



Department of
Transport



ANNUAL REPORT **2017-18**

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Contact us

Department of Transport

Office of the Director General,
Communications Branch

GPO Box C2012, PERTH WA 6839

Email: media@transport.wa.gov.au

Website: www.transport.wa.gov.au

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OUR PURPOSE

We plan and deliver transport solutions for the prosperity of Western Australians

OUR OUTCOMES

Positive Customer Experience

Safe and Effective Transport

Contemporary Transport Solutions

Identity Management

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 2018

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 2018.

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





OVERVIEW

DIRECTOR GENERAL'S FOREWORD



It is more important than ever that we are listening to our customers and not only meeting but exceeding their expectations.

I am pleased to present the Department of Transport's Annual Report 2017-18.

This report details not only what has driven us over the past 12 months but what continues to drive us into the future – our responsibility to work with our portfolio partners, the Public Transport Authority and Main Roads Western Australia, to plan and deliver transport solutions for the prosperity of our State.

Together, we have made excellent headway on a number of key priorities ranging from transformational infrastructure projects to smaller policy, process and customer service improvements.

This report is a testament to the fact that it is not the size of the project that matters, it is the benefit it delivers to the Western Australian community. It is connecting people with places, it is safety, convenience, comfort, employment and tourism opportunities and so much more.

We know these benefits are best realised when we work in collaboration. There has been no shortage of this in delivering the \$358 million Optus Stadium transport solution including bus and train connectivity, Burswood Jetty access, the iconic Matagarup Bridge and surrounding bicycle path network.

The success of this project stands the State Government in good stead to deliver its METRONET program. The METRONET Project Office, comprising a fully integrated team of experts drawn primarily from our transport agencies, continued to progress Stage One projects in 2017-18.

Similarly, in September 2017 a Taskforce was established to develop the *Westport: Port and Environs Strategy*. The two-year planning project, which will guide the development and growth of the Port of Fremantle over the next 50 to 100 years, is now well underway.

Westport will assist in strengthening and diversifying our economy by positioning Western Australia as an attractive international investment opportunity capable of capturing global trade, but in particular between Australia and the expanding economies in South East Asia.

Further examples of how the Transport Portfolio is working together on significant transport projects such as these are highlighted in the 2017-18 *Connecting People and Places* document.

Connecting People and Places also provides an overview of the Transport Portfolio's operations and the objectives, trends and influences guiding our work in the future.

Changing consumer expectations, technological advances and the emergence of new providers continue to drive the need for further reforms to the on-demand transport industry. DoT worked closely with industry and other stakeholders in 2017-18 to progress changes that will create a fairer, customer-focused system that promotes competition.

Emerging technologies are influencing other areas of our policy development, with DoT working with other States to prepare for the higher level automated vehicles expected to hit international markets as early as 2020. A national regulatory framework is currently being developed to set the highest standards of community safety.

Safety is paramount in all of our policy, planning, investment and operational decisions and as part of our commitment to safe drivers, DoT improved the process to obtain a provisional driver's licence in October 2017. Applicants are now required to complete their Hazard Perception Test before attempting their Practical Driving Assessment, better enabling novice drivers to develop safe driving skills and build the experience they need to cope with potential hazards and distractions on the road.

There is still work to be done to improve the convenience in undertaking Practical Driving Assessments and I look forward to the results of a number of trial initiatives at our Kelmscott Licensing Centre including providing additional assessment times on Saturday mornings.

It is more important than ever that we are listening to our customers and not only meeting but exceeding their expectations. I am confident DoT Direct continues to do just this, with almost 400,000 customers using their online account to access a growing number of available transactions.

DoT's planning and investment in the areas of cycling, aviation and coastal infrastructure is key in meeting the needs of our community.

In 2017-18, 37 local governments received a share of more than \$4.1 million to further improve Western Australia's bike network. With our focus on working with local governments to plan longer-term,

fully integrated cycling networks for Perth and Peel as well as regional centres, this investment will deliver maximum value in providing transport options, recreational opportunities and support for tourism and commercial activities.

Our regions benefited from improved airport infrastructure with a total of 18 Regional Airports Development Scheme projects with a combined project value of almost \$14 million completed across the State.

The \$20.1 million Exmouth Boat Harbour upgrade was successfully completed in August 2017 to meet growing demand from recreational and commercial users. 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.

All eyes were on Exmouth when it played host to Australia's largest and most complex Maritime Environmental Emergency Response (MEER) exercise. Exercise Ningaloo Challenge was a four-day scenario that tested DoT's capability to lead an effective response to a major maritime environmental emergency. The exercise, which involved more than 350 participants from over 35 organisations, allowed DoT to identify further improvements required as we prepare for the State MEER exercise scheduled for November 2018.

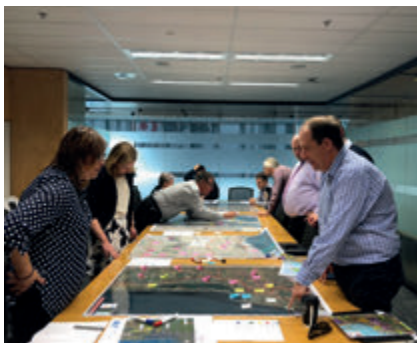
I am incredibly proud of what the talented and dedicated teams of DoT and the wider Transport Portfolio have achieved in 2017-18 and thank them for their efforts. I have every confidence that together we can make even more of a positive difference to Western Australia and its great people in 2018-19 and beyond.



Richard Sellers

Director General Transport

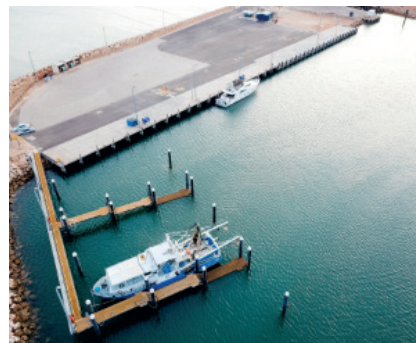
HIGHLIGHTS



Westport Taskforce established to plan for the State's freight future



New direction for on-demand transport industry to create a fairer, customer-focused system that promotes innovation and competition



\$20.1 million Exmouth Boat Harbour upgrade completed



\$5 million Burswood Jetty completed to support Optus Stadium



\$4.1 million invested to improve Western Australia's bike network



\$2.1 million invested in regional airports through Regional Airports Development Scheme grant funding



New process successfully introduced to better prepare novice drivers



Nearly 400,000 customers used DoTDirect to access an increased range of online services



Planning commenced to prepare Western Australia for emerging automated vehicle technologies



DoT excelled in Exercise Ningaloo Challenge - the largest and most complex Maritime Environmental Emergency Response exercise ever conducted in Australia



METRONET gained significant momentum, with transport and land use planning combining to deliver the Government's biggest election promise



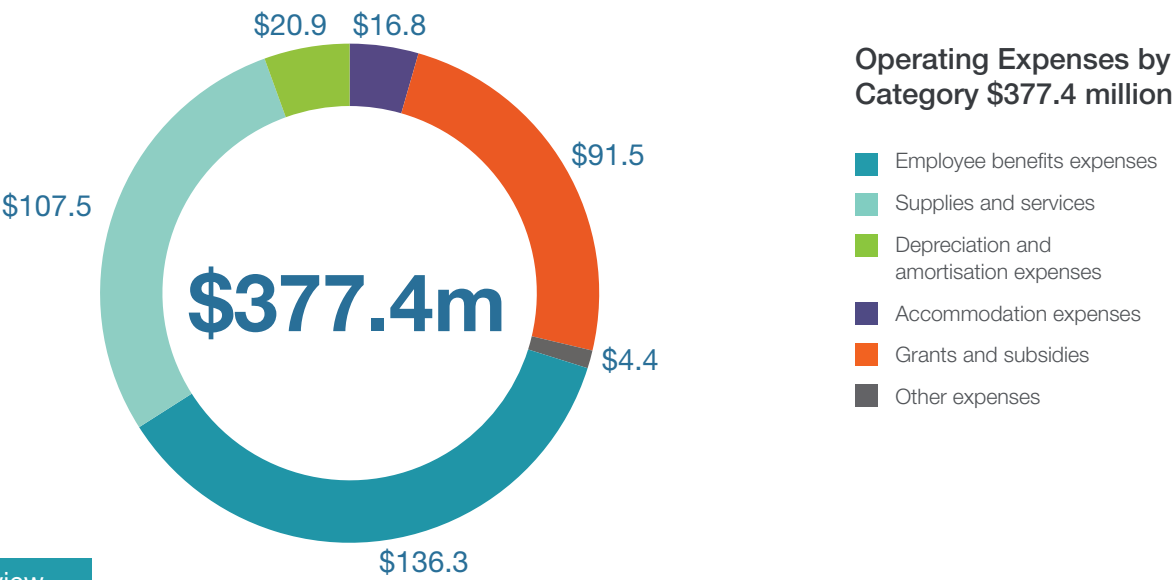
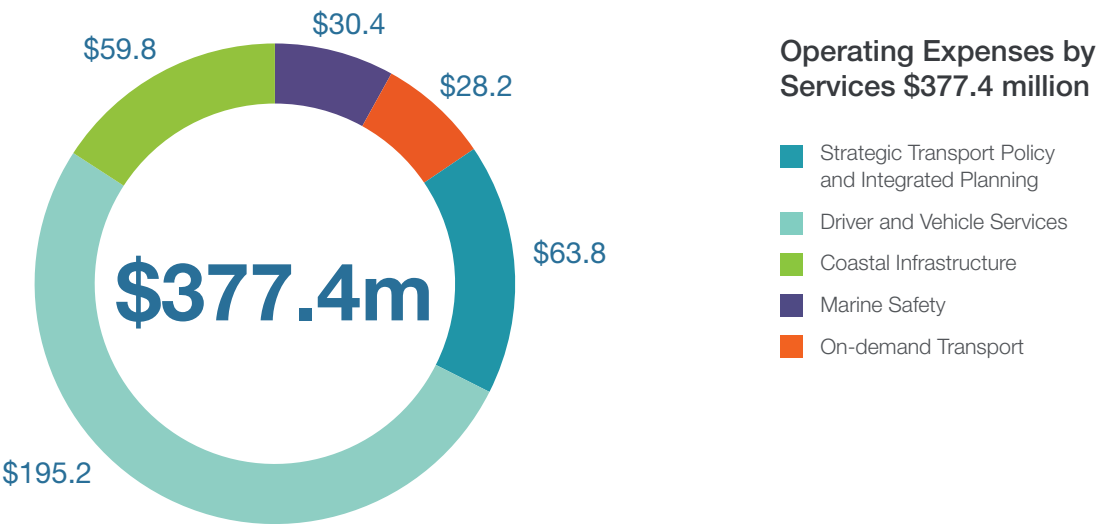
DoT's People Managers Program empowered 75 of our emerging leaders to effectively manage their great people

