

**Division 36: Transport, \$96 147 000 —**

Ms L.L. Baker, Chair.

Ms R. Saffioti, Minister for Transport.

Ms N. Lyhne, Acting Director General.

Mr S. Beyer, Acting Managing Director, Transport Services.

Mr P. Parolo, Executive Director, Finance and Procurement Services.

Mr R. Farrell, Chief of Staff, Minister for Transport.

[Witnesses introduced.]

**The CHAIR:** Welcome to the last day of estimates, members. This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice. I ask the minister to clearly indicate what supplementary information she agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

We have quite a few divisions to get through, so I assume you have workshopped that between the two sides of the house and know when we are changing or have an idea about that.

**Ms R. SAFFIOTI:** I will be guided by the opposition.

**The CHAIR:** That is all good. We will start the first question with the member for Bateman.

**Mr D.C. NALDER:** I refer to the third line item, "Coastal Infrastructure" on page 494 of budget paper No 2, volume 2. I want to confirm that the expenses for the upgrading of Hillarys Boat Harbour and Two Rocks Marina are in that line item. A \$8.7 million contract was awarded recently for the upgrading of pens and so forth for Hillarys marina and I want to ensure that we are looking in the right area and that the Department of Transport is responsible for that.

**Ms R. SAFFIOTI:** I will refer that to Mr Parolo.

**Mr P. Parolo:** The member is looking at the actual operating service summary cost. The capture of programs for the coastal infrastructure works will be picked up on page 500, which is the capital work; we have those works programmed. I am on the tenders committee so I have seen the approval of the project works.

**Mr D.C. NALDER:** Can I confirm that the tender has now been let for that project?

**Ms R. SAFFIOTI:** I will ask Mr Parolo to respond.

**Mr P. Parolo:** My understanding is that it has been and it has been through a full tender committee process. That process incorporates bringing in expertise on procurement from the Department of Education and our Main Roads colleagues, as well as experienced procurement personnel from the Department of Transport.

**Mr D.C. NALDER:** I understand that there were four tenderers for the work; three of them were local and one of them involved a French company. My understanding is that the tender has been won by the French company. Given the priority focus on local jobs and that this will now involve the importation of products and fabrication from offshore, I would like to understand the basis by which this contract has been awarded to an overseas company.

**Ms R. SAFFIOTI:** Because it is a tender process, and I am not sure whether it has all been finalised—as in been announced—I would rather provide supplementary information on that.

**Mr D.C. NALDER:** I share that it is on the website that it has been awarded.

**Ms R. SAFFIOTI:** I refer the question to Mr Parolo.

**Mr P. Parolo:** Thank you, minister. The contract was awarded to a Western Australian-based company called Shorewater Marine Pty Ltd. It actually has gone to a local company. The Buy Local policy was considered in the process and some of the considerations were to look at the expertise of the local company that has done a number of works. The member's reference to France is about the Poralu pontoons that are manufactured in France because of the special technology involved in that. Other than that, it has been awarded to a Western Australian company.

**Mr D.C. NALDER:** My understanding is that the other three tenderers involved the pontoons being manufactured by a Western Australian-based company?

**Ms R. SAFFIOTI:** We will provide further information by supplementary. I will just outline that the local participation issue, with the new legislation the government has passed, will facilitate better transparency into the future. We have seen that, for example, with the bridge, in that we may be awarding to a local-based company but some of those subcontracts and other contracts are sometimes not as clear in the whole process. I agree, I want to support local manufacturing at every opportunity and that is why the new legislation, together with the need to have local participation plans, will be a key part of going forward.

**Mr D.C. NALDER:** Further to that —

**The CHAIR:** Before you do that, may I just double-check? Minister, you indicated you wanted to put something on supplementary. I just want to check with the member for Bateman, do you indeed want something on supplementary?

**Mr D.C. NALDER:** I would like to, but I have a further question on that and I am just getting the interpretation of what the minister just said. The minister is saying that this tender process has gone through before the new legislation was in effect, therefore not picking up that the pontoons are being manufactured by a French company?

**Ms R. SAFFIOTI:** Like I said, we will give the member more detail about the process by way of supplementary information. That is the intent. My understanding would be that this process started before the legislation was enacted. As a result, there is a new focus across all agencies. Changing the way we do things will be a massive effort from all agencies. It is all about trying to get transparency in the procurement process. One of the issues across government is that through procurement processes we understand who the head contractor is, but then the local participation is not as clear. Main Roads was an example of us going to a Western Australian or Australian supplier but we do not get a transparent or clear indication of where the workforce is based and where the components are being manufactured. Across government we are trying to make that more transparent at the front. The other thing is the definition of local content. For example, Main Roads was an example of it meeting local content criteria, but that criteria was very minimal. We are trying to also unpick the criteria and try to improve that. I will take this particular example as a case study and we will provide further information on that.

[*Supplementary Information No A27.*]

**Mr D.C. NALDER:** I understand what the minister is attempting to do and I do not disagree with it, but given the minister has renewed a contract for the pedestrian bridge to bring that into Western Australia and therefore cancel the original contract, why would she not consider the same for this situation?

[9.10 am]

**Ms R. SAFFIOTI:** I will take that question on notice because I do not have all the information on the tender process in front of me. Let us go through the bridge situation. The member wanted me to outline it. The contract for that bridge was awarded in May 2015 and it was meant to be completed in December 2016. When we came into government in March 2017, I was told that the first container of bridge sections would arrive in March. It never turned up. I was told not to worry because it would arrive soon—in the following month. It never turned up. In May, when the bridge components still had not turned up, I was deeply concerned. We also received advice about the structural integrity of what was being produced. I was faced with bridge sections that were promised never turning up and questions about the engineering quality of what was being produced.

That bridge was meant to be finished in December 2016. The contract was entered into in May 2015. In two years, not one bit of the arch or the deck turned up. The contract completely failed to be delivered. I had two options—sit at Fremantle port and wait for the segments to turn up or, understanding the need for this bridge to be done as quickly as possible to service the stadium, try to make sure that the government got value for money. That included having a clear line of sight for the construction of the components. This bridge is a unique project and its engineering quality is of paramount importance. Each section was different. That is the bridge example.

In this example, the tender has just been awarded, as the member said. I will seek further information on local content, particularly from the subcontractors. We acknowledge that we want more manufacturing in WA. In the past, we have not had transparency in the procurement process. The Premier introduced the local jobs plan to make

sure that we give the signal across all agencies and government trading enterprises that local manufacturing is important.

**Mr D.C. NALDER:** Given that the minister led into the topic of the pedestrian bridge, can she please advise who provided the engineering advice on the structural integrity of the bridge that was being developed?

