

annual report **2010-11**

Transport Ticketing

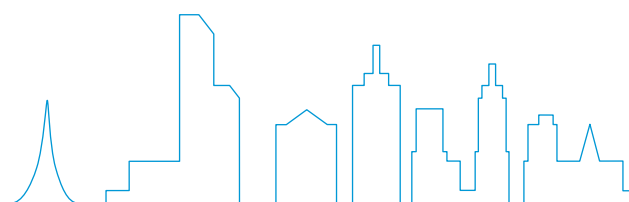
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About the Transport Ticketing Authority

Our role

The Transport Ticketing Authority (TTA) was established in June 2003 to:

- manage Victoria's current Metcard public transport ticketing system contract
- oversee the design, build, delivery and operation of the new myki ticketing system.

The switch to myki is a significant and necessary change to Victoria's public transport ticketing system.

It represents a move towards contemporary practice of smartcard technology and away from magnetic strip-based and paper ticketing systems that will be increasingly difficult to support into the future.

After a review by the Government, our role is to oversee delivery of the remaining project elements by December 2012.



Our main objectives and functions

The TTA's prime objective is to ensure that both the current and new ticketing systems meet the needs of customers and public transport operators. The TTA also aims to ensure:

- a smooth transition to the new ticketing system throughout metropolitan Melbourne and in specified areas of regional Victoria
- high levels of customer satisfaction with the new ticketing system
- the new ticketing system meets the requirements of public transport operators and provides them with opportunities to enhance service value
- the new myki and current Metcard ticketing systems achieve high performance levels, including the ongoing integrity and value for money of ticketing infrastructure and operations
- the administration of the collection and distribution of fare receipts captured by both Metcard and myki as agent for the Director of Public Transport and transport operators. The TTA has no legal or contractual obligations for the completeness of public transport revenue, in particular, the revenue consequences of fare evasion.

The TTA is measured by the following outcomes:

- delivery of the modified ticketing system within new timeframes
- transition to the new ticketing system for customers and public transport operators
- customers' assessment of smartcard convenience, reliability and ease of use, as reflected in the rate of 'take-up' of the new ticketing system across all customer groups
- public transport operators' confirmation that the delivered system meets their agreed requirements
- ongoing achievement of high levels of system performance of the new myki and current Metcard ticketing systems.

Our key business partners

Kamco

Kamco (Keane Australia Micropayment Consortium Pty Ltd) is the TTA's key project partner in delivering myki. Following a public tender process Kamco was engaged in July 2005 to design, build and implement the new ticketing system and then operate it for 10 years.

In October 2010, Japan-based IT company NTT Data announced its intention to acquire Keane International Inc (Kamco's previous parent company). The TTA provided conditional consent for the transaction on 28 October 2010. The TTA then conducted due diligence activities and provided unconditional consent at the end of December 2010. The acquisition then reached financial close.

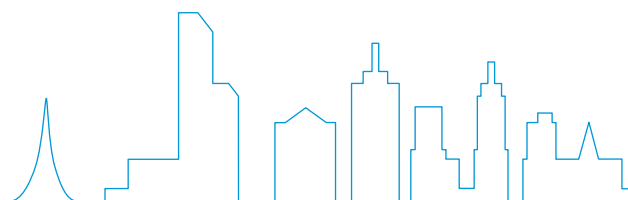
Following the Government Review, negotiations about revised requirements and expectations are continuing with Kamco.

OneLink Transit Systems

The supplier of the current Metcard ticketing system is OneLink Transit Systems Pty Ltd (OLT).

OLT consortium consists of: Ingot Capital Management Pty Ltd, R Noble and the JF & LJ Carroll Family Trust, each acquiring a portion of the Mayne Group's former interests, Fujitsu Australia Ltd and Utilico Ltd which purchased ERG Pty Ltd's former interests.

The OLT contract was extended from 2007 to 1 March 2012 at the start of the New Ticketing System project. As a result of the Government Review into myki, suitable arrangements are to be made to allow the appropriate range of Metcards to be available further into 2012.



Chairperson's report

In 2010-11, the TTA faced many challenges.

Early in the year, myki commenced on trams and buses across the metropolitan public transport network, and myki use has increased steadily since then. By the end of June, myki touch ons accounted for about 25 per cent of all ticket validations in Melbourne, up from around six per cent in July 2010.

For the year, significant progress was made in relation to the stability of the system on all modes and the system as a whole. myki equipment is currently operating at high rates of availability at train stations and on trams and buses.

A significant task was the distribution of more than 400,000 cards to Victorian seniors. Overall, more than 1.3 million cards have now been issued across the State.

The Board and the TTA have focussed on improving the financial integrity of the system and by the close of the financial year, significant improvements had been made.

The TTA Board has overseen the high profile and sensitive myki project in the context of a pre-election caretaker period, and then a change of Government. The Coalition Government, elected in November 2010, embarked on a comprehensive review of the project, which covered the period December 2010 to June 2011. The Authority has continued to focus on sound contract management and customer outcomes, delivering improvements to call centre and other customer processes and establishing new sales and top up channels.

The TTA received two directions from Government throughout the year. These are outlined on page 18 of the report.

The year ahead presents further challenges as we rollout the remainder of the modified ticketing system, and progressively withdraw Metcards.

My thanks go to my fellow Board Members, the TTA Chief Executive and staff who have continued to push forward on a new ticketing system for Victoria.



Patricia Faulkner
Chairperson



Chief Executive Officer's report

myki progress

This financial year the Transport Ticketing Authority reached several milestones, with the introduction of the myki ticketing system on metropolitan trams and buses, and the establishment of the retail network to provide myki top up services. Careful monitoring and the continuing improvement of reliability of the system was a key focus of the TTA after myki's introduction on trams and buses. This stabilisation of the system has supported the growth in myki use.

myki use grew month by month and by the end of the financial year accounted for around 25 per cent of all ticket validations across Melbourne. On the regional bus network, myki operation remained steady, accounting for around 35 per cent of all ticket validations. Around 1.5 million touch ons are recorded each week across Melbourne's trains, trams and buses with around 50,000 touch ons per week recorded across the regional bus network. More than 200,000 cards are used each week, with more than 110,000 of these used for regular weekday travel.

The myki system has processed \$96m during 2010-11 and the Metcard system \$545m.

The TTA developed a retail outlet finder application for the myki website, which allows customers to enter their postcode or suburb to find their nearest retail top up location. Topping up at a myki machine remains the most popular way for customers to add value to their myki, accounting for 78 per cent of all top up transactions. There are also more than 400 metropolitan retailers who provide top up facilities, and this network will be expanded over the year to come.

Several myki only gates were installed at Parliament and Melbourne Central Stations early in the reporting period. A program of works to install myki gates at Southern Cross Station started in June 2011.

Looking ahead

On 21 June 2011, the Government announced it would continue with the myki ticketing system in a modified format.

Following the announcement, the Government and the TTA began negotiations with Kamco to revise the contract for the modified ticketing system. This work is expected to take a number of months.

The Government also signalled a range of Metcards would have to be available longer than the current end date, 1 March 2012, of the contract with OneLink Transit Systems allows. Appropriate negotiations have started.

In parallel with these negotiations, the TTA is working with transport operators, Government and interest groups to resume the rollout of the modified myki ticketing system. This will include planning for the rollout of myki to V/Line interurban services during 2012.

Organisationally, TTA will be mindful of discussions about the formation of the proposed Public Transport Development Agency.

TTA people

Staff at TTA continue to work hard at providing high quality ticketing for public transport users.

The TTA aims to have the right people in place to meet its objectives. The TTA continues to review its workforce planning processes as myki moves from project delivery to its full operations phase.

A staff satisfaction survey carried out in the 2010-11 financial year revealed positive results in key measures such as internal communication, management and teamwork.

With most staff on fixed-term contracts, a number of retention initiatives have been developed, with a career transition program introduced for fixed-term staff in the last three months of their tenure.

I sincerely thank all my colleagues for their professionalism in challenging circumstances. I also thank the TTA Board for their confidence and support.



Bernie Carolan
Chief Executive Officer



Board of Directors

Ms Patricia Faulkner Chairperson

Ms Faulkner was appointed as Board Chairperson on 17 March 2010. She was a partner with KPMG Australia and has held a range of CEO positions, including Secretary of the Department of Human Services and Director of Consumer Affairs Victoria. She serves on several Commonwealth bodies and is a board member of other businesses and not-for-profit organisations.

Mr John Peoples Board Director

Mr Peoples has been a member of the Board since 1 November 2007. He was Board Chairperson from 3 February 2009 to 16 March 2010. He is a project adviser to public and private sector organisations on a range of commercial projects.

Ms Christine Gibbs Board Director (part-year)

Ms Gibbs was appointed on 15 March 2005 and served on the Board until March 2011. She is a communications and community relations specialist and has held a number of senior positions in the public and private sectors.

Mr John McMillan Board Director

Appointed on 1 November 2007, Mr McMillan currently serves as Chairperson of Metlink Victoria Pty Ltd. He has been Chairperson of the TTA's Remuneration Committee since 1 July 2008. Mr McMillan previously held senior positions in Victorian and Commonwealth public sector agencies.

Mr Peter Matthey Board Director (part-year)

Mr Matthey was appointed to the Board effective 20 September 2010. He was appointed as Audit Committee Chair having a wealth of experience as a senior partner at KPMG and a Director of KPMG Transaction Services.

Mr John Wilson Board Director (part-year)

Mr Wilson was appointed to the Board effective 1 April 2011. He is currently Principal of WD and Associates specialising in consultancy in public transport. He is a Certified Practising Accountant and a member of the Australian Institute of Company Directors and the International Association for Public Transport.



About myki

myki is a smartcard ticketing system. It is replacing Metcard in Melbourne, paper tickets on buses in some regional centres and V/Line tickets on trains to cities in the regional commuter belt including Geelong, Seymour, Ballarat, Bendigo, Warragul and the Latrobe Valley.

myki is a reusable plastic smartcard that passengers store value on to pay for their fare. myki is currently operating on trains, trams and buses across Zones 1&2 in Melbourne, on buses in some regional centres and on V/Line services in Zones 1&2 to Melton and Sunbury. myki is also valid for use on V/Line trains operating wholly within the Geelong, Ballarat and Bendigo Transit Systems (e.g. Lara to Marshall).

Passengers travelling with myki touch on with their smartcard at the beginning of their journey and touch off at the end. myki automatically calculates and deducts the lowest fare for travel.

myki stores two kinds of value:

- myki money – a dollar value that is stored on a customer's myki (e.g. \$20). Fares are calculated and money is deducted according to when and where the passenger travels. Various charging caps apply
- myki pass – pre-purchased travel days similar to current weekly and monthly tickets. A passenger specifies the zone(s) of travel and the exact duration of their pass, either seven days or between 28 and 365 consecutive days. The myki pass will be active from the time the passenger touches on.

Passengers can top up their myki online (myki.com.au), over the phone (13 6954), at myki machines at all Metro railway stations, some tram platform stops and bus interchanges, on buses and at retail outlets. When the rollout of myki is complete, passengers will have more locations at which to top up their myki.

The myki system involves:

- altered passenger behaviours
- new methods of calculating and accounting for revenues, as myki money balances are being held in trust for passengers until a touch on/off occurs
- different practices for operators in terms of staff involvement and their analysis of passenger usage and trends.

About Metcard

A Metcard is an electronically encoded ticket valid for travel on trains, trams and buses in the metropolitan area.

The Metcard ticketing system is at the end of its lifespan, making the switch to myki a significant and necessary one.

While good maintenance regimes ensure current Metcard ticketing equipment performs satisfactorily, the technology is outdated and parts are more expensive.

While Melbourne moves to myki, the number of Metcard sales outlets and the types of Metcards available will gradually decrease.

The Metcard and myki ticketing systems will operate in parallel until December 2012. There will be an extensive public information campaign to educate passengers about the transition from Metcard to myki and to encourage customers to use up Metcard tickets. The campaign will also inform passengers how to exchange a Metcard for a myki.



Report of operations

1. Key activities

The following pages provide an overview of the Transport Ticketing Authority's (TTA) key activities during 2010-11, tracking the organisation's progress in achieving its main objectives and functions.

1.1. Complete delivery of the new ticketing system project across Victoria

On 25 July 2010, myki became valid for travel on Melbourne's trams and buses. While purchase and top up locations were limited at that time, myki's rollout to these modes meant public transport users in Melbourne could travel anywhere in Zones 1&2 using it to pay their fare.

At the beginning of November 2010, retail rollout commenced to the top 50 independent retailers after satisfactory field testing. More than 400 independent retailers across Melbourne now provide top ups.

At the same time, the installation of myki only gates at Parliament station began. Soon after, gates were installed at Melbourne Central. A program of works to install gates at Southern Cross Station started in June 2011.

In January, the Government directed that the TTA halt any further rollout of the ticketing system while an independent review of the project was conducted. The direction to cease works did not extend to work already underway or planned works that could not be stopped.

1.2. Operating the Metcard and new ticketing system in a way that meets passenger expectations

During 2010-11, the TTA continued to work with the Public Transport Ombudsman (PTO) to improve customer service across both the new and current ticketing systems.

The number of passengers contacting the PTO about myki increased from 584 in 2009-10, to 779 in 2010-11. This can be attributed to an increase in patronage and the expansion of myki to trams and buses in July 2010. The number of customers contacting the PTO in relation to Metcard remains low.

If passengers contacted the PTO directly without first contacting myki customer service they were immediately referred back to the TTA for handling. In cases the PTO dealt with, because the passenger was dissatisfied with TTA's initial response, the TTA worked actively to ensure a speedy resolution and raised issues directly with the contractor and its call centre provider. The TTA will continue to work on improving customer service during the next financial year with a number of improvements underway.

