

Deputy Chairman; Hon Graham Giffard; Hon George Cash; Hon Adele Farina; Hon John Fischer; Hon Jim Scott; Hon Murray Criddle; Hon Derrick Tomlinson; Chairman; Hon Ljiljanna Ravlich

Division 47, 48 and 50: Planning and Infrastructure, \$442 811 000; Land Administration, \$46 291 000; Western Australian Planning Commission, \$90 384 000 -

Hon Simon O'Brien, Deputy Chairman.

Hon Graham Giffard, Parliamentary Secretary to the Minister for Planning and Infrastructure:

Mr G. Martin, Director General, Department for Planning and Infrastructure.

Mr W. Ielati, Acting Chief Financial Officer, Department for Planning and Infrastructure.

Mr D. Forte, Executive Director, Service Delivery, Department for Planning and Infrastructure.

Mr M. Burgess, Acting Executive Director, Public Transport Services, Department for Planning and Infrastructure.

Mr P. Frewer, Executive Director, Integrated Planning and Policy, Department for Planning and Infrastructure.

Mr T. Martin, Chairman, Western Australian Planning Commission.

Mr M. Smith, Manager Financial Services, Department of Land Administration.

Mr. G. Fenner, Valuer General, Valuer General's Office, Department of Land Administration.

Mr. A. Burke, Acting Director, Land Information and Administration Services, Department of Land Administration.

Mr I. Patterson, Acting Secretary, Western Australian Planning Commission.

The DEPUTY CHAIRMAN: On behalf of the Legislative Council Estimates Committee, I would like to welcome you to today's hearing. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values that assistance.

For the information of members, these proceedings will be reported by Hansard. The daily *Hansard* will be available on the following morning. Hansard will distribute documents for correction, which must be returned on the A4 documents sent to members. The cut-off date for corrections will be indicated on the bottom of each page.

Members are asked to sit towards the front of the Chamber where practicable so that witnesses will not have to turn their head when answering questions. It will greatly assist Hansard if when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount, and so on in preface to their questions. If supplementary information is to be provided, I ask your cooperation in ensuring that it is delivered to the Committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to your advisers.

The Committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. For the benefit of members and Hansard, I ask the parliamentary secretary to introduce his advisers to the committee, and for each adviser to please state their full name, contact address and the capacity in which they appear before the Committee. At this time, I ask each of the witnesses whether they have read, understood and completed the Information for Witnesses form.

WITNESSES: Yes.

Hon GRAHAM GIFFARD: Before we begin, I apologise to the Committee, but Mr Searle, the acting chief executive of the Department of Land Administration, is ill and therefore unable to attend today, and we have Mr Andrew Burke, the acting director, land information and administration services, in his place.

[10.50 am]

The DEPUTY CHAIRMAN: We are considering the votes for the Department of Land Administration, the Western Australian Planning Commission and the Department for Planning and Infrastructure, hence the large number of advisers. Following consultation with the parliamentary secretary, it has been decided that we will not allocate time to each vote. It will be up to members to determine which agency, vote or subvote they wish to inquire about.

Hon GEORGE CASH: My questions relate to the Department of Land Administration. The fourth dot point on page 744 of the budget papers refers to in-principle approval of the transformation of DOLA from a government department to a statutory authority. What is the status of this transformation and what time schedules are envisaged? Will the services provided by DOLA be less expensive once statutory authority status has been achieved, and has there been public consultation about this transformation?

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Mr BURKE: The consultation phase on the appropriate legislation to set up a statutory authority finished on Friday. The responses are being assessed as we speak. We have also commenced a discussion phase on statutory officers. A number of statutory officers will be affected by the change. That paper is about to be distributed. There have been substantial consultations about the moves with all our stakeholders, and we have continued to develop a business plan for the establishment of a land information authority. The plan is that charges will remain at the same level. They will not increase unless there is a change in circumstances; however, I cannot think of any that could occur. The plan is for those charges to remain the same.

Hon GEORGE CASH: I refer to page 745 and the recommendation of the Functional Review Taskforce that DOLA's crown land function be transferred to the Department for Planning and Infrastructure. What is the policy behind that proposal, and what is the involvement of LandCorp, if any, in those crown land functions?

