrated transport policy, planning, regulation, investment coordination and service delivery projects for the State.

In 2016-17, DoT released *Transport @ 3.5 Million: Perth and Peel Transport Plan for 3.5 Million People and Beyond*. The plan, developed in close consultation with the PTA and Main Roads, identified major transport networks needed to keep people and freight moving as the city grows.

DoT continued to work closely with the five Western Australian Port Authorities, provided leadership in developing investment programs and strategies, supported reforms and initiatives and assisted the ports to facilitate trade through the development of ports strategies.

Initiatives focused on improving the performance and efficiency of the ports and the freight and network movements were progressed collaboratively by DoT, Main Roads, Fremantle Ports and other agencies during 2016-17.

These included the development of an integrated multi-modal Fremantle Port Landside Freight Strategy and a strategic multi-modal review of regional freight infrastructure in the south west.

## Effectively managing marine hazards

DoT is the appointed Hazard Management Agency (HMA) for maritime transport emergencies and marine oil pollution incidents under the State Emergency Management Regulations 2005.

In 2016-17, DoT continued to work in collaboration with a diverse range of agencies to prevent, prepare, respond and recover from a maritime hazard. These agencies included the Australian Maritime Safety Authority, Port Authorities, Department of Fire and Emergency Services, Department of Environment, Department of Parks and Wildlife, Rottnest Island Authority and Western Australia Police.

DoT also significantly progressed initiatives aimed at enhancing its readiness and capability to adequately respond to marine hazards to ensure the best possible outcomes for the State.

## Establishing METRONET Office

In 2016-17, the State Government established the METRONET Taskforce to oversee the planning, financing and delivery of the entire program, which will transform Perth's transport network. The Taskforce, chaired by the Minister for Transport; Planning; Lands, comprises directors general and chief executives across government agencies responsible for transport, planning, infrastructure and land development, revenue policy and collection.

In June 2017, the METRONET Office was established by the Director General, Department of Transport. The Office, led by a Project Director reporting directly to the Minister for Transport; Planning; Lands, comprises experts in transport planning, land development and town planning.

Initially, the Office will undertake the planning and development of a number of projects within the program up to the completion of project definition, improvement and master plans. The projects will then be delivered by appropriate transport and land-use delivery agencies, with oversight by the METRONET Office and Taskforce.

## Managing coastal erosion

In 2016-17, DoT continued to actively participate in the Coastal Management Advisory Group (CMAG). The CMAG is an interagency working group chaired by the Department of Planning that provides advice and oversees a whole-of-government approach to the management of coastal erosion and inundation consistent with the State Planning Policy No. 2.6 State Coastal Planning Policy.

Its key outcomes are to provide assessment and planning advice on existing erosion hotspots and high risk areas and develop a strategy for community education and awareness-raising around coastal hazard risk management and adaptation planning.

The group has membership from a number of State Governments with roles in environmental management and planning.

## Constructing a public jetty to support the Perth Stadium

In 2016-17, DoT continued work to work closely with portfolio partners the PTA and Main Roads and the Department of Treasury's Strategic Projects and Assets Sales business unit, to construct a public jetty on the Burswood Peninsula as part of the transport strategy to support the Perth Stadium.

The jetty, scheduled for completion in December 2017, will provide vessel access to transfer approximately 1,000 Perth Stadium patrons on event days and will also be available on non-event days for short term use by recreational vessels and commercial tour vessels. The floating pontoons will accommodate fluctuating river levels and the standing area will provide space for patrons to congregate separate to the adjacent paths and stadium precinct area.

## Working with the South West Development Commission to deliver the Transforming Bunbury's Waterfront project

In 2016-17, DoT continued to work closely with the South West Development Commission to deliver the Commission's 'Transforming Bunbury's Waterfront' project. The project aims to create vibrant shorelines for the community and infrastructure to stimulate thriving marine and tourism industries.

Through the project, DoT has progressed concepts for an extensive development proposal for Bunbury's Casuarina Boat Harbour that will deliver more boat pens and marine facilities and services.

As part of the project steering committee, DoT together with representatives from the Commission, Department of Planning, Department of Lands, City of Bunbury, Southern Ports Authority and LandCorp will continue to oversee the development of the staged works in 2017-18 and beyond.

## Supporting a safe and efficient transport system in the Indian Ocean Territories

Following successful negotiations between DoT and the Department of Infrastructure and Regional Development, a new Service Delivery Agreement was signed in July 2015 by the Minister for Transport and the Commonwealth Government to provide transport services to the Indian Ocean Territories (IOT) until 30 June 2019.

Through this agreement, DoT supports the delivery of a safe, efficient, effective and equitable transport system in the IOT territories of Christmas Island and the Cocos (Keeling) Islands with the Commonwealth meeting all the costs of the services provided by DoT.

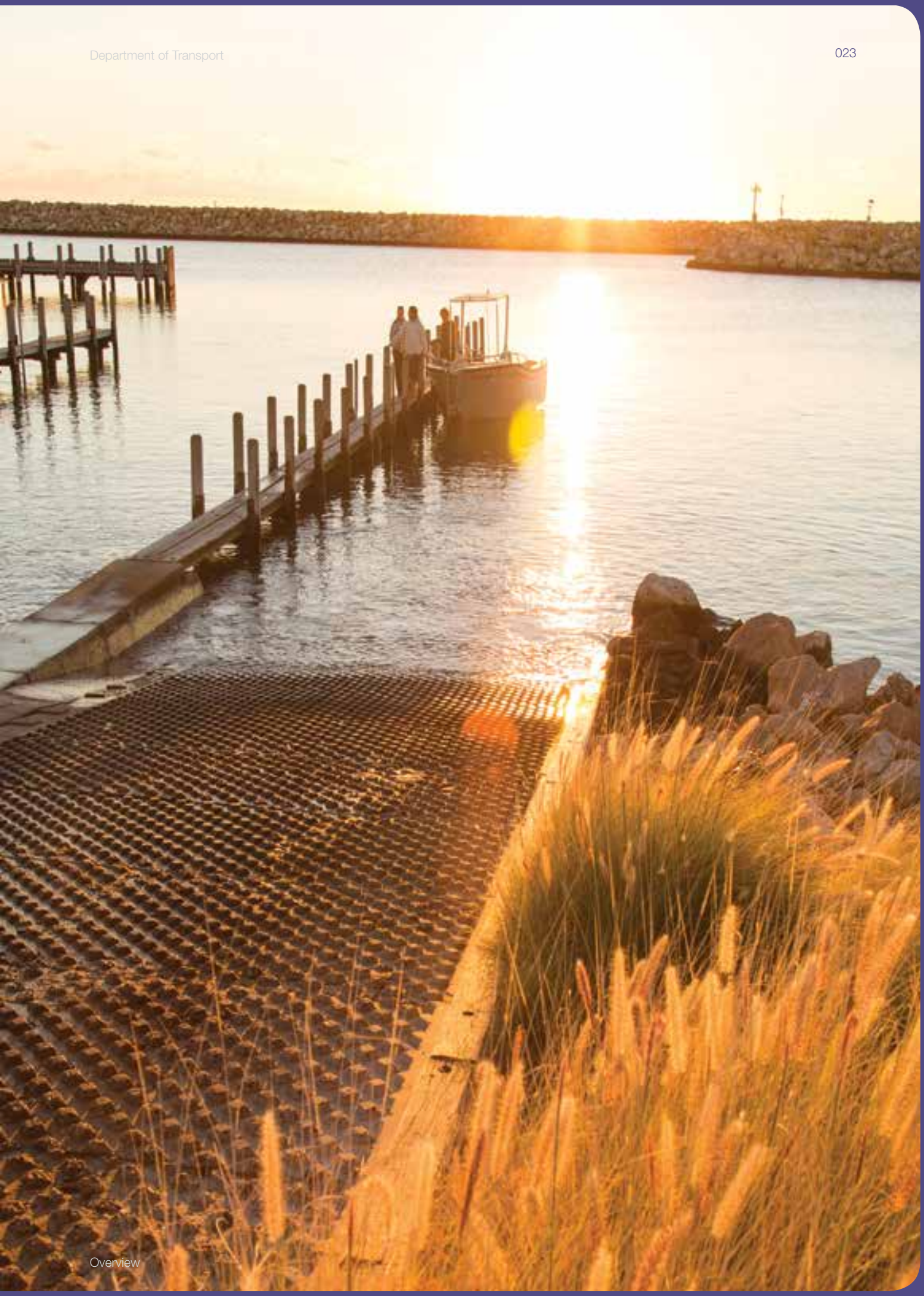
Throughout the year, DoT continued to meet regularly with Commonwealth Government officers to discuss operational matters and develop a work plan for the delivery of an expanded range of services.

## Providing a shared IT service

In 2016-17, DoT continued to maintain a shared ICT infrastructure service with the Department of Planning.

This shared arrangement was managed through a Service Level Agreement and continues to realise economies of scale and cost neutrality for the State Government.

Under the agreement, DoT continued to provide operational support as well as project delivery for both agencies including the maintenance of software, hardware, disaster recovery systems and plans and system security.



# Agency Performance

# Report on operations

## Achieving the State Government's goals

DoT supported the State Government's goals of 'results-based service delivery' and 'State building – major projects' in 2016-17 by striving to achieve and exceed the following three outcomes:

1. An accessible and safe transport system.
2. Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.
3. Integrated transport systems that facilitate economic development.

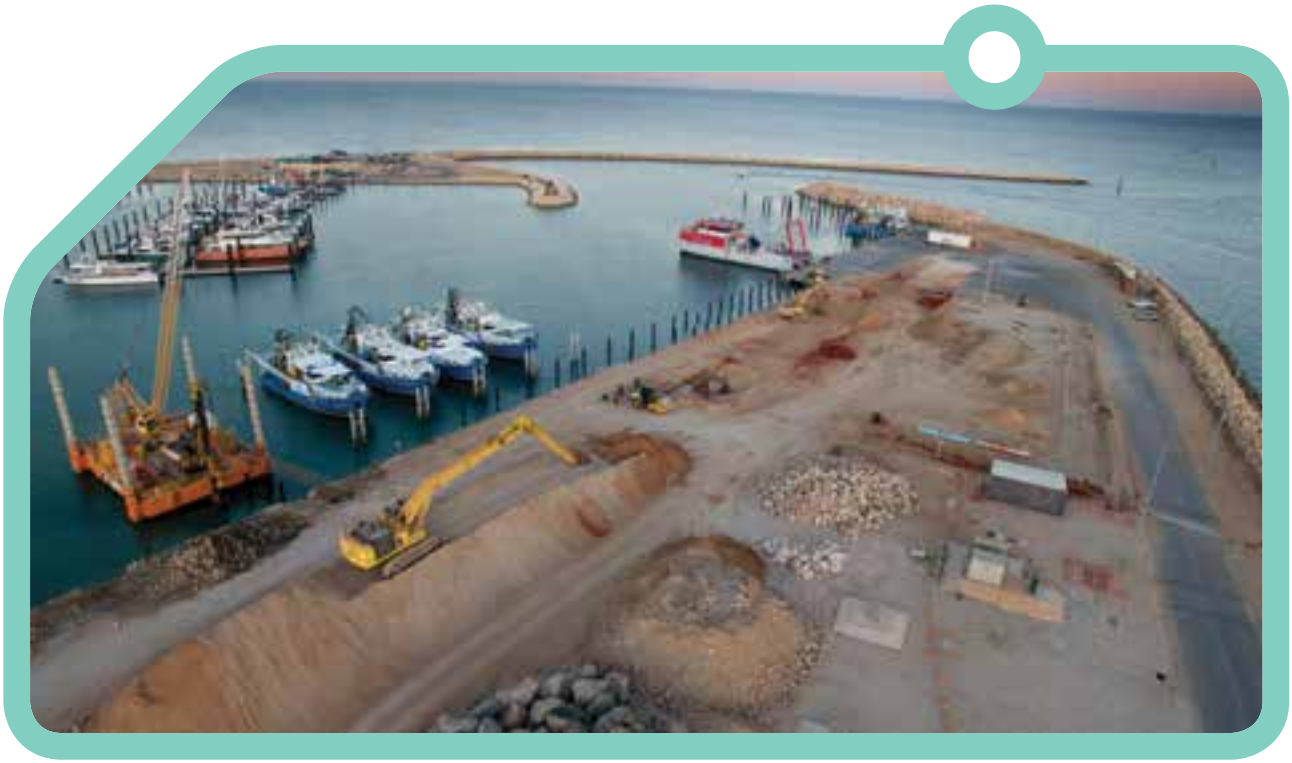
To achieve these outcomes, DoT delivered the following five services to the community of Western Australia:

1. Coastal Infrastructure
2. Marine Safety
3. On-demand Transport
4. Driver and Vehicle Services
5. Strategic Transport Policy and Integrated Planning.

This section of the report provides an overview of how DoT successfully delivered these services and contributed to the State Government's goals during the reporting period.

It also includes a summary of the results of our Key Performance Indicators (KPIs) as well as information on the significant community projects and customer focused programs that were undertaken or completed in 2016-17.

A comprehensive look at our KPIs commences on page 123.



*Exmouth Boat Harbour upgrade neared completion.*

## Summary of Results against performance targets[1]

## Outcome 1 - An accessible and safe transport system

**2016-17 Target[2] and Actual**

| | Target | Actual |
|---|---|---|
| Percentage by which the waiting time standard, for Metropolitan Area Taxis is met | 91% | 91.8% |
| Percentage of time maritime infrastructure is fit for purpose when required | 99.7% | 99.6% |
| Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed | 4.2 | 3 |
| Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels | 9.6 | 12.6 |

## Service one - Coastal Infrastructure[3]

**2016-17 Target and Actual**

| | Target | Actual |
|---|---|---|
| Average Cost per Day per Maritime Infrastructure Asset Managed | $78 | $94 |

### Exmouth Boat Harbour upgrade neared completion

The Exmouth Boat Harbour upgrade neared completion with the majority of the Stage 2 works on the $20.146 million funded project finished in 2016-17.

The existing wharf was extended and a heavy lift facility added to provide better access for loading and unloading vessels. To facilitate this, upgraded trawler pens were successfully relocated near the wharf and the adjacent southern breakwater was raised to provide increased protection for the boat harbour.

Supporting landside infrastructure upgrades were also completed including upgrading the harbour access road, installing services to future lease lots and providing a dedicated fuel farm area near new fire fighting facilities.

These works were complemented by private sector investment to develop a boat repair facility on DoT-leased land at the harbour. The facility includes a 320 tonne marine travel lift, providing much-needed large boat repair capability in the region.

The upgrade is anticipated to be completed in August 2017. Once complete, the harbour will be equipped to meet growing demand from recreational and commercial users in the region and the expanded infrastructure will provide Exmouth and the wider Gascoyne region increased capacity and efficiency as a service and support centre for the oil and gas sector.

### Denham foreshore redevelopment completed

The Denham foreshore redevelopment was completed on schedule in October 2016. The $6.8 million funded project was delivered by DoT in partnership with the Shire of Shark Bay as part of the Gascoyne Revitalisation Plan.

The Town Centre and Town Square area as well as Gordon Peters Park were revitalised and the marine facilities redeveloped during the reporting period. The service jetty was extended by 20 metres, a new slipway jetty and ramp to accommodate the launch and retrieval of commercial vessels for repair and a new fuel facility and upgraded car and trailer parking for the recreational boating community was added.

The revitalised public spaces provided the perfect setting to celebrate the 400th anniversary of Dutch explorer Dirk Hartog's landing off Shark Bay in October 2016. The commemorative events highlighted the success of the redevelopment in catering for a wide range of community, tourism and commercial needs while maintaining Shark Bay's world heritage values.

1 The tables are a summary of the 2016-17 DoT Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report.

2 Targets as specified in the 2016-17 Budget Statements.

3 Efficiency KPI values are rounded to the nearest dollar.

**Recreational Boating Facilities Scheme administered to improve infrastructure**

DoT continued to administer the Recreational Boating Facilities Scheme (RBFS) on behalf of the State Government. The RBFS, which is primarily funded through recreational boat registration fees, aims to improve recreational boating infrastructure by providing grants to eligible authorities around the State.

In 2016-17, 24 projects with a combined grant value of $3.5 million were completed including:

- upgrading the boat ramp and jetty at Back Beach, Karratha;
- upgrading the boat ramp and vehicle trailer parking at Denham Boat Launching Facility;
- upgrading the boat ramp at Fishmarket Reserve, Guildford;
- replacing the existing jetting at Francis Street, Geraldton;
- constructing a new ramp and waterless toilets as well as upgrading boat trailer access and parking at Lake Ewlyamartup, Katanning;
- constructing a beach groyne adjacent to the boat ramp at Fishery Beach, Bremer Bay; and
- widening the jetty and formalising ramp lanes and approaches at the Quindalup Sea Rescue Facility.

Since the scheme's inception in 1998, funding has been approved for 424 projects over 22 grant rounds. To date, 343 projects have been completed and a further 36 are currently in progress.

In April 2017, $1.5 million in RBFS funding was allocated to nine projects across the State through Round 22 of the scheme. These projects will be progressed in 2017-18 and beyond.

**Streamlined approach to vessel accommodation developed**

In 2016-17, DoT developed a streamlined, State-wide approach to managing its 1,500 mooring and pen facilities across Western Australia.

To support this approach, an online Pen Management System will be implemented from July 2017.

The secure system will allow customers to make payments and update their information online, offering them greater convenience and choice while providing DoT with greater oversight in administering vessel accommodation and other revenue collections.

**Coastal Adaptation and Protection grants administered to preserve coastline**

In 2016-17, DoT administered $750,295 in Coastal Adaptation Protection (CAP) grants to help local coastal managers preserve and sustainably manage Western Australia's coastline.

Funding was allocated to 13 priority coastal adaptation projects in 10 local government authorities for construction, design, monitoring and investigation work.

This included $300,000 provided to the City of Wanneroo for the construction of coastal management structures and sand replacement at Quinns Beach as the first stage of a long term coastal management strategy.

The City of Albany also received $122,495 for beach monitoring, the collection of detailed data and sand replacement works as part of the Emu Point to Middleton Beach Coastal Adaptation and Protection Strategy.

As well as administering the CAP grants program, DoT continued to provide these and other local government authorities with coastal engineering support and guidance.

*New streamlined approach for vessel mooring and pens*

# First tranche of on-demand transport industry reforms rolled out

Consistent with trends nationally and around the world, Western Australia's on-demand transport industry has been faced with a range of challenges in recent years. Changing consumer expectations, technological advances and the emergence of new providers within the industry is driving the need for further reform.

Following extensive consultation, the first tranche of on-demand transport industry reforms were rolled out in July 2016. The key changes involved the removal of a number of restrictive conditions on the operation of both taxis and charter vehicles including – vehicle age restrictions, minimum charges for charter vehicles and mandatory operating hours. A new charter vehicle licence category was created and system improvements were introduced to allow online application for charter vehicle licences. Since July 2016, over 5,000 new charter vehicles have been licensed to offer hire and reward services to the Western Australian public.

Amendments to the *Taxi Act 1994* removed the limit on the number of taxi plates an individual or partnership could hold and also made provision for a Transition Assistance Grant for eligible Perth taxi plate owners to help them transition to a more competitive on-demand transport industry.

The Transition Assistance package totalling $27.5 million was rolled out from October 2016 and was comprised of a $20 million adjustment assistance grant, a $6 million Hardship Fund and $1.5 million for business innovation assistance.

During the period 29 October 2016 to 31 March 2017, payments on 1,009 owned Perth taxi plates were made, totalling $19.7 million. Over 100 applications for access to the Taxi Hardship Fund have been received to date. Eligible applicants have been subject to means-testing and have been required to demonstrate severe financial hardship as a result of the industry reform.

While substantial progress in reforming the sector has been achieved in the current reporting period, the Government remains committed to the full reform of the on-demand industry, which can only be achieved with legislative change.

The proposed legislation will bring the taxi and charter sectors under a single Act, with a primary focus on delivering an industry that is accountable for the provision of safe on-demand transport services. Extensive consultation and planning ahead of the legislative change was undertaken in the latter part of 2016 and into early 2017 and will continue throughout 2017-18.

## Service two - Marine Safety[4]

**2016-17 Target and Actual**

| | Target | Actual |
|---|---|---|
| Average Survey Cost per Commercial Vessel | $2,066 | $1,392 |
| Average Cost per Private Recreational Vessel Registration | $127 | $127 |
| Cost to Maintain Marine Pollution Response Preparedness per Registered Vessel | $31 | $29 |

### Matilda Bay Aquatic Use Review improved safety on Swan River

In 2016-17, DoT undertook an Aquatic Use Review of Matilda Bay to ensure the safe, equitable and sustainable use of the popular Swan River waterway.

The review concentrated on the speed and wake of all vessels and ways to minimise the impact of this wake to enhance safety and amenity for all users now and into the future.

Following comprehensive consultation with key stakeholders and the wider community DoT implemented changes to extend the existing eight knot speed restricted area and reduce the size of vessels required to adhere to this limit to include vessels between 10 and 20 metres in length.

