

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**2016–17 BUDGET ESTIMATES HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
WEDNESDAY, 15 JUNE 2016**

**SESSION TWO  
PUBLIC TRANSPORT AUTHORITY**

**Members**

**Hon Ken Travers (Chair)  
Hon Peter Katsambanis (Deputy Chair)  
Hon Alanna Clohesy  
Hon Rick Mazza  
Hon Helen Morton**

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**Hearing commenced at 1.30 pm****Hon JIM CHOWN****Parliamentary Secretary representing the Minister for Transport, examined:****Mr REECE WALDOCK****Chief Executive Officer, examined:****Mr MARK BURGESS****Managing Director, examined:****Mr KEVIN KIRK****Executive Director, Finance and Contracts, examined:**

**The CHAIR:** On behalf of the Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Can the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

**The Witnesses:** Yes.

**The CHAIR:** It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. 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. Agencies and departments have an important role and duty in assisting the committee to scrutinise the budget papers and the committee values your assistance with this.

Unless there is any introductory issues that the department wants to raise before we move on —

**Hon JIM CHOWN:** I have a statement, Mr Chairman, which I would like to deliver to the estimates committee if that is possible.

**The CHAIR:** How long is your statement?

**Hon JIM CHOWN:** It has a lot of information that is relevant to the estimates committee's inquiry, and I am sure it would be quite revealing to all those here.

**The CHAIR:** Read it as quickly as you can, parliamentary secretary.

**Hon JIM CHOWN:** I will endeavour to do so, Mr Chairman.

The Public Transport Authority continues to lead the nation in the provision of safe and efficient public transport services. In July 2015, Canstar Blue, an independent consumer research company, announced that Transperth had won the city trains most satisfied customers award for the fourth year in a row—quite an outstanding achievement. In fact, Transperth has won this award each and every time the survey has been conducted. Perth was named as the best urban train service in the country beating the likes of Sydney and Melbourne.

**The CHAIR:** Parliamentary secretary, are you able to table copies of that Canstar survey that you have just referred to? Are you able to take that on notice?

**Hon JIM CHOWN:** Yes, we will take that on notice. I do not think that we have a problem with having that tabled at all.

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**The CHAIR:** And table that and the previous ones.

[*Supplementary Information No B1.*]

**Hon JIM CHOWN:** I shall continue. This strong independent rating was further reinforced by the results of Transperth's own annual passenger satisfaction monitor, which extends further to bus, train, ferry and even regional services. The annual survey of over 4 000 regular public transport users consistently returned satisfaction ratings of around 90 per cent across the network of public transport services and helps to either reinforce strengths or highlight potential areas for improvement. I understand that the results of the 2016 passenger satisfaction monitor also look promising and I look forward the Minister for Transport, Hon Dean Nalder, making an announcement concerning these results in the coming months.

Over the past year, the Public Transport Authority has continued to enhance the frequency of existing public transport services and expand its network into new areas. This government has consciously made the biggest investment in bus service kilometres ever experienced in the state of Western Australia. This investment has progressively grown to a point where over 13.5 million additional annual service kilometres, a measure of both service frequency and network coverage, were provided in 2014–15, representing a growth of over 26 per cent when compared to 2008–09. This investment has continued through 2015–16, with over 800 000 additional annual service kilometres to be added to the network by the end of the 2015–16 financial year. Transperth's priority for the allocation of additional bus service kilometres has been to provide additional capacity on services which were overloaded or suffering heavy passenger loadings for extended periods; to introduce new services to developing urban areas or developed urban areas not serviced by regular public transport; to increase capacity on existing Transperth services, particularly key strategic corridors during core weekday hours; and to provide new opportunities for cross-suburban travel.

During the 2015–16 financial year, we saw the extension of bus services further north through the residential expansion in Ellenbrook and the introduction of new route 380 servicing the international airport. Enhancement of the metropolitan bus network will continue in 2016–17, with the planned commencement of route 960. This new bus route operating between Mirrabooka and Curtin University via the new Perth Busport will operate on a five-minute frequency between Curtin and ECU Mount Lawley at peak times. This \$7 million investment adds 20 new buses and a further one million annual bus service kilometres to the metropolitan bus network. On top of this, the Barnett government is investing \$1.4 million in bus priority measures along Fitzgerald Street to ensure these services operate efficiently.

September 2015 saw the first anniversary of the Joondalup train line extension to Butler. I remind committee members that this project was delivered several months ahead of schedule, around \$20 million under budget and it hit its projected daily patronage target of 2 000 passengers daily after only nine days of operation, which commenced on 21 September 2014. Commencement of train services to this station and the expansion and enhancement of bus services in the local area that were introduced as part of this project have had a significant impact on reducing the pressure on other Joondalup line stations further to the south. Patronage continues to climb as commuters come to appreciate this new infrastructure and suite of public transport services and to see public transport as an efficient means of getting to work and back from work.

Transperth ferry services also experienced a boost this year in response to the significant growth in patronage after the opening of Elizabeth Quay. Placement of the new ferry terminal within the quay, adjacent to the Esplanade train station, allows ferry services to capitalise on the public's enormous show of support for the new quay when it opened in January. May I state that my dear old mum, who is 92 years old, is a regular patron of the ferries and she is absolutely delighted to be stepping off at Elizabeth Quay as opposed to walking up the hill into the city. Patronage jumped over

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400 per cent in the first week and in response Transperth extended the peak service frequency well into the evening throughout the week for the remainder of the summer timetable.

Regional commuters continue to benefit from the *AvonLink* train service enhancement trial, which commenced in 2014. This trial has trebled train service frequencies on weekdays and introduced weekend and special event services to the timetable. In April this year, TransGeraldton commenced a six-month trial extension of route 854 to Cape Burney. I hope that commuters vote with their feet, so that this service, which was introduced on a trial basis based on community feedback, is retained. The Public Transport Authority's efforts to expand and enhance public transport services are carried out throughout metropolitan and regional areas of Western Australia and this will continue into 2016–17 and beyond.

Not only has the Public Transport Authority continued its strong performance in the delivery of public transport services; it has also completed or made significant progress in the delivery of new rolling stock and infrastructure. Transperth continues to take delivery of new buses for bus replacement and service enhancement programs in both metropolitan and regional areas. In 2015 we saw the introduction of new Euro 6 emission standard buses into the fleet for the first time and deliveries of new rigid, articulated and Perth CAT buses are taken every few weeks. In March 2016, the first of 23 new regional Transwa road coaches was delivered. Today, two more brand new Transwa coaches were delivered, bringing it to six delivered to date, with a further three scheduled for delivery on 30 June. The remaining 14 new coaches will be delivered in January 2017. This \$16.3 million investment in new coaches will ensure that regional public transport users experience a high level of comfort and quality and safety that they have not previously experienced.

Nineteen new three-railcar train sets from the government's present order of 22 three-railcar sets are already in service on the network. The remaining three three-railcar train sets will be introduced into service in the coming months, bringing the total number of Transperth railcars to 300. This is a growth of 28 per cent over the 234 railcar fleet inherited from the previous government. In the 2016–17 state budget the government confirmed an expansion of this railcar order by a further 10 three-railcar sets or another 30 railcars to service the new Forrestfield–Airport Link when it opens in 2020. Government is, as we speak, finalising the contract for the supply of these railcars and has commenced associated works for enhancement to railcar depot and maintenance facilities.

The financial year 2015–16 was another stellar year for progress on the state government's comprehensive public transport infrastructure asset investment program. In April 2016, the PTA finalised negotiations with the preferred joint venture proponent, Salini Impregilo, and local company NRW Pty Ltd, and awarded a \$1.176 billion contract to design, construct and maintain the Forrestfield–Airport Link. This contract is to deliver the main package of works, including the train line and the stations for this nearly \$2 billion project. Various forward works have been underway at Forrestfield since November 2015. These forward works, worth around \$370 million, include things such as geotechnical work —

[1.40 pm]

**The CHAIR:** Parliamentary secretary, if I can interrupt you, how many more pages do you have?

**Hon JIM CHOWN:** I have three more.

**The CHAIR:** I am going to have to ask you to table those. This has now been going for almost 10 minutes, and you are repeating things that I have read in the budget papers already. So I ask you to table that.