**Ms R. SAFFIOTI:** Main Roads.

**Mr D.C. NALDER:** Did Main Roads tell the minister that there were question marks over its structural integrity?

**Ms R. SAFFIOTI:** Yes.

**The CHAIR:** Is the minister happy to continue answering questions without a reference in the papers?

**Mr D.C. NALDER:** I can move the pedestrian bridge to Main Roads, but it is up to the minister —

**The CHAIR:** It is up to the minister.

**Mr D.C. NALDER:** — because she started on this line.

**Ms R. SAFFIOTI:** No, the member started on the line of the pedestrian bridge and I am willing to answer.

**Mr D.C. NALDER:** No, I was linking to an example in which the minister has changed the project because Labor claimed during the election campaign that a Labor government would bring this home and manufacture the bridge in Western Australia.

**Ms R. SAFFIOTI:** Where was that?

**Mr D.C. NALDER:** During the election campaign, Labor made some claims that it wanted to bring the manufacturing of the bridge back to Western Australia and —

**Ms R. SAFFIOTI:** Where was that claim? During the election?

**Mr D.C. NALDER:** During the election.

**Ms R. SAFFIOTI:** Whereabouts? Can the member refer to it?

**Mr V.A. CATANIA:** In the media.

**Mr D.C. NALDER:** Yes. The minister knows that as well as I do. Why has the cost of the bridge gone from \$52 million to over \$90 million? Where has that extra \$40 million come from?

**Ms R. SAFFIOTI:** We had to start the contract for the arches and the deck from scratch.

**Mr D.C. NALDER:** The government paid for them when it did not receive them. Is that what the minister is saying?

**Ms R. SAFFIOTI:** No.

**Mr D.C. NALDER:** Why is the government paying twice?

**Ms R. SAFFIOTI:** We will go through all the estimates in detail, but I will make this point. If it were up to the previous government's contract, we would not have any part of that bridge built. The member for Bateman can shake his head, but his government sat back and entered into a contract for probably the most unique and difficult engineering project ever contemplated in this state —

**Mr V.A. CATANIA:** I have a point of order. The member asked a specific question about whether a double payment for the bridge is occurring. Can the minister be brought back to the question?

**The CHAIR:** I will go further than that. This item is not in this division. It is in the Main Roads division. Unless the member can point to an item here, I have a problem with us continuing the discussion in this division. Member, do you understand what I am saying?

**Mr D.C. NALDER:** I understand what you are saying.

**The CHAIR:** I understand that the minister said that it is okay. I want to check again whether she wishes to proceed.

**Mr D.C. NALDER:** I will leave it to Main Roads.

**The CHAIR:** Is the minister happy to leave it to Main Roads?

**Ms R. SAFFIOTI:** Yes.

**The CHAIR:** It can be fully debated under that division without incurring the wrath of the administration of the committee. Can we go ahead now, member for North West Central, with another question?

**Mr V.A. CATANIA:** Minister, I refer to the “Spending Changes” table on page 492 of volume 2, budget paper No 2. Can the minister explain what the sixth line item, “Removal of Voluntary Emergency Vehicle Insurance Subsidy”, refers to?

**Ms R. SAFFIOTI:** I will go through it. In 1995, the government introduced the volunteer emergency vehicle third party insurance premium rebate. The concession recognised the service and dedication of voluntary emergency services personnel and reduced the premiums payable on voluntary emergency services vehicles without requiring the State Government Insurance Commission to forgo any premium income. From 1996–97, DOT received a \$120 000 appropriation to match the forgone revenue as a result of the concession. As insurance premiums have increased, the appropriation no longer covers the cost of revenue forgone. Therefore, the Department of Transport had to absorb the additional cost. The Insurance Commission of WA has agreed to absorb the annual cost of the concession starting in 2018–19. In view of the new arrangement, the Expenditure Review Committee approved the removal of the subsidy to ICWA and the corresponding appropriation funding.

**Mr V.A. CATANIA:** How many volunteer vehicles is this anticipated to affect, if any?

**Ms R. SAFFIOTI:** The concession still applies, but ICWA is absorbing it.

**Mrs L.M. HARVEY:** I refer to page 210 of budget paper No 3. Under “Taxation”, about three-quarters of the way down, it lists the on-demand transport levy. The amounts are \$3 million in 2018–19 and \$30 million for each year after that. Can the minister please advise how those values have been calculated?

**Ms R. SAFFIOTI:** From my reading of the budget papers, that represents \$330 million per annum, which is the levy that we are anticipating will be applied to cover the purchase of the licence plates. I will confirm that.

**Mr V.A. CATANIA:** Does that equate to 10 per cent?

**Ms R. SAFFIOTI:** Yes.

**Mr V.A. CATANIA:** Is the minister sure?

**Ms R. SAFFIOTI:** Yes.

**Mrs L.M. HARVEY:** Is the \$30 million that the government is expecting to get in 2019–20 based on 10 per cent of the total value of every on-demand transport fare?

**Ms R. SAFFIOTI:** Sure. This is the Treasury interpretation or a general government income statement. The state collects the levy on an annual basis and then we pay it out. I think a \$120 million cash flow is predicted to leave Transport in 2019–20. We then collect the revenue over the next four years. This represents the annual collection to cover the \$120 million payout for the plates.

**Mrs L.M. HARVEY:** I figured that that is what it was. It is listed under taxes, so I figured that it was the actual tax on the transport industry. The Treasurer said yesterday that nothing goes in the budget without a business case. Transport must have done the modelling to calculate those values to go into the budget. It seems incredibly stable when my understanding is that as the on-demand transport sector opens up, more fares will come into the system. I want to know how those values have been calculated.

[9.20 am]

**Ms R. SAFFIOTI:** Is the member proposing that after the levy is introduced, more people will use on-demand transport?

**Mrs L.M. HARVEY:** No. I am saying that more forms of on-demand transport are coming into the market, so more consumers will be using the system.

**Ms R. SAFFIOTI:** So more passengers using on-demand transport after the 10 per cent levy is introduced.

**Mrs L.M. HARVEY:** For example, Uber will introduce ridesharing. I want to know whether that has been calculated into this tax estimate. For example, five people might hop into a vehicle. Will the 10 per cent levy be calculated on each of the five passengers?

**Ms R. SAFFIOTI:** Ridesharing is already in place. I am not sure. I think the member started with the proposition that the number should increase because more passengers will use ridesharing after our reforms.

**Mrs L.M. HARVEY:** No; I am asking the minister how it is being calculated. Based on its modelling, the on-demand transport industry’s expectation is that more people will use this form of transport into the future. I want to find out from the minister whether that has been factored into these calculations. It is a simple question.

