

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**2011–12 AGENCY ANNUAL REPORT HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
THURSDAY, 11 OCTOBER 2012**

**SESSION TWO  
PUBLIC TRANSPORT AUTHORITY**

**Members**

**Hon Giz Watson (Chair)  
Hon Philip Gardiner (Deputy Chair)  
Hon Liz Behjat  
Hon Ken Travers  
Hon Ljiljanna Ravlich**

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**Hearing commenced at 1.04 pm****McCARREY, MS SUSAN****Acting Director General, Department of Transport, sworn and examined:****BURGESS, MR MARK****Managing Director, Public Transport Authority, sworn and examined:****KIRK, MR KEVIN****Executive Director, Finance and Contracts, Public Transport Authority, sworn and examined:**

**The DEPUTY CHAIR:** On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing, and apologies from our chairman, Hon Giz Watson. Before we begin, I must ask the witnesses to take the oath or affirmation. If you prefer to take the oath, please place your hand on the Bible in front of you.

[Witnesses took the oath or affirmation.]

**The DEPUTY CHAIR:** You will have signed a document entitled "Information for Witnesses". Have you read and understood this document?

**The Witnesses:** Yes.

**The DEPUTY CHAIR:** This hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witnesses' request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. The committee reminds you to respond to questions in a succinct manner and to limit the extent of personal observations. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record, and please be aware of the microphones in front of you. Members, it will greatly assist Hansard if, when referring to the annual report, we give the page number in preface to our questions. As you know, government agencies and departments have an important role and duty in assisting Parliament to review agency outcomes on behalf of the people of Western Australia, and the committee values your assistance with this.

Are there questions from any member? Hon Lynn MacLaren.

**Hon LYNN MacLAREN:** I would love to start; thank you. We will start early. I guess we will start on page 4, with reference to the statement on page 4 that the PTA delivers public transport services seven days a week, and in some cases up to 24 hours a day. I would like to ask you whether you have considered providing free transit on train services before seven to ease overcrowding.

**Mr Burgess:** Obviously, the organisation that started that, or did a bit of it, was in Melbourne—the railway system in Melbourne—and my understanding is that they did that on one particular line where they had some infrastructure issues; in other words, they could not put more trains through that particular line. We certainly kept in reasonably close contact with them when they made that decision. I think it was the Early Bird scheme they called it, and you had to get to a city station by seven o'clock, I think it was. We watched the results of that as to whether it changed behaviours and whether it impacted—it achieved the impact they were desiring, put it that way. There were

some benefits, but largely it just brought more people on and did not really achieve anything in terms of reducing —

**Hon LYNN MacLAREN:** Easing overcrowding.

**Mr Burgess:** Easing the overcrowding, no. It is certainly something that could always be considered, as can peak pricing. It is not something we have been having any recent discussions about, peak pricing, but we have it with other utilities, so it is something that could be considered, whether you price the peak period or whether you have free travel for certain periods. Clearly, the intention of the scheme to provide seniors and age pensioners with free travel in the core of the day, outside of the morning peak and through to the evening peak, was exactly that; to try and move those who have some discretion in their travel into travelling out of those periods and getting the benefit of free travel, and that has had quite an impact. That has had a beneficial impact, obviously, to seniors and pensioners who get the free travel, and a benefit to our system. Typically, any space that is created is filled by someone else, obviously, but in a whole-of-community sense it is a bonus. So we have done the opposite thing, I guess. We have not done the Early Bird scheme; we have tried to move some people out of the peak period and into the core of the day, and that has had some benefits.

**Hon LYNN MacLAREN:** Have you looked at the end of the day, after six-thirty, extending express services post six-thirty to achieve the same —

**Mr Burgess:** Free travel post six-thirty; is that what you —

**Hon LYNN MacLAREN:** No, just extending the express service to run after six-thirty, so that you are spreading out the peak.

**Mr Burgess:** I am trying to understand what you mean by “the express service”, sorry—extending the express —

**Hon LYNN MacLAREN:** You know that some trains run express, but then they stop running express.

**Mr Burgess:** Sure; I see what you mean, yes—okay—and go to all-stops patterns a bit later. Is that what you —

**Hon LYNN MacLAREN:** Yes—or to just run some express later than six.

**Mr Burgess:** We did do that—and I struggle to remember the exact year. But we did do an extension of the evening peak period several years ago—I am thinking five to seven years ago—and we also did, obviously, the building the shoulders of the peak campaign, where we put more feeder buses on in the evening peaks, because part of what we had observed was that commuters were taking decisions of, “I’ve got to catch that train because my bus feeder to take me home ceases to be at any regular interval, or not frequent enough at” —

**Hon LYNN MacLAREN:** After six o’clock, yes.

**Mr Burgess:** Too early, particularly in the northern suburbs, and obviously from day one with the Mandurah line we had much bolder and longer evening feeder peak buses away from those stations, and that has had a significant beneficial impact. I do not know that we need at this stage to increase the express services in the evenings. Certainly, we watch that evening peak pretty closely, and the all-stops service does not add that much time, to be honest, to the journey, so kicking into the all-stops journey is beneficial to a lot of people, because having to pick your pattern of train actually annoys some people, strangely enough, because they get on the wrong one and sail past their station, particularly if they are not a well-practised traveller.

**Hon LYNN MacLAREN:** So if those strategies of free transport before seven or express extending into the evening are not being considered to reduce overcrowding, what are the strategies that are

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working or being considered to implement, because, clearly, overcrowding is an issue that is becoming worse and worse?

**Mr Burgess:** Yes. We tend to think overcrowding is a morning issue. Even if someone is catching an evening train, they may well argue that they are on a crowded train. I think those who have travelled in other places, particularly internationally, would recognise that our evening trains are not that crowded. They are certainly well used, but they are not that crowded. The morning peak is when we experience our crowding issues, and really only on the Joondalup and Mandurah line. Again, there are very limited issues of crowding—arguably, virtually no issues of crowding—on the Fremantle line, and very limited issues of crowding on the Armadale line. There is a bit on the Midland line, but it is primarily the north and south lines that have crowding issues; and, as we have spoken to the committee before, we watch that fairly closely. We observe how many trains have any—I think we introduced the committee to the term pass-ups, as I recall, the last time we were here —

**Hon LYNN MacLAREN:** Yes.

**Mr Burgess:** — which is the industry term being used around the world for this phenomenon of people staying on a platform and —

**Hon LYNN MacLAREN:** It has happened to me quite often getting on at West Perth.

**Mr Burgess:** Yes. That is a combination of people who, in their judgement, either cannot get on the train or choose to wait for the next train because they believe that will have more space or they would rather wait for the next train. As I have indicated before, it is not a massive number. It is a concerning number, and obviously we do not want to have any pass-ups. The ideal situation would be to have no pass-ups but to have full trains, because given the price of a train and the price to operate a train—it is not just the price of buying it; it is the price of then operating it—in the morning peak period we would be condemned, I suspect, if we had luxurious trains with lots of space on them, because in a community value sense, that is a massive expenditure, and it is money the government could be spending on any number of other government services. So we have to try and get that balance right. The intention of peak periods is to have busy trains.

**Hon LYNN MacLAREN:** You are acknowledging that overcrowding is an issue in the mornings.

**Mr Burgess:** Yes, sure.

**Hon KEN TRAVERS:** But you are denying it is an issue in the evening.

**Hon LYNN MacLAREN:** Yes.

**Mr Burgess:** It is certainly not the same issue in the evenings.

**Hon KEN TRAVERS:** Do you want to go for a visit to the railway station one night?

**Mr Burgess:** I go there often, so —

**Hon LYNN MacLAREN:** So what strategies are you using to try and reduce that overcrowding?

**Mr Burgess:** Obviously, we are buying more railcars.

**Hon LYNN MacLAREN:** I am on the Fremantle line, and my constituents are all on the Mandurah line, and overcrowding is a very serious issue for them, so I would like to know what the strategies are that you are working towards to reduce it.

**Mr Burgess:** Obviously, the key one is to buy more rolling stock.

**Hon LYNN MacLAREN:** Have you ordered more rolling stock? Do you do that on a regular basis?

**Mr Burgess:** Yes. So, there is a current order for 15 more three-car sets.

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**Hon LYNN MacLAREN:** And is that a periodic order, because it takes a while to get them built? So do you actually every year put in an order for more, or how do you actually manage that so that there is —

**Mr Burgess:** It has always in Perth been a specific—it is not the same as the bus order, which typically sees X number of buses coming every year. So that process of getting a certain number of buses every year—typically, it used to be 65-odd buses or thereabouts; it varies a bit—but that really started with the commitment to an ongoing bus program in 1989, I think it was, when we first started the Mercedes contract, and we got a constant flow of buses at what was initially intended to be a 10-year contract. For various reasons, because we changed the fuelling source, it became a 12-year contract—a 12-year constant supply, with a small hiatus for changing fuel source. Obviously, we went to tender again, and that process is now still in train with a Volvo contract.

[1.15 pm]

**Hon LYNN MacLAREN:** For buses?

**Mr Burgess:** For buses. So there is a constant order. Trains are a bit different. We may get to a point where we have a constant order, and certainly the minister has talked about that as a possibility in the next train order, as in the next substantive train order, but at the moment the history of the trains in Perth is such that when electrification happened, they initially bought 43 two-car sets. In about 1999 we ordered another five two-car sets. So we are talking about big gaps in between. Then, for the knowledge of the Mandurah line opening and the extension up to Clarkson, plus allowing for the Thornlie spur, another 31 three-car sets—so that is when we moved from two-car sets to three-car sets—were bought. Growth led to the need to order 15 more three-car sets.

**Hon LYNN MacLAREN:** When was that placed?

**Mr Burgess:** I will have to check, but it would have been about 2009.

**Hon LYNN MacLAREN:** And there has been nothing since then?

**Mr Burgess:** There is an order for another 15 three-car sets. What I am saying is that they are quite episodic. They are not the same as the bus order. It is driven by a few things. In a capital sense, in terms of a government spending its money, each one of those train sets is a much more substantial investment. In the world of train orders, Perth is a relatively small place. We need to order in a chunk to at least get a reasonable value for money. Certainly, if you follow the history of our train orders, buying the five two-car sets in 1999—buying them in such a small quantity—came at a premium. We need to buy them in fairly bite-sized chunks if we are to get interest from the market place and value for money. As I say, the minister has spoken in the other house about the need to go to a world order. By world order, I mean an order that will attract a worldwide degree of attention from industry to have a constant supply.

**Hon LYNN MacLAREN:** With the ever increasing patronage of trains, I would have thought you would continually need to get more capacity. It is good that you are looking at that, but I am surprised it is not a regular order.

**Mr Burgess:** It is an interesting field. The Australasian Railways Association in conjunction with support from the federal government has looked at whether it is possible to get a degree of harmonisation across Australia, but not necessarily of rail cars because we obviously have different gauges around Australia. We are very different states and we have very different requirements. Even if we cannot get the harmonisation of trains, at least a harmonisation of major components. That has been a hard project to move along. It has involved all the states, the federal government and the ARA. But the reality is that each state orders quite different trains. The prospect of trying to get an Australian train is not one I see coming soon. We still need to order our particular type of train and we need to get it in reasonably lumpy numbers otherwise we will get pillaged on the price.

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**Hon KEN TRAVERS:** Are you comfortable that the 15 trains that have been ordered are sufficient to meet demand?

**Mr Burgess:** As I recall, we spoke about that last time. It comes down to the issue of when in 2016 does the bite chew in? Is it at the beginning of 2016 or the latter part of 2016? In other words, when do we need the next order of trains after that? My sense is that it is the end of 2016. If you remember our cycle, the chunkiest month of the year is always March. That is when we have our most significant loadings on both the bus and train systems.