The changes, which came into effect in March 2017, have reduced the significant wake and wash created by larger vessels, improving the stability of other vessels and minimising the risk of damage to marine facilities.

DoT communicated these changes and associated safety benefits through a concentrated community education program.

### Lifejacket standards amended to include international standard

In March 2017, DoT successfully implemented changes to lifejacket standards in Western Australia to recognise the International Organization for Standardization (ISO) classification for lifejackets – ISO 12402.

The recognition of ISO 12402 in the Navigable Waters Regulations 1958 brought Western Australia in line with other Australian jurisdictions and offers greater choice to all aquatic users when complying with safety requirements.

Kite and windsurfers in particular welcomed the inclusion of purpose designed lifejackets to suit their specific activities. It is anticipated this will continue to improve lifejacket wear rates amongst the sport and the recreational boating community more generally into the future.

DoT continued to actively promote lifejacket wear and types through its Old4New lifejacket exchange program, attendance at metropolitan and regional boat shows and public information days, social media channels and education patrols around the State.

4 Efficiency KPI values are rounded to the nearest dollar.

## Service three - On-demand Transport[5]

**2016-17 Target and Actual**

| | |
|---|---|
| Cost of Regulation per Taxi Plate Administered | $2,031 |
| | $1,812 |

**Taxi User Subsidy Scheme reviewed**

The Taxi User Subsidy Scheme (TUSS), administered by DoT, provides subsidised taxi travel for people who have a severe disability that prevents them from using conventional public transport. At present, it is a paper-based voucher scheme and limits subsidised travel to taxi transport only.

Modern grant and subsidy administration practices, changing consumer preferences, evolving technology and the entry of new transport providers have driven the need to revise the scheme. In addition, the disability sector continues to undergo significant reform. The National Disability Insurance Scheme (NDIS) supports eligible people with a disability to access support and services based on their individual needs and goals. Trials of the NDIS have been undertaken in Western Australia during 2016-17.

In late 2016, DoT commissioned a review of the TUSS. The review focused on the scheme's role and objectives, identification of issues, cost efficiencies and fraud mitigation strategies. The review also considered options for incorporating the reform of the on-demand transport industry into the scheme where relevant.

As part of the review process, formal consultation was undertaken with TUSS members, disability groups, on-demand transport providers and related Government agencies.

The review is anticipated to be completed in July 2017 and DoT will consider the recommendations with the intent to propose key actions to Government in 2017-18.

## Outcome 2: Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers

**2016-17 Target and Actual[6]**

| | |
|---|---|
| Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles) | 100% |
| | 93.5% |
| Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers) | 100% |
| | 97.3% |
| Percentage of driver's licence cards issued within 21 days of completed application | 100% |
| | 100% |

Target Actual

## Service four – Driver and Vehicle Services[5]

**2016-17 Target and Actual**

| | |
|---|---|
| Average Cost per Vehicle and Driver Transaction | $18 |
| | $18 |
| Average Cost per Vehicle Inspection Performed by Vehicle Examination Centres | $251 |
| | $289 |
| Average cost per Vehicle Inspection Delivered through Authorised Inspection Stations | $106 |
| | $129 |
| Average Cost per Driver Assessment | $96 |
| | $103 |

5 Efficiency KPI values are rounded to the nearest dollar.

6 Targets as specified in the 2016-17 Budget Statements.

# Customer experience improved through greater convenience, choice and comfort

DoT is committed to improving the overall experience of customers interacting with the Department online, over the phone or in person to meet their driver and vehicle licensing needs.

In 2016-17, a number of customer service initiatives were progressed that offered greater convenience, choice and comfort for customers accessing driver and vehicle licensing as well as other DoT services.

*Customer Experience Steering Committee established*

DoT has a department wide focus on improving the customer experience. In line with this, a Customer Experience Steering Committee was established in 2016. The Committee, made up of staff from across the agency, worked to collaboratively to assess the design and delivery of transport services, through the lens of the customer.

*Contacting DoT to be made easier*

One of the key projects commenced by the Customer Experience Steering Committee in 2016-17, aimed to reduce the number of DoT contact telephone numbers. The long term goal of the project is to have a single contact number for all customer enquiries, making it easier for customers to contact DoT. In addition, it will ensure customers are provided with consistent, excellent service and simplify the task of managing and promoting these contact points.

*DoTDirect enhanced and expanded*

DoTDirect has been making it easier for customers to complete transactions online since 2013. DoT is committed to the continued enhancement and expansion of this secure service, to further improve customer convenience and choice.

In 2016-17, DoT simplified the sign-up process for a DoTDirect account. Once customers have met the necessary proof of identity requirements, they can now create an online account immediately. The simpler sign-up process has been well-received by customers, with the number of accounts created increasing by an average of 60 per cent since its introduction.

In addition to simplifying the sign up process, a number of other enhancements have been made to the platform. The range of transactions customers can complete has grown significantly and now includes boat activations and payments. With customers now able to complete a wide selection of transactions relating to their licence, vehicle or boat as well as manage personal information all in one place, DoT added a convenient payment trolley option.

The simpler sign-up, wider selection of transactions and enhanced functionality made DoTDirect an even more attractive option for customers in 2016-17, with the total number of transactions completed increasing by 13 per cent from 2015-16.

DoT will continue to digitise more transactions and further improve the functionality of DoTDirect to provide more convenient access to services in 2017-18 and beyond.

*Free Wi-Fi offered in all metropolitan DVS centres*

In April 2017, free Wi-Fi was made available in all nine metropolitan DVS centres, offering customers improved convenience and comfort.

The secure service encourages customers to familiarise themselves with DoTDirect with assistance from DoT's friendly staff, while allowing them to stay connected in centre.

*New and improved Karratha regional office opened*

In November 2016, DoT staff in Karratha relocated to a new regional office in The Quarter – an exciting residential, commercial and leisure precinct in the heart of the city.

The state-of-the-art accommodation offers a range of customer service areas to cater for the type of assistance required. Customers being assisted with lengthy or more complex transactions are seated in a private booth, while quick and simple transactions can be handled at a separate counter.

The dedicated service areas are staffed by DoT's flexible workforce and together with the addition of free Wi-Fi, have improved the overall experience for customers who visit DoT.

With a number of other Government agencies co-located in The Quarter, the relocation has not only offered added convenience for customers engaging with multiple agencies, but has also promoted collaboration between these agencies for the benefit of the community.

### New technology improved efficiency and saved customers time

DoT continued to employ new technology to digitise and improve its services to customers and the community in 2016-17. The initiatives detailed below improved efficiency and saved time and money for customers while delivering a range of other benefits.

*iAssess for PDAs successfully trialled*

Throughout 2016-17, DoT successfully trialled iAssess - a mobile tablet application that electronically records Practical Driving Assessments (PDAs). The trial involved more than 7,000 PDAs at the Mirrabooka DVS Centre and confirmed that the innovative digital solution delivered a range of benefits to learner drivers and assessors. These benefits included improved transparency and streamlined processing of assessment records which resulted in reduced wait times for drivers following their test.

Importantly, data collected during assessments has assisted in the identification of trends, showing where key driver behaviour needs to be improved and targeted through further education.

Given the success of the trial, DoT will commence the roll-out of iAssess across all metropolitan DVS centres from October 2017 to coincide with changes to the Graduated Driver Training and Licensing framework.

*Online medical assessment system launched*

In April 2017, DoT launched a new online system that enables health practitioners to submit medical assessments electronically. The secure system improves the speed and quality of information required to confirm fitness to drive exchanged between DoT, health practitioners and drivers - saving all parties time and money.

In the coming reporting period, DoT will engage with selected GP clinics to raise their awareness of the new system, which is expected to see up to 200,000 assessments submitted electronically each year once established.

This enhancement further simplified the process for drivers to satisfy DoT of their ongoing fitness to drive, which has been greatly improved since the introduction of the Fitness to Drive Declaration in 2015-16. The declaration process for eligible drivers has resulted in 20,000 less medical appointments in 2016-17, reducing red tape while reinforcing the driver's responsibility to maintain appropriate health to ensure road safety.

*Data centres successfully relocated*

In September 2016, DoT successfully relocated its two major data centres in line with the whole-of-government ICT strategy to move towards a consumption-based service model for commercial data centre facilities.

The data centres support all technology systems and associated disaster recovery services for DoT and the Department of Planning. The centres are critical to the delivery of a range of transport services including driver and vehicle licensing, recreational boat registration, marine safety compliance and on-demand transport industry regulation.

The relocation was completed ahead of schedule and under budget with minimal disruption to customer services. As a result, key benefits such as cost-saving and improved system performance for customers and staff have been realised. The new infrastructure also provides a solid foundation to support the vision of maintaining a state-of-the-art information technology network.

### Legislation changed to reduce red tape

DoT implemented a number of legislative changes to reduce red tape and improve service delivery for the benefit of DoT customers and the wider community.

*Regulatory changes developed to ease pressure on justice system*

In 2016-17, DoT developed regulatory changes to allow 13 traffic offences to be dealt with by infringement with the aim to ease pressure on police and court resources. The changes, developed in collaboration with Western Australia Police, Department of the Attorney General and the Road Safety Commission, were expected to reduce the number of uncontested, less-serious cases appearing in court and lead to fewer offenders having to engage in the criminal justice system.

Enforcement officers will retain the power to prosecute more serious instances of particular offences in court and offenders have the right to defend any allegations.

The changes are set to come into effect from 1 July 2017.

*Photo card concession successfully introduced*

On 1 July 2016, DoT introduced a Western Australian photo card concession scheme following the successful implementation of enabling legislation. The new scheme offers eligible concession card holders the same 50 per cent reduction or 100 per cent exemption towards photo card fees as those applicable to driver's licence fees.

In introducing and aligning the new scheme to the existing driver's licence concession scheme, DoT has ensured equitable financial assistance is available to members of the community who do not hold a driver's licence but still require proof of identity.

Since its introduction more than 3,000 customers have accessed the scheme.

*iAssess for Practical Driving Assessments successfully trialled.*

# Licensing services delivered in remote areas

DoT recognises the importance of a valid driver's licence for people living in remote Western Australia, particularly in Aboriginal communities. Barriers to obtaining and retaining a licence have negative impacts on individuals, their communities and the State as a whole. These include the over-representation of Aboriginal people in the justice system and road trauma as well as the inability to access employment and access essential services.

This year, DoT continued to address this issue and make a difference to individuals and communities across the State through its Remote Areas Licensing Program.

DoT teams made approximately 180 visits to more than 65 locations across the Kimberley, Pilbara, Mid West, Goldfields and Gascoyne regions. They delivered mobile licensing services to local residents and provided them with practical solutions to assist them in obtaining and retaining a licence.

In 2016-17, the teams:

- issued, re-issued, transferred or renewed a total of 232 driver's licences;
- delivered 238 theory tests for learner's permits including 37 oral theory tests for customers with different needs;
- issued 356 learner's permits;
- conducted 258 practical driving assessments;
- issued 109 log books; and
- delivered the interactive Safe Driving Course 66 times as an alternative to log book hours.

DoT also continued to strengthen partnerships with Aboriginal corporations, private industry and not for profit organisations that deliver learner's permit theory testing on DoT's behalf. This year marked nine years since DoT signed an agreement with Fortescue Metals Group to provide this service as part of their pre-employment program. Given the success of the long-term partnership, in June 2017 this agreement was extended for three years.

Collaboration with other State Government agencies remained a key success factor of the program and in 2016-17 DoT continued its strong presence at Community Open Days. Facilitated by the Department of the Attorney General, the open days give remotely located customers easy access to a range of government agencies including the Registry of Births, Deaths and Marriages, the Sheriff's Office and Centrelink. Offering customers in remote areas access to these services in one location, has removed significant barriers to obtaining and retaining a licence and delivered benefits to the community as a whole.

At 30 June 2017, 66 per cent of customers issued a driver's licence through the remote service held an active licence, which clearly indicates the success of the program.

The Remote Areas Licensing Program regularly receives positive feedback from customers and is a very tangible way that DoT is helping to close the gap on Aboriginal disadvantage and improve remote service provision.

*Above: Remote Licensing officers work in partnership with Ngarliyardu Bindirri Aboriginal Corporation*

*Alcohol Interlock Scheme was introduced in WA*

**Western Australia's first Alcohol Interlock Scheme introduced**

Drink driving is a factor in around one in five fatal and one in ten serious-injury crashes in Western Australia. In an effort to counter this, DoT worked closely with the Road Safety Commission, Western Australia Police, Department of the Attorney General and the Mental Health Commission to introduce the State's first Alcohol Interlock Scheme on 24 October 2016.

DoT led the development of legislation and the technical implementation of the user-pays scheme which aims to reduce the risk posed by drink driving by mandating those convicted of prescribed offences to only drive vehicles fitted with an approved alcohol interlock device until they successfully complete the scheme.

The devices must be installed, monitored and maintained by DoT-appointed Accredited Service Providers across the State. They prevent the vehicle from being operated if it detects a Blood Alcohol Content equal to or greater than 0.02 per cent in the driver's breath sample. It also prompts the driver to provide further samples at random intervals during their journey.

By requiring alcohol offenders to separate their drinking and driving behaviours, it is expected the scheme will reduce the road safety risk posed to the community. Further, by identifying offenders who require alcohol assessment and treatment it will also contribute to combatting other alcohol related offences. This is supported by national and international research which indicates that alcohol interlocks are effective in reducing drink driving reoffending by an average of 64 per cent.

**Compliance program enhanced to ensure safe drivers and vehicles**

Each year, approximately seven million licence or vehicle transactions are conducted through DoT or one of our service delivery partners.

During each and every one of these transactions, DoT is committed to ensuring safe drivers and safe vehicles and has zero tolerance for fraud and corruption.

While DoT has always maintained a rigorous and robust audit and governance regime, its former compliance programs were significantly enhanced in 2016-17 by moving from traditional paper-based or spread sheet analysis to a modern risk management discipline utilising specialised software.

The software, combined with a disciplined risk-based compliance approach, allows for the swift and specific analysis of licensing data to target transactions or functional outputs that are considered to be outside of normal or expected trends.

To make the best use of these enhanced analytical abilities, during the reporting period, DoT formed a dedicated team of Risk Intelligence Analysts to strategically support its operational field-based compliance activities.

The team interpret and convert data into actionable intelligence enabling DoT to:

- identify new opportunities for targeted audits of service delivery partners;
- prepare augmented intelligence reports for auditors;
- proactively identify suspicious matters;
- recognise persons of interest across investigations; and
- lawfully supply data to other government agencies that have a role in the regulation of road use and users.

As a result of these new and existing compliance programs, DoT has ensured unsafe drivers and vehicles are removed from the roads, improving community safety and any misconduct is identified and appropriate action is taken.

DoT has commenced work to replicate the success of these measures in other business areas.

### Consistent compliance approach employed across all operations

DoT facilitates a safe and accessible transport system by working in partnership with industry and the community to ensure all private and commercial vehicles, on-demand transport services and recreational and commercial vessels and marine facilities comply with legislative obligations.

DoT achieves this through its comprehensive compliance and enforcement regime delivered by its Driver and Vehicle Services, On-demand Transport and Marine Safety business units.

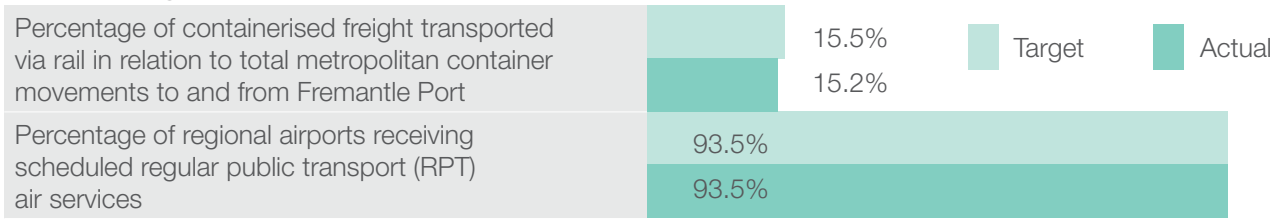
DoT aims to encourage a safety culture, motivate voluntary compliance and identify, understand and prioritise types of non-compliance based on risk across each of these areas. To support this aim, DoT developed a consistent and transparent approach to compliance across all operational business units in 2016-17.

All compliance officers across the Department are now guided by a DoT-wide Strategic Compliance Framework, Compliance Procedure Manual and Prosecution and Enforcement Policy. These documents complement the accredited training program undertaken by all compliance officers to ensure they have the necessary training and skills to undertake their duties.

This uniform approach ensures consistency and transparency for the community across all of our compliance activities while supporting DoT's commitment to creating a flexible and responsive workforce.

## Outcome 3: Integrated transport systems that facilitate economic development[7]

**2016-17 Target and Actual**




## Service Five - Strategic Transport Policy and Integrated Planning

**2016-17 Target and Actual[8]**

### Transport @ 3.5 Million set vision for Perth's transport network

In February 2017 DoT released *Transport @ 3.5 Million: Perth and Peel Transport Plan for 3.5 Million People and Beyond.*

Transport @ 3.5 million set the vision for a generational change to Perth's transport network. It identified long-term infrastructure requirements, network optimisation strategies and travel demand management strategies needed to keep Perth moving as it grows towards a population of 3.5 million people.

In developing the plan, DoT worked in partnership with the PTA and Main Roads as well as other State Government agencies and academics from the Planning and Transport Research Centre of Western Australia.

During a three month consultation period, from July to September 2016, a total of 691 submissions were received and more than 30 presentations were made to local government authorities and stakeholder organisations.

The plan was then revised to include key findings and made publically available on the DoT website.

DoT will continue to review and revise the plan as new information becomes available, with subsequent versions to include METRONET enhancements and align with the latest information from the sub-regional planning frameworks and Strategic Assessment of the Perth and Peel Regions.

**Over $40 million invested to keep Central Perth moving**

DoT continued to administer the Perth Parking Licensing Account (PPLA) to invest revenue from the Perth Parking Levy in transport initiatives in the Perth Parking Management Area.

In 2016-17, a total of $41.7 million from the PPLA was invested in the following projects and services aimed at improving the transport network for those travelling to, from and within central Perth:

- Providing free public transport within the Free Transit Zone.
- Providing the free Central Area Transit (CAT) bus system.
- Contributing to funding of the Incident Response Service and clearway towing to assist the flow of traffic in central Perth.
- Contributing to the construction of the final section of the Roe Street Principal Shared Path between Fitzgerald and Milligan Streets to improve east-west connectivity.
- Contributing to the construction of the Perth Busport, opened in July 2016.
- Replacing 10 CAT buses through the CAT bus replacement program.
- Contributing to the construction of the Northbridge bus layover.
- Contributing to the Your Move Central travel behaviour change program.

In 2017-18, DoT will work with stakeholders to review the Central Area Transport Plan 2025. The new plan will set a vision for further development of the transport network in central Perth and will include a five year investment program for an integrated suite of transport related infrastructure and initiatives.

**Strategic case for Stirling City Centre transport infrastructure finalised**

In 2016-17, DoT finalised its strategic planning for new transport infrastructure for the Stirling City Centre (SCC).

The planning was based on major modelling of eight transport network options to support future planning aspirations outlined in the SCC Structure Plan, as well as stakeholder consultation on the preferred network.

It outlined the following key infrastructure to improve traffic flow and manage congestion:

- Construction of Stephenson Boulevard from Scarborough Beach Road to Cedric Street including a bridge over the Mitchell Freeway with on and off ramps to the freeway.
- New connecting roads to provide better connectivity across the network.
- Changes to key roads such as an extension to Hutton Street and connecting both sides of McDonald Street over the freeway via a new bridge.
- Bus lanes on Scarborough Beach Road (suitable for an upgrade to light rail in the future).
- Improvements to the train and bus interchange facilities.

The Executive Coordinating Committee for the planning project, that includes State Government and City of Stirling Executive Officers, approved the strategic plan in November 2016 and has since agreed on a governance plan to implement the proposed infrastructure in the coming years as funding becomes available.

7 Targets as specified in the 2016-17 Budget Statements.

8 Efficiency KPI values are rounded to the nearest dollar.

# Western Australia's first bike boulevards delivered to improve safety

*Shakespeare Street Bike Boulevard*

DoT continued trialling bike boulevards as part of its Safe Active Streets Program, which aims to make cycling safer and easier in Western Australia.

The boulevards are seen as a key strategy to overcome cyclists' fear of sharing the road with motorists, which is a major barrier to cycling participation.

Bike boulevards are designed to create safe and comfortable riding environments for bike riders with all levels of experience. They are located on quiet local streets, where speeds have been reduced to 30km per hour to allow people in cars and on bikes to share the street safely.

