

Mr Max Trenorden; Ms Alannah MacTiernan; Chairman; Mr John Hyde; Mrs Cheryl Edwardes; Mr Norm Marlborough; Mr John D'Orazio; Ms Katie Hodson-Thomas

Division 47: Commissioner of Main Roads, \$670 985 000 -

Mr A.J. Dean, Chairman.

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

Mr M. Henneveld, Commissioner for Main Roads.

Mr R.K. Phillips, Manager, Budget and Program Management.

Mr R.D. Farrell, Principal Policy Officer, Office of the Minister for Planning and Infrastructure.

Mr S.E. Potter, Policy Officer, Office of the Minister for Planning and Infrastructure.

Mr G.J. Norwell, Executive Director, Technology and Environment.

Mr D.M. Snook, Executive Director, Road Network Services.

Mr M.D. Wallwork, Executive Director, Construction and Maintenance Services.

Mr M.G. Cosson, Manager, Project Programming.

Mr M.W. TRENORDEN: The output performance measures on page 779 of the *Budget Statements* are very confusing. I would like to get some detail on that. Under cost efficiency, the table outlines that the cost per lane kilometre in the metropolitan area has doubled, and that the cost per lane kilometre in rural areas has increased some fifteenfold. Could the minister please explain that?

Ms A.J. MacTIERNAN: As the budget papers suggest, the reason for the increase in rural areas - was the member saying that it had increased from \$1 796 to \$2 706?

Mr M.W. TRENORDEN: It has increased from \$83 281 to \$1.292 million.

Ms A.J. MacTIERNAN: We must be looking at something different. I am looking at page 779. Is that correct?

Mr M.W. TRENORDEN: Yes.

Ms A.J. MacTIERNAN: I am looking at average -

Mr M.W. TRENORDEN: I am referring to the average road construction cost per lane kilometre for both the metropolitan and rural areas. The figure for the metropolitan area has doubled and the figure for rural areas has increased fifteenfold.

Ms A.J. MacTIERNAN: The explanation for the increase in 2004-05 for regional areas is that it reflects the southern transport corridor.

Mr M.W. TRENORDEN: That does not make any sense, minister. That cannot be correct.

Ms A.J. MacTIERNAN: Why is that?

Mr M.W. TRENORDEN: This table is referring to the cost per kilometre. The cost of the southern railway link will not make a fifteenfold difference per kilometre on country roads. That will not happen.

Ms A.J. MacTIERNAN: I am telling the member for Avon that when one looks at the size and cost of the project, and when that is factored into the overall project, it is the explanation for the increase in cost.

Mr M.W. TRENORDEN: What about the previous year? Why did it go up fourfold in the previous year? The southern transport corridor was not in the budget then. I am referring to the 2002-03 actual figure compared with the 2003-04 budgeted figure. It went from \$83 281 to \$291 182. The target for 2004-05 is \$1.292 million.

Ms A.J. MacTIERNAN: It relates to the nature of the roads that have been built. Perhaps Mr Wallwork can explain that.

Mr WALLWORK: In the case of the Geraldton southern transport project, there are a large number of bridge structures, which has pushed the unit rate far higher than the average. In the previous year there would have been similar projects but these were less complicated and involved fewer structures. That is the explanation.

Mr M.W. TRENORDEN: That is no explanation at all. That is a bit of gobbledygook. I want an explanation.

Ms A.J. MacTIERNAN: Hold on. You have to think of it like this: if a road is being built on a flat surface -

Mr M.W. TRENORDEN: Were no bridges built in 2003?

Ms A.J. MacTIERNAN: Hold on. I refer to roads such as the Mt Magnet-Leinster road, which would not have many bridges.

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Mr WALLWORK: It does not have any bridges.

Ms A.J. MacTIERNAN: That is a long, flat road. In terms of the calculation of the cost per kilometre, we actually got a lot of road very cheaply.

Mr M.W. TRENORDEN: So you built only one road in 2002-03.

Ms A.J. MacTIERNAN: No. It was a very long road. The fact that we could develop a road that long without any bridge structures meant that we had a low per kilometre rating. One of the road projects included in the 2003-04 budget would have been stage one of the Tom Price-Karratha road, which was not a particularly long road but one built over very difficult terrain.

Mr M.W. TRENORDEN: Why has the road cost doubled in the city?

