

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**2012–13 BUDGET ESTIMATES HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
TUESDAY, 3 JULY 2012**

**SESSION ONE  
DEPARTMENT OF TRANSPORT**

**Members**

**Hon Giz Watson (Chair)  
Hon Philip Gardiner (Deputy Chair)  
Hon Liz Behjat  
Hon Ken Travers  
Hon Ljiljanna Ravlich**

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**Hearing commenced at 9.17 am**

**HON SIMON O'BRIEN**

**Minister for Finance representing the Minister for Transport, examined:**

**Mr REECE WALDOCK**

**Director General, sworn and examined:**

**Mr GRAEME DOYLE**

**Executive Director, Investment and Finance, sworn and examined:**

**Ms SUE McCARREY**

**Deputy Director General, sworn and examined:**

**Ms NINA LYHNE**

**Managing Director, Transport Services, sworn and examined:**

**The CHAIR:** On behalf of the Standing Committee on Estimates and Financial Operations committee I welcome you to the hearing this morning. Before we begin I am required to ask the public servants to please either take the oath or affirmation. If you prefer to take the oath there is a copy of the Bible in front of you.

[Witnesses took the oath or affirmation.]

**The CHAIR:** You have all signed a document titled "Information for Witnesses". Have you read and understood this document?

**The Witnesses:** Yes.

**The CHAIR:** The hearing is being held in public, although there is discretion available to the committee to hear evidence in private, either of its own motion or at the request of a witness. If for some reason you wish to give a confidential statement during today's proceedings, you can request the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty to assist Parliament to scrutinise the budget papers on behalf of the people of Western Australia and we appreciate your assistance this morning. Proceedings are being recorded by Hansard and a transcript of your evidence will be provided to you. It would greatly assist Hansard, members, if when referring to budget statement volumes or consolidated account estimates that you please give the page number, item, program and amount in preface to your question. If supplementary information is to be provided, I ask for your cooperation in ensuring that it is delivered to the committee clerk within 10 working days of receipt of the questions. Should you be unable to meet this deadline, please advise the committee clerk immediately. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations.

Minister, if you could for the benefit of Hansard please introduce your advisers and for each adviser to please state their full name, contact address and the capacity in which they appear before the committee.

[Witnesses introduced.]

**The CHAIR:** Members, do you have questions you are ready to go with?

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**Hon KEN TRAVERS:** We asked for a person from the taxi section to be here. That is Nina, so she will be able to answer all the questions I have about taxis.

**Mr Waldock:** We certainly hope so.

**Hon KEN TRAVERS:** Excellent.

**Hon SIMON O'BRIEN:** We will address them all.

**Hon KEN TRAVERS:** What statistics do you collect as an agency regarding taxi compliance matters?

**Ms Lyhne:** We collect a range of statistics on compliance matters. We collect performance statistics around jobs not covered and waiting times, which we monitor on an ongoing basis to see whether the industry is meeting performance standards. These statistics have been collected over a long period of time and we are able to monitor trends and set targets and so forth. We also collect information around the number of complaints that the Department of Transport receives from members of the public, the community generally, or from taxidrivers themselves in fact, in relation to various incidents in the taxi industry. We also collect statistics around the number of enforcement actions that our compliance officers may take in relation to their activities in monitoring the taxi industry. For example, they may stop drivers for various concerns around vehicles, uniforms or those sorts of things, and we also have numbers around the level of compliance.

**Hon KEN TRAVERS:** Are we able to get a copy of those statistics? Are they public?

**Ms Lyhne:** The jobs not covered and the waiting times is information that is generally available and that you would have seen before; we are happy to provide that.

**Hon KEN TRAVERS:** And the information regarding compliance and complaints and drivers having infringements?

**Ms Lyhne:** I would be happy to provide that. I do not have the database here with me obviously, but that is information we could provide.

**Hon SIMON O'BRIEN:** The question is very broad: what sort of the statistics do you have and can we have them? If the committee would like to define what it wants, we can address those questions. There is quite a bit that is already made available publicly and there is other information. We would really need to consider, perhaps, what it is that the committee actually wants. We are more than happy to follow up, but we need some actual targeted stuff and not a generalised, "give us everything".