FINANCIAL SUMMARY

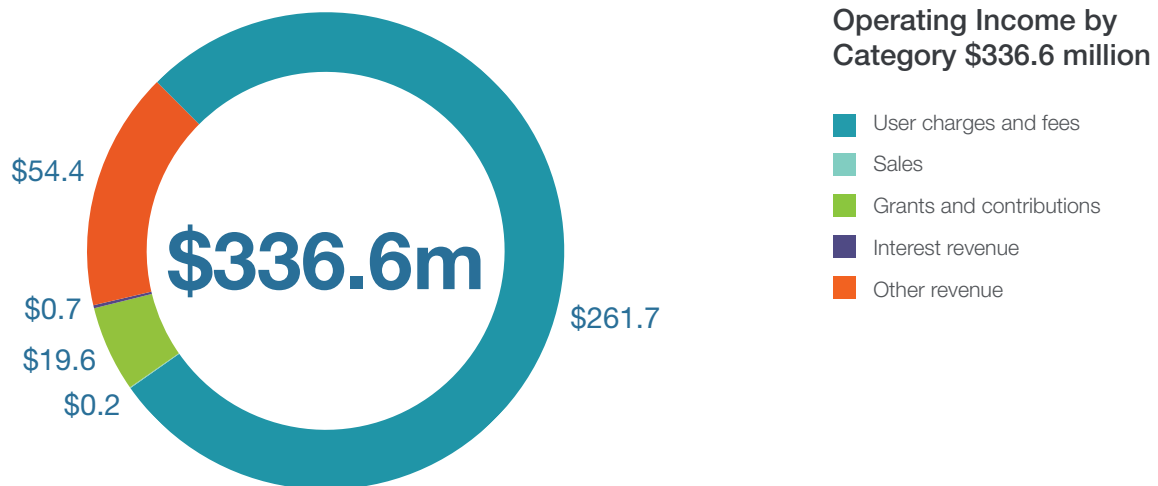
DoT provides services to numerous stakeholders, clients and customers, aggregated into the following high-level service categories:

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

Gross expenses in 2017-18 totalled \$377.4 million and the net cost of services, which takes into account operating revenue, was \$40.9 million. The following charts illustrate gross expenses by service and expense categories.

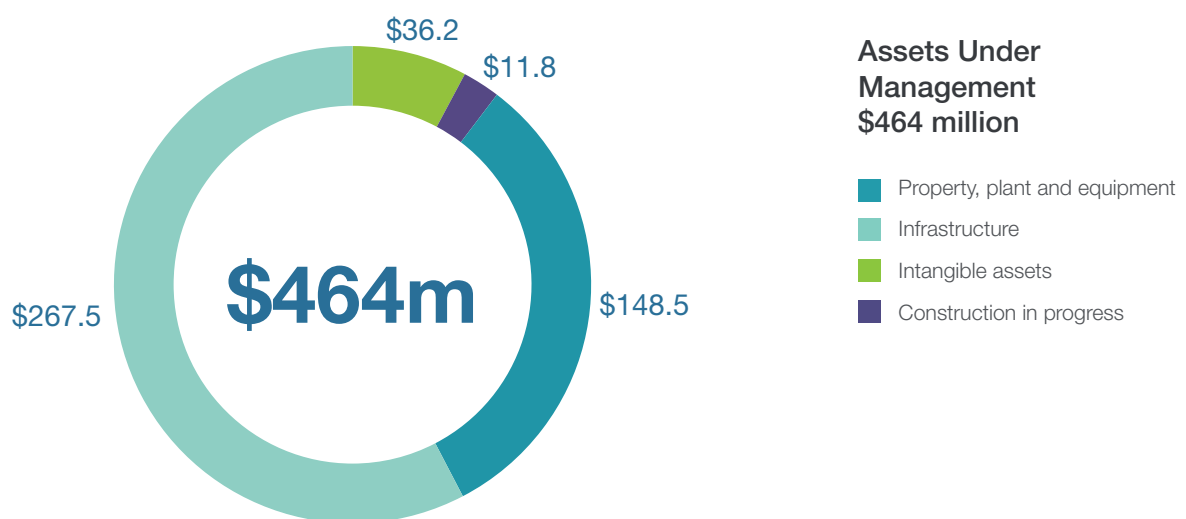


DoT generates income from operating activities primarily in the areas of driver and vehicle services, management of coastal facilities, marine safety, parking levies in the Perth Central Business District and regulation of the taxi industry.

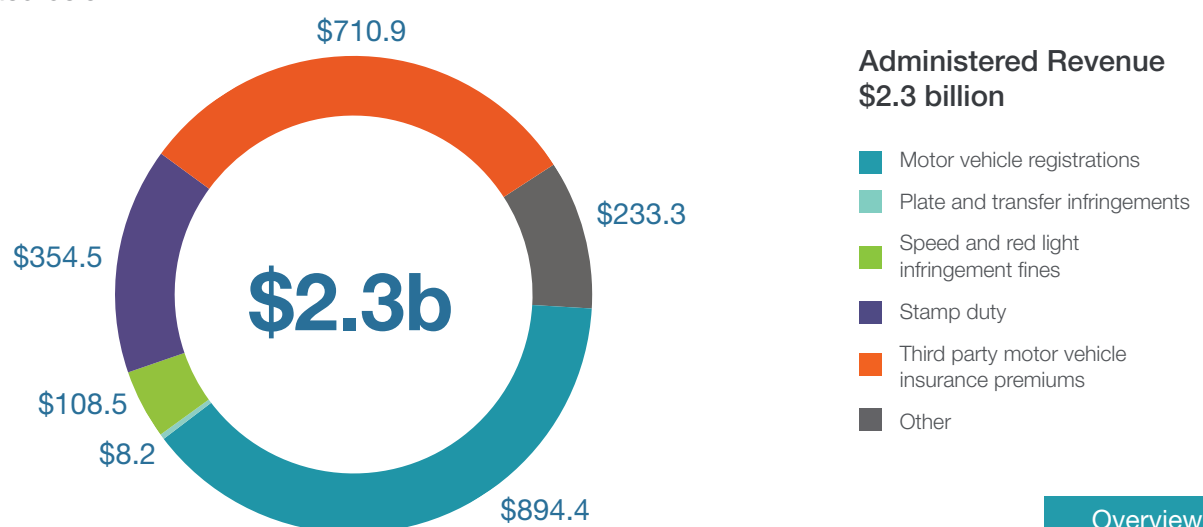


DoT managed a diverse physical asset base totalling \$464 million to deliver its services. The chart below shows the distribution by asset class.

DoT's equity at 30 June 2018 was \$791.2 million.



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 \$2.3 billion in 2017-18, as illustrated below.



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 2017-18, Richard Sellers concurrently held the positions of Director General Transport, Chief Executive Officer of the Public Transport Authority (PTA) and Commissioner of Main Roads Western Australia (Main Roads WA).

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 17.

Changes to the Department

Westport Office established

The Westport Project Office was established in September 2017 to develop the long-term integrated solution to Perth and the South West's ports, freight and logistics needs.

Westport is led by an independent Chair, Nicole Lockwood, who reports directly to the Minister for Transport, Planning and Lands. The Westport Project Office is comprised of expert, multi-disciplinary personnel drawn from key agencies including DoT; PTA; Main Roads WA; Department of Planning, Lands and Heritage; Department of Primary Industry and Regional Development; Landgate; and Fremantle Ports; as well as the private sector.

New Freight and Ports Directorate formed

The freight functions within the Integrated Transport Planning Directorate have primarily been responsible for the development of the Perth and Peel and regional strategic freight plans and associated work.

With these plans complete and the Westport planning project underway, DoT conducted a review of the future freight functions required based on key deliverables over the next three to five years.

Westport Taskforce Chair Nicole Lockwood with local resident Stephen Woodhouse



The bolstered Freight Policy area was integrated with the Ports and Maritime Directorate to form the new Freight and Ports Directorate in October 2017.

The integration of the freight and ports functions has provided a coordinated focus for all freight and port matters and allowed greater scope to refocus resources on supply chain solutions, in line with Government priorities.

New Finance and Procurement Services Directorate formed

DoT brought together a range of functions from its Investment and Finance Coordination and Corporate Services Directorates to form the new Finance and Procurement Services Directorate in 2017-18.

The new Directorate is responsible for the provision of strategic and expert financial advice and direction for investment, financial coordination, consistent management of contracts, tendering, purchasing, leasing and fleet functions for the whole of DoT. It ensures capital investment is integrated, prioritised and aligned with both DoT and the Transport Portfolio's plans and Government's objectives. Finance and Procurement Services works closely with internal stakeholders and portfolio partners, the Department of Treasury and other State Government agencies.

Structural changes to the Transport Portfolio planned

Inter-agency collaboration remained very high on the Government's agenda following the announcement of Machinery of Government changes and a Service Priority Review. The Transport Portfolio is committed to supporting these reforms that will drive service improvements, cultural change, increase efficiency and heighten accountability for performance.

In 2017-18 the Transport Portfolio Governance Council – the Portfolio's executive committee comprising the Director General, Managing Directors and other executives of each agency – endorsed a number of structural changes to

the Transport Portfolio to establish a more robust planning approach to portfolio projects and enable greater collaboration between the portfolio agencies.

Under the changes, set to take effect from 1 July 2018, DoT's PPI and Transport Services divisions will be brought together under a new Managing Director role.

A new Portfolio Strategic Projects Office, led by a Project Director, will be created to identify and manage strategic projects across the portfolio agencies.

These changes aim to improve collaboration across the portfolio to ensure holistic transport planning and service delivery.