In 2016-17, the following pilot projects, were initiated in collaboration with the Cities of Vincent, Bayswater and Belmont, progressed to varying stages of completion:

- Shakespeare Street Bike Boulevard, Mount Hawthorn – Construction of Stage 1 between Green Street and Scarborough Beach Road was completed in November 2016 and planning for Stage 2 commenced.
- Leake Street and May Street Bike Boulevard, Bayswater – Construction of Stage 1 between the Swan River foreshore and Adelphi Street was completed in June 2017 and planning for Stages 2 and 3 between Adelphi Street and the Morley Strategic Centre has begun with construction set to commence in late 2017-18.
- Surrey Road, Belmont – Construction of Stages 1 and 2 between Great Eastern Highway and Leach Highway commenced and the design and construction of the Stage 3 Great Eastern Highway underpass improvement works is set to commence in 2017-18.

In addition, another five local government authorities received funding for planning and concept design of bike boulevards. To assist in sharing and building knowledge between these and other organisations, DoT hosted the first National Safe Active Streets Workshop in Perth in March 2017.

In 2017-18, DoT will continue to work in partnership with local government authorities to deliver the Safe Active Streets Program as well as introduce an evaluation program to monitor its effectiveness.

*Your Move Schools Program*

**Your Move reduced car trips and improved community health and wellbeing**

DoT's Your Move Program contributes to the management of congestion and improve the health and wellbeing of the community by providing people with the information and support they need to find alternative, active ways to get to and from work, school and around their local area.

The program has proven successful in recent years, with Your Move Wanneroo, delivered to over 10,500 households as well as schools and local businesses in the City of Wanneroo, resulting in a 5.5 per cent reduction in car trips per participant.

In 2016-17, DoT continued to build on the success of the program by delivering Your Move Central to nine workplaces in the Perth CBD and up to 1,500 residents and two schools in the Town of Victoria Park.

Your Move Central focuses on reducing car trips, spreading peak period travel and optimising the use and efficiency of new and existing transport infrastructure to enhance central Perth's liveability.

The roll-out of the first stage of the program, which commenced in April 2017, will continue in 2017-18 and the design and delivery insights gained will inform the broader roll-out of stages two and three planned for 2018-19 and beyond.

In addition to delivering Your Move Central, DoT continued to support workplaces, local governments and schools in 2016-17.

Through its Your Move Workplaces program DoT assisted 47 workplaces to reduce car trips by encouraging staff and customers to use more active, sustainable transport options.

Similarly, through its Your Move Local Government program, DoT supported a network of dedicated officers to champion active and sustainable transport in 16 local governments and five institutions around the State. As part of the 2016-17 program, DoT made a contribution to the City of Albany that enabled them to engage an officer to significantly progress its vision towards becoming a regional cycle-friendly city in line with its Cycle City Albany Strategy.

DoT's Your Move Schools program achieved an 11 per cent reduction in car trips and a 24 per cent increase in active transport trips among participants in 2016-17. Participants were encouraged to walk, cycle, scoot and catch public transport to and from 35 primary schools around the State. In 2016-17 the program was expanded to include five secondary schools with new classroom resources aligned with the Western Australian curriculum for years eight to 10.

Further, DoT continued to integrate Your Move Schools with its Connecting Schools grants program to ensure schools maximise the use of funded facilities such as new and upgraded bicycle infrastructure and end of trip facilities.

In order to better support all Your Move program participants as well as the wider community, DoT launched a new Your Move website in April 2017. The customer centric website provides residents, workplaces, local governments and schools with one single point of digital access to walking, cycling and public transport resources and information. It includes new and refreshed "how to" resources as well as a journey planner, reward scheme, automated online survey tool and a blogging platform that enables program participants to share their story.

### Regional airport infrastructure improved

In 2016-17, DoT continued to administer the Regional Airports Development Scheme (RADS) to improve Western Australian airport infrastructure and safety. The scheme provided financial assistance for infrastructure projects to eligible owners or leaseholders of regional airports accessible to the public.

A total of 24 RADS projects with a combined grant value of $4.5 million and a combined project value of $13 million, were completed throughout the reporting period.

Funded projects included the development of runways, improving airport terminals, facilities and grounds and the completion of planning studies.

The $3.7 million Carnarvon Airport redevelopment was a key project completed through the scheme in November 2016.

The project included $1.25 million in RADS funding and $1.25 million in funding from the Commonwealth Government's Remote Airstrip Upgrade Program. Works included reconstructing the runway, taxiway and apron subgrade as well as updating runway lighting to improve the condition of the main runway and will reduce maintenance costs over the next 10 years.

DoT played a key facilitation role between the Shire of Carnarvon and the Commonwealth Government to overcome a range of complex engineering issues involved in the project.

### Aircraft licence exemptions reduced regulatory burden

DoT licenses aircraft, under the *Transport Co-ordination Act 1966* and *Transport Coordination Regulations 1985*, to allow:

- regulation of low passenger routes to enable a single operator to supply Regular Public Transport (RPT) air services in a viable manner; and
- monitoring of the State's RPT airports to assess whether closed charter flights, arising from fly-in fly-out operations, may be affecting the viability of public passenger RPT air services.

In 2016-17, DoT reduced the regulatory burden for all parties by only licensing aircraft that required regulation or monitoring, rather than all aircraft.

This change significantly reduced the number of aircraft operators requiring a licence from 56 to 14.

Aircraft licence periods were also extended from one to up to five years. This change further reduced the cost of regulation while still allowing DoT to continue to focus on the regulation of marginal RPT air routes throughout Western Australia.

*Carnarvon Airport runway.*

### Air services between Kununurra and Halls Creek trialled

Halls Creek is one of the most isolated major population centres in Western Australia's Kimberley region. Through consultation with key stakeholders in the Kimberley, DoT identified the need for subsidised public air services between Halls Creek and Kununurra and contributed funding towards a 12 month trial of these services operating three days per week.

The trial, which commenced on 1 July 2016, has given residents in Halls Creek and surrounding communities the opportunity for greater access to services available in the larger centre of Kununurra.

DoT played a key stakeholder facilitation role in the ongoing management of the trial in line with its commitment to provide safe, affordable, efficient and effective aviation services to support the economic and social development of Western Australia.

In April 2017, the Minister for Transport approved the extension of the trial for a further 12 months to gauge the route's long term feasibility and community support. DoT will continue to monitor its impact over this period.

### Regional communities received regular air services

DoT continued to ensure the following regional communities in Western Australia received regular air services by regulating these five routes under deeds of agreement with the State Government in 2016-17.

*Perth-Carnarvon-Monkey Mia and Perth-Northern Goldfields regulated air routes*

Skippers Aviation continued to provide Regular Public Transport (RPT) air services on the regulated air routes of Carnarvon/Monkey Mia and Northern Goldfields (Leonora, Laverton/Meekatharra, Mt Magnet, and Wiluna). Skippers operated 10 return services to Carnarvon and four return services to Monkey Mia from Perth per week as well as three return services per week to each of the Northern Goldfields towns from Perth.

As part of the deed, Skippers is required to meet or exceed the Controllable On Time Performance (OTP) benchmark of 80 per cent, whereby aircraft departures and arrivals are within 15 minutes of scheduled times. For the reporting period, Skippers achieved excellent OTP of between 82 and 94 per cent on all routes.

In early 2017, the Minister for Transport approved DoT to undertake a competitive tender process for the Carnarvon-Monkey Mia and Northern Goldfields air routes. The tender process for the provision of RPT air services beyond July 2018, commenced in June 2017 and is expected to be completed in early 2018.

*Perth-Albany and Perth-Esperance regulated air routes*

Regional Express (Rex) operated 23 Regular Public Transport (RPT) air services to Albany and 18 return services to Esperance from Perth per week under a five year deed of agreement with the State Government.

For the reporting period, Rex achieved excellent OTP of 93 per cent for Albany and 92 per cent for Esperance, exceeding the 2015-16 Australian OTP industry average of 86.4 per cent.

In mid-2016 Rex introduced a Community Airfare on the Perth-Albany and Perth-Esperance routes as a result of a partnership agreement between Rex, Perth Airport and the local governments as the owners of the respective airports. The Community airfare on both routes was set at $129 inclusive of all fees and charges. The Rex Community Airfare was available for all unsold seats 24 hours before flight departure and for passengers booking a flight more than 60 days in advance.

DoT played a key facilitation role in encouraging the local government to embrace the partnership agreement which enabled the community fare and this agreement has now been extended until 30 June 2020. Partnership agreements between an airline and airport operator have not previously occurred in Western Australia.

## Freight transport network planning continued

DoT continued to plan and address the metropolitan freight transport network priorities outlined in the *Perth Freight Transport Network Plan*.

These priorities will allow the network to manage future demand and ensure the State's businesses are able to trade freely and efficiently in the domestic and global marketplaces.

*Kwinana Industrial Area*

In the last financial year, DoT developed the Kwinana Loop Railway proposal that provided an alternative rail access corridor to the Kwinana Industrial Area. The proposal aimed to improve the rail capacity for the freight trains serving the Kwinana Industrial Area over the next twenty years.

In 2016-17, DoT conducted extensive work including consulting with key stakeholders to identify and assess a number of railway corridor options and compare these to the original Kwinana Loop Railway proposal.

Two feasible rail corridor options have been identified and DoT will continue to work with its portfolio partners, the freight and logistics industry, local government and the community to reach final agreement on the best rail option.

*Intermodal Terminal Planning*

Work undertaken by DoT in the *Perth Freight Transport Network Plan* identified the need for strategically located intermodal freight terminals (IMT) in the Latitude 32 Industrial Zone and Bullsbrook to cater for interstate and international container movements.

DoT in consultation with key stakeholders, developed a concept and land requirement plan for the Latitude 32 IMT during 2016-17. This plan will now be incorporated into the planning process for the proposed Fremantle Outer Harbour as the location of the IMT will be dependent on the location and layout of the new port facilities.

In Bullsbrook, DoT has identified a site and completed a concept plan for an IMT. The WAPC has declared a Planning Control Area over the site to provide interim protection until there are more detailed plans for surrounding land uses and transport connections. After further land use planning is completed, the next step will be to seek agreement from the WAPC to protect the site as a Metropolitan Region Scheme reserve.

**Rail Subsidy provided**

As an incentive to increase the use of rail transport, DoT provides a subsidy for eligible containers moved on the rail service between Kewdale/Forrestfield and Fremantle Port.

Increasing container transport by rail reduces the number of containers being transported on key arterial roads across the metropolitan area, thereby reducing traffic congestion and noise while improving amenity and road safety.

The subsidy is paid to the operator of the North Quay Rail Terminal at the Fremantle Port Inner Harbour and is passed on directly and in full to customers.

Even with challenging economic conditions which favour road transport in 2016-17, the rail service transported 108,422 twenty foot equivalent units (TEUs), or 15.2 per cent of the containers handled at Fremantle Port, compared to 14.6 per cent in 2015-16.

DoT has also commenced work to restructure the rail subsidy to implement the increased funding and per container subsidy committed by the State Government.

# Actual Results Versus Budget Targets

The following table provides a comparison of the financial targets and outcomes against criteria included in the Resource Agreement between the Chief Executive Officer, the Minister for Transport and the Treasurer.

## 2016-17 Actual results versus budget targets

| | 2016-17 Target $ 000 | 2016-17 Actual $ 000 | Variation | |
|---|---|---|---|---|
| Total cost of services | 394,302 | 413,723 | 19,421 | Note 1 |
| Net cost of services | 57,742 | 87,747 | 30,005 | Note 2 |
| Total equity | 776,238 | 719,571 | (56,667) | Note 3 |
| Net increase/(decrease) in cash held | 21,818 | (4,635) | (26,454) | Note 4 |
| Approved full time equivalent (FTE) | 1,374 | 1,350 | 24 | Note 5 |

## Notes

These notes should be read in conjunction with the Explanatory Statement to the Financial Statements on page 102.

### Note 1: Total cost of services

The total cost of services exceeded estimates primarily due to the On-demand Transport Reform that provided transition assistance and hardship funds to taxi owners impacted by the reform; a net land revaluation decrement recognised as an expense; and impairment losses to intangible assets mainly associated with the cancellation of the Australia Post Office contract.

### Note 2: Net cost of services

In addition to the higher expenditure resulting from the taxi industry reform, the land revaluation decrement and impairment losses, lower than anticipated revenue primarily from Driver and Vehicle Services and taxi licence fees and charges contributed to the higher net cost of service.

### Note 3: Total equity

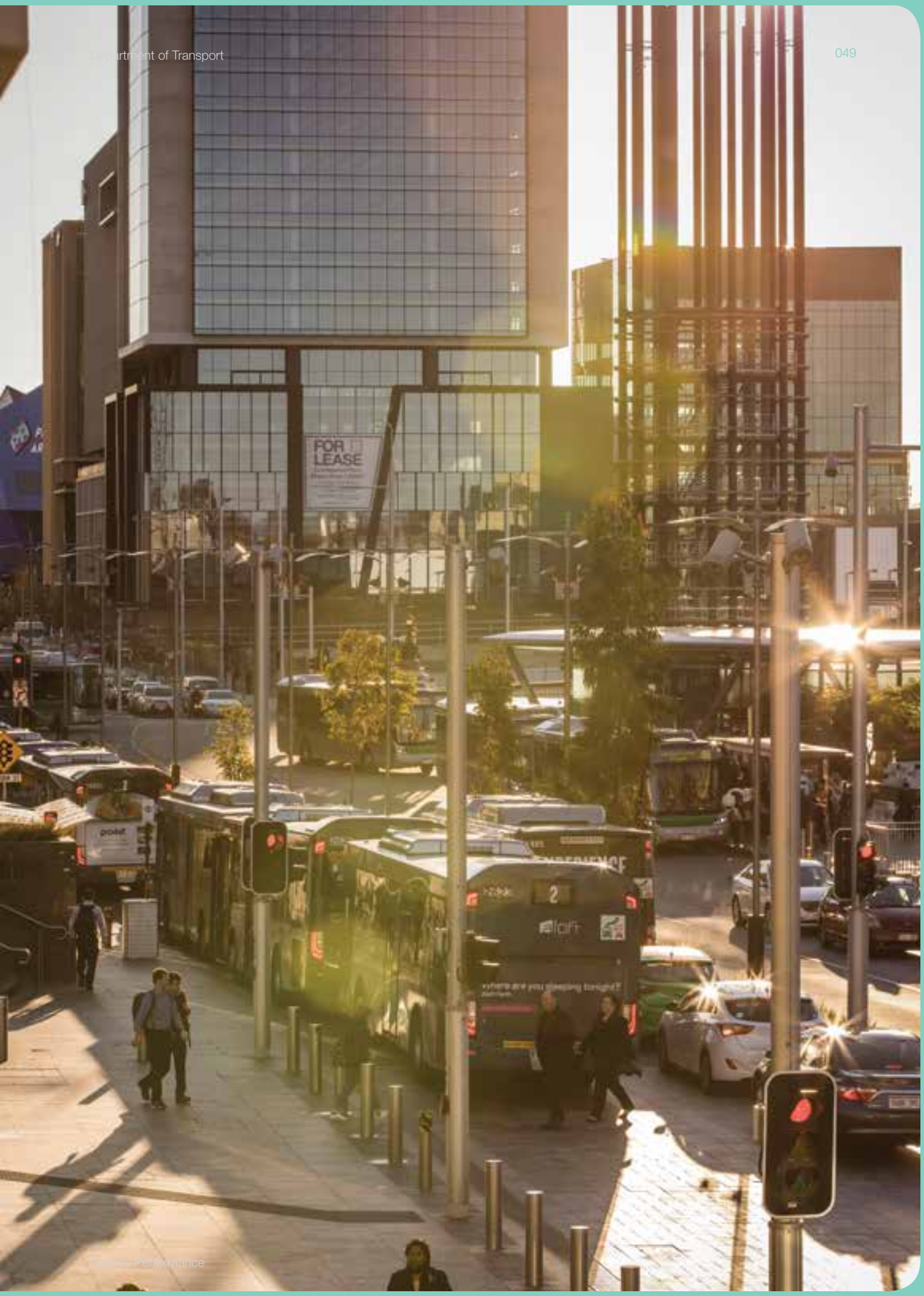
Lower than expected total equity is a result of an accumulated surplus decrease reflecting the impact of an unfavourable operating result in 2017.

### Note 4: Net increase/(decrease) in cash held

The higher than estimated net decrease in cash held is predominantly due to the On-demand Transport Reform and downturn in user fees and charges revenue.

### Note 5: Approved FTE

The actual paid FTE is lower than the target, primarily due to a concerted effort by the Department to lower the organisation's leave liability.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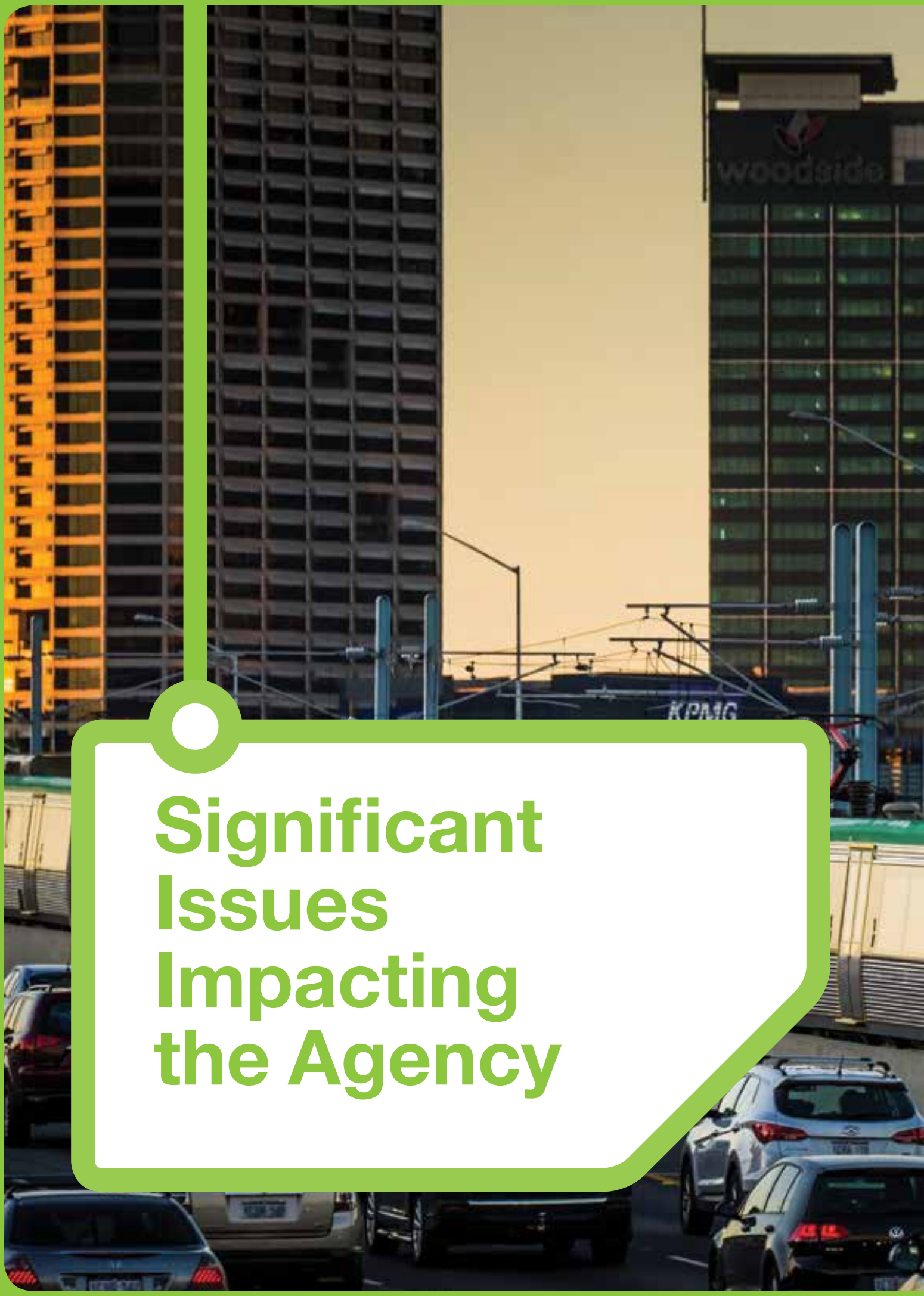


# Significant Issues Impacting the Agency

5050

Rapid population growth over the last decade has increased travel demand and congestion on Perth's transport networks at peak times, costing an estimated $2.6 billion annually in additional travel time, vehicle operation and pollution costs.

DoT is committed to working with Transport Portfolio partners PTA and Main Roads to manage congestion as the population continues to grow. DoT will achieve this by embracing a range of innovative transport solutions and initiatives that manage traffic growth and optimise the use of Perth's transport networks.

*Transport @ 3.5 Million: Perth and Peel Transport Plan for 3.5 Million People and Beyond* identified long-term infrastructure requirements, network optimisation strategies and travel demand management strategies needed to keep Perth moving as it grows towards a population of 3.5 million people.

Given a significant increase in cycling numbers well above the rate of population, a key objective of *Transport @3.5 Million*, as well as the *Central Area Transport Plan 2025* and *The Western Australian Bicycle Network Plan 2014-2031*, is to identify projects and programs to support the increased use of cycling as a transport mode.

