

Chairman; Ms Katie Hodson-Thomas; Ms Alannah MacTiernan; Mr David Templeman; Mrs Cheryl Edwardes;
Mr Ross Ainsworth; Mr Shane Hill; Mr Phillip Pandal; Mr John D'Orazio; Dr Janet Woollard

Western Australian Government Railways Commission, \$261 464 000 -

Mr P.W. Andrews, Chairman.

Ms A.J. MacTiernan, Minister for Planning and Infrastructure.

Mr R.A. Waldock, Acting Commissioner of Railways.

Mr J.W. Leaf, General Manager, Finance.

Mr R.D. Mann, Director, City Project, New MetroRail.

Mr A.B. Cartledge, Manager, Project Coordination, New MetroRail.

Mr P. Joyce, Policy Officer, Office of the Minister for Planning and Infrastructure.

The CHAIRMAN (Mr P.W. Andrews): This Estimates Committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chairman 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 minister may agree to provide supplementary information to the committee, rather than ask that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the committee which 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 committee clerk by 6 June 2003, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available.

Details in relation to supplementary information have been provided to both members and advisers and, accordingly, I ask the minister to cooperate with those requirements. 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 with the clerk's office. Only supplementary information that the minister agrees to provide will be sought by 6 June 2003.

Ms K. HODSON-THOMAS: Page 801 refers to New MetroRail and the works and progress. The estimated cost for the infrastructure is \$1.1 billion and the estimated expenditure to 30 June 2003 is \$121 million. I note that the estimated expenditure in this financial year has to date been only \$56 million. Will the minister explain the \$76 million shortfall and what it represents? Will the minister also explain the \$112 million that will be spent in the financial year 2003-04?

Ms A.J. MacTIERNAN: As often happens with project budgets, expenditure does not take place in a particular year. We are still very much on target for the dates that we have set. The underspend from this year will be carried over into next year.

Ms K. HODSON-THOMAS: What does it represent?

Ms A.J. MacTIERNAN: Rolling stock is forecast, for example, to remain below budget by \$13.9 million because of the late start to the Nowergup depot, which will result in expenditure below budget.

Ms K. HODSON-THOMAS: In order to facilitate other questions, would it be possible to have that by way of supplementary information?

Ms A.J. MacTIERNAN: Yes. I do not want to burden us too much with providing supplementary information if we can provide the answers now.

Ms K. HODSON-THOMAS: I am mindful that we have already lost five minutes and a number of members wish to speak, so I do not want to monopolise the time. If I can obtain the answer by way of supplementary information, I will be happy.

Ms A.J. MacTIERNAN: Yes, I will provide it. However, if we have the answers here, we would prefer to give them. In this instance, to accommodate my good friend, the member for Carine, I will provide the information.

The CHAIRMAN: What information is the minister agreeing to provide?

Ms A.J. MacTIERNAN: Information for the reasons for the underspend in this year on the infrastructure project.

[*Supplementary Information No B23.*]

Chairman; Ms Katie Hodson-Thomas; Ms Alannah MacTiernan; Mr David Templeman; Mrs Cheryl Edwardes;
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Mr D.A. TEMPLEMAN: Page 801 shows the total cost of \$1.4 billion for the New MetroRail. The member for Avon continues to say that this figure does not include the cost for rolling stock. For the benefit of this committee and the Parliament, will the minister clarify the situation?

Ms A.J. MacTIERNAN: It is the most extraordinary statement made by the member for Avon. I think that he has admitted in the Parliament that he is wilfully misleading the public. He admits when challenged that he has been racing around the community, telling porkies about this. I refer the member to the item at the bottom of page 801, because I want to make the position absolutely clear. I do not want to hear this sort of misrepresentation, particularly when it is acknowledged to be a misrepresentation.

Mrs C.L. EDWARDES: The member for Avon is not here to defend himself. This is a bit unfair and unreasonable.

Ms A.J. MacTIERNAN: I refer the member to *Hansard*.

