

Division 73: Public Transport Authority of Western Australia, \$140 020 000 —

Ms W.M. Duncan, Chairman.

Mr D.C. Nalder, Minister for Transport.

Mr R. Waldock, Chief Executive Officer.

Mr M. Burgess, Managing Director.

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

[Witnesses introduced.]

The CHAIRMAN: I call the member for West Swan.

Ms R. SAFFIOTI: My first question relates to predicting and planning for growth in our public transport patronage on page 826 of the *Budget Statements*. Can the minister explain why total patronage on the public transport system fell in 2013–14 by 1.4 per cent?

Mr D.C. NALDER: There has been a lot of speculation, but the primary reason is considered to be the drop-off that is occurring in the CBD. We have noticed that car parking and office vacancies have increased. There has been a general downturn in the CBD area and we believe that that has been the major impact on public transport over the past 18 months.

Ms R. SAFFIOTI: This was in 2013–14. The pressure off the commercial markets really happened over the past year. It seemed an early time for the drop-off to be happening.

Mr D.C. NALDER: We did also have some disruption in that year with the City Link project, when there were closures of lines. We believe that the downturn did start in the CBD earlier than the member is suggesting.

Ms R. SAFFIOTI: The government is expecting only 0.6 per cent growth in 2015–16. That has also wiped some revenue off the government's forecasts in terms of passenger revenue. What is the total estimated loss of passenger revenue as a result of the deteriorating passenger growth forecasts?

Mr D.C. NALDER: It is \$9.7 million, but I will hand over to Kevin to provide further details.

Mr K. Kirk: As the minister said, it was reduced by \$9.7 million as part of the budget process. When we set the fares for 2015–16, we reduced the 2014–15 revenue by about \$9.7 million.

<064> C/3

[9.30 pm]

Ms R. SAFFIOTI: I have another set of questions.

The CHAIRMAN: No, I will go to the member for Swan Hills.

Mr F.A. ALBAN: I refer to the dot point third from the bottom of page 826, which reads —

The geographic spread of Perth and its predominantly low density setting means buses are the only viable means of meeting much of Perth's public transport needs. Buses also provide feeder services for trains.

The media often portrays Ellenbrook–Aveley as having no public transport. Does the Public Transport Authority know what number and type of buses are provided to the Ellenbrook–Aveley district to access the train to Bassendean, to Morley Galleria and to Midland?

Mr D.C. NALDER: I turn to the managing director to talk about the specific bus services that come from Ellenbrook.

Mr M. Burgess: We have actually gone through this over the years with Ellenbrook. Consultation was done several years ago—I am thinking in my head it was four or five years ago—as to where the primary destinations were. Clearly, one of the primary links is Bassendean to hook into the train system. At the same time I guess the second key destination for people from that area was to Morley Galleria, so we have a range of bus services. I am sorry, Chair, I cannot remember the numbers of the routes at the moment. We can supply that to the member if that is required, but they are the two primary destinations.

The CHAIRMAN: Mr Burgess, the minister has just indicated that he will provide supplementary information. Could the minister indicate what he will actually provide?

Mr D.C. NALDER: The number of buses that are supplied.

Mr F.A. ALBAN: For that specific area.

Ms Rita Saffioti; Mr Dean Nalder; Mr Frank Alban; Ms Simone McGurk; Mr Chris Hatton; Mr Peter Tinley

Mr D.C. NALDER: Which specific area—Aveley?

Mr F.A. ALBAN: The Ellenbrook–Aveley region.

Mr D.C. NALDER: The Ellenbrook–Aveley region.

Mr F.A. ALBAN: The actual number, not the services. I want to know whether there are 10, 12 or four.

Mr D.C. NALDER: The actual number of buses?

Mr F.A. ALBAN: That is because I see so many of them and I get particularly angry when —

Mr D.C. NALDER: Not the bus routes, the actual number of buses for the Ellenbrook–Aveley area.

Mr F.A. ALBAN: The actual numbers that are provided by the state government to that region.

Mr D.C. NALDER: And the colour!

[*Supplementary Information No A28.*]

Ms S.F. McGURK: My question relates to the line item “Customer perception of safety” on page 828 and is about the safety of drivers and their passengers. How many attacks on drivers have occurred in the last financial year?

