

Ms Rita Saffioti; Mr Dean Nalder; Mr Murray Cowper; Mr Peter Watson; Mr Mick Murray; Mr John Castrilli;
Chairman

Division 74: Public Transport Authority of Western Australia, \$94 764 000 —

Mr P. Abetz, Chairman.

Mr D.C. Nalder, Minister for Transport.

Mr R. Waldock, Chief Executive Officer.

Mr M.A. Burgess, Managing Director.

Mr K. Kirk, Executive Director, Finance and Contracts.

[Witnesses introduced.]

The CHAIRMAN: The member for West Swan.

Ms R. SAFFIOTI: I refer to works in progress on page 832 and the line item “Extension of the Northern Suburbs Railway to Butler”, including the new Butler rail station. Can the department confirm whether TLF Constructions was involved as a subcontractor for the construction of Butler train station?

Mr D.C. NALDER: I am conscious that on its website it claimed to provide steel for the construction. We cannot find any record that we have had any involvement with TLF Constructions whatsoever. So our position is that, no, it has not been involved in Butler train station at all, and that is a fabrication of its involvement.

Ms R. SAFFIOTI: I understand that the department directly might not have contracted with TLF Constructions, but can the minister categorically rule out that TLF Constructions did any of the project work for the successful contractor and the successful tenderer to the project?

[8.50 pm]

Mr D.C. NALDER: I refer to the managing director on this question.

Mr M.A. Burgess: We have drilled down to our contractors and asked this question and also asked them to continue to drill down on it, but no-one can find any record of that being the case. There was some reference that they were involved in the Perth City Link rail project but, again, we have drilled down on that and cannot find any record of their being involved whatsoever.

Ms R. SAFFIOTI: Can the department rule out their providing any steel or undertaking any work for it?

Mr M.A. Burgess: That is correct. From all our investigations to date, we cannot find any record of their involvement.

Mr M.J. COWPER: The fourth dot point on page 827 refers to Transperth’s buses traveling more than 60 million service kilometres per annum and Perth’s dependency on the Transperth bus fleet requiring an increase in the number of buses, and I understand there is provision for that in the budget. The minister will be aware that Pinjarra has a Monday to Friday bus service. I have written to the minister and his predecessor to extend the service to the weekends. This is very important, particularly to senior people and young people who are employed in and around that area. It is a great initiative of the government to get more buses to travel more kilometres and carry more people. I would like the minister’s comments on the prospect of a weekend service for my constituents.

Mr D.C. NALDER: Consistent with the government’s 2008 election commitment to improve the Transperth bus service, the budget provided for an additional 3.3 million bus service kilometres in 2011–12, incrementally increasing to 15.2 million bus service kilometres per annum from 2015–16 onwards and an associated increase of 158 buses to facilitate the rollout. This major injection of additional service kilometres for the bus network has already allowed Transperth to address some bus services that experience heavy usage for extended periods, including bus services to the University of Western Australia and Curtin University that experience extremely heavy use during the day, and to introduce new services in developing urban areas, such as we have talked about, and in developed urban areas not serviced by regular public transport. Transperth has increased the capacity on existing Transperth services, particularly in key strategic corridors during core weekly hours. It introduced new and improved Transperth bus services in 2013–14. In August 2013, it introduced a new bus route 567 service between Warnbro station and Baldivis, which brings the number of feeder buses into Baldivis to three. In February 2014, it introduced a new bus route 950 service, which many members will be aware of, operating a high-frequency service between Morley bus station and Queen Elizabeth II Medical Centre via Beaufort Street, Perth, and then on to the University of Western Australia. In fact, since starting that route, patronage has increased by 24 per cent, so it has been a very successful service. In March 2014, Transperth introduced a new bus route 593 service operating between Mandurah station and Dawesville and Old Coast Road, effectively doubling the service frequency along this future high-frequency corridor. Also in March 2014, it significantly