**Hon KEN TRAVERS:** That is starting to vary now, is it not, looking at your monthly loadings? You are seeing high numbers across the board

**Mr Burgess:** It is still the biggest month, but the member is right. If there is a problem in March, then we probably have the problem largely for the rest of the year as well. My sense is late 2016. Bear in mind—sorry, member, I did not mention this—the order for 15 has been added to already. Another two three-car sets have been added to that with the announcement of the station at Aubin Grove. That was announced as part of the package. Really there are 17 three-car sets on order at the moment. To get back to Hon Ken Travers' point, I think it is the latter part of 2016. However, none of that is a perfect science, as you know. We have to watch patronage on a weekly and monthly basis to see where it is going and what is happening with population growth and with demand.

**Hon KEN TRAVERS:** Your previous modelling showed that by 2016 you were going to need five cars more than you currently have on order. That was based on growth of three per cent on the heritage lines and 4.5 per cent on the Mandurah to Clarkson line. Last financial year on both systems we achieved double the growth that was expected. The Mandurah to Clarkson line has been growing at the nine per cent level for a number of years. What do you think is going to abate that growth in the next couple of years? Petrol prices are going up, the population is increasing and housing estates are springing up. There has been a return to the first home owners market all around those areas. I am intrigued as to why you are so confident that you will have enough rail cars.

**Mr Burgess:** Just based on watching what is happening across our train system. Whether I say we have enough train cars is not necessarily the same opinion of someone in a crowded train. But I get back to the point that at the peak of the peak—we do have a peak of the peak—I do not think a government of any flavour would not want us to have crowded trains. Quite simply, if we have luxuriously loaded trains, clearly we have too many. That is if we are trying to maximise the use of resources and sweat the asset. I understand your point. We will watch all those factors closely. Clearly we operate in a city; we do not control how the city grows. There are many factors that would change whether the city continues to grow at the very rapid rate that it is growing at now, whether that is a situation with the mining industry or with anything else whether Perth will continue to grow at the rate that it has in the last couple of years. That is beyond our control, but it does impact us and that is what we need to watch very closely.

**Hon KEN TRAVERS:** The other thing that will come into play is the A-series needing to be replaced. Originally you were looking at starting to replace them by 2017-18 with a completion by 2021.

**Mr Burgess:** No.

**Hon KEN TRAVERS:** If you go back to the advice you gave the previous Labor government, that is the timetable that you provided. When do you expect to replace the A-series trains?

**Mr Burgess:** I do not know who would have given that advice; it was not me. The A-series trains were delivered around, say, the 1990 mark for easy arithmetic. Typically a train of that type has a life somewhere between 35 and 40 years, certainly 30 to 40 years. The earliest mark would be 30 years. Clearly an FJ Holden can be in pristine condition and driving around today if it has been entirely rebuilt and replaced. The question becomes: how much of the A-series do we rebuild and replace along the way? Those trains could continue for a very long period. We have a sense—we

have had a couple of studies done in terms of what parts make sense to replace in the A-series, but they are not definitive studies—and at this early stage, we do not think a major rebuild of the A-series is warranted. Worst case, we are probably looking at a 35-year life from 1990. I am not sure where the 2017 figure came from.

**Hon KEN TRAVERS:** Wow! That was the advice that you provided as part of the state infrastructure planning for the previous government. It was to commence the program in 2017–18 going through to completing it in 2021 or 2022, which would have meant that the trains were already less than 30 years old.

**Mr Burgess:** That would be a very early replacement of that train. Clearly anyone who relies on assets of that nature that have a critical safety element—in other words, we want the people in them to be very safe—watches that asset all the time and measures what it looks like and whether it continues to operate safely and effectively. Based on all those observations, I would say a life of 35 years is not unrealistic.

**Hon KEN TRAVERS:** But are you not already having difficulty accessing parts for them?

**Mr Burgess:** The parts that need to be accessed, it is a case of whether we do a wholesale replacement of some items. For example, the ATP items in the dashboards that gauges the time related to ATP in the dashboard. Do we get try to get small quantity parts retrofitted that are hard to find or do not exist anymore, or do we replace it? If we replace it, obviously for driver standardisation purposes we would replace it across the entire 48 two-car sets.

**Hon KEN TRAVERS:** It is a bit like building a house. Renovations always cost twice as much and it reaches a point where it is cheaper to replace the whole fleet.

**Mr Burgess:** Yes. That is my point that that is not the definitive position, but at this stage it is our sense that it will not make a lot of sense to totally rebuild the A-series rail car. The gauges I am talking about are a minor component.

**Hon KEN TRAVERS:** It is my understanding that you are having difficulty accessing parts for more than that.

**Mr Burgess:** With any piece of equipment there might be difficulty accessing some parts.

**Hon KEN TRAVERS:** Let us look at this in another way. How many A-series trains do you have on fleet at the moment?

**Mr Burgess:** There is only one that has been out of service for a long period of time.

**Hon KEN TRAVERS:** How long has it been out of service?

**Mr Burgess:** About nine months.

**Hon KEN TRAVERS:** When will it come back into service?

**Mr Burgess:** My recollection is mid-next year. That was to do with accident damage.

**Hon KEN TRAVERS:** Why has it been out of service for such a long time?

**Mr Burgess:** There was a very unusual incident. The train was moving along when some doors that hold equipment was open. The equipment that is protected by those doors—that was to do with human error—is hard to replace or more difficult to replace.

**Hon KEN TRAVERS:** Can confirm, as a question on notice, whether it was only nine months ago?

**Mr Burgess:** I think it was of that order. I know what I was doing at the time. I was cooking at a charity barbeque.

**Hon KEN TRAVERS:** And the day Elvis died!

[*Supplementary Information No B1.*]

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**Hon KEN TRAVERS:** Are you now using that rail car to source parts that you do not have to keep the other cars in service?

**Mr Burgess:** In other words, cannibalisation—. I am not aware of any; it is possible.

**Hon KEN TRAVERS:** Could you take that on notice?

*[Supplementary Information No B2.]*

**Hon KEN TRAVERS:** Does that now mean that within our system we are operating one rail car less?

**Mr Burgess:** Out of the 48 two-car sets, we are down. Yes.

**Hon KEN TRAVERS:** That must be having an impact on passenger demand at certain times.

**Mr Burgess:** Obviously, there is a spares ratio. We run at a very tight spares ratio; indeed, one of the tightest that I am aware of. A “spares ratio”—to make sure that everyone understands that definition—mean vehicles not in operation because they are being serviced that day or, in this case, being repaired for accident damage. Clearly there is a spares ratio on the train system. The bus system has a much higher spares ratio. To give you a sense of that, our train system we sweat it fairly hard. Over time, certainly during my time, I would like us to have a marginally higher spares ratio and that is what we will contemplate in the next substantial order.

[1.30 pm]

**The DEPUTY CHAIR:** Can you just define what you mean by “spares ratio”?

**Mr Burgess:** Trains that are not in service on any particular day because they are being maintained. Obviously, all of our trains are now maintained under a contract with Downer Bombardier, both at Nowergup in the north and at Claisebrook in the centre of the city. A number of trains every day obviously have to be out of the pattern to keep up their servicing, but that is a very low number.

**Hon KEN TRAVERS:** Can you tell us what your maintenance budget was for 2011–12 and also for 2010–11?

**Mr Burgess:** Is that for trains?

**Hon KEN TRAVERS:** I was about to say I would like, if it is possible, for that to be broken up into the different categories—the trains, the network, the stations. I think those are probably the three main areas, are they not?

**Mr Burgess:** Yes.

**Hon KEN TRAVERS:** If there are any other major areas that you break it up into.

**Mr Burgess:** The trains A and B series?

**Hon KEN TRAVERS:** Yes, and I would not mind having it broken up into the two different categories.

**Mr Burgess:** Track and structures, if you like, and stations separately. Just on the train side, not the other side? Not the bus —

**Hon KEN TRAVERS:** No, not at this stage.

*[Supplementary Information No B3.]*

**Hon KEN TRAVERS:** What you might be able to tell us is whether or not, as a result of the various efficiency dividends that have been applied to your organisation over the last four years, there have been any cuts to the maintenance budget as a result of those efficiency dividends?

**Mr Burgess:** As part of that supplementary information?

**Hon KEN TRAVERS:** If you are able to answer that one now, it would be useful, just in general terms, and maybe give us specifics on notice.

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**Mr Burgess:** I do not recollect any cuts to maintenance budgets.

**Mr Kirk:** I am not aware of any reductions to the railcars; there were some very minor reductions to some of the work that we did at the stations. I think we reduced the amount of pressure cleaning that we did, but very, very marginal.

**Mr Burgess:** We just expanded out the frequency.

**Mr Kirk:** Instead of doing them twice or three times a year, we did them once or twice a year. We still maintained standards, but just reduced it, so it was marginal is my recollection.

**Hon KEN TRAVERS:** Was there an increase in the maintenance commensurate with the increase in the size of the network when the Mandurah line was brought on?

**Mr Burgess:** There was certainly an increase; whether it was commensurate or pro rata, I could not answer.

**Hon KEN TRAVERS:** Has that been maintained both in FTE levels and in actual headcounts?

**Mr Burgess:** When Mandurah happened, there was an increase in what we call our network and infrastructure division. There was an analysis done of the entire division as to whether any additional staff were needed. I know, for example, that signal techs, let us say, were increased. It would have been based upon a modest degree of science as to the number of failures that occur on X kilometres of track and so on, but obviously not an exact science. As I say, an increase occurred when the Mandurah line happened. Bear in mind that a lot of that maintenance—certainly all of the rolling stock maintenance on the urban system, all the trains—is now maintained by a contractor, and that was largely always the way, anyway; we only had a limited number of staff ever involved. A lot of the maintenance of the stations is done by contractors. In the network infrastructure division, we do have an amount of work force—electricians and so on—but really we are there to respond almost to the things that we want to respond to immediately, but even there we use a lot of contractor support. The PTA as an organisation—I use this when I am talking to other people—is a hybrid organisation. It does some things in-house but does a lot of activity using contractors—about a one to three ratio. For every one of our staff at any given time on any given day, there are usually about three staff working for a contractor, whether it is driving an orange school bus, driving a Transperth bus, maintaining a Transperth train, cleaning a Transperth train, cleaning a station, bus or train, doing maintenance work on a station or doing maintenance work on track. We have a contract with John Holland, for example, to do most of the track maintenance. As I say, on the question as to whether we have cut FTEs, certainly I am not aware of any FTEs we have cut. When the Mandurah line happened, we had an increase in FTEs, but, really, I guess the key question will be—

**Hon KEN TRAVERS:** Have you cut contractors.

**Mr Burgess:** — the contract payment profile over time, which I can guarantee has increased, but whether you can pro rata it, I am not sure.

**Hon KEN TRAVERS:** If we could have that as a question on notice.

**Ms McCarrey:** I was just going to add, just with the maintenance, although the maintenance budget would have been increased at around the time of the Mandurah line opening, when it is a brand-new piece of infrastructure, there is obviously less maintenance per kilometre of track as compared to the older lines, and obviously that changes and increases over time.

**Hon KEN TRAVERS:** And whether or not there has been those increases or whether or not it has been held static, because I know there was an increase, but not significant, but it is whether it is static.

