

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Division 52: Main Roads, \$620 366 000 -

Ms Guise, Chairman.

Ms MacTiernan, Minister for Planning and Infrastructure.

Mr G.S. Martin, Commissioner for Department of Main Roads.

Mr R.D. Giles, Acting Director Heavy Vehicle Operations, Department of Main Roads.

Mr M.D. Wallwork, Executive Director Construction and Maintenance Services, Department of Main Roads.

Mrs HODSON-THOMAS: My question is specifically to division 52 and perhaps we will take it to decisions taken since the State election, page 870. I wonder whether the minister could provide us with a full list of the 10-year program and what projects are being cut and what projects are going ahead. I am happy to have that by way of supplementary.

Ms MacTIERNAN: I just want to see what it is you are saying. We have major policy decisions.

Ms HODSON-THOMAS: I would like a full list of all projects that are being cut and those that are going ahead and a full list of the 10-year program.

Ms MacTIERNAN: We have not committed at this point to a 10-year program so I do not think we will be providing that, but you are wanting a full list. Can you just outline what it is you want?

Ms HODSON-THOMAS: What the projects are that are being cut.

Ms MacTIERNAN: What do you mean projects that are being cut?

Ms HODSON-THOMAS: Current projects that are under construction that are going to be cut.

Ms MacTIERNAN: Projects that are under construction -

Ms HODSON-THOMAS: That will be cut, and those that are still going to go ahead for completion.

Ms MacTIERNAN: We will provide that by way of supplementary information.

Mr QUIGLEY: I take the minister to page 883 of the budget papers and ask in relation to the Marble Bar road has the minister provided funding in the budget for sealing that Marble Bar road.

Ms MacTIERNAN: Yes, I am happy to say that we have been able to provide the funding for this. We recently at the behest of the East Pilbara shire and the local members up there actually visited Marble Bar and drove along the Marble Bar road and saw the very real problems that were generated by heavy haulage and dust. It had a lot to do with the actual nature of the soils in that particular area and it certainly was very evident that there was a highly dangerous situation up there. As a result of that, we re-ordered the budget priorities and we have committed to proceeding with the sealing of that road which I understand was first promised in 1957. We will be working on that over the next five years, I think. In some of the areas where we cannot seal immediately where there is a particular problem there is a surface treatment that has been developed by Main Roads.

Mr QUIGLEY: Is that that primerseal that is mentioned there?

Ms MacTIERNAN: Sorry, which one where?

Mr QUIGLEY: In the first line.

Mr MARTIN: The top of 883.

Mr QUIGLEY: 883, constructing primerseal. At the top of page 883.

Ms MacTIERNAN: I do not think that is the particular one. The primerseal is the normal pavement technology. The process that they are using up there uses some sort of enzyme.

Mr MARTIN: Minister, would you like me to comment?

Ms MacTIERNAN: Yes.

Mr MARTIN: There are two ways of dealing with it. One is to use a dust suppression compound. The alternative is to use a gravel sheeting. We would basically favour gravel sheeting which has the effect of reducing the amount of dust that comes off the road, which is the safety issue that has been raised.

Ms MacTIERNAN: Yes, and what we are saying is that we are going to be putting that into place over some of those areas until such time that we can get to seal them. We will start the sealing program immediately, but in some of the other areas we will be providing this dust suppressant. I think it is about \$20 000 per kilometre, but

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

the nature of the soil up there is such that the dust that is generated by the heavy haulage does create a very real problem to visibility.

[3.10 pm]

Mr QUIGLEY: Can I just ask a supplementary there, Madam Chair?

The CHAIRMAN: Supplementary.

Mr QUIGLEY: In relation to the total program to seal the Marble Bar road, when do you expect to have that finished by?

Ms MacTIERNAN: By 2004-05.

Mr COWAN: Perhaps you might give us the funding in the out years because there is a \$20 million shortfall between what you have budgeted and the funds needed to meet the commitment.

Ms MacTIERNAN: The commitments that we made were to expend, I think, around \$23 million. We have allocated \$21 million in the first term towards the completion of the sealing of the road. The works to seal 20 kilometres will commence this financial year. \$4.1 million has been allocated for next year. Following these initial works the next step will be to seal the last five kilometres of unsealed road north of Marble Bar and to seal the 12 kilometres south of Marble Bar to Ripon Hills, and this final package of work will include the reconstruction of the old section of the winding, narrow, sealed road through the Coongan Gorge. So our commitment actually at this stage is \$21 million. As I understand it, \$25 million has already been expended over the years on this project.

Mr COWAN: Yes, but you still have not given me, Madam Chair, the \$20 million shortfall between the estimated total cost and what you have listed in previous expenditure and this estimated expenditure for 2001-02. Can you give me an indication of the funds in the out years that will be required to complete the works, please?

Ms MacTIERNAN: As I say, our total is \$21 million and that is compromised of for this year \$3.815 million, for next year \$3.3 million, for the year 2003, \$6 million and for the year after that \$8 million.

Mr McGOWAN: I am not sure that this question comes under this section but I will ask it and see what the reaction is. Page 882: it relates to the Rockingham Highway and also the works on the bus way linkage from Rockingham and Wattleup. It is about a third of the way down 882. The condition of the current bus station at Rockingham City has been talked about for a long time, and the fact that it is so decrepit. The reason I think it might come under your portfolio or at least this division is that the discussion has been around a transit way through the city of Rockingham as a sort of bus stopping point. In effect, it is a road through the middle of the city centre with bus stops that run along it, so I presume it is some sort of joint project between Main Roads and the department of infrastructure. In relation to that project, where is it at? What is the time frame? What has been budgeted for it? Where are the negotiations at with the City of Rockingham and so forth?

Mr GILES: There is some funding for the actual construction of the transit way itself in the Main Roads budget. Other additions to facilities for buses are generally funded under the Department of Transport. You would expect to find that in their budget.

Mr McGOWAN: In terms of this part of the funding that is on page 882, the Rockingham to Wattleup bus way linkage, are any of those funds going directly towards this part of the project?

Mr GILES: I could not tell you that. The work on the Fremantle-Rockingham bus transit way is still very much under design. Whether funds are actually provided from Main Roads or from some other source, it would be too early to say at this stage of the project.

Ms MacTIERNAN: We can get you that by supplementing that, but I do have to say, member for Rockingham, that there is a lot of need around the State. As you would be aware, Rockingham is going to be the recipient of the direct railway link which has been much awaited by the people of Rockingham and there will be some need to ensure that other areas get some of this transport dollar as well.

Mr McGOWAN: Fully understood. By way of supplementary information, you will get me some information on the current status.

The CHAIRMAN: I want clarification on what supplementary information is going to be supplied.

Ms MacTIERNAN: You want information on the Fremantle to Rockingham bus way. Is that correct.

Mr McGOWAN: Yes.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Ms MacTIERNAN: And the status of that project.

Mr McGOWAN: The status of it and what part of that project is being spent in the centre in relation to the bus transit way through the city of Rockingham.

Ms HODSON-THOMAS: My question specifically relates to my electorate. It is with regard to the Reid Highway which appears on page 883. The line item shows that there is anticipated expenditure of \$1.6 million this financial year. Minister, for some time now, I have been writing to you in relation to the primerseal that is on the road surface. I am just trying to establish whether any of those funds will be allocated to sealing the road with a better pavement.

Ms MacTIERNAN: Yes. We have as you know been in discussion with the residents there for a long time and we have put in a whole raft of measures and I have directed Main Roads to install asphalt on the recently completed section of Reid Highway through to Carine. The final surface will be similar to that already provided at the intersections on the new section of the road. Residents have advised the primerseal surface used on the highway generated more noise than they expected and they requested an alternative quieter surface to be applied, so we have agreed to do that. That work will be undertaken once the weather fines up. Again we have listened to the residents.

Ms HODSON-THOMAS: Can I commend you, Minister. Can I anticipate that that will be in the summer months?

Ms MacTIERNAN: Yes.

Mr MARTIN: I would expect probably before Christmas, November-December.

Ms HODSON-THOMAS: Before Christmas. Wonderful.

Mr MARTIN: As soon as we can rely on dry weather.

Ms HODSON-THOMAS: I will even congratulate you in my media release, Minister. Can I also point out, Minister, that the actual budget papers say that it is a dual carriageway? You know and I know that it is only a single carriageway, so that really needs to be corrected at some point.

Ms MacTIERNAN: There are some recidivist tendencies in Main Roads.

Mr COWAN: I am talking I guess about your appropriations for the respective roads, particularly those that are part of the national highway system. Looking at some of the expenditure on that and also identifying the grants -

Ms MacTIERNAN: Sorry. On which page?

Mr COWAN: On page 882 it begins - all of the works in progress. You list some of the national highways. There are quite considerable sums of money but they do not add up to the amount of funds that is made available to the State through the Commonwealth grants process. In fact there is a greater amount in the works in progress for the Great Northern Highway. The Great Eastern Highway I thought was part of the national highway and therefore funded by the Commonwealth. Is there a contribution by the State to those particular national highways?

Ms MacTIERNAN: I do not think there is, is there?

Mr MARTIN: Generally not.

Ms MacTIERNAN: There was an exception around Tammin at one stage for the realignment.

Mr COWAN: That was designed to help CBH.