**Hon JIM CHOWN:** I will just finish.

**The CHAIR:** No. You will table it, because we have now gone for 10 minutes.

**Hon JIM CHOWN:** I will just finish the page; all right?

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**The CHAIR:** All right. You can finish this page and table the other three pages, and then we will go onto questions.

**Hon ALANNA CLOHESY:** So long as you are not at the top of the page.

**Hon JIM CHOWN:** If I was, I would say so.

**Hon HELEN MORTON:** I am actually very interested in what he is saying.

**The CHAIR:** Members, a short statement is one thing, but it is now 20 to two, and you are just repeating stuff that is contained within the budget papers. I do not know what you have got to hide, but it is getting ridiculous.

**Hon JIM CHOWN:** I have got nothing to hide. There is a lot of information here.

**The CHAIR:** Finish this page, and then table the remainder.

**Hon JIM CHOWN:** Various forward works have been underway at Forrestfield since November 2015. These forward works, worth around \$370 million, include things such as geotechnical work, contract management and land purchases. I am more than happy to table the remainder of the opening statement.

**The CHAIR:** Do members wish to indicate if they have any questions? Hon Stephen Dawson.

**Hon STEPHEN DAWSON:** Thank you. In the parliamentary secretary's opening remarks, he referred to contractor NRW. I am aware that the ASX has had an inquiry into a share spike in NRW. Has the PTA been advised if this inquiry has been completed? How many PTA officers have participated in the inquiry; and were any adverse findings made against any PTA officer?

**Hon JIM CHOWN:** The director general is quite happy to respond to the question.

**Mr Waldock:** Yes, and Mr Burgess will fill in the gaps, because he has been a little bit more close than I have. Whilst there have been questions to the PTA, and we have formally responded in terms of details of meetings and decision-making processes, and which public service officers were involved in meetings and discussions and processes for coming to a preferred bidder decision, we have had not any single discussions with the authority. So, from our point of view, we have provided information through the SSO—the State Solicitor's Office—but we have not been asked or requested to have any individual interviews or discussions. Does Mr Burgess want to add to that?

**Mr Burgess:** Certainly, Chair, and members. I guess what I would add to what the director general has said is that there was obviously a price movement in NRW shares just prior to the government announcement, and that is something that I guess the ASX watches, is my understanding, and seeks to understand what might be unexplained share price movements. Certainly the newspaper reporting at the time was slightly off-skew, to the best of my knowledge, because it indicated that there were telephone records and things sought. There was nothing of the sort so far as I know. They asked for what has been the process for the procurement process and for a chronology of that procurement process. They asked what officers were involved in that by way of tender evaluation committees. As you can imagine with a project of that size, there are a number of subgroups looking at different parts of the tender. They asked for that information to be presented. As Mr Waldock indicated, that was presented through the State Solicitor, but it was untouched; it just transitioned through him. A similar process was asked of the minister's office in terms of their knowledge of the procurement process and timings of people being aware of various things. Other than one query a few days later, where the ASX came back, because part of the document referred to an officer at one of the three shortlisted companies, and they wanted to know what that person's name was, there has been no other contact. My understanding—clearly I am no expert in this field—is that sometimes these inquiries can take a very long time.

**Hon STEPHEN DAWSON:** Can the PTA make that information that was presented available to the committee?

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**Mr Burgess:** I suspect that the ASX would not want that to happen.

**The CHAIR:** I will make that B2, depending on the advice they get.

**Mr Burgess:** Chair, we will go to the State Solicitor to seek guidance on that.

**The CHAIR:** Yes, and advise us accordingly.

[*Supplementary Information No B2.*]

**Hon JIM CHOWN:** May I say on this particular matter that throughout the formal procurement of the FAL project, the independent probity adviser was working closely with the project team to ensure all parties, including those bidding for the works, were abiding by strict guidelines to ensure confidentiality and to ensure a fair and transparent process. The probity adviser has formally advised of his satisfaction with the probity process, and following the NRW share price increase has confirmed with the authority that his advice remains unchanged.

**Hon STEPHEN DAWSON:** I move on to page 750 and the future urban railcar procurement issue. I want to ask about level crossings. In particular, I want to ask about the priority list of 12 level crossings along the Midland, Fremantle and Armadale lines that have been identified for closure for grade separation. Have detailed costings been undertaken for the removal of each of those level crossings; and, if so, do you have information available as to what it will cost for the removal of each of those level crossings?

**Hon JIM CHOWN:** Mark, do you have a response to that question?

**Mr Burgess:** It is fair to say that we have reasonable levels of detail, so I think that should be fairly easy to be made available, but they are certainly not costings that you would take. Victoria, with the help of a fair bit of federal contribution over the years, has probably got the most aggressive level crossing removal program at the moment. They are putting out a very substantial package of work. They are actually quite helpful in guiding some of the work that needs to be done. Ours are first level, first order, I guess, concept plans. There would be a lot more detail needed for a business case to go to government. We are progressing down that path and we have a priority order of crossings that we would like to remove. I guess the point I make about costings, member, is that they are not absolutely rock solid costings. The challenge with grade separations, particularly on those lines, if you think about it, is that as you approach, you either have to go under or go over with the road or rail, or whichever, and you often close off the access to properties and the driveways disappear for a lot of properties. These are very challenging tasks to undertake without adversely affecting adjacent property owners. So, none are easy. Over many decades almost all the service providers—the telcos, the gas—have used our corridors, so there are a lot of services, and some of those are not well known. So there are a lot of costs where you would have to put in contingencies and do a lot more work to get precise costings.

**Hon STEPHEN DAWSON:** Chair, I take the point made by Mr Burgess, but can I ask by way of supplementary for the committee to be given the costings that you do have for those 12 level crossings?

**Hon JIM CHOWN:** I do not think it is appropriate for the authority to hand over any costings that are of a general nature on things such as this.

**Hon STEPHEN DAWSON:** I do not understand, parliamentary secretary, what you are hiding behind.

**Hon JIM CHOWN:** We are not hiding behind anything, but obviously as works progress and costings are ascertained and become quite specific —

**Hon STEPHEN DAWSON:** The initial costings have been done. Surely there is money in this budget —

**Hon JIM CHOWN:** The initial costings —

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**The CHAIR:** One at a time, please. Can I make the comment that I think the best thing here is that I will give it the number B3. I think it is probably more appropriate for the minister to make the decision as to whether or not to provide that information to the Parliament, because, of course, if the minister chooses not to provide that information, he can then provide a section 82 certificate as to why it has not been provided to the Parliament. I think that is probably the best way of proceeding, because I am not sure that the parliamentary secretary is covered by the FMA.

**Hon JIM CHOWN:** So I can say what I like, then!

**The CHAIR:** I suggest that we make it B3, for the information regarding the costings to be provided, and the minister can make a decision as to whether or not he wants to provide it to the committee; and, if he does not, he can lodge a section 82 notice.

[*Supplementary Information No B3.*]

[1.50 pm]

**Hon STEPHEN DAWSON:** Thank you, Chair, and thank you for your guidance.

Also in relation to those priority level crossings, have traffic assessments and safety assessments been undertaken for each level crossing or is that work still to be done?

**Mr Burgess:** Some will have quite some detail about them; others will not. There is obviously a couple of issues. One is what are the safety implications of an accident at the crossing in terms of a motor vehicle or train accident. The other costings relate to congestion and what delays occur at the crossing, and that obviously feeds into the business case for each one.

**Hon STEPHEN DAWSON:** Chair, by way of supplementary, I ask that the information about those level crossings where a traffic assessment and a safety assessment have been undertaken be provided to the committee, too.

[*Supplementary Information No B4.*]

**The CHAIR:** I know that in the other place you provided a list—I think that is the 12 that the member referred to—of priority level crossings for closure or grade separation. Within that, for each of those do you have a preference for a closure or a grade separation? The answer was closure or grade separation. I assume some will be closed and some will be grade separated. Do we know which ones you want to close and which ones you want to grade separate?

**Mr Waldock:** I am more than happy to talk about it when we make a decision on either, so either closing it or a grade separation. So, are you after the criteria that we might use or are you actually asking what we have decided for each one?

**The CHAIR:** Yes. Have you decided for any of those that they should be closed rather than grade separated, or do you have a preference that they be closed rather than grade separated?