**Ms R. SAFFIOTI:** I understand the question. I am trying to understand the view the member is putting. I am trying to clarify that the member’s view is that more passengers will use on-demand transport after the levy has been introduced.

**Mrs L.M. HARVEY:** I understand what the minister is trying to say; the minister is trying to have me take a position that introducing a tax will cause more consumers to use a product. That is not what I am saying.

**Ms R. SAFFIOTI:** It is what the member is saying.

**Mrs L.M. HARVEY:** As on-demand transport expands, there will be more consumers. Has that been factored into the calculation of the tax the government will collect?

**Ms R. SAFFIOTI:** We can look at that. The member is proposing that there will be an increase in the demand for on-demand transport after the levy has been introduced. I will check that through our modelling and provide that by way of supplementary information, if that is the proposition.

**Mr V.A. CATANIA:** The \$91 million over the next four years is what the minister is projecting to earn. Is she saying that \$120 million is what the government has to fork out?

**Ms R. SAFFIOTI:** The process is in the financials. I will go through all the pages. When we get the legislation passed, all the systems will be in place and the levy will be introduced. At the same time, we will purchase back the plates. We are estimating the purchase of all the plates, according to the model we have established, to be approximately \$120 million.

**Mr V.A. CATANIA:** Is the minister's \$91 million on-demand transport levy based on current usage of Uber and taxi services? Is it based on today's usage? I think that is perhaps where the member for Scarborough was going. Is it based on today's usage or has the minister projected any growth over the next five years?

**Ms R. SAFFIOTI:** Thank you. Some modelling has been done and some assumptions have been built into the model. That work has been undertaken by the Department of Transport and the Department of Finance. A team has worked on that. They tried to assess as accurately as possible the potential revenue. We have been conservative in our estimation of usage, although we have estimated some other impacts such as potential leakages—all those sorts of conservative numbers. Treasury in particular was very keen for us to be conservative in our revenue estimates.

**Mr V.A. CATANIA:** What percentage is the minister talking about?

**Ms R. SAFFIOTI:** I will provide an explanation of the model by way of supplementary information. The Treasurer was very keen for us to be very conservative in the revenue estimates because it did not want us to be very aggressive in our revenue estimates. I would say that these figures are probably conservative because, in particular, Treasury is very keen for us to be conservative with our revenue estimates and then probably aggressive in our payout estimates so we do not expose the budget to any financial risks. I think there is about a three-year impact in this budget, but it will flow on to the next year too. We anticipate the revenue coming in in the fourth year of the program.

**The CHAIR:** We have two indications of supplementary information, neither of which has been given a number yet. The minister has offered two separate pieces of supplementary information. First of all, do opposition members remember what they are and do they want them?

**Mrs L.M. HARVEY:** I believe the minister was going to provide by supplementary information the modelling that sits behind the calculation for this on-demand transport levy.

**Ms R. SAFFIOTI:** I was going to provide an explanation of the modelling behind these numbers. When the legislation is introduced, we can go through this in a lot of detail.

**The CHAIR:** We have on record what the minister will provide, and that is all you are going to provide at the moment.

*[Supplementary Information No A28.]*

**Mr V.A. CATANIA:** Given \$91 million is allocated in the budget over the forward estimates and the minister says it is a 10 per cent rate—that is how she got the \$91 million—where and who will it be applied to and how many on-demand vehicles is it expected to impact?

**Ms R. SAFFIOTI:** The previous government introduced a new omnibus licence, which was to create a level playing field between the whole on-demand industry. The modelling is currently picking up taxis and other ridesharing providers' bookings.

**Mr V.A. CATANIA:** Can the minister elaborate on the other ridesharing providers such as charter vehicles?

**Ms R. SAFFIOTI:** There is some discussion about charter vehicles. To be honest, our modelling has been based primarily on the large-scale volume product, which is Uber and other ridesharers and taxis. That is why, for example, we are looking in particular at issues raised about buses. We are looking at all these issues because they will not impact on the revenue to any great extent. The revenue modelling has been based primarily on the key ridesharers. We excluded tourism. Does the acting director general want to make any point on this?

**Ms N. Lyhne:** The model has been done. When the legislation is introduced, this will become much clearer, but there are clear definitions around what an on-demand transport vehicle is and what another vehicle is. The levy is applied to what is defined as on-demand transport. A tourism operator, for example, with a predefined route, whose passengers have booked a product, will not be classified as on demand; it will be classified as something different. It is about vehicles that are available on demand and the passenger determines where they are going.

**Ms R. SAFFIOTI:** The forecasts are based on potential revenue per annum. If the revenue reaches a payout earlier, we will not apply the levy any more. The levy is allowed to collect only enough revenue for the payout of the licences.

**Mr V.A. CATANIA:** Is it capped at \$120 million?

**Ms R. SAFFIOTI:** Yes, exactly.

**Mr V.A. CATANIA:** Will it be capped once that target is reached?

**Ms R. SAFFIOTI:** Yes.

**Mr V.A. CATANIA:** Will it be written in the legislation?

**Ms R. SAFFIOTI:** That will be part of it, yes.

**Mr V.A. CATANIA:** Will the prescribed levy of 10 per cent be in legislation?

**Ms R. SAFFIOTI:** Yes.

**Mr V.A. CATANIA:** So it will be prescribed?

Going back to the charter vehicles, the minister said that tourism operators in, say, the south west—sometimes there are no taxis or Uber; we do not have Uber in regional Western Australia—will not be subject to this 10 per cent levy. Will buses from regional Western Australia that travel down to Perth, such as school groups or whatever, be subject to the 10 per cent levy?

**Ms R. SAFFIOTI:** If they are regionally based, they will not be subject to the levy.

**Mr V.A. CATANIA:** If they are regionally based but travelling to Perth, or even a bus operator taking students up or down to the regions—anywhere in regional Western Australia—will that 10 per cent levy apply?

**Ms R. SAFFIOTI:** My advice currently is that regionally based businesses will not be included.

**Mr V.A. CATANIA:** Will a bus from Perth taking schoolkids to, say, Carnarvon be charged a 10 per cent levy?

[9.30 am]

**Ms R. SAFFIOTI:** It is not on-demand transport; it is a school bus or school bus service.

**The CHAIR:** I would like to go to the member for Balcatta for his further question.

**Mrs L.M. HARVEY:** Can we just have the supplementary information clarified?

**The CHAIR:** I thought we had done that. The minister made a second commitment to produce something.

**Mrs L.M. HARVEY:** We were not given a number for the supplementary information.

**The CHAIR:** I did; it is supplementary information No A28.

**Mr D.R. MICHAEL:** Obviously a lot of my constituents in Balcatta are in the on-demand industry. They are very keen for the Parliament to support their small businesses. Can the minister outline how the government's new legislation will benefit them, the industry and their customers?