Ms A.J. MacTIERNAN: Again, I think it would go back to the nature of the roads.

Mr M.W. TRENORDEN: Minister, I do not want to know what you think, I want to know the detail.

Ms A.J. MacTIERNAN: It goes back to the nature of the roads that we have been building, and in particular the complex structures that have been required. Roe Highway stages 5 and 6 would be included in that.

Mr M.W. TRENORDEN: I need that information in detail, because it is a significant change in the budget of Main Roads.

Ms A.J. MacTIERNAN: I do not know whether the member for Avon is implying that somehow or other we are sneakily going out and putting gold leaf on these roads.

Mr M.W. TRENORDEN: I have no idea what is happening.

Ms A.J. MacTIERNAN: I suggest that the member get in a vehicle and drive over these roads. If he looked at them, he would know that some roads are much simpler to construct because they are over simple terrain. When we start getting in any one year -

Mr M.W. TRENORDEN: It has increased fifteenfold. The minister's argument does not make any sense.

Ms A.J. MacTIERNAN: It does make sense.

Mr M.W. TRENORDEN: It does not. It is not logical.

Ms A.J. MacTIERNAN: Quite frankly, if a road is built through difficult terrain, such as between Tom Price and the turn-off, it will of course cost much more.

Mr M.W. TRENORDEN: Give that to me in detail.

Ms A.J. MacTIERNAN: We will give the member some examples.

Mr M.W. TRENORDEN: No, I want the full cost to be provided in the supplementary information. I want to know why that has occurred, in not only country areas but also the metropolitan area.

Ms A.J. MacTIERNAN: We have explained that to the member.

Mr M.W. TRENORDEN: No, you have not; you have given me some gobbledygook that does not make any sense.

Ms A.J. MacTIERNAN: No, we have not given the member any gobbledygook. If the member refuses to try to understand or to apply his mind, that is his problem.

Mr M.W. TRENORDEN: I have driven more than 200 million kilometres in my life. I have been over more roads in this State than the minister has ever thought of. I do not believe the minister for a moment.

Ms A.J. MacTIERNAN: These are just assertions. What I am saying to the member is that it goes back to the difficulty of building some roads compared with others.

Mr M.W. TRENORDEN: If the minister puts that in the supplementary information, I will believe her.

Ms A.J. MacTIERNAN: We will give to the member some information on the major projects and show him their unit cost per kilometre. However, if the member, who said that he has driven over the roads in this State, does not understand or it has not occurred to him that it is easier and cheaper to build some roads than others, God spare us if he ever does become the transport minister!

The CHAIRMAN: I call the member for Kingsley.

Mr M.W. TRENORDEN: Have we agreement on the provision of supplementary information?

The CHAIRMAN: No, there was no agreement for supplementary information.

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Ms A.J. MacTIERNAN: I am prepared, by way of supplementary information, to list some of the major road projects.

Mr M.W. TRENORDEN: I want the detail. I want to be able to understand the budget.

The CHAIRMAN: Hang on, member for Avon; the minister was outlining what she will provide in the supplementary information.

Ms A.J. MacTIERNAN: I am prepared to provide information on the major road projects in the State over those three years, including the length of those road projects, so that the member can see the cost per kilometre of those major projects. That will demonstrate the logic of the point we are making to the member.

[*Supplementary Information No B4.*]

The CHAIRMAN: I called the member for Kingsley but she is not here, so I will call the member for Perth.

[10.30 am]

Mr J.N. HYDE: I refer to page 787 of the *Budget Statements* and the section on details of controlled grants and subsidies. The total funding budgeted for local government next year appears to be the same as that budgeted for the current year. What is the position with regard to state government funding of local roads? Are the Western Australian Local Government Association's complaints about road funding justified?

Ms A.J. MacTIERNAN: I thank the member for the question. The Government has kept the grants to local government at the same level as they were last year. I understand some of WALGA's apprehension. In the previous year's budget, it was estimated that there would be a reduction of some \$6 million for regional road groups, and WALGA was very concerned about that. Last year I undertook to work to ensure that the Government would not cut that regional road group funding.

Mr M.W. TRENORDEN: It was down \$12 million the year before.