**Mr Waldock:** We can probably talk about preferences because some, just by the very basis of the engineering in terms of the grade increases you need and the street topography and whether it works, you need a big lead-in, of course, and if there are houses and businesses around, it makes it very difficult. I guess the classic example would be the Moore Street crossing—one that Mr Burgess has been working on. That decision will be quite complex because certainly any grade separation there would certainly leave a very large footprint and would be very difficult engineering wise. But we can provide some information on that.

**The CHAIR:** Yes, the criteria, and also the ones for which you have a preference for closure, or which ones you expect are likely to be closed as opposed to grade separated because of the complexities.

**Mr Waldock:** I make the other point too that some of these roads are not ours, so it is not our decision actually. We have to work with the stakeholders—local government—to get them on side.

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**The CHAIR:** Local government roads. But, in effect, once the airport line and the stadium open, more streets will be closed if you do not grade separate it at peak times, effectively.

**Mr Waldock:** Indeed.

[*Supplementary Information No B5.*]

**Hon STEPHEN DAWSON:** I turn to page 742, “Spending Changes”, and in particular the line item that refers to staff reductions. Parliamentary secretary, I want to ask a question about the policy of reducing the number of car park attendants. How many car park attendant positions were abolished in 2014 and how many in 2015–16 to date? Does the PTA have a plan to abolish more car park attendant positions in the out years?

**Mr Waldock:** I will kick it off and then Mr Burgess can fill in the gaps. Certainly, as part of our budgetary deliberations and the agency expenditure review, that has been an area of some interest for us. We did do an exercise in outsourcing it. You would have read in the paper more recently that we are working with the unions to see if we can maintain those services in house—this is for car parking attendants. Mr Burgess has been working long and hard in this area. It does appear that there have been some very sensible and productive discussions with the unions and we will be moving to single manning, which is what we would expect and certainly what other similar agencies and local governments would do. It does appear that we will be moving towards a 14-person reduction from 28. Mr Burgess might be able to offer some more detail.

**Mr Burgess:** It is an interesting one, because unlike a lot of the jobs within the Public Transport Authority, it is not one steeped in tradition. Under the Court government, only about one-third, maybe a bit less, of the car bays were secure, and they had a fenced area around them, and it was only at the big Park ‘n’ Ride areas. That was all done by a private contractor. During the 2001–08 Labor government—the Gallop and Carpenter governments—a decision was taken to use some redeployees to achieve that function. What I am trying to paint is that it is not like it is a job that is steeped in history and we have had these longstanding employees there for a long period of time. Quite a number of them are redeployees who only came in there in the relatively short past. In addition to what Mr Waldock said, one of the points is that with the decision to go to full paid parking a couple of years ago, we have a plan. Obviously, things like efficiency dividends and AERs drive you to try to be as efficient as you possibly can. We have a plan to ultimately, as some commercial car parks are now, have no staff involved. We would seek to have a technology solution using cameras and recognition software, which we use in an embryonic way right now. We have a plan to one day not have any car park attendants. The staff are well aware of that; they have been on that journey. We explained that to them more than a year ago. The average age is in the order of 60 or 61 across that workforce—of that vintage. There is nothing wrong with that vintage, I might say! The point is that there was a finite date for the staff anyway and they knew that; that was well understood. The question is how quickly we got there. As Mr Waldock indicated, the AER drove us to look at a range of functions that, arguably, we do not think are frontline services. I do not think our customers would see someone who is checking paid parking as a frontline service. That is our view anyway. The question was whether we could do it, because we did have almost an excess of car park attendants. It had whittled down from in the 30s to 28, and that is the number at the moment, 28. We thought we could do the function with 14 or less, perhaps even 12, so some time ago we asked to go to single manning and potentially, as staff then left under natural attrition, we would not replace them. At the time, there was a view among some of the staff that they wanted to continue to work as a team. That view has now changed. They have been willing to go to single manning, as you see car park guys in any street in Perth or in any local community operating as single people.

**The CHAIR:** They do it as double-ups in Joondalup.

**Mr Burgess:** Joondalup must be a threatening environment!

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We are heading towards a staff of around 14. That is where we are headed, because that is where we could get to with a contractor. The union has come back in a cooperative way and said yes, we can get there. My analysis of the requests for people to get redundancy that I quickly scanned through yesterday suggests that we are going to be in the right place and that enough people will want to go and will want voluntary redundancy. For the interim period, we will have about 14 car park attendants, which is about the number we want to have until we get to a technology solution.

**Hon STEPHEN DAWSON:** If I can just clarify, there are 28 positions at the moment. When will you get to 14?

**Mr Burgess:** We are aiming for those staff to have left under voluntary redundancy arrangements within the next few months.

**Hon STEPHEN DAWSON:** You alluded to getting to down to zero. Do you have a timetable for getting to zero?

**Mr Burgess:** That will be about the technology solution. We are not funded specifically for that project at the moment. When we went to SmartParker, it was a government decision to have full paid parking. When that decision was taken, we put up a request for some money to develop the technology. At the moment, the government has not asked us, and, more to the point, we have not gone to the government saying, “Here’s how much money we need.” We are still doing the investigative work, but I would think it is only a matter of a couple of years.

**Hon STEPHEN DAWSON:** Just to be clear—I think you may have already said this—those staff who are losing their jobs will be provided with redundancies.

**Mr Burgess:** Yes; correct. As I said, the list I looked at yesterday suggests that we will not have a problem finding the ones who are volunteering for that. If there were not enough, then it would be a case of going through the other provisions of redeployment and seeing if there are other opportunities. Certainly, we have identified a couple in terms of who are keen. We need a couple of extra fare gate attendants—what we call PTAs—and a couple of them want to do that as well, so we will move them across into the other role.

[2.00 pm]

**Hon RICK MAZZA:** Supplementary to that, in addition to the staff reductions, you have also got contract labour reductions. What other services besides the car park attendants are you cutting?

**Mr Burgess:** It is a lengthy story. I sense the chairman will tell me when it is too lengthy!

**The CHAIR:** As long as you are adding new material, I will not cut you off.

**Mr Burgess:** As with many other government agencies, we have had a number of efficiency dividends over the years. The AER is something different again; it is another form of budget cut, but it is a slightly different package in that Treasury has asked agencies to go away and almost do a first principles review of their business again to see if there are functions or programs they are performing that are not required any more. In the old terminology of 10 or 15 years ago, it is not TQM, it is business process re-engineering, basically; it is a revamp to see if you can do your business differently. They are many and varied; it is a long list of items that our executive has put together to try to come up with—it is a lumpy number. It is \$103 million over four years, so broadly about \$25 million or \$26 million a year. We are not going to find it all in the early years, so ours will be a little back-ended. Some of this stuff actually takes a bit of time to build up the momentum to get the savings going. The staff area is one that we just spoke about. A number of staff, I would say in the order of 60 FTEs, will cease to be at the PTA. About 50 of those are current positions—in other words, people are in them—and about 10 are vacancies. Separate to the staff issue is the contract labour. We are a reasonable sized organisation of about 1 640 or so. Like all organisations of that size we have an amount of contract labour. Where you have a vacancy for a period of time, you plug someone in from an agency. When you have a short-term job, you hire. We have made

a conscious decision. Out of the 1 650, about 1 250 are what you would call frontline services; that is, train drivers, coach drivers, passenger ticketing assistants, customer service assistants, and the next layer behind them—the signalling technicians, the train controllers. All of those guys, even though they do not see the customer —

**Hon RICK MAZZA:** What about security staff?

**Mr Burgess:** Transit officers are definitely frontline.

**Hon RICK MAZZA:** Are you reducing some of those?

**Mr Burgess:** Transit officers? No, not at all. That leaves the 400. I would hate for people to think of the 400 as a bunch of white collar people who do not do much, because that is not the case. You are talking about some of those people who are in HR and in Mr Kirk's division—finance and contracts people and so on—but you are also talking about compliance functions, such as the parking guys we just talked about. A whole bunch of people are in that 400 who certainly are not office dwellers—put it that way. The 400 is the group that we have to target the savings from in a staff sense. In a more global sense, the contract savings can come from across the organisation, but in accordance with the direction of the minister and the Treasurer, provided it does not have an impact on the immediate frontline service. That is where we have been looking. There are many things, and I will give you a few examples.