Mr BURKE: The primary policy behind the move is to bring the management of the crown land estate and government land, which comprise 93 per cent of the State, closer to the state planning function of the Department for Planning and Infrastructure. LandCorp's function is to develop land. Originally, the land administration services unit of the Department of Land Administration was involved in the development of crown land. It is now the responsibility of LandCorp to develop land for whatever purpose. Land administration services now assembles the land and prepares the tenure, and then hands the land to LandCorp, at commercial rates, to conduct the development process.

Hon GEORGE CASH: I again refer to page 745. Under the Functional Review Taskforce heading is a statement about the removal of the subsidy to local government authorities for valuations carried out by the Valuer General. Next to that comment are some dollar amounts in brackets. I assume that means those amounts will not be funded next year. What is this issue about? Does it mean that local government will be able to tender to employ private valuers to do their work? By virtue of that same question, for what percentage of local authorities does the Valuer General carry out evaluations?

Mr FENNER: The decision to remove the subsidy related in part to national competition policy. It is also part of a plan to make the charging of fees more transparent so that full recovery occurs. The amounts concerned are listed in the budget papers. They vary due to the fluctuation in the programs. In 2004-05 there will be a large revaluation of the metropolitan area, which relates to the triennial general valuation. That is the reason for the larger amount. If local government bodies are concerned about price, the Valuation of Land Act has always provided the capability for them to seek competitive prices. The Perth City Council at one stage carried out its own valuations, as did the Town of Port Hedland Council. If local government is concerned about price, it can consider that option. At the present time, the Valuer General's Office carries out 100 per cent of valuations in Western Australia.

[11.00 am]

Hon GEORGE CASH: Does the Valuer General see that situation changing now the subsidy will be removed?

Mr FENNER: I believe there will be closer scrutiny by local government. With a criterion being applied to increasing their real charges, they will look closely at charges. We expect this to lead to a more competitive environment.

Hon GEORGE CASH: As a subsidiary to the earlier question, when the crown land function is transferred from DOLA to the Department for Planning and Infrastructure, will this transfer require legislation? If not, how will it be achieved?

Mr BURKE: Some small legislative changes will be required. The Act states that authorised land officers are required to be appointed. However, they will remain in the Department of Land Administration. A small change is needed to the legislation to allow authorised land officers to be appointed to a department other than the department principally assisting the minister. That is being addressed in a machinery of government omnibus or general changes Bill that will be before Parliament soon.

Hon GEORGE CASH: Page 756 outlines the Department of Land Administration's financial statements. The accommodation charge for this year was \$9.6 million, and this will rise to \$9.9 million for the next financial year. Please give a general idea of which buildings comprise that rental amount. I notice that DOLA receives about \$2 million in rent; does that represent the subletting of DOLA-leased buildings? If so, can some general information be provided in that regard?

Mr SMITH: The accommodation charge increase from \$9.6 million to \$9.9 million in 2003-04 is mainly the increase in charge for the Midland building; that is, rent there will increase from \$6 million to \$6.3 million. We also have some accommodation charges for Mount Street. The other buildings that comprise accommodation are the Perth branch office, a Midvale storage area and regional offices in Albany, Bunbury and Kununurra. In

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terms of whether we sublet, and whether revenue is generated from the Midland building, no, the Midland building is not part of that figure.

Hon GEORGE CASH: What does the \$2 million coming in as rent represent?

Mr SMITH: Basically, the rental money is for offices and the Public Works Act buildings that we currently manage. I refer to Northbridge and buildings the Government is holding for future use

Hon ADELE FARINA: I refer to the third dot point on page 724 regarding the protection of coastal environment, particularly with respect to the coastal environment under threat from erosion from recurring and severe winter storms. It is of interest to me given the erosion from the recent winter storms in Busselton. Can the parliamentary secretary explain the Government's coastal program?

Mr G. MARTIN: The overall coastal protection program put in place by the Government is \$500 000 for a Coastwest/Coastcare grants program, which supports on-ground management works undertaken by local government in partnership with the community. It also involves the establishment of a coastal planning and coordination council with improved community membership, and the provision of high-level strategic advice on coastal planning management. The third element is the adoption of a state coastal statement of planning policy to ensure appropriate access to, and development of, our coast, and to ensure it is sustainable and recognises the value the community places on the coast.