Around 71 million Metcards were sold in the 2010-11 financial year. This figure includes multiple value tickets such as the 10 x 2 hour and 5 x Daily Metcards and equates to 120 million individual tickets. Metcard continues to perform at high levels of availability. During the past 12 months overall availability was:

- 99.56 per cent for ticket vending equipment
- 99.78 per cent for ticket validating equipment.

The number of metropolitan retail agent locations decreased from 858 in 2009-10, to 812 in 2010-11, as myki transition arrangements were implemented. The volume of retail orders declined particularly during the last six months of the year, impacting the overall sales value of ticket types.

Vandalism of Metcard equipment has again fallen. Ongoing emphasis on preventative maintenance of equipment has added to a high level of system availability of Metcard devices. Until the final decommissioning of Metcard, the TTA will maintain focus on preventative and prompt corrective action.

Vandalism to myki ticketing equipment remained lower than equivalent vandalism figures for Metcard equipment when it was introduced. Vandalism instances of myki equipment were also lower than in the last reporting period.



1.3. Facilitating a smooth transition between the Metcard system and the new ticketing system for passengers and operators, given the constraints of a widespread technology upgrade

Coinciding with the start of myki on trams and buses in Melbourne, the TTA initiated an education campaign involving print and on-system advertising. This was in addition to myki mates who were on the network educating passengers about the system and demonstrating how to use the new equipment.

The number of unique myki cards used to travel each week increased from 60,000 before the start of tram and bus operations to 120,000 in September 2010. Acceptance was generally good although some system improvements were required.

The seniors' mailout began in September 2010. This was completed in November 2010. A total of 342,000 myki cards were issued. A further 60,000 users applied for the Senior's Sunday Pass from October 2010. These were distributed by the end of 2010.

From 1 December 2010, TTA began converting all Metcard Commuter Club users to myki cards. At the end of the financial year more than 10,000 Commuter Club users had switched to myki.

For the second year, Student Passes were issued on myki cards. More than 13,000 Yearly and 10,000 Half Yearly Student Passes were issued.

In late 2010 and early 2011, TTA rolled out top up services to the independent retail network, providing commuters with 423 locations, by 30 June 2011, to top up their myki.

In light of the Government Review, TTA reduced all community education activities. The myki mates program ceased in December 2010.

During the last six months of the year, an average of 3,000 people a week purchased myki cards. Premium stations sold cards from December 2010.

The TTA continued to monitor social media and engaged with users online to answer questions and address any concerns.

1.4. Encouraging 'take-up' of the new ticketing system by promoting trust and acceptance

The number of myki users has grown steadily since the system began operating across trams and buses in July 2010. By the end of June 2011:

- 1.3 million myki cards were in circulation
- for myki users, myki money was the favoured way to pay for public transport travel
- 41 per cent of myki users topped up their myki cards with between \$5 and \$20 myki money weekly
- myki use in Melbourne accounted for around 25 per cent of all ticket validations.

On buses in regional Victoria myki is used for 35 per cent of all trips taken.

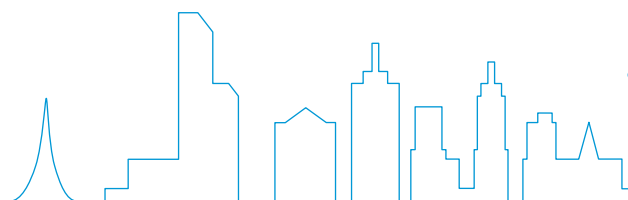
A new and comprehensive support program will occur to communicate modifications to the system and transition remaining Metcard users to myki.

1.5. Working with public transport operators to ensure the delivered system meets their agreed requirements

The 2010-11 financial year saw continued support from all transport operators and the bedding down of a number of key operational procedures required to support the efficient running of myki.

Some highlights achieved with operator help were:

- Additional 22 myki machines installed to ensure better coverage at all stations
- Gate Attendant Consoles (GACs) and the new end state Gunnebo Gates were field tested, installed and commissioned at Parliament and Melbourne Central stations. This included training for more than 60 Metro gate attendants
- The successful introduction of Starter Packs at Premium stations to encourage the take up of myki
- Agreement to the further roll out of myki readers at railway stations
- Continued introduction of the Authorised Officer hand-held ticket checking devices
- Improvements in availability of fare payment devices were welcomed by tram and bus operators
- The successful introduction and training of the web portal reporting tool Pro-clarity to all modes.



2. Organisation

The TTA recognises the critical role its staff play in delivering its business objectives. It has strived to build upon effective human resource management systems to support the recruitment, performance and development of its staff.

Recruitment

The TTA has further refined its recruitment processes to effectively identify and appoint quality staff. The process supports equal opportunity and merit principles, while building a solid understanding of the knowledge and skills of prospective employees. All staff, contractors and consultants must comply with the Code of Conduct for Victorian Public Sector Employees.

Performance and Development

The TTA instigated a revised online performance review system this financial year, aligning position descriptions and performance objectives along with learning and development plans. To support and enhance staff performance, face-to-face and online induction programs as well as health and wellbeing initiatives exist. The TTA has continued to provide staff with development opportunities.

Workforce planning

Work has continued on mapping the changing requirements of different work units during the TTA's move from project delivery to an operational services team. Contract duration is now aligned to key targets and work requirements.

Pay and Conditions

The TTA Workplace Agreement (2009-2012) has standardised non-executive salaries and conditions, providing consistent remuneration internally, as well as consistency with the broader public sector. This is linked with the TTA Staff Performance and Development Plan, enabling staff to receive progression step payments following successful delivery of annual business objectives.

Occupational Health and Safety (OHS)

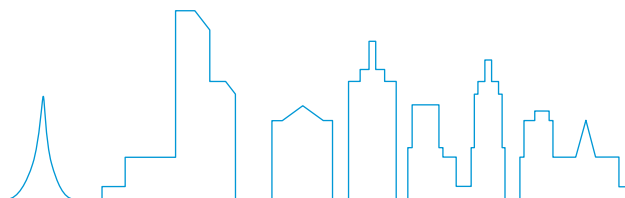
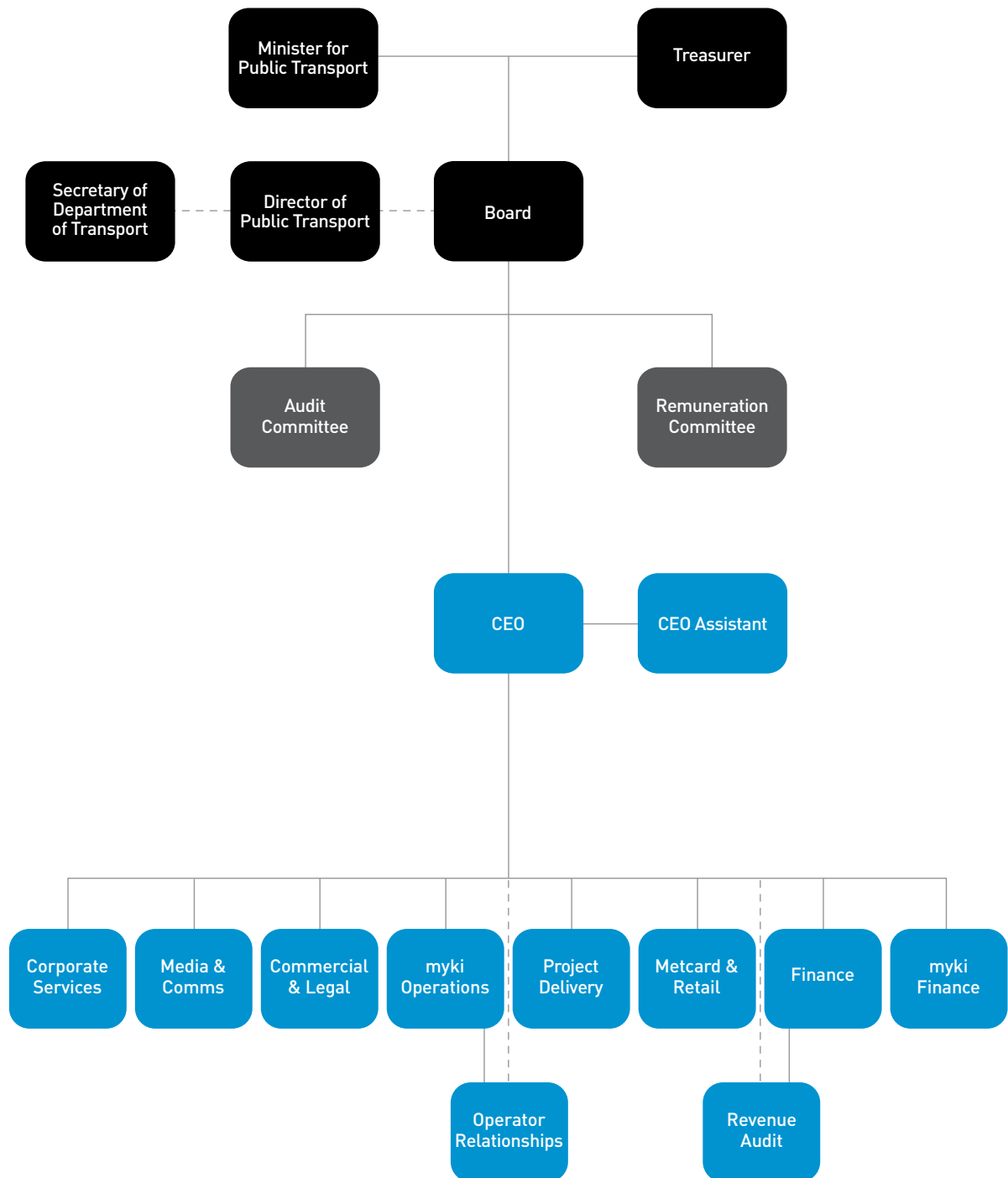
The TTA promotes safe work practices and is committed to implementing and maintaining appropriate occupational health and safety policies, procedures and programs to address legislative requirements and the needs of TTA staff. Occupational Health and Safety training is also conducted as part of the staff induction process.

Organisational structure

The TTA's senior management group meets weekly to assess progress, activities and the risk profile. Figure 1 shows the TTA's management and governance structures for 2010-11.



Figure 1: TTA's management and governance structures for 2010-11



Workforce information

TTA's staffing for the end of the financial year 2010-11 is set out in Table 1. Most staff are employed on fixed-term contracts until the new ticketing system project implementation is complete. Numbers of staff are down slightly from 2009-10, reflecting myki's stage of completion.

Table 1: TTA staff numbers June 2010 and June 2011

	June 2010	June 2011
Workforce profile		
Ongoing/Permanent	23	26
Fixed Term	97	83
Casuals	1	2
Total	121	111
Gender		
Male	63	54
Female	58	57
Total	121	111
TTA classification (VPS equivalent)		
TTA 1	1	0
TTA 2	10	8
TTA 3	20	27
TTA 4	13	14
TTA 5	34	28
TTA 6	27	21
TTA STS	6	5
Executive	10	8
Total	121	111
Secondees	9	8
Contractors	12	10
Total	142	129



3. Governance and compliance

The Public Transport Ticketing Body, operating as the Transport Ticketing Authority, was established in June 2003 through an Order in Council under section 14 of the *State Owned Enterprises Act 1992*. The TTA is governed by a Board of Directors established through the Governor in Council.

The TTA reports to the Minister for Public Transport for transport policy matters and the Treasurer for matters regarding the State Owned Enterprises Act.

The Governor in Council appointed one additional Board member bringing the Board complement to five members including the chair, and one new Director.

Peter Matthey joined the Board effective 20 September 2010 and was appointed as chair of the Audit Committee. John Wilson was appointed to the Board effective 1 April 2011 following the expiry of Ms Christine Gibbs' term, who did not seek reappointment. Both appointments are until December 2011. The terms of appointment for Messrs McMillan and Peoples were extended from April 2011 to December 2011.

The TTA Board conducted 12 meetings and met eight times with a special purpose agenda to consider important strategic and project implementation matters. Senior managers from the Department of Treasury and Finance, the Department of Transport and the Department of Premier and Cabinet attended Board meetings as observers.

Audit Committee

The TTA's Audit Committee charter provides assistance to the TTA Board to help fulfil its corporate governance and oversight responsibilities in relation to the TTA's financial reporting, internal control structure, risk management systems and internal audit functions. It aims to maintain free and open communication between the committee, external auditors, internal auditors and TTA management.

Dr Len Gainsford served as TTA's Audit Committee chair until Peter Matthey's appointment on 20 September 2010. Dr Gainsford is also DOT's Director Audit and Assurance. John Wilson was appointed to the Audit Committee at its 15 June 2011 meeting. He replaced John McMillan who stood down from this committee.

All members of the Audit Committee are independent. The committee met eight times during 2010-11.

The Audit Committee oversees the internal audit program. RSM Bird Cameron was appointed in October 2007 to conduct TTA's internal audit program until October 2011.

Remuneration Committee

John McMillan chairs the Board's Remuneration Committee. It is responsible for ensuring that the TTA has remuneration policies and practices that are fair and allow it to attract and retain the staff required to deliver and implement the new ticketing system while complying with government sector executive remuneration panel rules. The Remuneration Committee met twice during the reporting period.

Board meeting attendance

The number of Board meetings during the financial year (including meetings of committees of the Board) and the number of meetings attended by each director of the Board are listed in Table 2.

