

Division 55: Public Transport Authority of Western Australia, \$270 144 000 —

Ms L.L. Baker, Chairman.

Mr T.R. Buswell, Minister for Transport.

Mr M.A. Burgess, Managing Director.

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

Mr R.A. Waldock, Director General, Department of Transport.

[Witnesses introduced.]

The CHAIRMAN: The member for Midland has a question.

Mrs M.H. ROBERTS: I refer to page 659, “Purchase of railcars”, and the \$164 million to purchase 15 three-car train sets. How much additional revenue will the 15 railcar sets generate? What is the additional operating cost or subsidy for these railcars? How much is allocated for the operating costs of the additional railcars?

Mr T.R. BUSWELL: We do not have that level of detail here, so we might need to take that one on notice.

[*Supplementary Information No A44.*]

[12.20 pm]

Mrs M.H. ROBERTS: I have a further question on this page. I refer to the bus infrastructure program. This might need to be provided by way of supplementary information. How much additional revenue will the additional buses generate? What is the additional operating cost or subsidy for the buses? How much is allocated for the operating cost of the additional buses?

[*Supplementary Information No A45.*]

Mr J.C. KOBELKE: Under “Works in Progress” on page 659 of the *Budget Statements*, “Perth City Link” has an all-up cost of \$609.269 million. How fixed is that number? When was it last updated? When might the next update be on the cost to the Public Transport Authority of the Perth City Link, which is only part of the rail project?

Mr T.R. BUSWELL: The advice I have is that there is a very high level of competence around that number. As the member knows, the rail project has been awarded and is underway. My recollection is that the rail project was about \$360 million. The balance will be the undergrounding of the bus station to replace the Wellington Street bus station. Certainly, the rail component is progressing very well from both a timing and budget point of view. I am not sure when we will start more detailed work around the bus station, but the advice is that that is a very robust figure.

Mr J.C. KOBELKE: My question was quite specific: when was the last update of this number and what was it updated from? That was the first part.

Mr T.R. BUSWELL: My understanding is that this amount was set as the project was announced when we added the components of the project together. Some people argued it jumped up in price because we added an underground train station, but that has not shifted. The project alliance that is managing the project, reviews budget and time lines on a very regular basis. I get a report from the Public Transport Authority on how the project is progressing every month or so. We know that the sinking of the rail and associated works is progressing on budget and in a timely way. We have no reason to doubt the accuracy of the estimates around the cost of sinking the bus station. I am not sure when we anticipate that we will start to engage with the market around that project, but I assume it cannot be that far off.

Mr J.C. KOBELKE: Can the minister give a date?

Mr T.R. BUSWELL: No.

Mr J.C. KOBELKE: Does the minister have an indicative date for when the government will go to the market for the sinking of the bus station?

Mr T.R. BUSWELL: I have, but not a specific date. It will be in the first quarter of 2013.

Mr J.C. KOBELKE: I return to my simple question. When was the \$609.269 million updated and what was it updated from?

Mr T.R. BUSWELL: The advice I have is that that figure has always been the figure for the —

Mr J.C. KOBELKE: That is not true; it has been revised several times. What was the date of the last update and what was it updated from?

Mr T.R. BUSWELL: Let me answer again. As the full scope of the project emerged and the totality of the works were bundled together, this was the figure.

Mr J.C. KOBELKE: What was the date of that?

Mr T.R. BUSWELL: A few years ago.

Mr I.M. BRITZA: I refer to the second and fifth dot points under the heading “Significant Issues Impacting the Agency” on page 655, which refer to public transport accessibility, reliability and ability to cope with the expected population growth. The fifth dot point refers to a few groups that are going to have some difficulties. I wonder whether the minister can advise how this issue is being addressed.

Mr T.R. BUSWELL: Is the member’s question about disabilities?

Mr I.M. BRITZA: Yes, and the ageing population.