**Hon RICK MAZZA:** I think I have got the gist of it, so I am happy to stop right there on that issue. Program reductions are something else you have in here to get some savings. What sorts of programs are being reduced?

**Mr Burgess:** Very few are ceasing completely; for example, we had a couple of technicians—mechanics if you like—who were supporting our coach fleet. They were what you would call first-line repair—immediate things such as the light bulbs and stuff like that. They will cease and the contractor who is supplying the new fleet of buses, Volvo, will provide that function. Another example would be our rollout of accessible bus stops. We had previously been rolling out about 650 accessible bus stops in Perth and in the regional town centres around the state. We are rolling that back to 500, so it is not ceasing, but it is winding back.

**The CHAIR:** What is it coming down from?

**Mr Burgess:** About 650 typically, and it varied from year to year.

**Hon JIM CHOWN:** To about 300 I think.

**Mr Burgess:** It was 500. We are about 3 900 in across the state. I cannot remember what the exact number is, but it is about 15 000 stops around the state, in that order, and we are about 3 900 in. We started the program in, I think, 2009. That is an example of a program reduction.

**Mr Waldock:** The *Indian Pacific*, Mark.

**Mr Burgess:** Members may be well aware that the federal government pulled \$8 million or \$9 million of federal sponsorship for the *Indian Pacific* for a class of fare, in a sense for seniors and pensioners fares. That was mid last year, in August or so. In September the New South Wales government pulled their bit. The federal government used to cover the bit in the middle, basically. The South Australian government did not provide anything. The federal government covered the bit in the middle. New South Wales pulled theirs and we were the last man standing. We are paying about \$800 000 a year, so that will cease from 1 July.

**Hon RICK MAZZA:** Thanks for that. The second last line item is special events at the Perth Stadium. I see that in the forward estimates it is \$7.5 million one year and up to \$12 million in the years ahead of that. What sort of special events will be incurred by the PTA? Is it free travel for certain events? What is that line item about?

**Mr Waldock:** This is the agreement that we have worked towards with the steering committee and through government to reflect the changing nature of the transport task with the new stadium. It is a totally different task in terms of what will be required for both trains and buses. We will go from moving about 16 000 people to over 50 000 people with the new arrangements per game. Of course, there are two issues there: the number of games that we will be providing services to and what level of service we will be providing. At the same time, of course, we recognise that that will mean significantly more costs. To give an example, we run a few buses now but in the future buses will be picking up 8 600 people at the stadium, 6 200 people on the pedestrian bridge side, and on the trains we will be taking in the order of 28 000 people from the stadium and another 6 000 from East Perth station. You can see that to do that we require additional money. As part of that particular arrangement there has been a decision by the government to support that. It will be a phased level of support. Perhaps I could pass over to Mr Burgess to give more details on the games, if he could.

**Hon RICK MAZZA:** Before you do that, is this projected extra expenditure over and above what you are going to collect in fares?

**Mr Waldock:** Yes, that is the difference.

**Hon RICK MAZZA:** That is the balance after you collect fares?

**Mr Waldock:** That is the difference, yes.

**The CHAIR:** You collect the fares from the event organisers, not the passengers, do you not, because the ticket includes free transport?

**Mr Waldock:** It is integrated ticketing, yes. What we are saying is, historically, we were just getting to the stage in Subiaco where we were pretty much at cost recovery. This is now an arrangement to subsidise.

**Mr Burgess:** It is a quantum, I guess, the new stadium compared with Subiaco. At Subiaco, it has lifted up quite a bit over the years. We now carry about 40 per cent of a Subiaco event. For a sell-out footy game, 43 400 is the oval capacity, so we carry away roughly 14 000, mainly on trains. That used to be a lot more buses before the Mandurah line, but now that is mainly on trains. The difference we are talking about is at a 60 000 stadium taking away over 80 per cent, and we are talking about roughly 50 000 people on public transport. As Mr Waldock indicated, most of it will be from the stadium station, but also quite a number will be walking over to East Perth station to go out on the Midland line and a fair bit going from the stadium bus station and also walking over the pedestrian bridge to bus stands in Nelson Avenue, which will provide a circular service through the CBD to CBD car parks. It is a quantum difference in the number of people we will carry by public transport, some for the whole journey and some for part of the journey. That necessarily means that the amount of resource we have to put in is substantially more and those negotiations about—it is another cost, I guess, in terms of the stadium.

**Hon RICK MAZZA:** I am right with your answer; you can stop that there. I have other questions, but noting the time I might defer to other members.

**The CHAIR:** I might follow up: in terms of that charging, is that for all events at the new stadium?

**Mr Waldock:** For the first year, for all football events, we are treating them as Rolls Royce events.

[2.10 pm]

**The CHAIR:** No, that is what I said. Is it all events or just all football events?

**Mr Waldock:** I was going to say that they are the Rolls–Royce events. We have actually got a four-tiered structure for events—that is, major rugby internationals and major cricket internationals, including the Twenty20 matches. We have actually got a listing of which events we will support during the course of the year. That has been the basis of our decision-making and our arrangements.

**The CHAIR:** Can we get that tabled, either now or provided as supplementary information?

**Mr Waldock:** We can indicate which events we are covering, yes.

*[Supplementary Information No B6.]*

**The CHAIR:** Does it phase back? An event of 20 000 will still pay full cost recovery. Will the events that are getting 60 000 plus be getting the subsidy? Am I right in understanding that, in a general sense?

**Mr Burgess:** I think I answered your question. The charge to the punter through the ticket will be the same, regardless of the size of the event. Obviously the resource we put to the event —

**The CHAIR:** But it is not the punter; it is the person hosting the event. The football or the cricket will incorporate it into their charges and then pay you an amount. What I am asking is: will you charge the users of the stadium? You obviously have a graduated charge for users of the stadium, depending on how many people attend, and the subsidy progressively increases, I assume from some point up to where you are subsidising it by half, at 60 000.

**Mr Waldock:** We are not involved in the operators, although we will be part of that. I will give an example. If you are taking an Australian Rules football match, let us assume 50 000 members are part of that sort of arrangement. What we would be looking at doing is they will be paying their season tickets for all that, so whether or not they go does not really matter because that is factored into the charge. That funding will come our way. In terms of what we are doing for football, as I mentioned before, for the first 12 months we will provide the full suite of services. You are asking me about football. It will be a standard income for most of it—that is, from the members—and it will be a standard cost because we are providing full services.

**The CHAIR:** Is that only for the first year? What happens beyond that?

**Mr Waldock:** I think it could easily be beyond that. We just want to get a better understanding of what the profile of the demand looks like.

**The CHAIR:** Have we given a commitment to users of the stadium that we will not be going to full cost recovery, like we were at Domain Stadium, or have we entered into a contractual obligation? Or is it just a case of, “We are doing it because it is a benevolent government”?

**Mr Waldock:** As has been reported in the paper, this is the subject of negotiation. The negotiation is happening and I think it is —

**The CHAIR:** Is that your negotiation, or is the negotiation about the stadium users and the football commission using —

**Mr Waldock:** It will be negotiations with the users, the clubs and the state government.

**The CHAIR:** And the operator?

**Mr Waldock:** Yes. It is a three-way negotiation.

**The CHAIR:** Okay, so this is just a provisional amount, depending on what those negotiations —

**Mr Waldock:** That is it, and that is the question. That is the provision we have, subject to negotiations.

**Hon HELEN MORTON:** First of all I just want to congratulate the director general for six years of amazing service in that role and in particular, I guess, for the significant upgrades that have taken place across the East Metropolitan Region, so I think you have done a terrific —

**Mr Waldock:** Including our famous Gateway project, is that right, member?

**Hon HELEN MORTON:** Absolutely, yes. I did quite a lengthy speech on that. I do not know whether you were even aware of that; I did not tell you about that, but anyway —

**The CHAIR:** This is the PTA. I think that is more Main Roads, just to make sure that no-one is getting too confused. I do not want to have another round of congratulations in the next session over the same matters!

**Hon HELEN MORTON:** Thank you very much for that. My particular interest at this stage is around the Nicholson Road grade separation project. Has the tender been let for that?