Ms MacTIERNAN: Yes. That was the only one.

Mr MARTIN: Minister, the national highway funding from the Commonwealth does not include the purchase of land so if land is required for any of those developments, it has to be paid for by the State. If there are any adjoining activities like linking in to local roads and so on, it would be a State cost as well but the majority of the work on Great Eastern Highway and Great Northern Highway is Commonwealth funded.

Mr COWAN: North-West Coastal Highway?

Mr MARTIN: North-West Coastal - no.

Mr COWAN: Thank you.

[3.20 pm]

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Ms MacTIERNAN: The one thing perhaps I would take this opportunity to mention is that you may in a future role be able to assist us in this. The moneys that we get from the federal Government for the maintenance of the national highway go nowhere near the moneys that are needed to maintain that. Perhaps the commissioner might like to comment on that because it has been the subject of correspondence that we have attempted to enter into with the federal Minister for Transport.

Mr MARTIN: If I could refer, Madam Chair, to page 870, the first dot point there talks about establishing a \$94 million per annum need for the national highway system. As you will note from the papers, there is around about \$80 million being provided, so in round terms we are talking about a \$14 million deficiency relative to the highest priority needs. Then if you go to maintenance, in recent years the State has had to pay maintenance costs on top of what the Commonwealth has provided to meet the standard that we think is necessary for safety on the national highway.

Ms MacTIERNAN: That is very demanding. I note, member for Merredin, how good you are at getting money out of the federal Minister for Transport and perhaps you could give us a hand here.

Mr COWAN: I will do my best. I would be interested to know, Madam Chair, whether or not there has been an increasing amount allocated for maintenance to Main Roads from the federal Government or whether it has been static over a period of time.

Mr MARTIN: It has been static.

Ms MacTIERNAN: Without wanting to take up too much time on this, as I understand it we have entered into a series of long-term 10-year contracts. I think the previous government entered into those maintenance contracts. We have actually locked ourselves in to a particular preservation standard based on standards that were prescribed by the federal Government. They then require certain amounts of money. The federal Government basically is coming back to us and saying, "We might change our mind about the standard. Maybe you are maintaining them to too high a standard" but of course we are in a position, having locked ourselves into these decade-long agreements, that we cannot unilaterally change the standard. The question is whether it would be a good idea to downgrade the standard but in any event we cannot because we are contractually bound. We locked into those contracts on the basis of the federal Government requirements at the time, so we really are between a rock and a hard place and any assistance you could provide would be much appreciated.

Mr QUIGLEY: Yes, Minister. In our almost successful campaign in Ningaloo we promised to replace the Gascoyne River bridge at Carnarvon. Will there be an allocation to get on with that, to build that bridge?

Ms MacTIERNAN: Yes, I can assure you -

Mr QUIGLEY: 870, construct new two-lane bridge.

Ms MacTIERNAN: Yes. I just want to thank the member for that question and I am sure that the member for Ningaloo was going to raise it as well and congratulate the Government -

Mr SWEETMAN: This is outrageous.

Ms MacTIERNAN: It just basically -

Mr SWEETMAN: I can nearly tell you who has won it.

Ms MacTIERNAN: Sorry?

Mr SWEETMAN: I can nearly tell you who has won the tender.

Ms MacTIERNAN: Have you had a tender for it? You have gone in for this one as well.

Mr SWEETMAN: No, I do not even have shares in Highway Construction.

Ms MacTIERNAN: It is a change of government. They get work now. They had a run-in with us earlier, even though they were on the blue team. I think it is an important point to make because although we did not win the seat of Ningaloo, we are honour bound to meet those commitments that we made. I recently approved the award of the \$11.6 million contract to build a new bridge over the Gascoyne River and to deliver the associated roadworks. We could go on. The bridge was built in 1931, but I am sure that the member for Ningaloo is extremely pleased that \$7.9 million will be allocated in this financial year with a further \$2 million next year to complete the bridge.

Mr BARNETT: You are probably pleased you did not pull the funding out.

Ms MacTIERNAN: Sorry?

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Mr BARNETT: That you considered there be works in progress. Well done, Minister, and thanks to Murray Criddle.

Ms MacTIERNAN: I do not think Murray had anything to do with it, frankly.

Mr QUIGLEY: Is it intended that the existing bridge remain part of the road network there so that we have dual carriageway?

Ms MacTIERNAN: There has been a lot of argy-bargy in the local community about this and there is a heritage study being undertaken by Main Roads which will be submitted to the WA Heritage Council. It is a matter yet to be determined but I think we have to give due respect to our engineering history as well as the more traditional heritage items and I would be interested to know where the member of Ningaloo stands on this.

Mr SWEETMAN: On the bridge?

Mr QUIGLEY: On the existing one - what to do with the existing one.

Mr SWEETMAN: I would love to see it retained but it has to go simply because it backs the water up in flooding by about a half a metre. The consequences to the properties on either side of the river -

Mr QUIGLEY: Just the existing pylons back the water up?

Mr SWEETMAN: It is mainly the headstocks and the deck, the pylons, because the water always in a big flood overtops the rail in fact on top of the deck. So it simply has to go. I would love to see it retained because some of the workmanship in the trestles on that bridge is just outstanding. I would love to see it preserved but it will have to go.

Mr TEMPLEMAN: How old is it?

Mr SWEETMAN: About 80 years old.

Ms MacTIERNAN: 1931.

Mr SWEETMAN: Seven.

Ms HODSON-THOMAS: Minister, I note in the budget paper No 1, economic and fiscal outlook, under your portfolio there is a line item to extend Mitchell Freeway, Hodges Drive to Shenton Avenue by 2005.

Ms MacTIERNAN: Sorry, where is this?

Ms HODSON-THOMAS: Page 96, budget paper No 2. Under your portfolio it refers to capital, "Extend Mitchell Freeway, Hodges Drive to Shenton Avenue by 2005." Nowhere in these budget papers in volume 2, budget paper No 2, can I find a line item referring to the Mitchell Freeway extension. I would imagine that if it is to be completed by 2005, that there must be some funds allocated somewhere in the next four years.

Ms MacTIERNAN: You are correct, there are no funds allocated in the forward estimates for that particular project. We have made a commitment that we will have it to Shenton Avenue by 2005 and Shenton Avenue to Burns Beach by 2008 and that is still the schedule that we are running on.

Ms HODSON-THOMAS: But no funding in the next four years at all.

Ms MacTIERNAN: There is \$35 million in year 5 which does not appear in the forward estimates. In year 5 we have \$35 million to take it from Hodges Drive to Shenton Avenue.

Ms HODSON-THOMAS: What you are saying, Minister: that in year 2005, \$35 million will be allocated so \$7 million of that will be going to the Shenton Avenue to Burns Beach, but it does not appear in the next four years, the \$28 million.

Ms MacTIERNAN: No, there is nothing in the next four years.

Mr TEMPLEMAN: Yes, Minister, a line item on page 883 refers about two-thirds of the way down to the Mandurah bypass, various traffic improvements. I probably need some detail - you may take it as supplementary if you like.

Ms MacTIERNAN: Sorry, what was that?

Mr TEMPLEMAN: It is the Mandurah bypass, various traffic improvements, listed on page 883, but I am quite happy for that to be taken as a supplementary - just some detail on those works.

[3.30 pm]

Ms MacTIERNAN: We will probably be able to deal with that now. No, we will take it as a supplementary.

Mr TEMPLEMAN: Thank you.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

The CHAIRMAN: So the supplementary information will be provided as information regarding page 883, the Mandurah bypass, the various traffic improvements.

Mr TEMPLEMAN: Yes, thank you.

Mr COWAN: Thank you, Madam Chair. On page 882, the Geraldton southern transport corridor, construct and seal. \$4.839 million for this financial year, total cost of \$46 million, of which only \$5.5 million has been spent. So there is around about \$36 million still to be spent in the out years. Can I get an indication, please, of the program in the out years?

Ms MacTIERNAN: Yes. As we undertook when we announced this project, it would be done over five years and that was done in negotiation with the City of Geraldton who were more than happy at the announcement. I will go through the funding. \$4.839 million, then the following year is \$3 million, the following year is \$10.6 million, the following year is \$10 million and in 2005, which is the one that does not appear in the forward estimates, there is \$12 million and then there is obviously rail money.

Mr COWAN: I will come to that when we get to Westrail.

Ms MacTIERNAN: Yes. So that is entirely consistent with the announcement that we made in August this year which we said was over five years.

Mr QUIGLEY: Minister, I wonder if I could take you to page 890 of the budget papers. It refers there, just over halfway down, to State road funds applied to roadworks and the local government network capital and then the same for current. Will the allocations by Government honour the road funding agreement as it exists with the local government authorities of Western Australia?

Ms MacTIERNAN: Absolutely. Although it was an extremely tight budget and many projects had to be deferred, which was not something that we found easy to do, nevertheless we had made a commitment to local government, in particular to the WA Municipal Association, that we would honour the road funding agreement and to provide that 25 per cent of the State road funding would be allocated for local government roads. So the budget and the forward estimates provide for a total of \$424 million for local roads of which \$107 million has been allocated in 2001-02.

We know that we did not penalise the local government for their windfall of \$45 million from the Roads to Recovery, although I have to say again - maybe the member for Merredin can make some representations for us in this regard - that the formula that was used by the federal Government was not one that was based on road need and there are a lot of, I think, projects that got up and running under that Roads to Recovery.

