

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

ADDITIONAL QUESTIONS

Public Transport Authority

The Committee asked:

1. I refer to page 539 of Budget Paper No. 2, statement of financial position, and ask what comprises current liabilities – other?

Answer:

	2018-19
Borrowings from WA Treasury Corp	\$160,688,000
Interest Payable - WA Treasury Corp	\$19,975,000
Accruals – Salaries and Wages	\$6,484,000
Income in Advance	\$5,466,000
Provision for Contaminated Sites	\$4,741,000
Provision for On-Costs of Worker Compensation and payroll Tax	\$3,073,000
TOTAL	\$200,427,000

2. I refer to the Statement of Cashflows table on page 540. I note that you derive some income from 'regulatory fees and fines', 'sales of goods and services' and 'other receipts'

- (a) Do you allow a person to pay for goods and services with credit or debit cards

Answer:

Yes.

- (b) If so, when a person pays a fee or fine by credit card or debit card what surcharge do you apply to process that card payment

Answer:

The Public Transport Authority (PTA) does not apply a surcharge to card payments.

- (c) Do you impose the same surcharge irrespective of which type card is used

Answer:

Not applicable.

- (d) Is that surcharge authorised by a legislative Instrument, for example, by regulations

Answer:

Not applicable.

- (e) What steps have you taken to ensure compliance with Reserve Bank of Australia Standard No. 3 2016 titled 'Scheme rules relating to Merchant Pricing for credit, debit and prepaid card transactions'

Answer:

Not applicable.

- (f) As per the Standard, is your surcharge no greater than the average cost of acceptance of the lowest cost system, not an average of all costs systems?

Answer:

Not applicable.



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Hon Nick Goiran MLC asked:

1. I refer to the income generated from advertisements featured on Transperth buses, and I ask:

- a) What is the budgeted income for 2018/19;

Answer:

The budgeted income for 2018-19 is \$3.944 million

- b) What is the anticipated income (or actual, if known) income for 2017/18; and

Answer:

The anticipated income for 2017-18 is \$3.615 million

- c) What was the number of complaints received in relation to those advertisements for 2017/18:

Answer:

Four complaints were received.

- d) What was the outcome on each of those complaints; and

Answer:

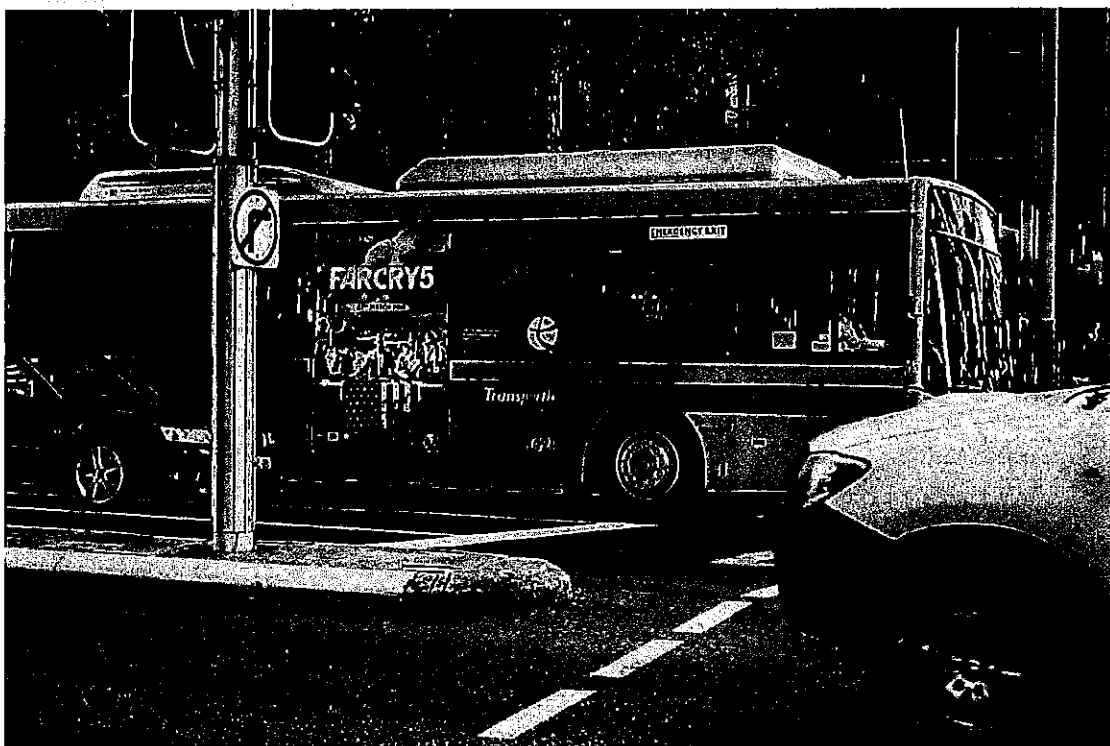
Each of the four advertisements were not found to be in breach of the advertising standards and therefore no further action was taken.

- e) Will you table a copy of the advertisements in question?