**Mr Waldock:** No, but it is imminent and whilst there have been some delays, and I acknowledge that, those delays have been very much an issue of having to negotiate with the rail track lessee, Brookfield. These things and how they might work are always complex: what are the issues of disruption, how we need to work through the program with them, making sure that everyone respects the safety, timing and delay issues and that the cost issues are apportioned. It has been delayed, but my understanding is that it will be finished by the third quarter next year.

**Hon HELEN MORTON:** One of the questions was when it is due to be completed, and you have answered that. To what extent, if any, is this related to the Thornlie railway line extension?

**Mr Waldock:** The Thornlie railway line extension is, in nominal terms, a half billion dollar project. This project would have to be done as part of that. To the extent that this is worth in the order of \$32 million, that body of work will have been done, so we will actually make the project a simpler project in terms of the scope of works, and certainly it would support a reduced time line; it is a very important aspect of the project that would need to be done. But the project has still got challenges in terms of how we work with freight and how we move the freight rail line over to allow for the public transport line, so the Thornlie to Cockburn project is still a fairly substantial project.

**Hon HELEN MORTON:** Is the infrastructure in the tunnel that joins, or was built to join, the Thornlie rail line extension to the Mandurah line, which I went and saw the other day, still suitable and intact?

**Mr Waldock:** Yes.

**Hon HELEN MORTON:** That would not have to be replaced?

**Mr Waldock:** No. That was a vision of the future when we did that, so it is an asset which we can use and will use in the future.

**Hon HELEN MORTON:** Was that tunnel and the railway line extension built before or after the then government decided to reroute the track through to South Perth?

**Mr Waldock:** It was built when we were actually working on a major bit of freeway works, but it was in anticipation of the Armadale line in fact carrying passengers to Mandurah so, yes, you are quite right. In hindsight, it was one of our great decisions to move the railway direct line, but of course those assets became a bit lazy for a while.

**Hon HELEN MORTON:** Okay. As part of the upgrade to Thornlie station, are there any plans to upgrade the parking at the Thornlie railway line station?

**Mr Waldock:** No, there is not currently and in my view we have little capability unless we go multistorey. There was not any additional available land to my knowledge and certainly it is not in our plans, but maybe when we go through the full scope of the Thornlie to Cockburn project, we could look at that as part of that project.

**Hon HELEN MORTON:** My understanding is that there is land adjacent to the existing car park area, but it is owned by the local government authority that might be prepared to consider using the land for that purpose.

**Mr Waldock:** I might just turn to Mr Burgess to see if he has got anymore views on the subject.

**Mr Burgess:** No. I do not think we have done any planning on it.

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**Mr Waldock:** What if we look at *Hansard* and follow that up.

**Hon HELEN MORTON:** Thank you. I will leave it at that. I have got another matter but I will raise that later.

**Hon ALANNA CLOHESY:** Parliamentary secretary, what savings are expected to be gained from the closure of Meltham train station?

**Mr Burgess:** Unless you are seeing something I have not, I am not aware of any definitive plans to close particular stations.

**Hon ALANNA CLOHESY:** Are there plans to close Meltham station?

**Mr Waldock:** There have certainly been no decisions.

**Hon ALANNA CLOHESY:** There are no decisions, but are there plans to close Meltham train station?

**The CHAIR:** Are you considering closing Meltham station?

**Mr Waldock:** I think it is fair to say that we are always looking at patronage. You have to understand that every time you stop at a station, there is a cost to all taxpayers. The deceleration, stopping and accelerating takes in the order of two minutes, and that means an extra train set per so many kilometres. That is money in time and cost. We are always mindful of that but certainly we have not made any decisions.

[2.20 pm]

**Hon ALANNA CLOHESY:** When is the decision to close the Meltham train station expected to be made?

**Mr Waldock:** It is not something that has crossed my desk, so I would not know.

**Mr Burgess:** I have not seen anything recently about Meltham. There are certainly a number of stations that are low patronage, and that is no secret. In addition to what Mr Waldock said, there is the pure cost to all taxpayers of the train—the rolling stock element, the fact that it obviously chews up power. Some of those stations do get to a decision point in the next 10 years because we will be required to upgrade them to disability standards, and that is a crunchy number; that is a big number to do that in many cases.

**Hon ALANNA CLOHESY:** Are you suggesting that Meltham is not accessible under the disability transport standards?

**Mr Burgess:** I am sure there would be issues that Meltham in terms of some aspect of disability, but I just make the point that the key issue —

**Hon ALANNA CLOHESY:** That is really interesting, because two estimates ago—was it?—you told me that that ramp did meet the requirements under the Disability Discrimination Act. I went and measured it myself and it does not, but I was told it does meet the requirements.

**Mr Burgess:** I do not remember the conversation.

**Hon ALANNA CLOHESY:** I will follow that up later.

**Mr Burgess:** The thing with disability standards is that they change over time. It used to be 1:12 and it is now 1:14—that is, the ramp gradient—so things can change over time.

Can I just get to the point of closing stations, and I am not talking specifically about Meltham. The real cost—this is to try to get people onto public transport and to make the journey for many a better journey—is that a lot of people waste a lot of time over the course of the year pulling up at a station where no-one gets on and no-one gets off. I am not saying that is Meltham; I am just saying that there are a number of stations on our system where that occurs. We have stations with a couple of hundred boardings a day, and I think a very adult conversation has to occur at some

point about whether stations that are 400 or 500 metres apart, one of those, if it is a particularly low-patronage station, should not be looked at. But that is not something that is occurring in any robust way right now.

**Hon ALANNA CLOHESY:** So, within this budget period it is unlikely to close?

**Mr Burgess:** I am not aware of it closing, put it that way.

**The CHAIR:** Can I just ask a quick question on that point. In terms of closures, is closures of railway stations one of the options that you will look at as a further initiative that you need to find to meet your budget over the coming years? Under your agency expenditure review savings, you have to find \$40 million over the next three years of forward estimates. Based on what the director general just said, I would have thought that closures would be something you are looking at as one of the potential measures for meeting those savings.

**Mr Waldock:** Interestingly enough, no, it is not part of this particular exercise. I will just pick up. Nobody likes to close stations. Last time I tried to close a station, I have still got the scars from it and that was Grant Street and Swanbourne I think it was.

**The CHAIR:** Take on Betty Beazley at your peril!

**Mr Waldock:** It was Loch Street and Grant Street, sorry, and we ended up doing a skip pattern because it was just so much pain. We are very mindful that to the local community stations are extraordinarily important, so we have to weigh that up. That is why there are no short-term plans or no proposals before the government or the minister or me at the present moment.

**The CHAIR:** I understand that, but you have to find \$40 million worth of savings and with both your comments and the managing director's comments about us having to have a mature conversation, I cannot see why they would not be part of the conversation in light of what you have said already.

**Mr Waldock:** Maybe on a bipartisan basis we could look at that, but certainly it is not part of that \$39.6 million. That \$39.6 million is recurrent and I guess some of the advantage of the station closures are certainly recurrent, but also having to invest future capital. But just to answer your question, it is not part of that \$39.6 million thinking. But it could be if you wish!

**The CHAIR:** No, no; I was just listening to the comments that you two made and I would have thought that was a logical extension of your comments.

**Mr Waldock:** I just wrote that down!

**Hon ALANNA CLOHESY:** Of the \$40 million savings, you mentioned you are reducing the rollout of accessible bus stops by 150 per year, but you also said that your \$40 million in savings would not affect frontline services. Can I suggest to you that accessible bus stops are frontline services for people with disabilities who want to access a bus and who need to go to work, school, university or an appointment, so in fact you are having an impact on frontline services through those cuts to accessible bus stops. My question is: how does this affect the requirements of the Disability Discrimination Act and particularly your obligations under the national disability transport standards—that is, your winding back of rollouts of accessible bus stops?

**Mr Burgess:** I take your point and I guess is a debatable point as to what is frontline —

**Hon ALANNA CLOHESY:** It is not debatable if you need to access a bus; it is frontline.

**Mr Burgess:** I understand that. I have members of my family with disabilities, I know exactly what you are talking about. But the issue becomes one of the state being in a tough economic position, and various government agencies, and we are no exception, have been asked to tighten their belts and the executive of PTA therefore had to put their heads together. Some additional assistance was provided by one of the major accounting firms that came in with a sort of management accounting

team to assist and make sure that we were not missing anything. You cannot achieve the savings unless you make some cuts in places, which ideally you would not like to do.