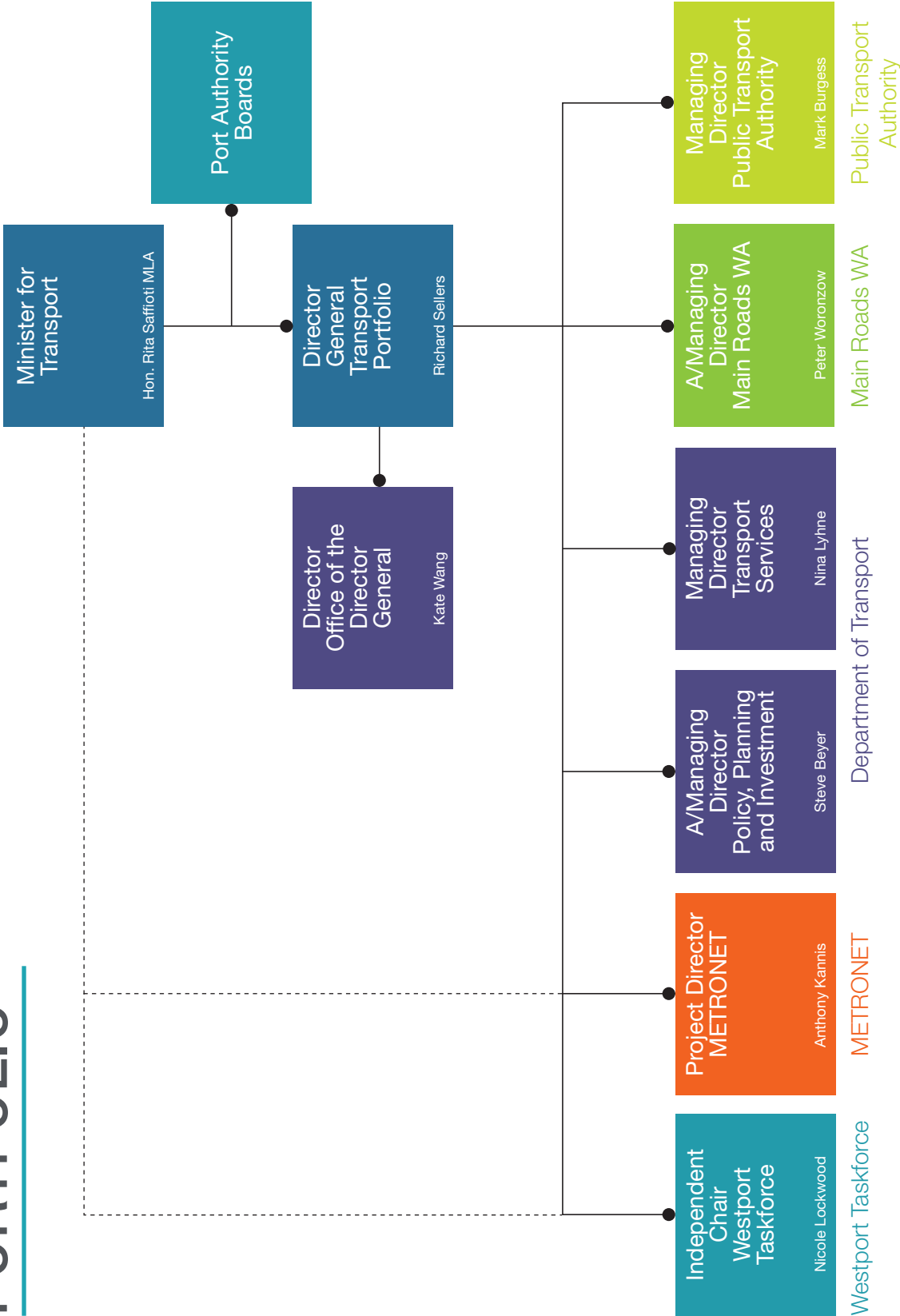
Enabling legislation

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

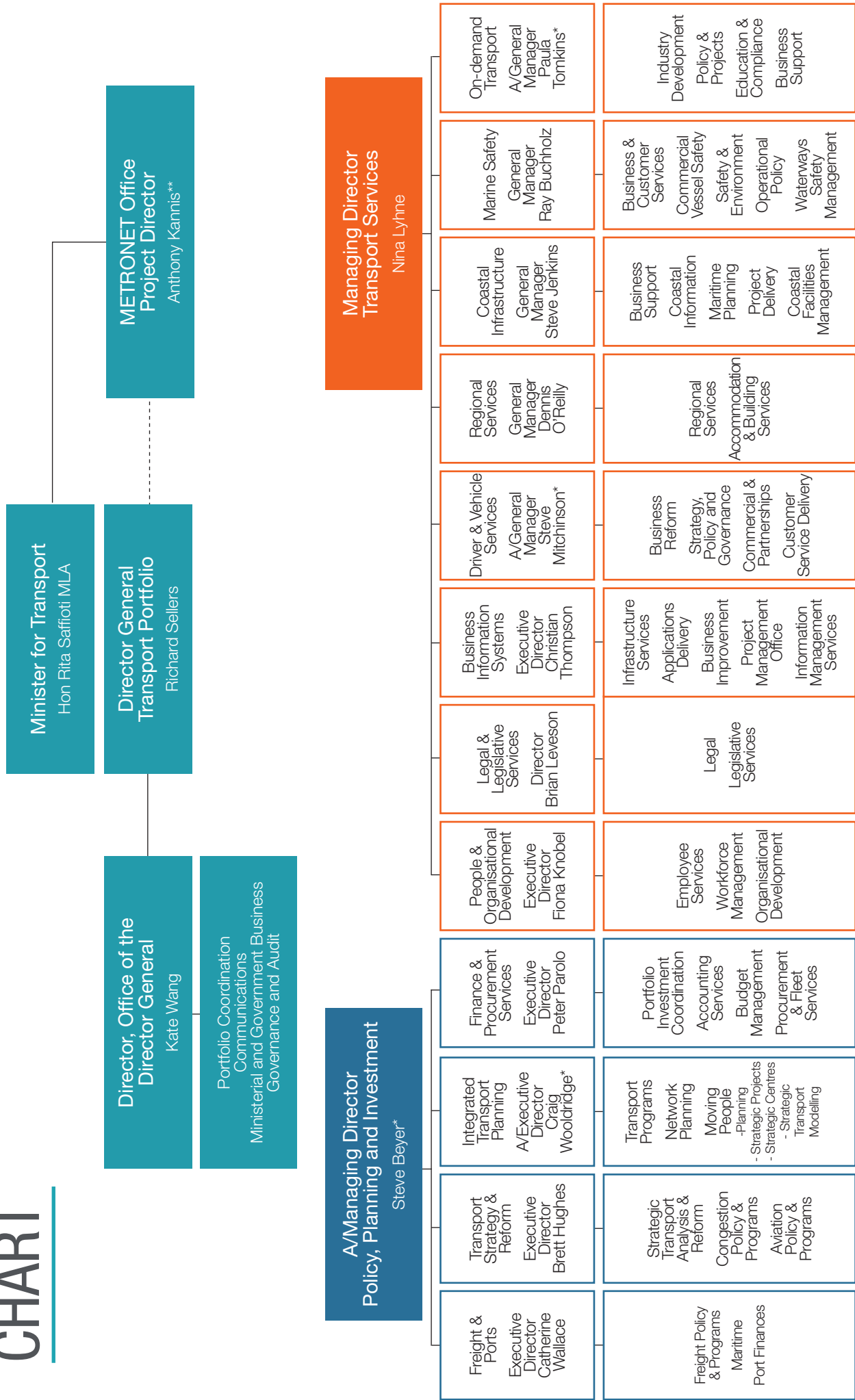
Responsible Minister

Hon. Rita Saffioti MLA, Minister for Transport.

TRANSPORT PORTFOLIO



DEPARTMENT OF TRANSPORT ORGANISATIONAL CHART



*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 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 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.

He has custodianship across the WA Transport Portfolio of agencies, comprising DoT, PTA and Main Roads WA, overseeing the Portfolio's provision of integrated and intelligent

transport systems and services for Western Australia.

As Director General of DoT, Richard has been integral in the creation and implementation of the METRONET project, overseeing the State Government's most significant integrated public transport plan, which will connect suburbs, reduce road congestion across the metropolitan area and give Perth the rail system it needs for the future.

He has also overseen the creation of the Westport Project Office which will develop a strategy to plan, develop and grow the Port of Fremantle at the Inner and Outer Harbour, consider the required rail and road networks, and the opportunities for the Port of Bunbury to handle trade expansion and support growth of the Western Australian economy.

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.



Nina Lyhne

Managing Director Transport Services

Nina joined DoT in January 2011 as the Managing Director Transport Services. Nina holds a Bachelor of Arts 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.

Steve Beyer

A/Managing Director Policy, Planning and Investment

Steve was appointed 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 a unified approach to the planning and delivery of Western Australia's transport services, infrastructure and systems.

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 three and half 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.

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.

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.

Christian Thompson

Executive Director Business Information Systems

Christian commenced as Executive Director Business Information Systems in April 2015. In this 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 Coastal Shipping Commission Act 1965*
- *Western Australian Marine Act 1982*
- *Western Australian Photo Card Act 2014*
- *Wire and Wire Netting Act 1926*

Other legislation affecting the functions and operation of DoT include:

- *State Records Act 2000*
- *State Trading Concerns Act 1916*
- *Criminal Code Act Compilation Act 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*

Burswood Jetty and the Optus Stadium precinct



PERFORMANCE MANAGEMENT FRAMEWORK

Outcome-based management framework

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

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

Changes to outcome-based management framework

There were no changes to the Department's outcome-based management framework for 2017-18.

From 1 July 2018 the Australian Maritime Safety Authority will assume responsibility for the delivery of national system related services in Western Australia including those related to the operation, manning and survey of domestic commercial vessels. As such, in February 2018 DoT received approval to remove the following Key Performance Indicators (KPIs) from its outcome-based management framework for 2018-19:

- 'Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed'; and
- 'Average survey cost per commercial vessel'.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

Transport planning for Stirling Regional Centre

Since 2014 DoT has worked collaboratively with Main Roads, the Department for Planning, Lands and Heritage, and the City of Stirling to undertake the transport planning for the Stirling Regional Centre. This work supports the land use planning for this important Strategic Activity Centre.

In April 2018, the concept design and cost estimate phase for Stephenson Avenue and associated roads was completed. This milestone will enable the project to move into the implementation phase in 2018-19, with road construction expected to take place over the next three years and land development to follow.

Facilitating trade through Western Australia's ports

DoT continued to work collaboratively with Western Australia's five Port Authorities, supporting the development of capital investment proposals and ports strategies to assist in facilitating trade opportunities.

DoT also progressed drafting of the ports' amalgamation legislation, which will bring all Western Australian trading ports under a consistent regulatory regime for the first time in more than 100 years. The amalgamation will deliver better governance of Western Australia's ports and ensure the risks associated with the operations of ports and shipping are managed more effectively.

Providing a shared IT service

In 2017-18, DoT continued to maintain a shared ICT infrastructure service with the former Department of Planning, now part of Department of Lands, Planning and Heritage.

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

Under the agreement, DoT provided operational support as well as project delivery for the Planning systems including the maintenance of software, hardware, disaster recovery systems and plans and system security.

Planning for improved maritime facilities in Broome

In 2017-18, DoT continued working closely with the Shire of Broome to progress proposed upgrades to boating facilities in Broome.

The proposed upgrades, aimed at improving access and safety, include a \$9.73 million upgrade to boat launching facilities at Entrance Point, Town Beach.

DoT also provided technical assistance to the Shire to deliver the planning for the new Broome Marina.

Managing coastal erosion

In 2017-18, DoT continued to actively participate in the Coastal Management Advisory Group (CMAG). The CMAG is an interagency working group chaired by the Department for Planning, Lands and Heritage 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 Government agencies with roles in coastal environmental management and planning.

Dune rehabilitation at Quinns Beach



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 then 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 met regularly with Commonwealth Government officers to discuss operational matters and develop a work plan for the delivery of an expanded range of services.

Delivering Transforming Bunbury's Waterfront with South West Development Commission

DoT worked closely with the South West Development Commission (the Commission), LandCorp, the City of Bunbury, the Department of Planning, Lands and Heritage, and the Southern Ports Authority to deliver the Commission's Transforming Bunbury Waterfront project. The project, overseen by the Bunbury Development Committee, aims to create vibrant shorelines for the community and infrastructure to stimulate thriving marine and tourism industries.

In 2017-18 DoT completed the detailed designs for the \$10.9 million upgrade of the Jetty Road causeway at Casuarina Boat Harbour. The tender for the first phase of work, which will see about 24,000 tonnes of rock placed for essential improvements to the structure of the causeway, was released in May 2018 with works anticipated to commence in the first quarter of 2018-19.

Burswood Jetty and the new Matagarup Bridge at the Optus Stadium precinct

Constructing a public jetty to support Optus Stadium

In 2017-18, DoT worked alongside portfolio partners the PTA and Main Roads WA, and the Department of Finance's Strategic Projects business unit to construct the Burswood Jetty as part of the transport strategy to support Optus Stadium.

