

Chairman; Ms Rita Saffioti; Mr Dean Nalder; Ms Simone McGurk; Mr Mick Murray; Mr David Templeman; Mr Frank Alban; Mr Terry Waldron; Mr John McGrath

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**Division 67: Public Transport Authority of Western Australia, \$576 743 000 —**

Ms W.M. Duncan, Chairman.

Mr D.C. Nalder, Minister for Transport.

Mr R. Waldock, Chief Executive Officer.

Mr M. Burgess, Managing Director.

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

**The CHAIRMAN:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

[Witnesses introduced.]

**The CHAIRMAN:** The member for West Swan.

**Ms R. SAFFIOTI:** My question relates to page 742 of the *Budget Statements* and the Forrestfield–Airport Link. My question starts with the Forrestfield train station precinct. Can I confirm that the government is still intending to deliver 2 500 car bays? Where is the process at with the Western Australian Planning Commission and its assessment of the number of car bays and precinct design?

**Mr D.C. NALDER:** Yes, I can confirm that we will deliver 2 500 car bays at the Forrestfield–High Wycombe station. I am aware that a different planning document has been put forward by the shire, but I will hand over to Reece Waldock to respond to that more fully.

**Mr R. Waldock:** Yes, there has been a discussion about the Park 'n' Ride at Forrestfield. The government's commitment was for 2 500 parking bays and we are aware that the Shire of Kalamunda has come in with a considerably lower number—between 1 000 and 1 200. We are still committed to 2 500 and that is what we are planning for. We are also doing some modelling on that to confirm our earlier work, but we believe that the modelling to date has not included the student population and the like. Perhaps if I could pick up some key issues there, Forrestfield station has a catchment area of 32 420 hectares.

**Ms R. SAFFIOTI:** Hectares?

**Mr R. Waldock:** Yes, hectares. Roughly 80 hectares of this land, or 0.25 per cent, is within a walkable catchment. Even if we get a transit-oriented development—we are certainly doing a lot of work on trying to get good urban design and a TOD—much of it will not be within walking distance to the station. To compare that with other areas, as we know, Aubin Grove will have 2 000 car bays. That will be our largest car park when it is finished and that is sitting around a catchment population of about 23 000 residents, which is substantially fewer than the case at Forrestfield. We still believe that 2 000 or 2 500 will be required. It acts as a huge catchment area for the hills area, and we believe it would be very sensible to put in 2 500 car parks.

**Ms R. SAFFIOTI:** Is there a chance that the WAPC will disagree with the PTA about the number of car bays?

**Mr D.C. NALDER:** I will pass to Mr Waldock.

**Mr R. Waldock:** I chair the steering committee on this and certainly senior members of planning are there with me; they support our approach to date and they are very interested to see our final modelling, but we are very confident that 2 500 car bays will be used. That is our planning and the contract that has been signed is for that number of car bays.

**Ms R. SAFFIOTI:** This has involved land acquisition. As I understand, there are still three outstanding pieces of land that the government believes it requires, including one that is outside the car park footprint. I understand that residents have been given eviction notices to leave by 30 June; is that correct?

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**Mr D.C. NALDER:** I will pass over to Reece Waldock.

**Mr R. Waldock:** From our point of view, everybody has signed off. As I understand it, by 1 June, which is coming up very shortly, all owners will have vacated their residences. Certainly from our point of view, we are working towards all that land being necessary for both construction and final build. That is what we are doing.

**Ms R. SAFFIOTI:** One piece of land is definitely outside the car park footprint. Why would the government want to evict someone on land that is outside the car park footprint?

**Mr M. Burgess:** Most of the land is required for the car park, but as the member indicated, some is also required for construction purposes. That is for lay down of equipment and potentially concrete batching. As we do on any construction site, we need areas to build the railway and build the station as well.

**Ms R. SAFFIOTI:** Can the minister confirm the expected cost of the airport link?

**Mr D.C. NALDER:** The expected cost of the whole lot?

**Ms R. SAFFIOTI:** Yes.

**Mr D.C. NALDER:** The member will see notes in the budget that refer to a reduction in costs of \$100 million that were too late to be added into the budget. Because of rolling stock that had previously been arranged, we reduced the budget to \$1.961 billion; so at this point in time, the budget that we expect to be reflected in the midyear review will be \$1.862 billion.