**Hon JIM CHOWN:** The program is not being ceased; it is just being extended out for a few more years —

**Hon ALANNA CLOHESY:** There are 150 stops being delayed; that is right.

**The CHAIR:** Order! Just let the parliamentary secretary finish.

**Hon JIM CHOWN:** We actually probably have more accessible bus stops being rolled out in this state than any other state in the country. Mr Burgess gave some very good figures when he addressed this and I suggest he repeats them again. This program started in 2009 and has been a fantastic program. We have put 3 900 in place currently.

**Hon ALANNA CLOHESY:** That is right, under your requirements under the Disability Discrimination Act and the national transport disability standards.

**Hon JIM CHOWN:** So your point is?

**Hon ALANNA CLOHESY:** My question still is: how does this affect your obligations under the Disability Discrimination Act and the national disability transport standards? I am happy to take that on notice.

**Hon JIM CHOWN:** I do not think it would affect it all because the program is ongoing; it has not been ceased.

**The CHAIR:** My understanding is that there is a date that we were due to be compliant by and I think maybe the managing director might be able to answer the question for the member.

**Mr Burgess:** There are a number of targets—X per cent by certain years—and I cannot remember what the 2017 target is, but it will be a substantial number. There is a degree of—I am not sure whether you would call it negotiation—understanding in some of that because, generally, the expectation is that you will focus on key bus stops. You will try to identify those which will have the best impact on the community. Having said that, an accessible bus stop is way beyond just people with disabilities, there are actually mums with prams; it is everyone. It stops people from falling over.

**Hon ALANNA CLOHESY:** But here is my point: you have obligations under the national disability transport access standards and you have obligations under the Disability Discrimination Act. They are in terms of meeting certain targets. You are rolling back 150 bus stops; how does that affect the obligations that you are required to adhere to? I am happy to take this on notice.

**Hon JIM CHOWN:** Knowing how the PTA performs on behalf of clients and patrons of the system, I am more than happy to say that I believe we have probably met the percentage requirements. We are more than happy to take the question on notice and get you the information.

**Hon ALANNA CLOHESY:** Thank you.

**The CHAIR:** If you could give us whatever the targets are, where we are up to, where we were going to be under the old system and where we now expect to be in terms of meeting those targets going forward as a result of the changes.

**Hon ALANNA CLOHESY:** Can we add to that the outstanding commitments?

**The CHAIR:** Yes.

[*Supplementary Information B7.*]

**Hon ALANNA CLOHESY:** Under the key effectiveness indicators on page 745 under “Accessible Public Transport”, there is the line item “Area which are within 500 metres of a Transperth stop providing an acceptable level of service”. Can you give me the definition of “acceptable level of service”?



[2.30 pm]

**Mr Burgess:** I am going on memory; it is certainly in our annual report—the definition. My recollection is that it is a 20-minute service or better in the peak direction, in the morning peak.

**Hon ALANNA CLOHESY:** How does the rolling back of 150 accessible bus stops affect the key effectiveness indicator? Was that decision made —

**Mr Waldock:** Accessibility was measured, as it says, in terms of distance from a bus stop or a station. That is another level of accessibility, so it does not even contemplate that particular definition.

**Hon ALANNA CLOHESY:** Okay. Why is the measure of 85 per cent static over the period 2014 to 2017 for that indicator?

**Mr Burgess:** It goes back some years. Mr Waldock is right—it is almost a different definition of the word “access”. The accessible bus stop is largely about people with disabilities or mothers with prams. The access to a bus stop is more about whether there is a bus stop within reach, and I think it is definition of 20 minutes or better frequency in the morning peak. The question is that about 10 years ago or eight years ago, Treasury sought to have a performance indicator—you will not find it in any other states, I do not think—about accessibility to public transport. At the time, GIS data was moderately embryonic, so we put some very clever people onto it, who were able to get Perth street addresses as a GIS layer. Then, with the rollout of SmartRider, we had to plot every one of our bus stops and stations, and they have a GIS code for each one of those. Until we had all that, this would not have been possible to gather. Now we layer Perth street addresses against all the bus stops and train stations with a 20-minute, I think it is, or better service, and that gives us that percentage. The reason we have kept it flat is, to some extent, you want to have a target that is at least moderately sensible and achievable from the point of view that the Perth footprint, particularly with about an extra half million people coming in in the last eight years or so, has just kept growing. If we had 95 per cent in there, we are never going to achieve it in that period of time when we have had this massive growth in addresses, and so we have kept it as a target that we think is practical, but we still aspire to achieve it.

**Hon PETER KATSAMBANIS:** I refer to page 743 of the budget paper, where it talks about the significant issues impacting the agency. One of those talks about the success of route 950, and in particular it talks about reliability and frequency as the keys to attracting people onto buses. Part of that route runs through north metro, and I know that local people in particular are very satisfied with that service, particularly the frequency of it, with the frequency leading to reliability, I guess, in that aspect. Do you keep a measure of cost per passenger per kilometre by route, and have you got a cost for that particular route?

**Mr Waldock:** We have the ability to do all that now, and that is part of the way we run our business. The smart ticketing arrangements allow us to do that, so that we know where people get off and get on and we can actually do very strong and accurate metrics on that. I perhaps might ask Mr Burgess to talk a bit more about this, but certainly you are quite right. That 950 service—we call it the super 950 service—has been perhaps one of the best examples of where we have this debate at times about mode of transport, and it is fair to say that there are love affairs with heavy rail. Light rail is also fairly romantic and buses, historically, have not been very romantic, or seen to be in the same light. Whilst I am not for one minute suggesting that it is exactly the same from customers', or a patrons' point of view, what I am saying is that if you can provide quality services with high frequency, wider bus stops, priority lanes—all those attributes help the elasticity function of demand. I think what we have seen there is not just strong demand, and it has grown enormously in terms of growth in patronage against a market that is not going anywhere, but as well as that, I think for the first time what we have seen is this concept of people building in that Beaufort Street corridor. That is some renewal in terms of high densities around there and mixed use to take advantage of that seemingly permanent, high-quality service that people will use. I think for the first

time we have seen that some of the talk about not just TODs but corridor developments, which are going to help frequencies, have been manifested in that Beaufort Street corridor. Again, I will get Mark to talk about the details, but it is certainly giving us a bit of a guide to the future, when we look at the whole matrix of modes, rapid transit services, certainly BRTs will have their place.

**Hon PETER KATSAMBANIS:** My question was: do you have a cost per passenger kilometre?

**Mr Waldock:** I think I said that we have got all that, but Mark might want to expand.

**Mr Burgess:** Member, we can supply that as supplementary information. Typically, we provide it against the contract area, so we have cost per service kilometre down to contract areas, but we should be able to do it just down to the route level.

**Hon PETER KATSAMBANIS:** Yes, and if you could also provide for a comparison with the cost per passenger kilometre for either the contract area or generally for Perth metro buses.

**The CHAIR:** Would you be happy with maybe the top 10 routes and the bottom 10 routes, if you are able to get them easily?

**Hon PETER KATSAMBANIS:** Since you have got that technology now, that would be great.

**The CHAIR:** Just to give us an idea.

*[Supplementary Information No B8.]*

**Hon PETER KATSAMBANIS:** Following up again on the super bus, as you rightly called it—I do not think I used that term in my question, but I am happy to call it that. We have this one route that is a super bus, but has any consideration been given to creating similar routes in other areas; and, if so, which areas?

**Mr Waldock:** Mr Chown, in his enlightening opening address, talked about the 960 service, which will be coming on in October, and that will be Mirrabooka, through the new Perth bus station, out to Curtin University. It is almost the inverse—two major corridors in the city, both going to different universities. We think that will be extraordinarily popular as well.

**Hon ALANNA CLOHESY:** Just on that 960 service, how many services were cut to allow for that 960 service to be put on the road, particularly the frequency around the 835 service around Mirrabooka, and the 888 service? What frequency of those were cut to allow the new 960? It talks directly to what the —

**Mr Waldock:** Accessibility.

**Hon ALANNA CLOHESY:** Accessibility, and what the parliamentary secretary talked about in terms of cross-suburban travel. Those 888 and 885 services have been cut significantly to allow for the new 960, and they are specifically intra-suburban and cross-suburban.