Ms A.J. MacTIERNAN: The Government has managed to achieve that. The Government has been able to maintain the existing level of funding to the regional road groups because of the improved budgetary situation. Funding for all the other areas, including black spot funding, has increased and other areas of funding have remained safe. I acknowledge the member for Avon's interjection that there was a reduction in funding the year before that. That is undoubtedly true. The Government has acknowledged that it reduced the overall road budget and that because of that the local government's share of funding needed to be reduced. That was done in the context of very substantial additional moneys being given directly by the federal Government to local governments. Overall, local governments have more to spend on roads than they previously had.

Mr J.N. HYDE: It is the State's money from the GST that Western Australia is not getting back fully that the federal Government is keeping. It is taxes on Western Australians.

Ms A.J. MacTIERNAN: I will respond to that. The Government is very concerned about that. If the federal Government pulled its weight on this point, the State Government would be able to give more money to local government. The federal Government is massively underfunding the maintenance program of the national highway.

Mr M.W. TRENORDEN: The State has received \$220 million in extra GST this year.

Ms A.J. MacTIERNAN: The member for Avon can rant and rave elsewhere. This is the estimates committee. Members are trying to get information.

Mr M.W. TRENORDEN: You are trying to run a red herring across the trail.

Ms A.J. MacTIERNAN: I admit that federal government funding this year has not been too bad. However, an area of real concern is the continued underfunding for maintenance work on the national highway. The only road for which the federal Government is responsible is the national highway, and the federal Government is underfunding the State Government by \$5 million a year. The State Government could cut back maintenance on the national highway, which would affect the member for Avon's constituency. He does not seem to be particularly concerned about that.

Mr M.W. TRENORDEN: We have not got a zack out of the State Government in three years.

Ms A.J. MacTIERNAN: The Government has taken a decent, responsible approach and said it will maintain the standards of the national highway. The State Government is taking money out of state coffers that could be going to the local government but is being spent on patching up the national highway.

Mr M.W. TRENORDEN: Where?

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Ms A.J. MacTIERNAN: There is a shortfall of \$5 million. The federal Government gives us money for maintenance and it costs \$5 million more for maintenance.

Mrs C.L. EDWARDES: I refer the minister to the New MetroRail package E, which is the first dot point on page 766 of the *Budget Statements*. The minister has said that Main Roads is involved in the New MetroRail project and that the contract completion is due in December 2005. Can the minister point me to where any money is allocated in this division relating to that package?

Ms A.J. MacTIERNAN: The Opposition always believes that, sneakily, there is money somewhere else for the rail project. It is in the Public Transport Authority budget. Although there is a dot point on this page -

Mrs C.L. EDWARDES: Even though there is a dot point here -

Ms A.J. MacTIERNAN: The roadworks and the bridge strengthening work is being done by Main Roads; however, it is being funded out of the New MetroRail project funding. It is totally included in the \$1.5 billion. It is not extra money under this dot point.

Mr S.R. HILL: I refer the minister to page 779 of the *Budget Statements*. When I left Geraldton last night, I noticed that the southern transport corridor was in full swing. Will the minister outline the time frame for the completion of the southern transport corridor?

Ms A.J. MacTIERNAN: I thank the member for that question. It is a fantastic project. It is complementing the other projects in Geraldton, including the Mt Magnet-Leinster Road, which is opening Geraldton to the northern goldfields. It was most pleasing to be with the member for Geraldton the other day to open the first iron ore mine in the mid west for 30 years. It is the first completely new iron ore mine in Western Australia for sometime. That would not have been possible without all these government infrastructure investments. As the member knows, the Government started the project on 17 March 2004. I understand that the project is expected to be completed in mid-2006.

Mr N.R. MARLBOROUGH: I refer to country and metropolitan funding on page 783 of the *Budget Statements*. Is it possible to provide a breakdown of the money spent on roads in the metropolitan region and on country roads? Which of those will receive more funding, and how does the proportion of money spent on country roads compare with previous years?

Ms A.J. MacTIERNAN: One of the great myths spun by members of the National Party in particular is that the Government is not spending money on country roads. The big road programs under the National Party's stewardship were very city centric. It undertook big projects such as the Northbridge tunnel and the duplication of the Narrows Bridge. However, there has been a change in direction under this Government. This Government is spending the majority of road funding on country roads. In 1999-2000 the previous Government spent 48.7 per cent of its road funding on the metropolitan area and 51 per cent on regional roads. That trend basically continued until the Labor Party formed Government. In 2002, 42 per cent of the State's road funding was spent on the metropolitan area and 57 per cent was spent on country roads. In the past two years, 44 per cent of road funding was spent on the metropolitan area. Over this coming year, it is anticipated that 44 per cent of road funding will be spent on metropolitan roads and 55 per cent will be spent on country roads.