**Ms S.F. McGURK:** My question relates to “Agency Expenditure Review Saving Measures” on page 742 of the *Budget Statements*. One question relates to the “Staff Reductions” line item. Can the minister detail where those reductions will take place and exactly what positions will be made redundant? Similarly, under the line item “Program Reductions”, what programs will be abolished? Could the minister also provide a bit of detail on the line item “Further Initiatives”, which has just under \$40 million of savings in the forward estimates? Could the minister provide some detail on those line items?

[11.20 am]

**Mr D.C. NALDER:** For the first two parts of that question, I will hand over to Mr Burgess to provide detailed responses.

**Mr M. Burgess:** Obviously, it is a number that requires a good deal of attention. When it came out in the midyear review last year, we were certainly engaged in it in a significant way. Expert consultants came in to assist. Like all agencies, we have done reviews to try to make our business more efficient over many years. We have had a number of efficiency dividends and, clearly, the agency expenditure review has a different process because it tries to reset the base in terms of operating expenditure. The AER is for agencies to look at the programs delivered by their agency and to check that they remain a priority and are delivered in an efficient and effective manner. A good deal of our business is already outsourced. In the sense that when people go to the market, they would expect to get the most efficient prices and services they can—which is what we do; we give best value for money—that is certainly the way with the bus services, ferries and so on. We have to go back and look at what else makes up our budget. Staff are clearly a significant part. I can quickly give the member the numbers. At the moment, we have a full-time equivalent complement of about 1 646 staff, although it varies a bit day to day, and about 1 250 of those staff are what we call frontline facing. I think the minister and the Treasurer have made it clear that they do not want to see cuts in frontline services. A total of 1 646 staff minus 1 250 staff leaves roughly 400 people. We are therefore obviously not touching train drivers, signal technicians, signal maintainers, train controllers and those sorts of people; they are out of bounds. It is the other 400. They make up myriad different administrative, finance, management and supervisory compliance-type functions. The member may have heard about some of those groups as there has been a little bit of media about various bits and pieces. It is certainly not definitive.

We have engaged with some staff whose positions are likely to be removed and we are in the process of consulting with those people. We have been engaged in, I think, every redundancy program that any flavour of government has offered in the last decade to a decade and a half. Positions are always being identified as technology changes or something moves and we can become more efficient. A number of positions that can be made redundant have already been identified. Broadly, we are talking about roughly 60 positions or maybe a few more. For teams of people we have spoken to, we have looked at our car park attendant function for example. I am not saying definitively that it will go, but we are in consultation with that group. I can say that, a couple of years ago, we said to that group that we anticipated technology would remove them in a couple of years anyway because there are commercial car parks right now where technology is used to check car park compliance. Numberplates are checked by digital systems, camera systems and so on, and we want to head towards being the most efficient that we can possibly be. The minister gave us some praise on the SmartRider front. That is an

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example of the efficiency that the Public Transport Authority has been able to deliver in this state and SmartParker was delivered by the same team. We have to look at the car park attendants to see whether it is an option. Similarly, we have looked at inspection functions and whether the function is duplicated at the moment. There are some teams in some bus-checking functions and if we can use existing commercial agencies to do some of the bus checking and inspection, we think that will deliver some savings. In both cases, we are in consultation with those groups. At this point, there are no clear decisions. Of those 60 positions, we have clearly identified about half that we do not need to function anymore. All the staff who are potentially involved have been talked to.

**Ms R. SAFFIOTI:** Relating to car park attendants, I understand that the department is doing a review of technology that is not expected to be completed until the middle of 2017.

**Mr M. Burgess:** Correct.

**Ms R. SAFFIOTI:** But the department wants to make car park attendants redundant now and replace them with private security. The department is saying that the attendants will be replaced by technology, but it is not doing that; it is anticipating an outcome of the review and sacking people in the meantime.