Mr COWAN: My chances are getting somewhere between zero and a very small figure.

Ms MacTIERNAN: You still presumably have some National Party contacts with the federal -

Mr SWEETMAN: Madam Chair, as a supplementary to that, when you say that you will maintain local government's cuts, from the 4c a litre on fuel introduced in 1995 the guarantee to local government was they would get 1c out of the 4c and I think they have averaged about 34 per cent of all the funds collected in fact over that period of time. Can I now go and tell them that they are going to continue to get that?

Ms MacTIERNAN: No, the rorts that may have happened under the previous Government in terms of that -

Mr SWEETMAN: Local government getting money as a rort.

Ms MacTIERNAN: No, the way they in fact did not get as much as they should have, but there was a new agreement negotiated in August 2000 because fuel-franchise levies, as you understand, were prohibited from being collected by the State Government by the High Court. The federal Government then collected those for us. The federal Government then following an agreement with the previous State Government decided to introduce the GST and get rid of those altogether. So it is a whole new ball game. This is not in any way, shape or form predicated on the fuel levies. This is a new agreement that was drawn up between local government and the State Government last year and which we agreed prior to the election that we would honour and which we have done.

Mr COWAN: Madam Chair, I wonder if I could follow that particular question through, please.

The CHAIRMAN: Yes.

Mr COWAN: On page 890, the appropriation for the local government through grant subsidies and transfer payments does not reflect what you just said - that they will continue to receive the same amount of money. There is a considerable reduction there. Could you explain where the balance is going to come from, please?

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Ms MacTIERNAN: I said that we have honoured the agreement and we have applied the formula. Perhaps, Rob, you would like to explain how the formula works.

Mr GILES: By virtue of the agreement local government should have received \$92 million in 2001-02 and in fact by the State Government committing additional funds to local roads they will be receiving an amount of \$106.6 million allocated to local roads.

Mr COWAN: May I ask again: was that particular formula applied in 2000-01? If it does, why would you in 2000-01 receive \$129 million and in 2001-02 receive only \$106 million?

Mr GILES: The formula for allocating the share between local and State Government from vehicle licence fees and the fuel revenues was actually based on the Transform WA program, a project based program, and so you did not spend consistently over the whole of the Transform WA program. Some years you spent on local government roads and some you did not so in negotiating grants for local government we always said, "Some years you will get more, some years you will get less, but by and large you will receive your share," and so that is why there is fluctuation from one year to the next.

Ms MacTIERNAN: The actual formula, the actual agreement, which is what we are talking about requires them this year to get in the order of \$92 million. That is the guaranteed sum.

Mr GILES: Let me correct that. They should by formula or agreement receive \$96.4 million, then they will be receiving \$106.7 million and \$92.8 million next year, \$98 million and so on.

Ms HODSON-THOMAS: My question relates to page 871. I will be very quick because I am quite happy to take this information on supplementary. It is page 871 under "Output and Appropriation Summary". I notice that there is a collapse in the figure, the 2002-03 forward estimate, in comparison to this budget. In the total cost of outputs, Minister, it is \$801 470 and it will collapse to \$665 213. There is no allocation of where those funds will be directed, whether it is minor modifications, maintenance, improvements or construction. I wonder whether we can have that detail. I am happy to take that by supplementary so that the member for Innaloo can go and have his cup of coffee.

Mr GILES: By way of normal practice the outputs are not presented for Main Roads in the break-up in the forward years. Because we sort of work on an annual program and works get rescheduled and so on, those figures can change. I think you will find historically we have never presented those.

Ms HODSON-THOMAS: They do not.

Mr GILES: Yes.

Ms HODSON-THOMAS: Thank you.

Sitting suspended from 3.40 to 3.50 pm

The CHAIRMAN (Ms Guise): I will resume the chair.

Mr COWAN: Minister, I have one question on works in progress or perhaps the lack of it. There was a plan to spend some funds on the Corrigin-Hyden road. It is a major tourist road. I see there is no mention of that. It is not mentioned in the budget and I know you can say, "It is not mentioned. Therefore, I do not have to respond to it," but I would like to be able to get some indication as to whether or not it is in the forward planning of Main Roads, if that is possible.

Ms MacTIERNAN: This is the Brookton Highway, is it?

Mr COWAN: It is the extension of the Brookton Highway beyond Corrigin out to Hyden. Just by way of explanation, the road has been partially completed under some programs which gives a degree of confidence to motorists, particularly those who like to hire the cheapest car available which is generally a mobile washing machine. When they get off the road to pass another ongoing vehicle, they have a tendency to lose control of the vehicle. There has been a considerable number of accidents on that particular road because some parts of it are two lanes and then it narrows very quickly to a single lane. There is no commensurate driving response by particularly tourists using hire cars.

Ms MacTIERNAN: This is the road out to Wave Rock, is it not?

Mr COWAN: Yes.

Ms MacTIERNAN: I recently met with a number of the local shires in respect of this road. I explained to them that in fact we had nothing on the road program for this year. We have some money under a general item of road safety and we will look at the extent to which we might be able to use some of that but, more importantly, I have

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

said to them that we will revise this program next year. Whilst there is nothing there, I thought they had made a good case. I had also undertaken that provided they got West Perth playing again at Bruce Rock, I would actually come out and personally inspect it next year before the budget was completed. They did make a good case. We had already at the time that we saw them made a decision in relation to that road but I am certainly prepared to review the forward estimates next year.

Mr QUIGLEY: Minister, I have a question about the Gibb River Road which appears on page 882 of the capital works program. It appears that the total cost of the program is \$26.8 million, with \$5 million allocated to 30 June this year and then \$1 million and \$1 million. Can you tell me something of the Government's commitment in relation to the Gibb River Road?

Ms MacTIERNAN: Yes. We have allocated \$5 million I think. Is that correct?

Mr QUIGLEY: The expenditure this year is \$5 million but it goes down to \$1 million next year.

Ms MacTIERNAN: That is the total that has been spent over the last number of years. What we are basically saying is that we will be spending another \$5 million over the next four years. Obviously we would like to do more but we are not sealing this. This is to basically improve the formation and the gravel of that road. There will be basically \$5 million spent over the next four years. It is basically to keep the road up to a standard, to enable the cattle industry to continue to function on that road and also to enhance the comfort of the travelling public and also to reduce road closure times. I have driven up that road myself. It certainly is a rough road, particularly in the summer months.

[4.00 pm]

Mr QUIGLEY: Minister, if I can just ask by way of a supplementary, how does that compare with the previous Government's commitments to that road?

Ms MacTIERNAN: There has not been a massive change but we have added another million dollars over the four-year program. I do not know what was spent last year.

Mr QUIGLEY: It is an increase of a million dollars over the four-year program by this Government?

Ms MacTIERNAN: Yes, that is correct.

Mr QUIGLEY: Thank you very much, Minister.

Ms HODSON-THOMAS: Minister, I refer to page 886 in the Statement of Financial Performance, the line item that refers to supplies and services. The budget for 2000-01 was \$101 452. The estimated actual was actually \$512 866. I am wondering if I could just have some explanation of what caused the increase.

Ms MacTIERNAN: Yes, certainly.

Mr MARTIN: There has been a change in accounting practice between last year's budget and this year's budget - the accounting practice prescribed by the Treasury. That is the reason why there is a dramatic change in those numbers.

Ms MacTIERNAN: So you can compare like with like, we went back and readjusted the previous year's figures as they would have been if that accounting regime had applied to last year. When you see 2000-01 budget, that was as it appeared in the budget papers last year. When you see the estimated actual here, that is the estimated actual for last year but using the same accounting process that we have used for this year, because otherwise you would not be in a position to make any reasonable comparison between last year and this year. We have gone back and retrospectively changed that provision so you can make the contrast.

Ms HODSON-THOMAS: If I can just ask further to that, what specifically is included in that figure that was not there last year?

Ms MacTIERNAN: It is not that there are different things that are included. Prior to 2000-01 estimated actual as the total cost of services only included recurrent expenditure. For 2000-01 estimated actuals and onwards, all output expenditure has been included in the total cost of services, so it is now possible to link the net cost of service with the output information for the first time. Capital expenditure on the road network is now shown as a deduction from the net cost of service as a one-line item. We can give you a copy of this particular sheet. That might help.

Ms HODSON-THOMAS: Thank you.

Ms MacTIERNAN: Can we provide a copy of that sheet by way of supplementary information?

Mr MARTIN: Yes.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Mr SWEETMAN: Minister, page 884, Yardie Creek Road, Exmouth shire, "construct and seal". I wish I had found this earlier on because I actually had a call from my press up in Carnarvon who got this little glossy document - *Getting the Priorities Right*, I think it is called. It had works commencing and then further down, continuing works. She read that and she thought like I did when she put it to me that we were getting approximately \$5 million to spend on the Yardie Creek Road, which I thought a little strange, because that is about how much it cost to do Yardie Creek Road from Exmouth to Yardie Creek.