Mr J.B. D'ORAZIO: We had better start jumping up and down in the metropolitan area.

Ms A.J. MacTIERNAN: Exactly.

[10.40 am]

Ms K. HODSON-THOMAS: My question relates to page 776, under the heading "Major Initiatives For 2004-05", and refers to a project funded by the State's black spots program: the Reid Highway-Mirrabooka Avenue intersection. This intersection has been the site of a number of fatalities. I note that the work is confined to a modification of traffic signals and the application of a high-friction surface on the approaches. Was any consideration given to a grade separation in that location?

Ms A.J. MacTIERNAN: Consideration has been given to that, but it is an enormous project. Does Mr Snook have a cost on that?

Mr SNOOK: The approximate cost of a grade separation is \$10 million to \$15 million.

Ms K. HODSON-THOMAS: I have an additional question. What is the cost of the modification of the traffic signals and high friction surface?

Mr SNOOK: The total cost of the black spot project is approximately \$600 000. It will involve some realignment of the traffic lanes on Mirrabooka Avenue and the realignment of the traffic signal lanterns on Mirrabooka Avenue to make them much clearer to drivers. Anti-skid surfacing will be put on Reid Highway,

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which will make it easier for the vehicles on Reid Highway to stop when they come down to the intersection. The important thing about all those works is that in the long term, when a bridge does go through there, all the work done under that black spots project will not be lost. It will still be of use for the people using the intersection.

Mr M.W. TRENORDEN: On page 781, one of the works in progress listed is the widening of the Brookton Highway from Corrigin to Hyden, to which \$1 million has been allocated in 2004-05. On 13 May, in the absence of the minister, the Premier answered a question from the member for Wagin, saying that \$5 million had been allocated in this year's budget. Can the minister show me where the other \$4 million is?

Ms A.J. MacTIERNAN: Would the member like to read the answer given by the Premier?

Mr M.W. TRENORDEN: Yes. It reads -

The Government acknowledges the need to upgrade the road to Hyden and \$5 million has been allocated in the 2004-05 state budget and forward estimates for Brookton Highway to continue these works on the section between Corrigin and Hyden.

Ms A.J. MacTIERNAN: Did the member note when he was reading that that it included the words "and forward estimates"?

Mr M.W. TRENORDEN: Yes, but it refers to the state budget. It says that \$5 million has been allocated in the 2004-05 state budget.

Ms A.J. MacTIERNAN: It also says the forward estimates. The sum of \$1 million has been allocated each year for 2004-05, 2005-06 and 2006-07, and \$2 million has been allocated for 2007-08. That is a total of \$5 million. Whenever money has been available, expenditure on that road has been brought forward. The local governments in the area recognise that the Government has been giving attention to that road. In the past two years expenditure has exceeded what has been allocated in the budget. As additional moneys become available, they are put in. In the current financial year, \$3.3 million has been spent on that road. The Government recognises the need. At the invitation of the shire I went to a football game at Newdegate.

Mr M.W. TRENORDEN: I heard the minister was there.

Ms A.J. MacTIERNAN: While I was there I looked at those roads. The Government has recognised that there is a need, and has made sure that Brookton Highway receives its allocation.

Mr J.N. HYDE: I refer to the bottom line on page 776. Road maintenance funding appears to have increased again. Is there any basis for the reported claim by the Leader of the National Party and shadow transport minister in waiting that the state roads are in a third world situation? I direct the attention of the member to the Cranbrook road, which, by my reckoning is the most amazing road off the Albany Highway. It is such a beautiful road that a bowling ball would roll from the Albany Highway all the way into the town centre and the post office.

Ms A.J. MacTIERNAN: There are some very good roads around Tammin and Cadoux as well.

The CHAIRMAN (Mr A.J. Dean): The member for Perth will keep his question short. We are not relying on his life experiences.