Hon ADELE FARINA: I refer to dot point one on page 729 regarding the state infrastructure strategy. Will the parliamentary secretary outline what is involved in the creation of the state infrastructure strategy?

Mr FREWER: The state infrastructure strategy is a project to bring together within the agency the current work programs in a number of different areas. We currently prepare metropolitan development programs and country land development programs. However, a range of other infrastructure demands apply across the State. We are pulling them together and looking at them in the context of future capital work programs. This will give an idea of potential gaps. This process will go forward into a second stage; namely, preparing a strategy for the state infrastructure program itself.

Hon ADELE FARINA: I refer to the third dot point of major initiatives for 2003-04 on page 733 regarding the air services policy. What has the Government done to ensure that sustainable and variable air services are maintained? What is the Government doing in respect of upgrading regional airport infrastructure?

Mr G. MARTIN: Under the strategy adopted by the Government, air services will be regulated to protect vulnerable intrastate air routes. An independent report commissioned by the Government made it clear that routes of fewer than 50 000 passengers could not cope with competition. Under the new framework, the State Government will offer SkyWest Airlines a two-year exclusive licence to operate services between Perth and Carnarvon, Exmouth, Albany and Esperance, subject to the provision of ongoing services to Leinster and Leonora, and acceptable service standards and fare structures. The Government will also open the Perth-Geraldton route to staged competition, and call tenders for an airline to offer services between Perth and Kalbarri and Shark Bay through Geraldton. Jet route services between Perth and Kalgoorlie, Port Hedland, Karratha and Broome will not be subject to any competition restraint.

The other Government initiative is an endeavour to harness the fly in, fly out network, and, in cooperation with mining companies, to make those charter services available on a regular passenger transport basis.

Hon ADELE FARINA: What is the Government doing regarding the upgrade of regional airport infrastructure?

Mr G. MARTIN: The State Government assists in the creation and enhancement of aviation infrastructure in regional WA through the regional airport development scheme, known as RADS. Under RADS the State Government assists with up to 50 per cent of the cost of capital improvements to airport infrastructure. Applications recently have been invited for the 2003-04 RADS funding of about \$2 million. The funding will be available for the development of airport infrastructure on a partnership basis, with the airport owners able to apply for funding for up to 50 per cent of the project cost. Since the inception of RADS nine years ago, over \$14 million in state government funds has been used in the development of over 80 projects at airports around the State.

[11.10 am]

Hon ADELE FARINA: I refer to page 729 and the transport energy strategy. Can the parliamentary secretary provide a statement on the progress of this strategy?

Mr G. MARTIN: The sustainable transport energy strategy, known as STEP, was announced in January and is an ambitious program to develop environmentally, economically and socially sustainable transport systems for Western Australia. The program consists of a series of fuel trials and research projects, as well as an initiative to reduce the use of fossil fuels. A transport energy strategy committee has been formed, comprising experts from

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science, industry and stakeholder groups, which will provide advice on how Western Australia can best develop diversified sources of energy that are environmentally, economically and socially sustainable.

Other initiatives to be introduced as part of the sustainable transport energy program include the acquisition of 20 Toyota Prius hybrid electric cars for the Department for Planning and Infrastructure vehicle fleet. In addition to that, the Department for Planning and Infrastructure and other agencies in the portfolio routinely acquire only four-cylinder cars for their passenger fleets. Larger vehicles are acquired only when a vehicle's intended operational use requires a bigger engine. Another initiative is the tender for the provision of biofuel - a fuel extracted entirely from plant material - for the opportunity to demonstrate the product within the Transperth fleet, which has been advertised and is currently being considered. It is proposed that a dozen Transperth buses will use biofuel.

Hon ADELE FARINA: I refer to the works in progress in the metropolitan section listed on page 734. I note that there is a provision for a smart card ticketing project of just over \$12 million. What is the scope of this project and when will it be introduced?

Mr G. MARTIN: The smart card project will take advantage of the latest proven ticketing technology contact on smart cards. Smart cards are plastic cards the size of credit cards and contain an embedded microchip and antenna. This allows the ticketing transaction to be completed simply by holding the card within a few centimetres of the card processor. Smart cards will replace the current range of MultiRider tickets used on the Transperth bus, train and ferry systems. At this stage of the procurement process, tenders have been called and the tender evaluation stage is well under way. It is anticipated that the procurement and delivery process will allow the new smart card ticketing technology to be in place in 2004.