Mr D.C. NALDER: Bear with me for one tick. I will hand over to the managing director because we have some data but perhaps not the specific data the member is chasing. If we do not have it, we will get the specific data as supplementary information, but we have some numbers on security, generally speaking.

Mr M. Burgess: As the minister alluded to, we do not have the exact number of assaults. That is readily available, so we can supply that as supplementary information. I can talk about the bulk of our buses nowadays. Like it or not, as a result of an episode in 2009, as I recall, when a driver was assaulted and lost an eye, there was a very substantial increase in the security budget. In 2009 we vastly increased the number of mobile patrols. We also went to a process of putting cages in buses, and that refers to my comment about like it or not. It is not a great look but it has substantially increased the safety of drivers. I think we have a fleet of about 431 buses today on the Transperth side of the business and around 1 200 of those have a cage. They do not all have them. Some do only daytime runs and therefore do not have the cage. We have closed-circuit television in almost all of the buses nowadays. Again, it is really only very old buses that are about to be retired that do not have CCTV. The scale and scope of the CCTV system has changed over time, obviously. The modern system has seven colour cameras on a bus, including a forward-facing camera. There are therefore significant opportunities to catch people if they do something wrong, and disincentives that are well advertised by campaigns on TV and with the police so that people know the cameras are there and, hopefully, we will catch people if they do something. But, as I say, like it or not, the cages have been the primary thing that has very much satisfied the bus driver workforce. The number of incidents is actually down on the bus side to the tune that I think we have —

Mr D.C. NALDER: It is 38.4.

Mr M. Burgess: Yes, 38.4. I think that is general incidents, is it, minister, or is it assaults?

Mr R. Waldock: That is incidents.

Mr M. Burgess: That is a reflection of all of that investment collectively. The increase in mobile patrols, the cages and particularly the campaigns in concert with the police showing that people generally will be caught if they do something wrong.

The CHAIRMAN: Did the minister want to add more to that?

Mr D.C. NALDER: Yes, I will add one more statistic. Incidents decreased by 38.4 per cent. The total number of security incidents on a per million basis, because we have an increase overall in boardings, is decreasing by 43.6 per cent; therefore, a lot of the security measures that have been initiated have been working.

Ms S.F. McGURK: I know that there were particular concerns in Bunbury. Just in the last three months there were three attacks on bus drivers in Bunbury, including a stabbing. My understanding is that the security cages are not in place at the moment in Bunbury buses; is that correct?

<065> K/3

[9.40 pm]

Mr M. Burgess: My understanding is that that would be correct; the same issue applies with close-circuit television. There have been a few requests by people for some level of security. The only two regional towns I can remember being raised in discussion are Bunbury and Geraldton. We have offered security staff, and we have had security staff supplied to those services in both those towns, but we have not rolled out CCTV and the

Ms Rita Saffioti; Mr Dean Nalder; Mr Frank Alban; Ms Simone McGurk; Mr Chris Hatton; Mr Peter Tinley

cages. The stabbing incident, if it is the one I am thinking of, was, obviously, unfortunate, but modest and unpredictable in the sense that it was a schoolchild. If it the one I am thinking of, it was a schoolchild who, unusually, stabbed a driver. It was not a stabbing as we would consider a more serious stabbing in the nature of the offence. Our investment decision to date is to not put cages in buses. I do not think cages are a great look and we do not think they are a great look. I think if a tourist got on board a bus and saw a cage, that would not be ideal, but it is where we have got to, I guess, as a society. Certainly it all evolved from the incident with the bus driver who lost his eye in 2009. If we can avoid putting them into the country areas, where, I will be frank, the level of incidents generally are very, very low, we would, but it is something we would obviously keep our eye on and if it is needed, we will do it.

Ms S.F. McGURK: Yes, I think there is a demand for them, particularly in the Bunbury region. Can I just clarify that at this stage there are no plans to put them in place—either the cages or a security response vehicle—in the central Bunbury bus station along similar lines to what is in place in Perth?