Ms A.J. MacTIERNAN: What the member for Avon has said is absolute nonsense. We always acknowledge that an infinite amount of money could be spent in a State like ours that goes from Wyndham to Esperance. However, to say that our roads are in a third world state is an absolute nonsense. Some difficult decisions were required last year on the reduction of the road budget, but the one principle the Government was very clear on was that it would not cut maintenance or black spots funding. The Government took the step of cutting a number of expansion projects. Expansion projects provide the political fanfare, but no-one notices the day-to-day program maintenance that goes on. The Government took the responsible decision that asset preservation had to be the primary objective. There has been a steady increase in funds well beyond the consumer price index. The figure was \$306 million in 2002-03 and \$362 million last year. This year the budget and amount is \$393.8 million.

Mr M.W. TRENORDEN: Where is that to be spent?

Ms A.J. MacTIERNAN: This is the amount that will be spent on maintenance across the State. Unfortunately the member for Avon left the Chamber earlier on urgent parliamentary business a few minutes ago and was not able to hear the stunning figures the Government has been able to provide. It is now spending 55 per cent of all road funding in regional areas. This is unlike the pattern established under the previous Government, when only 51 per cent of road funding was spent in regional areas.

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Mr J.N. HYDE: Twenty-six per cent of our population live outside of the metropolitan area.

Mrs C.L. EDWARDES: I refer the minister to the line item "Supplies and services" under the heading "Cost of Services" on page 783 of the *Budget Statements*.

Ms A.J. MacTIERNAN: I was just stunned by this data that shows that Western Australia has by far the highest standard of roads of any State in Australia.

Mrs C.L. EDWARDES: The estimated actual expenditure for 2003-04 is some \$23 million over budget, and the budget estimate for 2004-05 is an extra \$84 million over what was intended to be spent for the current financial year. Can the minister provide a complete breakdown of both the expenditure and the proposed budget for those amounts?

[10.50 am]

Ms A.J. MacTIERNAN: Is the member talking about supplies and services?

Mrs C.L. EDWARDES: Yes.

Ms A.J. MacTIERNAN: With this budget we have tried to ensure that there are no shortfalls in expenditure. Traditionally, Main Roads Western Australia has not spent what it has been allocated, which has always made it a target for Treasury. To some extent it is inherent that this happens in project-based budgets. We have been much more disciplined in ensuring that if it looks like we will have shortfall in some areas, we bring forward other road projects, which is why we have been able to accelerate projects such as that involving the Brookton Highway. However, we will provide the breakdown of those figures. The supplies and services figures are the big picture of what Main Roads is doing. I am happy to give the member an analysis by way of supplementary information.

Mr M.W. TRENORDEN: Will that be state and federal funds or just state funds?

Ms A.J. MacTIERNAN: That will also include some federal funds.

The CHAIRMAN: Sorry, what will the supplementary information contain?

Ms A.J. MacTIERNAN: The supplementary information will be an analysis of the supplies and services figures and a comparison of the budget in 2003-04, the actuals in 2003-04, and budget in 2004-05.

Mrs C.L. EDWARDES: Could we also have a breakdown of what constitutes the federal allocation to that?

Ms A.J. MacTIERNAN: Yes.

Mr M.W. TRENORDEN: And the deferrals; that is, what has not happened and what has come forward -

Ms A.J. MacTIERNAN: That could mean rewriting the whole budget! We will provide the members with this information. If they want more, they can put that on notice. As members can see, supplies and services is a vast area. The commonwealth funding will be spread amongst that and also other items. Therefore, it will not capture all of the commonwealth's funding.

[*Supplementary Information No B5.*]

Mr J.B. D'ORAZIO: I refer to page 780 of the *Budget Statements* and the Mitchell Freeway extension under the third dot point. Can the minister tell us what are the plans? As the minister is aware, we have been involved in hearings about developer contributions. The issue about this corridor continues to be raised. Can the minister explain what position we are in with the extension of the Mitchell Freeway and when it is expected -

Ms A.J. MacTIERNAN: We are very keen to get this project under way. In the budget we have included funding for the extension of stage 1 to Shenton Avenue, which is estimated to be completed in 2005 in line with our election promise, and stage 2, which will be completed in 2008. The work for the design contract for both stages is currently out to tender and will close on 20 May. We anticipate awarding that contract the following month with a view to construction beginning in early 2005. I am trying to get the project started in late 2004 - I am cracking the whip in that regard - but Main Roads seems to be a bit resistant to that idea. However, we will get it started as soon as we can and the design contract will certainly be issued by the end of this financial year.