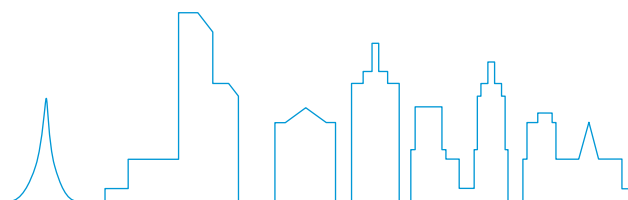


Table 2: Attendance at scheduled Board/Board committee meetings 1 July 2010 to 30 June 2011

Meeting	Board		Special Purpose Board		Audit Committee		Remuneration Committee	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Ms P Faulkner	12	12	8	8	n/a	4*	n/a	n/a
Mr J Peoples	12	12	8	8	8	8	2	2
Ms C Gibbs	10	9	8	7	n/a	3*	n/a	n/a
Mr J McMillan	12	11	8	7	7	7	2	2
Mr P Matthey	9	8	4	4	4	4	n/a	n/a
Mr J Wilson	3	3	n/a	n/a	1	1	n/a	n/a
DTF Observer	11	10	7	5	n/a	n/a	n/a	n/a
DPC Observer	11	9	7	5	n/a	n/a	n/a	n/a
DOT Observer	12	12	7	5	n/a	n/a	n/a	n/a
Dr L Gainsford	n/a	n/a	n/a	n/a	5	4	n/a	n/a

* Ms Faulkner is not and Ms Gibbs was not, formally member(s) of the Audit Committee but attended some of the meetings.

Freedom of information

The *Freedom of Information Act 1982* allows members of the public to obtain information held by the TTA. The Freedom of Information Officer is the principal officer for the purpose of administering the requirements of the Act.

During the 12 months ending June 2011, the TTA received 15 requests. Of these, 13 were from the media, one was from a Member of Parliament and one from a parliamentary candidate. No decisions made during the 12 months ending June 2011 were referred to internal review. None progressed to appeal at the Victorian Civil and Administrative Tribunal.

Requests for documents under Freedom of Information legislation should be made in writing, accompanied with the statutory fee of \$23.90 and addressed to the:

Freedom of Information Officer
 Transport Ticketing Authority
 PO Box 18023
 Collins Street East VIC 8003

Availability of additional information

In compliance with the requirements of the Standing Directions of the Minister for Finance, the TTA retains information applying to the entity, which is available on request to relevant ministers, members of Parliament and the public (subject to Freedom of Information requirements).

National competition policy

Under the National Competition Policy, the guiding principle is that legislation, including future legislative proposals, should not restrict competition, unless it can be shown that the benefits of the restriction to the community as a whole outweighs the costs and that the objectives of the legislation can only be achieved by restricting competition. The TTA complied with the requirements of the National Competition Policy.

Disclosure of major contracts

The TTA has not entered into any new major contracts (defined in FRD12A as being in excess of \$10 million) during the reporting period.



Implementation of the Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003*, which requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

Last year's annual report included mention of the agreement with Skilled Group Limited (Skilled) for the provision of the myki mates. The program was developed to help metropolitan public transport users' switch from Metcard to myki. A VIPP statement was prepared by Skilled. All elements of the Skilled agreement were procured locally, with the exception of minor specialist software. The contract was terminated in December 2010 due to the Government Review of myki.

Whistleblowers Protection Act 2001

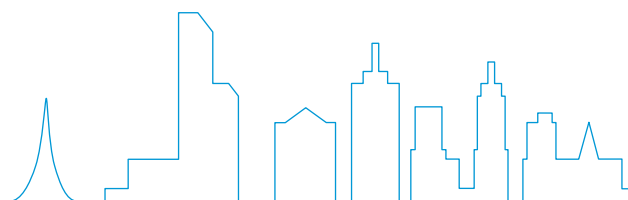
The Whistleblowers Protection Act 2001 (Vic) protects people who make disclosures about improper conduct by public bodies or public officers. The TTA developed procedures for managing any such disclosure about the organisation or any of its officers. These processes provide for the appropriate receipt, assessment and investigation of disclosures and appropriate actions to be taken after investigation. They also allow for managing the welfare of the whistleblower and the person against whom a disclosure was made.

The TTA support to whistleblowers policy can be found on the TTA's website (www.transport.vic.gov.au/tta). Disclosures of improper conduct by the TTA or its employees may be made to the Protected Disclosure Coordinator nominated in the policy document or directly to the Victorian Ombudsman. Disclosures may be made by the TTA's employees, consultants, contractors or the public.

Two disclosures under the whistleblowers legislation relating to the TTA or its employees were received during the reporting period. In line with section 104 of the *Whistleblowers Protection Act 2001*, the TTA reports the following:

Table 3: Whistleblowers Protection Act disclosure

Topic	Report
Number and type of disclosures made to the TTA during the year	Two
Number of disclosures referred to the Ombudsman by the TTA to determine whether they are public interest disclosures	Nil
Number and type of disclosed matters referred by the TTA to the Ombudsman to investigate	Nil
Number and type of disclosed matters referred by the Ombudsman to the TTA	Nil
Number and type of investigations of disclosed matters taken over by the Ombudsman from the TTA	Nil
Number and type of requests made under section 74 to the Ombudsman to investigate disclosed matters	Nil
Number and types of disclosed matters that the TTA declined to investigate	Nil
Number and types of disclosed matters substantiated on investigation and action taken (still in progress)	Two
Recommendations made by the Ombudsman that relate to the TTA	Nil



Environmental commitment

This information has been prepared based on the requirements set out in the 'Financial Reporting Direction 24C' (FRD 24C): Reporting of Office-based Environmental Impacts by Government Departments. It only relates to TTA office-based activities at Level 37 and 38, 55 Collins St, Melbourne.

Energy

Energy consumption figures are for Levels 37 and 38 at 55 Collins Street only. The square meterage for Level 37 and 38 combined is 2,065.3. The below data was collected through energy retailer billing information.

Category	Electricity	Green Power
	2010/2011	
Total energy used (MJ)	740,200	129,585
Greenhouse gas emissions associated with energy use (tonnes)	286	
Carbon omissions savings by purchasing Green Power (tonnes)		14%
Units of energy used per FTE (MJ/FTE)	5,738	1,004.5
Units of energy used per unit of office area (MJ/m)	358.4	62.7

Waste

The waste generated by TTA is divided into three general classes: landfill, compost and recycling. At the time of reporting, the breakdown was not available.

In 2011, TTA produced 5.64 cubic metres of waste comprised of landfill, compost and recycling.

Indicator	2010/2011
Total units of waste disposed of (kg/yr) per year	5.64 cubic metres
Units of waste disposed of per FTE (kg/FTE) per year	0.043 cubic metres
Recycling rate (% of total waste)	Unavailable at the time of reporting
Greenhouse gas emissions associated with waste disposal (tonnes)	Unavailable at the time of reporting



Paper

The paper figures represented below were compiled through TTA's paper retailer billing information.

Category	2010/2011
Total Units of copy paper used (reams)	1,520
Units of copy used per FTE (reams per FTE)	11.8
Percentage 76-100% recycled content copy paper purchased (%)	66.5%

Water

Jones Lang LaSalle (Building Management) advised water usage statistics cannot be provided solely for Levels 37 and 38. Water usage statistics can only be collated for 35 and 55 Collins Street buildings as this information is collated from one water meter (there are no individual floor water meter readings). The building owners were unable to provide information at time of reporting.

Transport

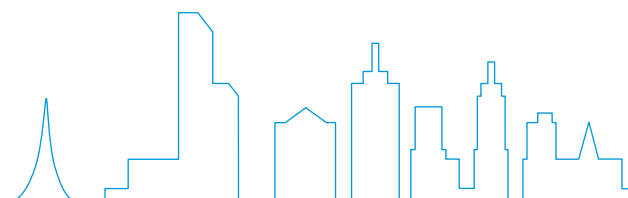
TTA used vehicles on 222 occasions throughout the year. Of these vehicles, 10.8 per cent are LPG-fuelled, 80.2 per cent are four cylinder petrol-fuelled and 19.8 per cent are six cylinder petrol-fuelled.

Indicator	Unleaded	LPG
	2010/2011	
Total Energy Consumption by vehicles (MJ)	337,785.6	44,802
Total vehicle travel associated with entity operations (km)	121,649	11,763
Total Greenhouse gas emissions from vehicle fleet (Co2-e)	24	3
Greenhouse gas emissions from vehicle fleet per 1,000km travelled (Co2-e)	0.2	0.24

Air travel data

TTA is unable to report on air travel data as only a very small amount of travel was undertaken, and the majority of it was not booked through a travel agency. TTA will book travel through a travel agency and collate and report on data in the next report.

Category	2010/2011
Greenhouse Gas emissions associated with energy use	286 tonnes
Greenhouse Gas emissions associated with vehicle fleet	27 (Co2-e)
Greenhouse Gas emissions associated with air travel	Unavailable at time of reporting
Greenhouse Gas emissions associated with waste production	Unavailable at time of reporting
Greenhouse Gas emissions offsets purchased	Unavailable at time of reporting



Procurement & recycling

The TTA follows the Victorian purchasing guidelines when buying any IT or office equipment considering environmental factors before purchasing. Any scrap metal and furniture that cannot be sold is recycled.

The TTA participates in the following:

- Mobile phones recycling through Mobile Muster, who have a partnership with Landcare Australia
- Printer cartridges recycling through Cart Collect, who sort, dismantle and evaluate the cartridges. Cart Collect redirect the waste back into the manufacturing stream or if it cannot be reused back into the recycling chain
- Compost and recycling bins are placed in each kitchen, collected and recycled by SITA Environmental Solutions
- Recycling of secure, shredded and non-confidential paper material is handled by Visy Recycling.

Compliance with the *Building Act 1993*

The TTA does not own or control any government buildings.

Directions from the Minister

Minister	Start date	End date	Direction
Minister for Public Transport (via Secretary of the Department of Transport)	4 January 2011	21 June 2011	Cease all non-essential works on the ticketing system while the Government Review is being conducted.
Treasurer	23 June 2011		Begin negotiations with Kamco regarding the modified ticketing system. Talks to be led by the Department of Treasury and Finance.

Risk management and attestation

Risk management is considered to be essential in achieving TTA's key strategic objectives. TTA has a risk management framework in place that enables it to identify and manage risks that are inherent to its day to day operations and to the delivery and ongoing operation of the NTS.

In accordance with Ministerial Direction 4.5.5 under the *Financial Management Act 2004* and the Victorian Government risk management framework, and following a management review of the TTA's risk management practices, the Chief Executive Officer of the TTA makes the following attestation:

I, Bernie Carolan, certify that the Transport Ticketing Authority has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand and manage risk exposures.

I certify that the financial report is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and that the TTA's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Audit Committee has verified this assurance and that the risk profile of the Transport Ticketing Authority was critically reviewed within the last 12 months.



Bernie Carolan
Accountable Officer

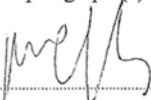


DIRECTION PURSUANT TO SECTION 16C OF THE STATE OWNED ENTERPRISES ACT 1992

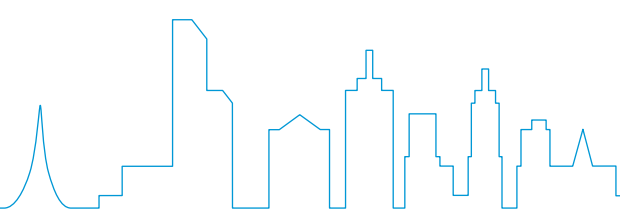
To the Board of Directors of the Transport Ticketing Authority:

Pursuant to section 16C of the *State Owned Enterprises Act 1992* (Vic), I, the Hon Kim Wells MP, Treasurer, having consulted with the relevant Minister in relation to the Transport Ticketing Authority, the Hon Terry Mulder MP, Minister for Public Transport, hereby direct as follows:

1. The Department of Treasury and Finance will be responsible for leading the negotiations on behalf of the State of Victoria with Keane Australia Micropayment Consortium Pty Ltd (Kamco) and related companies in relation to a series of system enhancements to the *myki* ticketing system as generally set out in the report of The ALCO Group Limited to the Department.
2. The instructions in the letter of 4 January 2011 from the Department of Transport on behalf of the Minister for Public Transport are withdrawn.
3. This direction applies despite any contrary function or obligation of the Transport Ticketing Authority or the Board of Directors under:
 - a. the Order in Council of 17 June 2003 issued under section 14 of the *State Owned Enterprises Act 1992*, establishing the Transport Ticketing Authority; or
 - b. the current corporate plan of the Transport Ticketing Authority prepared in accordance with clause 9 of the Order in Council referred to in subparagraph (a).


.....
KIM WELLS MP
Treasurer

Date: 21/6/11





Department of Transport

Ref: DOC/11/691

Ms Patricia Faulkner
Level 38
55 Collins St
MELBOURNE VIC 3000

PO Box 2797
Melbourne, Victoria 3001
Telephone: (03) 9655 6666
Facsimile: (03) 9095 4096
www.transport.vic.gov.au
DX 210410

Our Ref

Dear Patricia,

As you know, the Government has decided to instigate a review of the New Ticketing System (NTS) project. At the request of the Minister for Public Transport, I am writing to notify you formally of the terms of that review.

The review will focus on the following aspects of the myki project:

- o the current status of the project, including the operational performance of the NTS in Melbourne and those parts of regional Victoria in which it has been implemented;
- o key remaining project risks, including but not limited to risks associated with project scope, timing, budget, financial robustness, the NTS's financial impact on the State and public transport operators, system integrity, customer acceptance, staff training and industrial relations;
- o options for the future of the project, including the timing, sequencing and management of any subsequent stages of the roll-out of the NTS; and
- o the current governance arrangements for the myki project.

The Department of Treasury and Finance has engaged Deloitte Australia to provide independent consulting input to the review. The terms of reference for Deloitte's contribution to the review are at Attachment A. As you will notice, the intention is that Deloitte will provide a final report to Government by 28 January 2011, after which Ministers will consider whether and how the NTS project should proceed.

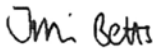
Whilst the review is under way, and until such time as Ministers have taken decisions on the future of the project, it is important that the Transport Ticketing Authority (TTA) does not take any steps which might materially constrain the options before Government. It should not proceed with any further significant roll-out or promotion of the NTS (or the removal of Metcard equipment) without first consulting and obtaining the agreement of the Minister for Public Transport.