Mr D.C. NALDER: I am more than happy to consider it. I think the point is right: I grew up in the country and we like to think the country remains a safer place, but our regional cities are growing and the incidents and issues they have in some of those larger regional towns or cities are similar to what we see in the metropolitan area. I am happy to investigate that further with the Public Transport Authority.

Ms R. SAFFIOTI: My question relates to page 826 of the *Budget Statements*, and the heading “Significant Issues Impacting the Agency”. What is the budget for the expansion of services into new suburbs? We have a growing number of suburbs, so what is the actual funding available for the expansion?

The CHAIRMAN: Is the member referring to a particular dot point?

Ms R. SAFFIOTI: Basically, the first dot point, which reads “Predicting and planning for growth in public transport”.

Mr D.C. NALDER: Obviously, we are anticipating substantial growth in Perth over the next few decades. One of the things I have wanted as part of the long-term planning—I am giving the managing director a chance to find more information specifically—is to really understand how we can provide better bus services. A lot of people say they prefer travelling on a train rather than a bus, and one of the things we have looked at is why that is so. There are three reasons that are driving that. The first is that the buses wind their way to the end point, whereas trains go directly—there is a point to this; the second is that buses get caught in traffic congestion with cars; and the third is that we do not know necessarily when the next bus is going to arrive. What we have been looking at is what we can do to improve those factors. The service we had today, I anticipate, will look quite different from the service we will have tomorrow. The 950 that runs down Beaufort Street is a classic example of that, where we have combined four services into one to run more direct services down arterial routes. As our city expands, we need to free up the buses down those major arterials and carry more people in that fashion than the old traditional service. On that point of the growth into the new suburbs, I will see whether the managing director has some information he can provide to help the member, or whether we will have to take it on notice or provide supplementary information.

Mr M. Burgess: The 2011-12 budget announced a very significant increase in bus service kilometres; we were off the pace, roughly, at the time of slightly less than 60 million service kilometres, if I remember correctly, because it was about a 28 per cent increase. There was an announcement of 15 million service kilometres to be rolled out over five years. With the subsequent tightening of the budget and following negotiations with Treasury, we have tried to spread that target a little bit because of some degree of budget constraint. Therefore, the target of 15 million service kilometres has been wound back a bit and spread over seven years. I would have to say that a lot of that growth has now happened. The targets were initially additional capacity on services that were overloaded or suffering heavier loadings, and we used to get the reports off the bus companies and off our own services inspectors as to where we might leave people overstocked. We have addressed that; that was the first priority. We then went to new urban areas—developed areas—not with regular services or no services at all. We then went to increasing capacity on existing services on strategic corridors during the core weekday hours, and then finally it was new opportunities for cross-suburban travel. I do have quite a substantial list, and we have actually supplied to the other house before the lists of all the services that have been put place in across that service expansion program since 2011-12, but I do not have, unfortunately, a number for the growth we have this year in a dollar sense or a kilometre sense. We certainly could supply that, Chair.

The CHAIRMAN: Is this a supplementary question that the minister is willing to supply? Can the minister define what he will supply?

Mr D.C. NALDER: We will see what we can provide in that space, particularly around the new suburbs. I am not sure exactly how much detail we can supply, but we will attempt to answer that.

Ms Rita Saffioti; Mr Dean Nalder; Mr Frank Alban; Ms Simone McGurk; Mr Chris Hatton; Mr Peter Tinley

The CHAIRMAN: I think we might need something a little more specific than that.

Mr D.C. NALDER: Sorry. I am just trying to respond to the member. We are trying to find is the anticipated bus numbers.

Ms R. SAFFIOTI: The additional increase in kilometres.

Mr D.C. NALDER: Is that the number of additional kilometres for the new suburbs?

Ms R. SAFFIOTI: It is for the new bus services in the new suburbs.

Mr D.C. NALDER: Over what time?

Ms R. SAFFIOTI: For 2015–16 and 2016–17.

Mr D.C. NALDER: We will take provide as supplementary information the anticipated bus kilometre increases, particularly for new suburbs, for 2015–16 and 2016–17.

[*Supplementary Information No A29.*]

Ms R. SAFFIOTI: Basically, 15 million new service kilometres were announced to be allocated over five years, and that has spread to seven years because of budget constraints; is that right?