The cost of the infrastructure - that is, the rail track - is \$1.1 billion. The cost of the rolling stock, which is set out here in black and white, is \$300 million. That is how we get our \$1.4 billion. I am very disappointed with the way that misrepresentations are going around. The last allegations made at a public meeting were that this project would cost \$2 billion. There is absolutely no evidence for that statement whatsoever. We have detailed costings. We have already signed the contracts for the railcars. We know that we will be getting them for \$300 million. Every estimate that we have is that we can deliver the infrastructure for \$1.1 billion. The member for Avon talks about there being a blow-out from \$1.2 billion to \$1.4 billion, but as we pointed out time and again - it is important that members understand this - we were operating previously on figures that were set between 1998 and 2000. We have escalated those figures through to 2006 so that they will remain current during the life of the project.

Mr R.A. AINSWORTH: I refer to page 801 and to the works in progress on the New MetroRail. On 14 May 2003 the minister announced a \$14.225 million construction contract for the final stage of the Kenwick rail tunnel. Is the cost of this contract included in the \$1.4 billion set out at the bottom of page 801 as part of the Western Australian Government Railways Commission budget; and, if not, will the minister direct me to where the cost of the Kenwick rail tunnel appears in the *Budget Statements*?

Ms A.J. MacTIERNAN: I appreciate the member for Roe's valiant efforts to substantiate the claims of his leader. All day he has been burrowing away trying to find moneys that have not been accounted for. I can assure the member that just as the bridge strengthening to which he referred this morning is included in the budget, so is the \$14 million for the tunnel.

Mr R.A. AINSWORTH: Just to clarify the position, is the minister saying that the \$14.225 million is part of the \$1.4 billion?

Ms A.J. MacTIERNAN: Absolutely. Can I try to address some of these issues?

The CHAIRMAN: I think the question has been answered.

Ms A.J. MacTIERNAN: I am trying to clarify this for members because there is an amazing misunderstanding of what is going on. I would like to present two documents. Is it possible in this forum to table the documents?

The CHAIRMAN: No.

Ms K. HODSON-THOMAS: The minister can circulate them.

Ms A.J. MacTIERNAN: I will circulate them. One is a complete outline of the costings that were provided by the previous Government for its plan. I will also provide a detailed breakdown of our costings. Members will see that our costings are itemised over two pages as opposed to the previous Government's one page. Members will see that we have itemised our costings to a far greater extent than the previous Government had. I will table those by way of supplementary information.

[*Supplementary Information No B24.*]

[4.40 pm]

Ms A.J. MacTIERNAN: That is not to say that the figures have not been public.

Mr S.R. HILL: I refer to the last dot point of the capital works program on page 803 of the *Budget Statements*. Will the minister please advise whether the contract is on schedule for the new country road fleet?

Ms A.J. MacTIERNAN: Yes. It is not often realised that Western Australian Government Railways also runs buses. We entered into a \$10 million contract last year to provide 20 new road coaches for country passengers. These are very substantial state-of-the-art coaches, which we look forward to unveiling. The first coach is expected to be in service by the end of the month. I will invite the member to inspect those coaches. As the member knows, in order to provide a better integrated focus on public transport, WAGR will shortly be

Chairman; Ms Katie Hodson-Thomas; Ms Alannah MacTiernan; Mr David Templeman; Mrs Cheryl Edwardes;
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operating as the Public Transport Authority. Transperth will be woven into the authority so that a single integrated body will deliver public transport. It is good news. The new coaches will service Kalbarri in the member's seat, Meekatharra, Esperance, Albany and Augusta. The member for Roe will be pleased to know that his electorate will be the beneficiary of the 20 new road coaches.

Mr P.G. PENDAL: I refer the minister to a question on notice I asked her on 20 March this year. It has gone unanswered for eight weeks, which is an ominous sign. I would like my question answered now: is it correct that a two-metre high concrete barrier is planned to run parallel with Melville Parade throughout the length of South Perth and Como?

Ms A.J. MacTIERNAN: Where is the budget reference?

The CHAIRMAN: The member needs to refer to a line item in the budget.

Mr P.G. PENDAL: I refer to page 801, which outlines the completion of all design work for the southern suburbs railway. I have a series of brief questions following on from that reference. If this barrier proposal were true, it would have a catastrophic impact on my electorate.