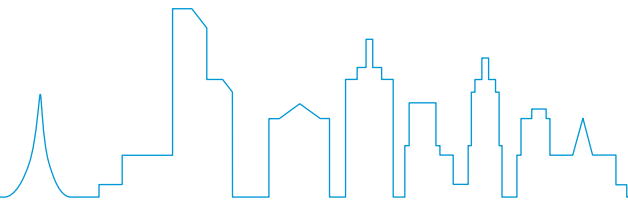
The TTA should of course continue to ensure that it operates in accordance with its contractual obligations to its suppliers and other third parties.



The Minister has asked me to emphasise that the Government has yet to take any decisions on the future of the NTS and will not do so until the review has satisfactorily addressed the key issues outlined above.

I would like to thank you in advance for the Authority's cooperation during the review. Please do not hesitate to contact me if you or any other member of the TTA Board have any queries.


Jim Betts
Secretary
4/1/11



4. Financial Management

Overview

Table 4: Summary of financial results for the five years from 2007 to 2011

	<i>(\$ thousand)</i>				
	2011	2010	2009	2008	2007
Revenue from government	101,279	111,000	87,850	58,018	37,912
Total income from transactions	105,360	114,521	89,877	58,567	38,107
Total expenses from transactions	128,600	117,052	90,681	56,107	38,412
Net result from transactions	(23,240)	(2,531)	(804)	2,460	(305)
Net result for the period	(50,916)	(2,640)	(1,132)	2,456	(305)
Net cash flow from/(used in) operating activities	3,506	(4,660)	(1,571)	(1,319)	7,893
Total assets	346,052	364,004	280,011	194,807	105,689
Total liabilities	50,217	56,753	21,820	16,174	17,816

TTA receives almost all its funding through parliamentary appropriations via the Department of Transport, which provides grants to support operating expenditure and capital contributions for the development of the new ticketing system.

TTA continued to run the two ticketing systems in parallel throughout the year. Development of the new ticketing system also continued, albeit at a significantly reduced level during the Government Review in the second half of the year. Lower than expected expenditure therefore occurred during that period.

On 21 June 2011, the Government announced two material scope changes, namely no short-term tickets and no card vending machines on trams, which management view as impairment events. The carrying value of these assets has accordingly been written down. Please refer to Note 25 for more details.

The loss reflected in the operating result for the year is due to the asset impairment charge as per above plus unfunded depreciation charges. TTA is funded on a cash requirements basis in line with normal government practice. Depreciation is not offset by grants.

In line with Australian Accounting Standards TTA recognises assets for depreciation purposes when they are capable of operating in the way intended by management. As a result, \$24 million of Work In Progress expenditure was transferred to depreciable tangible and intangible assets during the year, including assets associated with the go live on metropolitan bus and tram networks on 25 July 2010. The higher depreciation charge for the year reflects this plus a full year impact of metropolitan train assets.

Both Kamco and TTA finance teams worked diligently to improve the financial control environment of the myki system. A positive reasonable assurance opinion from TTA's internal auditors on the accuracy, completeness, integrity and reliability of the system was received.



Consultancies commissioned

The TTA uses expert consultants for specific skills and knowledge, which it does not have in-house, nor needs to have ongoing.

A total of \$2.5 million was spent on professional fees during the financial year. Table 5 summarises the number of consultancy engagements and the total fees incurred.

Table 5: Consultancy projects undertaken during 2010-11

Fees over \$100,000		Fees less than \$100,000	
Number of projects	5	Number of projects	10
Total expenditure commitment	\$2.2m	Total expenditure commitment	\$0.3m

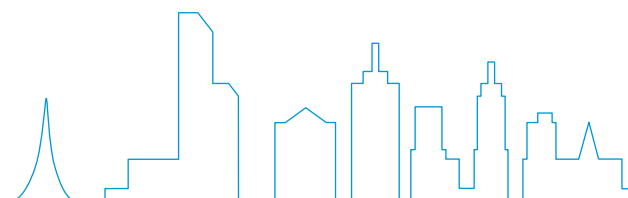
The following schedule summarises the consultancy projects in 2010-11 where approved fees are \$100,000 or over.

Table 6: Consultancy projects in 2010-11 where approved fees are \$100,000 or over

<i>(\$ thousand)</i>				
Consultant	Summary of project scope	Total approved project fee	Expenditure 2010-11	Future expenditure
Allens Arthur Robinson	Legal advice on NTS agreements	177	177	-
CDL & Associates Pty Ltd	Financial & operational analysis and financial modelling in relation to the Kamco proposals and AD5 planning	392	388	-
Clayton Utz	Legal advice on aspects of the project	1,173	1,173	-
Cube Management	Review and restructure of Contractual Milestone Arrangements	400	212	-
Firecone Ventures Pty Ltd	Commercial strategy	390	275	115

Subsequent events

No significant events have occurred since 30 June 2011 that would substantially affect the TTA's financial position.



Disclosure index

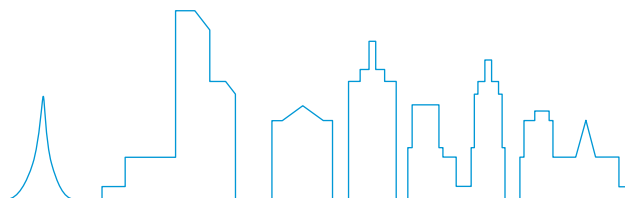
This annual report is prepared in line with all relevant Victorian legislation. The index in Table 7 has been prepared to assist readers in identifying TTA's compliance with statutory disclosure requirements.

Table 7: Disclosure index

Legislation	Requirement	Page ref
Ministerial Directions		
Report of operations		
SD 4.2(j)	Accountable Officer's declaration	26
SD 4.3(g)	Report of operations to contain relevant information not included in the financial statements	8-18
Charter and purpose		
FRD 22B	Manner of establishment and the relevant Ministers	13
FRD 22B	Objectives, functions, powers and duties	3
FRD 22B	Nature and range of services provided	2
Management and structure		
FRD 22B	Organisational structure	11
Financial and other information		
FRD 10	Disclosure index	24-25
FRD 12A	Disclosure of major contracts	14
FRD 15B	Executive officer disclosures	12
FRD 22B, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	8-23
FRD 22B	Employment and conduct principles	10
FRD 22B	Occupational health and safety policy	10
FRD 22B	Summary of the financial results for the year	22
FRD 22B	Significant changes in financial position during the year	22
FRD 22B	Major changes or factors affecting performance	22
FRD 22B	Subsequent events	23
FRD 22B	Application and operation of <i>Freedom of Information Act 1982</i>	14
FRD 22B	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	18
FRD 22B	Statement on National Competition Policy	14
FRD 22B	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	15
FRD 22B	Details of consultancies over \$100,000	23
FRD 22B	Details of consultancies under \$100,000	23
FRD 22B	Statement of availability of other information	14
FRD 24C	Reporting of office-based environmental impacts	16
FRD 25	Victorian Industry Participation Policy disclosures	15
FRD 29	Workforce data disclosures	12
SD 4.5.5	Risk management compliance attestation	18
SD 4.2(g)	General information requirements	8-25
SD 4.2(j)	Sign-off requirements	26



Legislation	Requirement	Page ref
Financial statements required under Part 7 of the FMA		
SD4.2(a)	Statement of changes in equity	31
SD4.2(b)	Operating statement	29
SD4.2(b)	Balance sheet	30
SD4.2(b)	Cash flow statement	32
Other requirements under Standing Direction 4.2		
SD4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements	33
SD4.2(a)	Statement of compliance	33
SD4.2(d)	Rounding of amounts	42
SD4.2(c)	Accountable Officer's declaration	26
Other disclosures as required by FRDs in notes to the financial statements		
FRD 21A	Responsible person and executive officer disclosures	57-58
FRD 102	Inventories	48
FRD 103D	Non-current physical assets	49-50
FRD 106	Impairment of assets	69
FRD 109	Intangible assets	51
FRD 110	Cash flow statements	32
FRD 112A	Defined benefit superannuation obligations	58-59
FRD 114A	Financial Instruments – General government entities and public non-financial corporations	59-66
FRD 119	Contributions by owners	31
Legislation		
<i>Freedom of Information Act 1982</i>		14
<i>Building Act 1983</i>		18
<i>Whistleblowers Protection Act 2001</i>		15
<i>Victorian Industry Participation Policy Act 2003</i>		15
<i>Financial Management Act 1994</i>		26



Chairperson's, Accountable Officer's and Chief Finance and Accounting Officer's declaration

We certify that the attached financial report for the Transport Ticketing Authority (TTA) has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions and Australian accounting standards which include Interpretations.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2011 and the financial position of the TTA as at 30 June 2011.

We are not aware of any circumstance, which would render any particulars included in the financial statements to be materially misleading or inaccurate.

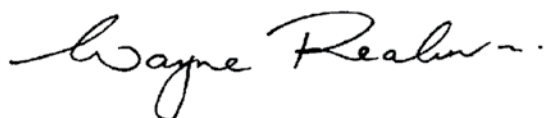
This declaration is made in accordance with a resolution of the directors.



Patricia Faulkner
Chairperson
Transport Ticketing Authority



Bernie Carolan
Chief Executive Officer
Transport Ticketing Authority



Wayne Reaburn
Chief Financial Officer
Transport Ticketing Authority

Melbourne
7 September 2011



Auditor-General's report

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Transport Ticketing Authority

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of the Transport Ticketing Authority which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the chairperson's, accountable officer's and chief finance and accounting officer's declaration has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

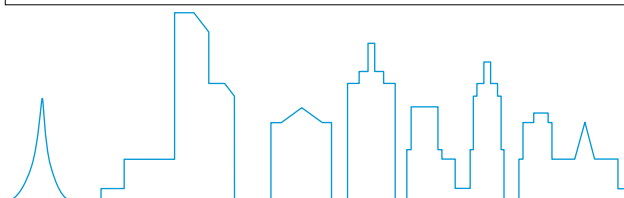
The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with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

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Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest



VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Transport Ticketing Authority as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Transport Ticketing Authority for the year ended 30 June 2011 included both in the Transport Ticketing Authority's annual report and on the website. The Board members are responsible for the integrity of the Transport Ticketing Authority's website. I have not been engaged to report on the integrity of the Transport Ticketing Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report 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 report to confirm the information contained in the website version of the financial report.



MELBOURNE
9 September 2011

D D R Pearson
Auditor-General

2

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

Auditing in the Public Interest

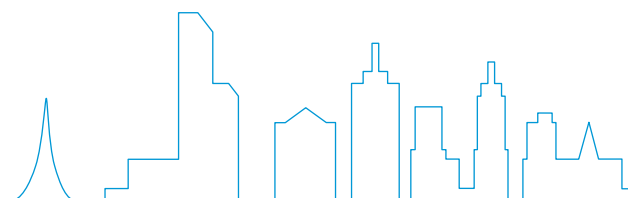


Comprehensive operating statement

for the financial year ended 30 June 2011

		<i>(\$ thousand)</i>	
	Notes	2011	2010
Income from transactions			
Grants from State Government		101,279	111,000
Interests	2(a)	827	563
Other income	2(b)	3,254	2,958
Total income from transactions		105,360	114,521
Expenses from transactions			
Employee expenses	3(a)	13,489	16,477
Depreciation and amortisation	3(b)	23,132	9,493
Operational and related payments – existing ticketing system		41,840	42,957
Service charges – Kamco, new ticketing system		30,560	27,899
Access payments to operators		2,795	4,514
Marketing and customer education		829	2,947
Communications services and supplies		1,391	2,532
Bank charges		1,556	1,758
myki card costs		4,229	1,253
Professional and consultancy services		1,320	1,232
Accommodation		889	979
IT services		837	797
Fees on audit of financial report by Victorian Auditor-General's Office		200	200
Other operating expenses		5,533	4,014
Total expenses from transactions		128,600	117,052
Net result from transactions (net operating balance)		(23,240)	(2,531)
Other economic flows included in net result			
Asset impairment	8, 9, 25	(12,881)	–
Inventory write-down	7, 25	(14,673)	–
Net loss on non-financial assets	4(a)	(13)	(1)
Other losses from other economic flows	4(b)	(109)	(108)
Total other economic flows included in net result		(27,676)	(109)
Net result		(50,916)	(2,640)
Total other economic flows – other non-owner changes in equity		–	–
Comprehensive result		(50,916)	(2,640)

Please read the above comprehensive operating statement in conjunction with the associated notes on pages 33 to 73.



Balance sheet

as at 30 June 2011

		(\$ thousand)	
	Notes	2011	2010
Assets			
Financial assets			
Cash and deposits	5	7,607	5,791
Receivables	6	9,717	16,366
Total financial assets		17,324	22,157
Non-financial assets			
Inventories	7	8,150	18,747
Plant and equipment	8	212,740	215,201
Intangible assets	9	107,409	107,696
Prepayments	10	429	203
Total non-financial assets		328,728	341,847
Total assets		346,052	364,004
Liabilities			
Payables	11	39,234	48,527
Borrowings	12	22	29
Provisions	13	10,961	8,197
Total liabilities		50,217	56,753
Net assets		295,835	307,251
Equity			
Accumulated (deficit)/surplus		(41,188)	9,728
Contributed capital		337,023	297,523
Net worth		295,835	307,251
Commitments for expenditure	20		
Contingent liabilities	22		

The above balance sheet should be read in conjunction with the accompanying notes on pages 33 to 73.