I assumed from that that you must have made some allocation to get the work rolling on the other side of Yardie Creek heading down towards Coral Bay. That is just in the form of a preamble. I wish I had been able to find this section on 884 earlier on because it is actually a project that is almost complete. There is only something like \$250 000 still to be expended. I think it is a little misleading because it is recorded here as \$250 000 for 2000-01. Then in the column next to it, the total estimated investment is \$4 958 000. Was that just an honest mistake or just a way of fudging it, because my press fell for it and so did I for a week.

Ms MacTIERNAN: There has been no misrepresentation here because the project is being completed, but I take your point. Basically I understand what happens is that various officers from the Government Media Office go through and look at completed projects and select them. They perhaps do not make an estimation of when they started and when they were completed, but I do not think there has been any deceptive information put in here. Perhaps that might not have been one that you normally would have highlighted. I accept that, but it is a road project that has been completed. I am happy to concede that the vast majority of that project was undertaken in the term of your Government. I do not have any difficulty with acknowledging that.

Mr SWEETMAN: That is not the point that I wanted to make.

Ms MacTIERNAN: If you put out a press statement saying that this was mostly completed in your era, I am quite happy for you to do that and I will not demur from it but it was not any intention on our part to - can I just say that there is an enormous amount of detail and you have officers from the GMO going through isolating these roads? They see this is a road that is going to be completed this year. They do not necessarily go back and say, "What portion of it was completed during this year and what under prior years?"

Mr QUIGLEY: I would like to take you to the last item on page 883 which is the Roe Highway and specifically on behalf of the residents of Beckenham, Lynwood and Langford who are suffering quite immensely with the local traffic in their local roads and particularly on behalf of the people in William Street, Beckenham in respect of whom there is a terrific burden placed upon them. What is the Government's plan now with the timetable for the construction of the Roe Highway and when might the people of William Street get some relief?

Ms MacTIERNAN: We have made this perhaps one of our highest priorities in terms of timing. The undertaking that we gave prior to the last election is that stage 4, which is the stage that takes it from Welshpool Road to the Kenwick link, would be completed by December 2002. We have signed contracts and that work has commenced. As far as we can see, it is on target. We believe that stage 4 will be completed by December 2002, as we pledged. As I say, we certainly could not be faulted for the speed with which we have progressed that work after many years of it being promised. In relation to stage 5, that has been let as part of the same contract so that will continue on under the same contract and that is due to be completed by late 2003. Again there is no reason to believe that those timetables will not be met.

Mr QUIGLEY: No, specifically in relation to the residents of William Street in Beckenham, when will the heat come off them?

Ms MacTIERNAN: As soon as the road is open, which is December 2002. I think they have some confidence now after many years of promises that they actually see that a contract has been signed, that roadworks have begun, that the Mayor of Gosnells and myself dug the first bits of dirt with the member for Roleystone, I must say, who has been the biggest advocate for the early completion of this road. So it will be December 2002 before we actually get the trucks off their road but we certainly have really ramped up also the enforcement of the behaviour of traffic on William Street and particularly of heavy haulage so there is some sort of interim relief been found there. Rob, have you anything to comment on William Street and what we are doing to relieve the load of those people?

Mr GILES: We certainly draw the attention of the Police Service to William Street to monitor speeds and our traffic inspectors who monitor permit vehicles also target William Street. It is an attempt to calm the heavier vehicles that travel down that road.

Mr QUIGLEY: Thank you, Minister. Thank you, Chair.

Ms HODSON-THOMAS: I will ask a question that relates to the electorate of Vasse. The member for Vasse has asked me to ask this question, Minister. I refer to page 881, Vasse to Margaret River under Bussell

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Highway. It is, "Widen primerseal and seal". Why is only \$152 000 allocated for the current year for this urgent Bussell Highway upgrading? Does the Minister realise that there are no passing lanes between the Vasse town site and Margaret River, a distance of some 45 kilometres? There have been several deaths along this section of the road over the past two years mainly involving cars turning onto the highway from tourist attractions or off the highway into such places. Why is funding so low for the current year? What allocations are estimated for each of the next three years?

Ms MacTIERNAN: Which section of the Bussell Highway are we talking about?

Ms HODSON-THOMAS: Vasse to Margaret River, "Widen primerseal and seal".

[4.10 pm]

Ms MacTIERNAN: We are spending basically approximately the same amount of money that the previous Government spent last year. So we are basically preserving the status quo of the previous Government who no doubt were equally mindful of the challenges that that road might present. Member for Carine, it is important to understand there is no doubt that there have been road projects; not this one in particular but there have been road projects that have been deferred. There are road projects that we would have liked to have been able to progress more quickly, but it is simply not possible to meet all the commitments that we made and to meet the commitments that the previous Government made out of the same pot of money.

I have to say it was made even more difficult by the fact that the pot of money shrunk and part of the reason why the pot of money shrunk is that we received significantly less in revenue from motor vehicle licensing. I think something in the order of almost \$65 million over four years has come off the projected revenues from motor vehicle licensing. Normally we anticipate, we factor in, a figure of around four per cent, I think it is, gross per annum of vehicle licensing and that has been something that governments have done and that has been a pretty accurate reflection. The forward estimates that your Government made last year were based on those projections, but it has turned out that they were very optimistic figures and that the goods and services tax in particular has had a real effect on the growth of the fleet. In fact I think registrations grew by about 2.2 so there was a considerable shortfall in the revenues that were anticipated.

I also point out that there had actually been a bit of overspending by the previous Government so a lot of the works that were listed in the budget last year would not have been able to have been completed given the money that had been provided because the funds had been cut back some 10 days before but there was not time to change the budget. We are not in any way attempting to say that we have not cut or postponed some roads. We have. As I say, it is logical. We cannot do all of the roads we committed and all of the roads you committed out of a reduced pot of money so we have had to re-order priorities.

It does not mean to say that we do not understand that these projects are not worthwhile, as indeed are the projects that we are doing that the previous Government was not doing. There is a case that can be made for all of these roads. So we are going to see that there will be some roads that you would have preferred that will be later in completing, but there will be roads that we assessed, from our point of view, as having a high priority and they will have come forward. As I say, there is not a great deal of change in the budget this year. We are more or less funding it at the same level as your Government did last year.

Mr SWEETMAN: I want to ask a question, Minister, in relation to the Wiluna to Meekatharra Road. Just to get it clear in my mind, you are looking at 2006, I understand that.

Ms MacTIERNAN: Yes.

Mr SWEETMAN: That was the pre-election commitment. To achieve that milestone when will work actually start? On page 882 there is a reference to it there under "works in progress". There is the estimated total cost, that is there, some \$671 000 expended up until 30 June 2001 and estimated expenditure for 2000-01 is \$69 000 with nil to be expended this year. So when would you expect the pre-construction work or moving to short list tenders might start if it is to be done as a two-stage project in particular?

Ms MacTIERNAN: I do not think that we would be looking at probably putting anything on the budget before - we will have a look and see what we have on there.

Mr SWEETMAN: While that is being looked up, when you go to the economic and fiscal outlook that appears on page 97, it is not even recorded as a \$67 million project. There are just dashes all the way across. I understand that if that is only out to the next couple of years, but to achieve 2006 would be looking at a 2003 start for a project like that.

Ms MacTIERNAN: This is probably one of those projects that we will be working on in-house. We are looking now with that road that you so strongly advocate.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Mr SWEETMAN: Marble Bar.

Ms MacTIERNAN: The Tom Price-Karratha road. In order to start, shall we say, the reconstruction of Main Roads, that is one of the projects that we are bringing in-house, to do the design and construction work in-house - sorry, the design and documentation work in-house. We would see that this Wiluna-Meekatharra road then could be dealt with in that same way and as we are building the expertise, we can expand out, but we have the money put in here in our out years. We have \$32 million for 2005 and \$35 million for 2006. We will be looking at starting the design and documentation in 2003. You are aware that there has been a lot of - we made our position very clear before the last election, that we would do that by 2006 and we would do the Leinster-Mt Magnet by 2004. There has been a lot of controversy about those two roads. You have had the Geraldton group opposing the Kalgoorlie group in terms of which road should be brought forward.

When we got into government and this controversy erupted, before I signed the contract for the Leinster-Mt Magnet road I put it to the commissioner, "Put all election commitments to one side. Forget we have made a commitment. Let us see actually what would be the best outcome. Which of those two roads, which fundamentally provide the east-west connection, really should be the highest priority?" because sometimes election commitments can be a little bit random, I think we would all accept that, so I just wanted to make sure that we actually had this right. When I say the groundwork, they are not necessarily made with full information available.

The very clear advice from the commissioner was that the Leinster-Mt Magnet road had a higher value upon activity that it provided. With that I was very comfortable that we should go forward in the way in which we had pledged prior to the election. When you actually look at it and look at where it is positioned, it does provide the better links. Of course they are all big issues. For Kalgoorlie they want to have a link-up to the Pilbara. They see that as being beneficial for Kalgoorlie and cementing their place as the service centre for the northern goldfields. Likewise Geraldton wants to see itself as being the primary service centre for the northern goldfields. So you have these two towns vying for it but, as I said, when we looked not only at our election promise but took the professional advice about the flows and when you actually look at the traffic flows it made sense to put that road first. It was the higher value road.

Mr SWEETMAN: Yes, I understand that and I understand some of the debate, some of the controversy, even in relation to the priority of the two roads, as there has been in itself about the Wiluna to Meekatharra road, because you have a lot of transport people arguing as well it should go from Wiluna straight through to Kumarina.