**Mr Waldock:** I think we have answered those questions, and we certainly could help to provide information as well. Mark, have you got any more details?

**Mr Burgess:** I think it is two or it could be three routes that are resourced. The same happened with the 950. Routes were either ceased and merged together or components, resources from them, were merged together to create the resources, the buses and the service kilometres.

**Hon ALANNA CLOHESY:** Maybe, if we get that on notice—the frequency and the number of services?

**The CHAIR:** Can you provide a detailed breakdown of what variations were made to those services?

*[Supplementary Information No B9.]*

**Hon PETER KATSAMBANIS:** I am happy to have these matters fleshed out. I will move on to page 746 of the budget papers, specifically the increase in average cost per passenger kilometre for

buses. I note that explanatory note 2 suggests that that has increased as a result of the decrease in passenger kilometres—as Mr Waldock quite rightly said, there is no growth in this market. But also it relates to the fact that Transperth bus-related costs have increased by 6.3 per cent. What is driving those cost increases, and what are you doing to minimise them?

[2.40 pm]

**Mr Waldock:** I will get Mr Burgess to make a few statements. Some of those costs we have actually got, and we work with Treasury on a whole listing of what are the drivers for costs. We index those every year. Of course, the contracts that we have with the bus providers have clear indexation in them. I would say that I think part of the answer to your question is there as well, not that we have seen stagnant or slightly reduced patronage, which is real this year, but we have also put out, as Mr Chown mentioned, some significant service kilometres. It is a two-way issue: we have actually put out more, so there are more costs putting out service kilometres and the patronage is slightly reduced. Do you want to pick up on that?

**Mr Burgess:** As Mr Waldock said, that is the key to it. More service kilometres without the same commensurate growth in patronage and, if anything, a marginal shift backwards in patronage, means that the average passengers per service kilometre just is not there. In a cost sense, the other thing that drives our cost is every time we modernise the fleet—we essentially almost have a modern fleet now, almost all low-floor buses, and you have a more expensive fleet basically. For some years a large proportion of the fleet were old buses and we had washed away the costs of paying those off and also they were relatively cheap to maintain. Newer buses are expensive to pay off in terms of buying them and expensive to maintain, relative to the old ones.

**Hon PETER KATSAMBANIS:** Are you saying that a component of that is actually expanding the network?

**Mr Burgess:** Indeed.

**Hon PETER KATSAMBANIS:** Rolling out more passenger kilometres, expanding the network.

**Mr Burgess:** Yes.

**Hon PETER KATSAMBANIS:** Eventually, I assume that is in outer suburbs and areas like that.

**Mr Waldock:** Certainly, a significant percentage is outer suburbs. It will be interesting to see what happens next year; unfortunately, I will not be here to be a part of it. Next year, we will be able to talk a little bit about it. We think we will get a jump in patronage. My suspicion is that fuel will keep dropping, so we might see some improvements there as well.

**Hon PETER KATSAMBANIS:** I was going to ask about the impact of fuel, but you have answered that. I am conscious of the time and other members wanting to ask questions.

Can I zone in on one area of the expanding suburbs of Perth, and that is the northern corridor. A whole series of buses are now feeding into the Butler train station. They are popular and they are well utilised. One concern I have had expressed to me that feeds into the whole dynamic of outer suburbs, is that north of Butler there is not a great amount of employment, and a lot of employment especially for young people is provided in retail in areas like Joondalup. The train services are frequent and constant, but, particularly on Thursday evenings, which is a traditional late opening night, and weekends, at the end of the shifts of these young people in Joondalup, they can get the train to Butler but they then cannot get the connecting bus services through to Yanchep or Two Rocks and places like that. Are we looking at providing expanded services or rejigging the existing services so they can link into employment services for these younger people?

**Mr Waldock:** It is a very good question. This has been a challenge for certainly the last 10 years in terms of we would all like a bus meeting a train when it arrives in all our stations, particularly our transfer stations, of course. It is a challenge. It is dollars at the end of the day. I think that in the future we will see potential opportunities in that on-demand transport space to cover some.

Years ago, we tried to work with a taxi company to try to provide those after hours, because they are not large numbers but there are numbers of people who require it. Rather than having perhaps a full bus service, we might look at some other types of business arrangements. My sense is the way the whole world of on-demand transport is going—we might pick up that in transport later—I think you will get some entrepreneurial approaches to that anyway. I think the world is changing so quickly with innovation that the market might fill in some of those gaps, but, alas, at the present moment, there is a shortfall.

**Hon PETER KATSAMBANIS:** Is there scope in your technology, particularly ticketing and pricing technology, to look at innovative arrangements even on a trial basis around that model you mentioned?

**Mr Waldock:** I think there is scope but we are mindful of the budget challenges we have. I think the market will pick it up. I think the world is changing so quickly and there are innovative approaches that seem to be cost-effective. I think those gaps will be picked up by the market rather than by taxpayers.

**Hon PETER KATSAMBANIS:** It is just that if we use the most ubiquitous of the on-demand services, say an Uber, and we click how far away a car is from here right now at Parliament House, we will find there are dozens within one kilometre, but the further out you get from the centre, the less they are available.

**Mr Waldock:** There is no doubt, but what we will see, I think, is a whole new group of new players with woman-only drivers and with outer suburb niche markets, because all you now need is to meet the driver and vehicle standards and be a licensed vehicle in that business.

**Hon PETER KATSAMBANIS:** I understand that, but we are a long way from 16 or 17-year-olds using that to get to work.

**Mr Waldock:** This is a transport issue.

**The CHAIR:** I might move on, member.

**Hon PETER KATSAMBANIS:** I have some other questions if I get a chance.

**The CHAIR:** Two other members want to ask questions and we are running out of time.

**Hon SAMANTHA ROWE:** Parliamentary secretary, I turn to the Forrestfield rail link and I want to ask three questions around land acquisition. Has the agency taken possession of all the properties it believes it requires for the Forrestfield train station precinct and what compensation has been paid to the landowners?

**Mr Waldock:** Mr Burgess may have the latest on that, but certainly as at about three weeks ago I think there might have been two landowners who had not quite moved out but who had moved their gear. You could certainly say for the benefit of this discussion, we believe that they have all been vacated. There may be some property left on some of the sites, but the occupants have vacated. In terms of compensation, I think there is only one that was delayed but I think that has been fixed. That was a delay that was, unfortunately, from our side. I think that you could say that I believe at least all those issues in terms of vacated and land payment have occurred.

**Hon SAMANTHA ROWE:** Has compensation been received by all the landowners?

**Mr Waldock:** There may be one that I mentioned, but all the rest, I understand that has happened, yes.

**Hon SAMANTHA ROWE:** Are you able to provide a list of who it is?

**Mr Waldock:** Excuse me, I stand corrected. There are two who still have not been paid. This is tied up in lawyers transacting their business. I think we can all say for the purposes of discussion that it has been effected and the contractor will have free and open carriage of the land when they commence on site.

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**Hon SAMANTHA ROWE:** Are you able to provide a list of all the landowners who have received compensation and the amounts?

**Mr Waldock:** We can do that.

[*Supplementary Information No B10.*]

**Hon SAMANTHA ROWE:** That was all for me, chair.

**Hon MARTIN PRITCHARD:** I was a little bit confused with your opening statements. I take you to page 745, the sixth subheading, “Level of overall customer satisfaction—customer satisfaction index”. I have looked at that and I wonder whether you can explain the apparent budgeting for a lower level of satisfaction in 2016–17 than in 2014–15. It would seem from the estimated actual that you achieved that decrease. I have read the authority’s annual report but I cannot quite marry the two figures or the direction of the two figures.

**Mr Waldock:** Are you talking about what we estimated or the actual?

**Hon MARTIN PRITCHARD:** At page 745, under the sixth heading, there is what you have budgeted for with regard to the index, so in 2014–15, for instance, on trains it was 92 per cent satisfaction. You have budgeted for 90 per cent satisfaction in your estimated actual, so what you are going to achieve, is 90 per cent. It is the same with the bus and the ferry. I just could not marry that up with the annual report and the statement that the parliamentary secretary made in his opening statement.