The \$5 million jetty was completed in May 2018.

Challenging ground conditions in the form of soft river muds meant a traditional steel piled design was not an option for the 96 metre long jetty. An innovative design solution consisting of floating pontoons braced back to onshore abutments was employed to overcome this as well as fluctuating river levels.

Expressions of interest were sought from commercial operators to secure exclusive use of one of the three berths at the jetty. The successful proponent has since begun offering tourism related cruise packages and event day services from both Fremantle and Barrack St Jetties with the capacity to transfer up to 1,400 Optus Stadium patrons.

As well as providing a new and exciting mode of transport to the stadium precinct, the jetty is available for short term use by commercial operators and the general public all year round and has been designed to accommodate a PTA ferry service if required in the future.



Planning for the new Ocean Reef Marina

In 2017-18, DoT collaborated with LandCorp and the City of Joondalup in planning for the new Ocean Reef Marina. As a member of both the Steering Committee and technical working groups, DoT will continue to work closely with these and other agencies as this world-class development offering boating, tourism and recreational facilities together with retail, commercial and living opportunities is realised in the future.

Improving motorcyclists' safety

DoT and the Road Safety Commission continue to work together to achieve a shared commitment to provide safe roads for Western Australian drivers.

As part of this commitment DoT is changing the process to obtain a motorcycle licence, which will better prepare R class licence holders.

Motorcyclists are amongst the most vulnerable road users, and in June 2018 DoT and the Road Safety Commission consulted with the public on the future of motorcycle safety in Western Australia.

DoT, together with the Road Safety Commission, WA Police Force and Main Roads WA will review submissions and prepare advice for the Minister with respect to the possible progression of reforms based on community feedback and impact analysis.

Developing a world-class walking and cycling network

Each of the Transport Portfolio agencies has a role to play in contributing to the State's cycling network whether it be planning, infrastructure development, construction, maintenance or travel behaviour change. In 2017-18, DoT worked collaboratively with Main Roads WA, PTA and local government to deliver a number of projects with the aim of providing a safe, connected and convenient cycling and walking network for the Western Australian community.

DoT led planning for a long-term, fully integrated cycling network for the Perth and Peel areas, holding workshops with portfolio partners to agree to a draft network of high-quality, safe and comfortable cycling infrastructure along State owned roads and rail corridors. In 2018-19 DoT will commence work with 33 local government authorities to agree on the wider connections that will link Perth's various strategic, secondary, district and specialised activity centres and public transport services.

Detailed design for the long-awaited missing section of the Fremantle Principal Shared Path between Grant Street and Victoria Street Station was also completed in 2017-18, along with the concept for the section from Victoria Street Station to North Fremantle Station. Prioritising the development of this missing link will address safety and accessibility concerns by providing a continuous off-road facility between Perth and Fremantle, reducing the potential for conflict with road traffic and provide a high-quality link to key tourist attractions.





Aerial view of Fremantle





AGENCY PERFORMANCE

REPORT ON OPERATIONS

Achieving the State Government's goals

DoT supported the State Government's goals of 'future jobs and skills', 'strong communities' and 'better places' in 2017-18 by striving to achieve and exceed the following three outcomes:

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

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

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

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 2017-18.

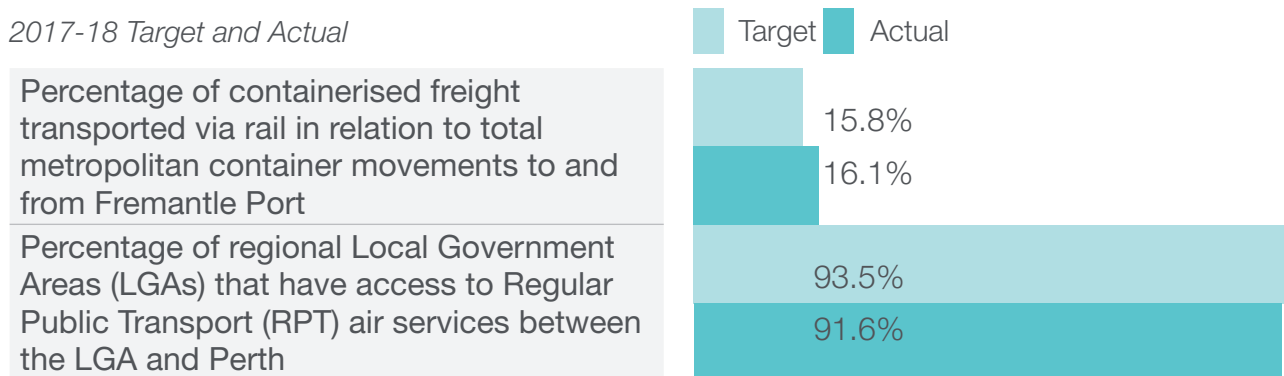
Freight to Fremantle Port



Outcome 1: Integrated transport systems that facilitate economic development.

Key Effectiveness Indicators

2017-18 Target and Actual



Key Efficiency Indicators

Service 1: Strategic Transport Policy and Integrated Planning



Notes

- The tables are a summary of the 2017-18 DoT Key Performance Indicators. For more detailed information see the Key Performance Indicators section of this report. Targets as specified in the 2017-18 Budget Statements.
- Targets as specified in the 2017-18 Budget Statements.
- Efficiency KPI values are rounded up to the nearest dollar.

METRONET gains significant momentum

Investment in rail infrastructure has seen cities around the world thrive. METRONET will transform Perth, not only by connecting the city by rail, but by creating new jobs, reducing congestion and rethinking the way we use station precincts.

METRONET is Perth's most significant public transport program to date, and delivers on the Government's biggest election promise.

It will generate up to 72 kilometres of new passenger rail, 18 new stations and unlock more than 5,000 hectares of land for development to shape Perth into a more compact and urban form.

In a first for WA, transport and land use planning come together in one multi-agency office setting METRONET off in the right direction to secure Perth's growth and success in the future.

Representatives from across the Transport Portfolio are joined by those from other agencies, such as Department of Planning, Lands and Heritage; Department of Communities; LandCorp; and Metropolitan Redevelopment Authority; in one office.

The team works closely to plan and deliver projects that ensure a high level of public transport service on day one of operations, encourage active transport options, and improve connectivity across our city while being flexible enough to meet future development.

A number of key milestones were achieved in 2017-18, with tunnelling for the Forrestfield-Airport Link underway, business cases and technical analysis completed for a number of sites, and engagement with almost 16,000 Perth people through community events, presentations and public information.



METRONET rail project gains significant momentum

Westport Taskforce established to plan for the State's freight future

As Western Australia's largest general cargo and only dedicated container port, the Port of Fremantle is a vital piece of economic infrastructure for our State. It is the gateway for most of the imported goods used in our homes and businesses, and a vital link to world markets for our exporters.

Given its economic, commercial and social significance, the State Government is preparing the *Westport: Port and Environs Strategy* to guide the planning, development and growth of the port over the next 50 to 100 years.

The strategy aims to provide port investors, users and the wider community with increased certainty around the future of the Inner Harbour at Fremantle, and development plans for the Outer Harbour at Kwinana. In addition to port planning and operations, the strategy will outline the required road and rail networks, explore defence and tourism opportunities, and investigate the size and timing of a future port.

The two-year Westport planning project complements DoT's wider set of programs designed to keep freight moving in Western Australia, with initiatives directly related to improving freight transport to and from Fremantle Inner Harbour.

It seeks to identify the expansion of industrial areas and technology parks to support economic development and employment opportunities while protecting our environmental and cultural heritage and amenity.

The Westport Taskforce was established in September 2017, and includes representatives from State and local Government, academia, industry and community organisations. The Taskforce is led by an independent Chair and is supported by an expert Project Team sourced from key agencies.

Following extensive stakeholder and community engagement, the Taskforce released an initial discussion document, *Westport: Preparing for the Strategy*, in December 2017. The document outlined and sought feedback on the proposed

question-based approach to the project. More than 200 responses were received and the findings of this feedback were published in a second report, *Westport: What you have told us*, in April 2018.

The next report, *Westport: What we have found so far*, is expected to be released in October 2018, with the final *Westport: Port and Environs Strategy*, including recommendations for implementation, expected to be presented to the State Government for consideration in late 2019.

Improving freight transport to and from Fremantle Inner Harbour

In 2017-18, DoT implemented a number of initiatives from its strategy aimed at improving the productivity and efficiency of the freight supply chain to the Fremantle Inner Harbour. These included a change to the subsidy rate, activities to better understand industry modal choice and rail use, and greater public information sharing.

From 1 January 2018, the container rail subsidy was increased from \$30 per twenty-foot equivalent unit (TEU) to \$50 per TEU in an effort to encourage more container freight on rail. As rail container volumes continue to rise under the subsidy, this provides unit cost savings to transporters and also helps reduce port-bound truck movements, which has positive impacts for the community such as decreasing congestion, noise and emissions.

The Fremantle container rail service plays a significant role in managing landside transport efficiency at the port and supports the long-term growth and efficiency of Fremantle Ports. It is anticipated the increased subsidy rate, along with a better shared understanding of how the container rail service operates, will continue to boost growth in rail volumes in 2018-19.

Throughout 2018-19, the department will continue pursuing opportunities to improve the productivity of the supply chain and community amenity, providing environmental benefits like targeted policy and infrastructure improvements.



Developing the Revitalising Agricultural Region Freight Strategy

Western Australia's agriculture and food sector represents approximately 10 per cent of the State's economy and continues to grow.

There have been significant changes to the grain export industry in recent years and there is a strong need to identify initiatives to improve agricultural freight supply chains to increase Western Australia's global competitiveness and enhance road safety.

To address this need, in 2017-18 DoT commenced the *Revitalising Agricultural Region Freight Strategy*. The cross-agency strategy – being prepared in collaboration with the Public Transport Authority, Main Roads WA, and the Department of Primary Industries and Regional Development – is a holistic, multimodal assessment assisting initiatives and projects to achieve the following objectives:

- Connected and continuous supply chains;
- Seamless modal integration;
- Optimised infrastructure and policy environment;
- Improved transport efficiency;
- Improved road safety; and
- Regional economic growth.

Significant stakeholder consultation was undertaken during May and June 2018. Based on this feedback, as well as internal analysis of freight movements, a series of infrastructure and non-infrastructure initiatives is currently being collated and will be prioritised in-line with the objectives of the strategy.

The draft strategy is expected to be finalised in late 2018.

Regional airport infrastructure improved

In 2017-18, DoT continued to administer the Regional Airports Development Scheme (RADS) to assist in improving regional Western Australian air services, airport infrastructure and safety. The scheme provided financial assistance for

infrastructure projects to eligible owners or lease holders of regional airports accessible to the public.

A total of 18 RADS projects with a combined grant value of \$2.1 million and combined project value of almost \$14 million, were completed throughout the reporting period.

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

The \$625,000 Monkey Mia (Shark Bay) Airport upgrade was a key project completed through the scheme in June 2018. Runway widening and upgrades were essential in readiness for the new public air service provider to start on the Perth-Carnarvon-Monkey Mia air route, commencing in July 2018.