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upgraded services to Perth Airport's T3 and T4, which followed the extension of bus route 40 to the airport terminals. Bus route 40 now offers a more direct travel option via Great Eastern Highway to the CBD; we received a lot of complaints about the winding path it used to take. In May 2014, it significantly upgraded the bus route 990 high-frequency service along Scarborough Beach Road. That is one of the challenges we face moving forward, but with the success of the 950 bus service, we believe there is an opportunity to create high-frequency bus routes along our major corridors. It is something that we would like to see continue to roll out. A new bus route 512 service will operate between Murdoch station and Spearwood and provide additional cross-suburban travel opportunities, particularly for residents of Coolbellup and North Lake, and is scheduled to commence in June 2014. An additional 1.8 million new bus service kilometres will be rolled out in 2014–15. Bus service improvements planned for the 2014–15 financial year include a significantly upgraded bus route network supporting the Butler extension—I know that is up the other end from the member's electorate—and six routes will undergo a significant peak period increase with a further new bus route being introduced between Yanchep and Butler station. I think that 11 new buses are involved in the \$220 million upgrade at Butler station and they feed into both Yanchep and Butler. We are doing a lot of work around the buses.

The CHAIRMAN: Can you draw your answer fairly quickly to a close?

Mr P.B. WATSON: Just cut off a few lines.

Mr D.C. NALDER: I will wind up. Bus route 930 will operate between Perth Airport's T1 and T2—on the west side. This limited-stop service will mark the introduction of Transperth services to the consolidated airport precinct. It is a great commitment.

Mr M.J. COWPER: Minister, is there nothing about the bus route 600 weekend service? We petitioned the Parliament about the improvement in patronage on the 600 service. What is the prospect of increasing the weekend service for bus route 600?

Mr D.C. NALDER: That is currently under consideration; we have not made a decision at this point.

Mr P.B. WATSON: I refer to page 825 of budget paper No 2. What is the estimated annual operating cost of the multistorey car park at Edgewater?

Mr D.C. NALDER: I have the capital cost, but I defer to Kevin Kirk for the annual operating cost.

Mr K. Kirk: I can give the member the annual interest expenses. The fourth dot point on page 825 under "Spending Charges" is the interest costs it will incur, and on top of that will be depreciation and operating costs. From memory, operating costs are about \$500 000 a year, but I need to confirm that, as I am running from memory.

The CHAIRMAN: If the minister is happy to provide that information as supplementary information, I ask him to restate what he will provide.

Mr D.C. NALDER: We will provide the annual operating costs of the Edgewater parking station, assuming we have them broken down to that level.

[Supplementary Information No A14.]

Mr P.B. WATSON: How much of that will be operating costs and how much interest?

Mr K. Kirk: The information provided in the table at the bottom of page 825 is the interest expenses. On top of that will be depreciation, labour costs, and the cost of power, security and whatever is associated with the facility.

Ms R. SAFFIOTI: Can the minister also provide as supplementary information the operating subsidy per vehicle per day?

Mr D.C. NALDER: We look at parking on a complete scale, and we have various projects underway. We committed to 3 000 parking bays. We have delivered 4 800 and a number of other bays are under consideration at this point; for example, another 2 000 bays at Forrestfield train station.

Ms R. SAFFIOTI: If the answer is no, we can move to the next question.

Mr D.C. NALDER: Yes.

Ms R. SAFFIOTI: That is fair enough. If we get the other figures, it will be fine.

Mr M.P. MURRAY: I refer to page 825 and the spending changes to the *AvonLink* service. The *AvonLink* service was to be discontinued in December 2013 but a six-month extension was granted. How much will this extension cost? I refer to the 2012–13 figures showing a passenger subsidy of \$92.74 per person for the

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AvonLink, and \$115.92 per person when the extension was granted. Why did the minister close the Boyup Brook to Collie–Bunbury bus service, when the subsidy was only \$52 per person?

[9.00 pm]

Mr D.C. NALDER: On the first question about the *AvonLink* service, my understanding is that royalties for regions funding of \$400 000 has been provided for that. With respect to why others were closed, I will defer to the managing director to respond to those specific questions.