**Ms R. SAFFIOTI:** As we all understand, this has never been an easy issue. Trying to get broad agreement on taxi reform has been difficult for many, many years. Of course, a number of years ago we saw the advent of new ridesharing platforms or taxi-like services, which really created significant challenges for the existing taxi industry. Many of those involved in the existing taxi industry, as the member for Balcatta would know, have been mum-and-dad operators and small businesses. We really wanted to try to get a package that acknowledged that change was here, but also that many people had invested under the existing rules and regulations of the state. When people discuss this matter, they say that other industries have not been treated the same in relation to the compensation issue. The government pretty much prescribed everything about the taxi industry. This was government generally, not one side of government compared with the other. Government basically determined where they could work and told them how to dress—there were significant regulations on them. New entrants came that did not have the same regulations, for particular reasons. It is incumbent on us to address in our reform

process the severe financial hardship endured by many mum-and-dad operators. Of course, there has always been a question of how much and how to collect it, but again we tried to develop a model that acknowledged that those who entered the market most recently are the most significantly financially exposed and have not been able to recover revenue through what was a monopoly market. As a result, we have brought in a model that we think is fair. The government is also getting ready for the other ridesharing participants that are in the market and are entering the market. We have seen a lot of recent activity by a new entrant. The government has tried to get the balance right. As I said, it is a very difficult reform. We think we have the balance right. There has never been an easy solution. We think the balance is there.

**Mrs L.M. HARVEY:** Is there going to be a cap on the value that individual plate owners can receive? For example, in other states there was a maximum payout of, I think, \$100 000 for the first plate and then \$50 000 for second and third plates. Will the legislation contemplate a tiered system like that here? What is the government proposing for owners of multiple plates?

**Ms R. SAFFIOTI:** We will be paying per plate versus per owner. Again, that is one of the discussions we had. It was a clear policy discussion about whether to pay per owner or per plate. We can look at the example of a person who entered the market late. To me, it was always about the per plate issue rather than per owner, which basically rated their third, fourth or fifth plate to zero; that is something we did not do.

**Mrs L.M. HARVEY:** Just to be clear, is the payout going to be per plate and not per individual?

**Ms R. SAFFIOTI:** The way it has been categorised is that a person will get the higher value for the first plate. There has been a whole tier done. They will be paid per plate, with a minimum for the third or fourth plate. For example, we know that the other states paid the maximum per owner, but we took the decision that the financial exposure or financial hardship was really based on the per plate purchase rather than the per owner purchase.

**Mrs L.M. HARVEY:** Have there been many transfers of plates from owners of multiple plates? Has there been a change in the number of taxi plate owners who own multiple plates since the scheme was announced?

**Ms R. SAFFIOTI:** Our proposal is that under this scheme, the payout will reflect the date it was announced. We understood that post-announcement there could be activity undertaken by people to try to maximise proceeds, let us say. There could have been distortions in the market. The scheme is all about reflecting the effective date the scheme was announced. If someone is operating post the announcement date, they are not going to get the same value as those who had it before that date.

**Mrs L.M. HARVEY:** Just to be clear, is the buyback scheme going to be based on the ownership records on the date of the announcement?

**Ms R. SAFFIOTI:** There were a couple of sales in the interim period. The methodology is that we are not going to pay two people for the same plate, if the member knows what I am saying. Two people will not be paid for the same plate—that is the best way to describe it.

**Mrs L.M. HARVEY:** I think the minister is giving me some reassurance here. What happened in the other states is that many investors had a maximum number of plates—for example, five—and once the scheme was announced they gifted four of the plates to family members so that they could get a maximum payout for each of the plates. I just want to make sure that this scheme is going to ensure that taxpayers here or consumers in the on-demand transport area are not going to be funding that kind of activity.

**Ms R. SAFFIOTI:** Sure. One of the initial things we discussed is that when governments make announcements like this, there is a clear incentive for activity in the market, which does not always create good outcomes. One of the first things we acknowledged was that although legislation and all the policy development was required, the announcement itself was a key date because it sent a signal to the market about what was happening. As a result, the legislation and regulations are all based on certain dates. There are some who sold just beforehand. For those who completely lost out because they were desperately hard-up, there will be some flexibility, but there is not going to be the ability for two people to be paid for the same plate.

**Mr D.C. NALDER:** I draw the minister's attention to the net appropriation determination on page 506 of budget paper No 2, and in particular to the line on motor vehicle inspection fees. What is driving the 40 per cent increase in revenue, from \$13.3 million through to \$18.7 million?

**Ms R. SAFFIOTI:** The member referred to a revenue increase. Was that in the income statement?

**Mr D.C. NALDER:** I referred to the net appropriation determination, which outlines the moneys received and retained to be applied to the department's services as specified in the *Budget Statements*. It outlines that motor vehicle inspection fees are climbing by 40 per cent. What is driving that? Is it an increase in fee that we are not aware of?

[9.40 am]

**Ms R. SAFFIOTI:** We are moving to a full cost-recovery model. I will refer that to the director general.

**Ms N. Lyhne:** We have made a number of changes in the way that we deliver vehicle inspection services to the community. A lot of that delivery is now through authorised inspection stations as opposed to the Department of Transport delivering the service directly. In order to do that we have had to update and change the cost-recovery model and introduce new fees and charges for authorised inspection stations. Components of the fees charged by the authorised inspection stations come back to the department for the cost of administration. That reflects those changes. There have been quite significant changes in the budget due to the way and nature in which we deliver those services.

**Mr D.C. NALDER:** I am making sure I am interpreting it correctly. On the basis of 40 per cent additional revenue, does that mean that the fees being charged have increased by 40 per cent?

**Ms R. SAFFIOTI:** We will give the member information about the increases due to activity plus the fee increase by way of supplementary information.

**Mr D.C. NALDER:** Okay. I would like to ask about another piece of this by way of a supplementary question. I refer to efficiency indicators under the heading “Driver and Vehicle Services” on page 497. It shows that the average cost per vehicle will decrease from \$322 in 2017–18 to \$170 in 2018–19. Why will the cost of inspection decrease by \$152 a vehicle, yet the revenue generated increase by \$5.37 million? That is a 40 per cent increase from \$13.337 million to \$18.707 million in the next financial year.

**The CHAIR:** Are you asking for supplementary information to be added to the previous commitment?

**Mr D.C. NALDER:** Part of the reason that was put to me was that there has been a change in the cost of services and an increased cost is flowing through. Yet another line item in the budget indicates that the average cost will drop from \$322 a vehicle to \$170 a vehicle. The answer does not make sense and revenue is going up, so I am confused.