Planning for automated vehicles

In 2017-18 DoT continued to work across government to prepare Western Australia for emerging automated vehicle technologies that have the potential to improve safety, productivity and environmental outcomes.

Automated vehicles have one or more of the primary driving controls automated for a sustained period of time, with levels of automation ranging from no automation, where the driver performs all steering, braking and accelerating, through to fully automated vehicles.

Lower level automated vehicles, where automated applications assist the driver, are already available in many new vehicles for sale in Western Australia, with high level automated vehicles anticipated to be available in international markets as early as 2020.

Governments across Australia are aiming to implement an "end-to-end" regulatory system for automated vehicles with DoT leading Western Australia's engagement in this national reform work.

In 2017-18, DoT established a cross-government governance structure, led by the Connected and Automated Vehicle Advisory Committee, as well as a dedicated project team.

The project team focused on developing operational policies for registering and licensing automated vehicles as well as enabling trials of automated vehicles in Western Australia.

In 2018-19, DoT will continue to assist in developing national regulatory reforms and commence drafting the State Government's Connected and Automated Vehicle policy that will address the impacts of automated vehicles on Western Australia's transport system.

Planning a safe and connected cycling network for Perth and Peel

In 2017-18, DoT continued to focus on planning for a long term, fully integrated cycling network for the Perth and Peel areas.

DoT held workshops with portfolio partners the PTA and Main Roads WA to confirm a draft network of high quality, safe and comfortable cycling infrastructure along State owned roads and rail corridors.

In 2018-19 DoT will commence work with 33 local government authorities to agree on the wider connections to link Perth's various strategic, secondary, district and specialised activity centres and public transport services.

The aim of the project is to ensure both State and local government are working towards the delivery of one continuous cycling network that will provide multiple transport options, recreational opportunities and support for tourism and commercial activity.

Once the long term network is agreed, it will guide funding allocated through DoT's Perth Bicycle Network Grants Program.

Harnessing the cycling potential of regional Western Australia

There is growing demand for high quality cycling infrastructure in Western Australia's regional centres, with residents expecting a higher level of bicycle connectivity between work, home and other key destinations. In some regions there are also opportunities to improve connectivity between towns. Cycle-tourism, in its various forms, is also increasingly popular and there is significant potential for regional Western Australia to capitalise on this growing industry.

In line with a key recommendation of the *Western Australian Bicycle Network (WABN) Plan*, DoT commenced work with local governments across regional WA to develop long-term and aspirational cycling strategies.

Throughout 2017-18 DoT partnered with 14 local government authorities to develop five draft strategies covering the Bunbury-Wellington, Leeuwin-Naturaliste, Warren-Blackwood, Greater Geraldton and Esperance regions.

Early work also commenced in Albany and Denmark with the view to address the Pilbara and Kimberley areas in the coming years. By 2020, it is expected every major town in regional WA will have a long term cycling strategy in place.



When complete, each strategy will be accompanied by a short term implementation program to prioritise the delivery of strategic infrastructure and to guide funding allocated through DoT's Regional Bicycle Network Grants Program.

Perth Bicycle Network and Regional Bicycle Network grants programs

DoT administers the Perth Bicycle Network and Regional Bicycle Network grants programs.

This program of grants is an important initiative that helps support local government authorities to build continuous infrastructure across local government boundaries. The initiative provides enhanced recreational, commuter and tourism cycling experiences for residents and visitors to Western Australia.

In 2017-18, 37 local governments received a share of more than \$4.1 million to further improve Western Australia's bike network through 43 projects adding 20 kilometres of shared path to the network.

DoT leads the way with safe active streets

DoT continued its Safe Active Streets Program, which aims to make cycling safer and easier in Western Australia.

After a successful third year in 2017-18, the program continues to be a key strategy to provide safe cycling routes through suburbs to local amenities including schools, parks and shops. They also connect to other principal shared paths and local bike infrastructure to create a local network of cycle-friendly routes.

Safe active streets 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 2017-18 construction commenced on the second stage of Perth's first safe active street, the Shakespeare Street Bike Boulevard in Mount Hawthorn. Eight safe active street projects in

the metropolitan areas of Stirling, Bassendean, Canning, Melville, Nedlands, Victoria Park and Wanneroo, as well as regionally in Kalgoorlie-Boulder, progressed through varying stages of design and community consultation.

In 2018-19, 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 roll out continues

DoT's Your Move program contributes to the management of congestion and improves 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 households, schools and local businesses in the City of Wanneroo, resulting in a 5.5 per cent reduction in car trips per participant.

In 2017-18, DoT continued building on the success of the program by delivering Your Move Central to nine workplaces in the Perth CBD, as well as 883 residents and two schools in the Town of Victoria Park.

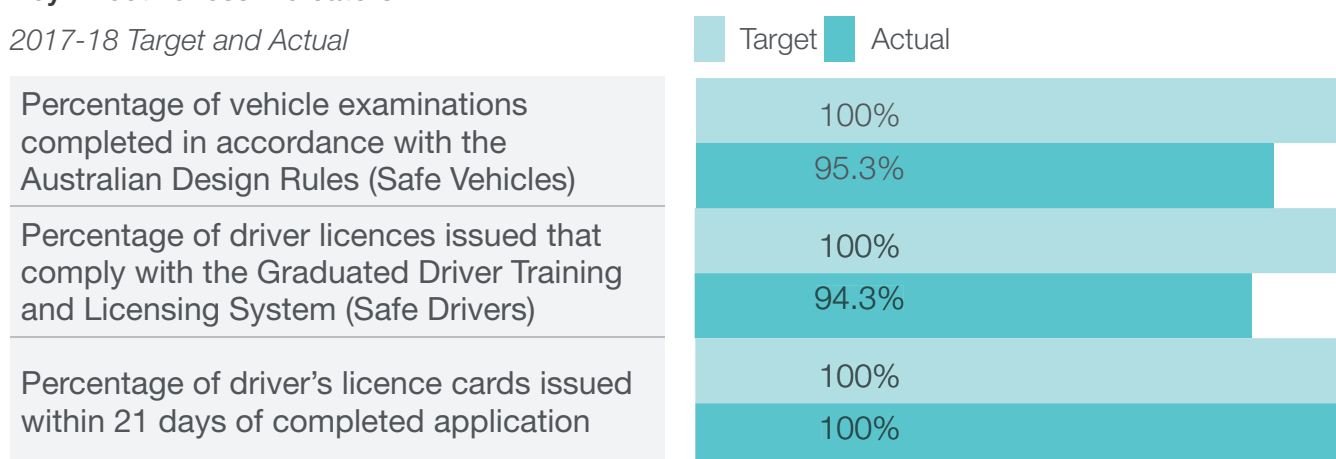
DoT will partner with another local government in the second half of 2018, to deliver the Your Move program to residents, workplaces and schools in the local community throughout 2018-19.



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

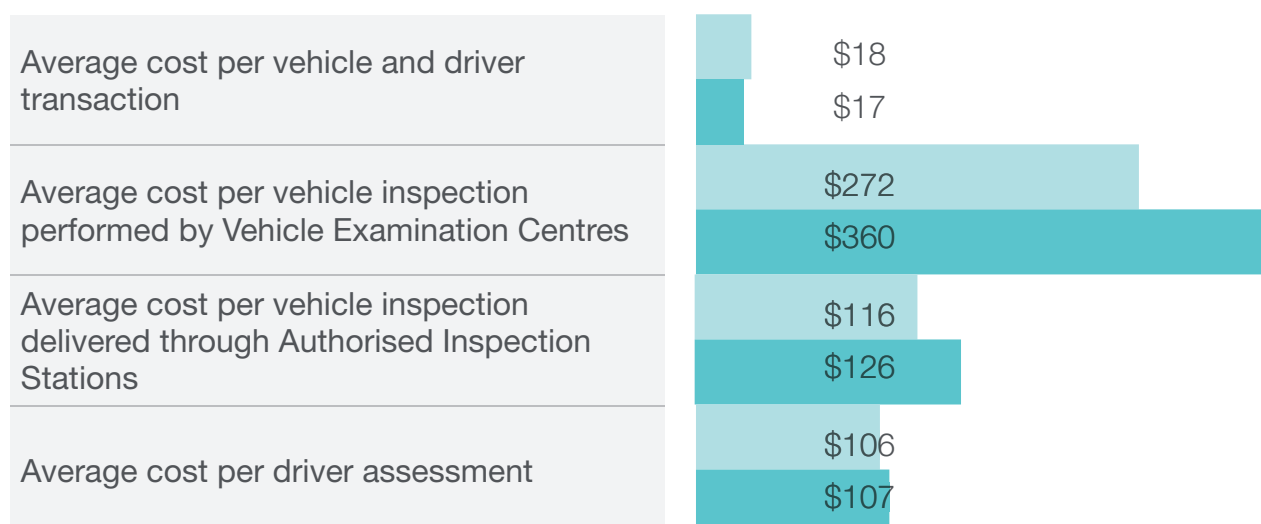
Key Effectiveness Indicators

2017-18 Target and Actual



Key Efficiency Indicators

Service 2: Driver and Vehicle Services



Notes

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Services digitised to improve customer convenience and choice

In 2017-18 DoT continued to digitise a wide range of its services to further improve customer convenience and choice.

With a simplified signup process, DoTDirect achieved a 180 per cent growth in under 12 months, with more than 380,000 customers choosing to access 29 available transactions online.

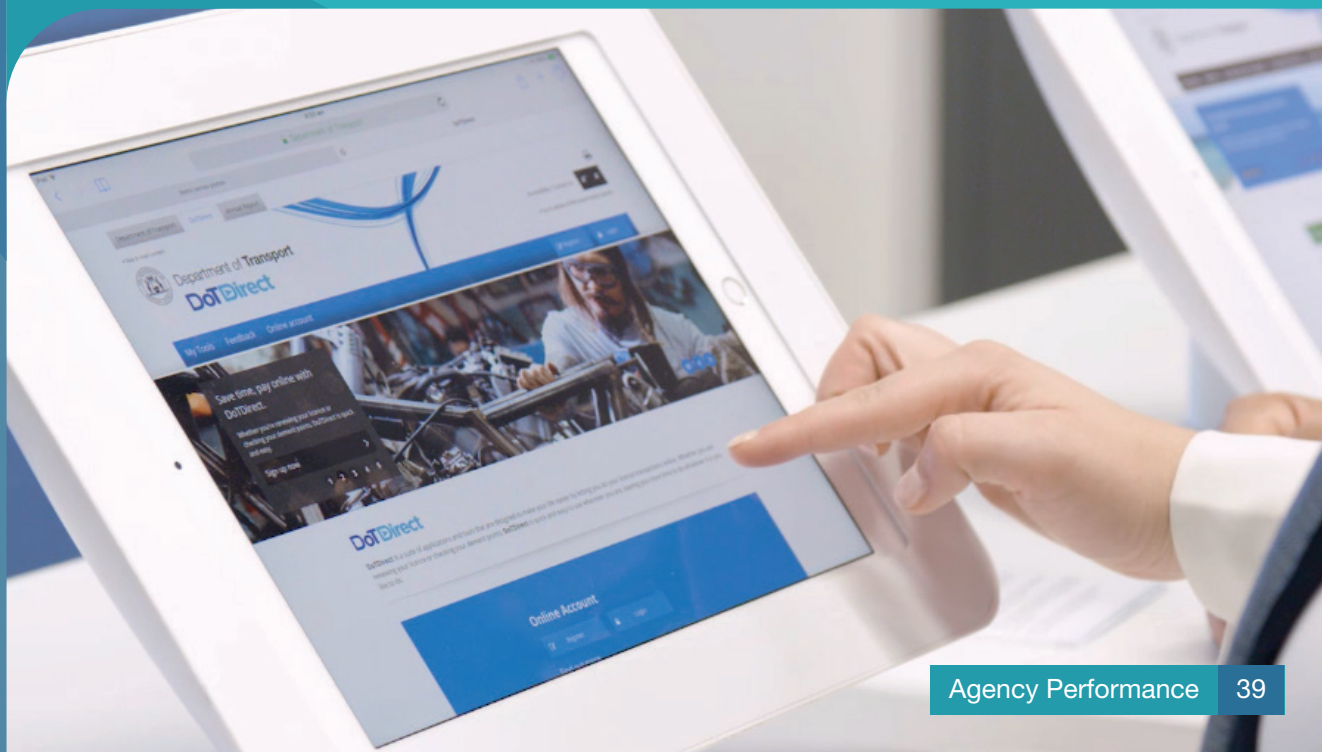
DoT made it easier for customers to access and complete necessary forms by simplifying and consolidating its forms, reducing the overall number by up to 40 per cent. These forms as well as key publications are now also available online, improving customer convenience and reducing operating costs.