Answer:

Yes







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Public Transport Authority

Hon Diane Evers MLC asked:

1. I refer to the responses provided during the 2018-19 Budget Estimates hearings. Please provide details of the parameters used for calculating each of the Benefit-Cost Ratios in the major new works projects listed in response to Questions prior to hearings?

Answer:

PTA develops its project business cases in a manner consistent with the Department of Treasury's Strategic Asset Management Framework and where required Infrastructure Australia's Assessment Framework.

The detailed economic analysis that produces the Benefit Cost Ratios (BCR) may draw on a range of guidelines and inputs, including:

- Australian Transport Assessment and Planning (ATAP) guidelines, T2 Cost Benefit Analysis;
- Austroads Guide to Project Evaluation;
- United Kingdom Department for Transport Analysis Guidance (WebTAG) guidelines;
- land use assumptions and forecasts developed through the Department of Planning, Lands and Heritage's Metropolitan Land Use Forecasting System (MLUFS);
- transport demand modelling forecasts developed from the Department of Transport's Strategic Transport Evaluation Model (STEM); and
- project estimated capital and operating cost estimates.

When addressing framework requirements, the application of these guidelines and inputs create a range of parameters and information relevant to each individual project that cumulatively influences the outcomes of the economic analysis which results in a single number for a project known as BCR.



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Public Transport Authority

Hon Tjorn Sibma MLC asked:

1. Page 534 refers to future railcar procurement and I understand that this is likely to be in the vicinity of \$6.5 million per car. This suggests an increase on estimates provided previously, so:

- a) What constitutes the increase;

Answer:

The cost of the railcars being procured for the Forrestfield-Airport Link has been used for the basis of the METRONET railcars estimated cost. Escalation has been included given the number of years the railcars are being procured over. Also, part of the approximately \$1.6 billion budget for the METRONET railcars includes the cost of a new depot.

- b) What contribution has the Government's 50% local content policy had on railcar procurement costs;

Answer:

This may be determined as part of the tender process.

- c) Has a business case been drafted to demonstrate the economic costs and benefits based on the inclusion of new local content policies;

Answer:

The local content policy was a clear election commitment and a business case has been conducted establishing the benefits of replacing the fleet in 2026 with new railcars as opposed to extending the current fleet to 2041.



- d) Who are the local suppliers and or manufacturers that can provide this local content;

Answer:

A number of WA based small and medium enterprises are well placed to take advantage of the Governments' Local Content policy. Railcar manufacturers are currently engaging with the supply chain to identify the local suppliers that will support their bids.

- e) What types of components are likely to be manufactured locally; and

Answer:

Each railcar manufacturer is likely to identify different components that can be manufactured locally through the tender process.

- f) How many new jobs are expected to be created as a result of this specific requirement for local content?

Answer:

This information will be identified through the tender process.

2. Regarding the Public Transport Authority's operating subsidy:

- a) What is the cost to operate the public transport system in the Perth metropolitan area in 2018/19 and how much does each major service (bus, train, ferry) within the public transport network contribute to the overall cost;

Answer:

2018-19 Budget	Bus	Train	Ferry	Total
Operating Costs	\$454,891,000	\$341,673,000	\$1,539,000	\$798,103,000
Interest Costs	\$16,009,000	\$78,880,000	0	\$94,889,000
Depreciation (unfunded)	\$59,826,000	\$179,476,000	0	\$239,302,000
Total Costs	\$530,726,000	\$600,029,000	\$1,539,000	\$1,132,294,000

- b) What is the revenue received for services identified (at (a) above) via passenger fares likely to be for the 2018/19 financial year;

Answer:

2018-19 Budget	Bus	Train	Ferry	Total
Fare Revenue	\$66,673,000	\$114,026,000	\$715,000	\$181,414,000

- c) Without any expansion to the public transport network, how much is the difference between costs incurred to operate and fares charged, for each of the budget out years;

Answer:

	2018-19	2019-20	2020-21	2021-22
Difference between total costs (without any expansion to the public transport network) and fare revenue	\$921,561,000	\$939,855,000	\$940,160,000	\$956,861,000

Note: item (c) excludes costs and fare revenue for Forrestfield-Airport Link, Radio Systems Replacement and Railcar Replacement projects as these services are not currently in operation.

- d) What methodology is used to calculate the PTA's annual operating subsidy, and is this consistent across all public transport modalities, or are there individual calculations for each; and

Answer:

The annual operating subsidy over the forward estimates period is provided at page 538 (Income Statement). The methodology is Total Cost of Services less Income and any other income source from the State, less Depreciation and Amortisation. This methodology is applied to all four PTA services and public transport modes.

e) Has the impact of the installation of various METRONET project expansions to the metropolitan rail network up to 2021/22 been factored into the calculations of the PTA's future operating subsidy requirements:

i. Are these reflected in this year's budget papers.

Answer:

The operating cost and income for the Forrestfield-Airport Link project is currently factored into the operating subsidy.

ii. And, if not, why not?

Answer:

The operating and maintenance costs for other METRONET projects expansions are still under development.

