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WE SAID BIG TRANSPORT CUTS WERE LOOMING HE SAID OUR FIGURES WERE 'PLUCKED OUT OF THE AIR' BUT THIS WEEK'S REPORT PROVED WE WERE RIGHT **DERAILED**

ANTHONY DE CEGLIE

TRANSPORT officials will have to find \$80.2 million of savings over three years with insiders again warning the major cuts cannot occur without affecting frontline train and bus services.

Despite rebuffs by Trea-

surer Mike Nahan when *The Sunday Times* first revealed major cuts were coming, the specifics of the efficiency drive were confirmed this week on Page 163 of the Midyear Review into the state's finances.

The Public Transport Authority will be expected to cut between \$25.4 and

\$26.2 million each year over the next three years.

The Transport Department will be expected to cut about \$1 million a year.

The reductions are part of "Tranche Two" of the ongoing Agency Expenditure Review.

The Sunday Times revealed on November 22

that significant cuts were being planned.

One source said the cuts would be about \$30 million each year and could mean train services on weekends or at nights could be slashed. Another predicted job losses.

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\$80M 'PLUCKED' FROM TRANSPORT BUDGET

Cuts confirmed

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One day after our story, Mr Nahan told the ABC: "There have been no commitments to reductions. The idea of \$30 million a year (in cuts) is, to my knowledge, plucked out of the air."

The Agency Expenditure Review is co-ordinated through Mr Nahan's office.

The same day Transport Minister Dean Nalder told 6PR radio the cuts were not happening to his knowledge.

"No, No. Um, I haven't, my office isn't and I aren't doing any investigation on cutting services within transport," he said. "I haven't asked the department to consider any cuts and they haven't come to me

services, I have not asked my department to look at any cuts to frontline services."

This week Mr Nahan said Cabinet had not endorsed the Midyear Review, including details of the second tranche of the Agency Expenditure Review, until November 30.

"Anything said before November 30 was purely speculation," he said.

A spokesman for Mr Nalder said he had never denied there would be budget cuts to the PTA or Transport Department – just that frontline PTA services won't be affected.

Opposition Leader Mark McGowan said the Liberals had been "caught out".

"They would have known those cuts were there," Mr

with any specific cuts in transport, so it is not true."

Mr Nalder said the department was "constantly talking directly with Treasury and they are always looking for efficiencies" but cutbacks at a time when they had just overseen a 30 per cent expansion of the bus fleet and a 28 per cent expansion of the train fleet "just doesn't make sense".

"I can assure you we will not be touching frontline services within the Department of Transport," he said.

Later in the week, Mr Nalder told Parliament: "There has been no request from the Treasurer to me to investigate cuts to frontline services – none whatsoever. I have not been investigating any cuts to frontline

McGowan said. "Mike Nahan even had the gall to claim they had been 'plucked out of thin air'.

"And yet, a few weeks later he released a Midyear Review which clearly outlines about \$75 million in cuts to the PTA over the next three years."

He said the cuts would "make congestion worse".

Mr Nahan said declining patronage and smaller fare increases meant the Government had to "focus rigorously on getting costs down in the public transport sector".

"The Agency Expenditure Review reflects the fact that the total operating subsidy provided to the PTA is estimated to increase by \$190 million from 2014-15 to 2018-19," he said.