Mr M. Burgess: It has been spread over seven years and it has been toned down: it is 12.5 million service kilometres over the seven years.

Ms R. SAFFIOTI: So, 15 million reduced to 12.5 million, and it is now over seven years not five years. I have a further question about expanded capacity. Page 833 of the *Budget Statements* has a line item for the railcar program that shows an allocation of \$1.2 billion for new railcars. Can the minister confirm that will be undertaken through a lease arrangement?

Mr D.C. NALDER: I will hand that to the director general to respond to.

Mr R. Waldock: It will not be a lease. We have spent a lot of time on this, as the member would expect, with our interdepartmental committee, and we have looked at the various options we have to deliver this new railcar set. We are talking about a very large order, as has been suggested; it is \$1.2 billion. We have done a number of procurement workshops to look at the model and identified six different models, including public–private partnerships. We came down to two in the end, though. There was the traditional model, which is what we call a design, build and maintain model; that is how we have always purchased our railcars in the past. We also looked at what we call a design, build, finance and maintain model.

<066> J/D

[9.50 pm]

This one is different from a public–private partnership to the extent that it is financed through the vendors, the suppliers. We went to the market and the very large suppliers indicated their preparedness and they could all provide finance, so from that point of view we thought it was an option. We put it through a multi-criteria analysis and decided that that was the best, for a number of reasons.

Ms R. SAFFIOTI: Just for clarification, DBFM is the best.

Mr R. Waldock: Yes, that is our first option; that is the one we are talking about now. We will be buying it; it will be available so we will purchase those railcars after they have been delivered and have passed commissioning. There is a very clear rationale for why we are doing that: this is a totally new series of railcar. There are always risks; it is quite different from any railcar we have gone for before. Rather than the state having to not only put money up-front, but also wear any issues and costs in terms of late delivery and commissioning issues, we are putting it back on the vendor. In fact, if the vendor is late at all, or if the vendor's commissioning is slower than expected, the vendor will take the risk. As I say, we have done the analysis. When the bids come in—we have asked them to bid on both—we will be able to compare, but we still believe that DBFM is the preferred basis of supply.

Ms R. SAFFIOTI: Just for clarification, the minister said it was not a lease. Is it a finance lease?

Mr R. Waldock: It is not a lease, no. We own the railcars when they come. They are putting finance purely into the cost, so when the railcars come to us, we will be buying them, but at the post-commissioning stage. They are financing the build; that is all.

Ms R. SAFFIOTI: Further question —

The CHAIRMAN: We are running out of time, member for West Swan. There is a bit of a queue, so last one.

Ms Rita Saffioti; Mr Dean Nalder; Mr Frank Alban; Ms Simone McGurk; Mr Chris Hatton; Mr Peter Tinley

Ms R. SAFFIOTI: Sorry. With regard to the impact on the cash flows, the expenditure will start being reflected in the budget papers once the department starts receiving the railcars; is that correct? Will there be annual payments?

Mr D.C. NALDER: We will start receiving the orders in 2019 over a 10-year period, and we will start to pay in those years as we receive each of the vehicles.

Mr C.D. HATTON: I refer to the seventh paragraph on page 832 headed “Edgewater Multi-storey Car Park”, which is north of my electorate of Balcatta. Can the minister outline the main time and cost components of this project and the key delivery milestones?

Mr D.C. NALDER: Is Madam Chair comfortable that I go?

The CHAIRMAN: Yes. I am just trying to find the paragraph.

Mr D.C. NALDER: Since the Joondalup line was opened in 1992, there has been steady growth in patronage. As a result of that growth, we extended the line to Butler, which has also been very successful. That project was delivered well within budget and parking demand at the station has increased dramatically, so we have seen the installation of a number of car parking bays. In fact, we made a commitment to 3 500 back in the 2008 election campaign, but have delivered in the vicinity of around 5 000 and have another 5 000 planned, of which the Edgewater multistorey car park is one. We have committed funds to the Edgewater station in this budget and the aim of the project is to deliver approximately 560 extra car bays to the existing mixed-use car park. Site works will commence shortly and the project is scheduled to be completed in December 2016.