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

**Mr M. Burgess:** Clearly, there has been a process of working through that with our car park attendants over a couple of years. The member is right; we are forecasting to go to a technology solution. At the moment, for example, our staff are double-manning. We do not think that is necessary. We have had that discussion before but it is where they want to be. We do not think that there is any risk involved in the task; that is our assessment. We have done some work on it and we think it is correct. We certainly know that if we go to a commercial provider, we will have single-manning. People will walk around checking cars on their own, which I think is quite reasonable. We have put that whole picture to our staff and we are waiting for them to come back. I think we are due to meet again on 1 June. The staff may come back with an option that we re-look at, but we have to find savings. The target is there and we have to achieve it.

**Ms S.F. McGURK:** I had three elements to my question. One was about staff reductions. I probably have other questions about that, but I also asked about the line items for “Program Reductions” and “Further Initiatives”. Could we have a brief outline of what will fall by the wayside as a result of those projected savings?

**Mr D.C. NALDER:** I said that I would handle the third part of the question. A number of reviews are underway and the department is constantly reviewing the organisation. As we realise some of those programs, then we will appropriately notify which ones they are. We do not want to needlessly alarm anybody if it is something that is not warranted upon investigation. There are programs and I can provide an example of a recent saving of just under \$1 million—it is about \$800 000—with the *Indian Pacific* rail line. We provided subsidies for it over a period. The commonwealth government has pulled its subsidy and New South Wales has withdrawn its subsidy. The *Indian Pacific* advised that it would not pass the funding on even if we maintained the subsidy, so we are withdrawing that funding immediately. That will save us \$800 000 in the next 12 months. That is an example that has not been realised yet. We continue to look at all the lines of expenses to see where we can provide greater efficiencies and, ultimately, recover as much as we can in the cost of public transport services. We are currently operating at just under 30c in the dollar, so we are providing a subsidy of over 70c in the dollar from the taxpayer for the provision of public transport. That is one of the hard things we have to do with a sprawled city with such a narrow corridor up and down the coastline. It provides challenges in the provision of world-class public transport solutions.

**Ms S.F. McGURK:** Just so I am clear, for the two line items for “Further Initiatives” and “Program Reductions”, if I have done my quick calculations correctly, just under \$50 million of savings has been booked in this budget. Is the minister saying that those programs are not finalised because he does not want to alarm anyone?

**Mr D.C. NALDER:** Sorry; no. We were talking about the programs moving forward. I was referring to the third part of the question.

**Ms S.F. McGURK:** Savings have still been booked.

**Mr D.C. NALDER:** For the first two parts of the question, I was leaving it to the managing director to detail whatever the member wants to know about what has been identified in the budget savings. Can the managing director respond to that question? I will hand it back to the managing director.

**Mr M. Burgess:** As the member can imagine, there is no single line item in which we can find big, chunky numbers. It is a very large list of smaller items. I will provide a few examples. We have a small number of staff who do maintenance on our coaches. It is really just small maintenance—immediate stuff like light bulbs and things like that. We have rolled that into the new contract with our replacement coaches and we will do that

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under the coach delivery and servicing arrangements. That is a program—both staff and a program—but my recollection is that about 80 line items make up the savings. I do not have that list of 80 with me.

**Ms S.F. McGURK:** Could that be provided to us as supplementary information?

**Mr D.C. NALDER:** Yes. I am happy to note that we will provide as supplementary information the list of initiatives that have realised the savings that have been put into the budget.

[11.30 am]

**Ms S.F. McGURK:** That are provided under the line item “Agency Expenditure Review Savings Measures”.

**Mr D.C. NALDER:** Yes, certainly.

**The CHAIRMAN:** The member is talking particularly about “Program Reductions”, “Staff Reductions” and “Further Initiatives”. Are you happy with that, minister?

**Mr D.C. NALDER:** Yes. Where the further initiatives have been realised, I will provide them, but obviously at this point in time, I will not provide the ones that have not been realised.

**Ms S.F. McGURK:** But the savings have been booked. Therefore, it is reasonable for us and the public to know the details of those savings if they have already been booked in the budget.

**The CHAIRMAN:** The minister will define what he will provide.

**Mr D.C. NALDER:** Madam Chair, I will provide those that have been defined and what they will save. As I have said, future savings are booked in the forward estimates. Some of those are works in progress and they will be provided when they have been identified and can be made available.

[*Supplementary Information No B13.*]

**Mr M.P. MURRAY:** I refer to the last dot point on page 743. I am sure that “Accessible and safe public transport” and “enhancing the quality” covers my question about upgrades to the *Australind*. How many passengers utilise that service? When is an upgrade of the service envisaged, because it is quite tatty to say the least? Has any thought been given to increasing the service for the people of the south west?