**Hon KEN TRAVERS:** We have just had outlined a number of areas where statistics are collected, so those are the statistics I would like; in particular, complaints against drivers and what the nature of those complaints are and compliance issues raised by the department's own inspectors against drivers and what the nature of those issues were.

**Hon SIMON O'BRIEN:** I thought this was already the subject of several parliamentary questions that have been asked and answered, but we will certainly take on notice that the member wants some statistics about complaints against drivers and the nature of those complaints.

*[Supplementary Information No A1.]*

**Hon KEN TRAVERS:** How many taxidrivers' licences have been cancelled or suspended this year?

**Ms Lyhne:** Since January of this calendar year we have suspended or cancelled 39 T endorsements for a range of reasons.

**Hon KEN TRAVERS:** Are you able to give us some examples of the range of reasons?

**Ms Lyhne:** The sorts of things that we would cancel a T endorsement range from, obviously, criminal offences that may relate to a whole range of activities. We would also potentially cancel

T endorsements for breaches of what we would call the character test, which are the standards that drivers are expected to adhere to as taxidivers and that relate to their behaviour and their service delivery. We may cancel T endorsements if drivers fail to meet those standards, which is totally separate to any criminal investigation that the police may be conducting.

**Hon KEN TRAVERS:** On that matter, how many matters are currently with the police for investigation?

**Ms Lyhne:** I do not have those numbers with me here today.

**Hon KEN TRAVERS:** Could you give us an outline? If the department gets a complaint, what is the process for dealing with it? That is, if someone rings up and says that a driver has behaved inappropriately.

**Ms Lyhne:** We have compliance team. We have a number of compliance officers within our passenger services business unit, and their job is to monitor and investigate in relation to taxi standards; that is, when we get a complaint. There are a number of different complaints that are made in relation to the industry, and a number of complaints around the quality of service would be directed to the taxi dispatch service itself. We would expect it to undertake its own investigation of that. Where the matters relate to, I guess what we would consider things that go beyond service standards and more serious allegations around misconduct—sexual, inappropriate words, touching or any of those sorts of things—we would expect those things to be referred to us. As soon as we receive a complaint along those lines, first, if the matter is in any way criminal, we would immediately refer it to the police. In referring the matter to the police—we have established a very good working relationship with the police—we would continue to monitor that police investigation. That is part of it. Part of referring to the police would also involve obviously taxi camera downloads and collection of the evidence. If in the process of doing that we are satisfied that we have enough information that would lead us to believe that the driver has in fact breached the code of conduct; for example, in downloading the camera information as a part of giving it to the police we establish that there has been some sort of sexual activity in the taxi or something, we would then immediately act to remove the T endorsement for the driver as soon as we have been able to satisfy ourselves that that event had in fact taken place. We, of course, have to do a thorough investigation before we make a decision to either suspend or cancel a T endorsement. They are significant decisions that we take very seriously; they affect people's livelihoods and obviously we are required to make sure we have the evidence and the substance that we need to make those sorts of decisions. That is the nature of the investigation we would undertake.

**Hon KEN TRAVERS:** You say you have a good working relationship with the police. Have you signed a formal agreement with them yet?

**Ms Lyhne:** An MOU?

**Hon KEN TRAVERS:** Yes.

**Ms Lyhne:** My understanding is that is in the final drafting stages. However, with the MOU, obviously we have been working with them for some time and I guess refining our processes in terms of how we work with them and exchange information. My experience has been that whenever I have sought information about a particular case it has been very forthcoming, and the police are working very closely together with our compliance staff.

**Hon KEN TRAVERS:** How do they know to refer a matter to you if there is a complaint lodged directly with them rather than with the department that involves a taxidriver engaged in not just inappropriate behaviour in a taxi but some other criminal behaviour?

**Ms Lyhne:** As a matter of course where there is something in relation to the taxi business they would make contact with us; that is, if whatever they are investigating relates to the activity of undertaking a taxi business. There are, of course, other incidents in which taxidivers may be involved in criminal activities that are outside of the taxi business and part of their personal lives.

We have systems in place that mean that those activities are flagged with us as soon as there is either a related charge or a criminal conviction. That goes through as a part of our licensing system.

[9.30 am]

**Hon KEN TRAVERS:** So it is not until someone is charged that you will get notified?

**Ms Lyhne:** I have to be very careful here because each case is different. That has been my experience. I guess what I am saying to you is that where a particular investigation relates to the taxi business—an event that occurred in a taxi—obviously that is something that we are engaged in very early on.