*[Supplementary Information No B4.]*

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**Mr Burgess:** Can I just add, some of that can be a bit misleading. We have had this program over probably eight years or more to remove all our wooden sleepers and replace them with concrete sleepers. Once you get through that first high-end cost, then suddenly it looks like the maintenance profile for track and structures has disappeared; you are not spending the money. Guess what; when you put the concrete sleepers in —

**Hon KEN TRAVERS:** If you want to break out how much of that has gone to concrete sleepers, please feel free to do so in the supplementary information. Are all of your overhead crew members that do the maintenance work all qualified to AQF standards—Australian quality framework standards?

**Mr Burgess:** I do not know the answer to that question. We certainly train our own overhead crews, so it is us as a registered training organisation who trains our own overhead crews.

**Hon KEN TRAVERS:** Are you, as an organisation, qualified to do that work under the AQF framework?

**Mr Burgess:** I will take the question on notice because I am not an expert on the AQF framework.

**Hon LJILJANNA RAVLICH:** Are you a registered training provider?

**Mr Burgess:** Yes, we are.

*[Supplementary Information No B5.]*

**Hon KEN TRAVERS:** Not just for that, but for overhead powerline work, or maintenance work on overhead powerlines.

**Mr Burgess:** That is how it has been done for many years, yes. We have trained our own staff.

**Hon KEN TRAVERS:** If you are a formally recognised trainer for those areas. Are you confident that all of your employees engaged in overhead work are suitably qualified to do the work?

**Mr Burgess:** Obviously your question relates to the incident of last week, so —

**Hon KEN TRAVERS:** And the one before, and the one before as well.

**Mr Burgess:** Yes, there have been three, obviously, and obviously I have seen the advice and presentations, if you like, that were given to all our train drivers, because we like to keep them informed about those incidents. As you know, the causes of the earlier two incidents were never identified. If anything, it may be argued that it was something to do with the pantograph rather than the overhead. But, as I say, they were inconclusive as to what caused it, and that included external review. Dewirements happen all over the world, so it is not unique to Perth. As to this most recent incident, which I think largely drives your question as to the qualifications and competence of our overhead crew, at this stage I have faith in our overhead crews, yes, but clearly an investigation is in train and I guess that will confirm or establish what happened in that incident, and I certainly do not want to speculate —

**Hon LYNN MacLAREN:** What is your time frame on that investigation? Do you have one?

**Mr Burgess:** I would say, in the best case, about a month; potentially a little longer, but about a month. There are two gentlemen here from England who are assisting in terms of international independent expertise and doing their own investigation of that.

**Hon KEN TRAVERS:** Have there been any complaints that the maintenance crews cannot keep up with the workload of maintaining the system? Have there been any complaints within the organisation from your —

**Mr Burgess:** Overhead or other?

**Hon KEN TRAVERS:** The overhead crews or any other area of maintenance.

**Mr Burgess:** Not that I am aware of.

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**Hon KEN TRAVERS:** Could you take it on notice for us and see whether there have ever been any issues raised about staff making complaints to their supervisors that they are unable to keep up with the workload?

*[Supplementary Information No B6.]*

**Hon KEN TRAVERS:** Particularly focused on the maintenance of the overhead wires, but also any other maintenance issues within the organisation.

**Mr Burgess:** It is a big organisation; is it possible to be a bit more specific?

**Hon KEN TRAVERS:** I would have thought it pretty fundamental for your staff if there was an issue coming. My understanding is that you are probably talking about 16 to 20 people working in the area. Whether any of those —

**Mr Burgess:** No, but you said across the organisation, and it is a big organisation.

**Hon KEN TRAVERS:** Sorry; with respect to the urban rail network—the maintenance crews and overhead crews on the urban rail network.

**Hon LYNN MacLAREN:** For the infrastructure and the rolling stock?

**Hon KEN TRAVERS:** Mainly for the overhead wires, but also if there have been any complaints with respect to maintaining the railcars as well.

**Mr Burgess:** That will be a question to a contractor, obviously, rather than us. I say that because the Transperth trains division is the largest one in-house, so we are talking about 900 staff. There are quite a few supervisors, so to ask them all—that includes train drivers and —

**Hon KEN TRAVERS:** It is the people doing the maintenance out on the lines and the contractors of the actual railcars.

**Mr Burgess:** Okay. In response to the overhead one, I am not aware of any, but I have managed organisations for a very long time and usually when you talk to any work force in any business, they say they need more resources. That is pretty much the standard response you will get. I do not think I have ever heard many people say they did not, so that has to be balanced by whoever that supervisor or manager is as to whether their assessment is that more resources are needed or whether it is a case of reorganising how the work is done or extending the scope and time they have to do the job. But, certainly, we will try to answer your question.

**Hon KEN TRAVERS:** That raises the next question, which is: are you comfortable that your maintenance schedules are being kept up to date?

**Mr Burgess:** I have no reason not to be comfortable.

**Hon KEN TRAVERS:** Going back to the overhead wires and the trains, there is nowhere in that system where you are not up to date on your maintenance?

**Mr Burgess:** We obviously have night crews every night on the maintenance. When we are all asleep, they are out there doing their maintenance, because that is when they can do it—when the trains are in bed, and most people are in bed. That is a nightly activity; there are people out there looking after that overhead. As to whether there is any lag on any specific inspection of a component of the system, I am sure there have been lags at various times. If you have an incident, as we had last week, you naturally enough take the crews off who would be doing some maintenance for a while to go and do other things, and that will automatically put them behind. There will definitely be incidents of lags; over a period of time, there will be some periods of time where there are lags in how often a booster transformer is inspected. Was it inspected on time? No, it was a month late, or whatever it might be. Those things will occur, but clearly the job of managers is to manage their business. In the light of last week, obviously I have taken those people off to do other things; they are now doing inspections of all overhead, both observation inspections from the ground, involving a thermographic camera. Next week they will be going up and down

those lines when services stop over the next 11 days, I think it is, but they cannot do that until services stop. They will be in buckets, going up and down those lines, checking every piece of overhead. Those are the sorts of things you have to do when something like that occurs. It is early days and I am not going to pre-empt an investigation, but it will be interesting to see what the cause of the incident was, assuming it can be established. But it may be nothing to do with maintenance per se.

**Hon KEN TRAVERS:** That investigation is still an in-house PTA investigation, not an external investigation. It may have external review, but it is an in-house —

**Mr Burgess:** No, it is a quite separate investigation done by these two gentlemen from the UK.

**Hon KEN TRAVERS:** Who is doing the major investigation?

**Mr Burgess:** PTA is doing one which is then reviewed by the Office of Rail Safety, which directs certain quite substantial components of the terms of reference. The Office of Rail Safety is very independent of us, so you are right in that we do it; it can then ask any questions it wishes. But quite independent of that, we have two experts from the UK who are experts in overhead and pantograph who arrived last night and are here today and will be here for the next couple of weeks, probably.

**Hon KEN TRAVERS:** But the Office of Rail Safety has the capacity to appoint an independent investigator, does it not?

[1.45 pm]

**Mr Burgess:** I believe so.

**Ms McCarrey:** They have the capacity to do so if they choose to.

**Hon KEN TRAVERS:** I cannot understand why that has never occurred in any of the three incidents.

**Mr Burgess:** The Office of Rail Safety reviews and audits us every year in terms of not just our capacity to run train services and manage infrastructure, but it audits the entire business that is associated with the rail network, both the urban and our component of the country rail network. Part of the review of and the relationship they have with our organisation is they have a very good sense of the capacity of what is called our “Safety and Strategy Directorate”, which in a former life—many years ago!—Ms McCarrey ran as the executive director. I think that if they did not have faith in the ability of that directorate to conduct an investigation of our business in something that went wrong with total transparency and independence in the sense of transparently reporting it, perhaps they would appoint someone independent, but I think they have a high degree of confidence that we would be very transparent about what happened.

**Hon KEN TRAVERS:** Was it classified as a category A or category B incident under the Rail Safety Act?

**Mr Burgess:** It would have been category A, I am sure.

**Hon KEN TRAVERS:** If it was category A, should the driver have been drug and alcohol tested immediately after the event?

**Mr Burgess:** He should but he was not.

**Hon KEN TRAVERS:** He was not?

**Mr Burgess:** No.

**Hon KEN TRAVERS:** Why not?

**Mr Burgess:** Clearly, it was a lapse on the day. In other words, people were very focused on dealing with the incident on the day. That is one of the findings that will come out. Typically, that does happen. I was not here, unfortunately. I was on leave last week, strangely enough. It has already been identified as one of the issues that you would do that.

**Hon KEN TRAVERS:** Has it been identified publicly or just internally?

**Mr Burgess:** Internally, but I have just identified it publicly now.

**Hon KEN TRAVERS:** I realise that. Let us just chat amongst friends here!

**Mr Burgess:** I do not have any suspicion or sense at all that that had any bearing on the incident.

**Hon KEN TRAVERS:** And the two previous incidents; were they classified as category A or B?

**Mr Burgess:** I do not know. I would have to go and check.

**The DEPUTY CHAIR:** Do you want that information?

**Hon KEN TRAVERS:** Yes.

*[Supplementary Information No B7.]*

**Mr Burgess:** If you like, I can confirm that this incident was a category A incident as well. I am confident that it would have been but, as I say, I was not here.

**Hon KEN TRAVERS:** If you are not confident, then let us confirm whether it was a category A or B incident.

**Ms McCarrey:** Again, we will wait for the outcome of the investigation, but there was certainly no sense that there was any driver error involved in this particular incident, in fairness to the driver.

**Hon KEN TRAVERS:** I am not suggesting that there was, but my understanding is that there are fairly rigorous procedures that are required to be followed, based on the regulations.

**Mr Burgess:** You are right; it is a standard process. When a driver—if and when there is a SPAD incident, that is an automatic process. I suspect that the nature of this incident and the difficulty that surrounded it in terms of dealing with the people on board and dealing with the site, meant that that was overlooked.

**Hon KEN TRAVERS:** Although it is not the first time.

**Hon LIZ BEHJAT:** Have you identified any other things that should have automatically happened at a category A incident that may not have happened in this instance?

**Mr Burgess:** Most of the responses to the incident, from where I sit—as I say, I was not here, but when I found out about it, I was obviously on the phone fairly quickly and obviously have been intimately involved since—I think were very good. Part of the investigation report goes through all that. It goes through all our responses in every aspect of the response, whether it is responding to deboarding the people off the train, responding to the issue of getting our engineering staff there, the order of work and the process of work to rectify the dewirement, and it is even down to things like how quickly we managed to get a portaloos on site—that sort of responsiveness and managing the site—clearly there was an issue associated with that, otherwise I would not have mentioned it. All those issues and how we managed the incident are part of the investigation. We try to leave no stone unturned so that should it happen again, or an incident like it, we respond as best as we possibly can.

**Hon KEN TRAVERS:** Have any issues been raised about the number of line closures that have occurred recently, preventing overhead crews conducting the maintenance that is required on the lines? I understand it impacts on their ability to get on and do the maintenance on the lines and to be turning them on and off and that there have been a number of line closures.

**Mr Burgess:** That issue of access to lines and how big the maintenance window is has been going on for about 10 years. As the system gets busier and people want more and more out of the train system and we have more and more projects—projects tend to drive the line closures more than anything else and certainly Perth City Link is driving a number of line closures, as turning on Mandurah drove some substantial line closures—whenever you have those line closures, it brings with it the issue of trying to keep up the other maintenance if it involves access to the lines. For

example, if you de-energise a line, clearly the normal way our overhead crews would maintain the line would be on the track in high-rail vehicles with buckets, cleaning transformers and checking bolts and transformers and so on. If they cannot access the line in the way they normally would, it impacts on the programming and the timing of the work. To answer your question: yes, the number of closures we have does impact on maintenance, but again, as I say, the job of the management team of any organisation is to manage around that. It will not change. Perth keeps becoming a bigger and busier place.