DoT continued to invest in cycling infrastructure with $13 million allocated to improving and extending Western Australia's cycling network in 2016-17. Within this allocation, DoT's Safe Active Streets program continued to contribute to safe and comfortable cycling environments and funded bike boulevards projects in the Cities of Vincent, Bayswater and Belmont.

Demand for coastal infrastructure also continues to grow in both metropolitan and regional areas. In 2016-17, DoT addressed the need for new and improved facilities with the $6.8 million Denham foreshore redevelopment completed and the $20.146 million Exmouth Boat Harbour scheduled for completion in August 2017. These funded projects will enhance business opportunities associated with the fishing and resources sectors and support the development of marine tourism and recreational activities.

Population growth has increased community demand for transport infrastructure as well as the need for convenient access to DoT's information and services, particularly driver and vehicle services.

DoT continued planning to relocate its Midland and Willagee Driver and Vehicle Services centres to alternative sites. The new sites are being designed to provide customers with easy access to DoT's services and improve their overall experience.

DoT continued to provide customers with access to vehicle inspections and over the counter driver and vehicle licensing transactions through its network of service delivery partners. DoT's robust governance and compliance programs to ensure safe drivers and safe vehicles were strengthened by moving from traditional paper-based or spread sheet analysis to a modern risk management discipline utilising specialised software.

DoT continued to digitise more transactions in 2016-17, making it quicker and easier for customers to complete transactions online and continued to develop more effective contact centre solutions to support the growing number of customers seeking to use this channel of contact.

The use of mobile tablets for Practical Driving Assessments was successfully trialed. This technology has reduced wait times for drivers following their assessment and has also helped to identify trends where key driver behaviour needs to be improved and targeted through further education.

In the on-demand transport industry, changing consumer expectations, technological advances and the emergence of new providers have driven the need for reform of Western Australia's existing system.

Following extensive consultation, DoT rolled out the first tranche of on-demand transport industry reforms in July 2016. The second tranche of the reforms, which aim to reduce red tape, create a level playing field that continues to provide safe and reliable service for consumers and drivers, will involve a range of legislative changes that were progressed by DoT in 2016-17.

# Disclosures and Legal Compliance

PLATES

Auditor General

**INDEPENDENT AUDITOR'S REPORT**

**To the Parliament of Western Australia**

**DEPARTMENT OF TRANSPORT**

**Report on the Financial Statements**

***Opinion***

I have audited the financial statements of the Department of Transport which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Transport for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

***Basis for Opinion***

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

***Key Audit Matters***

Key audit matters are those matters that, in my professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

***User charges and fees***

User charges and fees of $259 million were significant to my audit as they apply to several key services and controls are decentralised. User charges and fees is also the largest balance in the statement of comprehensive income and represents 80% of total revenue.

My audit procedures included testing the key controls over user charges and fees to determine if they are sufficiently adequate, and confirming that the Department's accounting for revenue recognition complied with Australian Accounting Standard AASB 118 *Revenue*. I also performed analytical procedures to confirm that reported revenue was consistent with the number, category of customers and related fees. The Department's user charges and fees are included in note 12 to the financial statements.



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***Intangible assets***
In accordance with Australian Accounting Standard AASB 138 *Intangible Assets*, the Department is required to determine if costs relating to internally generated computer software should be capitalised or whether they should be expensed. This determination was significant to my audit because it involves significant management judgement, and these assets of $30 million were a significant balance in the financial statements.

My audit procedures included assessing whether the Department's capitalisation of internally generated computer software complied with AASB 138 and with the Department of Treasury's accounting policy guideline for intangible assets. I also sample tested transactions related to software development. The Department's disclosures about its intangible assets are included in Note 27 to the financial statements.

***Responsibility of the Director General for the Financial Statements***
The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

***Auditor's Responsibility for the Audit of the Financial Statements***
As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 agency's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.

- Conclude on the appropriateness of the Director General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern.

If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Director General, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

**Report on Controls**

***Opinion***
I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Transport. The controls exercised by the Department are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Transport are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2017.

***The Director General's Responsibilities***
The Director General is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

***Auditor General's Responsibilities***
As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

***Limitations of Controls***
Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

**Report on the Key Performance Indicators**

***Opinion***
I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Transport for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Transport are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2017.

***The Director General's Responsibility for the Key Performance Indicators***
The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

***Auditor General's Responsibility***
As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

**My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Department of Transport for the year ended 30 June 2017 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
31 August 2017

# Key Performance Indicators

## Certification of key performance indicators

### For the year ended 30 June 2017

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Department of Transport's performance, and fairly represent the performance of the Department of Transport for the financial year ended 30 June 2017.

**Richard Sellers**
Accountable Authority

31 August 2017

# Key performance indicators

## For the year ended 30 June 2017

DoT's outcome structure and links to the overall Government Goals.

The transport function is integral to business and commerce and is important for social interaction and connecting communities. DoT's focus is on strategic transport policy and planning, regulation and the delivery of safe and sustainable transport services and programs. This includes the licensing of drivers, vehicles and vessels; developing and planning infrastructure; and setting and ensuring service and safety standards across the range of public and commercial transport systems in Western Australia.

Together with its portfolio partners, DoT has the expertise to deliver integrated transport plans and policy and high quality services needed to connect a complex, interrelated economic and social network. DoT connects people with goods and services through an intricate system of roads, railways, airports, ports and waterways and keeps people safe within those networks through an integrated approach to planning, licensing, and education and compliance strategies.

DoT made the following changes to its Outcome Based Management (OBM) framework for 2016–17:

- Revising the key performance indicator (KPI) titled 'Percentage of regional airports receiving scheduled Regular Public Transport (RPT) air services'; to 'Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth'.
- Removing the KPI titled 'Compliance with mandatory taxi operating hours', which was due to the requirement being removed from taxi drivers' licensing conditions on 4 July 2017. This KPI will be replaced by a new indicator that reflects the broader on–demand transport industry.

The breadth and diversity of DoT's functions and services mean that DoT contributes to two of the Government's strategic goals outlined below.

| Government strategic goals | Departmental desired outcomes | Departmental services |
|---|---|---|
| **Results based service delivery**<br>Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians | **1.** An accessible and safe transport system<br>**2.** Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers | **Service 1:** Coastal Infrastructure<br>**Service 2:** Marine Safety<br>**Service 3:** On-demand Transport<br>**Service 4:** Driver and Vehicle Services |
| **State building – major projects**<br>Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development | **3.** Integrated transport systems that facilitate economic development | **Service 5:** Strategic Transport Policy and Integrated Planning |

## *Key Performance Indicators (Kpis)*

The following table outlines DoT's corporate KPIs and how they fit within the Department's outcome structure.

| Departmental desired outcomes | Effectiveness indicators | Departmental services | Efficiency indicators |
|---|---|---|---|
| 1. An accessible and safe transport system | Percentage of time maritime infrastructure is fit for purpose when required. | Service 1: Coastal Infrastructure | Average Cost per Day per Maritime Infrastructure Asset Managed. |
| | Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed. | | Average Survey Cost per Commercial Vessel. |
| | Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels. | Service 2: Marine Safety | Average Cost per Private Recreational Vessel Registration. |
| | | | Cost to Maintain Marine Pollution Response Preparedness per Registered Vessel. |
| | Percentage by which the waiting time standard, for Metropolitan Area Taxis is met. | Service 3: On-demand Transport | Cost of Regulation per Taxi Plate Administered. |
| 2. Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers | Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles). | Service 4: Driver and Vehicle Services | Average Cost per Vehicle and Driver Transaction. |
| | | | Average Cost per Vehicle Inspection Performed by Vehicle Examination Centres. |
| | Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers). | | Average cost per vehicle inspection delivered through Authorised Inspection Stations. |
| | Percentage of driver's licence cards issued within 21 days of completed application. | | Average cost per driver assessment. |
| 3. Integrated transport systems that facilitate economic development | Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port. | Service 5: Strategic Transport Policy and Integrated Planning | Average cost per policy hour for strategic transport policy development |
| | Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth. | | Average cost per planning hour for integrated transport planning development. |

**Explanation for significant variances**

Results with significant variances of 10 per cent or more compared to the target or to the prior year results are explained in greater detail.

## *Outcome 1: An accessible and safe transport system*

Under the *Transport Coordination Act 1966* (the Act), the *Jetties Act 1926* and the *Shipping and Pilotage Act 1967*, DoT is responsible for coordinating and planning the accessibility and safety considerations for the transport system.

A range of business units are involved in ensuring the accessibility and safety across the transport system. DoT's Marine Safety Business Unit provides regulation, education, training and compliance monitoring in regard to safety of marine vessels while the Coastal Infrastructure Business unit is responsible for accessibility to marine–related infrastructure and waterways.

DoT's On-demand Transport Business Unit is responsible for ensuring an adequate taxi service is provided to the public of Western Australia.

Safety in taxis in regards to vehicles and drivers is the responsibility of Driver and Vehicle Services in its role in administering road laws, as defined in the *Road Traffic (Administration) Act 2008*. This is covered under Outcome 2 of DoT's outcome structure: 'Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers'. Safety for taxi operators and passengers, not related to use of vehicles on the road (for example, speeding and careless driving), is the responsibility of the Western Australia Police in its community safety role.

The effectiveness indicators below measure transport system accessibility and safety for DoT.

### Accessibility

- Percentage by which the waiting time standard, for Metropolitan Area Taxis is met; and
- Percentage of time maritime infrastructure is fit for purpose when required.

### Safety

- Rate of Reported Incidents (Accidents) on the Water per 100 Commercial Vessels Surveyed; and
- Rate of Reported Incidents (Accidents) on the Water per 10,000 Registered Recreational Vessels.

## Effectiveness key performance indicators — Accessibility

**Percentage by which the waiting time standard, for Metropolitan Area Taxis is met**

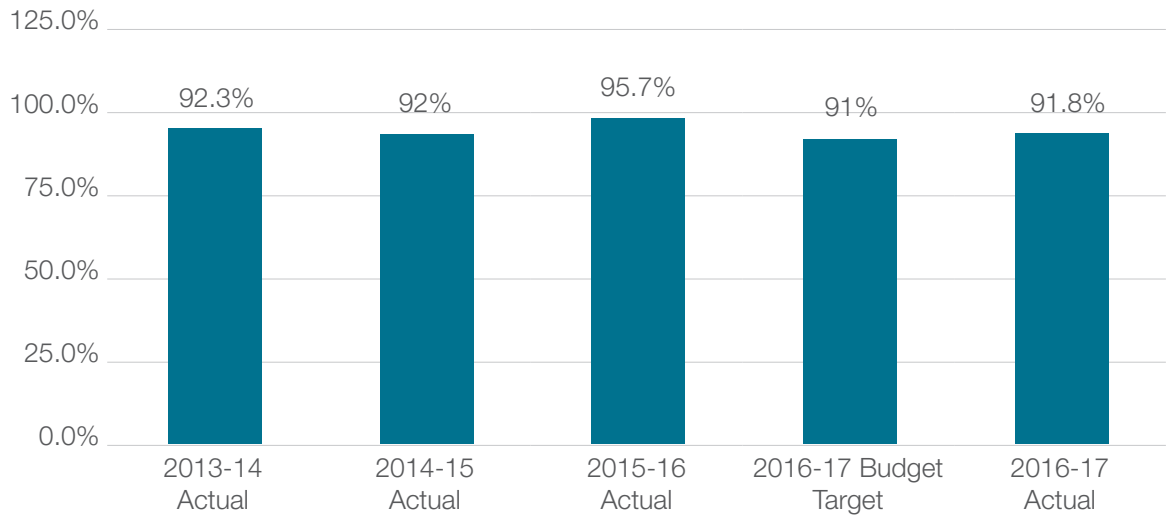
Following the 1999 National Competition Policy Review of the Perth Metropolitan Taxi Industry, the then Department for Planning and Infrastructure introduced performance standards for the industry. Performance standards have been in place since 1 July 2000 and the taxi industry is required to meet these standards.

This indicator assists in identifying supply versus demand requirements for the taxi industry and its customers. The wait times for taxis, both pre-booked and requested 'as soon as possible', have been measured during both peak and off-peak times. Orders that meet the performance standard, as detailed in the table below, are determined and presented as a percentage against all bookings.

| Booking type | Period | Target time |
|---|---|---|
| Pre-booked | Peak | 5 min |
| Pre-booked | Off-peak | 5 min |
| ASAP | Peak | 20 min |
| ASAP | Off-peak | 15 min |

This assessment gives DoT the ability to provide the Minister with evidence–based policy recommendations and, therefore, directly assists the regulatory function of DoT.

*Percentage by which the waiting time standard, for Metropolitan Area Taxis is met*




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

**Percentage of time maritime infrastructure is fit for purpose when required**

DoT is responsible for the planning, creation, enhancement and management of new and existing land and water–based maritime facilities for small craft boats throughout Western Australia.

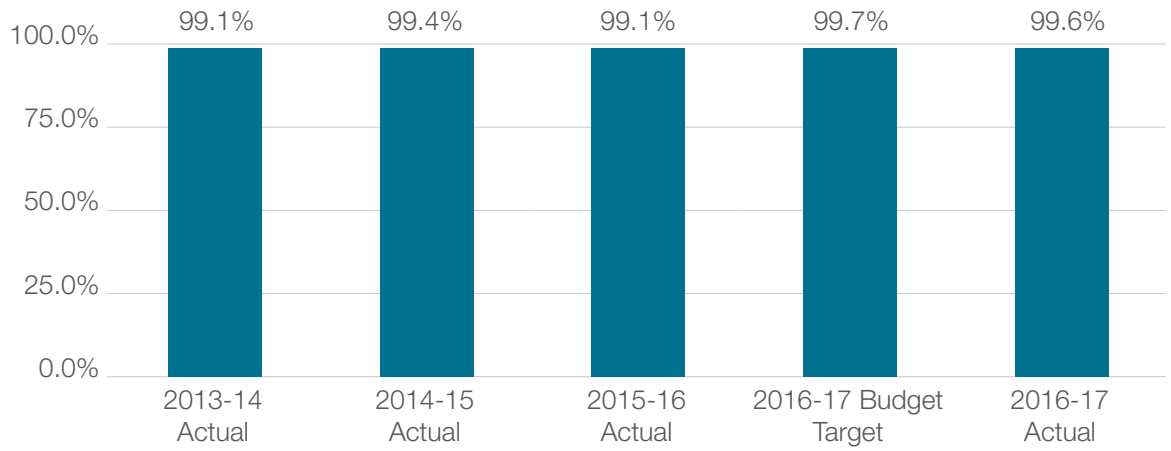
DoT manages and maintains facilities at approximately 50 discrete locations throughout the State, including a variety of maritime infrastructure assets, such as jetties, boat launching facilities, pens and mooring areas, as well as associated navigational aids and access to facilities via dredged channels.

This indicator measures the percentage of time that these maritime facilities under DoT's managerial control were accessible to the public throughout 2016-17.

The accessibility of four maritime facilities — pens, jetties, navigational aids and dredged channels — is individually calculated in terms of percentage. These individual percentages are then aggregated and divided by four to arrive at the indicator's result.

The high percentage of availability achieved indicates that maritime facilities under DoT's managerial control were appropriately maintained and accessible to the public.

*Percentage of time maritime infrastructure is fit for purpose when required.*




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

## Effectiveness key performance indicators — Safety

### Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed

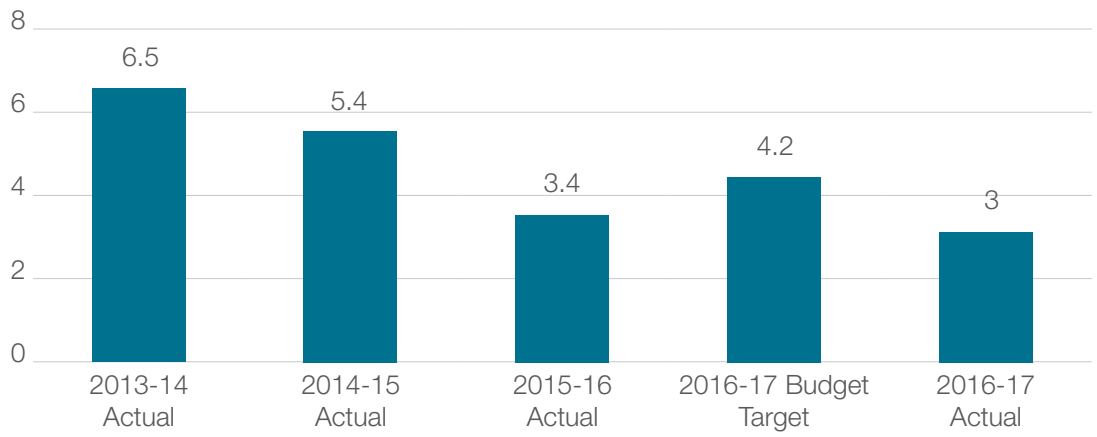
This indicator measures the effectiveness of DoT's safety initiatives in ensuring that commercial vessels in Western Australia meet minimum standards for construction and equipment safety before they are allowed to operate.

The Commercial Vessel Safety Branch (CVS) within DoT is a delegate to the National System for Domestic Commercial Vessel Safety under the auspice of the Marine Safety (Domestic Commercial Vessel) National Law 2012. With the National Regulator, CVS ensures all commercial vessels in Western Australia are subject to survey to certify they meet minimum standards for construction and equipment safety before they are allowed to operate.

All accidents that result in serious injury or death, or cause damage to the vessel rendering it unseaworthy or unsafe must be reported.

The information for this indicator is derived from DoT's commercial vessel database and the marine incidents database. It is calculated by dividing the number of incidents by the number of commercial vessels holding current survey certificates (expressed as a rate per hundred vessels).

*Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed*




***Reason for significant variance***

There was a higher than expected increase in the number of vessels being surveyed in Western Australia. While the 2016–17 Budget Target was based on 1,301 vessels, the 2016–17 Actual was 1,837.

The variance between the 2016–17 Actual and 2015–16 Actual is due to an increase in the number of surveyed vessels from 1,763 in 2015–16 to 1,837 in 2016–17.

**Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels**

This indicator measures the effectiveness of DoT's safety initiatives on recreational boating behaviour.

The data for this indicator is sourced from DoT's recreational vessel registration and the marine incidents database. It is calculated by dividing the number of incidents by the number of registered recreational vessels (expressed as a rate).

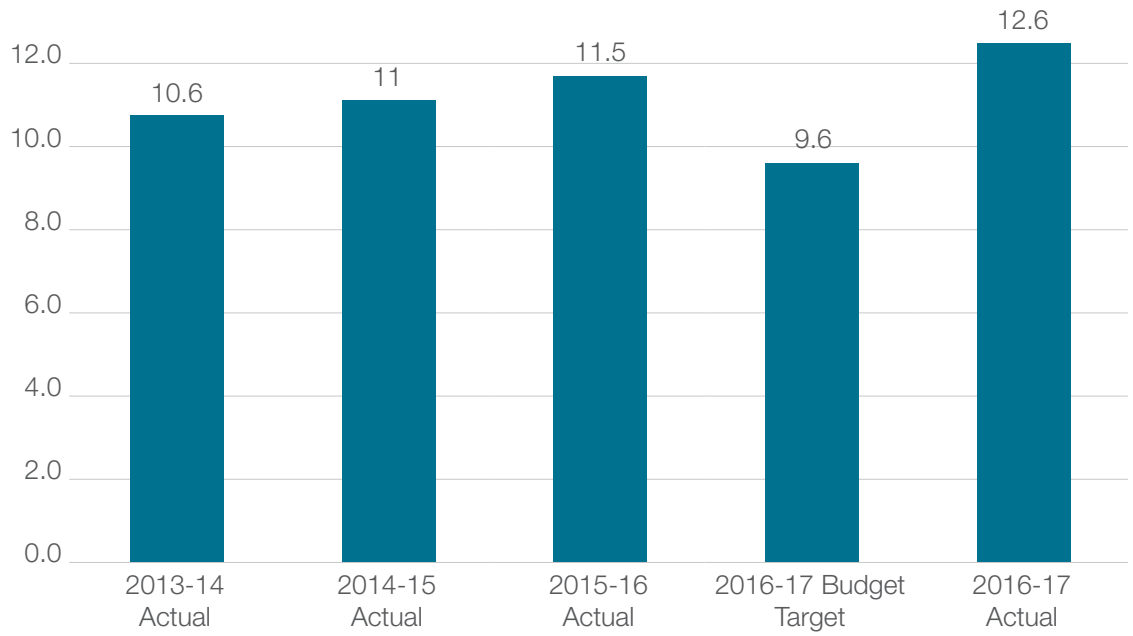
Under the Navigable Waters Regulations 1958, all vessels that have a motor or have the capacity to have a motor fitted, must be registered to operate on navigable waters in Western Australia. In addition, it is a requirement under the *Western Australian Marine Act 1982* for people to report any accident or incident that results in serious injury or death, or the vessel being damaged enough to make it unseaworthy or unsafe.