Ms MacTIERNAN: Straight through to?

Mr SWEETMAN: Kumarina, which is the roadhouse further up on the Great Northern Highway. Meekatharra see it as an opportunity to get some additional business going from Meekatharra.

Ms MacTIERNAN: To lock in, that is right.

[4.20 pm]

Mr SWEETMAN: So you support the project for all those reasons but certainly there is a group within the transport industry that will suggest to you at some stage that the road should go to Kumarina. Once the road is through to Meekatharra I am sure in 10, 15 years time the Kumarina road will be a priority for sealing anyway, from Wiluna to Kumarina.

Mr McGOWAN: Page 874, Minister. You talk about there in the first part, the key effective indicators, B-doubles, double road trains and triple road trains and the like. We all know there has been some controversy around the place about these sorts of trucks on certain roads throughout different areas, both in the metropolitan area and some country areas. What sort of measures have you put in place to address these issues? Have you used some of the citizens juries or some of the other consultative mechanisms to examine these issues in terms of both the industry and the interest of parties in different communities and, if so, what have been the outcomes of such consultations?

Ms MacTIERNAN: Yes, thank you, member for Rockingham. Yesterday I was able to announce the results of basically a very extensive public consultation process and come up with a set of recommendations for the regulation of the heavy haulage industry that I think were exceptional. They were exceptional because they were actually signed off by all players in the industry. We actually had the community activists and the transport industry agreeing on a set of outcomes and a way forward for the regulation of road trains. Some of the key principles are that there has been an agreement that we need to introduce accreditation systems for permit holders to basically lift the bar for those operators of these heavy haulage vehicles on our road.

As I say, that has the full support of the transport forum and the Livestock Transporters Association. It basically means that there is a higher standard of professionalism amongst the industry. We are talking about equipment.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

You get in those trucks and they have dashboards that are as complex as those on Skywest planes. These are complex pieces of machinery, very large pieces of machinery that are intermingling with the traffic. We want to make sure that those people that are operating them are fully professional and indeed I have to say that is what most of the industry want because it is a highly competitive industry and one of the problems has been it has been driven down by the lowest common denominator. Because the prices become so competitive, those that cut corners get rewarded and we need to really set the bar so that those corners are not cut.

The costs will average between a \$1 000 and \$2 000 per operator, probably for a single driver they could be up to \$1 000, but really we believe that that is a cost that is reasonable in terms of training to ensure that we have a professional standard within the industry. The other provisions include stricter enforcement on all of the rules regarding permits in terms of loading, in terms of hours worked, vehicle maintenance. We are increasing from \$2 million per year to \$4 million per year the funding for the enforcement unit. We will be increasing the number of inspectors out there but it is not simply going to be that. We really are wanting to look at how we can use modern technology to improve the targeted surveillance of the heavy haulage industry and we have got a lot of very enthusiastic officers out there in Rivervale who really want to get stuck into it.

What is extraordinary about these measures is that they are being supported by all sectors. Very quickly, we have got community consultation now embedded into the process so there will be no new routes or extensions of routes. Where a route might, for example, be a 27 and a half metre route at the moment, there will not be any progression of that to 36 and a half without a proper mechanism of involving the local council and the local community. There is an appeal mechanism in place if the community is not happy with that particular decision. The community is far more deeply locked into the decision-making in relation to those routes.

I think what we have seen and what has caused the industry and even the Pastoralists and Graziers and the Farmers Federation to come around is that it was quite clear that the community was prepared to see the need for the transport industry to be competitive but there was a view that it could be better managed. I think that is what we are getting. We will have stricter requirements in terms of noise. A lot of the problems have generated out of noise, much of which is unnecessary with the modern technology that has now been available and the new braking systems that are available, so we are addressing all those problems. We have got an implementation group that is taking us forward.

Mr COWAN: Can I follow that up?

The CHAIRMAN (Mr Dean): Certainly.

Mr COWAN: Having heard all of that, Minister, would you be prepared to provide information about the current road train routes and those that have or have not been affected or varied in any way, shape or form since your term in office?

Ms MacTIERNAN: Yes. I am more than happy to provide that. Can you just clarify that? What are you looking for?

Mr COWAN: I have heard about self-regulation and the training programs that are being provided but I have not heard any part of the question that was asked in relation to road train routes themselves - any reference to those. I would think it would be pretty easy for us to just get Main Roads or the Department of Transport to give your office those road train routes that exist now and those which have in some way been varied since your term in office.

Ms MacTIERNAN: There is only one road I think that has actually been varied and that is Jarrahdale Road. What we abandoned was an expansion process that was under way. There was a whole range of changes that were proposed to extend the network in terms of upgrading the various levels that particular road trains could follow. The first thing that we did was put a moratorium on that. None of that network expansion has gone ahead. That is the first thing we did. The second thing we did in relation to Jarrahdale Road was that we put a prohibition on the permits down Jarrahdale Road in consultation with the industry.

I have to say the other road that I am very concerned about at the moment is the Geraldton to Mullewa road. That has currently 53 and a half metre vehicles going along it. It is way outside the guidelines. I am very reluctant to see that situation continue. I have asked for an extensive report on that. There has been quite a number of permit applications for one-off expansions or a series of expansions that we have rejected. For example, the fuel operator would request a permit for his vehicle alone to take 42 and a half metres from Esperance to Kalgoorlie, and those sorts of things. Where the road is not adequate in our view to take it, we have been knocking those back.

Mr SWEETMAN: A further supplementary to that, Minister, you mentioned the Geraldton to Mullewa road. You will be aware that Giaccis under contract haul from Golden Grove to the wharf. I think that is one of the

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

reasons why there are 53-metres on that particular road. If you are going to stop that, with depressed commodity prices you are just as likely to stop the operation out there, so you will take that account, I am sure.

Mr COWAN: Mr Chairman, I wonder if I can make sure that that is provided as supplementary information.

The CHAIRMAN: Do you take that on board as a supplementary?

Ms MacTIERNAN: Yes.

Mr COWAN: Thank you.

Ms MacTIERNAN: We are mindful of that problem, although I understand with Golden Grove that it was 1995 that the permit was given. The alternative obviously is for them to break up at Mullewa and move in lower configurations from Mullewa into Geraldton. It does not mean to say you cannot use the road.

Mr COWAN: No. I am saying that the unit cost will rise as a consequence.

Ms MacTIERNAN: The unit cost will rise. This is always the conundrum we have on this issue. We could allow 53-metre vehicles into the city and we could well argue, as the industry does, that that would enhance competitiveness of product but it does come at a cost and it does come at a cost to safety. It comes at a cost to amenity. It also can come at a cost to the taxpayer in terms of repairing those roads. It is a question of balancing it. I have to say that I went and met with the Shire of Mullewa. I must say I do not yet know every single road in the State and its exact width, but when I looked at the details on that road I was alarmed that we have 53 and a half metre vehicles on that.

In response to my concerns that I put to Main Roads, we have decided that we are actually going to reduce the speed limits for those vehicles on that road, at least to provide some comfort while we talk to the various players, including the mining companies, about what we might do. You cannot allow something on there if it is going to be a hazard and we have to be sure that it is not going to be a hazard.

[4.30 pm]

The CHAIRMAN: Can we clarify the point on the supplementary information that the member for Merredin wanted?

Mr COWAN: All of the road train routes in Western Australia are the responsibility of the Department of Transport or Main Roads to allocate. Some are actually done in conjunction with local government but I am interested in those road train routes that are major haul routes for Western Australia, particularly approaches to Perth and some of the provincial capitals.

Ms MacTIERNAN: You want a map of the network basically. We can provide you with a map of the network which will show which roads - but it is important to understand as well that you get, and there have been in the past, many individual applications to take loads that are above those loads that are actually indicated on the map, but we are more than happy to show you -

Mr COWAN: I am not talking about single permit vehicles. I am talking about road train routes.

Mr QUIGLEY: Getting back to our election promises, Minister, I go to page 870 of the papers. There was funding for the provision of roadworks associated with the Gosnells town centre revitalisation project. It is marked in the budget estimate at \$2 million and nothing in 2002-03, 2003-04 but \$1 million out there in 2004-05. I wonder if you could tell us what the status is. Are we going to be committed to providing these funds for the revitalisation of the city of Gosnells and when?

Ms MacTIERNAN: We have pledged \$5 million for the roadworks basically around the town centre. These works are designed to make the town centre work. Gosnells has been one of those regional centres that really has languished over the last few years. Part of the problem has been that it has basically lost its heart. It has lost its CBD. The council has really taken on the challenge of trying to recreate a community centre, a town focus, to improve the standard of living for the community, to improve the sense of safety in the community and has wanted to reconfigure that whole town centre area - in fact to provide a town centre - whereas it has just become an amorphous mass of uncoordinated development.

To that end, not only are we allocating some \$5 million for these road projects which will basically allow realignments around Albany Highway, but we have pledged \$6 million for the relocation of the railway station again to bring it in line with the new town centre. We want to intensify development around that and already this activity is paying off because we have private sector investors, now that this money has been committed, taking up the opportunity and being prepared to invest in some very substantial structures in that town centre area. That is really what we have to try to do. We have to be very strategic about how we spend this money so that we leverage off the public sector investment to get private sector investment to follow it.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Mr QUIGLEY: Thank you, Minister.