Following a successful trial, DoT rolled out iAssess across all metropolitan Driver and Vehicles Services (DVS) centres. The mobile tablet application that electronically records Practical Driving Assessments provides more transparency of the assessment process and has improved the customer experience by providing valuable feedback to learner drivers following an assessment.

DoT continued to work closely with selected GP clinics in both Perth and regional locations to raise awareness and encourage the use of its online system that allows medical assessments to be submitted electronically by health practitioners. The system improves the speed and quality of information required to confirm fitness to drive exchanged between DoT, health practitioners and drivers – saving everyone time and money.

In February 2018 the system was integrated with the MedicalDirector practice management software solution, which is used by over 135 medical practices in Western Australia. DoT has engaged a specialised provider to expand the technology to other practice management software providers over the next two years.

DoT will continue to enhance and expand its digital services in 2018-19 with a focus on introducing e-billing, enhancing fleet management functionality, and developing an online vehicle licence fee calculator.



First step in introducing electronic billing completed

DoT's DVS business unit issues approximately nine million paper-based communications including renewals, invoices and notices to more than two million customers each year.

With customers embracing the convenience of online services, in 2017-18 DoT took the first step in introducing an electronic billing option by awarding a new print imaging contract.

Under the new contract, customers will have the option to receive their communications electronically for the first time. This will provide DoT's customers with greater choice, while reducing printing and mailing costs. It will improve customer service by allowing front line staff to access documents immediately when responding to customer queries.

The electronic billing system is anticipated to be available to customers in 2019.

T-One expanded to improve customer experience

DoT continued to improve the customer experience by expanding T-One – a system that provides DoT staff with a single view of customers across a number of service delivery areas.

Traditionally, each of DoT's service delivery areas served customers using separate systems depending on their transactions. T-One was introduced in 2017 to link these separate systems, allowing staff to assist customers with a range of transactions across different service delivery areas in a single contact.

In 2017-18, an additional 14 services were linked to T-One including Coastal Infrastructure customer information and Electronic Medical Assessments. This increased the total number of transactions that can be processed through T-One across DoT's DVS, Marine Safety and Coastal Infrastructure service delivery areas to 42.

DoT will continue to expand the number of transactions available through T-One in 2018-19.

New process introduced to better prepare novice drivers

As part of its commitment to safe drivers, DoT improved the process to obtain a provisional licence in 2017-18. The new process came into effect in October 2017 and better enables novice drivers to develop safe driving skills and build the experience they need to cope with potential hazards and distractions on the road.

A key change was the re-sequencing of the Hazard Perception Test (HPT) and Practical Driving Assessment (PDA), with driver's licence applicants now required to complete the HPT before the PDA, resulting in applicants having greater driving experience when attempting their PDA.

Applicants must also have completed 50 hours of supervised driving, including five hours of supervised night-time driving, before being eligible to attempt their PDA.

These changes were successfully implemented following extensive stakeholder and community engagement and have resulted in applicants having a better driving experience when attempting their PDA. The changes have streamlined the process for both DoT and its customers and aligned Western Australia with other Australian jurisdictions.

To coincide with the changes, DoT also released new and improved Computer Generated Image video HPT clips. The scenarios are based on extensive research and were developed as part of a national Austroads project led by DoT. The HPT is designed to measure a novice driver's ability to assess traffic situations and make safe driving decisions.

Both the changes and new HPT clips were well received by the community. While more than 100,000 novice drivers were affected by the new process, as a result of DoT's successful consultation and communication, less than nine per cent of these customers contacted DoT's Customer Contact Centre to discuss the changes.



Community surveyed to improve convenience of Practical Driving Assessments

In March 2018, DoT conducted a community survey to seek feedback on improving the provision of certain elements of Practical Driving Assessments (PDAs) including the most accessible locations and preferred days and times to attempt a PDA.

The online survey received almost 5,000 responses over a four week period, with community members invited to take part via SMS, DoT's website and social media channels.

The results of the survey indicated the most convenient days for customers to attempt a PDA were Mondays and Saturdays, and the most convenient times were between 7am and 11am.

Further, the results highlighted the need for increased availability of PDAs outside of school hours and on weekends. The majority of survey respondents were aged between 16 and 39 years and a common sentiment was the difficulty for students and their guardians to take time off school and work for PDAs.

This feedback has played a valuable role in the development of DoT's PDA improvement program, which aims to ensure DoT continues to meet the changing needs of a growing community now and in the future.

As part of the program, DoT will pilot a new service delivery model for PDAs at the Kelmscott Licensing Service Centre from November 2018. In response to continued customer demand for PDAs together with a decline in over-the-counter transactions, Kelmscott will become an appointment-only centre with improved facilities for PDAs.

The centre will trial a number of initiatives to better meet community expectations including providing additional assessment times on Saturday mornings, later PDA hours during the week and allocating more time in the car for the candidate and assessor.

DoT will monitor the success of these initiatives as it continues to implement its PDA improvement program in 2018-19.

Written-off Vehicle Register framework reform commenced

As part of its annual review of fees and charges, DoT's Driver and Vehicle Services (DVS) business unit conducted a thorough review of its cost allocations in 2017-18.

Through the reform, DoT will work with industry and the community to strengthen policies, processes and legislation. This works aims to deliver a range of benefits including interrupting the stolen vehicle re-birthing trade and improving the safety of vehicles on our roads.

One of the first improvements to come out of the reform will make the WOVN status of a vehicle visible on its licence renewal. This consumer protection initiative, introduced in February, allows prospective buyers to be educated and informed on the purchase of a repairable written-off vehicle.

DoT will continue to consult with industry and the community to progress the reform program in 2018-19.

Fees and charges reviewed to ensure accuracy and transparency

As part of its annual review of fees and charges, DoT's Driver and Vehicle Services (DVS) business unit conducted a thorough review of its cost allocations in 2017-18.

In line with State Government guidelines, DVS provides services on a full cost recovery model. As these services and their associated costs have evolved over the past few years, DVS recognised the need to review its cost allocations to ensure they accurately and transparently reflect the cost of the services provided.

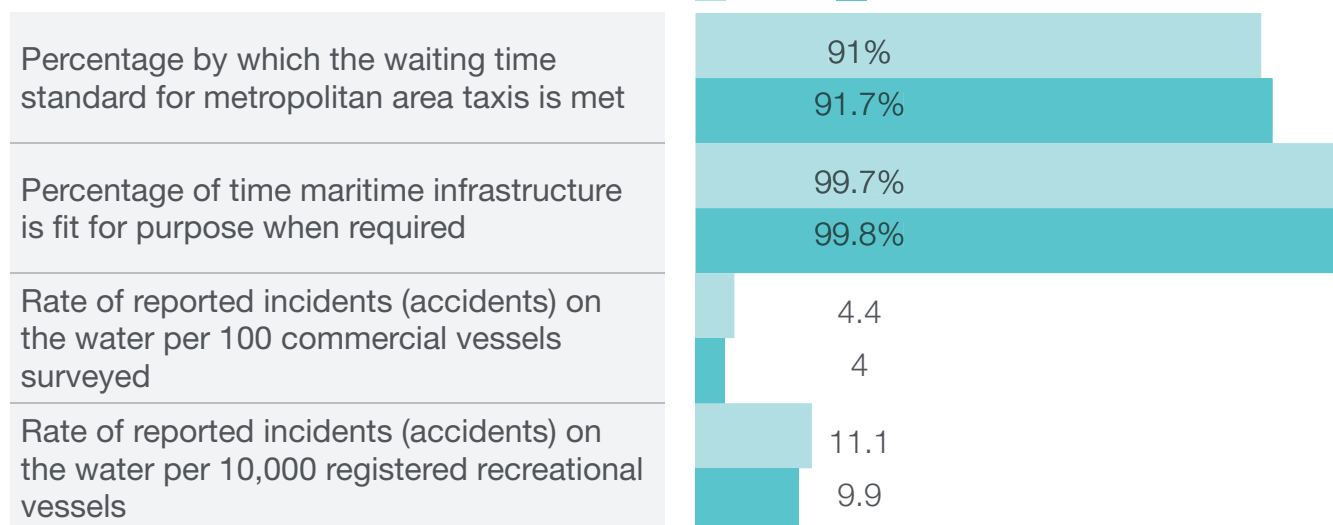
As a result of the review, some costs were repositioned to reflect the way customers use DVS services.

The new fees and charges come in to effect on 1 July 2018 and will be monitored and further reviewed in 2018-19.

Outcome 3: An accessible and safe transport system.

Key Effectiveness Indicators

2017-18 Target and Actual



Key Efficiency Indicators

Service 3: Coastal Infrastructure

2017-18 Target and Actual

Average cost per day per maritime infrastructure asset managed

Target Actual

\$81

\$81

Exmouth Boat Harbour upgrade completed

The Exmouth Boat Harbour upgrade was successfully completed in August 2017 and officially opened by the Minister for Transport in January 2018. The \$21.1 million project extended the existing wharf by 88 metres to accommodate a heavy lift facility, which now provides better access for loading and unloading vessels. Trawler pens were successfully relocated and upgraded 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.

The upgrade attracted private sector investment to lease land from DoT to develop a \$4.6 million boat repair facility at the harbour. The facility includes a 320 tonne capacity marine travel lift, offering much-needed large boat repair capability in the region.

With this significant upgrade now complete, the harbour is well 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.

Beadon Creek Maritime Facility upgrade completed

In 2017-18 DoT completed the fifth and final stage of improvements to the Beadon Creek Maritime Facility in Onslow.

