



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2009-10 and 2010-11 Financial and Performance Outcomes
Questionnaire**

Further Clarification Points

Department of Transport

February 2012

Response to the 2009-10 and 2010-11 Financial and Performance Outcomes Questionnaire Part One – Additional information sought by the Committee

Question 1

In relation to Question 6 of Questionnaire Part One (p.16 of the Department's response), the Committee notes that the expenditure for the 'Nhill Trailer Exchange – Western Highway (Nhill) (Cwlth)' was in excess of budget for 2009-10 for the reason '*Contractor ahead of programmed schedule*'. Further, the Committee notes that in 2010-11, the expenditure exceeded budget for the State-funded portion for the reason '*Project over budget due to acceleration of works*' (p.29), and the Commonwealth funded portion for the reason '*Acceleration of works ahead of funding schedule*' (p.30). However, the completion date of the project was extended from mid 2011 to late 2011 for the reason '*The project's completion date reflects late award of the contract.*' (p.48)

Can the Department:

- (a) Confirm TEI and annual actual expenditure for this project for all years of the project.

Project TEI \$11.4 million

2009-10 expenditure \$1.65 million

2010-11 expenditure \$7.12 million

2011-12 expenditure (to January 2012) \$2.60 million

- (b) Clarify whether the project was ahead of or behind schedule for each year.

The project commenced in 2009-10 as planned, and was completed as scheduled in 2011-12.

- (c) Explain how, while the project was described as ahead of schedule during its progress, it ended behind schedule with an explanation that referred to a change at the start of the contract.

The information provided in Question 20 (pg. 48) for the Nhill Trailer Exchange project was incorrectly included.

Question 2

With respect to Question 29 of Questionnaire Part One:

- (a) Please explain why, at the time of the 2011-12 Budget Estimates Inquiry, the Department advised the Committee (communication received 30 August 2011) that its estimated expenditure on consultants in 2010-11 was **\$1.7 million** but, in response to the Committee's 2009-10 and 2010-11 Financial and Performance Outcomes Questionnaire – Part One (Question 29), the Department explained that its expenditure on consultants in 2010-11 was **\$52.9 million** and, in the Department's annual report (p.151) the Department indicates that it had **no expenditure** on consultants in 2010-11.

In Question 29, the \$52.9 million represents a consolidation of contractors and consultants for DOT, VicRoads and Linking Melbourne Authority (LMA). The figure of \$1.7 million provided on 30 August 2011 represents consultants only. It should be noted that the Department's annual report's financial statements do not include financial activity of VicRoads or LMA. Under the definition of consultancy as per the Financial Reporting Directions FRD 22B, which is used for preparation of the

annual report, DOT had no expenditure on consultants in 2010-11. Expenditure on consultants by entity in 2010-11 was: DOT – nil; VicRoads - \$70,000; LMA - \$1.597 million.

(b) If the difference is due to differing bases of consolidation, please detail the different bases, including which entities are included in each basis, and break down the expenditure on consultants for 2010-11 for each of the entities consolidated.

N/A. See response to part (a).

Question 3

In relation to Questionnaire Part One, Question 4, where the Committee asked for targets as at 31 December 2010, the Department has provided targets as at 30 June 2011. Please respond to the question with reference to targets as at 31 December 2010 for each measure where the actual result to 31 December 2010 varied by more than ± 10 per cent from the target result for 31 December 2010. This information may be based on the information provided to the Department of Treasury and Finance as part of the half-yearly revenue certification process.