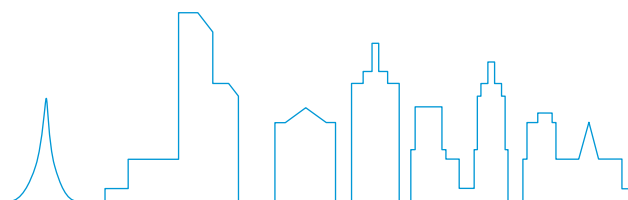


Statement of changes in equity

for the financial year ended 30 June 2011

	Accumulated (Deficit)/Surplus	Contributions by Owner	Total
Balance at 1 July 2009	12,368	245,823	258,191
Net result for the year	(2,640)		(2,640)
Capital contribution from Department of Transport		51,700	51,700
Balance at 30 June 2010	9,728	297,523	307,251
Net result for the year	(50,916)		(50,916)
Capital contribution from Department of Transport		39,500	39,500
Balance at 30 June 2011	(41,188)	337,023	295,835

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 33 to 73.



Cash flow statement

For the year ended 30 June 2011

		<i>(\$ thousand)</i>	
	Notes	2011	2010
Cash flows from operating activities			
Receipts			
Receipts from government		108,334	111,374
Receipts from other entities		3,241	2,725
Interest received		827	563
Goods and services tax recovered from the ATO		13,413	18,378
Total receipts		125,815	133,040
Payments			
Payments to suppliers and employees		(122,309)	(137,700)
Total payments		(122,309)	(137,700)
Net cash flows from/(used in) operating activities	15	3,506	(4,660)
Cash flows from investing activities			
Payments for non-financial assets		(41,183)	(45,093)
Proceeds from sale of non-financial assets		-	32
Net cash flows from/(used in) investing activities		(41,183)	(45,061)
Cash flows from financing activities			
Owner contributions by State Government		39,500	51,700
Repayment of finance leases		(7)	(9)
Net cash flows from/(used in) financing activities		39,493	51,691
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		5,791	3,821
Cash and cash equivalents at the end of the financial year	5	7,607	5,791
Non-cash transactions	24		

The above cash flow statement should be read in conjunction with the associated notes on pages 33 to 73.



Notes to the financial statements

For the financial year ended 30 June 2011

1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements of the Transport Ticketing Authority (TTA).

To help with the terminology, there is a glossary of terms on pages 70 to 73.

1.1. Statement of compliance

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

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

The annual financial statements were authorised for issue by the Board of Directors on 7 September 2011.

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

1.2. Basis of accounting preparation and measurement

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

These financial statements are presented in Australian dollars, the functional and presentation currency of the TTA.

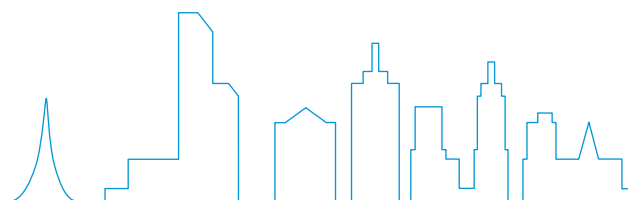
In the application of AASs, management has to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

This report has been prepared in accordance with the historical cost convention, except for certain assets and liabilities that are calculated with regard to estimated costs of decommissioning the ticketing systems. Historical cost is based on the fair values of the consideration given in exchange for assets.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented for the year ended 30 June 2010.



1.3. Reporting entity

The financial statements are those of the Public Transport Ticketing Body, operating as the Transport Ticketing Authority, as an individual reporting entity.

The TTA was created under the *State Owned Enterprises Act 1992* on 17 June 2003 and began operating on 1 July 2003. It is wholly owned by the Victorian Government. Its principal address is:

Transport Ticketing Authority
Level 38, 55 Collins Street VIC 3000

The financial statements include all the controlled activities of the Transport Ticketing Authority.

A description of the nature of TTA's operations and its principal activities is included in the report of operations on pages 8 to 9 which does not form part of these financial statements.

1.4. Objective and funding

The TTA's prime objective is to ensure that both the Metcard and myki public transport ticketing systems meet the needs of customers and public transport operators.

The TTA is mainly funded by grant from the Victorian Government for the provision of outputs of managing the current Metcard public transport ticketing system contract and overseeing the design, build, delivery and operation of the myki public transport ticketing system.

1.5. Scope and presentation of financial statements

1.5.1 Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of financial statements*.

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* Cat. No. 5514.0 published by the Australian Bureau of Statistics (see Note 4).

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

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

- gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets
- actuarial gains and losses arising from defined benefit superannuation plans; and
- fair value changes of financial instruments from their use or removal.

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

1.5.2 Balance sheet

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

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

1.5.3 Cash flow statement

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



1.5.4 Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

1.6. Income from transactions

Interest income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset. Interest is brought to account when the interest is credited or received and an accrual is made to recognise interest accrued to balance date.

Grants

Funds received from government as non-reciprocal grants are recognised as income at the time TTA gains control of the underlying asset, which is deemed to be when the fund/cash is received or receivable.

Other income

Other income relates to recovery of expenditure from the Public Transport Division of DOT. This is recognised as income when the expenditure becomes recoverable.

1.7. Expenses from transactions

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

1.7.1. Employee expenses

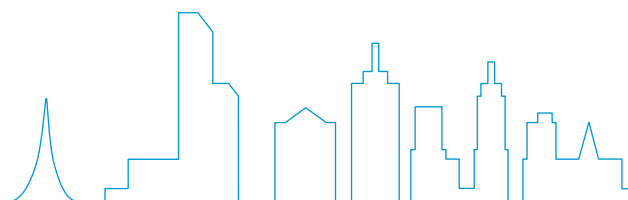
These expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

1.7.2. Superannuation – State superannuation defined benefit plans

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

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

The amount recognised in the comprehensive operating statement in respect of defined benefit superannuation plans represents the accrual of benefits during the reporting period. See Note 18 for further details.



1.7.3. Depreciation and amortisation

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

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. For the financial years ending 30 June 2011 and 30 June 2010, the estimated useful lives for the following assets were:

Asset class	Useful life	Depreciation rate %
Computer equipment	3-4 years	25.0-33.3
Furniture and equipment	5-10 years	10.0-20.0
Leasehold improvements	2-3 years	33.3-50.0
Work In Progress – NTS plant & equipment	Until end of contract*	Still under construction
Mobile discovery trailer	2.5 years	40.0
Motor vehicles under lease	3 years	33.3
Devices (excluding hand-held)	Until end of contract*	8.33 (approx)
Hand-held devices	5 years	20.0
Network assets	4 years	25.0
New ticketing system make good	Until end of contract*	8.33 (approx)
Intangibles	Until end of contract*	8.33 (approx)

* Assets within these classes will be depreciated from their respective commissioned dates to the expected contract completion date for the NTS of 8 May 2021 (assumes option to extend services term by a further two years to 12 years is taken up).

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

During the project implementation phase, the units of production method of calculating amortisation is being used for the new ticketing system assets recognising that only a proportion of the total planned network is in use. This will be changed to a straight-line basis when the complete solution is in operation.

Intangible assets which are work in progress and not yet available for use are not amortised but tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for financial assets.

For the year ended 30 June 2011, adjustments have been made for impairment to assets (2010-nil). Please refer to Note 25 for details.



Other operating expenses

1.7.4. Supplies and services

Supplies and services generally represent the day-to-day running costs incurred in the normal operations of TTA. These items are recognised as an expense in the reporting period in which they are incurred.

Other economic flows included in the net result

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

1.7.5. Net gain/(loss) on non-financial assets

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

Disposal of non-financial assets

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

Impairment of non-financial assets

Intangible assets which are work in progress and not yet available for use are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write downs) and whenever there is an indication that the asset may be impaired.

All other assets are assessed annually for indications of impairment.

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

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

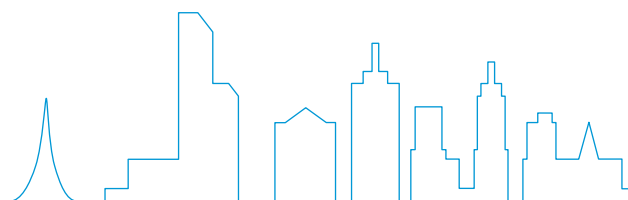
1.7.6 Other gains/(losses) from other economic flows

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

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

Existing ticketing system decommissioning costs

In February 2007, the legacy ticketing system equipment assets were transferred to TTA from DOT (formerly the Department of Infrastructure). In accordance with AAS, TTA recognised the estimated decommissioning costs associated with those assets in its accounts as at 30 June 2007, being the contracted decommissioning costs included in the present civil works and de-installation program. The provision for these costs has been increased during the year in line with the CPI (refer to Note 13).



1.8. Assets

Financial assets

1.8.1. Cash and deposits

Cash and deposits, including cash equivalents, consist of cash on hand and cash at bank.

For the cash flow statement presentation purposes, cash and cash equivalents consist of cash on hand and cash at bank.

1.8.2. Receivables

Receivables consist predominantly of amounts owing from the Victorian Government and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised costs, using the effective interest method, less an allowance for impairment. A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

Impairment of financial assets

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

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The bad debts not written off by mutual consent and allowance for doubtful receivables are classified as 'other economic flows'.

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

Non-financial assets

1.8.3. Inventories

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

1.8.4. Work in progress

The Work In Progress (WIP) relates to the myki system. It has been separated into two key categories: tangible and intangible assets.

The tangible assets are categorised as property, plant and equipment (PP&E) and include all costs directly incurred in developing, designing and installing the physical components of the NTS project such as fare payment devices and ticketing machines. These costs include professional fees and costs of employee expenses attributed directly to the development of the PP&E asset.

All costs associated in designing, developing and installing the NTS operating system (software) have been capitalised as an intangible asset. This includes expenditure on employee expenses, consultants' fees and other services and supplies where these are attributable to development of the NTS operating system (see Note 9).

At the date of commissioning, or 'go live', the constituent components of WIP are transferred to the relevant asset category and depreciation of tangible assets and amortisation of intangible assets begins. WIP is not depreciated or amortised but is tested for impairment.

1.8.5. Plant and equipment

Plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Corporate capital expenditure greater than \$1,000 (2010: \$1,000) is capitalised, whereas new ticketing system capital expenditure greater than \$2,000 (2010: \$2,000) is capitalised. Cost is measured as the fair value of consideration given for the assets plus incidental costs directly attributable to the acquisition.

Cost of leasehold improvement is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is shorter.



Revaluations of non-current physical assets

Non-current physical assets are measured at fair value in accordance with Financial Reporting Direction (FRD) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRD.

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

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

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

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

1.8.6. Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance and are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the TTA.

Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation therefore started on intangible assets developed to date as at regional bus 'go live' of 8 December 2008, metropolitan train 'go live' date of 29 December 2009 and metropolitan tram and bus 'go live' date of 25 July 2010.

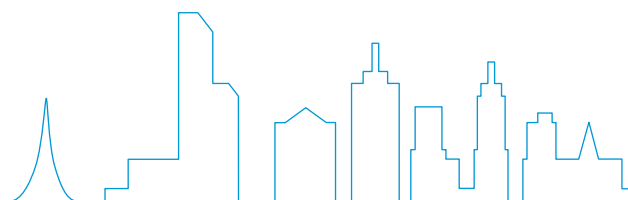
In recognition that only a portion of the total planned network is in use, the units of production method of calculating amortisation is being used during the project implementation phase. This will be changed to a straight-line basis when the complete solution is in operation.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets are stated at cost less accumulated amortisation and impairment, and are amortised on a units of production method over their useful lives to TTA as follows:

	2011	2010
Capitalised software licences	3-5 years	3-5 years
Capitalised NTS development costs	to end of contract period*	to end of contract period*

* Accumulated NTS development costs will be recognised at each project completion phase and amortised to the expected contract completion date for the NTS of 8 May 2021 (assumes option to extend services term by a further two years to 12 years is taken up).



1.8.7. Prepayments

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

1.8.8. Leases

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

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

Finance leases

TTA as lessee

At the beginning of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

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

Operating leases

TTA as lessee

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

1.9. Liabilities

1.9.1. Payables

Payables consist predominantly of accounts payable and other sundry liabilities.

Payables are initially measured at fair value, then subsequently measured at amortised cost and represent liabilities for goods and services provided to TTA prior to the end of the financial year that are unpaid, and arise when TTA becomes obliged to make future payments in respect of the purchase of these goods and services. Fair value is determined in the manner described in Note 19(f).

1.9.2. Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.



1.9.3. Provision for removal of existing ticketing system

In accordance with AAS, TTA recognised the estimated decommissioning costs associated with removal of the current ticketing system assets in its accounts as at 30 June 2007. At the same time, TTA has recorded an equal and offsetting provision for the decommissioning costs which will be incurred after commissioning of the new ticketing system. The carrying amount is the present value of the estimated cash outflows.

1.9.4. Employee benefits

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

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled, using the remuneration rate expected to apply at the time of settlement.

(ii) Long service leave

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

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

The components of this current LSL liability are measured at:

- present value – component that TTA does not expect to settle within 12 months
- nominal value – component that TTA expects to settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at fair value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1.7.6).

(iii) Termination benefits

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

(iv) Employee benefit on-costs

Employee benefits on-costs such as payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service are recognised separately from provision for employee benefits.



1.10. Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value. Commitments are presented inclusive of the goods and services tax (GST) payable.

1.11. Contingent liabilities

Contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent liabilities are presented inclusive of GST payable.

1.12. Contributed capital

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

1.13. Taxation

1.13.1. Accounting for Goods and Services Tax (GST)

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

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

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

1.13.2. Income tax status

The activities of TTA are exempt from income tax.

1.14. Events after the reporting period

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

1.15. Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

1.16. AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2011 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2011, the following standards and interpretations applicable to TTA had been issued but were not mandatory for the financial year ending 30 June 2011. The TTA has not yet adopted these standards.