Mr T.R. BUSWELL: It is a very good question. This sector of our community increasingly relies on public transport. We have seen that with the successful uptake of the free pensioner travel. I cannot remember exactly how many people are using that but it is a lot. It has been very, very popular. There are challenges around accessibility for people with disabilities on our train lines, particularly on the heritage tracks. The heritage tracks, as we call them, are generally the Armadale, Midland and Fremantle lines. They have older stations and more stations more closely grouped. I suppose that is a reflection of how railway lines used to be delivered. As we increasingly see on the northern and Mandurah lines, there is a different style of station with a lot more parking and a focus on intermodal interchange. There are some issues with the heritage stations. All the advice I have is that pretty much all the stations on the Mandurah and Joondalup line now meet accessibility requirements. We put in a new lift at Canning Bridge for the member for South Perth. That is all done.

Mr J.E. McGRATH: I opened it officially on the minister’s behalf.

Mr T.R. BUSWELL: Well done! We have also done some work at stations such as Kelmscott and Mt Lawley. On top of that, another \$33 million has been allocated to upgrade more stations on the Armadale, Midland and Fremantle lines to meet those disability standards. Yesterday I was at the Bayswater station to look at some parking issues with Hon Donna Faragher. The improvements include tactile paving so that people know when they are near the edge of the platform, and modifications of ramps so that people can safely get on and off the platform. Importantly, we are trying to close the gap. If members have caught the tube in London, they will have seen “mind the gap”. The gap is a big issue for people with disabilities. A lot of work goes into lifting the platforms to make sure they are at the correct height. The director general and the PTA are very proud of their gap. The PTA aims for a five-centimetre gap between the side of the train and the side of the platform. Mt Lawley, as I previously advised, has been completed. Construction work commenced at Meltham on the Midland line in 2012. A contract will soon be awarded to enhance Queens Park and Maddington stations. Work is expected to be completed there early in 2013. There will soon be some additional announcements around Beckenham and North Fremantle stations. On top of that, as I said, \$8 million is allocated to upgrade lifts and escalators on the Joondalup line. That contract is being awarded. We are doing a lot of work on station infrastructure.

Mr I.M. BRITZA: I have a further question. Another issue with this would be security, especially for the ageing population. Has there been an increase in funding for that issue?

[12.30 pm]

Mr T.R. BUSWELL: Unfortunately, we will always have issues with train lines and train stations. We have approximately 230 transit guards and 100 additional contractors who perform the role of revenue protection officer. They are often out on the trains making sure tickets are being bought, but from the public’s point of view they are still a uniformed presence on the lines. We endeavour to have two transit officers on key stations from 2.45 pm Sunday to Thursday and from 4.45 pm on Friday and Saturday. The trains departing Perth station have security guards on them, especially late in the evenings. To reconfirm, there are 231 in total. I will give members more information about the current manning levels of transit officers on each line. On the Armadale line there are 42 officers. I have met a number of them and they are fantastic people who are very committed to protecting the travelling public. There are 24 transit officers on the Fremantle line, 38 on the Joondalup line, 43 on the Mandurah line, 36 on the Midland line and 46 are allocated in and around Perth at Perth station, Perth underground station and Perth Esplanade station. In addition, we have a significantly upgraded capacity through the CCTV network to monitor the stations. The security room at East Perth is fantastic. Unfortunately, I was there last year reviewing the footage of a despicable and cowardly attack on two of our officers by a couple of boofheads at Beckenham station. Hopefully that footage will assist in bringing those people to justice because the attack on those officers was cowardly in the extreme. We have a good CCTV infrastructure and also —

Mr I.M. BRITZA: Is there CCTV on buses as well?

Mr T.R. BUSWELL: There is, but it is not monitored in real time. We are investigating how to monitor it in real time. The bus stations are monitored full time but eventually technology will enable us to monitor inside the buses in real time too. On top of that, a lot of money has been spent on making the buses safer for the drivers with the installation of cages and duress alarms and the use of mobile patrols in the evenings, which I think Wilson Security provides. Interestingly, after a certain time at night on the weekends, those mobile patrols become part of our mobile taxi response so that we are able to utilise aspects of that contract to provide security in other modes of transport.