**Mr D.C. NALDER:** To provide some data for the member about patronage, the *Australind* service provides 28 trips a week—that is, 14 return trips between Perth and Bunbury. In 2014–15, it carried 105 295 passengers. It is a two-hour-25-minute trip. It is achieving on-time running at around 93 per cent. Breakdowns last year resulted in coach services supplementing the rail service until it was up and running again. Between 2000 and 2014, the train was maintained at the Picton traction maintenance depot, which is owned by Aurizon. From August 2014, Public Transport Authority engineering staff have undertaken the maintenance role. Aurizon changed its strategic direction of providing maintenance to third party operators, so the department has taken it back on. Since taking it on, we have reviewed the *Australind* maintenance procedures and resources and identified a number of improvements to increase the reliability of the train. These include improving the competencies of the mechanical staff through training, restructuring the maintenance team, improving maintenance documentation and the reviewing of stores—the inventory. The review and implementation improvements took approximately seven months to achieve and have attained an experienced team capable of repairing and servicing the train to ensure greater reliability and maintenance to an acceptable standard.

At this stage, to share with the member, we know that the trains are ageing. There is nothing in the current plans to upgrade that stock. Year to date, patronage on the *Australind* is down seven per cent from where it was the year before. There is nothing to suggest that the service needs to be increased at this point. In 2013-14, the trains were running at 54.78 per cent occupancy; in 2014-15, they were running at 54.99 per cent occupancy; and in 2015-16, occupancy was back to 50.69 per cent. The trains are essentially running half full.

**Mr M.P. MURRAY:** Yes, but it depends on how it is measured.

I would like the same detail on the *AvonLink* to make a comparison. What royalties for regions subsidy goes to the *Australind* and the *AvonLink* so we can make a comparison?

**Mr D.C. NALDER:** A three-year trial was established for the *AvonLink* and funding was put behind that. An allocation of \$6.575 million from royalties for regions was approved for the *AvonLink* service to see whether increasing the number of services would ultimately increase its scale. When we were going to change it to a coach system, there were arguments that because it was not running often enough, it therefore did not attract enough patronage in the first place and that the times it was running at were not convenient. Royalties for regions provided funding to run a trial to see whether we could run more services and get greater patronage. We are in the process of that; I think we are 18 months of the way through, so we are halfway through the trial. We have seen a 30 per cent lift in traffic, but at this point I would say that that is not enough to substantiate the

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figures. In 2013-14, the coaches were 21 per cent full and in the last financial year they were just under 15 per cent in meeting the train's capacity. It is not being utilised anywhere near what it needs to be utilised to justify the expense and investment of those additional services. That is how I would assess it at this point, but we are only halfway through the trial. Looking into it, I would say that the trial is struggling to make the justification, and I believe we can provide a far better level of service to people potentially with a road coach.

**Mr M.P. MURRAY:** Having heard about patronage numbers, has any thought been given to swapping the more modern *AvonLink* train to the more utilised south west line?

**Mr D.C. NALDER:** It is difficult because of the gauge; one is a narrow gauge and the other is a standard gauge, and that would not be an easy way to deal with it, unfortunately.

**Mr D.A. TEMPLEMAN:** By way of supplementary information, can the minister provide what percentage of the patronage is seniors using their free yearly pass?

**Mr D.C. NALDER:** I take it that the supplementary question is to provide the percentage of concession cardholders and what concession they are, particularly for age pensioners. Is that correct?

**Mr D.A. TEMPLEMAN:** Yes, for both the *Australind* and the *AvonLink*.

**Mr D.C. NALDER:** Okay; I will provide the concession cardholders for the *Australind* and the *AvonLink* as a percentage of the total passenger numbers.

[*Supplementary Information No B14.*]

**Ms R. SAFFIOTI:** My question is about the Public Transport Authority subsidy for Perth Stadium and the increased amount provided to subsidise public transport to the stadium. As I understand it, currently the cost of a ticket to Domain Stadium is paid by the operator—that is, the West Australian Football Commission—but that will change under the new stadium agreement and the operator will pay only 50 per cent of the ticket to attend the stadium.