**Hon KEN TRAVERS:** Does your new character test that you introduced this year make it clear that if you engage in any criminal conduct that will lead to the removal of your T endorsement? How do you know that that has occurred?

**Ms Lyhne:** Criminal conduct implies that you have been found guilty of criminal conduct and as soon as that occurs, that is flagged in our system.

**Hon KEN TRAVERS:** Is it not until they are charged and convicted that you may be aware of it if it does not occur in a taxi?

**Ms Lyhne:** That would be a normal practice in any area, I would assume.

**Hon KEN TRAVERS:** If someone is charged with a sexual assault, not when they are driving a taxi, can they continue to drive that taxi up to and including the court hearings and only if they are found guilty do they lose their T endorsement?

**Ms Lyhne:** That would potentially be the case, as if somebody was convicted of a drug offence or anything else.

**Hon KEN TRAVERS:** Or stealing.

**Ms Lyhne:** Yes, or stealing or fraud.

**Hon KEN TRAVERS:** If one of your own departmental officers was charged, would they be allowed to continue to operate or would they be suspended pending the court case?

**Ms Lyhne:** I guess that is for the director general to answer. Certainly in my past experience, it is important that natural justice takes place and that people obviously have the opportunity to present their case as well.

**Mr Waldock:** That is true. I am not familiar with taxis but certainly in other areas of my three agencies, people are taken off that nature of duties and they are given other duties. We would limit the perceived exposure until the matter is settled.

**Hon KEN TRAVERS:** How many FTEs do you have in the compliance area?

**Ms Lyhne:** I should know that off the top of my head. I think it is about 40. We have increased the number of compliance officers who are on the road by three and increased the number of vehicles. I will have to take that on notice to be precise for you.

**Mr Waldock:** I think it is around 40.

**Hon KEN TRAVERS:** Do they each do their own investigations? If you get a complaint, how many people are responsible for monitoring the police investigations and liaising with the police and following up at the end of a police investigation to see whether or not, even though no charge has been laid by the police, you will remove the T endorsement? Is that all of those 40 officers or is that only certain officers?

**Ms Lyhne:** No. About 20 of those are compliance officers, so they will be involved in investigations. There is a hierarchy there, as you would find in most teams. A senior compliance person would be overseeing most of those, and certainly the more serious end of the

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investigations. The general manager of the passenger services business unit would obviously supervise and monitor those sorts of events as well. I guess it would be safe to say that all of the compliance people, not the policy people, would be involved in investigations from time to time but the more senior staff would be involved in close liaison on the significant matters and certainly decisions around the character tests. It is also important to note that the T endorsement for taxidriver is part of our licensing system and sits in licensing legislation. Our licensing people are also involved in monitoring and in making those decisions.

**The CHAIR:** I think some supplementary information is needed.

**Hon KEN TRAVERS:** I would not mind getting the organisational structure chart for that section, which identifies the role of each of those 40 officers you talked about, not just the number.

**Ms Lyhne:** The structure of the unit?

**Hon KEN TRAVERS:** Yes.

*[Supplementary Information No A2.]*

**Hon KEN TRAVERS:** Can we get the reasons why those 39 drivers have had their licences cancelled or suspended this year as supplementary information?

*[Supplementary Information No A3.]*

**Hon KEN TRAVERS:** Did we get the number of complaints that are currently with the police?

**The CHAIR:** Yes.

**Hon KEN TRAVERS:** At the end of the police investigation, you said that you refer it to police and if you are downloading material off the cameras that give evidence, you may make a decision then. If they are not the new cameras that provide that evidence—if they are the old ones or they are not working—what happens at the end of the police investigation? Do you conduct your own investigation if they make a decision not to charge?

**Ms Lyhne:** It is important to point out that the police investigation and the Department of Transport investigation are separate. We can make quite separate decisions about how best to proceed. The police investigation takes precedence, obviously, because it is in relation to criminal activity and we would not want to hinder the investigation in any way, so we monitor that. In the event that the police investigate and are unable to lay criminal charges for whatever reason they decide they are unable to lay criminal charges, we would still consider all the information that is available in relation to the event and we may still decide to remove the T endorsement. We may do that after the police have concluded their investigations but in most cases we will have looked at the information available and we will have made that decision well before the police have decided not to pursue any criminal investigation.