Mr M.A. Burgess: The member will be aware that we were given some targets for efficiency dividends, and one of the areas we looked at was our Transwa services, in particular the contract services that had fairly low patronage levels. That is the service we are talking about. Obviously out of those that were cut, that one was better than most. I am sure the decision on whether it should be cut was a very careful and calculated decision. Unfortunately, when the cloth had to be cut, that was one that was put up. As the member can appreciate from this, we also had the concept of the *AvonLink* ceasing, and indeed that the rolling stock be transferred to the *Prospector* service. It is essentially the same rolling stock; some minor modifications may have been needed to it. There is high demand for the *Prospector* service, so we could have certainly used that rolling stock on the *Prospector* service. However, I think in a whole-of-government sense it was also a decision as part of the rationalisation to take away the *AvonLink* and replace it with coaches. That was the plan. A whole-of-government review was then made of that decision. Given that Northam is a SuperTown and genuine efforts are being made to promote growth in the town and to attract tourism, residential growth and business to the town, a second review was undertaken, particularly by other key players in government such as the Department of Regional Development. The government then made an announcement to review it and do a business case on whether we could reinvest and improve; in fact, not just to reinstate the *AvonLink* services as they stand but also to improve them, inject some money and give the community a chance to have a bigger say in timetable, marketing and so on. That is what occurred with the business case. The business case sits with the Department of Regional Development now. It will put a submission to cabinet and I think that submission will be the basis of the three-year trial that is currently contemplated.

Mr M.P. MURRAY: Having heard that and understanding that business decisions have to be made and considering the subsidies, surely the department would go for the one with the highest cost per person. That has not happened in this case. The decision also impacts on the *Australind* service. There will be about 3 000 fewer users of the *Australind* a year if people are not using it. That will then impact on the people in the Murray–Wellington area who use the *Australind*. I am doing the member for Murray–Wellington a favour by doing his work again! If 3 000 people are taken off that service, the subsidy and the whole service will change along the way because the government has taken the easy way out with the lower number of passenger users.

Mr D.C. NALDER: I will defer to the managing director.

Mr M.A. Burgess: I take the member's point. If we look at it as a pure arithmetic exercise, one is higher than the other. I think if we looked just at the arithmetic, we would say that the *AvonLink* should have ceased as well. From an agency point of view, it was one of the options we put up. However, as I said, other stakeholders across government, in particular the Department of Regional Development, and being conscious that it is a SuperTown ahead of the member —

Mr M.P. MURRAY: So is Collie.

Mr M.A. Burgess: Yes, I appreciate that.

Mr M.P. MURRAY: And a tourist town.

Mr M.A. Burgess: I appreciate that, but there was a decision by government to review the decision, to consider the options that existed out of royalties for regions funding, to re-promote the service and to actually invest in it and give it a three-year trial to see whether it could meet new targets.

Mr M.P. MURRAY: Would the minister say that this is just a straight political pork-barrelling exercise?

Mr D.C. NALDER: No, I would not.

Mr M.P. MURRAY: It took the minister a while!

Ms R. SAFFIOTI: My question relates to the capital works program and I will refer to two parts of the budget. I refer to page 832 of the budget papers on agency information, and to the *Economic and Fiscal Outlook*, which states that \$34 million has been deferred from 2017–18 for the rail infrastructure program and \$24 million from 2017–18 for the bus stations program. Can the minister outline which projects have been deferred as part of this budget process?

Mr D.C. NALDER: I will go to Kevin Kirk, if I could.

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Mr K. Kirk: There was \$29.5 million for our network and infrastructure upgrade program, which is to fund a series of smaller projects; \$10.5 million for the Claremont station redevelopment; \$13.7 million for the East Perth station upgrade; and a further \$5 million from the network and infrastructure upgrade. So, there was actually \$34.5 million from the network and infrastructure upgrade.

Ms R. SAFFIOTI: Did that add up to \$34.5 million?