**Ms R. SAFFIOTI:** By way of explanation, there have also been some interactions with appropriation-based general government spending versus the authorised examination and how fees are collected. There is an issue with the interaction of some of the Treasury analysis and what is consolidated account funded versus ATS-funded service. We will make those issues with the finances clear by way of supplementary information.

**The CHAIR:** I am sorry to do this to but we need to get on the record one more time what you will provide.

**Ms R. SAFFIOTI:** I will provide an explanation of the increase in revenue from inspection services and why the cost for vehicle inspection has fallen so dramatically.

[*Supplementary Information No A29.*]

**Mr D.C. NALDER:** Relative to the revenue going up.

**Ms R. SAFFIOTI:** I understand that, but because we are moving to a cost-reflectivity model and it was initially an appropriation-based model, the change in what we present impacts on individual numbers. We will try to pull the whole picture together so that the member can understand all the movements.

**Mr S.A. MILLMAN:** I have a further question to that. The average cost per vehicle inspection performed by vehicle examination centres, which the member for Bateman referred to, will go down, but the average cost per vehicle inspection delivered through authorised inspection stations —

**Mr V.A. CATANIA:** Is that a question?

**The CHAIR:** Give him a minute.

**Mr S.A. MILLMAN:** I have not finished yet!

That figure goes up from \$109 to \$138. In terms of the clarification of the supplementary information, it would be of assistance to see that as well. That is a question.

**Ms R. SAFFIOTI:** It is the whole movement into authorised examination centres. We will try to describe all those flows. We will include that as part of the existing supplementary information we just agreed to.

**The CHAIR:** I think you have just added a bit onto supplementary information A29, which you have just described.

**Mrs L.M. HARVEY:** I refer to the collection of interstate licence fees under the headings “Income” and “Other” on page 507 of budget paper No 2. That revenue will stop. I am wondering what the arrangements are for that activity for the next financial year.

**Ms R. SAFFIOTI:** This relates to the Australian Maritime Safety Authority. As of 1 July 2018, the Department of Transport will cease to collect fee revenue on behalf of the Australian Maritime Safety Authority. That is part of the new authority.

**Mrs L.M. HARVEY:** Is that the ports legislation that went through?

**Ms R. SAFFIOTI:** No, it is not the ports legislation. It is something that started a number of years ago—the national safety authority. Does the director general want to speak about that?

**Ms N. Lyhne:** As part of a Council of Australian Governments agreement, we have been working for some years to move the registration of commercial vessel licenses to a national approach. All the states have moved their functions for commercial vessel licensing to AMSA. We have maintained the recreational vessel work here in Western Australia. This is the final stage of that process.

**Mrs L.M. HARVEY:** Thank you.

**Mr V.A. CATANIA:** I refer to the seventh line item, “Boat Registration Fees”, on page 506 of budget paper No 2. The amount is creeping up. Does the appropriation refer only to recreational boat licences?

**Ms R. SAFFIOTI:** Yes, it does.

**Mr V.A. CATANIA:** What does the increase reflect? Is it projected growth in boat ownership or an increase in fees associated with licensing?

**Ms R. SAFFIOTI:** Again, it is moving to a full cost-recovery model, but over a shorter time frame than 10 years. It is a movement to more cost recovery and a predicted increase in the number of boats.

**Mr V.A. CATANIA:** The minister has said it is moving towards cost recovery. When does the department think it will hit cost recovery, given the steady increase in fees over the next four years?

**Ms R. SAFFIOTI:** Can we give information about the cost recovery and the glide path by way of supplementary information?

**Mr V.A. CATANIA:** Yes. How many boat owners does the minister think this will affect over that time?

**Ms N. Lyhne:** The latest figures I have are for 2016–17, when there were 99 151 recreational boat owners in Western Australia. I cannot give the member a more updated figure, but that is approximately the number at the moment and it would be steadily increasing. They are the people who would be affected.

**Mr V.A. CATANIA:** Is the department able to provide that with the supplementary information?

**Ms N. Lyhne:** Yes.

**Ms R. SAFFIOTI:** That will be part of the supplementary information we just agreed to, which was on the cost recovery rates, the cost recovery glide path and the number of boat owners both current and in the forward estimates.

[*Supplementary Information No A30.*]

[9.50 am]

**Mrs L.M. HARVEY:** On page 491 of the budget papers under the heading “Spending Changes”, there is a line item for the Metronet project office funding. I note that there is a similar line item under the Public Transport Authority budget. Can I get a breakdown of what that budget allocation covers? How many FTEs does it cover?

**Ms R. SAFFIOTI:** I will give the member a breakdown. In May 2017, cabinet endorsed the establishment of the Metronet office to manage the Metronet program of works. The office is administratively housed within the Department of Transport, although the Metronet budget is allocated to the Public Transport Authority. As part of the 2018 budget, the government agreed to create an operating budget for the Metronet office. An amount of \$9.8 million in operating costs will be spent over the period 2017–18 to 2021–22, of which \$6.1 million has been allocated to the DOT, including for whole-of-program oversight, coordination and stakeholder engagement. The Metronet office is currently made up of a project director and three staff members employed by the Department of Transport, as well as about 60 staff from several agencies, including the PTA and the Department of Planning, Lands and Heritage, to provide in-kind services. Department of Transport personnel and related administrative costs are dedicated 100 per cent to Metronet. Metronet will fund those costs through the PTA. That provides the breakdown.

It is complex, but, with the establishment of the Metronet office, we have endeavoured to directly fund a small number of people through the Metronet line, but also have secondments and placements in the office from other agencies to try to utilise the existing resources, to minimise the costs of the operations of Metronet and to bring in current expertise from across agencies.

**Mrs L.M. HARVEY:** How many FTEs does it fund? How many people are in that group?

**Ms R. SAFFIOTI:** Currently, there are four, but that includes other components—for example, stakeholder engagement and other programs. It is a small number of dedicated FTEs. As I said, there are a number of FTEs from other agencies.

**Mrs L.M. HARVEY:** Is there an allocation for consultancy fees within that budget?

**Ms R. SAFFIOTI:** As the opposition will be aware, most of the consultancies are prescribed to projects. For example, the work on the Yanchep line will be undertaken by consultants. There is the actual office itself, but there are all the projects as well. I am not sure whether there is a specific line item for consultants, but it is a small budget for a massive project.