In 2016–17 there was a high number of boating–related fatalities and incidents, with the State recording its highest number of boating fatalities in the past five years and complacency by boaters being identified as a likely reason for most of these.

This suggests that the recreational boating community could benefit from more targeted safety campaigns. Specifically, DoT has identified complacency as a key behaviour to target as well as the following three common issues causing or contributing to boating fatalities:

1. Safety gear — accessibility, absence/state of safety gear.
2. Weather and location — unsuitable weather, changes in weather conditions coupled with locality of vessels in relation to reef, shallow water etc.
3. Age — males aged 45 years and over are more likely to be involved in boating fatalities.

*Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels*




***Reason for significant variance***

The variance between the 2016–17 Budget Target and 2016–17 Actual is owing to an increase in the number of incidents reported. This is largely due to mandatory reporting requirements of the marine insurance industry; to only accept claims made by clients under the proviso that the incident has been reported to DoT.

There was no significant variance between the 2015–16 Actual and 2016–17 Actual.

## *Outcome 2: Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers*

Driver and Vehicle Services (DVS) is responsible for licensing the State's drivers and registering vehicles under the *Road Traffic (Authorisation to Drive) Act 2008, Road Traffic (Vehicles) Act 2012* and *Road Traffic (Administration) Act 2008*. Drivers must demonstrate that they are competent to drive a vehicle through complying with the requirements of Section 16 of the Road Traffic (Authorisation to Drive) Regulations 2014. Vehicles must be registered before they may lawfully be used on the road. The Road Traffic (Vehicles) Regulations 2014 details the specific requirements for examination against the Australian Design Rules, which allow a vehicle to be deemed roadworthy.

DoT measures its effectiveness in meeting this outcome through:

- The percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles);
- The percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers); and
- The percentage of driver's licence cards issued within 21 days of completed application.

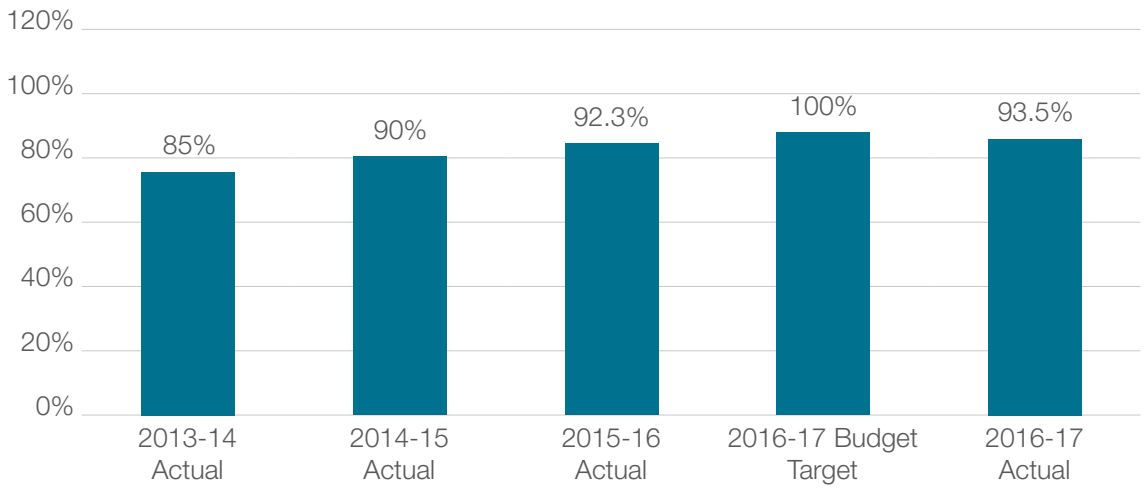
**Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)**

This indicator measures the extent to which vehicles meet established vehicle standards to deliver safe vehicles.

The data is derived from a sample of completed examination forms (Certificates of Inspection), which are reviewed by DoT's auditor. The number of forms that pass the criteria are counted and divided by the total number of forms audited. The results are then expressed as a percentage.

The sample audit is conducted on a weekly basis. The system is based on using automated (HYPERION) reports that provide details of vehicles that passed examinations in the last week as recorded in Transport Executive Licensing Information System (TRELIS), of which 10 samples are selected at random to a total of 100 per quarter. The Certificates of Inspection created by TRELIS and/or the Vehicle Inspection System for each identified record are then checked and compared against the data in TRELIS to determine that all relevant sections of the examination have been completed and integrity of data maintained.

*Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)*




***Reason for significant variance***

Assessing compliance for this indicator is dependent upon verification of original source documents for completed vehicle examinations. Delays in the return of the certification of inspection forms from Authorised Inspection Station (AIS) providers to DoT are causing the variance between the 2016–17 Budget Target and 2016–17 Actual. DVS is working with AIS partners to minimise this delay.

There was no significant variance between the 2015–16 Actual and 2016–17 Actual.

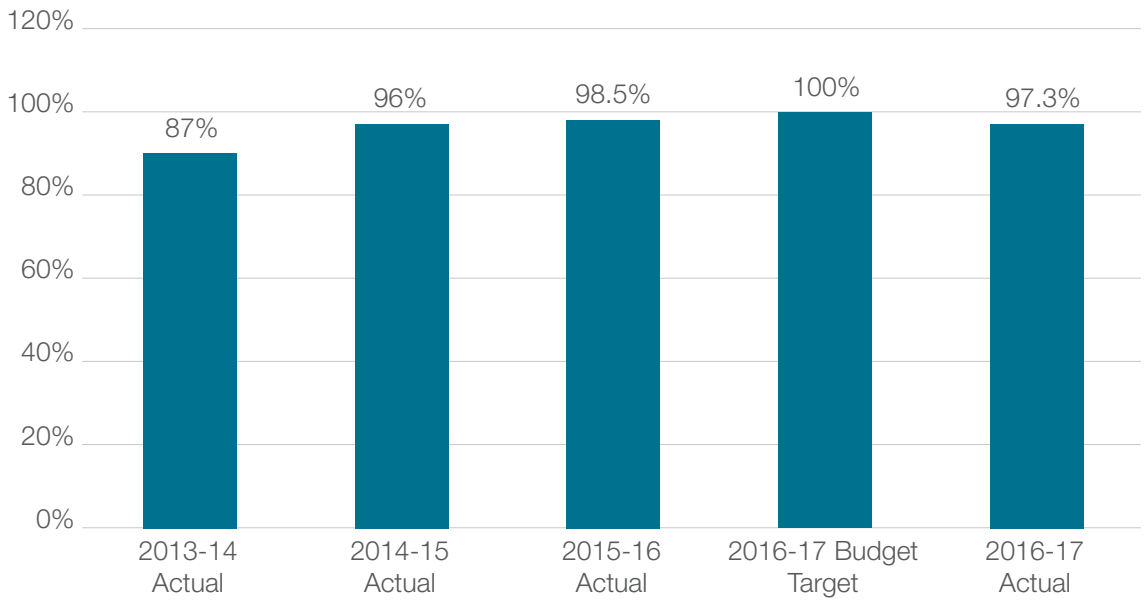
**Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)**

This indicator measures the extent to which the licensing processes of drivers establish levels of competencies that will deliver safe drivers.

A sample of all driver licences issued under the Graduated Driver Training and Licensing System (GDT&LS) are reviewed by DoT's auditor and the number of licences that complied with each key component in the GDT&LS are recorded and divided by the total number of licences assessed. The resulting figure is then expressed as a percentage.

The sample audit is conducted on a weekly basis. The system is based on using automated (HYPERION) reports that provide the driver licences issued in the past week, of which 10 samples are selected at random to a total of 100 per quarter. All process components related to the GDT&LS are then checked to determine that compliance with each criterion is met.

*Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)*




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

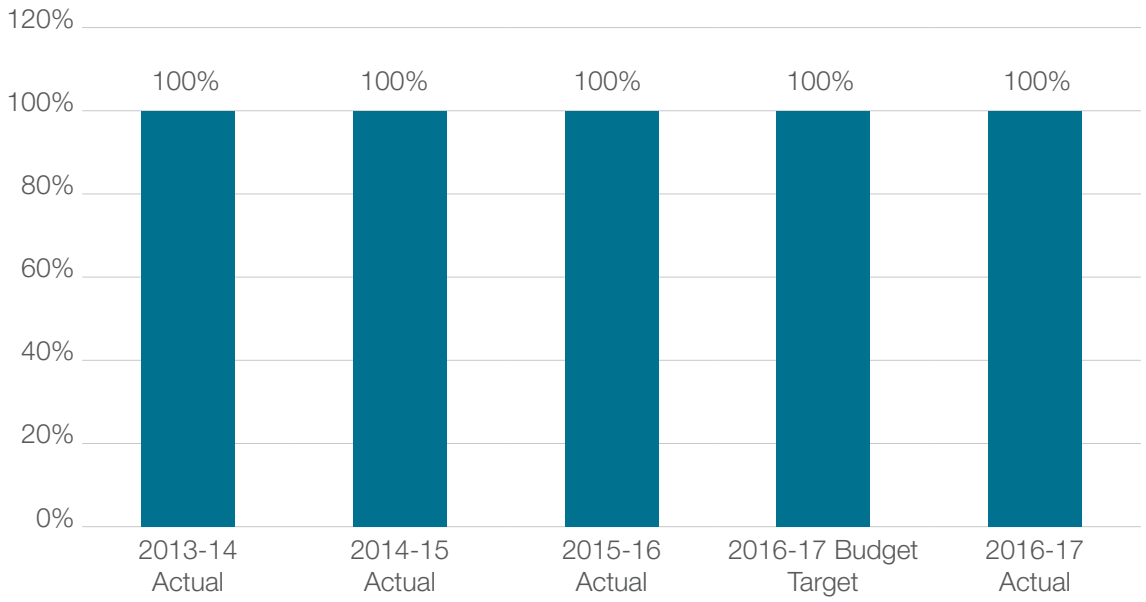
**Percentage of driver's licence cards issued within 21 days of completed application**

DoT is committed to issuing driver licence cards in a timely manner in order to provide excellent service to its customers.

This measure is calculated by dividing the total number of licence cards issued within the timeframe (21 days) by the total number of licence cards issued (multiplied by 100), to determine the percentage.

This indicator demonstrates that DoT is providing an effective service to its customers by issuing all driver's licence cards within 21 days of completed application.

*Percentage of driver's licence cards issued within 21 days of completed application*




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

## *Outcome 3: Integrated transport systems that facilitate economic development*

DoT's Policy, Planning and Investment Division develops, integrates and regulates Western Australia's transport systems and infrastructure, which is integral to servicing the State's business and social communities.

DoT determines the location of major transport routes and infrastructure, their suitability for a range of transport services and how each route integrates into the broader transport system for boats, trains, planes and vehicles.

Providing regular and adequate public transport air services to key Western Australian regional communities is the responsibility of the Transport Strategy and Reform Directorate. DoT ensures all aircraft that carry passengers for regular public transport or charter purposes within the State are licensed annually.

DoT measures its effectiveness in meeting this outcome through the:

- Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle port.
- Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth.

**Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle port**

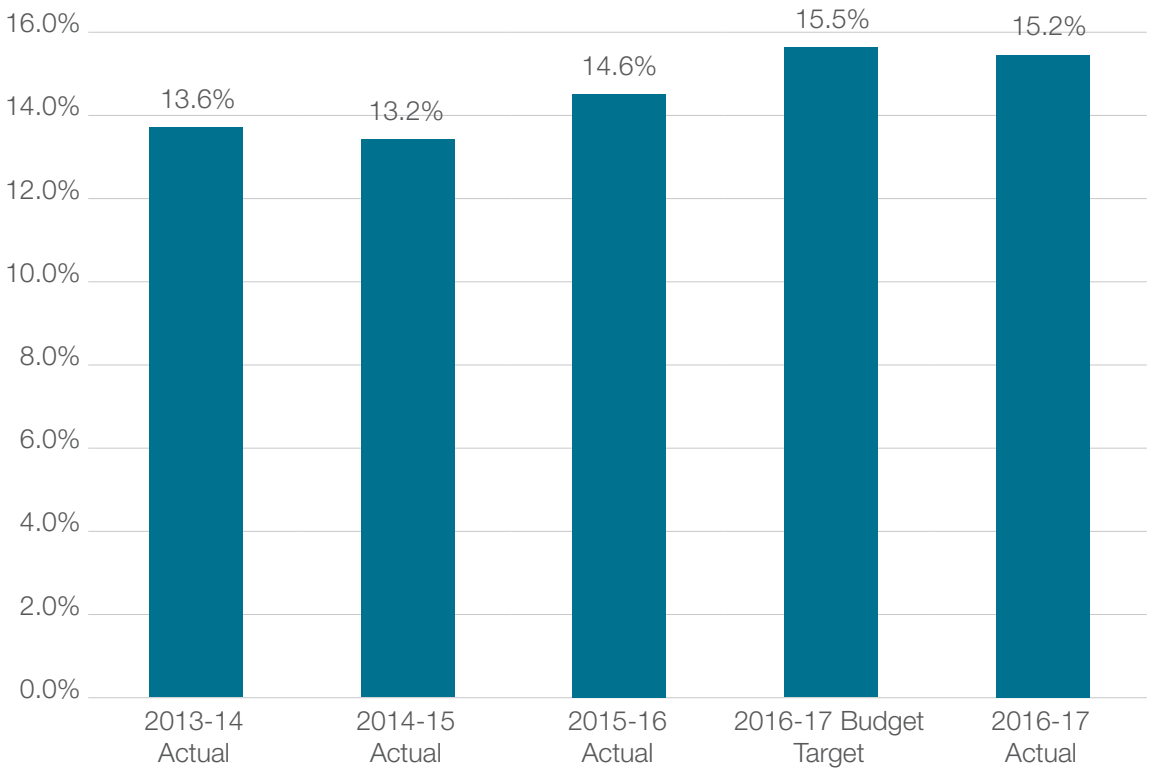
This indicator informs how effectively DoT is shifting the transportation of freight to rail, and thereby reducing heavy vehicle movements and congestion and improving the efficiency of the road network.

A significant proportion of metropolitan container movements occur on arterial roads between the key freight precinct of Kewdale–Forrestfield and Fremantle Port. In order to reduce the impact of an increasing freight task on metropolitan roads, the State Government is committed to increasing the volume of freight on rail by way of subsidising the freight rail service between North Quay Rail Terminal at Fremantle Port and Forrestfield Terminal.

The outcome of this indicator is measured by capturing the proportion of total metropolitan container freight movements by rail to total port container volume movements to and from Fremantle Port. Specifically, this is measured as a percentage of Twenty–foot Equivalent Unit (TEU) freight transported by rail, in relation to total TEU movements through Fremantle Port.

The percentage indicates performance variances in rail movements compared to total volume movements.

**Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle port**




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

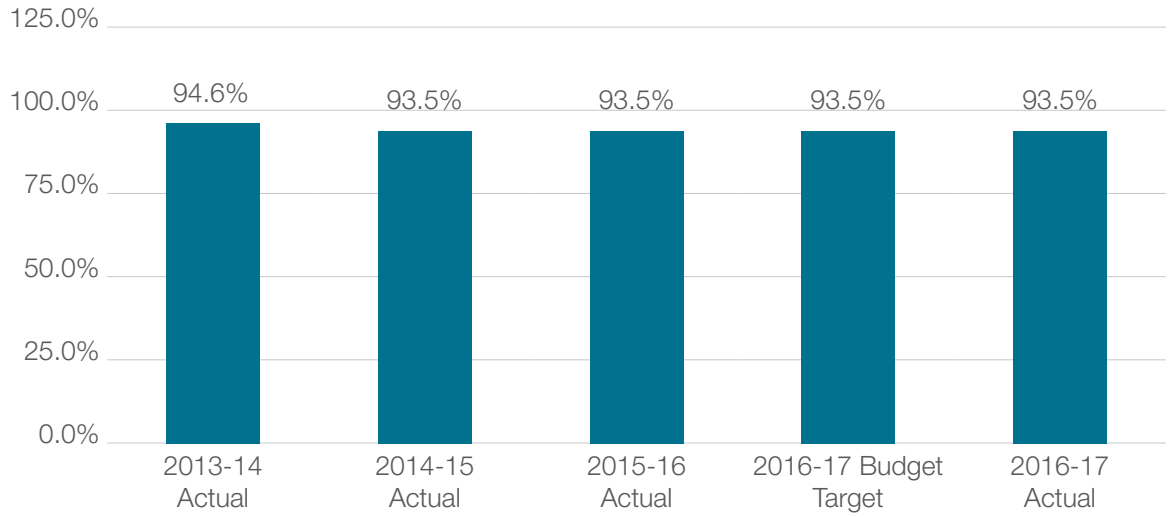
**Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth***

This indicator measures DoT's effectiveness in meeting its responsibility in ensuring regional communities have access to regular public transport (RPT) air services to Perth for economic and social purposes.

The outcome of this indicator is measured by determining the percentage of LGAs that have a population greater than 500 and that are within 250 km of an airport by sealed road which receives two or more RPT air services per week in each direction.

The high percentage achieved indicates that regional communities have access to RPT air services within 250 km of the airport receiving two or more RPT air services per week. A reduction in the percentage of LGAs being serviced by RPT air services would indicate that services to remote communities are not being maintained.

**Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth**




* This a new KPI for 2016–17. Results for prior years have been recast.

***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

## 1. Measures of efficiency

The measures of efficiency relate to the outputs (services provided) to the level of resource inputs required to produce them e.g. cost per unit of output. While the effectiveness indicators measure the success in achieving the Departmental desired outcomes, the efficiency indicators measure the efficiency (in most cases, the cost per unit of the service delivered) in providing the services that relates to these outcomes.

When calculating cost measures of efficiency all costs involved with providing the service, such as corporate, division and business unit overheads are included.

The following expenditures have been excluded in calculating efficiency indicators as they either do not directly relate to the services provided by the Department or are not considered to be a cost of service delivery.

| | 2016-2017<br>$ 000 | 2015-2016<br>$ 000 |
|---|---|---|
| **Non–Reportable KPI Cost** | | |
| Grant and Subsidies | 109,880 | 86,877 |
| Non–Core operation | 31,272 | 29,166 |
| **Total Non–Reportable Cost** | **141,152** | **116,043** |

Non–Core operation costs include, for example:

- functions that are not directly related to the reportable KPIs, such as all costs associated with administering the approximately 1,500 moorings under the various regulations where Marine Safety charges a fee; and
- On-demand Transport (OdT) costs associated with administration of grants and recurrent costs associated with the OdT Reforms.

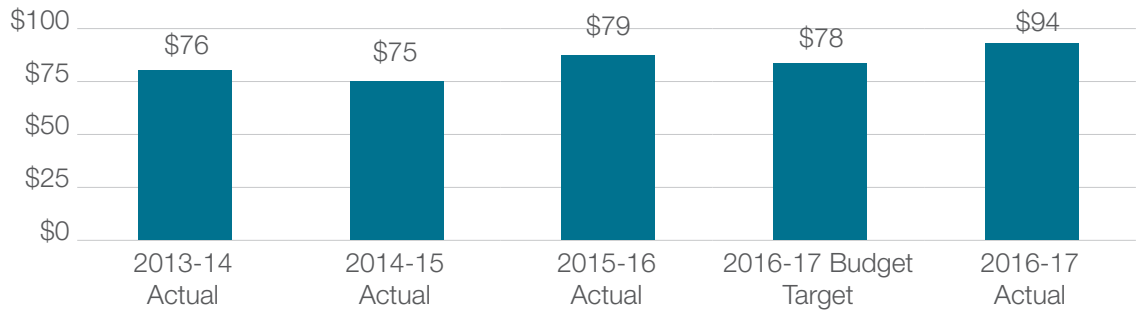
The measures of efficiency used for DoT and how they relate are as follows:

### Service 1: Coastal Infrastructure

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

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

*Average Cost per Day per Maritime Infrastructure Asset Managed*




***Reason for significant variance***

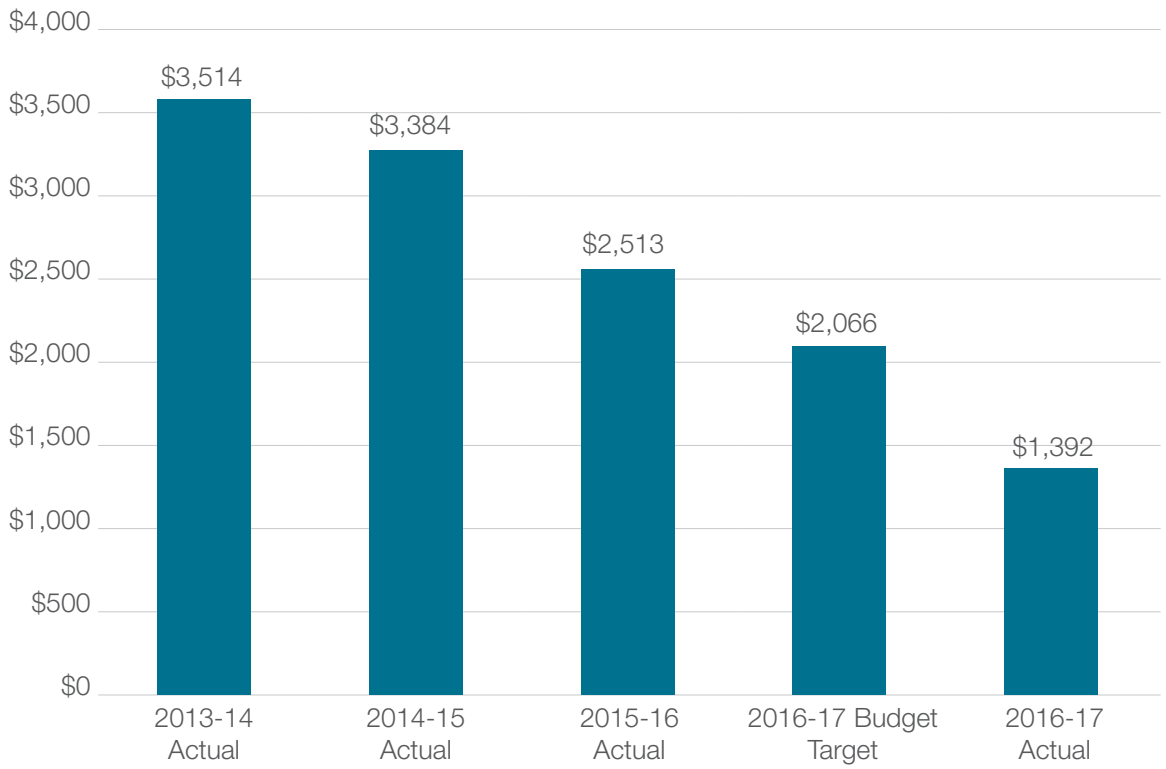
The variance between the 2016–17 Budget Target and 2016–17 Actual is mainly due to revaluation loss of Coastal Infrastructure land–based facilities by $8.93 million that was not budgeted for in 2016–17. If this revaluation loss was excluded from the KPI calculation the Average Cost per Day per Maritime Infrastructure Asset Managed would be $80.07, which is only a 2.31 per cent increase compared to the 2016–17 Budget Target and a 0.8 per cent decrease from the 2015–16 Actual to 2016–17 Actual.