Mr K. Kirk: It is \$34.5 million from the network and infrastructure upgrade and then \$10.5 million from the Claremont station upgrade.

Ms R. SAFFIOTI: The adviser then went through those train stations—Claremont and East Perth—and then the network.

Mr K. Kirk: Yes.

Ms R. SAFFIOTI: Does that add up to 24?

Mr K. Kirk: The total of those is \$58.721 million, or \$58.7 million.

Ms R. SAFFIOTI: Is the rail infrastructure program a reduction in things such as maintenance of the overhead wires and other sorts of general maintenance of the rail infrastructure?

Mr D.C. NALDER: I will defer to Mr Kirk.

Mr K. Kirk: No, this is from the asset investment program, so they are purely capital upgrades. The works that the member is talking about would be from our operating funding, our maintenance funding.

Ms R. SAFFIOTI: What has been deferred in these capital upgrades as part of the rail infrastructure?

Mr D.C. NALDER: I will defer to Mr Kirk.

Mr K. Kirk: That money was deferred from the out years and we have not got down yet to working out exactly which projects it will be from that program. We have not got to that level of detail yet.

Ms R. SAFFIOTI: When will that level of detail be developed, as in which programs will be postponed?

Mr D.C. NALDER: I will defer to Mr Kirk.

Mr K. Kirk: For the last few weeks we have been preoccupied with the budget. In the next couple of weeks we will get down to discussing that. It will be considered at our planning and investment committee, and we will make those decisions then.

Mr G.M. CASTRILLI: I refer to the asset investment program on page 831 of the budget papers. The last dot point deals with the extension of Joondalup railway line to Butler. Can the minister provide us with a bit of a status report on this railway network? It is a pretty important bit of expansion. Also, can the minister give us the latest advice on the likely time for the commencement of public transport services from Butler?

Mr D.C. NALDER: The Butler extension project involves a range of works, mainly the construction of the approximately seven and a half kilometres of new railway north of Clarkson to the new station at Butler. It is a fantastic station. If anybody has seen it, they would know that it is a great construction and something that we can be proud of. It involves changes to and improvements in the bus feeder routes in the north west corridor that I talked about a minute ago. It also includes infrastructure works located at the Mandurah depot and a renewal of the life-expired main communications bearer cable between Perth and Currambine. A lot of additional works have therefore gone on around this station. The people who have been working on this have done a fantastic job. It has been delivered at \$20 million under budget—I have referred to it in the house before—so it has cost \$220 million against a budget of \$240 million. The main construction works are mostly finished and the project is now in the final stage of construction. We are in the process of commissioning driver and staff training, with the commencement of services expected later this year. Originally, we said that it would be open by the end of this year. A lot of work is being undertaken to try to get it up and running by the September school holidays. That is what the Public Transport Authority is hopeful of. That is the ambitious plan that it is working towards to see whether it can have it up and running three months ahead of schedule.

[9.10 pm]

I will give the member a bit more detail. The works that have been completed to date include the track and overhead wiring system between Clarkson and Butler, which is 90 per cent complete, and the Butler station, including car parking. There are an additional 930 bays at Clarkson. The works include a principal shared path. Every time we do works around a highway, freeway or train line, we look at principal shared paths because we see cycling as an important mode of transport in this state. There is also room for people to secure their bike at the station. We are looking at a number of different things that go with this. There are three road-over-rail bridges across the railway line at Landbeach Boulevard, Benenden Avenue and Butler Boulevard. There is the

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Nowergup depot track drainage and lighting, and the main fibre optic communications cable between Perth and Currabine, as well as what I said before. All of this is scheduled to be completed by May 2014.

Mr M.J. COWPER: Have the trains arrived?

Mr D.C. NALDER: Yes, the trains have arrived. We are investing in 22 three-car trains, with roughly one arriving every two months—a couple have come in and are in service—until mid-2016 at a cost of \$240 million. An additional four trains will be added to the Joondalup service because of this extension, and we anticipate an additional 2 000 people a day at that station alone. All-up it is a great project. It has been really well managed and delivered, and it is ahead of time and under budget.