Hon JOHN FISCHER: I refer to page 750. How will the development of a statutory authority be tackled? If the charges that were referred to in the answer to the question of Hon George Cash will be the same, what economic benefits will it bring to the man in the street?

Mr BURKE: The process for the statutory authority is a period of consultation and the development of legislation for submission to Parliament. The main consultation process has just been completed. We are now working our way through the responses. Some other parts of the consultation process with regard to statutory offices will be released imminently. From that, we will distil a series of drafting instructions, which we can submit to Cabinet for the necessary approvals and so forth.

With regard to some of the issues that have confronted the Department of Land Administration and its position as a consolidated fund agency, as a statutory authority we will be able to respond to a greater demand for services from the various markets in Western Australia. At the moment, there is a national and international trend towards electronic conveyancing, the development of electronic land mapping systems, the use of more sophisticated data for property development and valuation systems. All these require greater accessibility and accuracy of online land data. Resources to meet these demands will place an urgent pressure on budget processes in years to come. The most appropriate mechanism to achieve the funds to satisfy these needs is the establishment of a statutory authority with commercial powers to replace the Department of Land Administration. As a consolidated fund department, DOLA has limited legal status or capacity to realise a return on the significant investment. If DOLA can be established as a statutory authority, we will have greater flexibility in order to retain some of the revenue for some of the services that we provide and then fund greater services to the various markets that require land information for their various businesses. For instance, land information held by DOLA includes aerial photography, lot boundaries, land areas, property valuations, sales information and land contour information. That helps people not only in property management but also in land care, planning and environmental and emergency response management. Being able to integrate all that information will require substantial volumes of money. If DOLA is established as a statutory authority with commercial powers, we will have greater flexibility to enable us to put those projects in place.

Hon JOHN FISCHER: I refer to the fourth dot point under major achievements for 2002-03 on page 751. How many trained valuers does the department have and how many reside out of Perth?

Mr FENNER: Currently, we have about 112 valuers in all our offices. That includes about 12 in Bunbury and two in Albany, and the Perth office has the balance.

Hon JOHN FISCHER: The fifth dot point under major initiatives on page 754 refers to the pastoral industry. Is the Government looking at a new type of pastoral lease?

Mr BURKE: Not at the moment, not to my knowledge. We will continue using the Land Administration Act to manage pastoral leases.

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Hon JOHN FISCHER: The reason I asked the question is that the fifth dot point under major initiatives for 2003-04 refers to alternative models of land tenure and economic monitoring requirements.

[11.20 am]

Mr BURKE: A forum was held last year which established five working parties with regard to the pastoral industry. They are in the process of preparing their responses. The issues were pastoralism for sustainability, access to pastoral leases, Aboriginal access and living areas. Some of the working groups have provided interim reports, and there will soon be more reports. We will have another forum in the August-September period to finalise the activities of those working groups. There may be some proposals from those working groups about alternative models. It is not something that the Government has proposed to the working groups. However, the working groups may come up with some ideas about how we can improve management.

Hon JIM SCOTT: First, I understand that the Department of Land Administration is involved in the development of industrial land in the Henderson marine industrial precinct. LandCorp is involved as the developer of the industrial lots. Is this project on time, and have land sales met budget predictions?

Mr BURKE: I can provide a bit of information. The responsibility for the development of those lots is entirely LandCorp's. The Department of Land Administration's responsibility was to assemble the land and transfer it at market rates. I am afraid that I cannot provide any more information about on-time sales.

Hon JIM SCOTT: Does the Western Australian Planning Commission intend to set up a statutory redevelopment area over land between South Beach and Woodman Point, and has this been budgeted for in the current budget? If not, will the WAPC continue to allow planning in this area to be dictated by ad hoc private coastal developments, or does it have some other way of providing integrated development of the area?

Mr T. MARTIN: The commission has not contemplated a statutory redevelopment area in the subject land referred to. The normal conditions relating to land use planning and decision making would continue to apply.

Hon JIM SCOTT: The minister has announced that further areas will be set aside in the Peel region for the Bushplan. Is there funding for this in the current budget; and, if not, how will it be funded?