## Service 2: Marine *Safety*

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

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

*Average Survey Cost per Commercial Vessel*

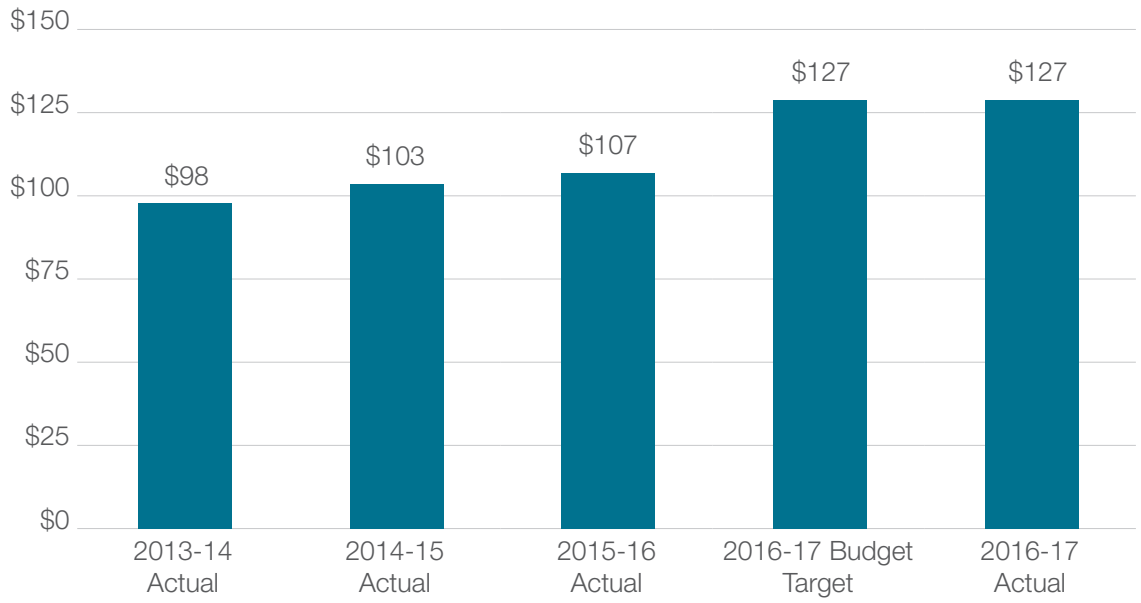



**Re*ason for significant variance***

The variance between the 2016–17 Budget Target and 2016–17 Actual is mainly due to a decrease in the actual average survey cost driven by higher number of vessel surveys undertaken than budgeted (41 per cent more surveys taken than budgeted).The lower number of surveys was forecasted due to introduction of the National System for Domestic Commercial Vessels.

The variance between the 2015-16 Actual and 2016-17 Actual is to a decrease in total costs from $4.43 million in 2015-16 to $2.56 million in 2016-17. This is related to an ongoing reduction in services leading up to the transfer of this function to the Commonwealth in 2018.

*Average Cost per Private Recreational Vessel Registration*

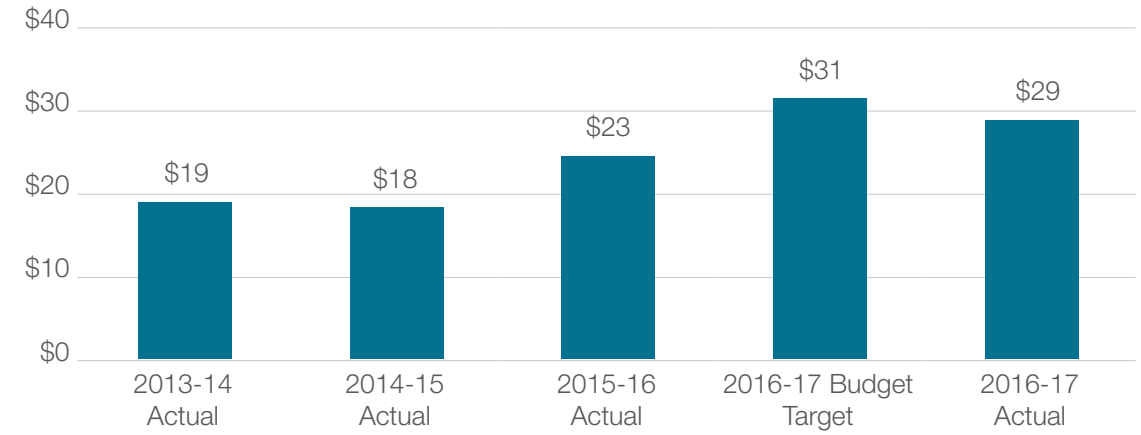



**Reason for significant variance**

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual.

The variance between the 2015–16 Actual and 2016–17 Actual is due to an increase in cost in 2016-17, which was driven by additional resources for safety education and navigation aids maintenance, and a transfer of resources from commercial vessel survey functions.

*Cost to Maintain Marine Pollution Response Preparedness per Registered Vessel*




***Reason for significant variance***

The variance between the 2016–17 Budget Target and 2016–17 Actual is mainly due to lower overall employment costs than what was budgeted.

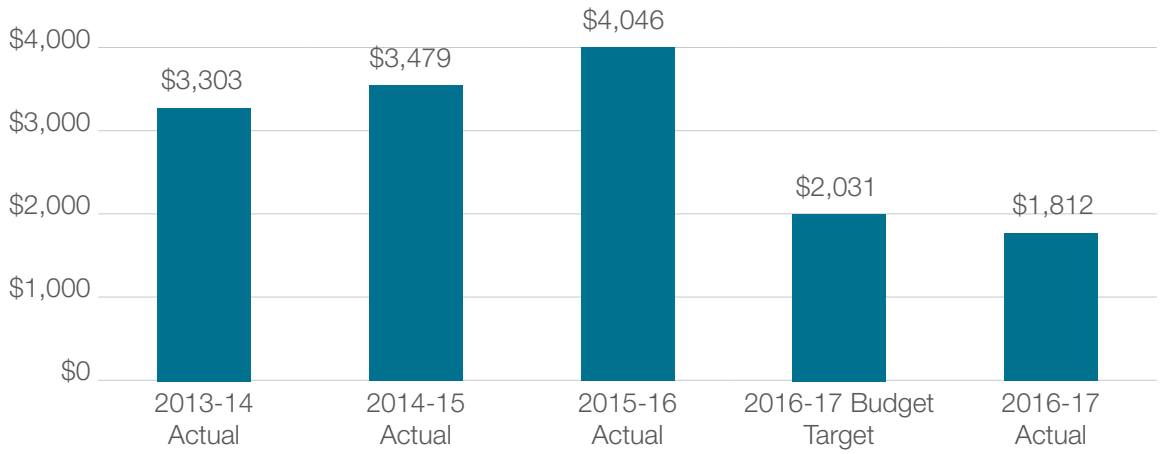
The variance between the 2015–16 Actual and 2016–17 Actual is due to an increase in cost due to enhancement of the Marine Safety Directorate's ability to fulfil its Hazard Management Agency obligations, with respect to Maritime Environmental Emergency Response. This mainly included an increase in the FTE level and costs incurred for oil spill mapping activities.

## Service 3: On-demand Transport

This service provides a regulatory environment that encourages competition and innovation in the on–demand transport industry, to deliver safe, accessible and efficient on–demand transport services for our community, through:

- collecting and analysing data, to regulate new and existing taxi and omnibus providers in the industry through education and compliance;
- administering travel subsidies for taxi users, students and pensioners; and
- supporting Government planning and policy development for on-demand transport services.

*Cost of regulation per taxi plate administered*




***Reason for significant variance***

The variance between the 2016–17 Budget Target and 2016–17 Actual, and the 2015–16 Actual and the 2016–17 Actual, is associated with reduced costs achieved though the implementation of efficiency measures across the On–demand Transport (OdT) Directorate.

Due to the emergence of new market entrants, OdT implemented a new licensing framework for charter vehicles in July 2016. This allowed OdT to deliver more flexible and innovative transport options to customers and allow new market entrants to operate services lawfully in Western Australia.

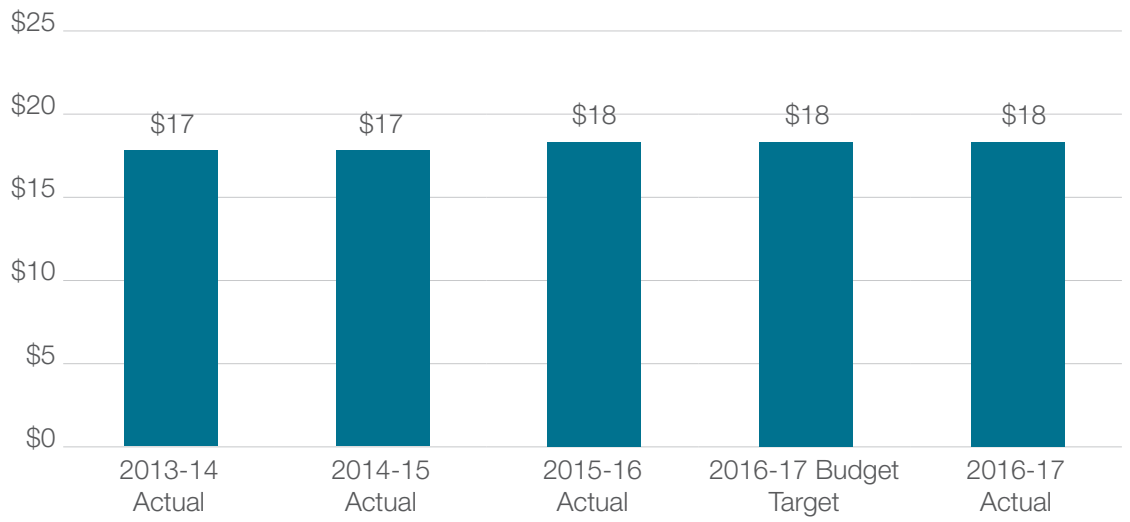
This also led to a change in cost allocation methodology used to calculate the KPI result, as the service scope expanded to include both taxis and charter vehicles; hence, a reduction in cost of administering a taxi plate as compared to prior years.

## Service 4: Driver and Vehicle Services

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

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

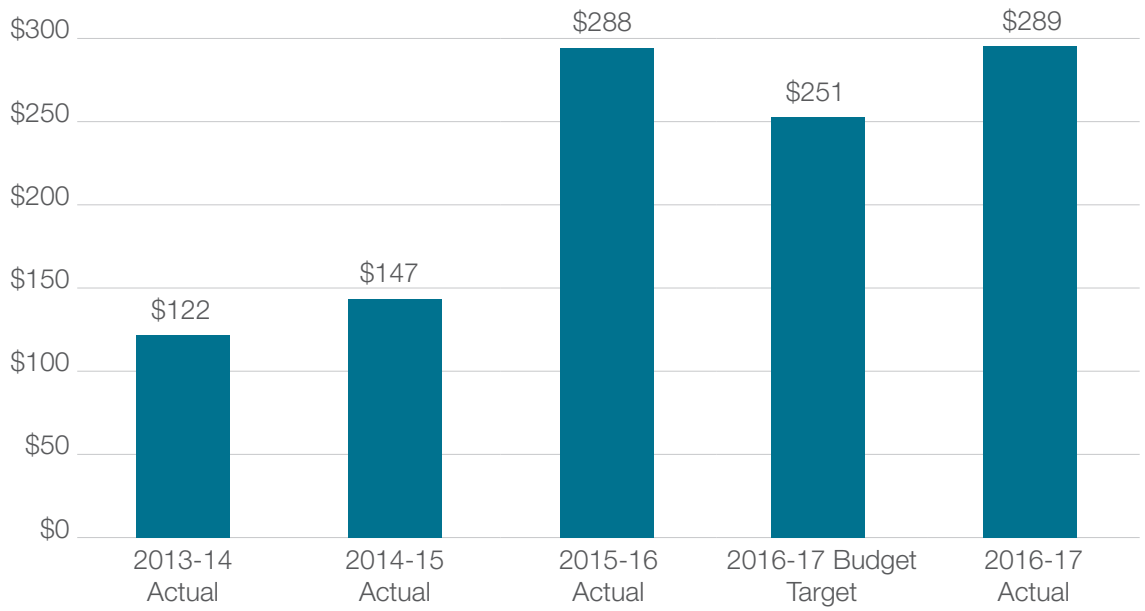
*Average cost per vehicle and driver transaction*




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

*Average cost per vehicle inspection performed by Vehicle Examination Centres*

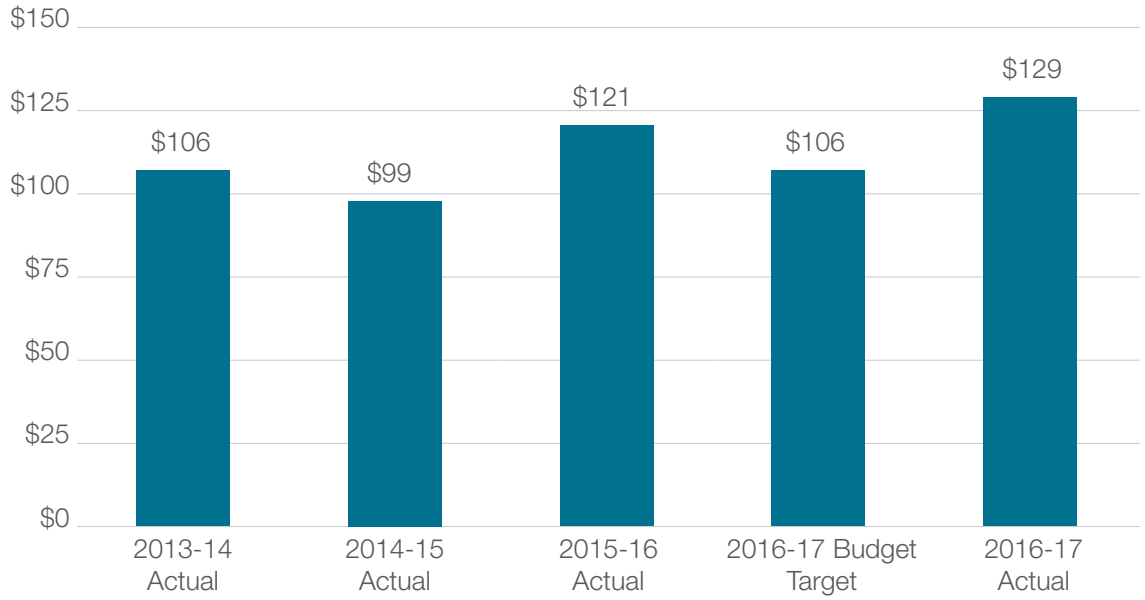



**Reason for significant variance**

The variance between the 2016–17 Budget Target and 2016–17 Actual is due to the shift of inspection volumes from Vehicle Examination Centres to Authorised Inspection Stations (AIS), which has continued with the expansion of the AIS partnership model. DoT has retained resources to effectively manage demand until the expansion process is complete.

There was no significant variance between the 2015–16 Actual and 2016–17 Actual.

*Average cost per vehicle inspection delivered through Authorised Inspection Stations*

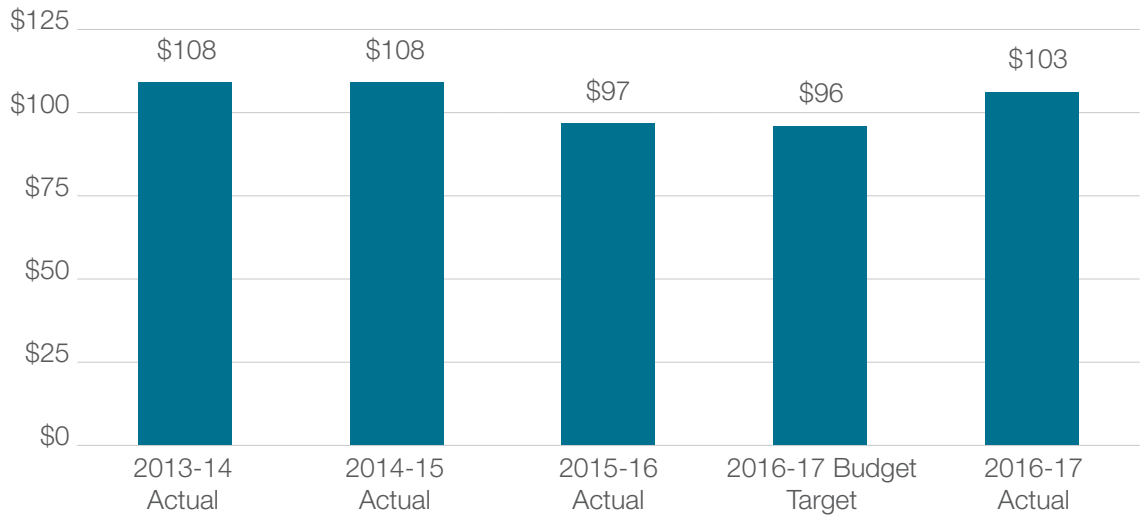



**Reason for significant variance**

The variance between the 2016–17 Budget Target and 2016–17 Actual is due to the shift in inspection volume from Vehicle Examination Centres to Authorised Inspection Station partners.

There was no significant variance between the 2015–16 Actual and 2016–17 Actual.