Works included the construction of a new turning circle and fuel access road as well as drainage improvements. The turning circle and fuel access road facilitate the turnaround of large trucks, including those transporting bulk fuel to the facility, making these movements safer. This also ensures the new drainage system mitigates surface runoff into lessee sites following large rain events, minimising disruption to harbour activities.

A new access road was also constructed to the north of the facility to encourage lessee development in previously under-utilised harbour land. This, together with the provision of essential services such as power, water and drainage improvements, has already proved successful in attracting private sector investment, with DoT recently leasing parcels of land to facilitate the construction of a logistics supply base.

The works complete the upgrade to the facility which has been delivered over the past five years and has included road resurfacing, the construction of a DoT harbour office, installation of CCTV and major power and services upgrades.

New Management Plan for Hillarys Boat Harbour endorsed

In May 2018 the Western Australian Planning Commission endorsed DoT's new Management Plan for Hillarys Boat Harbour. The plan, which replaces the previous structure plan that has been in place since 2004, sets clear direction for the use, development and ongoing management of the harbour.

The plan supports and allows for a more simplified, streamlined and flexible development approvals process. It is intended to be sufficiently robust to provide stakeholders with certainty and consistency in decision-making processes while offering flexibility to ensure it remains current as development practices and technology evolves.

Ultimately, the plan will ensure that under DoT's management the harbour continues to be an important centre of activity for maritime recreation and commerce in Western Australia.

Online Pen Management System introduced

In July 2017, DoT successfully introduced an online Pen Management System to assist in streamlining the management of 1,500 mooring and pen facilities across Western Australia.

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

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 2017-18, 17 projects with a combined grant value of \$2.255 million were completed including:

- Replacing the existing boat ramp, constructing two new finger jetties and completing lighting works at Lily Creek, Kununurra.
- Constructing a new finger jetty at Guilderton Foreshore Boat Ramp, Gingin.
- Upgrading the vehicle and trailer parking at the overflow trailer parking area at Woodman Point Boat Ramp, Jervoise Bay.
- Replacing the existing fixed timber jetty with a floating jetty at Mandjar Bay, Mandurah.
- Reconstructing and upgrading the boat ramp parking area and stormwater drainage at Eaton Foreshore Boat Ramp, Dardanup.

In May 2018, \$1.5 million in RBFS funding was allocated to nine projects across the State through Round 23 of the scheme.

Coastal Adaptation and Protection grants administered to preserve coastline

In 2017-18, DoT administered \$756,540 in Coastal Adaptation Protection (CAP) grants to help local coastal managers preserve and sustainably manage Western Australia's coastline.

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

This included \$299,212 provided to the City of Wanneroo for the construction of a 60 metre rock groyne at Quinns Beach and \$125,000 to reinstate safe beach access near Sovereign Drive at Two Rocks.

The Shire of Esperance received \$85,000 to address sand erosion along Norseman Road and the Shire of Shark Bay will assess coastal hazards with a \$15,000 grant.

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

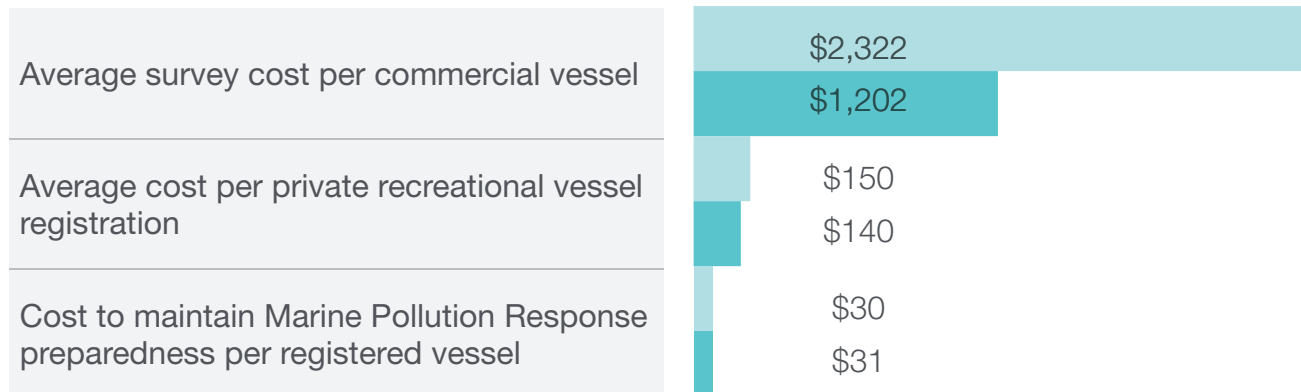
Coastal Adaptation and Protection grants administered to preserve coastline



Key Efficiency Indicators

Service 4: Marine Safety

2017-18 Target and Actual



Maritime Environmental Emergency Response tested

During 2017-18, DoT continued to enhance its capability to lead an effective response to a major maritime environmental emergency. In September 2017, this capability was tested during the largest and most complex Maritime Environmental Emergency Response (MEER) exercise ever conducted in Australia – Exercise Ningaloo Challenge.

Exercise Ningaloo Challenge was a four-day scenario that involved a loss of well control at an offshore petroleum facility in Commonwealth waters north of Exmouth. The exercise scenario simulated the oil entering State waters on the second day of the exercise and impacting the mainland shore on day four. Over 350 participants from over 35 organisations conducted response activities in real time in Canberra, Perth, Fremantle and Exmouth.

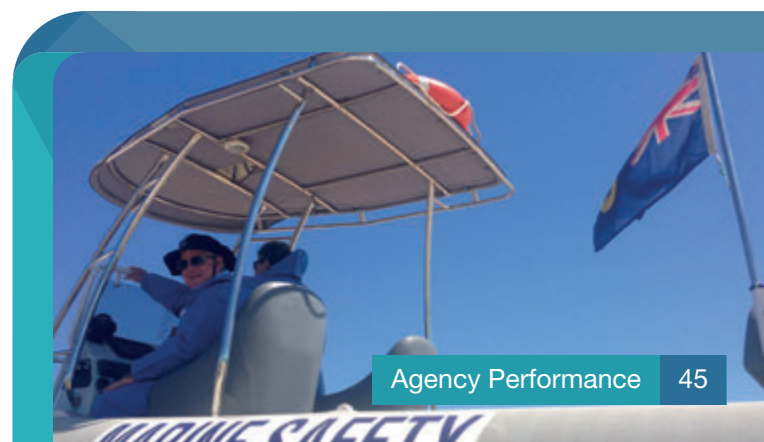
The first three days of the exercise focused on establishing incident control arrangements, incident action plans and mobilisation of response assets to Exmouth for response activities in both Commonwealth and State waters. On the fourth and final day various Strike Teams were deployed into the field.

Director General Richard Sellers taking part in the Exercise Ningaloo challenge

The offshore petroleum activity incident that unfolded in the scenario required a simultaneous and coordinated response in both Commonwealth and State waters by two jurisdictional authorities and two control agencies. This enabled comprehensive testing of both State and national response arrangements and the DoT Industry Guidance Note for a cross jurisdictional 'Level 3 Marine Oil Pollution' incident and facilitated effective collaboration between the Commonwealth and State Governments as well as the petroleum industry.

The exercise was successful in testing these arrangements, providing responders with valuable experience and identifying further improvements required in preparation for the State MEER exercise scheduled for November 2018.

As the Hazard Management Agency for Maritime Environmental Emergencies, DoT remains committed to working with key stakeholders to prevent, prepare for, respond to and recover from a maritime environmental emergency.

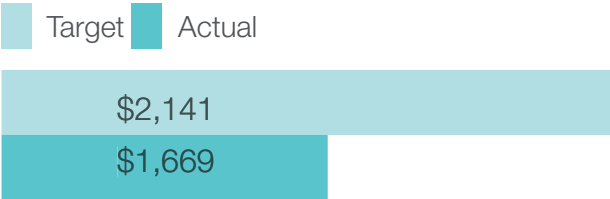


Key Efficiency Indicators

Service 5: On-demand Transport

2017-18 Target and Actual

Cost of regulation per taxi plate administered



New direction for on-demand transport industry

In November 2017, the State Government announced a new direction for Western Australia's on-demand transport industry, following initial reforms introduced in July 2016. The proposed changes will see further deregulation of Perth and regional taxi and charter services to create a fairer system that promotes innovation and competition to deliver a customer-focused on-demand transport industry.

In 2017-18, DoT continued drafting *The Transport (Road Passenger Services) Bill 2018*. This new, single piece of legislation, anticipated to be introduced to Parliament in late 2018, will set the minimum standards of safety required of drivers, vehicles and booking services operating within the taxi, charter, tour and regular passenger transport sectors and establish a chain of accountability for that safety.

The Act will cover on-demand transport services provided by taxi and charter vehicles, where the customer determines the route and time for the paid journey, together with traditional regular passenger and tourist passenger transport services that run to the provider's timetable and route. For the first time, individuals and companies that take bookings for an on-demand trip from a customer, and arrange a driver and vehicle to service that trip, will be required to be authorised as an on-demand booking service.

To support the Perth taxi sector to move to a more competitive market, a buy-back of owned Perth taxi plates is proposed. The buy-back scheme will be funded by a levy on taxi and charter passenger fares starting or finishing in a defined Perth and Peel area, in vehicles with 12 or less passenger seats.



The scheme will allow Perth taxi vehicles to transition to an annual vehicle authorisation system, similar to that already in place for country taxi-cars and charter vehicles.

DoT will continue to work closely with industry and other stakeholders to progress the legislation and buy-back scheme in 2018-19.

Transition Assistance Package delivered to assist taxi plate owners

As part of the initial on-demand transport industry reforms that took effect from July 2016, a \$27.5 million Transition Assistance Package was provided to assist taxi plate owners to transition to the new operating environment. The assistance package consisted of a \$20 million Transition Adjustment Assistance Grant, a \$6 million Hardship Fund and \$1.5 million for business innovation assistance.

In 2017-18, all Transition Adjustment Assistance Grant payments of \$20,000 for conventional plates and \$6,000 for restricted plates were finalised and paid to eligible applicants.

Applications to access funds from the Taxi Plate Owners' Hardship Fund closed to new applicants in November 2017. An independent organisation was appointed to assess the 147 applications received on a case-by-case basis with recommendations provided to the Minister for Transport. As a result, more than \$5.6 million, or an average of almost \$67,300 per recipient, was paid to 84 eligible owners.

One and a half million dollars in Transition Assistance Package funding was committed to the Small Business Development Corporation from 2016-2018, to provide customised business improvement services to taxi plate owners to support them while transitioning to new market conditions. DoT has worked closely with the Corporation to assist in understanding the reform and the opportunities it presents for innovation in the on-demand transport industry.

Multi-purpose taxi services improved for people with disability

DoT recognises the important role wheelchair accessible Multi-Purpose Taxi (MPT) services play in providing a safe and reliable transport system for Western Australians with a disability.

In 2016 DoT appointed a dedicated MPT dispatch service for the delivery of wheelchair accessible taxi services in the Perth metropolitan area. With the majority of MPT operators in Perth now affiliated with this dispatch service and the MPT fleet increasing steadily, the availability and reliability of on-demand transport for people requiring wheelchair access has improved significantly.