Mr T. MARTIN: At present the Peel region scheme reserves zones for parks and recreation, and that land is being acquired progressively as landowners bring their land in offer to the commission. The minister has notified the commission of her intent that work be progressed on the proposition of a Bushplan for the Peel region. The commission is working with the Environmental Protection Authority towards a program that will define land additional to that which is reserved in the Peel region scheme for parks and recreation. This is at a preliminary stage, and the commission has not allocated funds in its budget this year for that proposition.

Hon JIM SCOTT: The last published plan for the Perth bicycle network of which I am aware is dated October 1996. Does the Government have an updated plan, or does it propose to prepare one to show the cycle infrastructure improvements that are to be delivered as part of this program?

Hon MURRAY CRIDDLE: What page is this on?

Hon JIM SCOTT: I was not referring to a page. I am talking about an old 1996 plan.

Mr G. MARTIN: I think the member's question was about the update of the Perth bicycle network plan that is proposed. Is that correct?

Hon JIM SCOTT: Yes.

Mr G. MARTIN: At this time, no specific arrangements are in place to update that plan. We are still going through execution of the plan as it was prepared in 1996. It is fair to say that it is time for us to look at it, because it was prepared some time ago and there has been an amount of development in cycling and infrastructure around the metropolitan area. I anticipate that we will move to do a review and perhaps an update of that plan in the foreseeable future.

Hon JIM SCOTT: Have the Government's new coastal planning policies been incorporated into the planning approvals process, and how will these guidelines and policies ensure that a multitude of coastal marina housing developments will not alienate and privatise important coastal recreation areas?

Mr T. MARTIN: The coastal protection policies of the commission are incorporated into the decision making of the commission through the activities of its various committees. Further, in the consideration of any town planning scheme instrument prepared by local authorities, there is an expectancy on the part of the commission, naturally, that the principles, objectives and instructions of the policies will be picked up in the town planning scheme proposal. Was there another part to that question?

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Hon JIM SCOTT: Yes. I am concerned that the coastal planning policies do not cover the establishment of coastal marina housing developments. I wondered how the guidelines would ensure that a plethora of those would not alienate and privatise important coastal recreation areas.

Mr T. MARTIN: The policy allows that in circumstances of ports or marina propositions, the other proposals and propositions of the policy do not have to be considered in the same light. Therefore, when a marina, which is essentially a recreational facility, is contemplated, that proposal is able to be considered by the commission and other authorities outside the other propositions of the policy at large. A housing element that would normally back onto a marina is seen by the commission as a specific form of development that is to be considered on its merits.

Hon JIM SCOTT: As a follow-up question, how does the commission ensure that it has enough beach space left for the community if these developments are able to pop up and be approved? Does it have some way of working out how much beach space will be required for recreational use?

Mr T. MARTIN: The nature of marina development is occasional, and each one will be considered on its merits. In the contemplation of each case, the characteristics of a beach foreshore or a rocky foreshore will be taken into account. Certainly, it is a commission expectation that access to the foreshore and retention of the amenity values of the foreshore will be at the forefront of its considerations.

The DEPUTY CHAIRMAN: I remind members and officers of the need to keep questions and answers reasonably succinct as we are now into our final half hour or so.

Hon MURRAY CRIDDLE: I am sure a quick yes to this question will do. I refer to the significant issues and trends on page 723. Acknowledgment has been made of the need for zoned land in appropriate places to meet the demands of a growing population for housing, employment and recreation. The metropolitan development program forecasts a requirement of 60 000 residential lots in Perth and Peel in the next five years. Can I have details of what is being done to meet those demands? What progress has been made in Kununurra, bearing in mind that there is a call in that area for at least 30 lots immediately? Also, what progress has been made in Westonia - to my amazement, the development there also needs some blocks - Dandaragan, Cervantes, Jurien and Leeman? The second part of my question is about Geraldton. Proponents want to go to Geraldton for industrial land. Given that Oakajee does not seem to be moving forward, what area of land in the industrial estate will be available so that that initiative will be able to progress?