Ms R. SAFFIOTI: I refer to the Canning Vale–Thornlie rail infrastructure extension and to the asset investment program listed on page 832 of the budget papers. What is the time frame for the delivery of the Canning Vale–Thornlie extension?

Mr D.C. NALDER: I will touch on this. My understanding is that planning works have been undertaken on this project. We have a desire to undertake this line, but there is no time frame for it at this point. It is in our list of desired projects that we would like to undertake, but it comes down to funding it in an appropriate time. We cannot make the commitment on that work at this point, albeit we would like to get onto it as quickly as we can.

Ms R. SAFFIOTI: Why did the Public Transport Authority commission animations and other publicity information about this project if there was no time frame for delivery?

Mr D.C. NALDER: My understanding is that these works have been part of the planning process, but for that level of detail, I will need to pass to the director general.

Mr R. WALDOCK: Certainly, we were looking at the project. We have done planning work on it, and we did some detailed analysis and expended some money as part of our planning work. It was a project in the draft 20-year plan, so it was part of our future plans—whether it was done in the first or second 10 years. It was one of the issues that we looked at at the time and we considered it potentially as an adjunct to the new stadium project; in other words, there certainly would have been some advantages in rail capacity if we had been able to do that particular project in that time frame. As would be expected, rather than have 90 per cent of people move west, we would have been able to move many people to the north–south railway line to Cockburn and then move them through there. It certainly would have made the transport challenge of the stadium easier but, again, it was subject to funding issues. It just was not a priority. We have done some work. We have assessed it. We have got a sense of what it may cost and how it might work but, fundamentally, it is not in the forward works program.

Ms R. SAFFIOTI: Obviously, the works and the planning have been done. What benefit–cost ratio has been developed for the project?

Mr D.C. NALDER: I have not been provided with a benefit–cost ratio on this project, and I have not sought one because it is not something that we are considering undertaking at this point.

Ms R. SAFFIOTI: Whose decision was it not to undertake the project?

Mr R. WALDOCK: To be fair, it never got to any formal level for government consideration. We are doing a number of projects, including the Yanchep extension, as part of our planning, as we should, but it never got that far. It would not have been a very high benefit–cost ratio because, firstly, public transport generally does not have a high ratio compared with some of the roads, but, secondly, the patronage in that area is still not enormous and it was only for three additional stations. It would not have been a high benefit–cost ratio, but we did not even get down to the detailed benefit–cost analysis.

Ms R. SAFFIOTI: It has just been announced that the \$13.5 million for the East Perth upgrade will be deferred. Was that project associated with the transport upgrades associated with the Perth Stadium project?

Mr D.C. NALDER: I will pass to the managing director.

Mr M.A. BURGESS: Yes, it is associated in the sense that we had plans many years ago, and so some projects do get bumped to the right occasionally. We had plans to upgrade East Perth some years ago and, for various reasons, other projects arrived as a priority and it was pushed out. That money relates to when we were doing East Perth as a stand-alone project. In an ideal world, we would do more at East Perth than we will now be able to do. There is money in the stadium project to upgrade East Perth. If we had the other money, we would probably do a more significant upgrade at East Perth, but we still have money in the stadium transport budget to do the work needed to move the people who will come across to East Perth after a stadium event. That money related to a more substantial elaborate upgrade of East Perth, including, for example, some lifts. We get some complaints about the footbridge at East Perth and we were going to replace that with a set of lifts and a concourse that would come into the public transport centre for Transwa passengers and so on. We will obviously

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keep raising that issue with Treasury to try to win that money again. At this stage, it has been deferred; that has been indicated to us in that recent advice. We will keep raising that with Treasury; otherwise, we have the money in the stadium budget to do what we need for stadium patrons, but not the more significant upgrade at East Perth.