*Average cost per driver assessment*




***Reason for significant variance***

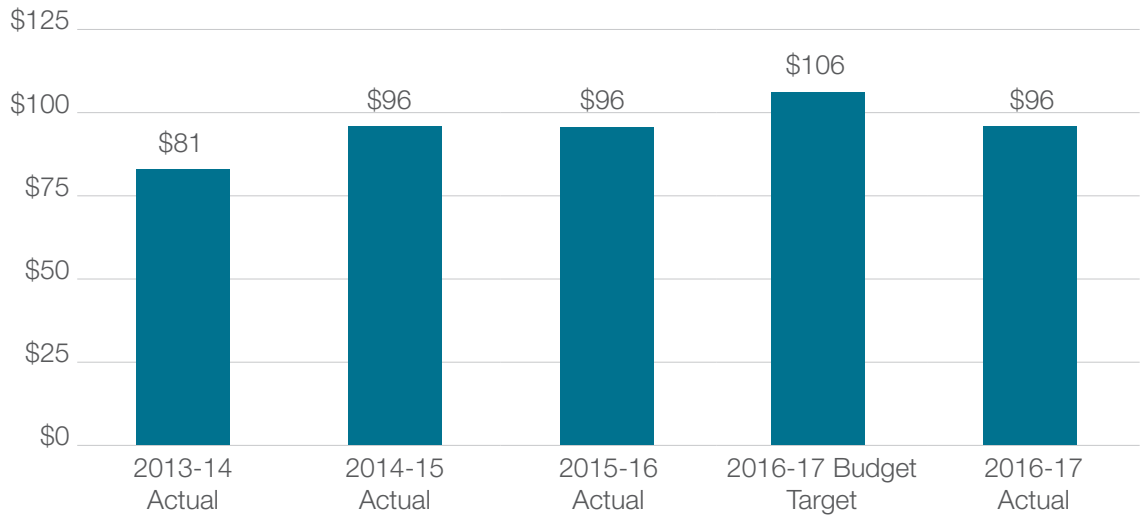
There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

## Service 5: Strategic transport policy and integrated planning

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

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

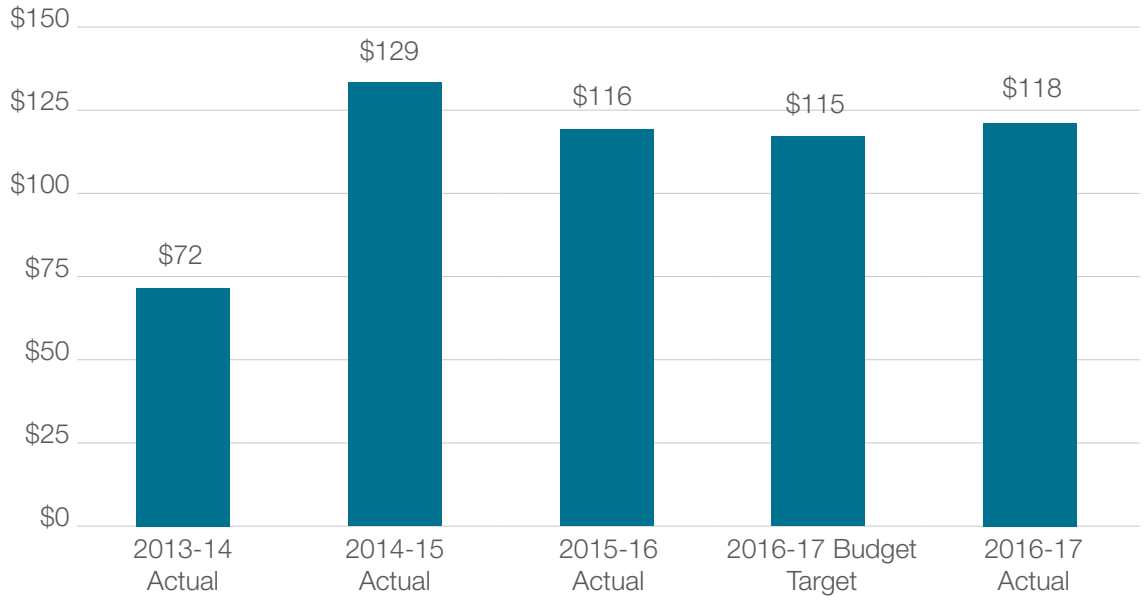
*Average cost per policy hour for strategic transport policy development*




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

*Average cost per planning hour for integrated transport planning development*




***Reason for significant variance***

There was no significant variance noted this year between 2016–17 Budget Target and 2016–17 Actual or 2015–16 Actual and 2016–17 Actual.

# Ministerial directives

No Ministerial directives were received during the 2016-17 financial year.

# Other financial disclosures

## Pricing policies of services provided

DoT reviews its fees and charges annually to reflect, where legally permissible, full cost recovery in the provision of its services pursuant to the departmental policy for costing and pricing.

The following gazettes contain variations to DoT's fees and charges for the 2016-17 financial year:

- *Western Australia Government Gazette No. 62 dated 15 April 2016*
- *Western Australia Government Gazette No. 75 dated 13 May 2016*
- *Western Australia Government Gazette No. 80 dated 20 May 2016*
- *Western Australia Government Gazette No. 83 dated 27 May 2016*
- *Western Australia Government Gazette No. 96 (Special) dated 14 June 2016*
- *Western Australia Government Gazette No. 231 dated 23 December 2016*

## Major capital projects

DoT's major capital projects, those over $5 million, for the 2016-17 financial year are detailed in the table below.

| Capital projects incomplete | | | | |
|---|---|---|---|---|
| Project Name | Expected Year of Completion | Project Life Spent up to 30/06/2017 $'000 | Estimated Cost to Complete $'000 | Est. Total Cost of Project $'000 |
| Exmouth Boat Harbour | 2017-18 | 16,856 | 3,290 | 20,146 |
| Burswood Public Jetty | 2017-18 | 1,013 | 3,987 | 5,000 |

## Employment and industrial relations

Full-time equivalents (FTE) and headcount at 30 June 2017 are detailed in the table below.

| Status | Headcount* | FTE* |
|---|---|---|
| Permanent full-time | 1,125 | 1,125.00 |
| Permanent part-time | 216 | 140.87 |
| Temporary full-time | 116 | 116.00 |
| Temporary part-time | 23 | 13.68 |
| Senior Executive Service | 19 | 19.00 |
| **Total** | **1,499** | **1,414.55** |

**Headcount and FTE numbers include paid employees and employees on unpaid leave.*

In 2016 -17, DoT withdrew from the *Department for Planning and Infrastructure Agency Specific Agreement* 2007. DoT continued to work in partnership with its Joint Consultative Committee to consult on initiatives and address any issues.

## Freedom of information

DoT's Freedom of Information (FOI) Coordinator is the initial contact point for all FOI related matters.

In accordance with the *Freedom of Information Act 1992 (the Act),* DoT is required to respond to FOI access applications within 45 days of receipt, unless an extension is negotiated. The average time to process applications in 2016-17 was 18 days.

### FOI fees and charges

FOI fees and charges are set under the Act. Apart from the application fee for non-personal information, all charges are discretionary. Details of fees and charges are listed below.

| Application | Amount |
|---|---|
| Personal information about applicant | No fee |
| Application fee (for non-personal information) | $30.00 |
| Charge for time taken dealing with the application | $30.00 per hour |
| Charge for access time supervised by staff | $30.00 per hour |
| Charges for photocopying | $30.00 per hour for staff time and 20 cents per copy |

### Rights of review

The Act allows dissatisfied applicants to request an internal review of the initial decision made by DoT. In accordance with Section 40 of the Act, a request for an internal review must be forwarded to the FOI Coordinator, in writing, within 30 days of the date of the initial decision.

Following an internal review, matters remaining in dispute can be submitted to the Office of the Information Commissioner for external review. Such applications must be submitted within 60 days from the date of internal review decision.

No fees or charges apply to internal or external reviews.

### FOI statistics for 2016-17

FOI statistics for 2016-17, compared with previous years, are detailed in the table below.

| FOI application | Number received 2013-14 | Number received 2014-15 | Number received 2015-16 | Number received 2016-17 |
|---|---|---|---|---|
| Total received (not including those transferred to another agency) | 204 | 257 | 351 | 310 |
| Internal reviews | 10 | 19 | 15 | 13 |
| External reviews | 2 | 7 | 7 | 2 |
| Transferred to another agency | 15 | 7 | 10 | 2 |

## Customer Feedback

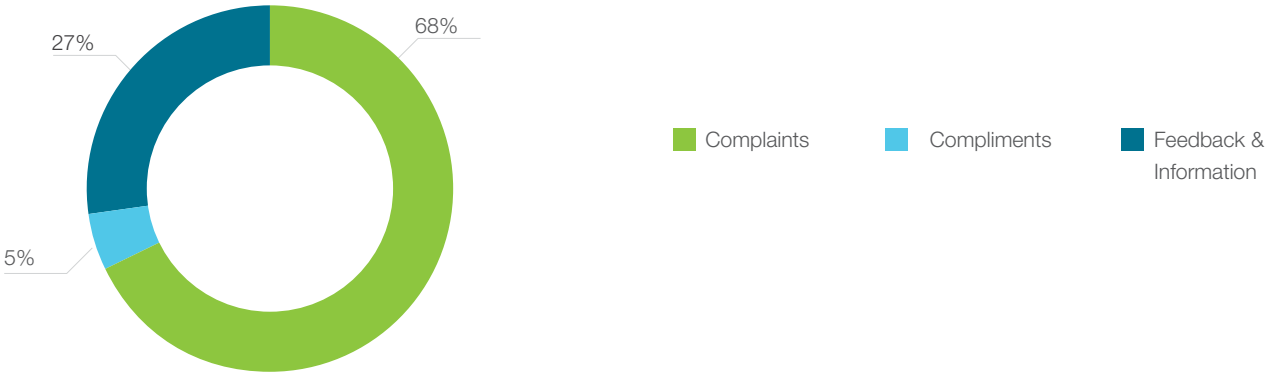
DoT's Complaints Handling Policy and Procedures allow complaints to be made in person, by phone, fax, online or in writing,  in line with the Australian Standard on Complaints Handling (AS ISO 10002-2006).

Complaints are managed through DoT's Customer Feedback System (CFS), which is administered within Objective – DoT's electronic document and record management system (EDRMS).

### Feedback received in 2016-17

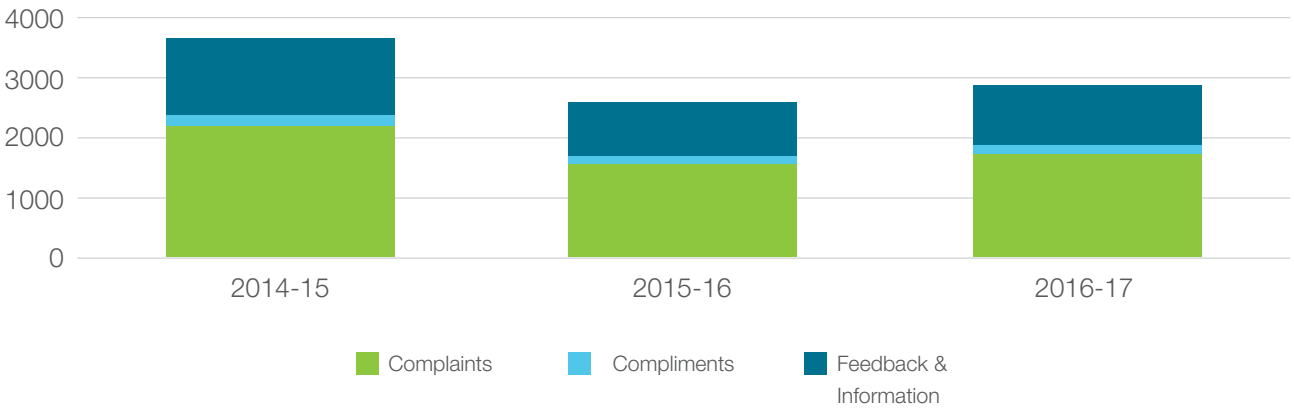
In 2016-17, the following types of feedback were managed through the CFS.

**Type of feedback received in 2016-17**



A comparison of the types of feedback received in 2016-17, compared with previous years, is shown below.

**Breakdown of feedback received over time**




In 2016-17, DoT continued to analyse customer feedback and improve accessibility for customers wishing to submit a general enquiry online. These measures to improve the customer experience may have contributed to the overall increase in feedback from 2015-16 as customers found the process more accessible.

### Breakdown of complaints by business unit

A breakdown of complaints received by business unit in 2016-17 is shown below.

| Business Units | Complaints | Feedback, information and compliments | Total customer feedback | Percentage of DoT total complaints |
|---|---|---|---|---|
| Driver and Vehicle Services | 1,631 | 777 | 2,708 | 82.88% |
| Marine Safety | 46 | 40 | 86 | 2.34% |
| Coastal Infrastructure | 11 | 16 | 27 | 0.56% |
| Regional Services | 54 | 7 | 61 | 2.74% |
| On-demand Transport | 190 | 22 | 212 | 9.65% |
| Other** | 36 | 66 | 102 | 1.83% |
| **Total** | **1,968** | **928** | **2,896** | |

On-demand Transport (OdT) complaints received increased from 2.5 per cent to almost 10 per cent of the total complaints received throughout the year. Factors that could be attributed to this increase are the introduction of processes to formally capture complaints from a wider range of sources in OdT and the current OdT industry reform activities.

## Creating a values-driven organisation

### Cultural Development Strategy

DoT continued to implement Stage 2 of its Cultural Development Strategy to build the desired culture to deliver 'one Transport' solutions and services to the Western Australian community.

Cross-functional cultural development teams came together from across DoT to work on projects and initiatives focused on improving our customer's experience and better recognising the achievements of our great people.

### Building capability

DoT continued to provide its great people with training and support, detailed below, to enable a capable and flexible workforce committed to improving Western Australia's transport systems and services for the community.

*Performance Partnership Program*

DoT's Performance Partnership Program (PPP) provides a framework for all employees and people managers to have ongoing discussions about performance objectives, measures and learning and development needs to ensure they are set up for success.

DoT's People and Organisational Development (POD) business unit continued to build on the success of the program by providing tailored solutions to optimise employee performance and potential.

As a result of the PPP, at 30 June 2017:

- 89 per cent of DoT employees had a performance review in the past six months;
- 97 per cent of DoT employees had a current Individual Performance Plan;
- 96 per cent of DoT employees had a current Individual Learning and Development Plan; and
- 99 per cent of DoT employees who completed a performance review discussion were assessed as "meeting expectations".

*People Managers Program*

DoT continued to deliver its highly effective People Managers Program to empower managers to effectively lead and manage their people to support achieving our strategic objectives.

The engaging and practical program, now in its fourth year, provides participants with the opportunity to obtain a nationally accredited Certificate IV in Leadership and Management and was refreshed throughout the year to align with these updated national qualifications.

In 2016-17, 19 leaders and emerging leaders completed the program and a further 40 commenced.

*Certificate IV for Compliance Officers Program*

DoT continued to deliver its Certificate IV for Compliance Officers Program to ensure all compliance officers have the necessary skills and capability to succeed in their compliance and community education roles.

This investment in our people demonstrates DoT's commitment to career development and highlights the importance it places on the compliance and community education profession.

Through the 12 month program, officers gain two nationally accredited qualifications - Certificate IV in Investigation and Certificate IV in Compliance. In 2016, 47 officers successfully completed the program and a further 51 commenced in 2017.

### Diversity Plan 2016-2020

DoT recognises that a diverse and inclusive workforce helps us understand the needs of our diverse community as we strive to deliver the best transport services and solutions.

DoT's Workforce Diversity Plan 2016-2020 aims to further improve outcomes for employees from diversity groups. The Plan outlines initiatives to help raise awareness of the benefits of a diverse workforce and provide opportunities to diversity groups, specifically in relation to the employment and retention of Aboriginal and Torres Strait Islander people, people with disability and women in leadership.

The following was achieved in 2016-17 to support the implementation of the plan:

- All DoT employees were encouraged to participate in significant events such as National Reconciliation Week, Disability Awareness Week, Harmony Week, NAIDOC and International Women's Day.
- As part of Disability Awareness week, six DoT employees shared their personal perspective on living with or caring for someone with a disability. Their inspiring stories helped to start a positive conversation about how we can better support people with disability at a personal and organisational level.
- DoT continued to successfully participate in the Public Sector Commission Aboriginal Traineeship Program, welcoming three trainees who are anticipated to successfully complete their Certificate III in Government (Administration) by September 2017. Two trainees from the 2015-16 program intake are continuing their careers with DoT.
- DoT was recognised for its pioneering role in partnering with the Autism Academy and Australian Computer Society Foundation to host an intern in a User Acceptance Testing role, showcasing the unique abilities people with disability bring to the workplace.
- Cultural Awareness training was made mandatory for all employees to help them work more effectively with colleagues and customers from diverse backgrounds.
- Face-to-face discrimination and harassment training was completed by all people managers to ensure they are aware of their obligations in preventing and responding to behaviour of this kind. Online training for all employees and a refresher for managers was also launched to raise awareness and promote compliance.

### Radar Awards

DoT's reward and recognition program, the Radar Awards, continued to build a high performing, values-driven workforce by formally recognising individuals and teams who live the DoT values of:

- Clear Direction;
- Fresh Thinking;
- Excellent Service; and
- Great People.

A number of improvements were made to the program in 2016-17 to encourage participation and align the awards more closely to DoT's Cultural Development Strategy.

As a result, more than 50 nominations were received.

*The Radar Awards staff recognition program.*

### Employee Perception Survey

In February 2017, DoT participated in the Public Sector Commission's Employee Perception Survey.

Key highlights from the survey included:

- 85 per cent of DoT employees are satisfied with their job;
- 80 per cent of DoT employees are satisfied with DoT as an employer;
- 85 per cent of DoT employees feel they are part of a team that is efficient and innovative;
- 82 per cent of DoT employees agree that their managers and supervisors lead by example in ethical behaviour;

- 83 per cent of DoT employees believe DoT's workplace culture is inclusive and encourages diversity; and
- 76 per cent of DoT employees would recommend DoT as a great place to work.

### Leave Management Strategy

DoT continued to implement its Leave Management Strategy, progressing the following initiatives in 2016-17.

*Leave Liability Reduction Strategy*

DoT continued to implement its Leave Liability Reduction Strategy to work towards achieving the reduced leave liability budget set by the State Government.

Through the strategy, DoT's Leave Management Policy and Procedure were revised to stipulate all employees must:

- not exceed 150 hours of annual leave balance at any time; and
- clear their long service leave balance within three years of being credited.

The cultural shift towards taking leave as it is accrued has not only significantly reduced DoT's leave liability but resulted in better financial management and resource planning as well as improved employee wellbeing.

These changes, together with strong Executive support and role modelling, a focus on regular discussions around leave and improved reporting, have resulted in 85 per cent of DoT employees complying with the Leave Management Policy.

DoT proudly achieved the Department of Treasury leave liability cap by 30 June 2017.

*MyTime solution*

DoT successfully transitioned all employees to its new time and attendance management system – MyTime.

MyTime is a cloud-based solution that enables employees to complete and submit their timesheets for approval electronically. By interfacing with DoT's HR system and allowing for the online booking, approval and retention of flexi and banked leave requests, MyTime provides a single reference point for all attendance records.

This has resulted in a range of benefits including:

- a consistent application of attendance practices across DoT;
- improved reconciliation between recorded employee time and attendance information and leave and payroll records;
- mitigation of a number of audit findings;
- better recordkeeping; and
- greater ability to analyse attendance trends;

Feedback has been overwhelmingly positive, with all employees embracing MyTime as an effective and efficient online tool that saves time and increases productivity.

### Peer Support Program

DoT continued to deliver its Peer Support Program as part of its commitment to employee wellbeing.

Through the cost-effective program, a network of DoT employees, known as Peer Support Officers, volunteer to provide a brief point of contact for colleagues who require help with personal or work-related issues.

Peer Support Officers assist colleagues to resolve issues by helping them to explore available options and empower them to take action in a manner that is aligned with DoT's values-driven culture.

Additional members joined the program in 2017 and formal training was provided to all Peer Support Officers to ensure they feel capable and confident to perform their important role and valued for their contribution.

# Governance disclosures

## Contracts with senior officers

During 2016-17, other than normal contracts for employment of services, no senior officers or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with DoT.

## Unauthorised use of credit cards

DoT staff hold corporate credit cards (purchasing cards) where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Department's purchasing card policy, 14 employees inadvertently utilised their purchasing cards in their personal capacity in 2016-17. None of these matters was referred for disciplinary action as the Chief Finance Officer noted that the nature of the expenditure was immaterial and characteristic of an honest mistake.

This usage is detailed in the table below.

| | 2016-17 |
|---|---|
| Number of instances the purchasing card has been used for personal use | 20 |
| Number of referrals for disciplinary action instigated during the reporting period | Nil |
| | $ |
| Aggregate amount of personal use expenditure for the reporting period | 570 |
| Aggregate amount of personal use expenditure settled by the due date (within five working days) | 285 |
| Aggregate amount of personal use expenditure settled after the period (after five working days) | 285 |
| Aggregate amount of personal use expenditure outstanding at balance date | - |

# Other legal requirements

## Act of Grace payments

In 2016-17, DoT made one Act of Grace payment for $1,045.

## Advertising

As required under section 175ZE of the *Electoral Act 1907*, the following statement relates to advertising expenditure, which includes creative development, media placement, market research, polling and direct mail.

| Advertising agency | 2016-17 |
|---|---|
| The Brand Agency | $3,273.33 |

| Media advertising | |
|---|---|
| Media advertising – non-campaign | |
| Adcorp Australia Limited | $15,178.38 |
| Visible Online Marketing | $5,200.00 |
| Media advertising – campaign | |
| Carat Australia Media Services Pty Ltd | Nil |
| | |
| Market research | $45,450.00 |
| Polling | Nil |
| Direct mail | Nil |
| **Total** | **$69,101.71** |

## Disability Access and Inclusion Plan

DoT is committed to providing transport services and infrastructure for all Western Australians including people with disability, their families and carers.

This commitment is demonstrated in DoT's Disability Access and Inclusion Plan (DAIP) 2012-17, which identifies a number of key strategies to improve access to our services, information and facilities for people with disability.