**Hon KEN TRAVERS:** You are right about managing it and it is about having enough crews to do it in the time available. I do not know whether you want to take on notice whether the continual line closures have had an impact on your ability to keep up your maintenance.

**Mr Burgess:** Sure. Again, if it is an issue, it will come out in the investigation.

**Hon KEN TRAVERS:** But will we get a copy of the investigation report and will it be made public? The two previous ones have not been.

**Mr Burgess:** I guess I cannot answer that. It will be provided to the minister.

**Ms McCarrey:** Then it is provided to the Office of Rail Safety, so it is actually provided to the rail safety regulator.

**Hon KEN TRAVERS:** So it will not come out, will it, to be honest? Based on the current minister's track record we would have to assume that it will not come out because the two previous reports have never been made public. What makes you think this one will become public and therefore it will come out in that report?

**Mr Burgess:** I cannot answer for what the minister will or will not release. That is for him to answer. I can honestly say to you that I am not aware of anyone in the PTA in the technical areas—I am talking about on the maintenance and technical sides and even in a contractor sense—putting their hand up at a point in time saying, “I need more staff. Here is a convincing case for it”, and us saying, “No, you can't have it.”

**Hon KEN TRAVERS:** The other way of doing that, of course, is to have your staff raising that through a good OHS system. Do you have OHS delegates within the PTA?

**Mr Burgess:** Yes.

**Hon KEN TRAVERS:** Are they elected?

**Mr Burgess:** The only area where I guess there is an issue is with the train drivers; I am not sure there is an issue anywhere else.

**Hon KEN TRAVERS:** Do you have delegates elected amongst the train drivers?

**Mr Burgess:** There are delegates.

**Hon KEN TRAVERS:** Not the union delegates; I am talking about under the Occupational Safety and Health Act.

**Mr Burgess:** I know that one of the delegates recently resigned because she did not want to do the job anymore. As far as I recall, there are delegates. I do not know whether they were elected or not.

**Hon KEN TRAVERS:** Have you not had to be taken to the commission to try to get this matter about getting delegates sorted out?

**Mr Burgess:** It has been a long and involved process. To be honest, it is more about union infighting than it is about the PTA. We certainly are happy to have delegates. We have them across the board in other places. I have delegates in every other part of our business. Unfortunately, there are some adversarial situations among some of the train drivers where some want this person and some want that person. It has become a bit of an issue and we have tried to manage it as best we

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can. I am happy to take the question on notice—I cannot answer it properly—to give you the current status of safety delegates, if that assists.

[*Supplementary Information No B8.*]

**Hon KEN TRAVERS:** One of the issues is that there is a dispute about the method by which they will be elected—whether it is done by preferential voting or first-past-the-post. Do you, as the PTA, have a view about the method of election or are you quite comfortable with either of those two systems?

**Mr Burgess:** I will take that question on notice. I think this has been part of the frustrating process for us. I do not think we have an issue in any particular regard. I am not crying “victim mentality” here; I am just saying there has been some infighting that has really stymied the process of having the delegates appropriately appointed. We are very keen to have them there. My sense is—to answer your question—there are some there but there is disagreement about who they are and who they should be.

**Hon KEN TRAVERS:** Having an election would be the easiest answer. From the PTA’s point of view, is there a problem with having preferential voting, just the same as we have in state and federal elections, to choose the delegates? As the managing director, do you have any issue as to why it would be a problem to have a preferential system, as opposed to a first-past-the-post system or some other system?

**Mr Burgess:** I have the sense this is a loaded question, and so I will plead the fifth!

**Ms McCarrey:** As long as they are elected in terms of the Occupational Safety and Health Act, if that is what you are after. Yes, reporting safety issues through your delegate is one avenue to report safety issues but the Public Transport Authority also has a number of systems by which any issues or safety issues can be reported either through electronic systems or for those who do not have constant access to electronic systems, there are forms that they can quickly jot down and report any issue of concern that they might have. Yes, the delegate is very valuable in that sense, but there are other internal reporting systems.

**Hon KEN TRAVERS:** I have one last question on this and am then happy to move onto other areas. Of the two previous incidents, can I ask formally that we request as supplementary information the full reports that were done into those two incidents? Can you just confirm that there have been no other incidents where either pantographs or overhead wires have been involved and are they the only two incidents in the last five years? If there are others, could you give us the details?

[*Supplementary Information No B9.*]

**Hon KEN TRAVERS:** I am referring to the incidents on 5 January and 17 August.

**Mr Burgess:** There was one in January 2010 and one in Gosnells in 2011, I think.

**Hon KEN TRAVERS:** Yes, in August 2011.

**Mr Burgess:** To make sure that we get that other bit right, are you taking about incidents that involved overhead lines being damaged—dewirement type of stuff or damage to pantographs?

**Hon KEN TRAVERS:** Yes, whether there have been any other incidents apart from those two. If we can formally ask for the reports done on both of those incidents.

**Mr Burgess:** Clearly, there was an incident earlier this year in March that was about a surge arrester failure. We talked about that before in a previous committee meeting. That was a surge arrester failure on a booster transformer on the Fremantle line.

**Hon KEN TRAVERS:** And then there was the other one with the fire.

**Mr Burgess:** That was someone connecting a cable incorrectly in terms of the PCL contract.

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**Hon LYNN MacLAREN:** If Ken is ready to move on to another subject, I would like to ask some questions about infrastructure. In particular, on page 49 you talk about the \$50 million that has been spent on car bays. This is a common theme every year when we look at your annual report. Has consideration been given to improving public transport from the outlying suburbs to the train or bus stations that at present are dependent on people driving their cars to? We have talked about increasing the amount of feeder buses. There was a suggestion that small electrified feeder buses could come in. I wondered where you are at with that. Obviously, the cost of parking is considerable and it would be better if people never got in their cars and could get to a train station without getting into a car.

**Mr Burgess:** Out of the budget before last, we got that bus investment program where we effectively got an increase of 15 million service kilometres off a base of about 58 million service kilometres. Across the entire year, the Transperth buses collectively did about 58 million service kilometres, and we got another 15 million. You can see that off that base, it was a pretty good jump and investment over five years. The last time we came to the committee, I think Mr Travers asked a question about—that investment has been occurring over all bus routes. Typically, it is about five to 10 new bus routes and 70 to 80 existing bus routes. That is my notice over the last couple of years we have been doing it—about five to 10 new bus routes and improving 70 to 80 existing bus routes over the course of each 12-month period. I think Mr Travers asked how much of that were feeder buses to train stations, and we answered that last time. We can refresh that, if you wish.

[2.00 pm]

**Hon LYNN MacLAREN:** Yes, thank you.

**Mr Burgess:** We will try to amplify it. Your question is really about those targeted to some of the more outer-lying areas.

**Hon LYNN MacLAREN:** Absolutely; where people have to travel the furthest and the longest. To get them out of their cars and into the nearest train station is, I would think, a priority.

**Mr Burgess:** Our service development team in the Transperth planning area are very conscious of the issue you raise. One that springs to mind—I can remember some of the first bus routes involved in those improvement programs—is coming up in the direction from Armadale all through the new area through Piara Waters, those new areas just south of Ranford Road there, if you like, and coming up to South Street and taking people to Murdoch station. That is an example, I guess, of the sorts of ones you are talking about where we are going to newly emerging suburbs and trying to encourage commuter behaviour before it becomes car behaviour. Our service development team is very focused on that, but it must balance it because at the same time the bus routes that are going through well-established areas, such as up Beaufort Street, have become very busy and even though they are long-established bus routes, if people are being left behind or are very squeezey on the bus and you need more, you have to put some of the service kilometres and some of the new buses into that as well.

**Hon LYNN MacLAREN:** The question is about the increased frequency and, for example, in peak hour, to be able to increase the frequency of buses into the train stations from those areas so that people can consider it as a commuting option.

**Mr Burgess:** We can give you both lists if you like—all the improvements done across the suite to bus services—and then identify within that which ones are bus feeders to the train stations.

[*Supplementary Information No B10.*]

**Hon KEN TRAVERS:** Can we also get the additional subsidy cost you have to pay for each of those services for the five or 10, I think you said, new services, and the additional subsidy cost for each of the service enhancements. The next question that follows from that is: where it is a feeder bus service to a railway line, how is the fare shared? I understand the private bus operator gets to



keep the fare; is that right? If they then get onto a train, how is that shared in terms of what they get versus what Transperth gets for the train operation?

**Mr Burgess:** The model that was come up with when the outsourcing first occurred for the bus services is still the same model. They get what is called the initial boarding. If the first boarding on the system is with them, they get a payment and it is a different payment for a standard fare versus a concession fare. Clearly, the payment is less than a ticket price because we do not want to encourage them to buy their own tickets. I will get the numbers slightly wrong and I should not guess, therefore, but it is of the order of 90c and 50c, or something like that. For a standard fare, that is the payment they get for each initial boarding. If someone comes off a train and goes onto their bus or, indeed, comes from another bus and onto their bus—in other words, a transfer—they do not get paid for that. But they get paid for any initial boarding, either cash where they sell the ticket or SmartRider. We had to keep paying them, obviously, when the free travel came in because regardless of whatever, that is the model we have always had in the contract. The way our contracts work is, when we go to tender, clearly some of the documents attached to the back of the tender document are a list of all the bus routes involved. They have an awareness of the patronage in the 12 months prior to them taking on the contract. There is information about the number of buses available. If they think they can do it smarter and bid to try to do the job with fewer busses, they may. In essence, we ask them how much they will charge us to do the following bus routes and the following timetables and we get them to put their prices against a suite of fixed prices and variable prices. The issue of revenue does not come into that whatsoever. In other words, the fares do not come into that whatsoever in the sense of them putting down their expenses and costs. We tell them that part of what they will be paid is the revenue base. They are aware at least of the number of passengers and the revenue base that is in there right now, but it should not come into their considerations because all we are asking them to do is give us their cost to run the services. That is why the Perth model has been copied in so many other places. We used to have lots of visitors saying how clever this model was and we still do get quite a few; it has stood the test of time and works very well.

The clever part is that off that base level of patronage—that payment of whatever it is, 90c or 50c, but I definitely have those numbers wrong—we assume that is the level of patronage they took over with. There is an incentive payment in that, if they carry more people in the subsequent months and years, they keep that extra bit of money; in other words, the 90c or 50c. If they provide a high level of service, a quality service and a reliable service and attract more people to the route, that is the patronage incentive component of our bus contracts. It has stood the test of time and worked very well. They have been very competitively tendered contracts. We probably have the best value for money, I think, in the country. By the same token, the contractors have done okay and we want them to do okay, because if they do not do okay, our system will be a basket case.

**Hon KEN TRAVERS:** They pick it up when they bring someone in in the morning, but they might not get it when they take them home at night.

**Mr Burgess:** That is right, but they know that when they are bidding. Really, you cannot unpack that model because when you start them in their long-term contracts, you cannot unpack that.

**Hon LYNN MacLAREN:** Returning to the infrastructure question, on page 15 there is reference to your ASL, which is acceptable service levels, and it is defined as 20 minutes or better service in the peak flow direction during the peak and at least hourly through the core of the day. I want to know whether consideration has been given to improving and measuring the levels of public transport services between places such as Scarborough and City Beach or City Beach and Fremantle. At present they are connected only by travelling into Perth and out again.