**Hon KEN TRAVERS:** My understanding is that only around 25 per cent of the complaints made are substantiated. Is that correct?

**Ms Lyhne:** I cannot verify that figure. There are a number that are not substantiated.

**Hon KEN TRAVERS:** Is it of that sort of magnitude?

**Ms Lyhne:** I know that a significant number are not substantiated.

**Mr Waldock:** I thought it was closer to 50 per cent.

**Ms Lyhne:** I would have to check.

*[Supplementary Information No A4.]*

**Hon KEN TRAVERS:** Have you done any work on why they may not be substantiated? Why would someone make a complaint but you are not able to substantiate it? Is that because they will

not make a statement? Have you looked at why that would be the case or is it because there is not corroborating evidence so it is only the driver's evidence versus the passenger's evidence?

**Ms Lyhne:** We have not done an analysis of all of those and why, so I cannot give you any statistics as to why they are not substantiated. The information that I am familiar with is that there are a range of reasons why that may be the case. There are examples where people make a complaint on behalf of somebody else, for example, and then when we go to approach the person who is the victim or the person involved in the incident, they do not want to pursue the complaint in any way, in which case it is not possible for us to substantiate it. I am aware that there are a fairly large number of those. There are others where our investigation is unable to get to the core of the matter. I think the majority is much more around not being able to get the information at the front end, either where the witnesses are not around or the person who was involved in the incident does not want to be a part of the investigation. They are probably more likely to be the more substantial ones.

**Hon KEN TRAVERS:** Hopefully it is picked up under your earlier compliance matter but maybe we can get the number of complaints that you have received in the 2011–12 financial year regarding conversations of an inappropriate nature, where drivers have failed to behave in an orderly manner—I think this is the way you keep your stats—and inappropriate touching or inappropriate behaviour towards passengers. Can we get the number of complaints and the numbers of those that have been substantiated? If it is as low as I suspect it is, can you give us an explanation of why so few are being substantiated and what work the department has done to try to identify why so many complaints are being made but so few are being substantiated?

**The CHAIR:** That is just an elaboration on what we called supplementary information A4, which is about the ratio of unsubstantiated complaints to total complaints. We require a bit more information around that.

**Hon KEN TRAVERS:** How will the proposed demerit point system fit into all of this?

**Ms Lyhne:** I guess it is a hierarchical structure, this compliance environment. It is a tiered system, so the most serious complaints are dealt with by the police, as they should be, if they are criminal offences and they are dealt with by criminal law. If they are matters that relate to a character test—that is, conduct matters as to whether somebody should or should not be a taxidriver—we use our current powers to take away the T endorsement if we believe they failed the character test. There are a number of other issues in the industry that are not so much around character but around service standards—whether taxidrivers are getting there on time, whether they are wearing the uniform and all those sorts of things, which we would not necessarily classify as severe enough to remove their livelihood and take their T endorsement away but you would still want to have an effective system in place to send very strong messages about the seriousness of those things. It is there that the demerit point system is intended to operate, which is very much about having demerit points for those sorts of service-related matters that might not be meeting the standards.

**Hon KEN TRAVERS:** Would the demerit point system not cover things like inappropriate touching or inappropriate conversations? Could they go to the character test?

**Ms Lyhne:** Those sorts of things are immediately escalated to the character test or lead to criminal investigations.

**Hon KEN TRAVERS:** Can you give us specifics of what issues will be covered under the demerit points?

**Ms Lyhne:** The sorts of things that might be covered are taxis not picking up passengers, not taking bookings, their vehicles not being up to standard, they might not be wearing the right uniform or they might be having inappropriate conversations. For instance, some taxidrivers talk about politics.

**The CHAIR:** All the time!

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**Ms Lyhne:** We do get a few complaints about that.

**Hon KEN TRAVERS:** Wait till they find out what you do.

**Ms Lyhne:** There are those sorts of things. I think they do relate to service standards and the quality of the experience of the customer and they do need to be part of the system we have in place to ensure that the service is of a certain standard.

**Hon KEN TRAVERS:** So it will not in any way relate to inappropriate behaviours of a sexual nature?

**Ms Lyhne:** There would be no point if we have already acted to remove a T endorsement. I think there was some misunderstanding around that.