Ms A.J. MacTIERNAN: We thought that that question had been answered. The answer is quite simply no.

Mr P.G. PENDAL: The question is still on the Notice Paper as of today. If the answer is no, I am much relieved. However, I am disappointed it has taken eight weeks for the minister to give a simple no.

Ms A.J. MacTIERNAN: It has been processed. The member needs to understand the volume of questions I receive. My office receives 25 per cent of all questions asked in the Legislative Assembly. Time is involved. I ensure that I answer those questions within the statutory time.

Mr P.G. PENDAL: Is the minister giving me the assurance that it is not correct that we will confront a two-metre high concrete barrier of the kind I outlined?

Ms A.J. MacTIERNAN: Yes. Effectively, the barrier now there will remain as it is. There is an area of 250 metres where the barriers will be widened, but not increased in height.

Mr J.B. D'ORAZIO: Page 801 contains reference to the building better stations program. Please advise when the Greenwood station will be completed.

Ms A.J. MacTIERNAN: I thank the member for his question. This issue was raised in the media in recent days by none other than the member for Kingsley. I can understand the disappointment of people in her community. They were promised in 1998 that the station would be completed in 1999. They were told in 1999 that it would be completed in May 2000. They were told in 2000 that the contract would be awarded in the middle of 2001. Members can refer to various media statements in this regard. People were told later in 2000 that it would be completed by September 2003. These are statements issued by the previous Government. The reason that the previous Government was unable to honour its promise was simple - it did not have the railcars to provide the additional services. It is all very well to build a railway station, but it cannot operate without the rolling stock to service it. Therefore, the previous Government kept putting it off. A number of mechanisms were attempted to acquire new rolling stock, but that Government was unable to do so. When we came to government, we ordered new rolling stock, and 93 new railcars are coming on stream. It has taken us longer than anticipated because the previous Government planned to have railcars owned by the private sector. Our advice was that it would cost \$25 million more of taxpayers' money to privatise the cars and to try to sneak them off-budget. This Government decided not to proceed with that proposal, and had to unbundle the tender arrangements to focus on the acquisition of the railcars. The first railcar is under construction as we speak. The first delivery is expected around March 2004. A four or five-month period of trialing and testing will be undertaken. The new trains are expected to be ready by September 2004 to enable the stations at Clarkson and Greenwood to be opened. Where previous Governments have failed to deliver, this Government will deliver, notwithstanding that it was not even an election commitment.

Ms K. HODSON-THOMAS: Page 803 refers to capital contribution to meet equity needs. I seek some clarification on where the AlintaGas money is to be found. Is the \$261 million that appears in the 2003-04 estimates still part of the AlintaGas proceeds set aside for this project?

Ms A.J. MacTIERNAN: I assure the member that the \$300 million from the AlintaGas sale is going into this project. I must work out where it appears or whether it is in the Treasury area. The total cost heading is followed by "Less", then "Borrowings" and then "Government Equity contribution" - the latter is the AlintaGas money. Some expenditures obviously were made prior to that allocation.

Ms K. HODSON-THOMAS: So \$300 million was set aside. Does reading across the column add up to the total?

Chairman; Ms Katie Hodson-Thomas; Ms Alannah MacTiernan; Mr David Templeman; Mrs Cheryl Edwardes;
Mr Ross Ainsworth; Mr Shane Hill; Mr Phillip Pandal; Mr John D'Orazio; Dr Janet Woollard

Ms A.J. MacTIERNAN: It would if the budget papers went back prior to 2001-02. Some funds were expended in the prior two years. We have \$59 million in 2001-02, \$94 million in 2002-03, \$49.8 million for 2003-04, and bits from the previous years.

Mr J.B. D'ORAZIO: I refer the minister to page 801 and the item relating to the completion of the *Prospector* and *AvonLink* railcars, and improvements to the *Australind* service. Will the minister expand on what those programs involve?

[4.50 pm]

Ms A.J. MacTIERNAN: We are upgrading these services. We have commissioned new railcars. I acknowledge that the process was started under the previous Government. We expect these projects to be completed some time this calendar year and no doubt it will be cause for great celebration. We will also look at the implementation of new services. We are a little concerned about the viability of the *AvonLink* service, but we believe that with some of the strategies that we have developed in recent months for the *Prospector* service, we can get a lot more patronage on that line and that with the new cars and some of the new services that we are operating, we will see a much enhanced use of the *Prospector*.