**Mr Burgess:** I have an excitable team of service planners, I have to say, in the Transperth area, who would do lots of things if I gave them the resources.

**Hon LYNN MacLAREN:** Do any live in Scarborough or City Beach?

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**Mr Burgess:** One used to live in Scarborough, but he has retired. At the end of the day, in terms of sheer volume, they are lower-demand trips. In other words, there are not as many people who would demand that trip from Scarborough to City Beach, for example, demand to come in on the —

**Hon LYNN MacLAREN:** It is kind of hard to tell, is it not, because if your service is substandard, people are less likely to take those buses, whereas if you improve the service, you will probably get more people using it?

**Mr Burgess:** I appreciate your point, and I do understand it. I use the example of the Armadale–Cockburn connection, which we have put in a couple of times. Minister MacTiernan was keen on it. We trialled it for a lengthy time. I will be frank; our advice was that if we have money to spend, it is probably not the best use of the money; in other words, we will get a better bang for buck. To a large extent, our job is to try to give advice and make decisions. Largely, we make those decisions on where service goes in and so on but, obviously, periodically, we engage with ministers and get direction or get some advice on what they think as well. I use that as a case in point because Minister MacTiernan thought it was something worth trying and we trialled it for a long period and it did not work. It returned the benefit to a group in the community, but assessed against a whole-of-community benefit—bang for buck—for what those service kilometres in that bus could be doing somewhere else, we could get much better returns for another part of the community.

**Hon LYNN MacLAREN:** But what I am talking about is not that, which is obviously a new service and quite a long thing; it is quite different.

**Mr Burgess:** Can I get Minister MacTiernan off the hook?

**Hon LYNN MacLAREN:** Yes.

**Mr Burgess:** Minister O'Brien then said, "Well, I'm convinced you should do it as well." I am trying to be bipartisan here.

**Hon KEN TRAVERS:** Just before the federal election with a photo op with the member for Cannington, if I remember correctly, for about three months until after the federal election!

**Mr Burgess:** I think it was longer.

It has been trialled a couple of times.

**Hon LYNN MacLAREN:** I want to bring you back to the question I asked, which was basically about those people, for example, who have to go into the city. If they are travelling to just the neighbouring suburb from Scarborough to City Beach, they have to go into the city and out again. I want to know to what degree you are examining routes such as that to improve the public transport services so that people do not have to go into the city and out again. The two examples I gave were Scarborough–City Beach and City Beach–Fremantle?

**Mr Burgess:** The answer is: each of those. There is a smorgasbord—I know Mr Travers has sought it and received it before. Our service planners are a very keen team. We used to have a very clever sign that said, "Transperth knows htreP"—it had the letters reversed. Most people got it eventually—"Transperth knows Perth backwards". These guys do know Perth backwards. They really do know the city very well. They receive and review subdivision applications, not "review" in the sense that planning does, but from the point of view of information and knowing where people are moving. They receive metropolitan development plans and they are very in touch with local government. They are the same people who attend community consultation sessions about service changes and service improvements. They have a very long list called their service development plan of things they would love to do if we had the resources. That list is prioritised on a community bang-for-buck basis; in other words, what are the most significant benefits we can have for the community? I do not discount at all the point you raise. I think they are important links if they could be done. Many years ago we had a public transport plan that had a thing called mini-links. The concept at the time was to get a smaller fleet of busses to do those links. They never

eventuated, but it is almost the sorts of links you are talking about because I do not think you would fill a big bus on those trips. That is my sense. Everyone has to cut their cloth and we are no different. That is the reason those things do not exist right now.

**Hon LYNN MacLAREN:** Can I ask one more question about infrastructure, which is related to the transit-oriented developments we like to talk about so much? On page 76 you refer to the PTA trying to identify these opportunities to identify sustainability developments. I wanted you to expand upon how you are looking at the further development of transit-oriented developments, as well as the integration of the infrastructure for pedestrians and cyclists. I will leave it at those two. Is there some more detail, other than what is in the annual report, you can enlighten us about?

**Mr Burgess:** I think the answer is we are obviously a key stakeholder in TODs. At least, typically, TODs have been talked about around railway stations so far in Perth. I am not aware of them being talked about anywhere else. Given we typically own the rail reserve and some land around the railway station, some of the discussions about TODs have affected the design of the station. In other words, they might want us to change the design of the station and/or put in new pedestrian crossings, underpasses or overpasses. The people we are mainly talking to are the Department of Planning. That tends to be who has the lead on TODs in Perth.

[2.15 pm]

The other key stakeholders are the Department of Transport and the local government in that area. Certainly, the ones we are involved in now as a stakeholder include Murdoch; there were previous workshops some years ago around Ashfield; and we are obviously involved at Claremont; and a number of other stations where they have been talked about. We like the idea. We are obviously pro the idea of TODs. If I can say, I think, at the moment, we are very pro the idea of TODs, in particular on the heritage lines—if we are all comfortable with that term. The north–south line is more troublesome, in the sense that a number of governments made decisions, which I think have been borne out to be clever decisions, to have a railway going north, largely in the middle of a freeway, and south, largely in the middle of a freeway. They are very different train lines to the heritage lines. In the train station spacing, the closest are about three to four kilometres and in some cases they are much further than that. They are in the middle of a freeway and, therefore, the freeway itself is a sterile area in terms of pedestrian catchment. The conscious judgement of people involved in that process, including the governments, was an acceptance to a large extent that the people who were going to access the north–south train line stations were going to get there largely by motorised means—feeder buses and Park ‘n’ Ride. That is a conscious decision that everyone has been involved in; therefore, if we take away at this stage in Perth’s development—maybe things will change in the future—the parking areas at those stations, it is almost denying the initial, and not that long ago, reasons for building the train line and justifying how people were going to get there. It is a very careful decision that needs to be taken if we take away those car parks at this stage, at least, in Perth’s development. I compare that with the heritage lines, which are largely 1880s and 1890s train lines, when people did not have motor cars; they were train lines that went through the suburbs and people walked to the station. That is why the train station spacing is, in many cases, 400 and 500 metres, and the longest ones are 700 metres. In some ways they are almost more like light rail, because the station spacing is very close and they are in the community. If you bear with me, my story is that the TODs will really work around those heritage lines. If the focus could be more on the heritage lines and not on the north–south line, I think that would be a smart thing. I think that many of the stations on those heritage lines are ripe for TODs.

**Hon LYNN MacLAREN:** Can I ask about South Perth, because I think that is an exception to the illustration that you have just drawn. South Perth is one of those TODs waiting to happen. Has there been any planning to open a station there? Clearly, the local government is well down in its planning preparedness for a station somewhere there over the Narrows. That is an easy TOD to be

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delivered; you have already got that intensified zoning in that area. But they cannot obviously do it until we put a train station there. Is there any update on that?

**Mr Burgess:** Has there been any planning? Clearly, the belly in the freeway suggests there has been, so there is clearly capacity to put a train station there. It becomes a chicken-and-egg situation as to whether there is some degree of intensification that then triggers the train station or whether the train station triggers the intensification; and I think that is a political decision as to when that investment occurs.

**Hon LYNN MacLAREN:** I suggest that the issue is not intensification, it is actually putting the station there. That is because I think the City of South Perth is clearly committed to intensifying that area.

**Mr Burgess:** Yes. I cannot speak for ministers or government, but at the end of the day, sometimes you need to see the activity occurring. I know there has been a change to the scheme, but you still have the river on one side and a big lump of Richardson Park, and I have not seen any apartments being built on that yet, if that is what is to happen—I do not know. But I think you would have to ask the minister as to the timing for a South Perth station.

**Hon KEN TRAVERS:** When he took the money for it out of budget, he said it would not be happening any time soon.

**Hon LIZ BEHJAT:** I take you to page 29 of your annual report, and we are talking about passenger satisfaction. One of the service characteristics you have there is “shelter provided at the bus stop”, and you also mention on page 28 that there has been “a decrease in the satisfaction rating and an increase in the dissatisfaction rating”. Is it the responsibility of your organisation to provide shelters at bus stops or is that the responsibility of local governments?

**Mr Burgess:** That is a contentious issue. We would argue it is the responsibility of local governments. Notwithstanding that, if you track back through history—I am talking decades—it has been a bit episodic and sometimes governments have injected some money and at other times they have not; it has typically been the responsibility of local governments. Many years ago that is obviously why you saw what were very functional but not attractive shelters—those concrete egg-type things that appeared—that local governments put in because they were affordable and fairly non-destructive; in other words, hard to wreck. Minister MacTiernan started a scheme—I think probably three or four years into government—with \$500 000 a year, and you could apply dollar for dollar. We came up with an agreed specification with local government; in other words, what they would look like. There were a number of varieties you could choose from. We were not going to be prescriptive; we wanted at least some degree of quality, but local governments obviously had their own desires as to what fitted into their areas, so there were a number of models and types they could pick from. They would put in a dollar and we would put in a dollar. Typically, a bus shelter costs somewhere between \$10 000 and \$14 000 depending on what type they pick. They could be involved in that as much as they wanted. If they wanted to do some of the labour with their crews and reduce the cost, that was fine. That scheme has never ceased and has been going for probably close to a decade, or around that time frame. It has become moderately contentious in that all aspects of public transport are subject to the national disability requirements and the Disability Discrimination Act and, therefore, HREOC was involved in developing, in consultation with lots of people, a set of national public transport disability standards that prescribes things, and why you end up with low-floor flat buses that have ramps and so on. That is why, in theory, trains should pull into a station and be flat and level with the platform surface. I am happy to say that Perth achieves that in virtually all cases. Certainly, you will only find small things, and we try to fix those; we are very on top of that. We are way ahead of anywhere else in the country. If you go to the other major cities of Australia, you will have a step half a metre high to get into or down from a train.

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**Hon LIZ BEHJAT:** With this 50–50 government and local government cost sharing for a bus shelter, if a local government is being obstinate and will not do the 50–50 for a bus shelter, and says that it is the responsibility of government, is there any way that government will pay 100 per cent of a bus shelter? I am talking about a particular place; obviously, there is a reason for my question. Given the number of people with disabilities and older people who use public transport outside a hospital, one would expect that a bus stop might have a shelter. Osborne Park Hospital does not have a shelter outside it, and it is something I have been having continued correspondence about. I have to say that government is doing the right thing and offering the 50 per cent but, unfortunately, the local government is saying no; that it is the responsibility of government to do that.

**Mr Burgess:** I can say that the relatively modest time we will spend talking about it here is nothing like it gets talked about at local government, because I am aware that Stirling has spent considerable time talking about this issue. If I can finish that point on the disability stuff, it does come back to the issue that the government made a decision a few years ago—I am thinking three or four years ago—on funding. The requirement of the national disability guidelines on public transport is a landing area at each bus stop, effectively—if I can call it that; a concrete pad with tactile pavement and so on. That became an arguable point, because it is not clear in the guidelines, which talk about operators and providers and do not say local government and state government. Everyone sought guidance on that, as they did in other states. It did not become clear who was responsible for what, so the state government at a point in time swallowed it and said, “We’ll provide the concrete pads and tactiles, and we will even provide a few metres of path to connect to your footpath network, if that is required.” We are doing that typically. We are doing about 600 bus stops a year. We have, I do not know, 13 500 bus stops in Perth and Mandurah, and the same applies in the country towns, obviously, where we are doing the same thing. The state has absorbed the lion’s share of it, and on the position of who should be responsible for shelters, given that the state has for a long time now done that on a dollar-for-dollar basis, our advice—certainly, we have had advice on that—is that it is really a local government issue. The City of Stirling has certainly dug its heels in on this issue. I am happy to go and have another look at the Osborne Park Hospital issue. To answer your point directly, “Have there been individual cases in which the state has paid 100 per cent?” Yes, there have been. Over the course of the 10 years, I can remember just a few instances in which the state wanted the bus stop more than it wanted the argument. But there is a principle involved—not just a principle, but almost a position of, “If you give, are you giving on all of it?”—and I think the state still maintains the position that it is doing more than its share on this. At the end of the day, they are local government residents; this is arguably an amenity in a local government area and the state is already paying for subsidising the public transport service, the concrete pad, and the tactiles, so where does it end? That is a summary of the position.