Mrs M.H. ROBERTS: I refer partly to budget paper No 2, pages 661 and 662, the income statement and statement of financial position, but I particularly refer to budget paper No 3 on page 165, the paragraph under the heading “Fare Revenue Review”. At top of the page it states —

Mr T.R. BUSWELL: Can I just track down a copy budget paper No 3? Perhaps the Chairman might be able to loan it to me?

Mrs M.H. ROBERTS: It is a long paragraph. I will read it out so it will be self-explanatory —

The Public Transport Authority has reviewed its fare revenue projections based on consumer price index fare increases, together with expected patronage increases across the forward estimates. This review identified an additional \$111 million in anticipated fare revenue between 2011–12 and 2015–16. This additional fare revenue has been recognised in the Authority’s financial statements, and in the calculation of the operating subsidy (from general taxation revenue) which will be \$662 million in 2012–13 and \$2.9 billion over four years.

Hopefully the minister has been able to follow that. How much of this increase is from fare increases versus passenger number increases? How much is from increased capacity versus more people using the existing infrastructure? What are the new patronage projections that were used in this review?

Mr T.R. BUSWELL: I am not sure that I have that breakdown in its entirety but I can give the member a bit of a feel for it. The member is right that there has been a revision of fare income for the authority totalling \$111 million over the forward estimates. That is reflected in part by some of the growth from 2011–12 through to 2014–15 in the sale of goods and services, referred to on page 661 of budget paper No 2. I think it is important to put that \$111 million into context. If we accept that last year was a base year and there had not been a recalibration, the revenue each year would be about \$150 million, or \$600 million over four years. We are looking at an additional \$111 million on top of the \$600 million that was already put in. Therefore, it is an increase. The member’s question was about what was driving that increase. As budget paper No 3 indicates, the assumed fare position is CPI. If we accept that CPI was 3.5 per cent last year—I will do the sums on \$150 million at 3.5 per cent, which is approximately \$5 million—that might account for \$20 million or \$30 million.

Mr J.C. KOBELKE: The escalation across those years is about 10 or 11 per cent a year. Is the minister saying that 3.5 per cent of that is CPI?

Mr T.R. BUSWELL: No, because some of that would already have been built into it. The figures across the out years would already have included a CPI growth escalator.

Mrs M.H. ROBERTS: Is the \$111 million additional money?

Mr T.R. BUSWELL: All the modelling is assuming that the CPI growth escalator will stay the same. I imagine that most of that growth is from patronage growth because we were getting around 6.5 per cent growth in patronage across the system.

Mrs M.H. ROBERTS: How many people does the minister expect will be using the system during the morning peak times by 2016?

Mr T.R. BUSWELL: I am not sure that we have that information.

Mrs M.H. ROBERTS: That information must have been available to the review. Could I have that information by way of supplementary information?

Mr T.R. BUSWELL: I think we need to clarify it. Is the member after the total estimated number of people at the morning peak times across the system for trains, buses and ferries?

Mrs M.H. ROBERTS: For clarity, let us compare 2011 with 2016.

[*Supplementary Information No A46.*]

Mrs M.H. ROBERTS: I also asked how much of that growth is expected to be from increased capacity versus more people using the existing infrastructure.

Mr T.R. BUSWELL: Some would be from increased capacity, clearly, because we are putting more buses into the network, and during the last half of 2013 we will be putting more trains into the system. I do not have information on which of those drivers are responsible for the increase in patronage and I do not see it as being terribly important.

Mrs M.H. ROBERTS: I believe that information must have been available to the review. Surely when the PTA came up with this projection it would have had a clear understanding of the additional revenue that would come in via new infrastructure and additional services and what the increased patronage would be on the existing services.