Ms K. HODSON-THOMAS: The fourth dot point on page 801 refers to the completion of all design work on the Perth to Mandurah railway with the awarding of contracts for the major construction packages totalling approximately \$690 million. Will the minister clarify those packages? It refers to a figure of \$690 million as opposed to the total of \$1.1 billion.

Ms A.J. MacTIERNAN: As the member knows, there are three discrete components of the project. There is the Perth to Mandurah component, the Currambine to Clarkson component and the Thornlie spur. This simply refers to the Perth to Mandurah component, which is one of the reasons it is less than the full sum. The biggest package is package A, which is basically the provision of the rail infrastructure from the Narrows to Mandurah. It involves the design and construction of structures, civil and drainage works from Mandurah to Glen Iris and the rail works from Mandurah to the Narrows Bridge, including the track communication system, overhead wiring and traction power, substations and signalling, telecommunications, and the power supply to connect with the existing northern suburbs line. That is the package we are currently working through. It went to tender last week, and we showed all the specification documentation.

Package B involves the construction of three stations at Thomsons Lake, Thomas Road and Leda. Obviously we are trying to get some diversity in the system. Package C involves the works at Rockingham, Waikiki and Mandurah. Package D is the Canning Bridge, Leach Highway and South Street stations. Package E is the Main Roads works from the Narrows Bridge to Glen Iris, which we discussed earlier. It is basically the two bridge expansion and strengthening projects. Package F is another very big package and is basically the works from the Narrows to Northbridge. There are a number of other projects. Package G is the train control systems.

Dr J.M. WOOLLARD: I refer to the fourth dot point on page 801, the completion of design work. The Government was considering installing one or more level crossings as part of that design work. In the past there have been disastrous accidents at level crossings. Is the Government still considering level crossings as part of this design process, or have alternative arrangements been made?

Ms A.J. MacTIERNAN: To which area is the member referring?

Dr J.M. WOOLLARD: Down south. I cannot think of the name of the roads concerned.

Ms A.J. MacTIERNAN: Under the original master plan developed by the previous Government, there are two level crossings outside the metropolitan area south of Rockingham. It is certainly not our preferred option and we have put in place a design for rail passes for those level crossings. We are hopeful that those rail passes can be constructed for a reasonable cost so that those level crossings are no longer there. However, the member needs to understand that there are some 33 level crossings in the Perth metropolitan area, many of which have much higher levels of conflict. In making a decision to expend those funds, we must consider whether they would be better spent on dealing with the problem of level crossings in the metropolitan area. I know that the worst area is my own. The area between Kenwick and Armadale has the highest frequency of level crossings. I will certainly ensure that, when we spend money, it is done rationally and on the basis of need. We have come to an arrangement with the City of Wanneroo about Quinns Road. It was not part of the passenger line; it was just a shunting line to and from the Nowergup rail depot.

Dr J.M. WOOLLARD: That is fine. A decision has not been made yet, so I will pursue the item with the minister in a few months.

Ms K. HODSON-THOMAS: I understand that the infrastructure component in last year's budget was \$1.053778 billion. I note that in this year's budget it is \$1.100753 billion. Is that a \$47 million escalation?

Extract from *Hansard*
[ASSEMBLY - Wednesday, 21 May 2003]
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Chairman; Ms Katie Hodson-Thomas; Ms Alannah MacTiernan; Mr David Templeman; Mrs Cheryl Edwardes;
Mr Ross Ainsworth; Mr Shane Hill; Mr Phillip Pandal; Mr John D'Orazio; Dr Janet Woollard

Ms A.J. MacTIERNAN: No. The member may recall that last year the then Perth urban rail development, and now the new MetroRail project, was in the budget of the Department for Planning and Infrastructure. Some parts of it were in the Western Australian Government Railways Commission budget. The entire lot has been brought within the WAGRC budget. We have now moved from a planning phase to a construction phase and the WAGRC is delivering the project.

[5.00 pm]