Ms HODSON-THOMAS: Minister, I refer to decisions taken since the State election.

Ms MacTIERNAN: Which page here?

Ms HODSON-THOMAS: 870, where it refers to bringing the Peel deviation into the 10-year program and an allocation of \$5 million to begin land acquisition. Minister, will that \$5 million cover all of the costs, all the necessary land costs, for the project; not for just stage 1 but all -

Ms MacTIERNAN: No.

Ms HODSON-THOMAS: No?

Ms MacTIERNAN: No, it will not. This project is really of such a scale that I think it is one of those projects that we really require assistance from the federal Government. We are talking about, I think, \$167 million. To take it all the way to Kwinana Freeway it is \$300 million. It is the sort of project that really, as I say, requires federal assistance. We have begun the discussions with the federal Government. Rather than approach the federal Government with a shopping list of roads that we might want assistance on, we have targeted this road. Quite clearly all moneys really up to about 2003-04 have already been allocated so we are not even in the running for those.

We had a very constructive meeting with the senior personnel from the federal department over this road and how we might best structure our application. We are preparing an application now to go in with the aim of trying to get funds from basically 2004-05 on to do this road. So that is the sort of time frame that I think we have to look at for the Peel deviation. We really have to say this is probably going to be a five-year project, hopefully one that will be starting 2004-05. We have spoken to the federal Government. We have also put the acid on the federal opposition in relation to this as well. I think it is achievable within those time frames and certainly the direction that I have given to the department as the two priorities that I have in terms of federal funding are the Peel deviation and the Great Northern Highway in the Kimberley because I really do think that desperately needs some attention.

Ms HODSON-THOMAS: Thank you, Minister.

Mr SWEETMAN: Minister, page 871, total cost of outputs, or the third dot point on page 870: I just want to try in my own mind to work out whether there is a shift from regional areas into the city.

Ms MacTIERNAN: I had some figures on that.

Mr SWEETMAN: It is good that the member for Merredin is here because he would have some idea, having been in Government for eight years, what the ratio, what the carve-up, of the road money was between the metropolitan area and regional WA.

Ms MacTIERNAN: I thought you would ask that question during the week. I had an answer prepared on that so I will see if I can find it. What I think is important to understand as well is that a number of those roads that are actually being constructed in the metropolitan area are really roads to service many of the rural and agricultural uses. For example, Tonkin Highway is to a very large extent a road that is made necessary by the requirement for heavy haulage basically from the agricultural and the resources sector. So it would be wrong to think of all of those roads that are actually being built in the metropolitan area, particularly when you look at the roads that we are building in the metropolitan area.

We are not interested at this point in time in building roads for cars. We are focusing on getting that freight network completed and what we hear from the livestock transporters and from the Farmers Federation is that they need those roads in order to provide the rural sector with cost-effective transport. So I think we have to be careful about simplistic divisions between rural and city interests in this regard. I will just give you these figures here of the road preservation program for this year, and that is maintenance fundamentally. Of the \$206 million that will be spent on maintenance 69 per cent of that is in rural areas and 31 per cent in the metropolitan. Of the \$188 million that goes to the road use program, which is optimising the efficiency of utilisation of the existing, 44 per cent of that is in the metropolitan area and 56 per cent of that is in the country. Of the road expansion program we have 56 per cent in the city and 35 per cent in the country, but that is principally because we have those big highway projects which are the Roe Highway, Kwinana and Tonkin.

[4.40 pm]

Mr GILES: What is the monetary value of that third -

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Ms MacTIERNAN: The third monetary value is \$680 000 - sorry, 285. So the total break-up if we look at all of those is we have 51 per cent in rural and 49 per cent in metropolitan.

Mr SWEETMAN: Do not get me wrong, Minister. I am not begrudging the city 1c of the money it gets for road, bridges, tunnels or whatever. We seem to be nearly \$200 million down. I am just trying to identify if there is money being shifted from roads in regional WA; not necessarily to go into road projects in Perth but whether the money is simply being shifted into some other portfolio.

Ms MacTIERNAN: As I have said, we have had a reduction. We had a reduction in the income that we can expect from the vehicle registrations and we have had commitments in health and education. They were the priorities that we went to the election with. As I say, it is 49:51, but we have to understand that of that 49 per cent that is in the metropolitan area a lot of those roads will carry basically heavy haulage from country areas.

Mr SWEETMAN: Just to complete this, this then is a clear indication that we have actual moneys that are levied or raised through vehicle registrations or what have you or money that is received by the grants which should be allocated on roads which you are now choosing - is that what you are saying - to shift some of that money across into education and health.

Ms MacTIERNAN: No, not at all. All of those funds are in there. I do not know whether you were here, member for Ningaloo, when we explained that to the member for Carine, but we cannot possibly do all our projects and all your projects and at the same time have actually sustained a cut by way of revenue from vehicle registration numbers. It is not a possibility.

Mr COWAN: Can I have some greater clarification, please, on those projects which have been reprioritised or have been varied? I know that you have talked about those that you have included on page 870, but I have not seen those projects which have been excluded from funding which have or were previously committed in the out years. I am happy to give that as a question as supplementary information if you cannot deliver it now.

Ms MacTIERNAN: No, we will do that by way of supplementary, too.

The CHAIRMAN: Sorry, what are you taking on supplementary?

Mr COWAN: The major policy decisions on page 870 indicate quite clearly those programs that have been added that the Government sees as a priority. There has been no clear indication of those roads which were regarded as a priority by the previous Government and which are now not funded, and I would like to have a list of those as supplementary information.

Ms MacTIERNAN: Of the roads that are now not funded?

Mr COWAN: Yes, and I am not just talking about this financial year. I am talking about the out years for which usually Government assumes some responsibility. After all, we have had the Treasurer tell us that that is supposed to be what we are looking at.

Ms HODSON-THOMAS: My question relates to page 872 under output 1, road maintenance and minor modifications and dot point 4 refers to traffic lights, lighting signs, lines and road markings. Minister, I have had some approaches from a residents safety group representing the interests of people in Madora, Singleton, Golden Bay and Secret Harbour and I know that they have been lobbying for a long time to get intersections at those junctions where their settlements are; traffic lights at that particular location.

Ms MacTIERNAN: On which road?

Ms HODSON-THOMAS: Secret Harbour, Golden Bay, Singleton, Madora and -

Ms MacTIERNAN: Yes, but what road?

Ms HODSON-THOMAS: Perth-Bunbury Highway. I understand that that will not be funded. There was some indication that there was going to be an allocation of \$1.5 million towards that. I wonder if there is any information that you can provide me.

Ms MacTIERNAN: We would have to give you that on supplementary information.

Mr QUIGLEY: Minister, getting back to our election promises, and I am referring to page 870 and specifically our commitment to seal the road between Mt Magnet and Leinster and the Government's priority concerning this. I wonder if you could give us an update on that, just a larger explanation as to the Mt Magnet-Sandstone-Leinster road.

Ms MacTIERNAN: Yes. I think we discussed that a little bit earlier but basically the road is about 305 kilometres in length. It is an important east-west connection between the Geraldton port and the northern

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

goldfields. Around 142 kilometres of that has been sealed and about 163 of it remains unsealed. The problem basically is during wet weather; because of its gravel surface, it is prone to closure. We awarded a contract in July 2001 to design and construct the remaining 163 kilometres of road. The total project cost was \$46 million and half of that is spent this year. So we are anticipating that we will have that completed by the first half of 2003, well in advance of our election commitment for 2004. It is an important project for the mid west and the northern goldfields.

Mr QUIGLEY: Thank you, Minister.

Mr McGOWAN: My question relates to page 870 and it relates to the road that is being proposed to be completed from Broome to Cape Leveque. I am just wondering if that road, which will go up the Dampier Peninsula and I presume connect communities like Beagle Bay and so forth - there is a road there at present. I have been along that road and, as you would well know, it is not in good condition, the current road. What is the proposal in relation to that road and what sort of upgrade will be taking place? I presume it is not a four-lane highway or anything along those lines. What sort of improvements do you propose to put in place and what are the benefits that would be brought to the communities along there. I think it is Beagle Bay and Lombadina and a few others.

Ms MacTIERNAN: Yes. I will just have a look at what we have done here. I have also travelled up on that road on a number of occasions and it certainly is a problem.

Mr McGOWAN: An adventure. It is an adventure.

Ms MacTIERNAN: Yes.

Mr McGOWAN: It is better than going to the show, that road.

[4.50 pm]

Ms MacTIERNAN: We have been attempting to negotiate an arrangement through the shire. It is a local government road, it is not a State road, but it is one that services three or four Aboriginal communities. Beagle Bay, Lombadina and One Arm Point are the three that it services. Certainly in the times that I have been there you just see the road getting wider and wider as people seek to avoid the sand mountains in the middle. Unfortunately of course a lot of the people living in those Aboriginal communities do not drive, shall we say, state-of-the-art vehicles and it does really create a problem for the mobility for those communities. These are the numbers we have committed in the budget. We have committed almost \$2 million for this year, \$1.3 million for next year, \$2 million for the year after and a further \$2 million after that. Perhaps if you could describe the standard. As I understand it, it is to be a formed gravel sheeted standard.

Mr MARTIN: Mike, would you like to comment, please?

