



**Minister for Public Transport
Minister for Roads**

Ref: DOT115017R

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Mr David Morris MP
Chair
Public Accounts and Estimates Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Dear Mr Morris

2013-14 BUDGET ESTIMATES - PUBLIC TRANSPORT PORTFOLIO

Thank you for your letter of 20 June 2013 regarding 2013-14 Budget Estimates - Public Transport portfolio.

I would like to provide my attached response to the Public Accounts and Estimates Committee to the questions on notice taken at the 2013-14 Budget Estimates Hearings for the Public Transport portfolio held on 15 May 2013.

If you require further information, please contact Robert Oliphant of the Department of Transport, Planning and Local Infrastructure on telephone (03) 9655 6619.

Yours sincerely



Hon Terry Mulder MP
Minister for Public Transport

17 / 7 / 2013

**ATTACHMENT: QUESTIONS TAKEN ON NOTICE AND
FURTHER INFORMATION AGREED TO BE
SUPPLIED AT THE HEARINGS**

PUBLIC TRANSPORT PORTFOLIO

1. Does the '\$2 million to plan for the procurement of high capacity trains'¹ mentioned in the Minister's media release on the 2013-14 Budget refer to funding provided in the 2013-14 Budget or the 2011-12 Budget?

(Pages 15-16 of the Public Transport portfolio transcript)

The \$2 million of funding in 2013-14 is for further development of the high capacity train procurement strategy. This is in addition to funding provided in 2011-12 to commence planning for high capacity metro trains and supporting infrastructure.

2. Please detail the amounts spent on rebranding and advertising for the establishment of PTV.

(Pages 19-20 of the Public Transport portfolio transcript)

(Figures based on accounts to end of June 2013.)

Rebranding	\$802,489.40
Advertising	\$101,966.00
Total	\$904,455.40

3. Please advise what amount of the following items is related to transport:

- the Department's savings/efficiencies figures (as set out in the Department's response to Question 12 of the 2013-14 Budget Estimates Questionnaire); and
- the 'existing resources' item in Budget Paper No.3 (p.48).

(Pages 22-3 of the Public Transport portfolio transcript)

- (a) The transport component of savings/efficiencies as set out in the Department's response to Question 12 of the 2013-14 Budget Estimates questionnaire is:

¹ Hon. T. Mulder MP, Minister for Public Transport, 'Coalition Government Invests More Than \$520 Million in Critical Public Transport Infrastructure', media release, 7 May 2013

Initiative	Savings target for 2013-14 (\$ million)
Government election commitment savings (2011-12 Budget)	46.7
Measures to offset the GST reduction (2011-12 Budget)	11.0
Capping departmental expenditure growth (2011-12 Budget Update)	100.1
Maintain a sustainable public service (2011-12 Budget Update)	53.9
Savings (2012-13 Budget)	48.6
Efficiency measures (2012-13 Budget Update)	2.0
Any savings or efficiency initiatives in the 2013-14 Budget	n/a

(b) The \$4.8 million of the 'Existing resources' item in Budget Paper No. 3 (p.48) is all related to transport.

4. In reference to projects that have not been funded in the Budget, what are the likely increases in congestion times or costs of congestion for outer suburb residents as a result of these projects not being funded?

(Page 34 of the Public Transport portfolio transcript)

In 2006, the Victorian Competition and Efficiency Commission estimated the economic costs of Melbourne's congestion ranged from \$1.3 billion to \$2.6 billion per year, and that this was likely to double by 2020.

Victoria's 2012 Priority Infrastructure Submission to Infrastructure Australia documents the Government's priority infrastructure projects. The pipeline projects present the opportunity to lift productivity and drive economic growth in Victoria. The submission highlights that the investment required is beyond the capacity of even the best-managed state budget in the most favourable economic cycle. Commonwealth and private sector partnerships will be essential to address Victoria's infrastructure needs and achieve maximum economic and liveability benefits.

Key pipeline projects include the East West Link and Melbourne Metro. The East West Link is designed to reduce the reliance on the M1 and West Gate Bridge which potentially leaves Melbourne exposed to periods of congestion and unreliable travel times. The Melbourne Metro rail tunnel will expand the metropolitan passenger rail network and increase services to Melbourne's growth areas in the north, west and south east.

5. Please advise

- a. who owns the new PTV building; and
- b. what the lease payments are.

(Page 35 of the Public Transport portfolio transcript)

Commonwealth Managed Investments Limited is the sole proprietor of the building at 750 Collins Street, Docklands which is occupied in part by PTV.

The current annual rent payable under PTV's lease of levels 9 and 10 is \$4,990,500 (excluding GST). This is less than the previous rent payable of \$5,629,347 for 2011-12, which also included premises for Metlink and the Transport Ticketing Authority.