Performance measure	Unit	Six Monthly Equivalent of 2010-11 Target	Actual (31 December 2010)	Explanation for variation
<i>Public Transport Safety and Regulation</i>				
Annual bus safety mechanical inspections conducted	number	25	30	More mechanical inspections were conducted in the first part of the financial year to accommodate any additional compliance activities which could be required as a result of the introduction of the Bus Safety Act 2009 on 1 January 2011.
Public railway crossings upgraded	number	13	7	Project completion rescheduled to second half of 2010-11. The full year target was met.
<i>Road Safety and Regulation</i>				
Road Safety projects/initiatives completed: - safe road users	number	8	6	The result reflects reprioritisation of projects during the period.
Road Safety projects/initiatives completed: - safe vehicles	number	4	3	The result reflects reprioritisation of projects during the period.
<i>Vehicle and Driver Regulation</i>				
Calls to the Victorian Taxi Directorate call centre	number ('000)	76	67	The result reflects improvements in call centre operations which have reduced the requirement of clients to make repeat calls.
Taxi and hire vehicle inspections	number	7,250	19,399	The result is due to the introduction of a range of issue specific inspections, in addition to the full vehicle inspections. The target was based only on the full vehicle inspections. The number of full vehicle inspections undertaken during the period was 6,804 which represents a variance of less than 10%.

Vehicle and driver information requests processed	number ('000)	2,400	2,002	The result reflects lower than expected registration search requests by both road toll operators, ConnectEast and CityLink.
Taxi and hire vehicle complaints assessed	number	1,500	1,677	The result reflects, in part, the improved awareness of the complaints process.
Customers served within 10 minutes in VicRoads licensing and registration offices	per cent	80	70	The result reflects a marginal improvement on 2009-10 performance, even with significant growth of licence renewals at service centres. Further improvement in efficiency is expected at the Service Centres as information out of the recently installed Queue Management System is used to plan resource deployment more effectively.
<i>Marine Safety and Regulation</i>				
Safety audits performed on commercial vessels	per cent	8	4	Reflecting the reprioritisation of activities to include workshops aimed at improving industry and operator capability in risk based safety management.
Delivery of recreational boating safety education seminars	number	6	12	The result is due to the increasing interest from recreational boating clubs in having customised safety seminars.
<i>Transport Security and Emergency Management</i>				
Minor infrastructure security and emergency management exercises coordinated by DOT consistent with the required standards	number	3	5	The result is higher than target due to an increase in both the number and readiness of precincts to engage in infrastructure security and emergency management exercises.
Review of risk management plans of declared essential services for terrorism	per cent	40	20	Reviews rescheduled to the second half of 2010-11. The full year target was exceeded.
<i>Rural and Regional Public Transport Services</i>				
Total kilometres scheduled: - regional bus	km (million)	9.4	11.5	The result reflects bus service improvements in regional Victoria, particularly in the Geelong area.
<i>Specialist Transport Services</i>				
Multi Purpose Taxi Program: - total members	number ('000)	192.0	155.5	The result is lower than target due to the removal of inactive members from the Multi Purpose Taxi Program database.

Public Transport Infrastructure Development				
Major periodic maintenance works completed against plan: - tram network	per cent	50	37	Works were rescheduled to the second half of 2010-11.
SmartBus: Yellow Orbital Stage 2 - Ringwood to Melbourne Airport: - completion of bus stop upgrade works	date	qtr 2	N/A	Rescheduling of road works at sites. Works are expected to be completed in the second quarter of 2011-12.
Road Network Improvements				
Bridge strengthening and replacement projects completed: - regional	number	8	7	Project scope changed on one bridge with works covered under normal maintenance program.
Bus/tram route and other high occupancy vehicle improvements	number	8	6	Two projects originally targeted to be completed in 2010-11 were completed in 2009-10.
Congestion projects completed	number	2	5	This measure exceeded target due to the completion of some projects from 2009-10.
Local road projects completed: regional	number	1	N/A	Project rescheduled for completion in second half of 2010-11.
Freight Logistics Port and Marine				
Road based freight accessibility and reliability improvement projects completed	number	1	N/A	Project rescheduled for completion in 2011-12.
Major periodic maintenance works completed: country freight rail network	per cent	50	29	Works were to be undertaken in the second half of 2010-11. The full year result was 25% below target, reflecting the need to reprioritise resources because of the flood damage rectification works following the January 2011 floods.