Mr P.C. TINLEY: I refer to the fourth dot point on page 826, which refers to public transport and its relationship to the new Perth Stadium. The government expects 35 000 of the 60 000 capacity of the stadium to take the train and 14 000 to take the bus. I presume that the minister has had discussions with whoever is running that project and that it will be possible to take peak-hour traffic out of the city on a Friday afternoon and still meet the demand requirements for Perth Stadium for a 5.30 pm bounce down.

Mr D.C. NALDER: We believe that there will be only two Friday night matches, and obviously that is when there will be the greatest impact. We know it will be a challenge, but we have been able to meet those challenges at the current Subiaco Oval, although we are anticipating more patronage. Just to clarify the anticipated coverage, we anticipate shifting 50 000 of the 60 000 capacity out by public transport, and the member is right in saying that we expect 35 000 of them to be by train. We can split that down to two stations. The modelling suggests that around 29 000 will go out of the stadium station and up to 6 000 will walk across Windan Bridge to East Perth station to catch a train on the Midland line. Of the 14 000 for buses, 8 000 are anticipated to use the stadium buses because we will have buses at the stadium to service the suburbs. We know that a number of people will be coming from the CBD so it is anticipated that 6 000 will walk across the pedestrian bridge and use the shuttle service that will run from the other side to car parks around the CBD.

Mr P.C. TINLEY: Notwithstanding that, is it a restriction on the stadium that it can be used only twice a year on a Friday, or does the modelling show that?

Mr D.C. NALDER: Historically, that is what we have been allocated by the AFL for Friday night matches. That is the basis on which we have been looking at it. We see it as a challenge, but that is also why we are looking at the orders of railcars. By the end of next year we will have increased our railcar fleet by 28 per cent, which is part of the order for 22 three-car rail sets, which will conclude around the end of 2016.

Mr P.C. TINLEY: With regard to the numbers that the minister has been using, 35 000 by train and 14 000 by bus, what are those assumptions based on and where is the modelling coming from for that?

Mr D.C. NALDER: I will hand that to the director general.

Mr R. WALDOCK: The modelling is based on what we call a stem model, which gives us some sense of origin and destination, but a lot of what we have done is empirical. We have looked at how we have run Subiaco station over the years. We get a 40 per cent market share at Subiaco station, but this is a whole new challenge, moving up to 80 per cent market share. Again, we have had the best of our rail engineers and bus planners working on this and we think it is a very robust plan and we are very confident about it. The biggest challenge is not with buses; we are used to using buses. We have two bus stations that will work beautifully, particularly if we get some priority into the station from Great Eastern Highway for the stadium station. The biggest challenge, though, is for the train station—there is no question about that—as we move people in and out from Perth to the stadium.

Mr P.C. TINLEY: Just to clarify, the city station or the stadium station?

Ms Rita Saffioti; Mr Dean Nalder; Mr Frank Alban; Ms Simone McGurk; Mr Chris Hatton; Mr Peter Tinley

Mr R. Waldock: No, the stadium station, and it is really that one hour after the game. That will be the peak of the peak. Within the hour after the game we do not believe we will have to move 50 000 because there will be entertainment and people will stay back; some people will want to walk to the casino and some might want to do some other activities. There will be a tavern there and restaurants inside, and other activities in East Perth. Fundamentally, we are planning on being able to move 25 000 in the peak period into Perth. From there, people who want to go to the northern suburbs can transfer to the northern line, and passengers for Fremantle can transfer to the northern line. That will be the best we have ever done. We will be moving all six car sets at two-minute headways, and we are very confident, based on our planning, that we can do that.

Mr P.C. TINLEY: In bus peak hour?

Mr R. Waldock: No, this is train peak hour.

Mr D.C. NALDER: We also acknowledge that that time—the two Friday nights a year—will be the greatest challenge. A lot of people will still be in the CBD at that time and will make their way directly to the ground, so we will be running shuttle bus services down to the pedestrian bridge for people to walk across. That will alleviate some of the pressure on the trains during that peak period because they will be working in the CBD at that time.

Mr R. Waldock: Getting home will be fine because there will be plenty of capacity on the homeward journey.

The CHAIRMAN: Thank you, members. Noting the time, I think we need to put the question.

The appropriation was recommended.

Committee adjourned at 10.00 pm