[12.40 pm]

Mr T.R. BUSWELL: We can try to find that. That is not a problem. All this so-called review has done is attempt to adjust the fare revenue received by the PTA to reflect realistic growth patterns in recent years. The recent growth patterns have been around six to 6.5 per cent per annum. Historically, that number has not been reflected across the forward estimates. That is pretty much all it is. It assumes, as I am sure would have already been embedded in the forward estimates, that fares are increased by the CPI every year, because there would have been some assumption to do the base analysis.

Mrs M.H. ROBERTS: Can I clarify? The minister has agreed to provide by way of supplementary information how much is from increased capacity versus how much is from existing infrastructure.

Mr T.R. BUSWELL: Yes.

[*Supplementary Information No A47.*]

Mr J.C. KOBELKE: My question goes to the first dot point on page 654 of the *Budget Statements*. This relates to the “Public Transport for Perth in 2031” plan. In that plan it is recommended that a new station be built at Karnup. What is the current estimated cost of the Karnup station?

Mr T.R. BUSWELL: The general advice is that we have not done a detailed analysis of the design of a station at Karnup, so I can answer perhaps more broadly.

Mr J.C. KOBELKE: Can the minister give a ballpark figure for a new station?

Mr T.R. BUSWELL: The construction of the station itself is about \$30 million, but of course on top of that, as the member would be aware, there is parking infrastructure and often other infrastructure associated with the intermodal interchange between bus and train. We might therefore reasonably expect that that would bump the price up towards \$50 million, but it would depend.

Mr J.C. KOBELKE: I thank the minister; \$30 million—that is just a ballpark figure.

Mr T.R. BUSWELL: I do not think we could build a \$30 million station, because there would be no parking and associated infrastructure. For the total package, we are probably looking at between \$40 million and \$50 million.

Mr J.C. KOBELKE: Is that for the infrastructure alone?

Mr T.R. BUSWELL: Yes.

Mr J.C. KOBELKE: Is it necessary to build into the costings the cost of additional rolling stock to put in a station or is existing rolling stock able to cope?

Mr T.R. BUSWELL: We do not have to, but the general rule of thumb is that if we put in an extra station, we need some extra trains to service the station.

Mr J.C. KOBELKE: What is the indicative number in the example of a station at Karnup?

Mr T.R. BUSWELL: Again, the rough rule of thumb is that two three-car sets would service a station, but, again, that varies. Some stations are a lot busier than others, but as a rough rule of thumb, two three-car sets will generally enable us to put an extra station into the network. There are a few reasons for that. Firstly, patronage; secondly, there is time slippage because they have to slow down, unload and load up; therefore, to maintain the timetable service we need the extra rolling stock.

Mr J.C. KOBELKE: Is there the need to build in additional operating costs or a subsidy for a station at Karnup coming into the system?

Mr T.R. BUSWELL: It is a difficult question to answer. I suspect there would be, but it depends. Clearly taxpayers subsidise public transport at about 72 per cent. The cost of running the public transport system across the network is picked up by subsidy. I do not think we can assume that this station will have this many people generating this amount of revenue, and we factor up that by 72 per cent to work out the total cost and therefore that is the subsidy. That is because capital expenses and a range of overheads that we do not need to replicate are

embedded in the total cost subsidy. I suspect that it would, but at the margin it is very hard to speculate on what exactly that would be simply because —

Mr J.C. KOBELKE: I thank the minister for his answer in terms of where we are at. Is there a current estimated time frame for when Karnup station might be built?

Mr T.R. BUSWELL: No.

Mr J.C. KOBELKE: Does the department in its forward planning have an indicative date? Obviously that requires the minister to give the nod and come to his desk, but does the Public Transport Authority actually have an indicative date?

Mr T.R. BUSWELL: The government has not allocated funding to a train station at Karnup across the forward estimates. So I think from that the member can take it that no train station will start at Karnup before at least the next four years. That is the current situation in relation to Karnup.

The appropriation was recommended.