**Mrs L.M. HARVEY:** That is what I am trying to ascertain. There are obviously bigger allocations to Metronet under the Public Transport Authority division, which we will get to. I am trying to ascertain and get a breakdown of what this allocation is for. The minister said that it was for four FTEs. With an amount of \$1.5 million, there are wages for four FTEs plus overheads, but what is the breakdown of the rest of the allocation? How much is budgeted for consultancy fees?

**Ms R. SAFFIOTI:** As I said, it is a relatively small budget for a massive program. It is the operating expenditure. Consultants are mainly prescribed to projects. I do not know that there would be a specific line item for consultants. As I said, consultants are mainly prescribed to projects. It would be misleading to give the member any estimations on this, because, as I said, most of the consultants would be prescribed to some of the key projects and attributable to those. That is the truth in that consultants are being brought in to help deliver particular projects. I do not think there would be a specific consultant line item as part of that budget.

**Mrs L.M. HARVEY:** I do not take issue with consultants being employed as part of project work. There are four FTEs for a budget of \$1.5 million and the minister is saying that it is just an arbitrary amount for the office to spend without a set budget necessarily for consultancy fees that may be required for stakeholder engagement or whatever. I am trying to get a breakdown of how that money is going to be spent. Surely it is not just an arbitrary allocation. There must be some breakdown of what the amount is to be used for.

**Ms R. SAFFIOTI:** Representatives from the Metronet office will come in later. This is really just the transport cost, which is primarily for staff and operating and office lease costs.

**Mrs L.M. HARVEY:** So there is \$1.5 million for four staff, an office lease and overhead costs?

**Ms R. SAFFIOTI:** I can ask Anthony to describe it, but that is what we are expecting, yes.

**Mrs J.M.C. STOJKOVSKI:** I refer to the line item for airfare subsidies on page 503 of budget paper No 2. Can the minister provide an update on what the government is doing to make regional airfares more affordable and more accessible?

**Ms R. SAFFIOTI:** This is, and continues to be, a major issue across regional WA. I know that the member for North West Central in particular is quite passionate about this issue. There is no easy answer. Air travel in regional WA is a major driver of economic growth. It is also a major factor in people being able to afford to live there. A friend of mine has just moved to Tom Price and the prices that they have to pay to get back to Perth to see their family are —

**Mr V.A. CATANIA:** Over Christmas it is \$3 000.

**Ms R. SAFFIOTI:** Yes, it is exorbitant. As a result of the parliamentary committee inquiry, we are developing an aviation strategy so that we can put it on the agenda of our across-government economic subcommittee of cabinet to look at all the components that lead into regional airfares. Those factors include what role the state has in regulation, the impact on tourism, what tourism agencies do through specific incentives, the ownership of regional airports, the costs applied at those airports, and the way that that revenue is used. This will be part of the aviation strategy. Of course, more recently we have seen a specific initiative for Broome to try to make it a clear alternative to Bali, which has always been the dream of everybody. I think that has been received very well, but we have to look more generally across the state. We are also working with industry and the mining sector, which is a key user of air travel across WA, to maintain a more affordable cost structure for regional Western Australians.

An issue that comes up when there is any discussion in regional communities is the cost of travelling around the state, particularly the cost to get back to Perth. We are very keen to see how we can take a more comprehensive whole-of-government approach and to bring in what the tourism industry is doing and what the government is doing as a regulator and also to see how the Department of Jobs, Tourism, Science and Innovation can work with the industry more generally to try to utilise aircraft better around the state and facilitate more affordable air travel.

[Mr S.J. Price took the chair.]

**Mr V.A. CATANIA:** With the announcement about Broome, was there involvement of the Department of Transport in negotiating a reduction in the cost of flights to Broome? A considerable amount of money has obviously been put in to reduce the cost of those flights. Has the Department of Transport put in any funds by way of a subsidy to reduce the cost of those flights? What assistance has the agency provided by way of taxpayers' money to reduce the cost of those flights? Has it provided any?

[10.00 am]

**Ms R. SAFFIOTI:** No funds were allocated to that by our agency. It was driven primarily by the Department of Jobs, Tourism, Science and Innovation. We had some very initial involvement, but it was mainly driven by the tourism agencies.

**Mr V.A. CATANIA:** Will the department inquiry look at hiring a professional aviation person to be in the department and will the government look at potentially regulating the whole of regional Western Australia to achieve what it has done in Broome right across regional Western Australia in places such as Exmouth, Carnarvon, Shark Bay, Albany, Esperance, Kalgoorlie and Paraburdoo, which would help the minister's friend in Tom Price? A monopoly already exists but it is not regulated. How can we regulate that monopoly? In some places there is a duopoly, but we really do not have an open market in aviation in regional Western Australia. Will the government look at regulation right across the board?

**Ms R. SAFFIOTI:** I know the department is probably not keen on full regulation, but as part of the working group we will look at all the inhibitors to true competition. It is a very difficult balance of ensuring a service and ensuring a competitive price. That is the Holy Grail, in a sense, of trying to get that balance because sometimes things can be regulated out of existence. It is about trying to get the right balance. The other component involves landing fees and charges that we apply to some of our regional airports. We have received feedback that the fees and charges at particular regional airports are excessively high. The other issue that will potentially have an impact is the new security measures outlined in Parliament more recently. Last week I raised with the federal Minister for Infrastructure and Transport the issue of enhanced security arrangements at regional airports being another significant cost prohibitor that will drive down airfares. The estimate put by some airlines is between \$30 and \$50 per passenger from Albany. A number of factors —

**Mr V.A. CATANIA:** When people are paying \$1 000 return or more, a council charge of \$20, \$30 or \$50 per person per landing fee plus security is a very small component of that fee make-up.

**Ms R. SAFFIOTI:** Sure. But if we look at how discounted airlines operate around the world, we see that they go to airports with very minimal fees. When people travel on discounted airlines they go to particular airports, not main airports. Discount airline companies are very much focused on the cost sector.

**Mr V.A. CATANIA:** The problem with attracting discount airlines is that we do not have the population to warrant them.

**Ms R. SAFFIOTI:** That is right, but if we keep increasing the costs, we will never attract new entrants. It is also about making sure that we keep costs under control when we have the ability to do so. If anyone had the solution, it would have been put in place. It is a difficult one.

**Mr V.A. CATANIA:** It is a hard one, but it needs to be done.

**Ms R. SAFFIOTI:** Yes, it needs to be done because, like I said, as we have discussed in some of our recent debates about regional development and regional impacts, the cost of air travel in particular is not only a key economic driver, but also impacts where people choose to live.

**The CHAIR:** I have a sense of *deja vu*, member for North West Central. I remember hearing that conversation yesterday.