**Hon KEN TRAVERS:** I think there have been a number of public consultations where it has been suggested that those sorts of areas will be covered. Were the public consultations that occurred earlier this year around those sorts of matters?

**Ms Lyhne:** I was not at the public consultations.

**Hon KEN TRAVERS:** I mean consultations with the stakeholders in the industry.

**Ms Lyhne:** We have been consulting quite extensively with stakeholders around the demerit point system and there would have been lots of conversations around what the demerit point system sought to do. We would have been seeking input from the industry about how that system should be run. There would have been all sorts of conversations potentially as part of the development of that system.

[9.45 am]

**Hon KEN TRAVERS:** So someone who inappropriately touches a passenger will go before the character test, and if it is found that they have inappropriately touched them, they will lose their T endorsement?

**Ms Lyhne:** Case by case, each case will be taken on its merits, but that level of activity that goes to the heart of the code of conduct is directly related to action that will be taken under the T endorsement.

**Hon KEN TRAVERS:** So is there the possibility that low-level action of that nature will actually —

**Ms Lyhne:** We are still finalising exactly what will sit in the demerit point arena and what sorts of things will incur levels of demerit points, so I am not going to sit here and say exactly what is there, but what I am trying to describe to you is that there are, I guess, three tiers, and —

**Hon KEN TRAVERS:** I understand that, but I am trying to work out where the boundaries between them are.

**Ms Lyhne:** We are still working on some of the specific detail around those demerit points. I think we are quite clear about whether it is a criminal or a character test code of conduct, or if it is service standards, but the work around what exactly will incur different levels of demerit point is still being done.

**Hon KEN TRAVERS:** So when will that work be finalised?

**Ms Lyhne:** We are working on it now.

**Hon KEN TRAVERS:** How much money resources have been tied to that?

**Ms Lyhne:** We have had a number of policy people working on it, and —

**Hon KEN TRAVERS:** How many FTEs have been applied?

**Ms Lyhne:** I could not say exactly how many FTEs, but we have certainly had a policy person working on it a more or less full-time, but there has been support from others.

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**Hon KEN TRAVERS:** For how long?

**Ms Lyhne:** I could not say exactly, but virtually since the minister made his announcement about the “Taxi Action Plan Progress Report”, and the demerit points are a significant part of that that we have been working on.

**Hon KEN TRAVERS:** So that would be over 14 months—April 2011 he committed to it.

**Ms Lyhne:** If that is your calculation, yes. We are talking about developing a fairly significant piece of legislation and the policy around that.

**Hon KEN TRAVERS:** So when will that actually be completed—the work around the demerit points?

**Ms Lyhne:** The government’s intention is to introduce it this year.

**Mr Waldock:** Yes, I think we have been on it about 12 months, and certainly we have been talking to the Singaporeans and the like about similar schemes through their dispatch companies. There is a bit of work in it, because we need to get it right.

**Hon KEN TRAVERS:** A number of the complaints that are referred to the taxi dispatch services, will they now be dealt with by the department under a demerit points system?

**Ms Lyhne:** We clearly need to link those complaints into the demerit points system. It sounds like a simple thing to introduce a demerit points system, but it is obviously very important that we capture all the relevant complaints that need to be considered as part of that system. So we will actually be significantly upgrading our technology systems to allow us to manage that information and appropriately allocate and monitor demerit points as well, so it is a very significant piece of legislation.

**Hon KEN TRAVERS:** So is the intention at any point prior to the legislation being introduced to actually go out to public consultation on what the public’s expectations are, or will it be a matter of simply bringing legislation into the Parliament?

**Ms Lyhne:** We have been consulting with stakeholders as we have been going through the process, and that has been our program.

**Hon KEN TRAVERS:** The stakeholders being the drivers and the taxi dispatch services?

**Ms Lyhne:** All the people who represent the various parties that have an interest in the —

**Hon KEN TRAVERS:** Are you able to give us a list of the people you have consulted with?

**Ms Lyhne:** I would be able to do that.

*[Supplementary Information No A5.]*

**Hon KEN TRAVERS:** And what about the general public that use taxis? Who have you consulted with that represents them?

**Ms Lyhne:** I will be able to give you a list of who we have consulted with.

**Mr Waldock:** Whether we go through other consultation at the end of it, that will be a ministerial decision.

**Hon KEN TRAVERS:** Yes. My understanding is that this was a priority. Is that the advice you were given as an agency?

**Mr Waldock:** A distinct priority; the whole action plan is a priority.

**Hon KEN TRAVERS:** I notice that the minister had a physical copy of the “Taxi Action Plan Progress Report”. Is there actually going to be a formal document released?