Mr WALLWORK: Yes. The standard that we are aiming at is a raised formation, lightly raised above ground level with a good gravel surface which the greater part of it has never had. There will be some sections which will be preferable to seal now than to leave unsealed and that is being considered at the moment, particularly at the north end where we just cannot find any decent gravel to keep the road together.

Mr McGOWAN: In terms of how that will endure when there is very heavy rain and flooding and so forth, what is its lasting capability?

Mr WALLWORK: The gravel sheeting is partly to offset that particular problem and on roads like Gibb River Road, for example, that has proved to be pretty effective in the past so that is one of the reasons why we will do that.

Ms MacTIERNAN: Can I just clarify here? Sorry, I have just added up those sums here. It is \$7.3 million that we are expending on the road and there is supposed to be another \$2.2 million coming from other stakeholders; the Shire of Broome, ATSIC, Department of Housing and Aboriginal Road Grants Committee. So far only about \$875 000 of that has been found but we are certainly going ahead to meet our commitment with that portion. Both Tom Stephens and myself went up to those various communities last year and made that undertaking to them, that we would do that.

Mr McGOWAN: Over the next five years.

Ms MacTIERNAN: Basically over the next four years we have the \$7.3 million in there and over a six-year period - sorry, that is over a six-year period. \$10 million over a six-year period, the \$7.3 million over the first four years. About \$260 000 has been spent on preconstruction activities so far and we are looking forward to commencing that work this year.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Ms HODSON-THOMAS: Can I just get some clarification? You said you were having difficulty getting gravel at the northern end. How are you addressing that?

Mr WALLWORK: The whole road has been surveyed from the air and also on the ground and in our normal sequence of investigation we go out a couple of kilometres each side of the road and we have managed to find some decent deposits. But in places it is all sand/clay and you just have to dig too deep to come up with reasonable quantities of gravel.

Ms HODSON-THOMAS: Minister, I am sure you will probably just tell me that this is one of those deferred projects but I will ask the question anyway because the member for Vasse has asked me to ask you this question. It is on page 884. It refers to the Busselton to Nannup road.

Ms MacTIERNAN: As I say, I do want you to understand that the last one we spoke about - the amounts of money that we had in there were approximately the same as what the previous Government had.

Ms HODSON-THOMAS: That is okay, Minister. That is fine.

Ms MacTIERNAN: Yes. I just do not want any lack of clarity there, member for Carine.

Ms HODSON-THOMAS: That is fine. Has this widen and primerseal project now been completed?

Ms MacTIERNAN: Sorry, it is?

Ms HODSON-THOMAS: 884 and I am actually having difficulty finding it. The question was referred to me by the member for Vasse.

Ms MacTIERNAN: We will help you here.

Ms HODSON-THOMAS: Is it halfway down?

Ms MacTIERNAN: Yes, Vasse Road, Busselton to Nannup.

Ms HODSON-THOMAS: The member for Vasse would like to know if the road has now been completed. I would have thought it has been completed but not being the local member I cannot say.

Ms MacTIERNAN: In terms of the forward estimates, we have nothing. The road has not been completed. We have nothing in the forward estimates, but I note also there was nothing set down for this year or next year on this road either under the previous Government. It was a project that was to be completed some time into the future.

Mr SWEETMAN: Page 873 - major achievements for 2000-01, the first dot point in relation to the Team Network contracts. When is the review committee under Ken Michael likely to report back its findings in relation to what work you might take back in-house and take away from the Team Network?

Ms MacTIERNAN: I spoke to Ken on Saturday about this and my recollection is that it is in about a month. We were very keen for the committee to go out to the regional areas because we think that the regional areas have been the most affected. Mr Chairman, you would understand that. I think they have been to Bunbury already and they have been to Port Hedland. They have been to Karratha. I think they have been to Geraldton. They have been to Carnarvon as well. They have been out to Kalgoorlie. We are expecting probably by the end of October to get that report. I think there will be some very interesting findings.

Mr SWEETMAN: Do you believe that you have got the flexibility within the contracts themselves to be able to excise some of that work out of the contracts without penalty.

Ms MacTIERNAN: I do not think it will quite work like that. There are the major 10-year Team Network contracts. On those Term Network contracts we probably will not be able to take anything out of the 10-year maintenance contracts, but in addition to those there has been a whole raft of other term contracts to do with things like geotechnical services, to do with some specialist areas such as bridge maintenance, to do with design and documentation. Those sorts of contracts are of a shorter term. They are not of a 10-year nature. They are the ones that offer the most prospect for bringing back the work in-house.

As I say, in some areas we are already able to do that. I am very pleased that we have been able, in relation to Karratha-Tom Price, to get Main Roads really working on that project. We see that as an important part of reskilling and rebuilding Main Roads expertise and doing that.

Mr SWEETMAN: If I can follow that up, it is a supplementary but I will wander a little bit because I just want to make reference to the salaries and allowances. There seems to be no change. I think we are going from 59 down to 54 and then seem to be plateauing. Minister, within the Main Roads structure itself, particularly at head office administrative level, are we doing anything about recruiting additional contract managers or contract superintendents or design specialists?

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Ms MacTIERNAN: To do this new work?

Mr SWEETMAN: Basically to keep in-house, I guess to capture and maintain intellectual property which should rightfully belong to Main Roads as one of the assets of the Government.

Ms MacTIERNAN: I agree with you. You joined the wrong party. That is the problem. You really are one of ours. We are more than happy to take you back.

Mr SWEETMAN: Call me comrade!

Ms HODSON-THOMAS: He is not.

Ms MacTIERNAN: I think he is.

Ms HODSON-THOMAS: He just has a soft heart.

Ms MacTIERNAN: There are a number of issues with that. To some extent we have got an underutilisation of some of the staff that we have got, particularly in areas such as materials handling and soil testing. We have people out in the country areas who are capable of doing that work who could probably do more work than they are currently doing. In this process of contracting out design, for example, there is a lot of double handling. I know this more intimately I suppose in the county centres. I am so familiar with what happens in Perth but the work that has been done by the private design contractors is constantly supervised and checked by the staff within Main Roads. You do not necessarily need to add a lot more money in there in salaries in order to get a better utilisation of the resources, but I do think we have a problem with recruitment.

I know that the commissioner has in the years since he has come back to Main Roads done a very good job in trying to build up these skills again and there is an active cadetship program going, but as I have always said to the commissioner it is one thing to actually have cadets but unless we are doing some of the pointy end of the business, what we are going to produce is very highly paid and highly skilled clerks. We really want people who have had hands-on experience in design and hands-on experience at the very least at the supervision of maintenance and possibly even taking a more active supervisory role in some of the construction.

[5.00 pm]

Mr MARTIN: I would like to add to your comment, Minister. We have an active cadetship program with a rotation program with those cadets spending at least one of their first two years in country locations. We also have an active graduate recruitment program so it is not just students we are recruiting. We are recruiting graduates in engineering and other disciplines. To comment about contract supervision, all of our contracts are supervised by Main Roads employees. We do not use contractors or consultants to supervise contractors.

Ms MacTIERNAN: Can I say that that was not always the case over the past four years. I think that led to a serious loss of control over some contracts and over parts of the network where you would have a private consultancy firm supervising the work of another private operator. The next week, that supervisor might be in fact entering into a joint venture with the person who they were supposedly supervising in relation to another project or, alternatively, that supervisor might have actually been locked in a competition with a person they were supervising in relation to another project.

Obviously the report on their performance in that project would be part of the matters that informed Main Roads in the selection, so it was I think a very serious folly to have moved away from that. I am happy to say that that no longer happens and I know that the commissioner takes a very strong view on how necessary it is for us for probity to ensure that we control the contracts.

Mr SWEETMAN: Just to finish that off, is Ken Michael's brief broad enough to come back and report to you on his findings as he has been going around in relation to those specific issues?

Ms MacTIERNAN: Absolutely. I do not have the terms of reference in front of me, I do not think, but basically we wanted him to have a look at the Term Network contracts - all of them, not only the 10-year maintenance. Were they actually fulfilling the objectives? Were there problems with the way in which we accounted for that work? Were there problems with the standards, the way in which we monitored the performance of those contracts? There was a whole bunch of references that dealt with how we control those contracts.

Then there was a specific term of reference that affected local business. Did this contracting out have a negative effect on small and local businesses and what steps could we take to remedy that? Finally, what work that is currently contracted out could realistically and with economic and other justifications be brought back in-house? They are the three key issues. Ken Michael and Richard Symons will be reporting on those. Ken of course has tended to focus on the road building side and what we could do to bring staff back in-house and what is the

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

business place for it. It is pretty clear. We come from the position that we would like to bring as much back in-house as is possible, but at the same time we have to look at the business case that would underwrite that.

Ms HODSON-THOMAS: Minister, I wonder if you can just give me some clarification to a couple of line items on page 884, minor works. It is about two-thirds of the way down on page 884 and it refers to minor works, commenced 1999-2000, 2001-02. There is a figure of \$69 526 there and underneath that the operational costs which actually go out to 2004-05, being almost \$600 million. I wonder if you can give me some understanding of what those figures actually relate to, what specifically they are.

Ms MacTIERNAN: As I understand it, that is the total cost - am I wrong here? Is that the total cost of undertaking those projects?