[11.30 am]

Mr FREWER: From time to time the Planning Commission undertakes country land development programs in most of the regional towns in Western Australia. A land development program has been undertaken for Kununurra. The commission is aware of the land shortages there and is reviewing the situation. A review will be undertaken in the next couple of months to ensure that land supply is maintained. In smaller country towns such as Jurien a number of development proposals are being examined by the commission from strategic and statutory aspects for lot supply. Oakajee in Geraldton has obviously been the subject of recent statements about not proceeding with industrial zoning. The Minister for Planning and Infrastructure has requested that the commission review the industrial land situation as a matter of urgency. The commission will examine the current planning situation in the light of the supply of industrial land as well as the potential for other areas that might need to come onto the industrial land stream in the area.

Hon MURRAY CRIDDLE: I hope rapid progress is made there. Reference is made to taxis under "Metropolitan Transport" on page 742. The taxi industry is currently being reviewed. I constantly receive calls about it. I understand a national survey recently found that the taxi industry in Western Australia measured 93 per cent efficiency and ranked second to the Tasmanian industry as a very good provider of services to the population of Perth. What progress has been made regarding what I think is called the buy-back scheme? Is that the best option?

Hon GRAHAM GIFFARD: The minister asked me to conduct that review of the taxi industry. It commenced in February with a forum of more than 100 participants, which comprised a broad cross-section of both representative people and a significant number of people randomly chosen from the industry. The forum provided very useful and important information on the views of the industry on restructuring. The Government's review has two objectives: firstly, to provide fair returns to drivers and owner-drivers while offering the public an efficient, economical and safe service; and, secondly, to address the requirements of the National Competition Council.

Hon Murray Criddle referred to buy-back. Any review of the taxi industry invariably raises the issue of buy-back. It has been bandied around for many years now. There are diverse views within the industry about buy-back. Buy-back means different things to many people. It can be voluntary or compulsory. Views about the

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amount that should be paid to buy back plates vary dramatically, particularly among industry participants. The term buy-back is often misunderstood by many people in the industry who think it refers to deregulation, which is the open-ended issuing of more taxi licences or more taxi vehicles. Buy-back and deregulation are two very different issues, although historically, particularly in the Northern Territory, as I am sure some members know, they were mooted together. They have been historically linked but they are not necessarily linked. The review proposes to report to the minister this month. None of the recommendations has been finalised, although we are reaching the pointy end of the exercise, because we will be reporting to the minister this month. Progress is good and we expect to make statements about the review and recommendations in the coming weeks and months.

Hon MURRAY CRIDDLE: Further down the list, under "Regional Transport", is the line item for school bus subsidies. I notice that this year's budget estimate is \$55 million, which is \$3 million below the estimated actual of \$58 million. How will that satisfy school bus operators, bearing in mind that an offer of \$2.3 million has been made and the industry is seeking \$6 million to \$8 million. The school bus operators are anything but a happy group of people. The service to country people in Western Australia is an icon.

Mr G. MARTIN: The apparent reduction from 2002-03 to 2003-04 is largely due to the cost of the Guise task force that examined the school bus issue. That is part of the reason for the apparent reduction in expenditure. The \$55.785 million is the estimated cost of the school bus contracts to government.

Mr BURGESS: The provision of \$55.785 million is correct at this time, based on the existing payment regime and contract arrangements. We are in the throws of finalising the new contract arrangements and contract payment regime. A number of changes are proposed for various line items in the contract and for future indexation arrangements. Once those details are finalised, if there is a variance to that budget requirement, any additional budget needed would be sought through the usual government, cabinet process.

Hon MURRAY CRIDDLE: I refer to high, wide load corridors, alongside bike paths, referred to in the third line from the bottom of the details of controlled grants and subsidies. Can I have a map of the proposed high, wide load corridors? What provision will be made in this budget given that the total amount allocated to both bike paths and high, wide loads is less than \$2 million?

Hon GRAHAM GIFFARD: We can provide an answer in supplementary information. I am not sure that the department has a map.

Hon MURRAY CRIDDLE: I saw it years ago. I wonder whether there is a new map.

Mr G. MARTIN: I am unsure about the exact content of that line item. With the parliamentary secretary's agreement, I would like to provide that as supplementary information. At present, the high, wide load corridor is in abeyance pending funding. I will confirm that in the supplementary information.

[Supplementary Information No 27.]