Question 4

With respect to Question 46 of Questionnaire Part One:

(a) Please provide actual expenditure for 2010-11 for the program below and detail where in the budget papers funding has been provided for this initiative:

Program/project	Expenditure for 2010-11 (\$M)	Where funding is provided for this initiative
Scrap Labor's Clearway Changes	0.9	Funded from within VicRoads budget allocation

(b) For the following programs, provide actual expenditure for 2010-11

Program/project	Actual expenditure for 2010-11 (\$M)
Port of Hastings development	0.03
Kilmore-Wallan Bypass	0.29

Response to the 2009-10 and 2010-11 Financial and Performance Outcomes Questionnaire Part Two – Additional information sought by the Committee

Question 5

In the Department's response to the 2009-10 and 2010-11 Financial and Performance Outcomes Questionnaire — Part Two the following information was provided:¹

Fare evasion and valid concession percentage surveys are conducted to measure the rate of fare evasion and valid concession percentage on the metropolitan public transport network. The Metlink Services Agreement requires surveys to be conducted in each half year period; they are conducted in May (Survey 1) and October (Survey 2). The estimated fare evasion rates from the May 2011 survey are shown in the table below.

<i>Survey Period</i>	<i>Network</i>
<i>Survey 1 (May) 2011</i>	<i>13.5%</i>

It is expected that the October 2011 survey results will provide an indication of the effectiveness of the Metlink campaign. However, due to the complexity of fare evasion, any conclusions regarding a sustained response will need to be made using measurements over the longer term.

¹ Department of Transport, response to the 2009-10 and 2010-11 Financial and Performance Outcomes Questionnaire — Part Two, received 22 December 2011, p.9

In addition to the fare evasion survey, Metlink commissioned an independent market research firm to measure awareness, message uptake and likely behaviour change in response to the marketing campaign. This is in addition to advertising tracking regularly conducted in its quarterly tracking survey.

Operators have also increased their compliance activity, and there has been an increase in the number of Transport Infringement Notices issued. There is some variation from month to month due to the requirement for Authorised Officers to attend to other duties at times.

Can the Department please supply the following additional data:

- (a) Have there been any targets established for the above indicator and, if so, what are the targets for May and October 2011? In addition, have the October 2011 rates been compiled? If so, please provide the Committee the estimated rates.

Under the Flexible Benchmarks provisions included in the Franchise Agreements with Yarra Trams and Metro Trains Melbourne, fare evasion targets have been established for 2011-2012. For Yarra Trams the target is to reduce fare evasion to 14 per cent by June 2012. For Metro Trains Melbourne the target is to reduce fare evasion to 7.7 per cent by June 2012.

The result of the October 2011 survey shows a 1.6% reduction in the metropolitan fare evasion rate from May 2011 to 11.9%.

- (b) Please include data on the number of infringement notices issued over the last two years, and the findings of the independent market research completed.

Month Year Infringement Notice Issued	Count	Month Year Infringement Notice Issued	Count
Jan 2010	14,834	Jan 2011	10,871
Feb 2010	15,146	Feb 2011	8,918
Mar 2010	15,649	Mar 2011	13,595
Apr 2010	13,611	Apr 2011	12,194
May 2010	14,134	May 2011	16,097
Jun 2010	12,233	Jun 2011	19,657
Jul 2010	12,517	Jul 2011	13,574
Aug 2010	8,614	Aug 2011	11,813
Sep 2010	10,183	Sep 2011	15,282
Oct 2010	9,580	Oct 2011	18,763
Nov 2010	8,178	Nov 2011	15,226
Dec 2010	7,923	Dec 2011	11,689
Total 2010	142,602	Total 2011	167,679

Metlink's evaluation of the Fare Evasion Campaign was conducted over a five week period by an online survey of 200 Melbourne metropolitan public transport users per week. Overall, seven in 10 respondents told Metlink they had seen either the television, print or online advertisements during the five weeks of the campaign. Total prompted recognition across the duration of the campaign was television 59 per cent, newspaper 24 per cent, and online 10 per cent.

More than half of all respondents who had seen the advertisements agreed that the advertising grabbed their attention. More than 4 in 10 respondents said that they liked the advertising and a similar proportion said that it made them aware of an important issue.