Mr GILES: My understanding is that those amounts are the operational costs of doing minor works for the periods 1999-2000 to 2004-05.

Ms HODSON-THOMAS: So that is over a six-year period.

Mr GILES: That is over a five-year period.

Ms MacTIERNAN: Yes, it is estimated total cost.

Mr GILES: So it will be around about \$100 million, \$115 million a year for those sorts of works.

Ms HODSON-THOMAS: So the estimated expenditure in that column is \$74 million.

Ms MacTIERNAN: As I understand it, this is the cost for all of those projects that are included in the minor works component.

Ms HODSON-THOMAS: What would qualify for minor works?

Ms MacTIERNAN: Anything under \$10 million. There are some things that are under \$10 million because they might have particular significance that get a specific line item but basically there was a concern that the budget papers - this happened some years ago - were getting so big. There was a decision made to include some in my works. As I think it works, all of those jobs that might be a minor works, whether or not they are all going to be completed in the next four years or not, this is the total cost of completing all of those projects.

Ms HODSON-THOMAS: Is it possible to get a breakdown of that?

Ms MacTIERNAN: I do not know. We are talking about a huge volume.

Ms HODSON-THOMAS: Okay.

Mr GILES: Some of them are very small and some are larger.

Mr MARTIN: Minister, might I suggest that perhaps we give a better description of those line items because otherwise we are down to identifying things of a very few thousand dollars and hence there are a myriad of them.

Ms HODSON-THOMAS: No, I am not really interested in a few thousand. I was probably looking at more of the other, but anyway, thank you.

The CHAIRMAN (Mr Andrews): Other questions, members?

Ms HODSON-THOMAS: I will ask another question. Page 883, another question from the member for Vasse, Minister, and it is about the Bunbury outer ring road. "Why has no money been allocated for this, a central project, and when will the Bunbury outer ring road be constructed? Is the minister aware that this road will effectively bypass Bunbury and reduce the travel time to Perth, people travelling south and South West people heading north, by effectively 12 minutes?" Nice number.

Ms MacTIERNAN: It was not one of those projects that obviously the previous Government had as a high priority because there was no money under the previous Government for the next couple of years for that project. We have not made any commitments in relation to that particular road at this time. It is one of those that will have to be obviously reassessed.

Ms HODSON-THOMAS: Thank you, Minister.

Mr SWEETMAN: Minister, page 870, decisions taken since State election, construct road between Karratha-Tom Price. Those figures there for the next four years are about \$74 million so there is another \$26 million.

[5.10 pm]

Ms MacTIERNAN: Sorry, where are you talking? 870?

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Mr SWEETMAN: Page 870, decisions taken since State election. There is \$1 million for this year, \$18 million next year, \$31 million, then finishing off with \$23 million in 2004-05.

Ms MacTIERNAN: Then I think we have \$35 million for 2005. Sorry, it is \$40 million outside for 2005. We did say that we would put \$100 million over four years. We have had to take that out to five years just because of the competing priorities. I know that the member of Ningaloo would support the decision, as does the member for Burrup, to ensure that we got the Marble Bar road done, and some compromises had to be made. In working with the local shire and the member for Burrup it was agreed that that would be an acceptable deferral of that money to enable the Marble Bar project to be completed.

There was going to be problems in spending that money within that time. Notwithstanding a number of promises that had been made by previous governments about the Tom Price-Karratha road, in fact none of the preliminary work had been done. We are now doing a lot of the native title stuff and design work which is going to take some time, but what we really want to do too, member for Ningaloo, is to get stage 1 of that road which is from Tom Price up to the existing road, the road that goes around like that. If we can get that stage 1 done, that will make a considerable time saving.

We would have loved to have actually had that on the budget for this year but there is just no way because we were starting out basically from point zero in terms of planning and doing native title. That is going to come on, I think, in 2002. So basically for this year we will be completing that work, hopefully getting the native title clearances under way and getting that stage 1 done.

Ms HODSON-THOMAS: Can I just seek some clarification? Does the Midland Redevelopment Authority come under this division as well, Minister?

Ms MacTIERNAN: I would not have thought it comes under Main Roads. No. These are slightly complex because they are capital works. I think they are actually coming under the Treasury.

Ms HODSON-THOMAS: It just appears in the book.

Ms MacTIERNAN: Whereabouts?

Ms HODSON-THOMAS: It is actually on 891 at the end of this division for development, 53. It is very bizarre. I might just put the question that I had on that, Minister, on notice. I just wanted to seek some clarification.

The CHAIRMAN: It just might be a misprint, a fault in the way the volume is put together.

Ms HODSON-THOMAS: They are there but they fit between the two divisions and there is nowhere you can actually ask questions. Minister, what I will do is I will put that question on notice and I will leave it.

Ms MacTIERNAN: If you want to ask a question -

Ms HODSON-THOMAS: No, it is all right.

Ms MacTIERNAN: No, we are happy to answer.

Ms HODSON-THOMAS: It is a question from the member for Kingsley and she asks, "Where in the budget are the fees for the members of the authority paid from and the support services to the authority? The consultative committee that has been established as the MRA shadow, can you tell us how they have been appointed and under what powers and who is on the committee? Do they receive a fee? How is it proposed they will work with the authority?" Do you want me to put it on notice?

Ms MacTIERNAN: Yes, you can put it on notice. It does not appear here because this is the capital works program, but perhaps you could take back a message for the member for Kingsley that that subcommittee was appointed under the aegis of the legislation. The Midland Redevelopment Act specifically provides for the appointment of a subcommittee. There have been members of the opposition who have recognised that there is a problem with the current board members and have tried to assist us to resolve that problem.

Unfortunately there have been some other members of the former Government who want to rule from the grave and I think that there may have been, shall we say, some infelicitous appointments to that board and unfortunately I think we have some individuals who are putting themselves before the interests of Midland. We have been working with the Midland community groups, the Chamber of Commerce, to try to find a way around what is really a very real problem for the people of Midland who want to see the area go forward and I have to say some members of the opposition are not covering themselves in glory in relation to the dealings behind the scenes and other members of the opposition are recognising that.

The CHAIRMAN: Any other questions, members? Put the question.

Ms Katie Hodson-Thomas; Mr John Quigley; Chairman; Mr Hendy Cowan; Mr Mark McGowan; Mr Rod Sweetman; Mr Colin Barnett; Mr David Templeman

Ms HODSON-THOMAS: I was going to ask one but obviously there are people over there. I have a quick question under "Capital Works Program", page 881. The capital expenditure for Main Roads is \$387 million comprising works in progress, new works \$65 million and purchase of other assets. I wonder if you can explain what the other assets are?

Mr MARTIN: Purchase of other assets, Minister, I think could be equipment and other activities for the operation of Main Roads, so capital items that are not for roadworks.

Ms MacTIERNAN: That is right - presumably for computer equipment.

Mr SWEETMAN: Again we are nearly wrapping it up, Minister, just if you could indulge me a little. I am finding it hard to directly link it to an appropriation but it was in the Gascoyne publication here and one of the people from the Shire of Carnarvon talked to me the other day and said that the money for the Carnarvon to Mulla road, which is Carnarvon to Gascoyne Junction, is not indexed for CPI so they are locked into a lump sum of just over \$20 million to do that road.

Ms MacTIERNAN: Presumably they entered into an agreement with the previous Government.

Mr SWEETMAN: I am wondering about that because they intimated to me that -

Ms MacTIERNAN: I think they did get a very good agreement and if they want to renegotiate it, we are happy to renegotiate it.

Mr SWEETMAN: I will tell them that.

Ms MacTIERNAN: It will not necessarily be to give them more than money. I have to say I think Carnarvon has done very well out of the budget. Their roadworks have been continued and their concerns need to be seen in the context of the rest of the State. As you would be aware, there are many other areas that have very pressing road needs and there are limited funds. I will talk to my good friend Del Mills about this, but I would have to say that we would not be in the business of increasing the sums of money that are available.

Mr SWEETMAN: That was my understanding of how they were negotiated in the first instance, yes. Obviously they have been hit with some significant price increases and now they are belatedly perhaps giving some indication they might try and renegotiate.

Ms MacTIERNAN: If they want to renegotiate and do the works over a longer period of time, we would be happy to look at that.

Ms HODSON-THOMAS: One more question, Minister. It refers to page 878 under "Major Initiatives for 2001-02". Dot point four refers to the Kwinana Freeway bus transit one, the design and construction, and the project provides a transfer station at Canning Highway.

Ms MacTIERNAN: What are we going to do about that?

Ms HODSON-THOMAS: Yes.

[5.20 pm]

Ms MacTIERNAN: What we want to do is to talk to the contractor regarding that and to see to what extent we can in fact reconfigure the design of that so that it can be used as a rail station. The alternatives for use are to cancel the contract, which is possible because the works have not commenced. Obviously there would be a cost in cancelling the contract because the contractor would have an entitlement for profit foregone. Rather than throw that money away we want to explore the possibility of having that station reconfigured so it will continue.

Ms HODSON-THOMAS: They are undertaking that at the moment.

Ms MacTIERNAN: Yes, that is right with PURD and Main Roads to see if we can get the same contractor basically to build a station that we will be able to use as the bus-rail interchange. I think that would be a very constructive thing for us to be able to do.

Sitting suspended from 5.21 to 7.01 pm