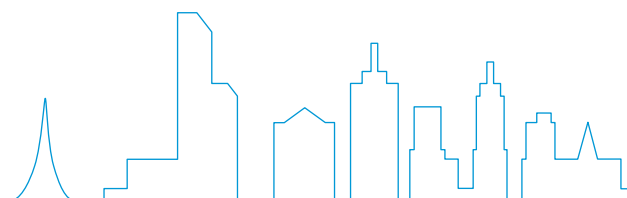


Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	1 January 2013	Detail of impact is still being assessed.
AASB 124 <i>Related Party Disclosures (Dec 2009)</i>	Government related entities have been granted partial exemption with certain disclosure requirements.	1 January 2011	Preliminary assessment suggests the impact is insignificant. However, the TTA is still assessing the detailed impact and whether to early adopt.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]</i>	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	1 January 2013	Detail of impact is still being assessed.
AASB 2009-12 <i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]</i>	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	1 January 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments. Detail of impact is still being assessed.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2009-14 <i>Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]</i>	Amendments to Interpretation 14 arise from the issuance of prepayments of a minimum funding requirement.	1 January 2011	Expected to have no significant impact.
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.
AASB 2010-4 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]</i>	This Standard makes numerous improvements designed to enhance the clarity of standards.	1 January 2011	No significant impact on the financial statements.
AASB 2010-5 <i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]</i>	This amendment contains editorial corrections to a range of Australian Accounting Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB.	1 January 2011	No significant impact on the financial statements.
AASB 2010-6 <i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]</i>	This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.	1 July 2011	This may impact on departments and public sector entities as it creates additional disclosure for transfers of financial assets. Detail of impact is still being assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</i>	These amendments are in relation to the introduction of AASB 9.	1 January 2013	This amendment may have an impact on departments and public sector bodies as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.



Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2010-8 <i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets</i> [AASB 112]	This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 <i>Investment Property</i> .	1 January 2012	This amendment provides additional clarification through practical guidance.
AASB 2010-9 <i>Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [AASB 1]	This amendment provides guidance for entities emerging from severe hyperinflation that are going to resume presenting Australian Accounting Standards financial statements or entities that are going to present Australian Accounting Standards financial statements for the first time. It provides relief for first-time adopters from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	1 July 2011	Amendment unlikely to impact on public sector entities.
AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]	This amendment affects multiple Australian Accounting Standards and AASB Interpretations for the objective of increased alignment with IFRSs and achieving harmonisation between both Australian and New Zealand Standards. It achieves this by removing guidance and definitions from some Australian Accounting Standards, without changing their requirements.	1 July 2011	This amendment will have no significant impact on public sector bodies.



Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i> <i>[AASB 101 & AASB 1054]</i>	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.
AASB 2011-3 <i>Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]</i>	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	1 July 2012	This amendment provides clarification to users on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on performance measurements will occur.

2. Income from transactions

	(\$ thousand)	
	2011	2010
(a) Interest		
Interest from financial assets not at fair value through profit & loss:		
Interest on bank deposits	827	563
Total interest	827	563
(b) Other income		
Card issuance revenue	1,312	221
Cost recovery from DOT on ticketing services and revenue audit function	1,020	1,777
Cost recovery from DOT on staff secondment	264	-
Cost recovery for allocation of media purchase	134	-
Cost recovery from V/Line Pty Ltd on accounting services	143	142
Compensation payment from DOT on bank charges	-	232
Cost recovery from Metlink Victoria Pty Ltd on ticketing services	-	401
Others	381	185
Total other income	3,254	2,958



3. Expenses from transactions

	<i>(\$ thousand)</i>	
	2011	2010
(a) Employee benefits		
<i>Post-employment benefits:</i>		
Defined contribution superannuation expense	657	606
Salaries, wages and long service leave expense	12,832	15,871
Total employee expenses	13,489	16,477
(b) Depreciation and amortisation		
Depreciation of plant and equipment (Table 8.3)	16,623	8,827
Amortisation of non-current intangible assets with finite useful lives (Note 9)	6,509	666
Total depreciation and amortisation	23,132	9,493

4. Other economic flows included in net result

	<i>(\$ thousand)</i>	
	2011	2010
(a) Net loss on non-financial assets		
Net loss on disposal of plant and equipment	(13)	(1)
(b) Other gains/(losses) from other economic flows		
Cost of decommissioning existing ticketing system		
CPI indexation	(111)	(110)
(Gain)/loss on revaluation of long service leave provision		
Change in provision due to changes in bond rates	2	2
Total other gains/(losses) from other economic flows	(109)	(108)
Total other economic flows included in net result	(122)	(109)



5. Cash and deposits

	<i>(\$ thousand)</i>	
	2011	2010
Cash at bank and on hand	7,607	5,791
Total	7,607	5,791

Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the cash assets above. Cash at bank and on hand does not include farebox funds held as agent for distribution to transport operators.

6. Receivables

	<i>(\$ thousand)</i>	
	2011	2010
Current receivables		
Contractual		
Other receivables ⁽ⁱ⁾	1,993	2,135
Statutory		
Amounts owing from DOT for grant and recoverable expenses	5,958	12,261
GST input tax credit recoverable	1,766	1,970
	7,724	14,231
Total receivables	9,717	16,366

Note (i) The average credit period for other receivables is 30 days. No interest is charged on other receivables.

Ageing analysis of contractual receivables

Please refer to Note 19 for the ageing analysis of contractual receivables.

7. Inventories

	<i>(\$ thousand)</i>	
	2011	2010
Current inventories		
Card inventories		
At cost	22,823	18,747
Write-down (Note 25)	(14,673)	-
Total inventories	8,150	18,747



8. Plant and equipment

Table 8.1: Classification by 'Purpose Group' – Carrying amounts

	<i>(\$ thousand)</i>	
	2011	2010
Nature-based classification	Transportation and Communications	
Computer equipment		
At fair value	367	514
Less: accumulated depreciation	342	436
	25	78
Furniture and equipment		
At fair value	270	309
Less: accumulated depreciation	181	185
	89	124
Leasehold improvement		
At fair value	1,406	1,379
Less: accumulated depreciation	895	848
	511	531
Work In Progress – NTS plant and equipment		
At fair value	73,540	69,475
Less: impairment (Note 25)	9,936	–
	63,604	69,475
Mobile discovery trailer		
At fair value	721	721
Less: accumulated depreciation	721	721
	–	–
Motor vehicles under lease		
At fair value	33	33
Less: accumulated depreciation	12	5
	21	28
Devices		
At fair value	87,833	76,283
Less: accumulated depreciation	13,507	5,465
	74,326	70,818
Network assets		
At fair value	2,416	1,505
Less: accumulated depreciation	1,320	596
	1,096	909
Civil works		
At fair value	79,871	74,398
Less: accumulated depreciation	10,226	2,905
Less: impairment (Note 25)	664	–
	68,981	71,493
New ticketing system – make good		
At fair value	4,581	1,834
Less: accumulated depreciation	494	89
	4,087	1,745
Net carrying amount of plant and equipment	212,740	215,201

Table 8.2 Classification by 'Transportation and Communications' Purpose Group – Movements in carrying amounts

	(\$ thousand)																					
	Computer equipment		Furniture & equipment		Leasehold improvement		WIP NTS plant & equipment		Discovery trailer		Leased vehicles		Devices		Network assets		Civil works		NTS make good		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Opening balance	78	149	124	153	531	562	69,475	145,119	-	-	28	36	70,818	14,078	909	1,285	71,493	-	1,745	178	215,201	161,560
Additions	-	23	-	3	28	13	22,000	60,775	-	-	-	33	-	-	-	-	-	-	2,747	1,655	24,775	62,502
Transfer	-	-	-	-	-	-	(17,935)	(136,419)	-	-	-	-	11,550	62,021	911	-	5,474	74,398	-	-	-	-
Disposals	(5)	(1)	(8)	-	-	-	-	-	-	-	(33)	-	-	-	-	-	-	-	-	-	(13)	(34)
Depreciation/ amortisation expenses	(48)	(93)	(27)	(32)	(48)	(44)	-	-	-	-	(7)	(8)	(8,042)	(5,281)	(724)	(376)	(7,322)	(2,905)	(405)	(88)	(16,623)	(8,827)
Impairment (Note 25)	-	-	-	-	-	-	(9,936)	-	-	-	-	-	-	-	-	-	(664)	-	-	-	(10,600)	-
Closing balance	25	78	89	124	531	531	63,604	69,475	-	-	21	28	74,326	70,818	1,096	909	68,981	71,493	4,087	1,745	212,740	215,201

Fair value assessments have been performed for all classes of assets within this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent for a full revaluation). The next scheduled full revaluation for this purpose group will be conducted in 2012.

Table 8.3 Aggregate depreciation/amortisation recognised as an expense during the year

	(\$ thousand)	
	2011	2010
Computer equipment	48	93
Furniture and equipment	27	32
Leasehold improvements	48	44
Work in progress – NTS property, plant and equipment	-	-
Mobile discovery trailer	-	-
Motor vehicles under lease	7	8
Devices	8,042	5,281
Network assets	724	376
Civil works	7,322	2,905
NTS make good	405	88
Total	16,623	8,827

9. Intangible assets

(\$ thousand)								
	Capitalised software development – Work in progress		Capitalised software development		Software/Licences		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Gross carrying amount								
Opening balance	5,359	5,900	103,172	91,577	287	287	108,818	97,764
Additions	8,503	11,054	-	-	-	-	8,503	11,054
Transfer	(6,022)	(11,595)	6,022	11,595	-	-	-	-
Closing balance	7,840	5,359	109,194	103,172	287	287	117,321	108,818
Accumulated amortisation and impairment								
Opening balance	-	-	835	190	287	266	1,122	456
Amortisation expense	-	-	6,509	645	-	21	6,509	666
Impairment (Note 25)	-	-	2,281	-	-	-	2,281	-
Closing balance	-	-	9,625	835	287	287	9,912	1,122
Net book value at the end of the financial year	7,840	5,359	99,569	102,337	-	-	107,409	107,696

TTA has capitalised costs for the development of the new ticketing system. Amortisation of the carrying amount of the capitalised development costs starts at regional bus 'go live' date of 8 December 2008, metropolitan train 'go live' date of 29 December 2009 and metropolitan tram and bus 'go live' date of 25 July 2010.

10. Prepayments

(\$ thousand)		
	2011	2010
Accommodation rent	84	84
Public Transport Ombudsman Scheme	283	93
Other	62	26
Total prepayments	429	203



11. Payables

	<i>(\$ thousand)</i>	
	2011	2010
Current payables		
Contractual		
Amounts payable to DOT	412	1,426
Other payables	38,822	47,101
Total	39,234	48,527

Note: The average credit period is less than 30 days. No interest is charged on creditors or amounts payable to other government entities/agencies.

(a) Maturity analysis of payables

Please refer to Note 19 for the ageing analysis of payables.

12. Borrowings

	<i>(\$ thousand)</i>	
	2011	2010
Current borrowings		
Finance lease liabilities	7	7
Non-current borrowings		
Finance lease liabilities	15	22
Total	22	29

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

(a) Maturity analysis of borrowings

Please refer to Note 19 for the ageing analysis of interest bearing liabilities.



13. Provisions

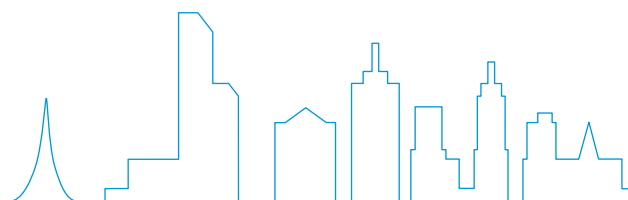
	<i>(\$ thousand)</i>	
	2011	2010
Current		
Employee benefits ⁽ⁱ⁾ – annual leave:		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	361	404
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	338	371
Employee benefits ⁽ⁱ⁾ – long service leave:		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	74	57
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	329	270
Performance bonus	35	100
	1,137	1,202
Provisions related to employee benefit on-costs:		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	70	75
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	118	113
	188	188
Total current provisions	1,325	1,390
Non-current provisions		
Employee benefits		
Conditional long service entitlements ^(iv)	377	402
Employee benefits on-costs		
Provisions related to employee benefit on-costs	57	61
Other provisions		
Provision for decommissioning of the new ticketing system	4,581	1,834
Provision for removal of the existing ticketing system	4,621	4,510
Total non-current provisions	9,636	6,807
Total provisions	10,961	8,197

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

(ii) The amounts disclosed are nominal amounts.

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

(iv) The amounts disclosed represent less than seven years of continuous service measured at present value.



13.1 Employee benefits and related on-costs

<i>(\$ thousand)</i>		
Comprising of:	2011	2010
Current employee benefits		
Annual leave entitlements	699	775
Performance bonus entitlements	35	100
Long service leave entitlements	403	327
Non-current employees benefits		
Long service leave entitlements	377	402
Total employee benefits	1,514	1,604
Current on-costs	188	188
Non-current on-costs	57	61
Total on-costs	245	249
Total employee benefits and related costs	1,759	1,853

13.2 Movement in provisions

<i>(\$ thousand)</i>				
	On-costs	Provision for decommissioning of new ticketing system	Provision for removal of existing ticketing system	Total
Opening balance as at 1 July 2010	249	1,834	4,510	6,593
(Write-back) Additional provisions recognised	(4)	2,747	111	2,854
Closing balance as at 30 June 2011	245	4,581	4,621	9,447
Current	188	-	-	188
Non-current	57	4,581	4,621	9,259
Total	245	4,581	4,621	9,447



14. Leases

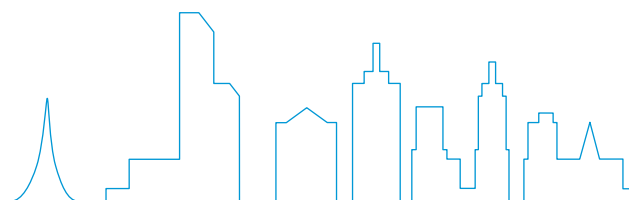
14.1 Finance leases arrangements

Finance leases related to vehicles with lease terms of three years.