**Mr V.A. CATANIA:** The member is in the chair; I did not see him there!

**Mr D.C. NALDER:** I refer to the net appropriation determinations on page 506, volume 2 of budget paper No 2. The line item "Other Marine Safety Fees" is another line item that has gone up by nearly 40 per cent, having gone from \$1.321 million to \$1.837 million. Is this a similar issue to the car licence fees that the minister told me about? What is driving other marine service fees or revenue to go up 40 per cent?

**Ms R. SAFFIOTI:** This is just the application of the cost-recovery model over time. The push, as the member would be aware, is for specific charges to aim for cost reflectivity and cost recovery across a number of areas.

**Mr D.C. NALDER:** Is it this 40 per cent lift in fees and in other marine services that generates a 40 per cent increase in revenue?

**Ms R. SAFFIOTI:** I do not have the breakdown of a fee increase compared with an activity increase or whether the scope of the basis changed.

**Mr D.C. NALDER:** I am happy to take it by way of supplementary information to get the further detail.

**Ms R. SAFFIOTI:** By way of supplementary information, I will give the member a breakdown of that fee increase.

**The CHAIR:** What supplementary information is the minister going to provide?

**Ms R. SAFFIOTI:** The increase in other marine safety fees on page 506.

**Mr D.C. NALDER:** And why revenue has increased by 40 per cent.

**Ms R. SAFFIOTI:** Sure.

**The CHAIR:** Will the minister confirm that once again?

**Ms R. SAFFIOTI:** I will provide the complete information on the activity increase, the fee increase and any potential scope increase in the fee collection.

*[Supplementary Information No A31.]*

**Mr D.C. NALDER:** Taking the minister's point about cost recovery, I draw her attention to the cash assets of the Department of Transport on page 491 of the Budget Statements. Cash assets will increase over the forward estimates by more than 130 per cent, up to \$218 million. If the department is increasing its level of cash assets by this amount while at the same time referencing a need to increase costs by up to 40 per cent for cost recovery, on what basis is the department over-recovering and, therefore, looking at reducing fee expenses if it is about cost recovery?

**Ms R. SAFFIOTI:** I think the cash assets increase primarily reflects the increase in the balance of the Perth parking levy fund.

**Mr D.C. NALDER:** Are we over-recovering?

**Ms R. SAFFIOTI:** No. We collect but we do not spend.

**Mr D.C. NALDER:** Does the spend on the Perth parking levy not go to fund the central area transit services and public transport within the metropolitan area?

**Ms R. SAFFIOTI:** It does but —

**Mr D.C. NALDER:** The Perth CBD, I mean.

**Mrs L.M. HARVEY:** Budget paper No 3 shows the spend from the Perth parking levy.

**Ms R. SAFFIOTI:** Yes, but the question is whether the expenditure matches the revenue each year and whether we accumulate a net asset through the accumulation of cash.

[10.10 am]

**Mrs L.M. HARVEY:** The Perth parking levy would account for only \$40 million.

**Ms R. SAFFIOTI:** With regard to the Perth parking accounts, each year we collect revenue through the Perth parking levy, and each year we have ongoing expenditure. The normal operating expenditure does not match the annual levy collection. In the past, when funds were accumulated, they were normally spent on specific projects. For example, the new City Busport was allocated funds from an accumulation of revenues from the Perth parking levy. We do not have any new, specific, big projects in the forward estimates. As a result, the revenue accumulates and there is no expenditure to match that revenue.

**Mr V.A. CATANIA:** There is no plan to spend that money?

**Ms R. SAFFIOTI:** As I said, normally it happens in two parts. The revenue is collected and the ongoing operation of a number of services are funded—for example, the central area transit buses and other parts of what happens across the network. In the past, revenue has been collected and that has been spent on ongoing operational expenditure. When a significant amount is accumulated, it is applied to some asset investments—for example, the city station. We currently have an accumulation of those cash reserves in the forward estimates but no new, significant project to spend that on.

**Mr V.A. CATANIA:** Are any of those funds earmarked for Metronet at all?

**Ms R. SAFFIOTI:** Not currently. Specific requirements are applied to how that money is spent. It has to be spent within the CBD in particular. We are always trying to explore sources of funds for Metronet but, as I said, currently there is no specific, significant Perth project —

**Mr V.A. CATANIA:** So it has not been ruled out that it could be used for Metronet?

**Ms R. SAFFIOTI:** It has to be spent in the CBD, and that is why it is limited.

**Mr D.C. NALDER:** I refer to appendix 5 on page 227 of the *Economic and Fiscal Outlook*. The expenditure of the Perth parking licensing account has decreased from \$28 million to \$20 million. The account has generated \$58 million—the same as the previous year—but the actual spend has gone down by \$8 million. Where is that cut in expenditure in the Perth CBD?

**Ms R. SAFFIOTI:** I understand that in this budget we are continuing to expand the funding for CAT bus services. The current operational spending is continuing. Some specific one-offs impacted the annual operating expenditure, including the replacement of CAT buses. As I recall, millions were also allocated to the East Perth side of the stadium precinct. Over the past 12 months, \$7.27 million was allocated for the CAT bus replacement program; \$900 000 for lighting and closed-circuit television upgrades to the principal shared path on Windan Bridge; and \$1.23 million for local infrastructure improvements in East Perth to support public transport, walking and cycling access from central Perth to the new Perth Stadium, including new footpaths, lighting and pedestrian safety improvements.

**Mr V.A. CATANIA:** I refer to page 492 of budget paper No 2. The sixth dot point outlines how the demand for coastal infrastructure continues to grow. It lists the Broome boating facilities upgrade project, and the Broome marina and Bremer Bay boat harbour planning initiatives. Given the fact that there is such a demand for coastal infrastructure, especially in the regions, has the minister allocated any funds to the department's assets such as the One Mile Jetty in Carnarvon, the deepwater port in Exmouth or the fascine-dredging project in Carnarvon? Has the minister dedicated any funds towards those three regional projects?

**Ms R. SAFFIOTI:** I have some further information on the infrastructure spend for coastal facilities—I am just trying to find it in the file. Given that WA is such an ocean-based state and so many people enjoy fishing and boating in Western Australia, there is an extreme demand for marine and coastal facilities. In the metropolitan area, the big demand and the keenness for the Ocean Reef marina was borne from so many people in the northern suburbs wanting access. I visited Broome a couple of weeks ago to see some facilities there. I have been there a couple of times. Again, upgrades are needed to not only allow local people to go fishing safely, but also encourage tourism. As the member knows, we have specific programs up there at Entrance Point and also Town Beach. We are working very well with the council, and the Town Beach program is well underway. We are doing some investigations and helping the council with some business cases for the small boat harbour. I will go through the projects that we have committed to over the next year. We are providing \$40 000 to assist the Shire of Carnarvon with the Carnarvon fascine entrance study to get a long-term plan to navigate channel —

**Mr V.A. CATANIA:** How long is that long-term plan, given the fact that it is closed and probably in a worse state than Broome?