Ms K. HODSON-THOMAS: My question relates to the Peel deviation or the "Perth to Bunbury Highway" as it is named in the *Budget Statements*. On page 781 under Perth to Bunbury highway, I note that \$100 000 has been allocated in the 2004-05 budget. In the event that the federal Government commits to this project financially, will the minister bring the project forward?

Ms A.J. MacTIERNAN: No, we have made it very clear that we are not in a financial position to do that. Since 2001, we have sought to engage with the federal Government on this in a mature and sensible way, which has

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been completely impossible. For the first two and a half years it did not want to talk about the Peel deviation at all. Now, with the looming federal election and the seat of Canning, which goes down to that area, perhaps in trouble, it wants to bring that funding forward. We could not get a commitment from the federal Government to fund that project at any point. Now it is saying that it wants to commit to it early.

Ms K. HODSON-THOMAS: So this Government is not prepared to commit to that project early?

Ms A.J. MacTIERNAN: I have made it very clear from day one that this was a very expensive project and a number of things needed to happen. There needed to be a partnership between the federal and State Government and we needed some long-term planning so that we could commit those funds. We have made it clear that we do not have those funds to commit until 2008. We have asked the federal Government to work with us towards that time frame. I have no doubt that Senator Campbell, who with his best friend Willy Packer is running the anti-rail program, will say next month that the federal Government is allocating money for this project in the budget for 2005-06 and that we have to match it. We will not do that because we do not have that money.

Mr M.W. TRENORDEN: The money is there.

Ms A.J. MacTIERNAN: It is not there.

Mrs C.L. EDWARDES: The federal money is there.

Ms A.J. MacTIERNAN: As an election ploy, the federal Government will put forward this money after four years of saying that it would not even talk about it and that it could not commit to it. What is really sad about this is that I was the one state minister that gave John Anderson the benefit of the doubt. I actually thought that the rhetoric that surrounded AusLink might in fact be true and that what they wanted to do -

Mr M.W. TRENORDEN: Funny, he says the opposite about you. He says that you are the only minister who will not cooperate.

Ms A.J. MacTIERNAN: Absolute rubbish. I was the one who earlier on said that this is a good idea and that we need to move forward and get more strategic planning. If members look at the correspondence that I have submitted to Anderson since 2001, it has all been about working out with the federal Government when we can do this project in a time frame that makes sense for it and for us.

Mr M.W. TRENORDEN: The answer is 2004-05.

Ms A.J. MacTIERNAN: The member for Avon has a very simplistic idea of how we go about building roads. He does not understand the engineering complexity.

Mr M.W. TRENORDEN: I know that if all the money is spent on one project, there is nothing left for anything else.

Ms A.J. MacTIERNAN: There is no way that we can commence this road project before 2007.

Mr M.W. TRENORDEN: Because all the money has gone into the railway line down south.

Ms A.J. MacTIERNAN: No, just from the sheer point of view of the engineering design work that needs to be done.

Mrs C.L. EDWARDES: The federal Government says it can be done.

Ms A.J. MacTIERNAN: Well, it does not know; it just says that. It is like the member for Avon. It believes that a person has to just assert something - he does not have to produce any evidence or analyse it - and that makes it true. The federal Government does not build roads, so it does not know what is required.

Mr M.W. TRENORDEN: Neither does this Government.

[11.00 am]

Ms A.J. MacTIERNAN: I will use this opportunity to respond to that comment. Works in progress or completed include the Gascoyne bridge, the Mt Magnet to Leinster road, stage 1 of the Tom Price to Karratha road, Roe Highway stages 4, 5, 6 and 7 and the Tonkin Highway extension. The facts speak for themselves. The road projects the Government has completed across the State have been phenomenal. We know that the federal Government will pull a stunt. It will put money in the budget in 2005-06 in order to shore up Don Randall. This is after years of telling us that it cannot commit until it sees the detailed design plans. All of a sudden, all the federal Government has been saying for the past two years goes out the window and we will see an election stunt in which the federal Government will provide money in 2005-06. We are very pleased that the federal Government has at last committed funds to the road. We are telling the federal Government to behave like grown ups and, if it is prepared to provide its share of the money in 2007, the State Government can get the road under way in 2007 and build it to a time frame that is feasible for the State and federal Governments.