**Mr D.C. NALDER:** That is correct. It will be at 50 per cent of the ticket price.

**Ms R. SAFFIOTI:** How was this agreement reached? Was it reached as part of negotiations with the new operator of the stadium?

[11.40 am]

**Mr D.C. NALDER:** This is not something that is negotiated by my department. The stadium and all the associated contracts have been done by strategic services, which sits under the Treasurer. I will say that at 50 per cent, that is far less subsidisation than there is across the general public transport network. We are also moving a lot more people by public transport than were being moved at Domain Stadium, first because of size and second because of the restriction on parking.

**Ms R. SAFFIOTI:** Sure, but I think the comparison with the general subsidy is not really relevant because this stadium was built on the basis of public transport use. We understand now that as a result of discussions between the Treasurer and the stadium operator, taxpayers—not attendees or stadium operators—will have to foot the bill for 50 per cent of the public transport patronage.

**Mr D.C. NALDER:** I am not aware of any discussions with the operator. I suggest those questions be directed to the Treasurer because I have not been involved in that process. Specifics around any process for setting the fee structures and so forth need to be directed towards the Treasurer.

**Mr F.A. ALBAN:** The second dot point on page 744 refers to TransWA coaches. Can the minister advise what has been done to mitigate reliability issues and increase patronage on TransWA coach services?

**Mr D.C. NALDER:** Thank you, member for Swan Hills. We have done a lot in this space of looking at upgrading the quality of the coach services we provide. A contract has been awarded to Volvo Irizar for the delivery of 23 road coaches in 2015–16 and 2016–17. Volvo is the chassis supplier, similar to what the rest of our Transperth buses have, but Irizar is the body builder. The prototype road coach was delivered in March 2016, with 12 more expected to be delivered before 30 June this year. The full delivery of those coaches will be by January next year. Again, that will put a better standard of road coaches out there, particularly in regional areas, to provide a lot better level of service. It will involve on-board entertainment, USB ports to enable phones to be charged and all those sorts of things. One of the things the department has started to focus on is the quality delivery of customer service in the sense that we want people to see public transport and the service of public transport as a smart solution and not a second-class solution, as it has been viewed in decades past. With a lot of investment in the new buses, new railcars and the new bus port that will open in the next few weeks, people will see that we are raising the standard so that they can experience first-class service in catching public transport, and that will encourage more people to do that.

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**Mr T.K. WALDRON:** Will those new buses operate on the same routes? Are there any plans for changes to routes or expansion of routes with the new buses?

**Mr D.C. NALDER:** I will pass on to the managing director but on the information I have to date, I understand it is for the same routes, but an upgrading of the fleet. I will double-check that with the managing director, Mark Burgess.

**Mr M. Burgess:** As with Transperth, TransWA, on a more modest scale because of the size of the operations, has a service development plan so it looks at where it can adjust its coach routes and so on. A bit of that work is ongoing and a bit of tweaking is done. The member may recall that about three years ago we cut out, not so much TransWA coaches, but contracted coaches that often provided feeder services. Based on community reaction, we have either put back some of those or tweaked routes. But that tweaking occurred a couple of years ago. We are all ears: if people have ideas about how we can improve coach routes; we are more than happy to receive any approaches.

**Mr J.E. McGRATH:** I refer the minister to the first item under “Significant Issues Impacting the Agency” on page 743, which refers to patronage. I am keen to know what is being done to mitigate the issue of overcrowding on our trains.

**Mr D.C. NALDER:** We are finalising the increase of our rail fleet by 30 per cent. Around a quarter of a billion dollars has been spent on upgrading the rail fleet, and that has involved the supply of 22, three-car rail sets. We have just expanded that by another 10 to tie into the Forrestfield–Airport Link project. At the moment we are seeing a softening in the economy and a lot higher vacancy rates in the CBD, so patronage numbers have slowed or come back. In the last month we have seen a little tick back up, which is a positive sign, but one swallow does not make a summer. With the increased capacity of all the new railcars—nearly all of them are on; the last one of the 22 will come on in September—we know that we have removed a lot of the crowding issue. Moving forward, we know that we need to continue to expand the fleet. We were planning to commence that, and we announced that, but given the softening of the economy at the moment, we made that separate purchase order for the Forrestfield–Airport Link under the B-series and we have deferred extending the C-series by around four to five years due to the plateau in the economy. The outlook for Perth and Western Australia is still for strong growth into the future, so it is something we need to continue to look at as well as expanding additional lines like the Forrestfield–airport line that will commence construction at the end of this year.