**Hon LIZ BEHJAT:** Is between \$10 000 and \$14 000 the total cost of a shelter?

**Mr Burgess:** Yes; they may have gone up but that was a number in my head from a few years ago.

**Hon LIZ BEHJAT:** So the City of Stirling is digging its heels in over \$5 000 to \$7 000.

**Mr Burgess:** Of that order.

**Hon LIZ BEHJAT:** It would have cost them more than that to correspond with me!

**Hon KEN TRAVERS:** Are you going on to another topic?

**Hon LIZ BEHJAT:** I have a comment, in fact.

**Hon KEN TRAVERS:** I have another question on that point.

**Hon LIZ BEHJAT:** I just want to share this with everybody here, because we can always hand out brickbats but sometimes we do not hand out bouquets. Last night on Facebook a friend of mine made this comment, totally not knowing that I would be coming to estimates today —

Missed my bus by 20 secs and faced an hour wait - but another driver offered to chase my bus down, called it over the radio and swapped me over 1km down the road! Great work Transperth!

I thought I would share that with you.

**Mr Burgess:** Thank you very much.

**Hon KEN TRAVERS:** With the disability requirements, I understand there is an commonwealth–state agreement on when we will meet the requirements on accessibility.

**Mr Burgess:** Yes.

**Hon KEN TRAVERS:** Are we on track to fulfil our obligations under that agreement?

**Mr Burgess:** There was a series of years for different things. You have to be X per cent on stations and X per cent on this, and so on. Obviously our bus fleet will meet the requirements, so I think we will meet the requirements—if we do not, we will not miss it by much. Obviously, most of the bus fleet has now been replaced with low-floor buses. We largely meet the requirement in terms of trains that come up and meet the platform level. They talk about a vertical and horizontal gap too. In some of the other cities, it is not only the issue of stepping up half a metre, but if you are a vision-impaired person or someone in a wheelchair you are talking about large horizontal gaps, not just vertical gaps; and Perth is very well positioned on that.

The main issue is on the heritage lines. The other issue was the standard change at a point in time, and it went from the ramps that you see going up and down—clearly, some people do not mind the ramps; others would prefer we had walkways and then lifts—and the standard for ramps changed from 1–12 slope to 1–14, so some of ours are still 1–12 and some would be worse than 1–12.

[2.30 pm]

**Hon KEN TRAVERS:** What about bus stops?

**Mr Burgess:** The bus stops—the 600 a year program—I cannot remember, unless you can, Kevin. Have you got it there? I do not think it is in there. I cannot remember what the target was, member, as to when we would have all the bus stops done. I know if they are grading Australia, we will achieve it before anyone else does; I know that.

**Hon KEN TRAVERS:** If we could have it taken on notice what our obligations are in terms of the ramps for bus stops and where we are up to in it and if we have got a target we have to meet, how close to that target we are.

**Mr Burgess:** Clearly, we have the benefit that the north–south line was all built with these things in mind, so those stations are pretty much fine.

**Hon KEN TRAVERS:** If you want to add anything in that shows that even though we are behind target we are ahead of everyone else, that is fine as well.

[*Supplementary Information No B11.*]

**The DEPUTY CHAIR:** If I can just ask a question, we will give Mr Burgess a breather, perhaps. On page 60 of the annual report it talks about your responsibility with regard to strategic asset management development, but my question is in relation to the regional rail network. I just want to clarify whether the PTA has responsibility for managing the compliance of the parties to the lease contracts that have been negotiated with the private sector. Is that to do with PTA or another agency?

**Ms McCarrey:** Sorry, the lease contracts —

**The DEPUTY CHAIR:** With regard to the regional lines.

**Hon KEN TRAVERS:** You are talking about the freight lines?

**Ms McCarrey:** Is that between Brookfield and —

**The DEPUTY CHAIR:** And the government.

**Ms McCarrey:** The Public Transport Authority certainly manages the lease with Brookfield Rail and manages the audit program. The lease actually requires that every five years the actual infrastructure, the track, is audited to ensure that the track is actually performing to the performance standards in that lease.

**The DEPUTY CHAIR:** I doubt that you would know, but if you do, all well and good. I wonder whether you could describe to us what years there has been a renegotiation between the two parties—because it can occur at any time in the lease agreement—between Brookfield or the previous lease owners, the previous lessees and government, where there was agreement that the performance standards should change or that the purpose in terms of fit for purpose changed?

**Ms McCarrey:** I would not be able to tell you the actual years and dates off the top of my head. I would need to take that part on notice. But there have been a couple of occasions when that has occurred. Certainly, there was an agreement to change the performance standards on the Kwinana–Pinjarra line when there was some work done there. Certainly, wherever government in particular has put in certain funding to particular projects, then we renegotiate. When government funding was put into the Eastern Goldfields Railway line to assist in upgrading the standard of that line and the crossing loops, there was renegotiation of standards there. To get the detail, we would need to take that on notice. But where there are opportunities to do some renegotiating of those in order that generally the standard—where government is putting in funding we will renegotiate a change in performance standards, if there is a requirement for a higher performance standard. But, for example, often the line is upgraded by Brookfield purely for commercial reasons, because obviously they are taking more tonnages over that line. Sometimes the private sector assists because there is a commercial arrangement between Brookfield and the private sector to upgrade the line. The Esperance line going in, I know Cliffs Natural Resources worked with Brookfield on upgrading that. We have seen the same into Geraldton with Karara Mining Ltd. That is obviously a commercial negotiation between Brookfield and the private sector. There is not necessarily a negotiated change to the performance standard in those circumstances, because the commercial situation has driven for a much increased performance standard to those lines.

[*Supplementary Information No B12.*]

**The DEPUTY CHAIR:** As you would be aware, the lease agreement is at schedule 4, which has the original performance standard. So, in relation to B12, I would like to know whatever negotiations and agreements were reached with any of the lessees from the time the lease was sold to the current time and how those performance standards now compare with what is in schedule 4 based on the agreements between the two parties.

**Ms McCarrey:** I have given a couple of examples, but we will come back to —

**Hon KEN TRAVERS:** Are there any examples of where it has gone the other way and you have removed the requirement for them to maintain the lines at a standard and removed maintenance money from that line as a result and reallocated it to other parts of the network?

**Ms McCarrey:** Where Brookfield Rail or the government has removed maintenance money —

**Hon KEN TRAVERS:** The tier 3 lines—my understanding is you have removed the standards off the tier —

**Ms McCarrey:** Certainly, there has been a reduction in the requirement for the standards or there would be a reduction in the standards over that line if they were going to cease to be used. Obviously, we have seen today there has been an announcement made that the tier 3 lines will remain open for another 12 months until October 2013. That announcement was made today.

**The DEPUTY CHAIR:** Is that government supported with funds?

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**Ms McCarrey:** No. Because the government had actually put in around \$3.3 million into keeping the tier 3 lines open, so little grain has actually been transported over those tier 3 rail lines over that period that that has allowed the lines to have additional life. CBH and Brookfield have been in discussions for some time about potential commercial arrangements in relation to those lines. Obviously, government is very keen for them to come to a commercial arrangement. Because little grain has been transferred up until this time, that allows that there is additional life in the lines, and Brookfield and CBH have said the lines will be able to remain open for another 12 months.

**The DEPUTY CHAIR:** That is an interesting rationale. No disrespect to yourself, but it is an interesting rationale.

**Hon LYNN MacLAREN:** It takes it beyond the election.

**The DEPUTY CHAIR:** Just before we go on to what has just been announced, can I just go back to the original agreements? I understand there was an agreement when the lease was first sold that the Nyabing to, I think, the Avon–Albany line and the Tambellup line was going to be rebuilt or made serviceable, but for some reason that has never occurred. Is there reason for that?

**Ms McCarrey:** Not the Avon to Albany line.

**The DEPUTY CHAIR:** Which one was it to? Was it to one of the other ones, was it?

**Ms McCarrey:** There was Katanning to Nyabing. There were two or three that were part of the grain line strengthening plan.

**The DEPUTY CHAIR:** It is the two feeders from Nyabing and Tambellup.

**Hon KEN TRAVERS:** Which go to the Albany–Avon line.

**The DEPUTY CHAIR:** I thought they went to the Albany–Avon line.

**Ms McCarrey:** That feed into, my apologies. That is Katanning to Nyabing and the Tambellup lines. At the time, there was a grain line strengthening plan in place, which Brookfield were to complete the work on those lines. Those two particular lines that you mentioned—I would not be able to give you the exact date—the trains had ceased to operate on those lines. That was purely a choice by the market because in particular you have a direct route into Albany port along Chester Pass Road and with trucks being a lot bigger and can carry more grain, the market was choosing road transport over rail. Although the lines were still open for use, trains had pretty much ceased operating on those lines because they were choosing to use Chester Pass Road into Albany as a result. Brookfield Rail requested permission to actually, rather than upgrading lines that were not being used, put that equivalent funding into the Kwinana–Pinjarra line. That actually gave them a delay on the work required under that grain line strengthening plan. It was only a delay at that stage to see what would happen with those particular lines. Again, those lines have not been used and are not being chosen to be used by those moving grain. As a result, that funding that was required under those lines has also been put into things like the tier 2 and tier 1 lines.

**The DEPUTY CHAIR:** In making the analysis about those lines to which I referred, have you analysed the pricing now between road and rail for those sites —

**Ms McCarrey:** For those two particular lines?

**The DEPUTY CHAIR:** Yes. Or is that decision you just described based on the analysis from some previous years past?

**Ms McCarrey:** No, it was not so much based on that. It was based on the fact that they were not using the rail lines.

**The DEPUTY CHAIR:** But over what time? What is your analysis? What is the data?

**Ms McCarrey:** I would have to go back and check the date as to when they stopped running.



**The DEPUTY CHAIR:** Would you mind providing that data which reached your conclusion on those two lines? Would you then mind checking the current data to see if those lines were strengthened and made for the purpose again of having rail, what the pricing would be and whether they would be used?

**Ms McCarrey:** I can look into that, yes.

*[Supplementary Information No B13.]*

**The DEPUTY CHAIR:** One final thing before I hand over to Hon Ken Travers and maybe Hon Lynn MacLaren, when you make your analysis of the different use for road and rail, what principles do you use with regard to the reflective costs between those two modes of transport? In other words, if you have disproportionate subsidisation of road over rail, you are going to get an investment distortion for the use of those modes, are we not? So what I would like to know is what work you have done about ensuring that if government is going to spend money on either road or rail modes of transport, that it is approximately equal so that we do not get the investment distortion, which would occur if it is not equal. Do you understand?

**Ms McCarrey:** I am not quite clear. Are we also talking about the differential between—obviously, governments tend to put money into upgrading roads, whereas it tends to be the private sector who pays for the maintenance section on rail.