The following was achieved in 2016-17:

- DoT updated its procurement forms to remind staff to consider engaging Australian Disability Enterprises.
- DoT provided marine safety training for 15 students with disability through its wheelchair accessible Marine Safety Education Boatshed. Training was modified as required to meet the needs of the students, with an interpreter engaged to deliver the Recreational Skipper's Ticket (RST) course to two hearing impaired students who went on to successfully gain their RST.
- Accessibility was a key consideration when replacing Jetty 2 at Fremantle Fishing Boat Harbour. The gangway was designed to include:
  - extended width and slope for improved wheelchair access;
  - an entry access control point installed at a height within reach of a person in wheelchair; and
  - transition plates to remove steps and reduce trip hazards.

The kerbing in front of the gangway was also modified to remove a step and facilitate wheelchair access. Further, grab rails were installed to assist users with restricted mobility to move between boat and pontoon.

- Marine facilities in Denham were upgraded as part of the funded foreshore redevelopment. Accessibility improvements included:
  - four designated disabled bays with delineated no parking zones adjacent to them;
  - upgrades to disabled toilets;
  - the addition of handrails on inclusive access jinker jetty; and
  - the addition of tactile indicators on all pram ramps throughout the site and entrances to pedestrian crossings.
- A number of recently completed recreational boating infrastructure projects, funded through the Recreational Boating Facilities Scheme, also included works that enhance accessibility for the whole community.

In 2016-17, DoT's Access and Inclusion Committee formed a DAIP Working Group to develop a new DAIP 2017-22. The plan will identify strategies to further improve access and inclusion for people with disability in 2017-18 and beyond.

*Access handrails on jinker jetty in Denham.*

## Reconciliation Action Plan

In May 2017, DoT launched its Reconciliation Action Plan (RAP) 2017-19 to foster reconciliation and contribute towards an Australia where Aboriginal and Torres Strait Islander peoples and cultures are fully recognised, respected and valued.

The RAP, developed in collaboration with the Department of Aboriginal Affairs and Reconciliation Australia, builds on the success of DoT's previous plan and identifies further opportunities to strengthen relationships and improve outcomes for Aboriginal and Torres Strait Islander people.

The following was achieved in 2016-17 to support our vision for reconciliation:

- DoT continued to provide marine safety training for Aboriginal students through its Marine Safety Education Boatshed. Students from Clontarf Aboriginal College and Clontarf Foundation attended a Recreational Skipper's Ticket (RST) course to gain the knowledge and practical skills needed to safely operate a powerboat in Western Australia.
- Several Aboriginal students from Lynwood Senior High School's Environmental and Academic Flexible Learning (LEAF) Program successfully gained their RST. The LEAF Program is designed to re-engage and assist students who are struggling with absenteeism, misbehaviour or learning and language difficulties
- DoT continued to support Aboriginal businesses by renewing its contract with Kulbardi Pty Ltd for the supply of office stationery and updating its procurement forms to remind staff to consider engaging Aboriginal businesses.
- DoT staff members commenced assisting in the development of the DriveAbout app - a national education resource for driver training and theory testing. The app contains animations to demonstrate road rules and will be available in a number of Aboriginal and migrant languages as well as a simple English version.
- DoT continued to deliver its successful Remote Areas Licensing Program to more than 65 locations across the Kimberley, Pilbara, Mid West, Goldfields and Gascoyne regions.
- Through its Remote Areas Licensing Program, DoT attended Community Open Days facilitated by the Department of the Attorney General to provide a multi-agency approach to driver licensing and Aboriginal justice issues. The teams attended 35 open days at 26 locations across the State and as a result:
    - issued, reissued or renewed 111 driver's licences;
    - conducted 90 theory tests for learner's permits;
    - conducted 110 practical driving assessments; and
    - processed 138 changes of personal details such as names and addresses.

*DoT's Reconciliation Action Plan 2017-19 was launched in May.*

- Through its Remote Areas Licensing Program, DoT was recognised as a category finalist in the 2016 Institution of Public Administration Australia (WA) Achievement Awards for partnering with government and non-government organisations to deliver learner's permit theory testing as part of a driver education or pre-employment program.

DoT will continue to implement the initiatives outlined in the RAP in 2017-18 and beyond with a strong focus on strengthening relationships with Aboriginal and Torres Strait Islander customers and considering their specific needs and priorities in developing integrated transport policies and plans.

## Compliance with Public Sector Standards and ethical codes

DoT is committed to fostering a culture of ethical behaviour and ensuring the highest standards of probity and accountability in all interactions. As public servants, DoT's employees are ultimately working for the people of WA, who expect them to act with integrity and to look after their interests. This places DoT in a position of trust, requiring standards of ethical behaviour that reflect community expectations.

During 2016-17, DoT continued to review its human resource management policies and procedures to empower managers to effectively manage their people in line with DoT's culture and values.

These reviews resulted in the following:

- Online Recruitment and Selection training was delivered to provide managers with the skills to effectively and efficiently conduct fair and equitable recruitment and selection processes that comply with legislative requirements, the Public Sector Standards and Departmental policies and procedures.
- Equal Employment Opportunity training was delivered to ensure employees understand their responsibilities in ensuring that the Department has a workplace free of discrimination and harassment.

DoT continued to make its Accountable and Ethical Decision Making online training program available to staff throughout 2016-17. 99 per cent of employees have completed this online training course.

### Compliance issues

Three Breach of Standard claims relating to the Employment Standard were received in 2016-17. Two of the claims were considered and dismissed by the Public Sector Commissioner and one was withdrawn by the Claimant.

One breach of Standard claim relating to the Grievance Standard was received in 2016-17. This claim is currently being considered by the Public Sector Commissioner.

In 2016-17, 18 cases of non-compliance with the Code of Ethics/Code of Conduct were reported. 15 cases resulted in disciplinary investigations.

## Better recordkeeping

DoT is committed to best practice recordkeeping to ensure compliance with the *State Records Act 2000 (the Act)* and the best business outcomes for the department. The following information is provided in accordance with the State Records Commission Standard 2, Principle 6.

### Efficiency and effectiveness of DoT's recordkeeping systems

Systems are in place to effectively capture and manage DoT records, both digital and hard copy, to allow for efficient and compliant recordkeeping across the department. This is demonstrated in the high level of Objective usage and a recent Document and Records Management Internal Audit which reported "DoT has a mature and well defined records management process that is supported by detailed policies and procedures".

DoT's corporate Electronic Document and Records Management System (EDRMS) is Objective. All DoT staff have access to Objective, enabling them to capture and manage records in line with departmental policies and procedures. In 2017, Objective was upgraded to ensure ongoing version currency, enabling DoT to enhance the usability of the system across the agency.

### Recordkeeping training and induction programs

It is mandatory for all staff to complete DoT's online Recordkeeping Awareness Training (RAT). The course covers the individual's obligations to comply with both DoT's recordkeeping policies and procedures and the *State Records Act 2000*. All DoT staff, including contractors, are enrolled in the course and at 30 June 2017, 90 per cent of those enrolled have completed the course.

Assessment of the course is integrated into the online module and all feedback provided is monitored and reviewed. The content of the course is regularly assessed to ensure it continues to encompass prevailing operational and administrative practices and processes.

DoT's employee induction program includes information relating to recordkeeping and the use of Objective. This information addresses employees' roles and responsibilities in creating, managing, maintaining and use of government records.

Objective online training is available for all new staff, and as a resource for existing staff. Face-to-face training is also provided, on either an individual or group basis. This comprehensive training is tailored to meet the specific needs of users and workgroups.

### Training effectiveness

The effectiveness of DoT's recordkeeping training is reflected in the widespread use of Objective across the department, which is evidenced by the increasing number of corporate documents stored and managed in Objective. This is reinforced by positive feedback provided by staff through internal surveys on the use Objective and general awareness of recordkeeping.

# Government policy requirements

## Substantive equality

DoT is committed to achieving substantive equality in service delivery and employment opportunities for the diverse Western Australian community.

DoT's Substantive Equality Framework Implementation Plan 2015-18 aims to ensure this by shaping the delivery of all DoT services to improve access and outcomes for people with different needs.

The following was achieved in 2016-17 to support substantive equality:

- DoT introduced a Western Australian photo card concession scheme to provide eligible concession card holders a 50 per cent reduction or 100 per cent exemption towards photo card fees. In introducing and aligning the new scheme to the existing driver's licence concession scheme, DoT is ensuring equitable financial assistance is available to members of the community who do not hold a driver's licence but still require proof of identity.
- DoT updated its Access and Inclusion Policy and Guidelines to reflect the Equal Opportunity Commission's (EOC) requirement to assess the impact of all new or revised policies and initiatives relating to service delivery in the initial planning stages or when undergoing a revision to ensure non-discrimination.
- DoT continued to engage with other government agencies and Culturally and Linguistically Diverse (CaLD) communities to develop strategies to improve service delivery approaches through:
    - the CaLD Driver Licensing Reference Group;
    - the Western Australian CaLD Across Government Network;
    - the Office of Multicultural Interests language services workshop; and
    - EOC Substantive Equality forums.
- DoT continued to partner with North Metropolitan TAFE to host work experience students enrolled in the Settlement Language Pathways to Employment and Training (SLPET) course. The SLPET course is aimed at preparing students from the Adult Migrant English Program to successfully integrate into the Australian workplace. It not only assists students to overcome barriers to employment by providing them with local experience but gives DoT employees the opportunity to learn from working with people from CaLD communities.
- All DoT employees were encouraged to participate in events that raise awareness for and celebrate diversity including International Women's Day, Harmony Week, National Reconciliation Week, NAIDOC Week, World Day of Cultural Diversity for Dialogue and Development, Disability Awareness Week and Human Rights Day.

DoT will continue to implement strategies to improve access to services, facilities and information for the diverse Western Australian community in 2017-18 and beyond.

## Audit and Risk Management Committee

DoT's Audit and Risk Management Committee (ARMC) plays a key role in fulfilling the department's corporate governance and monitoring responsibilities in relation to reporting, internal control structure, risk management systems, external audit and internal audit functions.

The ARMC is made up of the following members:

- Director General, Transport (Chair);
- Managing Director, Policy Planning and Investment;
- Managing Director, Transport Services;
- Director, Office of the Director General (ODG); and
- Executive Director, Finance and Commercial Services, Main Roads (Transport portfolio representative).

The Committee contains two ex-officio members, the Executive Director, Investment and Finance Coordination (Chief Finance Officer) and the Manager, Governance Review and Audit, ODG. A representative from the Office of the Auditor General attends as an independent observer.

Ernst & Young representatives attend as the contracted internal auditors.

The Audit and Risk Management Committee met four times in 2016–17.

## Internal audit

DoT's internal audits are conducted by external provider Ernst &Young in accordance with the *Financial Management Act 2006* and Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.

Internal audits were conducted on the following in 2016-17:

- Freight Industry Grant Subsidy.
- Wyndham Port Financial Management.
- Transport's Executive and Licensing Information Systems (TRELIS) Service Oriented Architecture Current State Assessment.
- Transport Modelling.
- Physical Security/Social Engineering.
- Maritime Environmental Emergency Response.
- Efficiency and Effectiveness of Driver and Vehicle Services (DVS) Regional Auditing Processes.
- DVS Budgeting and Forecasting Process.
- Document and Records Management.
- Congestion Management.
- Coastal Infrastructure Business Unit Property and Lease Management.
- Authorised Inspection Stations and Authorised Vehicle Examiners.

Recommendations from the internal audits are managed and monitored through DoT's Audit Recommendation Management System. The implementation status of recommendations is reported to the ARMC on a quarterly basis.

## Risk management

DoT has a comprehensive risk management process that meets the requirements of Treasurer's Instruction 825, the Public Sector Commissioner's Circular: 2015-03 Risk Management and Business Continuity Planning and is aligned to the International Standard AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

DoT's structured risk management approach is integrated into planning, management and operational processes. It assists DoT to achieve its desired outcomes by providing a transparent process that identifies what is essential to success and demonstrates the decision–making process regarding the acceptance of risks.

The ARMC has key responsibility for:

- establishing an appropriate culture within DoT's overall control environment; and
- providing management oversight for risk management across DoT.

DoT's fraud and corruption risk management process is incorporated within its Risk Management Framework. DoT's Fraud and Corruption Control Plan sets out the relevant policies and obligations for all employees with respect to preventing, detecting and responding to incidents of fraud and corruption.

## Occupational safety, health and injury management

DoT's executives, safety and health representatives and employees are committed to achieving a workplace environment that is free of work related injuries and disease and to achieving a standard of excellence in occupational health and safety management.

In accordance with the Public Sector Commissioner's Circular 2009-11: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector (the Circular), DoT complies with the requirements of the *Occupational Safety and Health Act 1984*, the *Workers' Compensation and Injury Management Act 1981* and the Circular.

### Our commitment to our employees

DoT is strongly committed to its corporate legislative responsibility to promote health and safety in the workplace.

In support of this commitment, DoT strives to promote and maintain a values driven workplace that encourages employees to bring their passion for life to work and to nurture an environment where all employees can thrive.

DoT's *Occupational Health and Safety (OHS) Strategy 2016-17* aimed to create a work environment where the health and safety of all employees is effectively managed. It provided DoT with a structured and fit for purpose safety management system that addressed legislative obligations and enabled business units and line managers to actively manage safety.

The Strategy is designed to provide a structured approach to OHS for both proactive and reactive safety and health activities undertaken by DoT's dedicated OHS Team in partnership with other

expert areas of DoT's People and Organisational Development Team and wider business units.

In the event of a workplace injury, DoT has an established injury management (IM) program in detailing the steps to be taken to assist employees to return to work as soon as medically appropriate. The procedure ensures that injury management intervention occurs promptly and effectively, to allow the employee to remain at work or return to work at the earliest appropriate time. DoT's injury management procedure is compliant with the requirements of the *Workers' Compensation and Injury Management Act 1981 and the Code of Practice (Injury Management) 2005*.

All employees can access DoT's OHS and IM information through its OHS Management System available on the intranet site. OHS and IM information is widely communicated through training sessions designed for both employees and people managers, including DoT's Employee Induction and OHS and IM for Managers training.

OHS information is also provided through the following OHS subcommittees:

- Marine House and Regional Services OHS Subcommittee.
- Driver and Vehicles Services and On-demand Transport OHS Subcommittee.
- 140 William Street OHS Subcommittee.

Each subcommittee is comprised of health and safety representatives from across DoT and chaired by a relevant Executive Director or General Manager.

DoT's Corporate Executive is strongly committed to OHS management in the workplace. This is demonstrated by its endorsement of DoT's OHS Policy Statement and the establishment of the Corporate OHS Management Committee on behalf of the Director General - Transport.

The Corporate OHS Management Committee supports the effective management of OHS at DoT. More specifically, it is responsible for identifying and implementing OHS initiatives and making recommendations on policy and strategy to the Corporate Executive. The members of the Corporate OHS Management Committee include the Executive Directors, General Managers and the OHS Team. The Committee is chaired by the Managing Director of Transport Services.

### Consultation mechanisms

DoT is committed to effectively consulting with its employees on OHS matters to provide them with the opportunity to participate in making decisions that affect their work lives.

DoT's three OHS subcommittees meet quarterly to discuss matters that affect the health and wellbeing of employees as well as the continuous improvement of OHS performance. The agenda and meeting minutes for each of the OHS subcommittee meetings as well as the Corporate OHS Management Committee Meetings are displayed on dedicated OHS noticeboards across all DoT sites.

The effectiveness of the OHS subcommittees and Corporate OHS Management Committee Meetings are measured through member attendance rates as well as the outcomes achieved.

In 2016-17, the committees discussed and resolved issues raised by employees, reviewed accident and incident forms to ensure that hazards were addressed to eliminate or reduce future issues, discussed injury trends and identified preventative measures that promote a safe working environment.

### Compliance with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*

At 30 June 2017, DoT had 31 open workers' compensation claims, with all employees back at work.

DoT has a dedicated Workers' Compensation and Injury Management Consultant who manages these claims and supports the management of non-work related injury management issues.

In line with DoT's strong focus on early intervention and return to work, all people managers are trained in the importance of good injury management and return to work procedures to promote a supportive, productive and positive workplace.

### OHS Management System improved

DoT continued to address the key recommendations of an external audit of its OHS Management System undertaken in February 2016.

In 2016-17, DoT completed the following actions:

- Developed and implemented a formal, proactive process to identify risks across all sites. Through this process, 626 roles were risk assessed and rated accordingly. All roles that presented with a medium or high risk have been thoroughly

reviewed and Job Safety Analysis/Safe Work Practices created to ensure employees are aware of the risks and understand what is required of them to work in a manner that is safe for them and those around them.

- Created an OHS Risk Register and supporting documentation to facilitate a comprehensive risk management approach. The includes common public sector hazards described in the Circular such as aggression, manual handling, working alone, organisational change, inadequate physical working environment, inadequate workstations and inadequate work organisation.
- Simplified its Hazard Report Form to encourage the number of hazards reported and continued to provide training on the importance of this to all employees through existing training.
- Reviewed and updated its OHS Legal Register to ensure it is aligned with fundamental requirements of legislation and Australian Standards. Additionally, DoT's OHS Legal Requirements Procedure was developed to ensure regulatory compliance requirements are actively identified and monitored.
- Introduced a Site Specific Chemical Register for each DoT site to document all chemicals brought into the workplace and ensure all employees have access to Material Safety Data Sheets relating to these chemicals. The register is managed by the site's safety and health representatives as well as people managers. The information contained in the site specific registers informs the DoT Chemical Register, managed by the OHS Team.

**OHS training delivered**

In 2016-17, DoT continued to deliver the following OHS and IM training programs and initiatives:

- Mental health awareness training including A.L.E.R.T. (Awareness Links Enables Resilient Teams) training provided employees with information on depression and anxiety.
- OHS and IM for Managers training sessions were combined into one three-hour training session, with 84 per cent of managers trained in their OHS and IM responsibilities.
- Ergonomic training sessions were conducted for all employees at DoT's main sites - 140 William Street, Perth; Tassels Place, Stirling and Marine House, Fremantle.
- Vehicle ergonomics training sessions were made available to all regional staff and Remote Areas Licensing team members to promote good ergonomics while driving long distances.
- Manual Tasks, Ergonomics and OHS Induction one-hour training sessions were delivered to all new employees.

**Proactive approach to managing customer aggression recognised**

DoT is committed to providing a safe and healthy working environment free of aggression for all employees and in line with this, continued to implement and improve its Management of Customer Aggression Policy and Guidelines.

The policy and guidelines provide staff, particularly those in customer service roles, with a consistent step-by-step approach to managing difficult and aggressive customers.

In 2016-17, DoT introduced a Restriction of Service process to support its Driver and Vehicle Services Centre staff. Through the process, individual centre managers, together with the Metropolitan Business Centres Manager, have the authority to write to customers involved in aggression incidents on site and inform them that their behaviour will not be tolerated by DoT and as a result their access to services may be restricted.

The new process has been well received by staff and DoT will continue to monitor its success.

As a result of not only this new process, but its overall proactive approach to managing customer aggression, DoT was selected as a finalist in the 2016 Work Safety Awards Western Australia. Recognised in the 'Best solution to an identified workplace safety and health issue' category, DoT was praised for creating a safer, more productive and positive workplace for employees.

## Our OHS and IM performance

DoT's OHS and IM performance in 2016-17 is detailed in the table below.

| Measure | 2015-16[1] | 2016-17 | Target | Result |
|---|---|---|---|---|
| Number of fatalities | 0 | 0 | 0 (zero) | Target achieved |
| Lost time injury and/or disease incidence rate | 2.148 | 1.2022[2] | 0 or 10% reduction | Target achieved |
| Lost time injury and/or disease severity rate | 13.333 | 0.00[3] | 0 or 10% reduction | Target achieved |
| Percentage of injured workers returned to work within 13 weeks | 90% | 100%[4] | Actual percentage result | 100% achieved |
| Percentage of injured workers returned to work within 26 weeks | 100% | 100%[5] | Actual percentage result | Target achieved |
| Percentage of managers trained in occupational safety, health and injury management responsibilities | 82% | 84%[6] | Greater than or equal to 80% | Target achieved |

Notes:

(1) The results are sourced from DoT's Annual Report 2015-16.

(2) There were 17 lost time injury (LTI) claims lodged in 2016-17, while the number of full time equivalents in 2016-17 was 1414. However, there were 30 lost time injury claims in 2015-16, while the full time equivalents in 2015-16 were 1,396.

(3) There were zero workers compensation (WC) claims lodged in 2016-17 with greater than 60 days or more lost from work.

(4) All of the 17 WC claims with registered LTIs were returned back to work within 13 weeks.

(5) All of the 17 WC claims with registered LTIs were returned to work within 26 weeks.

(6) The training for managers and supervisors relates to their OHS and IM responsibilities. In 2016-17, DoT successfully trained 84 per cent of managers.

Department of
**Transport**

The information contained in this publication is provided in good faith and believed to be accurate at the time of publication. The State shall in no way be liable for any loss sustained or incurred by anyone relying on the information.

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