**Ms R. SAFFIOTI:** My question relates to the Ellenbrook bus lane in the budget. The budget is \$49 million.

**The CHAIRMAN:** Can you provide a page number, thank you, member for West Swan.

**Ms R. SAFFIOTI:** Sorry. Maybe someone can point me to it because I cannot find it.

**Mr D.C. NALDER:** It is in the Main Roads Budget; it is being constructed by Main Roads because it is predominantly a road project. I am happy to take the question, given we have finished with Main Roads, if the member is comfortable with that.

**Ms R. SAFFIOTI:** Can we talk about it generally under page 742?

**Mr D.C. NALDER:** I am comfortable with that.

**Ms R. SAFFIOTI:** Thank you. Can I have a breakdown of how much of the budget of \$49 million is for the three stations and how much is for the car parks? Does the minister have that level of breakdown?

**Mr D.C. NALDER:** I will have to provide that as a supplementary information.

**Ms R. SAFFIOTI:** Fantastic.

**Mr D.C. NALDER:** It is a design and construct cost. I am relying on the information I am provided by the departments but we need to go for design and construct and that is why we have not been able to come out with pretty pictures at this point of exactly what it will look like. As the member said, it will involve the three stations as well as underpasses or overpasses on the crossroads to give it the three stations. It will be from Ellenbrook down to only Marshall Road because that is where the greatest gain has been identified. When we looked at this a few years ago it was to go all the way to Bassendean station, but in the longer term we see a greater need to get into Midland, so we want to provide that three-way—Morley, Bassendean and Midland—connection that will come from Marshall Road. An additional four buses have not been calculated in the figure the member is talking about. The \$49 million is for Main Roads to undertake the work it needs to deliver the stations and the road infrastructure.

[11.50 am]

**The CHAIRMAN:** Minister, you agreed to provide supplementary information. Can you just define what that is going to be, please.

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**Mr D.C. NALDER:** I will provide, the best I can, the estimate of costs, broken down for budget purposes, but they are going to be further refined —

**The CHAIRMAN:** Costs of what?

**Mr D.C. NALDER:** Sorry, the costs of the Ellenbrook rapid bus and the upgrades to Lord Street.

*[Supplementary Information No B15.]*

**Ms R. SAFFIOTI:** In relation to Lord Street, my understanding is that it does not include a whole new Lord Street and that the only new part of Lord Street for cars—I understand the bus rapid transit route—is south of Youle–Dean Road. Is that correct?

**Mr D.C. NALDER:** Again, I think that is right. I am trying to indulge the member, given that I do not have the support of Main Roads here.

**The CHAIRMAN:** Perhaps the member can put that question on notice if it does not apply to this division.

**Ms R. SAFFIOTI:** It is a public transport initiative. Sorry; I do not want to be too tricky.

**The CHAIRMAN:** The advice I am getting here is that it needs to relate to the division.

**Ms R. SAFFIOTI:** The minister has the information just there.

**Mr D.C. NALDER:** There is something I put out in a press release that I will just read.

**Ms R. SAFFIOTI:** I have that; I do not need that.

**Mr D.C. NALDER:** Okay. There are roundabouts and the intersections that will be upgraded, and part of the old Lord Street will just become part of a community service road that will link in.

**Ms R. SAFFIOTI:** Is that south of Youle–Dean Road?

**Mr D.C. NALDER:** Yes, so elements of the current Lord Street will remain and a new section will take it further south, but as to exactly what they are, I think that detail is in that press release.

**Ms S.F. MCGURK:** I refer to the subheading “New Works” under the line item “Max Light Rail” on page 750. There is no money allocated under current years. The government is still committed to doing that project, presumably commencing in 2017–18, but the minister said he had safety concerns about what light rail might mean for the community, particularly children and the like.