**The DEPUTY CHAIR:** Correct; that is the key to it. That is right.

**Ms McCarrey:** Obviously, all that information is taken into account when that modelling is done. This is not an argument just for our grain lines. This is actually an argument nationally around —

**The DEPUTY CHAIR:** And for the metropolitan area as well.

**Ms McCarrey:** Yes, around funding creep. Generally, funding into roads is actually done by state, commonwealth and local governments, whereas the funding into the maintenance of rail is generally done by the private sector and then built into the fees and charges for those lines. That is all taken into account in the modelling. Of course, a number of heavy vehicle operators would argue that a certain portion of the government funding that is being used to upgrade those roads comes from their licence fees et cetera for their heavy vehicles et cetera, which is used for that. As I said, it is not just to do with the grain lines here in Western Australia. It is often a hotly debated thing nationally, certainly by the rail industry, that there is a disproportionate amount of government funding going into upgrading roads versus rail, and a very difficult issue to face.

**The DEPUTY CHAIR:** I understand it is not that easy. Ken Henry in the tax review said it should be equalised out. You said it is in your modelling. I wonder if we can get a copy of that modelling, because I think it is a very serious issue if we are going to have a regime where we have got equality for investment in road and rail prevailing under the incentives which government is providing. Otherwise, it is unfair and unreasonable and also unproductive, and we cannot be unproductive in an international market for anything.

**Ms McCarrey:** Obviously, the strategic grain network review took into account—basically, the model builds up to saying, “What does it cost to transfer a tonne of grain by road as opposed to rail?”, but it did not necessarily look into if a Ken Henry review approach was taken. For example, it did not do the sort of looking forward into the crystal ball as to: if we change that whole structure between road and rail nationally, what would that do? That was not taken into account.

*[Supplementary Information No B14.]*

**The DEPUTY CHAIR:** My observation on reading the SGNR is that it did not take that into account and it is a serious discrepancy in the decision making and modelling, which can lead to the wrong conclusions.

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**Hon KEN TRAVERS:** Just on the announcement today about the tier 3, is that all the tier 3 lines that will be kept open?

**Ms McCarrey:** My understanding is that, yes, the ones that are operating now in the tier 3 area will continue to operate for another 12 months.

**Hon KEN TRAVERS:** That includes the Nyabing to West Merredin? No, is it Trayning to West Merredin —

**The DEPUTY CHAIR:** It is Trayning to West Merredin and Kulin.

**Hon KEN TRAVERS:** Via Nyabing.

**The DEPUTY CHAIR:** No, not via Nyabing.

**Hon KEN TRAVERS:** No, Nyabing is down south. I am trying to think. It starts with an N.

**The DEPUTY CHAIR:** Trayning is in the north, and there is Kulin, Kondinin —

**Ms McCarrey:** Trayning to West Merredin.

**Hon KEN TRAVERS:** Trayning to West Merredin. I will remember the name. It starts with an N —

**Ms McCarrey:** I think I know. It is the Trayning line. Look, I would need to take that on notice. The only reason is that sometimes there are other things that have occurred to cause the rail line to cease to operate as a process, but I am going to check it.

**Hon KEN TRAVERS:** Poor old Latham to Perenjori always gets forgotten as well; has that been kept open?

**Ms McCarrey:** I will check. As I said, the announcement has just been made today. Government has made the announcement obviously in discussion with Brookfield and CBH.

**Hon KEN TRAVERS:** But there is no money for work on those lines as part of that announcement?

**Ms McCarrey:** No additional government funding. Obviously, there was the \$3.3 million investment made in 2011–12 to keep them operating.

[2.45 pm]

**Hon KEN TRAVERS:** But we were hearing in answers to parliamentary questions that it was not safe to operate trains on those lines. Less than a month ago, I reckon it would have been, in the last question I asked I was told it was not safe to operate trains. What makes it safe today, if it was not safe then, a month ago?

**Ms McCarrey:** I think Brookfield has always stated that they would not continue —

**Hon KEN TRAVERS:** Without more investment, I should say.

**Ms McCarrey:** Correct; they would not continue to operate lines if they felt at any time they were unsafe. Brookfield has often stated that. I do know over the course of September—I think it was the end of August, over September—because they have been able to find a period of time they could get out there, they have literally had crews out there walking the lines to check them to ensure that they would continue to be able to be safe.

**Hon KEN TRAVERS:** Why were we being told, then, that they were not safe? Was that just to justify the closure and they always were safe?

**Mr Burgess:** Certainly, when we had to get a price and work out a price with Brookfield for the extension—the \$3.3 million. When we got the price, I can certainly remember the discussions with Brookfield of, because naturally you ask the “what if” question of, “If the government was to want to do it any further beyond that, is \$3.3 million a figure that would be repeated or is it a lesser figure or is it a more figure?”, because obviously there is an amount of money there that just does the

immediate maintenance and whether there are any larger investments needed because that only gets you another 12 months down the track. I can remember we asked that question. The answer we got back from Brookfield was, “Don’t assume that you can keep them going any longer than that. We will not make a commitment that we can keep them going any longer than that, because they may not be safe.”

**Hon KEN TRAVERS:** But you are now telling us that you are going to keep them going longer than that.

**Mr Burgess:** That is a Brookfield decision rather than ours, though.

**Hon KEN TRAVERS:** Hang on; who has the ultimate responsibility, you or Brookfield, on those lines?

**Mr Burgess:** One would assume that Brookfield—and I do not know what they are doing—is doing potentially additional work or ensuring that they are comfortable that the lines are safe.

**Hon KEN TRAVERS:** Surely, you as the government owner of those lines have some obligation to ensure they are safe and to make sure that the answers that you provide to Parliament are consistent.

**Mr Burgess:** They have their own accreditation in terms of the safety issue. They are the accredited operators.

**Ms McCarrey:** The lease agreement actually requires Brookfield to be the accredited owner of the rail, as per the Rail Safety Act. The independent rail safety regulator was actually partially put in place in readiness for the change in the way rail was operating. Brookfield is responsible to the independent rail safety regulator to ensure their system is safe, so they are responsible to government through the independent rail safety regulator, not to the Public Transport Authority as the lessor.

**Hon KEN TRAVERS:** If we accept that the lines are safe, the answers that we were being provided, that the lines will have to close because they are not safe, were wrong?

**Mr Burgess:** They were based on, I think, the position probably that was put previously, in terms of, certainly, the amount of money that government provided for the 12-month extension, when the question was asked, “Can you give us a price now for what it would cost?” The answer was, “No, we can’t because we are not convinced. We would need to do a significant reassessment.” That was the answer at that time. It was probably the information that was provided at the time.

**Hon KEN TRAVERS:** My personal view is I think they are safe, and all the advice I have had from people was that the arguments about safety were just arguments being proffered to justify the closure of the rail lines when, in fact, they could be kept going. How much of the \$3 million has been spent?

**Ms McCarrey:** I would need to take that on notice. I am going to check with Brookfield.

*[Supplementary Information No B15.]*

**Hon KEN TRAVERS:** I assume from what you are saying your expectation is that there is at least some of that \$3 million still left to be able to do ongoing maintenance work on those lines.

**Ms McCarrey:** I would need to check that and take it on notice, but I think essentially they are saying, “The maintenance work that we have not done”—in a sense, if you are not running as many trains on it, it does not then wear back down again to a position where it needs to have more spent on it. So, because there has been so little grain run on those lines, when Brookfield went out and had a look at them—they literally walked the track—they have actually come back and said that because there have been fewer trains, a lot fewer trains, it means that the lines are still now running to the point where they consider them to be safe to continue them operating another 12 months.

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**Mr Burgess:** Plus Brookfield would be making their decision. They have been talking to their customer, CBH, so they are making their decision presumably—and we are not inside that room—on the basis of an agreed amount of traffic, which clearly generates money for Brookfield, which clearly generates money for maintenance. It is a business decision, is what I am saying, rather than the government to —

**The DEPUTY CHAIR:** I understand the business decision from one of the key parties requires government to be involved as well. It is a public–private investment decision partnership, really, and without one of the partners, I think that casts a different shadow over how they are going to be used, as I understand it.

Hon Lynn MacLaren, do you want to ask another question?

**Hon LYNN MacLAREN:** I have several, Mr Deputy Chair, but I note that we are approaching the end of the time. I am wondering if I could seek leave to table them.

**The DEPUTY CHAIR:** Do you mind if we can go to 3 o'clock?

**Ms McCarrey:** Three o'clock is okay.

**The DEPUTY CHAIR:** If you change the purpose of the line, what happens then? If you want to change the purpose for which the lines are to be used, as per the lease agreement, to make it fit for new purpose, can you do that? How do you force Brookfield's hand as the lessee? Can you force their hand?

**Mr Burgess:** Certainly, the intent of the original lease was for Brookfield to run it for 49 years as a commercial rail business. So if a new mine came into being, for example, and needed to use that line, our desire would be Brookfield, as they have in the midwest, would work with the mine operator and those commercial parties would do the investment. That was government's intent, I think, when this all happened. Clearly, that would change the purpose of the line, but it would be done with commercial motives and commercial imperatives.

**The DEPUTY CHAIR:** What you have really got, then, is you have got Brookfield to make the investment of the lines, on which access fees will rise, to make rail then less competitive or uncompetitive with road, because you are subsidising the road through the Main Roads department?

**Mr Burgess:** Brookfield would not be aiming to do that; clearly, they want to —

**The DEPUTY CHAIR:** No, but it is government strategy which is doing that. That is the only outcome you can get from the strategy you have in place.

**Mr Burgess:** If there is a government policy position obviously to build roads, which serve a multitude of purposes, for industry and commuters and people who live in country areas to travel on, clearly, there are lots of reasons you build roads, not just to take grain; they serve many purposes—school buses to go on and goodness knows what else.

**The DEPUTY CHAIR:** With all the increased risk.

**Mr Burgess:** I understand what you are saying, but what I am saying is that I do not think governments go out with the intention of, "We'll stymie rail by building this road for the grain line."

**The DEPUTY CHAIR:** That is the only implication you can read from it, I am afraid.

**Hon KEN TRAVERS:** What are your total savings that you are required to make this year in terms of, first, the dividend efficiencies and, second, whether you have received any FTE caps? Are you part of the pool of global savings that are required across government? Have you been given, as a result of the recent announcement, any procurement savings you have got to identify? Also, what impact is the leave liability going to have on your operations?

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**Mr Burgess:** I will try to come to them bit by bit. We are not in the general scheme of things in the FTE cap. That tends to be, as I understand it, the departments of state, if I can put it that way.

**Ms McCarrey:** The Public Transport Authority, because it is outside the government sector, is not subject to the FTE cap, the leave loading and the most recent announcements in relation to procurement savings. So, they are not part of that.

**Hon KEN TRAVERS:** So what is your total savings that you have got to make?

**Mr Kirk:** As we have just said, we were not part of that. We are not classified as general government and, therefore, we have no savings to make at all.

**Hon KEN TRAVERS:** But even as a GTE, you do not have any efficiency dividends to make?

**Mr Kirk:** We are not a GTE.

**Mr Burgess:** We had targets earlier, which you are aware of, in the last round. But in the most recent round, we do not.

**Mr Kirk:** The latest round, which is known as the budget corrections, we are not included in that.

**Hon KEN TRAVERS:** And you have got no efficiency dividends carried over from the previous announcements. You must be the luckiest agency in government at the moment!

**Mr Burgess:** Every one of the efficiency dividends, going back from when that term became common, carries through, obviously. We had efficiency dividends earlier this year, but that was all. They carry through, obviously.