To meet increased demand for these services, DoT released an additional 14 MPT government lease plates through an expression of interest process in 2017-18. There are now more than 100 MPTs operating in the Perth metropolitan area and 38 across regional Western Australia.

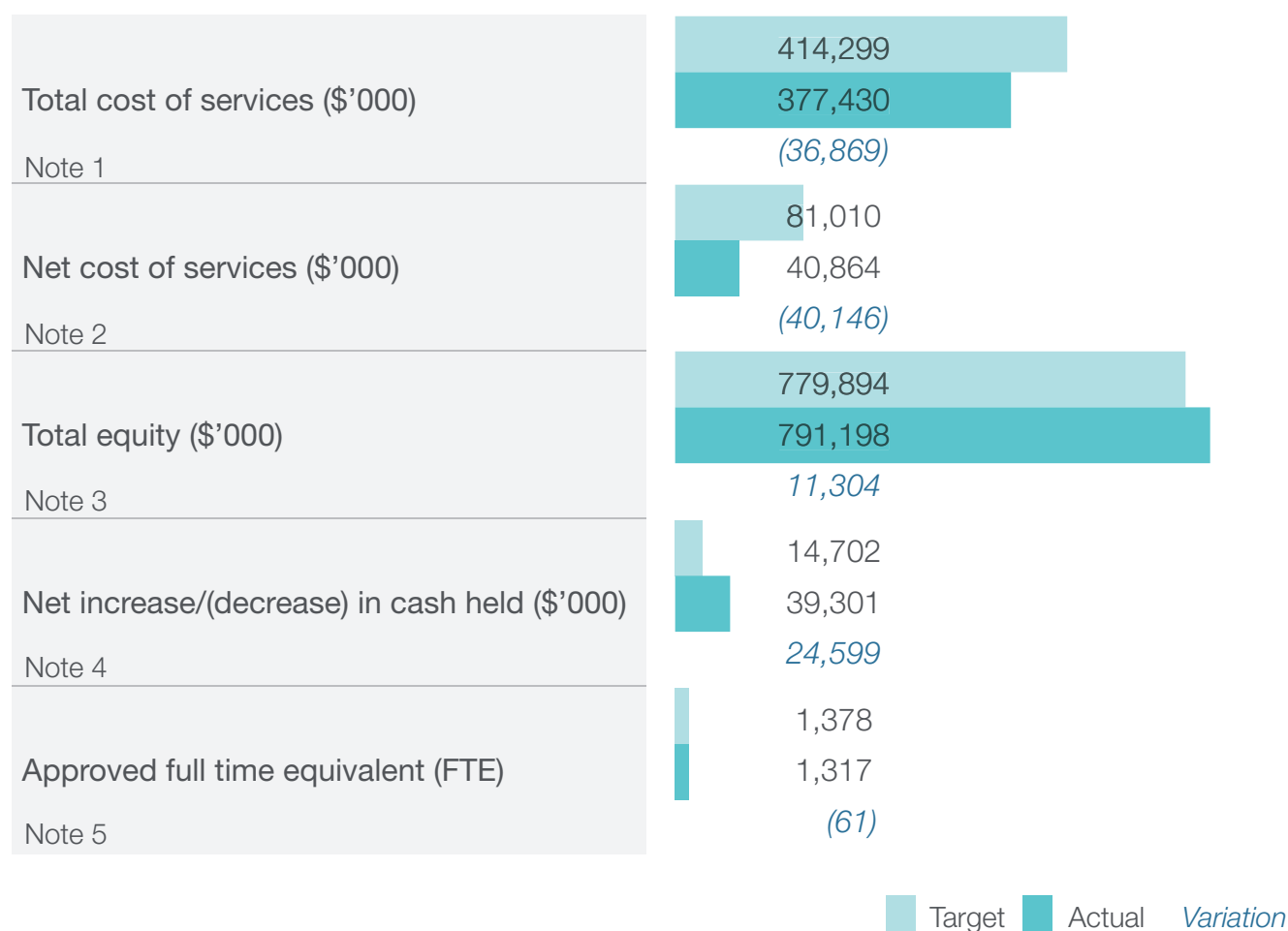
DoT is committed to introducing further measures to improve these services through the reforms to Western Australia's on-demand transport industry. To achieve this, DoT will continue to develop an accessible on-demand transport strategy which will provide a consistent approach to accessible on-demand transport across the State and ensure ongoing support in regional areas.



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.

2017-18 Actual results versus budget targets



Notes

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

Note 1: Total cost of services

The total cost of services actual was lower than the budget target mainly due to the deferral of grants and subsidies expenditure relating to the Busselton-Margaret River Regional Airport Upgrade project, Geraldton Runway renewal project and Broome Boating Facilities Upgrade project.

Note 2: Net cost of services

In addition to the lower total cost of services, grants and contributions revenue exceeded budget target mainly due to the bringing forward of Local Projects Local Jobs funding.

Note 3: Total equity

Higher than expected total equity is a result of an accumulated surplus increase reflecting the impact of a favourable result in 2016-17.

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

The higher than estimated net increase in cash held is predominantly due to reduced grant payments resulting from deferrals of the Busselton-Margaret River Regional Airport Upgrade project, Geraldton Runway renewal project and underspends in Two Rocks Marina and On-demand Transport Business System Enhancements.

Note 5: Approved FTE

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

Geraldton Airport







SIGNIFICANT ISSUES IMPACTING THE AGENCY



DoT continued to address a number of challenges across its various business units in 2017-18. These challenges, detailed below, arise from the community's changing needs for transport options for both personal and business use.

Changing landscape for taxi and charter industry

Consistent with national trends, the Western Australian taxi and charter industry is rapidly transforming. This has sparked a need for reform, with a new direction for the industry announced by the State Government in November 2017. New legislation will be introduced in late 2018, with further deregulation of Perth and regional taxi and charter services to allow for greater competition and innovation.

To support the Perth taxi sector in adjusting to the more open market, a buy-back of owned Perth taxi plates is proposed, funded by a levy on taxi and charter passenger fares starting or finishing in a defined Perth and Peel area.

Aviation demand expected to grow

With 35 million passengers and 241,000 aircraft movements forecast annually for Perth Airport by 2045, significant future investment is required to support major development projects such as the new runway.

As Western Australia starts to recover economically, aviation demand is expected to grow. While the past 12 months has seen a decline in demand at Perth Airport, it still handled a total of 14.3 million domestic and international passengers and more than 130,000 aircraft movements.

The cost of regional airfares has been a significant community and economic issue. In response, the State Government committed to implementing recommendations from the 2017 Parliamentary Inquiry into regional airfares in Western Australia from mid-2018.

As the lead agency in this project DoT, in collaboration with other government agencies will undertake a review of the *State Aviation Strategy* with a focus on the unregulated air routes. Some airlines have demonstrated a willingness to respond to community concerns and recognise that community engagement and industry innovation will greatly assist in reducing airfares and improving regional aviation in Western Australia.



Meeting Western Australia's growing freight task

Western Australia's export industries face increased pressure from global competitors, many of which enjoy a significant advantage in transport costs from producer to port. Urbanisation has also created challenges in providing efficient access to port infrastructure.

In addition to committed infrastructure spending, the State Government is investigating other initiatives to improve the efficiency of entire supply chains using policy or regulatory change.

Overarching projects such as the *Fremantle Inner Harbour Freight Supply Chain Strategy* and *Revitalising Agricultural Region Freight Strategy* aim to identify opportunities to increase transport productivity and create meaningful change in the transport supply chain, whilst minimising the need for costly infrastructure investment.

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. The Fremantle Container Rail Subsidy encourages the use of rail transport, decreasing the number of heavy vehicle movements on port linked metropolitan roads.

The Westport Taskforce has been established to develop a sustainable and globally responsive long-term supply chain strategy to optimise freight, trade and logistics needs from Perth to Bunbury.

Engaging with stakeholders and the community at all stages of the planning process, the Westport Strategy will investigate port planning and operations, landside logistics, land-use requirements, commercial implications, defence industry opportunities and tourism including the cruise industry.

Growing need for new and improved marine infrastructure

A number of initiatives ensure the Department is focused on alleviating the ongoing need for new or improved facilities.

The Burswood Jetty servicing the new Optus Stadium opened in June 2018, while the Broome Boating Facilities Upgrade Project and Broome Marina and Bremer Bay Boat Harbour planning show DoT's commitment to servicing regional areas.

In 2017-18 revenue from DoT's maritime facilities accounted for less than half of the running costs. The escalating costs involved with maintaining these facilities will see users paying more with a transition to a single State-wide pen fee structure at market rates with increases capped at 10 per cent plus CPI each year. It will take seven years for the majority of users to complete the transition.

Costs recovered from approximately 1,800 users will be pooled for vital asset replacement works and maintenance. Allocations will be prioritised according to need, rather than location or popularity. In 2018-19 it is anticipated \$11.3 million in total revenue will be generated of which \$921,000 will come from the increases.

Increasing requirement for safe and connected cycling networks

Focused on encouraging active transport as an option, the State Government's continued investment in cycling infrastructure will attract more cyclists by providing a safe and connected network in Perth and regional Western Australia.

In line with other capital cities, cycling numbers have recently plateaued in Perth, with cycling data on the Principal Shared Path (PSP) network near the CBD showing a three per cent decline and reduced demand on weekends in 2016-17. However, this decline is only moderate, compared to stronger decreases since high participation rates during better economic times between 2010-2014.

The State Government's allocated funding will result in \$23 million for the PSP expansion program, \$3 million for the Safe Active Streets program and \$4 million for the Perth and Regional Bike Network Grants programs in 2018-19.

Changing customer needs and emerging technologies influencing the delivery of driver and vehicle services

To provide excellent customer service and improve convenience, DoT's Driver and Vehicle Services (DVS) business unit needs to move further into the digital space.

To achieve this, the highly successful DoTDirect will expand to incorporate more transactions such as e-billing.

Plans to upgrade DVS centres will be carried out in 2018-19, with Kelmscott and Cannington set to offer modernised facilities and provide different service options to best accommodate customers. The congested Willagee centre will close and a new centre at Success opens to meet growing demand for services in the area.

With the prospect of automated vehicles on the horizon, the Department will continue contributing to national work to implement a regulatory framework by 2020. The framework will detail the safe deployment of automated vehicles through standards, regulation and data handling requirements, and will set the highest standards for community safety. The Department has also been working with partners including RAC WA, Curtin University, and the University of Western Australia to support the continuation of trials of driverless vehicles in Western Australia.

Enhanced Governance Capabilities

The Department has a zero tolerance for fraud and corruption, and is committed to a rigorous governance regime. In support of this regime, DoT continues to embrace innovation, technology and new ways of achieving evidence-based compliance with the implementation of proactive monitoring of data to identify compliance breaches that could expose the community to unsafe vehicles, unsafe drivers or insecure identities.

In addition to other sources of risk intelligence such as the Alert Us phone line – which provides an avenue for the community, staff or other agencies to report suspicious, unethical or corrupt behaviour – the implementation of continuous monitoring enables DoT governance teams to swiftly react to compliance breaches or watch for subsequent suspicious activity.

Entrance to the new Midland DVS Centre







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.

For more information visit:

www.transport.wa.gov.au