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[Mr A.D. McRae took the Chair.]

Mr M.W. TRENORDEN: I refer to the works in progress at page 781 of the *Budget Statements*. The minister just referred to a long list of roads -

Ms A.J. MacTIERNAN: I am glad that the member acknowledges it is a long list.

Mr M.W. TRENORDEN: Will the Vasse to Margaret River road, better known as death alley, receive funding this year? Will the Lancelin to Cervantes road receive any funding this year? Will the Mt Barker northern bypass on Muirs Road receive any funding this year? What about the port and blue gum plantation roads in Albany? The minister knows the port of Albany is looking forward to an improvement of those roads. It is estimated that \$51.5 million is needed. I can find only \$1.424 million in the budget. Are any more funds available?

Ms A.J. MacTIERNAN: If the member reads the budget, he will see that several million dollars is allocated for Muirs Road. We are designing the Lancelin to Cervantes road in-house.

Mr M.W. TRENORDEN: Expenditure on the Mt Barker northern bypass is shown as a dash in the budget.

Ms A.J. MacTIERNAN: We do not have money in the budget for that. We cannot fund all the road projects in the State simultaneously just as the member's Government could not fund a wide variety of road projects that we thought were important.

Mr M.W. TRENORDEN: The minister was able to answer the first question about the \$5 million for the Corrigin to Hyden road. I thought the minister could give me some indication on this road.

Ms A.J. MacTIERNAN: Which one?

Mr M.W. TRENORDEN: The Bussell Highway.

Ms A.J. MacTIERNAN: We do not have money in the budget for that this year. However, I am exploring other ways of funding that road. We are looking at some development at Gracetown; we are trying to work that through with the shire. I will certainly argue that, if we have funds released as a result, I would like some of the money put into the Vasse to Margaret River road.

Mr M.W. TRENORDEN: What about the Lancelin to Cervantes road?

Ms A.J. MacTIERNAN: No. As I said to the member, we do not have any funding in the budget this year. The funding starts for that in 2006. However, we are undertaking the design work in-house so that as moneys become available we can start to bring forward the project.

Mr M.W. TRENORDEN: What about the blue gum plantation road? There is an allocation of \$1.424 million but the Government's own estimate is \$51.5 million. Tell me about the forward estimates; they are not evident.

Ms A.J. MacTIERNAN: There is approximately \$1.5 million for this year and the same amount for next year. An amount of \$2 million is available the year after and \$1.5 million for the year after that. The total across the forward estimates is \$6.5 million. When the timber industry regional evaluation strategy report was issued, it was absolute blue sky and full of a whole range of projections that have turned out to be not fulfilled. There was a gross overestimation of the need. We are working very hard to see what we can do to get some of the activity onto rail.

Mr M.W. TRENORDEN: I have only one question left for this division. I refer to page 783 of the *Budget Statements*. I refer to the capital user charges and the increases from \$12.347 million to \$44.908 million and \$62.279 million.

Ms A.J. MacTIERNAN: As this is an accounting practice, Mr Phillips will explain it.

Mr PHILLIPS: Main Roads pays eight per cent of the average net asset position for the year, excluding the road network infrastructure assets, including the land under roads. It is a Treasury policy. We have identified to the Treasury that, in the case of Main Roads, the amount needed each year will increase at a fairly significant rate. The member may note that, in the forward estimates for 2007-08, we have kept the figure the same for 2006-07 because we believe that by that time the Treasury will have identified and sorted out the problem. Main Roads puts a lot of money into what is called the depreciation holding account at the Treasury. It is also charging us eight per cent of the balance of the account. Because the amount in the account is increasing every year by a significant amount, the capital user charge will increase as a consequence. We believe it is not an appropriate situation for our agency. Treasury is looking at that at present.

The appropriation was recommended.

Extract from *Hansard*

[ASSEMBLY - Tuesday, 18 May 2004]

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Mr Max Trenorden; Ms Alannah MacTiernan; Chairman; Mr John Hyde; Mrs Cheryl Edwardes; Mr Norm Marlborough; Mr John D'Orazio; Ms Katie Hodson-Thomas

Sitting suspended from 11.07 to 11.23 am