TTA does not have an option to purchase the leases at the expiry of the lease period.

	<i>(\$ thousand)</i>			
	Minimum future lease payments ⁽ⁱ⁾		Present value of minimum future lease payments	
	2011	2010	2011	2010
Finance lease liabilities payable				
Not longer than one year	8	8	7	7
Longer than one year and not longer than five years	15	25	15	22
Longer than five years	-	-	-	-
Minimum future lease payments	23	33	22	29
Less future finance charges	(1)	(4)	-	-
Present value of minimum lease payments	22	29	22	29
Included in the financial statements as:				
Current borrowings (Note 12)			7	7
Non-current borrowings (Note 12)			15	22
			22	29

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



14.2. Operating leasing arrangements

Operating leases relate to the following:

- office premises – lease terms of between three and seven years, with no option to extend
- static discovery centre – lease term of one year, with an option to extend for a further one year
- warehouse storage – lease term of one year, with an option to extend for a further six months.

All operating lease contracts contain market review clauses in the event that TTA exercises its option to renew. TTA does not have an option to purchase the lease assets at the expiry of the lease period.

	<i>(\$ thousand)</i>	
	2011	2010
Non-cancellable operating leases payable (accommodation/discovery suite)		
Not longer than one year	1,177	1,236
Longer than one year and not longer than five years	95	1,235
Longer than five years	-	-
Total	1,272	2,471

15. Reconciliation of net result for the year to net cash flows from operating activities

	<i>(\$ thousand)</i>	
	2011	2010
Net result for the year	(50,916)	(2,640)
Non-cash movements:		
Depreciation, amortisation and impairment (see Note 25) of non-current assets	36,013	9,493
Inventory write-down (see Note 25)	14,673	-
Loss from disposal of property, plant and equipment	13	1
Movements in assets and liabilities:		
(Increase)/decrease in assets:		
Receivables	7,302	1,905
Other non-financial assets	(4,859)	(18,645)
Increase/(decrease) in liabilities:		
Payables	2,025	4,429
Other liabilities	(745)	797
Net cash from/(used in) operating activities	3,506	(4,660)



16. Responsible persons' and executive officers' disclosures

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

Names

The persons who held the positions of Ministers, Board Members and Accountable Officers in TTA are:

Responsible Minister

Minister for Public Transport	The Hon. Terry Mulder MP	2 December 2010 to 30 June 2011
Minister for Public Transport	The Hon. Martin Pakula MP	1 July 2010 to 2 December 2010

Board Members

Ms Patricia Faulkner, Chairperson	1 July 2010 to 30 June 2011
Mr John Peoples	1 July 2010 to 30 June 2011
Ms Christine Gibbs	1 July 2010 to 3 March 2011
Mr John McMillan	1 July 2010 to 30 June 2011
Mr Peter Matthey	20 September 2010 to 30 June 2011
Mr John Wilson	1 April 2011 to 30 June 2011

Accountable Officer

Mr Bernie Carolan	1 July 2010 to 30 June 2011
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Remuneration

Remuneration received or receivable by Board Members and the Accountable Officer in connection with the management of TTA during the reporting period was in the ranges:

	Total remuneration		Base remuneration	
	2011	2010	2011	2010
Income band	No.	No.	No.	No.
\$1,000–9,999	1	–	1	–
\$20,000–29,999	2	–	2	–
\$30,000–39,999	2	2	2	2
\$60,000–69,999	–	1	–	1
\$120,000–129,999	–	1	–	1
\$130,000–139,999	1	–	1	–
\$230,000–239,999	–	1	–	1
\$370,000–379,999	1	–	1	–
Total numbers	7	5	7	5
Total amount	\$648,143	\$488,877	\$648,143	\$488,877

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

Related party transactions

There were no related party transactions in 2010-11.

17. Executive officers' remuneration

The number of executive officers, other than Ministers, Board Members and the Accountable Officer, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

Income band	Total remuneration		Base remuneration	
	2011 No.	2010 No.	2011 No.	2010 No.
\$150,000-159,999	-	-	-	1
\$160,000-169,999	1	2	1	1
\$170,000-179,999	-	-	2	-
\$180,000-189,999	2	-	-	1
\$190,000-199,999	-	1	1	1
\$200,000-209,999	1	1	1	1
\$210,000-219,999	1	1	1	-
\$220,000-229,999	1	-	-	-
Total numbers	6	5	6	5
Total amount	\$1,178,038	\$940,325	\$1,131,542	\$908,075

18. Superannuation scheme contributions and liabilities

Employees of the TTA are entitled to receive superannuation benefits and the TTA contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

The TTA does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its staff; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

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



The names of the major employee superannuation funds and employer contributions made by TTA are as follows:

	<i>(\$ thousand)</i>	
	2011	2010
Defined benefits plan		
ESS Super	41	9
Defined contribution plans		
VicSuper scheme	152	152
Australian Retirement Fund	485	526
Others	329	308
Total	1007	995

No employer contributions were outstanding at year end. Apart from ESS Super, all superannuation payments were made to defined contribution plans.

19. Financial Instruments

(a) Financial risk management objectives and policies

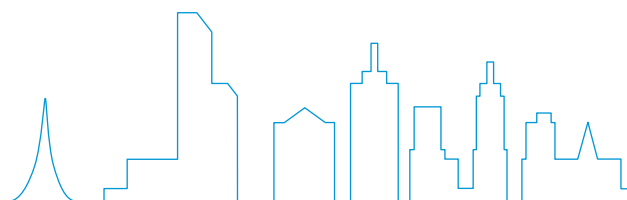
The TTA's principal financial instruments comprise:

- cash assets
- receivables (excluding statutory receivables)
- payables (excluding statutory payables); and
- finance lease payables.

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

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

Primary responsibility for the identification and management of financial risks rests with the Board of Directors of the TTA, supported by the Audit Committee.



(b) Categorisation of financial instruments

(\$ thousand)

	Note	Category	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total
2011					
Contractual financial assets					
Cash and deposits	5	Loans and receivables	7,607	–	7,607
Receivables ^(a)	6	Receivables	1,993	–	1,993
Total contractual financial assets			9,600	–	9,600
Contractual financial liabilities					
Payables	11	Financial liabilities	–	39,234	39,234
Borrowings	12	Financial liabilities measured at amortised cost	–	22	22
Total contractual financial liabilities			–	39,256	39,256

(\$ thousand)

	Note	Category	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total
2010					
Contractual financial assets					
Cash and deposits	5	Loans and receivables	5,791	–	5,791
Receivables ^(a)	6	Receivables	2,135	–	2,135
Total contractual financial assets			7,926	–	7,926
Contractual financial liabilities					
Payables	11	Financial liabilities	–	48,527	48,527
Borrowings	12	Financial liabilities measured at amortised cost	–	29	29
Total contractual financial liabilities			–	48,556	48,556

Note: (a) The amount of receivables disclosed here excludes statutory receivables (i.e. amounts owing from the Victorian Government and GST input tax credit recoverable).



(c) Credit risk exposures

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

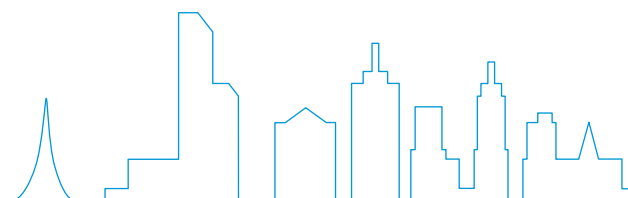
Credit risk associated with TTA's financial assets is minimal because the main debtor is the Victorian Government. In addition, TTA does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank.

Credit quality of contractual financial assets that are neither past due nor impaired

	<i>(\$ thousand)</i>			
	Financial institutions (AA credit rating)	Government agencies (AAA credit rating)	Others (without credit rating)	Total
2011				
Cash and deposits (Note 5)	7,607	-	-	7,607
Receivables ^(a) (Note 6)	-	-	1,993	1,993
Total contractual financial assets	7,607	-	1,993	9,600
2010				
Cash and deposits (Note 5)	5,791	-	-	5,791
Receivables ^(a) (Note 6)	-	-	2,135	2,135
Total contractual financial assets	5,791	-	2,135	7,926

Note: (a) The amount of receivables disclosed here excludes statutory receivables (i.e. amounts owing from the Victorian Government and GST input tax credit recoverable).

Currently TTA does not hold any collateral as security nor credit enhancements relating to any of its financial assets.



Ageing analysis of contractual financial assets

				<i>(\$ thousand)</i>			
	Note	Carrying amount	Not past due and not impaired	Past due but not impaired			
				Less than 1 month	1-3 months	3 months-1 year	1-5 years
2011							
Financial assets							
Cash and deposits	5	7,607	7,607	-	-	-	-
Receivables	6	1,993	1,993	-	-	-	-
Total		9,600	9,600	-	-	-	-
2010							
Financial assets							
Cash and deposits	5	5,791	5,791	-	-	-	-
Receivables	6	2,135	1,636	86	-	413	-
Total		7,926	7,427	86	-	413	-

(d) Liquidity risk

Liquidity risk arises when TTA is unable to meet its financial obligations as and when they fall due. TTA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows.

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

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



Maturity analysis of contractual financial liabilities

(\$ thousand)

	Note	Carrying amount	Nominal amount	Maturity dates			
				Less than 1 month	1-3 months	3 months-1 year	1-5 years
2011							
Financial liabilities							
Payables							
Other payables	11	38,822	38,822	38,798	2	22	-
Amounts payable to other government entities/agencies	11	412	412	412	-	-	-
Lease liabilities	12	22	23	1	1	6	15
Total		39,256	39,257	39,211	3	28	15
2010							
Financial liabilities							
Payables							
Other payables	11	47,101	47,101	47,101	-	-	-
Amounts payable to other government entities/agencies	11	1,426	1,426	1,426	-	-	-
Lease liabilities	12	29	33	1	2	5	25
Total		48,556	48,560	48,528	2	5	25

(e) Interest rates exposure

Exposure to interest rate risk is insignificant and might arise primarily through TTA's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, TTA mainly undertakes financial liabilities with relatively even maturity profiles. TTA's interest bearing liabilities are managed by DOT.

TTA's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities follows on page 64.

Exposures arise primarily from assets and liabilities bearing variable interest rates.



Interest rate exposure of financial instruments

(\$ thousand)

				Interest rate exposure		
2011	Note	Weighted average interest rate	Carrying/nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets						
Cash and deposits	5	4.57%	7,607	-	7,607	-
Receivables	6		1,993	-	-	1,993
			9,600	-	7,607	1,993
Financial liabilities						
Payables						
Other payables	11		38,822	-	-	38,822
Amounts payable to other government entities/agencies	11		412	-	-	412
Lease liabilities	12	6.62%	22	22	-	-
			39,256	22	-	39,234
Net financial assets (liabilities)			(29,656)	(22)	7,607	(37,241)

(\$ thousand)

				Interest rate exposure		
2010	Note	Weighted average interest rate	Carrying/nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing
Financial assets						
Cash and deposits	5	3.77%	5,791	-	5,791	-
Receivables	6		2,135	-	-	2,135
			7,926	-	5,791	2,135
Financial liabilities						
Payables						
Other payables	11		47,101	-	-	47,101
Amounts payable to other government entities/agencies	11		1,426	-	-	1,426
Lease liabilities	12	6.62%	29	29	-	-
			48,556	29	-	48,527
Net financial assets (liabilities)			(40,630)	(29)	5,791	(46,392)



Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the TTA believes that interest rate, either way, will have a minimal impact on its financial instruments. The movement considered is a parallel shift of +1% and -1% on interest rate. The TTA's management cannot be expected to predict movements in market rates and prices; sensitivity analysis shown is for illustrative purposes only.

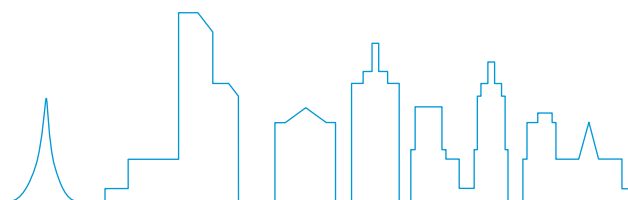
The following table discloses the impact on the TTA's net result and equity for each category of financial instrument held by the TTA at year end as presented to key management personnel, if the above movement were to occur.

Interest rate risk sensitivity

<i>(\$ thousand)</i>					
		Interest rate			
		-100 basis points		+100 basis points	
	Carrying amount	Net result	Equity	Net result	Equity
2011					
Contractual financial assets					
	7,607	(76)	(76)	76	76
Cash and deposits ⁽ⁱ⁾					
Total impact		(76)	(76)	76	76
2010					
Contractual financial assets					
	5,791	(58)	(58)	58	58
Cash and deposits ⁽ⁱ⁾					
Total impact		(58)	(58)	58	58

(i) Cash and deposits includes a deposit of \$7,607 thousand (2010: \$5,791 thousand) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2011: \$7,607 thousand x -0.01 = -\$76 thousand; and \$7,607 thousand x 0.01 = \$76 thousand; and
- 2010: \$5,791 thousand x -0.01 = -\$58 thousand; and \$5,791 thousand x 0.01 = \$58 thousand.