**Ms R. SAFFIOTI:** I know that the member has been passionate about this matter and I understand that there are some issues up there. We are trying to provide assistance to the council to help find its way through that. We have commitments across the state. As part of the cost fee increases that the member for Bateman outlined before, we are trying to improve infrastructure across the state. A new body of work is being carried out to improve facilities across the state, including maintenance, safety issues and further access issues. Treasury allowed us to keep some of the revenue for specific programs to upgrade works.

**Mr V.A. CATANIA:** When it comes to One Mile Jetty and Exmouth Boat Harbour, which are both owned by the Department of Transport, has the budget dedicated any funds to investigate or build a deepwater port in Exmouth or to open One Mile Jetty, which is the government's asset, for the community? Are any funds allocated in the budget for either of those two things? I am happy with a yes or no answer.

**Ms R. SAFFIOTI:** For One Mile Jetty, the answer is no. Exmouth Boat Harbour is being picked up through a wider body of work under the jobs and economic development subcommittee. A number of proposals have been put forward for a new marina or harbour at Exmouth, in particular. Some work has been done through that subcommittee, as I recall, and that is something we will be discussing very soon.

**Mr V.A. CATANIA:** Who is on that committee?

**Ms R. SAFFIOTI:** The jobs and economic subcommittee of cabinet?

**Mr V.A. CATANIA:** It is a subcommittee.

**Ms R. SAFFIOTI:** Yes, sorry. That work related to the cruise ship issue. When we were elected to government, we identified three key ports that would benefit from enhanced access. Broome, Fremantle, which was more about an upgrade to facilities, and Exmouth ports were highlighted. We thought it would be great if we could achieve that. Again, everyone has an idea about how it can be achieved. We are looking at developing a case for what can

be achieved up there. That process is being led by our agency, together with the Department of Regional Development, in relation to Exmouth.

[10.20 am]

**Mrs L.M. HARVEY:** I refer to page 491 and the Broome cruise ship strategy. What progress has been made on developing the all-tides gangway at Broome port? I understand that about 18 months ago, some federal funding was provided to Broome Port Authority to construct the all-tides gangway.

**Ms R. SAFFIOTI:** Primarily, it is an issue for Broome port, but I can talk about it generally. A commitment for an all-tides gangway has been made and engineering plans have been undertaken. I think they commenced in the middle of 2017, and in February and March of this year the results came in. Broome Port Authority assures me that it triple-checked all the advice in relation to the all-tides gangway system and there were some constraints, particularly safety issues, on what was initially proposed. There is a tender for a new gangway system. Steve, is that correct?

**Mr S. Beyer:** Yes.

**Ms R. SAFFIOTI:** That process is underway, but I have asked Broome Port Authority to continue to work to make sure that we can have all-tides access, which impacts a couple of the smaller vessels. Some of the cruise ships also want 24-hour access. There have been negotiations about providing a window for people to enter and exit cruise ships; for example, a four-hour window during which people can exit the ship and go onshore, and then another window. Cruise ships are very keen to have 24-hour access, and that is where the tides really become a problem.

**Mrs L.M. HARVEY:** I am quite familiar with Broome port; I have been on a number of fishing charter operations through the port. I understand that there could be significant safety issues if cruise ship passengers, for example, rather than perhaps more fit and able people, try to access that port infrastructure. Is it likely that we will have a resolution to this issue before the international cruise conference in Broome in September?

**Ms R. SAFFIOTI:** I am not sure whether there will be a full resolution, but a number of processes are underway in relation to Broome boating facilities. As I said, there are the town beach and Entrance Point improvements, the business case for the small boat harbour, and what is being done at the port. We are looking at what we can do across all areas in Broome. In relation to the all-tides gangway, I recently met with Broome Port Authority and asked it to triple-check whether anything else could be done to enable all-tides access for smaller cruise ships. We are also in the process of finalising dredging to enable bigger ships to come into the port. We are doing everything we can to encourage cruise shipping in Western Australia.

**Mrs L.M. HARVEY:** What will happen to the commonwealth funding if we cannot find a solution to the all-tides gangway?

**Ms R. SAFFIOTI:** My advice is that we are still pursuing a new gangway. It is just a matter of whether it suits the cruise ships that want 24-hour access to the ships. We understand that the commonwealth money is not in jeopardy, because we are still improving access through a new gangway system.

**Mrs L.M. HARVEY:** So, it is a work in progress and as yet no date has been determined for when construction of the gangway might start?

**Ms R. SAFFIOTI:** Yes.

**Mr S.A. MILLMAN:** I refer to page 492 of budget paper No 2 and the fifth dot point on investment in cycling infrastructure, which is relevant to the people of my electorate of Mount Lawley. The dot point refers to the principal shared path and Perth and regional bike network programs. Can the minister explain where funding will be invested over the forward estimates?

**Ms R. SAFFIOTI:** A number of projects are underway or about to commence throughout the metropolitan area. I will go through them. There is a significant spend on principal shared paths. When in opposition, we heard loudly and clearly from cycling lobby groups that they wanted more investment in infrastructure. Another key issue in the community is the continued debate between drivers and cyclists. It is our intention, where we can, to separate cyclists and drivers, and in particular to put more money towards dedicated paths. Programs underway or committed to include the Midland railway PSP from Success Hill station to Railway Parade, for which the Town of Bassendean has agreed on a concept design, and it is due to commence shortly. The Fremantle railway PSP from Grant Street to North Fremantle is a significant project in terms of safety, and the cycling community in particular is very keen to see that project funded and brought forward, which we have been able to do. The next PSP is from North Fremantle station to the Swan River. The Mitchell Freeway PSP from Hutchison Street to Glendalough station is a much wanted project and we hope it will be under construction very soon. When I attend

**Extract from *Hansard***

[ASSEMBLY ESTIMATES COMMITTEE A — Thursday, 24 May 2018]

p370c-383a

Ms Rita Saffioti; Mr Dean Nalder; Mr Vincent Catania; Mrs Liza Harvey; Mr David Michael; Mr Simon Millman; Mrs Jessica Stojkovski

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cycling breakfasts or events a lot of people tell me that they are very keen on this project, because this gap in the PSP network deters people from using those paths. The Mitchell Freeway PSP from Erindale Road to Civic Place is another project that people are very keen on. Another project is the Kwinana Freeway PSP–Cranford Avenue grade separation.

**The appropriation was recommended.**

[10.30 am]