Mr M.J. COWPER: I refer to page 826 of the budget papers. Some notice has been given of this question about the ageing *Australind* train service. The minister may recall that I asked the question earlier, but it was deferred to the Public Transport Authority division. A report by the department back in 2003 or 2004 indicated that some significant money would be required to be invested in the *Australind* by about 2007. That time has come and gone and, seven years on, what are the prospects for her to be upgraded?

[9.20 pm]

Mr D.C. NALDER: I will defer to the managing director on this.

Mr M.A. Burgess: I do not think it is quite as old as the member suspects. It is certainly getting on and we have to think about the *Australind*. It came in in 1987 so that makes it 27 years old. The member is right, we need to start thinking about its replacement. That has been on our agenda for some time. I think the member's question was more about whether we can get a proper priority on the main line it operates on. We have looked at that before as a challenge because of the other traffic on that line. It is a complex issue, too, for government in that I think both the previous government and this government have considered whether the best solution for Bunbury longer term is an alignment down the Mandurah line.

Mr M.J. COWPER: In 30 years may be.

Mr M.A. Burgess: Perhaps that will be it, yes.

Mr M.P. MURRAY: The member will be able to sprinkle his ashes on it.

The CHAIRMAN: Order, members!

Mr M.A. Burgess: A substantial body of work was done using consultants and I think that report had a fair bit of airplay. I think it was delivered early 2010 or thereabouts. It identifies quite a substantial volume of work in design, route and so on. But a body of questions relate to that. If a diesel train, for example, were to operate up that coastal alignment and onto the Mandurah line, it would be then a diesel train operating on the electric line, which would presumably put it into the Perth underground, so it would hardly be an ideal situation. Even though that consultant's report was primarily aimed at the Mandurah alignment, another body of thought and work has been done, at least at the concept level, on whether the alignment should try to move it across to meet up with the bottom of the Armadale line or at Byford. I cannot say that work is being done as a priority, but it is occurring in the background. As I say, the *Australind* is only about 27 years old. It does not need immediate replacement, but we are conscious of its age. We have put additional money into its maintenance in the last couple of years. We think it has a reasonable life yet, but I think the member's question was more about whether we can get priority on the main line. The answer is: that is very difficult.

Mr M.J. COWPER: Given the competition on that line—it is the busiest freight rail section in Western Australia—has any thought been given to duplication of the line? Duplication is occurring between Brunswick and the Bunbury port. With duplication of that line, there would be capacity on it for Worsley Alumina Pty Ltd, Wagerup, Alcoa and others.

Mr D.C. NALDER: That particular issue is a Brookfield Rail decision, unfortunately. It will be driven by Brookfield; unless the managing director would like to add anything.

Mr M.A. Burgess: I am not aware of any work we have been pursuing in terms of duplication. As the minister said, it will be a substantial Brookfield involvement.

Mr M.J. COWPER: I have a further question on that, Madam Chairman.

The CHAIRMAN: I think we will go to the member for Collie–Preston because we have one more division to deal with.

Ms R. SAFFIOTI: Can we move to the next division, given the timing?

Mr M.P. MURRAY: I withdraw that; we will move on.

The CHAIRMAN: I have a request to move onto the next division. Is your one further question pressing? Make it quick, member for Murray–Wellington, please.

Mr M.J. COWPER: In relation to the *Australind*, the south west line has had some upgrade work with the new sleepers, and there is a restriction on the train's speed. That work has been primarily done and there have been some efficiency improvements, but the problem is the increase in freight. Given the expectation of the expansion of that, would there be some consideration of the duplication?

Mr D.C. NALDER: I will pass to the director general.

Extract from Hansard

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Mr R. Waldock: As the member pointed out, there has already been consideration in terms of freight to the Bunbury port for the duplication at Picton. These things are looked at all the time. We have done a lot of work in looking at all our railway lines, including Brookfield freight lines, to see what the capacities are. Quite frankly, the private sector, as we know, does not invest until the time is right when they can sweat the asset, and certainly Brookfield is not showing any interest in any duplication at this stage.

The appropriation was recommended.

Meeting suspended from 9.24 to 9.30 pm