**Hon KEN TRAVERS:** Where is the fare review up to?

**Mr Burgess:** We do a fare review annually.

**Hon KEN TRAVERS:** At the time of the budget, there was the announcement of a fare review. Has that been completed?

**Mr Kirk:** Part of the budget process every year is a fare review, which we have to submit in the budget process.

**Mr Burgess:** So part of the annual fare increase is both for Transperth and Transwa.

**Hon KEN TRAVERS:** But there was also, as I understand it, a fare review about projecting your operating subsidy that you would be required over the future years. I was wondering if that has been completed?

**Mr Burgess:** No doubt you are mentioning something; I am just not grabbing what it is.

**Hon KEN TRAVERS:** It was referred to as the fare review.

**Mr Kirk:** Did we mention that in the previous meeting?

**Hon KEN TRAVERS:** It was part of the budget announcements. It was in budget paper No 3.

**Mr Burgess:** It clearly means something, but I am trying to work out what it is.

**Hon KEN TRAVERS:** Can I just move on, because we are obviously running out of time? How much additional money have you been given for the planning of the proposed Atwell station?

**Mr Burgess:** We have been given the budget for that station.

**Hon KEN TRAVERS:** But in this financial year, have you been provided with any increased funding to do work on that?

**Mr Kirk:** I have not got that with me, but we got \$80 million in total. I think there was a couple of million in this year for planning. In fact there might have been about seven because there was some land acquisition. We were hoping to get start construction next year, and the money ran over a four-

year period. I just do not know the exact figures, but I know in this year there was some planning money and land acquisition money. But we could certainly give you that on notice.

[*Supplementary Information No B16.*]

**Mr Burgess:** We would have to call it Aubin Grove or we would not know you are talking about Atwell.

**Hon KEN TRAVERS:** I do not know why you would call a railway station “Aubin Grove” that does not have any part of it in Aubin Grove! But you might be able to explain that to us. I would have thought “Success” or “Atwell”, seeing as they are two suburbs that it will split.

**Mr Kirk:** We already have a Success Hill station, so that would cause some confusion.

**Hon KEN TRAVERS:** Hence, a good name would have been Atwell, which is the other side of the middle of the platform where the line goes through.

**The DEPUTY CHAIR:** To the question, Hon Ken Travers.

**Hon KEN TRAVERS:** Have you completed the purchase of the land for it?

**Mr Kirk:** No.

**Hon KEN TRAVERS:** When do you expect to complete that?

**Mr Kirk:** The negotiations are underway at the moment with the owner–developers. As I said, we have got funds set aside in this year and next year, because there is actually two lots, so we would hope this year.

**Hon KEN TRAVERS:** What is the total land area you are expecting to purchase?

**Mr Kirk:** I think it was about seven to 10 hectares, but again we would have to confirm that. I am a bit vague on that.

**Hon KEN TRAVERS:** I understand you have done some preliminary modelling of patronage. What is your estimated patronage at that station?

**Mr Burgess:** I would say 3 000, but I cannot remember, to be honest. It is of that order.

**Hon KEN TRAVERS:** How do you carry 3 000 people on two trains?

**Mr Burgess:** That is the boardings over the course of the day from that station.

**Hon KEN TRAVERS:** Most of those would be in peak, because you are building 2 000 car parking bays plus, I assume, you are expecting some walk-ons and you are building a bus terminal there, are you not?

**Mr Burgess:** Yes; not a substantial bus terminal, but some bus stands, yes.

**Hon KEN TRAVERS:** Is it a bus stop or is it a bus terminal?

**Mr Burgess:** Picture Warnbro as Warnbro was—it would be more like as Warnbro was. Warnbro is under construction right now to put more bus stands in, but it would be Warnbro mark 1.

**Hon KEN TRAVERS:** So it is not really a bus terminal; it is a bus stand.

**Mr Burgess:** Because, obviously, a lot of bus routes from that area go to Cockburn.

**Hon KEN TRAVERS:** Which is the logical place to take them to, I would have thought. You are servicing two purposes.

**Mr Burgess:** Having said that, Warnbro was going to be a formal bus interchange originally and was scaled back for reasons of value management and is now being ramped up. You can argue the same thing but, to be honest, those people want to get to the train station as fast as they can, so there are some bus routes there where it makes more sense to take them to that new station because whilst

once they might have appreciated a scenic journey, we actually realise that time is important to them.

**Hon KEN TRAVERS:** Just in terms of the structure of that land, how far will the furthest car be from the railway station in the Park 'n' Ride?

[3.00 pm]

**Mr Burgess:** I do not know, so we would need to take that on notice—but probably not as far as they are at Warwick!

**Hon KEN TRAVERS:** I think you might find, if you look at the land layout, that they will probably be around 800 metres away. So on the Fremantle line, you would have another station by the time you got to the end of the car park!

**Hon KEN TRAVERS:** Do you have an estimated cost for the rapid transit bus system for Ellenbrook yet?

**Ms McCarrey:** A final cost, do you mean?

**Hon KEN TRAVERS:** An indicative cost.

**Ms McCarrey:** No. The actual final design planning is under way and is expected to be finished early next year.

**Hon KEN TRAVERS:** What is the indicative budget cost that you are working on?

**Mr Burgess:** Are you talking about for the bus infrastructure or the services?

**Hon KEN TRAVERS:** For the rapid transit bus service to Ellenbrook—the total cost of it.

**Ms McCarrey:** The service as opposed to the actual road layout?

**Hon KEN TRAVERS:** The whole thing—the construction of it, the purchase of the buses—in the same way as you talk about \$240 million for the extension of the rail line to Butler.

**Mr Burgess:** That is all infrastructure, though; it is not service.

**Hon KEN TRAVERS:** Yes, but that \$240 million includes the purchase of the buses, does it not?

**Mr Burgess:** The \$240 million includes the trains and the buses, yes.

**Hon KEN TRAVERS:** That that is what I am looking for in terms of the cost.

**Mr Burgess:** So you do not want the service operating cost?

**Hon KEN TRAVERS:** No, although if you know what the ongoing operating cost will be, that would be good.

**Mr Burgess:** I do not think they would know at this stage.

**Hon KEN TRAVERS:** So the indicative cost of the infrastructure to establish that.

**Ms McCarrey:** Certainly the estimated cost that we are working on is around \$86 million to \$87 million. But until the actual final design work is done early next year, we will not be able to firm up those costs.

**Hon KEN TRAVERS:** Do you have a similar figure for the extension of the railway line from Butler to Yanchep?

**Mr Burgess:** It would be very much estimated. There is no firm estimate on this stuff. The danger of putting them out there is that we are developing a plan for Yanchep, as you know, to put to government, and the danger is that until you finish master plans, numbers tend to get out there and then the numbers get banked, if I can put it that way. It is \$240 million to go to Butler, and Yanchep, in a pure distance sense, is about double that, but it will depend on how many stations get built and so on.

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**Hon LYNN MacLAREN:** I want to ask the question that I had about the ferry services. The Perth Waterfront development will obviously disrupt ferry services. Are you working with the MRA to ensure that that disruption is kept to a minimum, and could you outline what that disruption is going to be?

**Mr Burgess:** At some point in time—I do not know what that point in time is; I think others know—we will move from where our ferry currently comes in, to the east, to what I think is the furthest-most jetty, and we will operate from that while the construction process occurs, if it interferes with where we are at the moment. Then when our berths are available in Elizabeth Quay itself, the ferry will return, into the prime spot, I guess.

**Hon LYNN MacLAREN:** How will you be managing that additional length of time that it will take the ferries to come into and out of the quay?

**Mr Burgess:** The detailed design of what that berth will look like, and how long it will take to bring the boat in there and turn the boat, is still under development. I do not know that it will actually require us to have another vessel, for example—I do not think it will, because there is a bit of slack and the ferries sit there for a little while in between trips now. So I do not think it will necessarily trigger the need for another boat.

**Hon LYNN MacLAREN:** Will there be any point at which the ferries will not run?

**Mr Burgess:** No, I do not think there will be any time when they will not run. We will use that further jetty until we can move into our new jetty.

**Hon LYNN MacLAREN:** Thank you.

**Hon LJILJANNA RAVLICH:** What is the involvement of the Department of Transport in the transport strategy for the new Perth stadium?

**Hon LIZ BEHJAT:** This is the PTA.

**Mr Burgess:** I think I can answer that, because the whole of Transport is involved—so the Department of Transport, Main Roads and PTA are all involved. It is a portfolio solution. There are two significant groups. There is one steering group for the stadium project, and there are two key project control groups—one is to do with the stadium and the sports precinct, and the other is to do with transport.

**Hon LJILJANNA RAVLICH:** Are you actually on that transport strategy group?

**Mr Burgess:** Yes.

**Hon LJILJANNA RAVLICH:** How often does that group meet?

**Mr Burgess:** There is a subgroup, which meets weekly, and there is the formal group which I chair, which meets monthly.

**Hon LJILJANNA RAVLICH:** As I understand it, 60 000 fans will need to be moved to the new stadium. So it is a huge logistical issue in terms of transport. At what stage are you at in terms of this whole transport issue?

**Mr Burgess:** As you know, the PDP—one term, or master plan, if you want to call it another—for the stadium was submitted to government and there have been announcements by the Premier and others about that. The transport infrastructure PDP will be submitted through the steering group—it has not gone there yet—and to government, either later this year or early next year. I imagine the same thing will then occur—there will be announcements when that has occurred and has been signed off by government. That involves the plan required for the rail solution, the bus solution and the pedestrian solution, including the extra pedestrian bridge, and the solution regarding—well, not the solution, but some advice in terms of people who are accessing cars as pedestrians away from the precinct.

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**Hon LJILJANNA RAVLICH:** Will you be doing costings and modelling of the alternatives and the cost benefits of doing it in one way as opposed to another way for the movement of those 60 000 people?

**Mr Burgess:** Obviously that occurs during the planning process. Most of this work is done in the public transport sense, and the public transport solution is the biggest part of the solution. Clearly there is a Main Roads involvement as well, and there is a DOT involvement. But the public transport solution is the bigger part of it, and a team in our infrastructure planning area, led by Peter Martinovich, is developing that plan. The options and permutations, if you like, will probably occur during that process. That means it is unlikely that what we would present to government is: pick this one or pick that one. We will have gone through the process of looking at all those options before then. That has included a number of times when discussions have been had with the steering group about how this can be done.

**Hon LJILJANNA RAVLICH:** Are there some broad costings around what sorts of resources will be required to come up with a solution for the effective movement of people to and from the ground?

**Mr Burgess:** So for the rail, bus and roadworks solutions, and the pedestrian solution?

**Hon LJILJANNA RAVLICH:** Yes, the whole lot.

**Mr Burgess:** The broad indication that the Premier has given before of \$300 million was obviously based on information provided earlier in the piece.

**Hon LJILJANNA RAVLICH:** That is just for the transport solution?

**Mr Burgess:** That is for the transport solution. Clearly, as I say, that was based on advice provided earlier. So that is the sort of number that has been looked at.

**Hon LJILJANNA RAVLICH:** Would it be possible for you to provide the committee with minutes of the last five or six meetings of that particular group that you are a part of?

**Mr Burgess:** I do not know. We will discuss it with our minister. But I think at the end of the day all of it is basically talking about component part of what will be a submission to cabinet, so I suspect that we cannot do that.

**Hon LJILJANNA RAVLICH:** Okay. Well, you might ask, and then they can say no, and then we can chase one another around and all the rest of it!

**The DEPUTY CHAIR:** Thank you very much. The committee will forward any additional questions it has to you, via the minister, in writing in the next couple of days, together with the transcript of evidence, which will include the questions you have taken on notice. Responses to these questions will be requested within ten working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing. On behalf of the committee, thank you for very your time and the information you have given us today.

**Hearing concluded at 3.08 pm**

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