**Mr D.C. NALDER:** To clarify that, it needs to be taken in a much broader context. When I took the time to really investigate it, a couple of issues came out that I wanted to get further clarity around. One of the issues is that if we take light rail out that far to utilise it as a mass rapid transit solution, we have to get the speeds to a point at which we can deliver people to the CBD within a similar time as it takes to drive there in a car. Because of the number of stops they would have to make, the travel speeds that would need to occur between stops would be between 50 and 60 kilometres an hour. That is all right on Alexander Drive because there is a much wider area, but when we get into Fitzgerald Street and other narrower areas, there are major concerns. I have been approached by representatives from a company that has built light rail systems in Europe. They told me that they would be concerned about the safety standards of a light rail system moving through that narrow a confine, given that it would essentially be moving like a train through those streets. If we look at what happens in Melbourne, the light rail systems that go out along Victoria Street and some of the other wider arterial roads travel at higher speeds, but the ones that go out through the suburban streets—for example, along Toorak Road—are travelling at an average of only 15 kilometres an hour. I lived there for nine years, and one never caught the tram or the light rail system to the CBD; people either went by train or drove in because travel time by light rail was twice as long.

**Ms S.F. MCGURK:** Lots of people take the tram into the city.

**Mr D.C. NALDER:** What I am sharing with the member is that I lived there for nine years, and they do take the tram into the city if it is going along Victoria Street or if they are moving between the city and close inner-city suburbs—but further out where I lived, people did not catch the tram because it would take them a couple of hours, and they could travel in by train in about 40 minutes. It was not functional, and that is what I have been primarily concerned about—trying to solve a mass transit movement through urbanised areas. We do not want the transit system moving through at 50 to 60 kilometres an hour between stops; we want it to be trundling through faster than Bourke Street Mall, but not as fast as it would need to be to accommodate these sorts of travel times. For me, there is still a need for a public transport solution to the northern corridor. We have announced the 960 bus route coming in from Mirrabooka, but will not replace it; it is only one level of service. We have been exploring other options for exactly how and where we need to go to deliver what I believe will be a superior transport solution for the northern corridor.

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE B — Tuesday, 24 May 2016]

p132b-139a

Chairman; Ms Rita Saffioti; Mr Dean Nalder; Ms Simone McGurk; Mr Mick Murray; Mr David Templeman; Mr Frank Alban; Mr Terry Waldron; Mr John McGrath

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**Ms S.F. McGURK:** I am interested to hear the minister say that light rail has not worked in Melbourne, but I think people who live there would differ —

**Mr D.C. NALDER:** No, I did not say that. Do not misquote me in this chamber; do not mislead people. I did not say that.

**Ms S.F. McGURK:** That is what I heard the minister say.

**Mr D.C. NALDER:** No, I did not. I said that if people are on Victoria Street or in inner-city suburbs surrounding the CBD, it works very well; but for people who are further distances out from the CBD who have to follow normal streets, it does not work. I can tell the member to look at East Malvern, where I lived, as it takes far too long to come into the city by tram from there. Do not put words in my mouth; I was talking about Victoria Street. If people are going out to Hawthorn or Balwyn, it works very well because it is a wide arterial road that has enough room for the light rail to travel quickly.

**Ms S.F. McGURK:** I was only repeating the minister's words back to him, but in any case, the government has still —

**Mr D.C. NALDER:** The member is misleading the chamber. Do not mislead the chamber.

**Ms S.F. McGURK:** The government has committed \$1.8 billion to Metro Area Express light rail, but from what I understand there are intrinsic, fundamental problems with light rail, if we are to accept the minister's descriptions of how it would work in those areas. My question is: is the government committed to MAX light rail?

**Mr D.C. NALDER:** I said that what we are committed to is delivering a public transport solution for the northern corridor. I have taken the time to revisit what we committed to, and I acknowledge what was committed to in 2013. We have also explained that when there was a change of federal government, we did not get federal support for public transport. We do not agree with that at the state government level, but it meant that we had to stagger the two projects. That bought me time to look at that project, and I have some concerns with it. I have utilised that time to further explore options to ensure that we deliver the best possible solution for the people of the northern suburbs. That is what we have committed to. We have committed to delivering a superior public transport solution to the people of the northern corridor. We believe that that is the right thing to do and we will fully disclose it when we are in a position to do so.

**The appropriation was recommended.**

[12 noon]