(f) Comparison between carrying amount and fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

	<i>[\$ thousand]</i>			
	Carrying amount 2011	Fair value 2011	Carrying amount 2010	Fair value 2010
Contractual financial assets				
Cash and deposits	7,607	7,607	5,791	5,791
Receivables	1,993	1,993	2,135	2,135
Total contractual financial assets	9,600	9,600	7,926	7,926
Contractual financial liabilities				
Payables	39,234	39,234	48,527	48,527
Lease liabilities	22	22	29	29
Total contractual financial liabilities	39,256	39,256	48,556	48,556



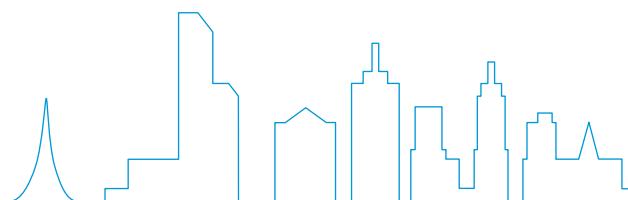
20. Commitments for expenditure

The following commitments have not been recognised as liabilities in the financial statements.

	<i>(\$ thousand)</i>	
	2011	2010
OLT Transition Amendment Deed – operations (Note a)		
Payable:		
Not longer than one year	33,495	49,102
Longer than one year and not longer than five years	-	-
Longer than five years	-	-
	33,495	49,102
NTS Contract – plant and equipment (Note b)		
Payable:		
Not longer than one year	36,215	36,582
Longer than one year and not longer than five years	19,397	19,397
Longer than five years	-	-
	55,612	55,979
NTS Contract – intangible assets (Note b)		
Payable:		
Not longer than one year	10,894	15,963
Longer than one year and not longer than five years	16,573	16,573
Longer than five years	-	-
	27,467	32,536
NTS Contract – operations (Note b)		
Payable:		
Not longer than one year	38,316	35,535
Longer than one year and not longer than five years	111,961	103,734
Longer than five years	71,035	98,511
	221,312	237,780
Total commitments for expenditure (inclusive of GST)	337,886	375,397
Less GST recoverable from the Australian Taxation Office	30,717	(34,127)
Total commitments for expenditure (exclusive of GST)	307,169	341,270

Note (a): The OneLink Transit Systems (OLT) Transition Amendment Deed provides for full assistance and cooperation from the incumbent ticketing services provider throughout the new ticketing system transition and implementation phases. This agreement expires on 1 March 2012.

Note (b): The NTS contract was awarded in July 2005 for the design, build and 10-year operation of the new public transport ticketing system using smartcard technology. The operation phase of the NTS contract began on 8 May 2009 for 10 years with an option for a further two years.



21. Remuneration of auditors

	2011	2010
Victorian Auditor-General's Office		
Audit of the TTA's financial statements	200	200

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

22. Contingent liabilities

OneLink Transit Systems claim

In May 2011, TTA received a material claim for alleged entitlements for business volume growth under the original 1998 contract with OneLink Transit Systems. Based on initial legal advice TTA has rejected the claim. The matter is now being dealt with as per contractual dispute provisions. As per *AASB 137 Provisions, Contingent Liabilities and Contingent Assets: paragraph 92*, no further detail is provided on the basis this may prejudice the position of TTA in this dispute.

OneLink Transit Systems performance bonus

TTA recognises a contingent liability relating to the performance bonus component of the contract with OneLink Transit Systems. It is more likely than not that system and equipment availability and overall performance achievements in 2010-11 through to the end of the contract may be higher than the originally forecast level set for performance bonus payments.

However, it is not possible to accurately measure the amount of potential performance bonus payments as this will be impacted by variables, such as patronage growth, equipment performance and vandalism. In particular, performance of these variables will be impacted by the reliability of equipment which is nearing the end of its lifespan. As a result, the future sacrifice of economic benefits is less than probable, but more than remote.

Kamco performance-related payments

The NTS Project Agreement provides a mechanism through which Kamco (Keane Australia Micropayments Consortium Pty Ltd) can earn performance-related bonuses. While it is too early to forecast the amount or likelihood of such payments, TTA recognises a contingent liability for performance-related payments to Kamco.

23. myki system integrity audit

Kamco operates the myki ticketing system under contract to TTA, including management of the myki financial system general ledger. TTA conducts its own assurance function on these activities. In addition, TTA annually commissions an independent system audit on the new ticketing system. A positive reasonable assurance opinion was received for the 2010-11 financial year.



24. Fare and cardholder funds administration

TTA is responsible for administering the collection and distribution of fare receipts captured by both the existing Metcard and new myki ticketing systems as specified in Revenue Sharing and Ticketing Services Agreements with the Department of Transport.

TTA has no legal or contractual obligations for the completeness of transport revenue, in particular, the revenue consequences of fare evasion.

During 2010-11, there was \$545,304,403 (2009-10: \$637,630,680) distributed from the Metcard system and \$97,157,347 (2009-10: \$10,718,287) from myki to DOT and V/Line.

Under myki, TTA also receives and manages customer myki money balances.

These funds come from the various channels including ticketing machines, railway stations, retail outlets, the internet and the Metshop. The TTA performs the accounts receivable function for both ticketing systems and administers the agreements with OLT and Kamco to ensure cash collection services and payments via the banking system are managed effectively.

TTA also manages the revenue audit function which focuses on reviewing and reporting on controls around farebox revenue collection and distribution processes within public transport operators. TTA undertakes formal planned revenue audits at metropolitan and V/Line train stations as well as metropolitan and regional bus depots.

TTA receives fare receipts in the capacity as agent for the Director of Public Transport and transport operators to be distributed to them in accordance with their respective entitlements under the Revenue Sharing Agreement. The cash flows, bank balances and payables associated with these activities are therefore excluded from TTA's accounts as they do not meet economic benefit or control criteria of Australian accounting standards. Similarly myki cardholder funds ('myki money') held in trust are not reported in TTA's financial accounts.

As at 30 June 2011, the following amounts were held in TTA managed bank accounts:

- for distribution to the Department of Transport and V/Line:

Metcard	
\$4,994,281	(2009-10: \$ 5,766,758)
myki	
\$3,603,537	(2009-10: \$ 2,344,723)
- myki cardholders funds

\$4,763,110	(2009-10: \$ 1,116,705)
-------------	-------------------------

25. Asset impairment

On 21 June 2011, the Premier announced that the Government would continue with the implementation and operation of myki, but with some material changes to the initial project design:

- Removing V/Line intercity trains and long distance V/Line coaches from the initial scope until at least steady state operations are achieved in metropolitan Melbourne and major regional centres
- Eliminating to the extent possible the introduction of short-term cards, which are currently only in use on certain regional bus services; and
- Operating trams without smartcard ticket vending machines (after Metcard equipment is removed).

Costs already incurred in regards to the second and third changes are accordingly subject to impairment.

The deferral of V/Line intercity trains and long distance V/Line coaches is not seen as an impairment event. There has been no Government decision on whether this system element will be fully developed. Costs associated with functionality already developed for this capability may become impaired if and when a decision is made not to proceed with this system component.



TTA Management has made the following impairment assessments:

- Short-term cards
In line with the Government policy announcement, it is proposed that all short-term cards in stock as at 30 June 2011 be written off with the exception of stocks required to support sales on regional buses for approximately another year. The associated impairment cost has been calculated as \$14,672,935 (see Note 7).
- No myki card vending machines (CVMs) on trams.
All hardware and software costs attributable to tram CVMs to be written off less any reasonably expected recovery of hardware costs (through either redeployment as stationary devices or as spare parts for stationary devices). Preliminary advice from the vendor regarding the potential to return surplus tram CVMs is inconclusive therefore no value has been attributed to this option. The net impairment cost for this has been calculated as \$12,880,933 (see Note 8, Table 8.2 and Note 9).

26. Establishment of a new public transport authority

The establishment of a new Public Transport Development Authority was part of the Government's 2010 election platform.

It is expected the Government will introduce legislation during the 2011-12 financial year to give effect to this policy. The Authority will be established by such legislation and, accordingly, establishment is subject to passage by Parliament of the legislation.

An independent statutory authority with a board, the VPDTA will plan, coordinate and manage the State's public transport system (metropolitan trains, trams, buses as well as regional trains and buses). The VPTDA will table its own annual report in Parliament.

As the primary liaison contact for franchisees and agencies, the VPTDA will integrate several public transport agencies and authorities including the TTA and take on some of DOT's functions.

27. Glossary of financial terms

AAS

Australian Accounting Standard

AASB

Australian Accounting Standards Board

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

ATO

Australian Taxation Office

Commitments

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

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

CPI

Consumer price index



Customer defined availability

A private company under contract to the State Government operates and maintains the Metcard ticketing system for Melbourne's public transport. The current contract was awarded in May 1994 to the consortium OneLink Transit Systems Pty Ltd.

Customer defined availability targets represent minimum levels of acceptable availability and performance, and allow for specified levels of non-availability due to maintenance, servicing and breakdowns.

The targets are included in the OneLink contract and determine whether OneLink incurs a penalty or receives an incentive payment for its performance.

Employee benefits expenses

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

Financial asset

A financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) a contractual right:
 - to receive cash or another financial asset from another entity
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

FRD

Financial Reporting Direction issued by the Department of Treasury.

GFS

Government Finance Statistics

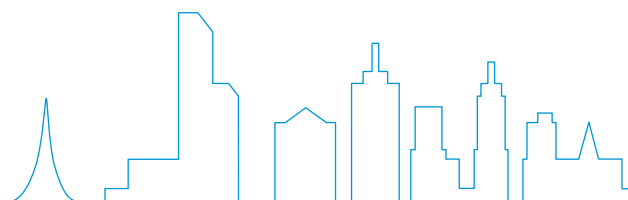
GG

General government

Grants and other transfers

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

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



GST

Goods and services tax

IASB

International Accounting Standards Board

Intangible assets

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

Interest expense

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

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received.

LSL

Long service leave

Net acquisition of non-financial assets (from transactions)

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

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

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

Non-financial assets

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

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. These include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market reassessments.

Payables

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



PNFC

Public non-financial corporation

Receivables

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

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

SD

Standing Direction issued by the Department of Treasury and Finance.

Supplies and services

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

Transactions

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

WIP

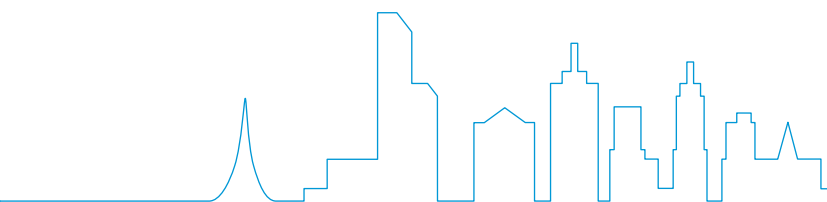
Work in progress relates to part of the myki system that is still being developed.



Acronyms and terms

Accountable Officer	The <i>Financial Management Act 1994</i> part 7 section 42 (2) defines the accountable officer for a public body as the chief executive officer of that body.
BusVic	Bus Association Victoria, the membership body for bus operators.
DOT	Department of Transport
FRD	Financial Reporting Directions
FTE	Full-time employees
Kamco	Keane Australia Micropayment Consortium Pty Ltd, the contractor for the new ticketing system.
LPG	Liquefied petroleum gas
Metcard	Melbourne's current ticketing system, operating on train, tram and bus services (being replaced by myki).
Metlink	Metlink is a private organisation co-owned by Melbourne's train and tram operators: Metro Trains Melbourne and Yarra Trams. Stakeholders also include the Director of Public Transport, V/Line and all metropolitan and regional bus operators through the Bus Association Victoria. Metlink delivers customer information, marketing and trip planning tools for public transport travel across the state.
Metro Trains Melbourne	Metro Trains Melbourne (MTM) operates Melbourne's metropolitan train network including all customer service activities as well as engineering and maintenance of rail infrastructure and rolling stock. MTM is a fully integrated Joint Venture between Hong Kong's MTR Corporation, John Holland Melbourne Rail Franchise Pty Ltd and UGL Rail, division of United Group Limited.
MJ	Megajoule
myki	Victoria's new ticketing system. It is replacing the Metcard ticketing system, as well as paper tickets used on regional buses in Geelong, Seymour, Ballarat, Bendigo, Warragul and the Latrobe Valley. It is also extending to V/Line interurban trains and possibly longer distance V/Line services at a later stage.
NTS	New Ticketing System (myki)
OLT	OneLink Transit Systems Pty Ltd is the supplier of the current Metcard system. OneLink consortium consists of: Ingot Capital Management Pty Ltd and the R Noble, JF & LJ Carroll Family Trust.
SD	Standing Direction
TTA	Transport Ticketing Authority – the current name of the Public Transport Ticketing Body.
VPTDA	The Victorian Public Transport Development Authority (VPTDA) will be an independent statutory authority to integrate a number of public transport agencies and authorities. It will administer trains, trams and buses and be the primary liaison point with franchisees and agencies.
V/Line	V/Line Pty Ltd operates a network of passenger trains in Victoria and maintains and operates the regional below rail network, including being a network access provider for freight operators. V/Line is fully owned by the State of Victoria, through its parent entity, V/Line Corporation, a statutory corporation. Coach services throughout regional Victoria are run under the V/Line brand but operated by the private sector under contract to DOT.
Yarra Trams	Yarra Trams is the Melbourne tram franchise, operated by KDR – a partnership of Keolis and Downer EDI.







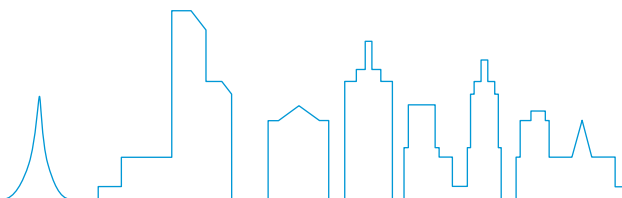
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Level 38
55 Collins Street
Melbourne VIC 3000

PO Box 18023
Collins Street East 8003

Telephone 03 9651 8111
Facsimile 03 9651 7585

www.transport.vic.gov.au/tta
myki@transport.vic.gov.au