

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

ADDITIONAL QUESTIONS 2014/2015 BUDGET ESTIMATES HEARING

Thursday, 12 June 2014

Public Transport Authority

Question No 1: the Standing Committee on Estimates and Financial Operations asked -

We refer to Budget Paper 2, page 825 – The Authority will spend \$7.0 million in 2013-14 on remediating a contaminated site, and ask –

a) What is the current status of the contaminated site at Gosnells?

Answer: A tender for the remediation works is currently being evaluated and it is envisaged that works on site will commence shortly.

b) What is the expected total cost of remediation?

Answer: The Public Transport Authority has budgeted \$7 million for the works.

c) How has the remediation been funded?

Answer: Income from State Government – Operating Subsidy.

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Question No 2: the Standing Committee on Estimates and Financial Operations asked -

We refer to Budget Paper 2n page 825 [The Authority will spend an additional \$3.4 million over two years to repair damaged railcars, and ask -

a) How much has the Authority spent on damaged railcars, per year, over the last 4 years?

Answer: In this item, damage to urban, Prospector and Australind railcars are included however vandalism and minor incidents which are not separately costed have been excluded. The Public Transport Authority has incurred approximately \$1.494m in repairs to date since 1 July 2010. Some repairs are still being finalised.

Costs spent on damaged railcars

Railcar	2010/11	2011/12	2012/13	2013/14 YTD P11	Total
EMU	\$ 64,688	\$ 20,453	\$ 415,736	\$ 718,718	\$ 1,219,595
Prospector	\$ -	\$ 1,522	\$ 46,491	\$ 124,839	\$ 172,851
Avonlink	\$ -	\$ -	\$ -	\$ -	\$ -
Australind	\$ -	\$ -	\$ 93,144	\$ 8,809	\$ 101,953
	\$ 64,688	\$ 21,974	\$ 555,371	\$ 852,366	\$ 1,494,399

b) What type of damage occurs to railcars? Is it attributable to particular lines?

Answer: There is no correlation between railcar damage and particular lines.

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Question No 3: the Standing Committee on Estimates and Financial Operations asked -

We refer to Budget Paper 2, page 827 The Authority is 'undertaking planning studies to further extend the urban rail passenger network and a route utilisation strategy and other initiatives to improve the serviceability of the existing network', and ask -

- a) *What is the current status of the planning studies?*
- b) *Will those studies be disclosed to Parliament? If so, when? When will those studies be released to the public*

Answer:

(a-b)

The Public Transport Authority undertakes numerous short, medium and long-term studies, strategy development and plans. Many of these are for Cabinet and/or ministerial consideration, contain commercially sensitive material and therefore would not be released. However, if you wish to identify a specific study, the Public Transport Authority will consider your request on a case by case basis.

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Public Transport Authority

Question No 4: the Standing Committee on Estimates and Financial Operations asked -

We refer to Budget Paper 2, page 832 – The total cost of the asset investment program is \$7.0 billion, and ask –

a) Of the 30 projects listed in the asset investment program, how many of those were subject to cost-benefit analysis and what were their ratios?

Answer: All funding submissions to the State Budget process are in the appropriate form required by the Department of Treasury.

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Public Transport Authority

Question No 5: the Standing Committee on Estimates and Financial Operations asked –

Budget Paper 2 page 832 – The Asset Investment Program Efficiency Measure is expected to reduce asset investment spending by \$27.9 million over four years (starting in 2014-15), and ask –

a) How was the Authority's contribution to the Asset Investment Program Efficiency Measure calculated?

Answer: The contribution equals 5 per cent of the Public Transport Authority's approved Asset Investment Program.

b) When does the Authority intend to finalise the implication of that measure on individual projects?

Answer: The savings measures will be submitted to the Department of Treasury by 29 August 2014 for consideration by the Economic and Expenditure Reform Committee as part of the Mid-Year Review process.

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Public Transport Authority

Question No 6: the Standing Committee on Estimates and Financial Operations asked –

We refer to Budget Paper 2, page 832 – The asset investment program is funded from a negative internal funds and balances in 2014-15 and 2017-18, and ask –

a) Can the Authority please explain to the Committee how the asset investment program is funded by negative internal funds and balances?

Answer: This is essentially a cash flowing adjustment between financial years. In 2013-14 the Public Transport Authority's (PTA) project expenditure exceeded its Asset Investment Program (AIP) budget by \$4.957 million and the PTA drew on cash at bank reserves to cover the shortfall. After year end the \$4.957 million was repaid from the 2014-15 AIP funding to the PTA's cash at bank account.

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Public Transport Authority

Question No 7: the Standing Committee on Estimates and Financial Operations asked –

We refer to Budget Paper 2, page 833 and 835, and ask how is the Authority managing the lack of depreciation funding for its assets?

Answer: The Government's decision in the 2012-13 State Budget to cease funding the Public Transport Authority's depreciation does not create any ongoing operational issues for the PTA.

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Question No 8: the Standing Committee on Estimates and Financial Operations asked –

We refer to Budget Paper 2, page 834 – The Authority had a deficit of \$240.2 million in 2012-13, with increasing deficits over the forward estimates, and ask –

a) How will the Authority manage its increasing deficit position?

Answer: The increasing deficit is explained in the annual budget papers and it does not create any ongoing operational issues for the PTA.

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Public Transport Authority

Question No 9: the Standing Committee on Estimates and Financial Operations asked –

We refer to Budget Paper 2, page 836 – The Authority’s statement of financial position shows a net cash transfer from other agencies, and ask –

a) Will you explain those cash transfers?

Answer: This is the Department of Transport’s Perth Parking Fund contribution to the Perth City Link Bus project – see corresponding amount on page 832 in the “Funded By” table (Other).

b) Which agency/ies does it come from?

Answer: The Department of Transport.

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Question No 10: the Standing Committee on Estimates and Financial Operations asked –

We refer to Budget paper 3, page 300 – Can the Authority provide the costs for each service listed on page 300 of Budget Paper No. 3?

Answer: The total cost of each of the Public Transport Authority’s (PTA) four services is provided in Budget Paper 2 on page 826.

For service 1 (Metropolitan and Regional Passenger Services) costs can be provided for:

Expense	2012-13 Actual \$'000	2013-14 Budget \$'000	2013-14 Estimated Actual \$'000	2014-15 Budget Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000
a. Transperth services	853,870	912,007	919,589	990,763	1,052,343	1,115,174	1,155,514
b. Regional Town Bus Services	14,563	16,136	16,025	16,666	17,333	17,939	18,567

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