[2.50 pm]

**Mr Waldock:** I think the answer is that we actually have moved to a slightly higher level, certainly in the last passenger satisfaction monitor. We might have thought that was a bit of a glitch rather than the new base, but I take your point. I think you are suggesting that we are probably not as aspirational as we should be in terms of our expectations—our targets.

**Hon MARTIN PRITCHARD:** As I understand it—these are new to me, so I can stand corrected—your estimated actual is pretty much where you are on line for, so take buses again. The actual for 2014–15 was 86 per cent customer satisfaction. You budgeted for lower, 81 per cent, and your estimated actual is 81 per cent. From the 2014–15 year, it seems that you are on a downward trajectory.

**Mr Waldock:** That is interesting. Mr Burgess, do you want to comment?

**Mr Burgess:** I think the reality is that the survey is always done in the weeks leading up to Easter. It is done during normal working weeks over about a month. The reality is we get top-line results enough. Because there is not a budget position per se, it is not like you put in X number of service kilometres or whatever. It is what the public tells us, basically—4 200 or so of our punters tell us via a face-to-face survey by an independent market research company that has been going for 23 years, apples to apples to apples, except for things like SmartRider when you change a few questions when you have a significant change. Otherwise, it has been a very consistent survey. The reality is that what we are putting in—it is just by convention, if you like—is what the real result is. In other words, because we know what the result is, because we will have just gotten it pre-budget or around the budget time, the real result is what is put in there.

**Hon MARTIN PRITCHARD:** The real result is what is in the budget papers or the real result is what is in the annual report?

**Mr Burgess:** The real result is in both those columns, is it not? You can see it is in both those columns. Budget and actual is the same number. What I am saying is throw as much money at me as you like or take as much off. To some extent, no budget will determine what the public says their perception of me is. The number is the number, if you understand what I am saying; it is not like we can budget for a number.

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**Hon MARTIN PRITCHARD:** I do not really understand how the annual report and the comments can say it is on an upward trajectory. That is fair enough.

Coming from the northern suburbs, my concern is the overcrowding at peak times on the train line. My understanding is that you have made comments that that is being dealt with. I think you might have gone further and said that it has been dealt with. Do you confirm that you believe that it has been dealt with? The increased parking at Edgewater will feed more patrons into that at peak times. If that is going to create a problem, what plans do you have to resolve that?

**Mr Waldock:** As was mentioned, we are getting towards finishing off the 22 new six-car railcar set order. That has provided enormous new capacity into the system. At the same time, we have also talked about how patronage has been pretty flat in the last two years. While we have been putting substantially more brand-new rail cars into the system—during the peak, 22 000 additional capacity of people—we see that the overcrowding is not an issue. We do measure it. Everyday our people at the stations give us, again, an assessment of how many people are left behind. We do not think we have an issue and the metrics show that. Again, Mr Burgess might be able to add value to it.

**Hon MARTIN PRITCHARD:** That is fine; thank you.

**The CHAIR:** You were proposing a redevelopment of the land around the PTA centre, and I understand that you have decided not to proceed with that redevelopment. As part of that, you were seeking the developers to fund a footbridge to the East Perth passenger rail station. What will now happen about the footbridge?

**Mr Waldock:** You will be pleased to know, Mr Chairman, that, yes, we did go to the market and we did not really get the responses we had hoped for, but we have got money in the capital budget for East Perth, and part of that East Perth development station will in fact be for a new footbridge, and that new footbridge will be finished before the start of 2018.

**The CHAIR:** The development would have just saved you money; it would not have enhanced it.

**Mr Waldock:** Yes.

**The CHAIR:** That is good. The next question is about Butler train station. We have talked a lot about it, but I understand that like many train stations, yet it is your newest one, there are already significant problems with the elevators and they have been out of service. I note that the Mayor of Wanneroo even had difficulties whilst she was incapacitated having to go up and down the stairs on crutches. Why do we have so many problems with the elevators? How long has the Butler one been out of service and why has it been out for as long as it has?

**Mr Waldock:** I can give you the figures on our reliability of elevators.

**The CHAIR:** No; just Butler will do for now.

**Mr Waldock:** I can talk in a general sense.

**The CHAIR:** I want your newest one and why they constantly break down.

**Mr Waldock:** I think anybody who saw Butler station would say that it is the station of the future because it is a wonderful station in terms of layout.

**The CHAIR:** Until you are the Mayor of Wanneroo and you turn up on crutches and you have to try to get up and down stairs.

**Mr Waldock:** That is true. Mr Burgess has just won his doctorate in elevators and escalators, so well done. I will give the figures before I leave. Perhaps you can pick that up, Mr Burgess, and I will look at our reliability figures on elevators and escalators.

**Mr Burgess:** I apologise. I was not aware it was still out at the moment. I thought it had been repaired.

**The CHAIR:** It was about a week ago that it was still out, and it had been out, as I am told, for quite a number of weeks prior to that. It may today be back in service.

**Mr Burgess:** It is unusual to have a lift out for that period of time. We are reasonably good at getting them back online. We stole a fellow—the guy who ran escalators and lifts for the London underground is now our man. We have had him for a number of years now. In the last three years we have had, I think, a dramatic improvement. As you know, we are replacing most of the escalators and lifts on the northern line—clearly not at Butler.

**The CHAIR:** One at a time. I understand the program. I am focusing on Butler and why we have a problem at Butler.

**Hon JIM CHOWN:** Are you talking about the escalator or the lift?

**The CHAIR:** The elevator—the lift. Why have we had a problem at such a new station?

**Hon JIM CHOWN:** We will take that question on notice.

[*Supplementary Information No B11.*]

**Hon STEPHEN DAWSON:** I refer to Page 746, “Services and Key Efficiency Indicators”, in particular metropolitan and regional passenger services. I want to ask about the route 450 bus. A promise was made last year that the 450 would be extended to East Landsdale. It has not happened yet. Why has it not happened and when can those people see the extension of their bus route?

**Mr Waldock:** Sounds a bit dilatory by Mr Burgess. I will ask him.

**Mr Burgess:** I did not know we had actually promised it, and if we have, clearly, it has been affected by the constrained times that we live in. As the parliamentary secretary said, we are still rolling out the bus service improvement program, which has been a very big investment since the 2010 budget—over 13 million more service kilometres off a base. We are now at roughly 66 million service kilometres a year. What we have left is very much targeted against some specific projects, so that 960 that we spoke about from Mirrabooka to Curtin—I know we do not have the kilometres to do the 450, so it could be that times have changed.

**Hon STEPHEN DAWSON:** I am conscious of the time.

**Hon JIM CHOWN:** We will take it on notice.

**Hon STEPHEN DAWSON:** When will it happen?

[*Supplementary Information No B12.*]

**The CHAIR:** The director general mentioned earlier buses and how you are getting great patronage. I want to make sure that I am not misinterpreting what you said. Were you suggesting that buses can deliver the same sort of patronage and changes to land use as light rail and heavy rail, or would light rail still achieve a significantly higher patronage and land-use change to these rapid bus services that you are putting in place?

[3.00 pm]

**Mr Waldock:** What I was suggesting is that it is horses for courses and we all know the benefits of light rail and we have all seen light rail at its best in many overseas and, perhaps, interstate capitals. I suppose the point I did make, though, is that with buses, certainly, there is huge opportunity. You only have to go to Brisbane, where you have been, to see BRT systems work. I suppose what I was saying is that frequency, reliability and priority—so travel times—are critical in the demand side of things and we can make buses work so much better. In fact, if we do get them working well, we can see some urban development around that. It is not just for the domain of light rail or heavy rail; we can actually see some decisions in terms of densification and development around quality bus services.

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**The CHAIR:** Using Brisbane as an example, my understanding, from when I visited, is that they have a regret, because although they got some development, they are now reaching capacity and they realise that for only a slightly higher cost they could have got a heavy rail system that would deliver even greater patronage.

**Mr Waldock:** That is probably why we have not followed Brisbane.

**The CHAIR:** That is right; thank you.

On that note, I thank you on behalf of the committee for your attendance today. The committee will forward any additional questions it has to you in writing after Monday, 20 June, together with the transcript of evidence, which includes the questions you have taken notice highlighted on the transcript. Responses to these questions will be requested within 10 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 the hearing. Once again, I thank you for your attendance today, but, of course, we will see you again soon, Mr Waldock.

**Hearing concluded at 3.01 pm**

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