Hon DERRICK TOMLINSON: I refer to the table of appropriation and forward estimates on page 807. I note that the total allocation for the delivery of outputs for 2002-03 - the current financial year - in round figures is \$79.5 million. The actual expenditure is estimated to be \$47.1 million - a difference of \$32.4 million. What is the reason for that difference? Will the \$32.4 million be retained within the Department for Planning and Infrastructure? If so, where and how has it been absorbed into the department's programs? If it has not been absorbed within the department, has that \$32.4 million been allocated for other government purposes and, if so, what other government purposes?

[11.40 am]

Mr T. MARTIN: The capital expenditure of the commission in 2002-03 was below budget. The difference is being retained as capital and has not been diverted from the commission's funds. It is being retained in the Western Australian Planning Commission's trust fund. The explanation of where they are included in this year's budget is something I will have to supply as supplementary information, if that is agreeable.

Hon DERRICK TOMLINSON: I hope I understood correctly that the \$32.4 million is retained by the Western Australian Planning Commission.

The DEPUTY CHAIRMAN: Is something to be provided as supplementary information?

Mr T. MARTIN: Mr Patterson might be able to expand on my answer about the capital difference.

Mr PATTERSON: The variation in the funding is due primarily to the capital user charge, which in the past has been levied by Treasury on the Western Australian Planning Commission in relation to the value of metropolitan region land owned by the commission. Negotiations between the commission and Treasury have resulted in a reduction of the capital user charge so the commission will not be levied the charge on land available for public

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use. Land acquired by the commission for general public purposes such as that reserved for parks and recreation will no longer be levied the charge. The amount has been reduced from \$38 million in 2002-03 to \$5.7 million in 2003-04. That is the significant component.

Hon DERRICK TOMLINSON: Does it still hold that approximately \$34.2 million is retained by the Planning Commission for its purposes?

Mr PATTERSON: No, it is not.

Hon DERRICK TOMLINSON: It goes back to Treasury?

Mr PATTERSON: It is an accrual transaction.

Hon DERRICK TOMLINSON: In the same table, of the total allocation of \$79.5 million as the total appropriation, only 12 per cent is the net amount appropriated to deliver the outputs. The remaining \$30.5 million comes from the metropolitan region improvement tax. The Town Planning and Development Act provides almost \$1 million. That proportion reduces to 10 per cent in 2003-04 and progressively to five per cent by 2006-07. Is that a policy decision of the Government to transfer the cost of the delivery of outputs by the Planning Commission to hypothecated taxes? If so, how reliable are the estimates of the income from the metropolitan region improvement tax from \$43 million in the coming financial year to \$49.5 million in the forward estimate for 2006-07?

Mr T. MARTIN: The metropolitan region improvement fund has been operating for approximately 40 years. Over that time there has been a great deal of experience in understanding the forward amounts that can safely be expected to be delivered from the tax. In looking at the out years in consultation with the Valuer General's department, we are confident the estimated sums will be returned. The Western Australian Planning Commission has limited opportunity to raise revenue for itself from fees and charges for subdivision and applications for other purposes. It has always been the case that the major part of its funding has been derived from the metropolitan region improvement fund. I hope this answer is sufficient. If not, further expansion by the parliamentary secretary is possible.

Hon DERRICK TOMLINSON: I would like the parliamentary secretary to respond to my question whether it is a policy decision of government to reduce the Government's exposure to the cost of maintaining the commission. Is it also government policy to transfer the cost to the hypothecated revenue? Perhaps the parliamentary secretary will confer with the policy adviser.

Mr FARRELL: I can advise the member that the considerations that led to the budgetary allocation did not include any question of moving pressure onto the metropolitan region improvement fund and away from consolidated revenue. There was some consideration of ensuring that in purchasing services by the Planning Commission from the Department for Planning and Infrastructure, the value of the services was properly costed. Assumptions are made along those lines. Any impact on the relative weight in terms of where the funds are coming from has been indirect.

Hon DERRICK TOMLINSON: Does that mean that the costs have been absorbed within other sections of the Department for Planning and Infrastructure or that there is a diminution in the expenditure?

Mr FARRELL: I am not sure that either of those two consequences would flow.

Hon DERRICK TOMLINSON: What is the answer then?

Mr FARRELL: I do not quite understand the question.

Hon DERRICK TOMLINSON: Perhaps I will ask another question another time when someone can answer.

I draw attention to the capital contribution of \$90.384 million in the coming financial year compared with \$52.117 million in this financial year. The table at page 815 relating to the capital works program shows that of the total expenditure of \$96.5 million, \$78 million is for the acquisition of land in 2003-04. There are no forward estimates for any of those figures. What does the acquisition relate to in the coming financial year? Why is there no forward estimate? Does it mean that there is no expectation of new or continuing works after 2003-04, or has this not been budgeted for?

[11.50 am]

Mr T. MARTIN: I refer to page 815 of the *Budget Statements* and the acquisition of land program for 2003-04. The \$78 million includes \$37.5 million that has been provided to the commission from the consolidated fund for the acquisition of land in William Street for the central railway station. The other element of capital expenditure is largely in the acquisition of land reserved under the metropolitan region scheme. It is anticipated that the

Deputy Chairman; Hon Graham Giffard; Hon George Cash; Hon Adele Farina; Hon John Fischer; Hon Jim Scott; Hon Murray Criddle; Hon Derrick Tomlinson; Chairman; Hon Ljiljanna Ravlich

acquisition of reserve land under the scheme will continue. However, the William Street acquisition is a one-off and confined to the next financial year.

The CHAIRMAN: We commenced a little late so I will allow a final question from Hon Ljiljanna Ravlich who sought the call a long time ago.

Hon LJILJANNA RAVLICH: The fourth dot point on page 744 of the *Budget Statements* relates to land administration. Western Australia has an excellent land administration system. It is not until people go overseas and become aware of what other countries do not have in their land administration systems, that they appreciate the high standard of land administration in, and the benefits of, the WA system. My question relates to the transformation of the Department of Land Administration from a government department to a statutory authority with commercial powers. Can the parliamentary secretary or one of his advisers explain the impact of that on DOLA International and some of the excellent work that it is doing in overseas markets?

Hon GRAHAM GIFFARD: That question probably follows on from the previous question and I defer to Mr Burke.

The CHAIRMAN: I ask that the adviser be brief. If the answer requires voluminous explanation, possibly the question can be taken on notice.

Mr BURKE: The impact of the statutory authority on the international program will be to support, encourage and improve it, we hope. It will enable the department, with the minister's approval, to enter into arrangements and technical infrastructure projects that will only add to Western Australia's reputation for providing international services.

Hon LJILJANNA RAVLICH: I understand that the department is currently working on the basis of obtaining cost recovery plus 10 per cent in relation to international projects. Does it want to increase that to become more cost-recovery orientated and commercially viable, or will the department still offer a high standard of service at a very reasonable price?

Mr BURKE: We will always offer a very high standard of service. The question of price or charge will depend on the particular project, the tenderer and the people against whom we are competing.

The CHAIRMAN: On that uplifting note, we have now completed the questions.

I have a question on notice from Hon Giz Watson, the answer to which has now been tabled. The question was initially directed to the Department of Environmental Protection but is more properly addressed to the Department for Planning and Infrastructure.

With regard to a ruling I gave this morning, having sought advice and referred to a previous ruling on a similar matter, I now advise the Committee that my earlier decision concerning the answering of questions is confirmed. The further question on which I sought advice related to the power of this Committee to require the production and tabling of documents. That power is limited in several ways. The normal rules that apply to a document being quoted from in the course of proceedings are that it can be called upon to be tabled by any member. However, if the member wishes to obtain another type of document, that is a different matter altogether and the standing order that constructs this Committee does not extend the power to send for, in this case, documents, nor travel for that matter. The resolution of the House on 7 May 2003 resulting in the order that brings us here today also points out that when considering a vote, as we are, there is no question to be resolved. Therefore, when members wish to seek the compulsory tabling of a document - this question only arises when there is no acquiescence to table a document - then recourse must be had to the House itself. That can be done through a number of avenues including a substantive motion, but this Committee cannot in itself deal with or decide on such a matter because of a lack of power. The specific order to which we relate does not give us the capacity to further consider the matter. If the member concerned wishes to pursue the issue, I ask him to refer the subject to the House by way of a substantive motion. This applies to all members. The Standing Committee on Procedure and Privileges also has the capacity to review that state of affairs, but either way it will still come back to the House.

We started a little late today and now we have run over time, and I apologise to members for that. I extend thanks to all the advisers who have been here for this session now completed. Their assistance is much appreciated by this Committee and we now bid them a good day.

[12 noon]