**Hon SIMON O’BRIEN:** Yes, that is publicly available now, if you want a copy.

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**Hon KEN TRAVERS:** I will. When we have had previous hearings, we have asked for a copy of it, and we were told —

**Hon SIMON O'BRIEN:** No, the document I have — I had better identify it, Madam Chair: it is “Taxi Action Plan Progress Report June 2012”. It is hot off the press and I have several copies here, which members may wish to peruse. I believe this is also available on the website.

**Hon KEN TRAVERS:** You have two complaints lines that I can see on your website, depending on which way you go into it. Do you monitor the number of calls to those lines about complaints and compliance issues being raised?

**Ms Lyhne:** We would do, yes.

**Hon KEN TRAVERS:** Are you able to give us the statistics of the number of calls that have been received by the different numbers that are listed for people to be able to make complaints about taxis or to raise concerns or to raise compliance issues? How many messages are being left on those machines? I believe they work only from 8.30 to 4.30, so then there is, some of them, the option to leave messages. Do you monitor the number of calls that are lost, so that people ring those numbers and then they do not leave a message?

**Ms Lyhne:** We will take that on notice.

*[Supplementary Information No A6.]*

**The CHAIR:** Hon Philip Gardiner indicated that he had a question. Before he asks it, I will just indicate that because we have the hearing running through till 12.00, we might take a break at quarter to 11.

**Mr Waldock:** That would be useful, because a number of us have parking meters running!

**The CHAIR:** Okay; we will take a break at quarter to 11, or thereabouts.

**Hon PHILIP GARDINER:** I have a few questions on the same taxi industry issue, just to help me understand. First of all, in terms of benchmarking our taxi industry against those of other states at least—the director general mentioned Singapore—do we do any of that?

**Ms Lyhne:** There are a number of things we do in that area. We have obviously had a look at industries around the world as part of investigating the taxi industry, and the Taxi Industry Board has looked at the New Zealand industry, the Swedish industry and, indeed, the industry in Singapore. We also work very closely with the other jurisdictions in Australia to understand their systems. The experience has been that the industries are very different wherever they exist, and they operate on a very different regulatory basis. It is very difficult to find something that is equal to benchmark with. But we recently had a good look at Singapore and looked at things like their jobs not covered, which they give another name to, and their waiting times. Certainly our industry is very comparable to the sorts of indicators that they have in those areas. I guess the answer to your question is: we have not benchmarked in terms of numbers because it is very difficult to find appropriate benchmarks for comparable industries, but we are certainly very aware of what happens in other jurisdictions and seek to learn from that.

**Mr Waldock:** A lot of our work has been to look at the reform agenda for taxis and how the different regulatory regimes work, rather than perhaps simple KPIs and benchmarking in terms of waiting times and jobs not covered. It is interesting that this is incredibly complex—far more complex than people might think, and indeed, the Fels report has just come down through the Victorian industry, and that took 18 months and many millions of dollars to complete. Whilst it is a very significant piece of work and we will continue to study it very closely, it is interesting that a number of the key reforms they talk about, WA already moved on some years ago, particularly in relation to government leasing plates to try to free up the scarcity value and respond to the market. So we do look very closely at other jurisdictions and we certainly look at other countries, but it is probably more in the area of regulatory reform rather than just KPIs and benchmarks.

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**Hon PHILIP GARDINER:** I understand that. One of the things you referred to was quality of experience with the customer. I liken it to the situation when you call a company and the telephonist is the first entry point, and if that is good, there is a little bit of a difference in how you regard the company. I know it is not the major factor when you are going to Perth or Melbourne and so on, whether the taxi system is good or bad, but it is a relevant factor. What do you do about trying to assess where that is, and what educational matters do you have around it? Is that somewhere in the budget?

**Ms Lyhne:** We monitor with customer satisfaction surveys in this sector, but it is interesting you should mention the first customer call contact, because whilst a lot of people book taxis in our environment here, in many other areas, countries and states, you flag taxis down as a far more common experience, and what we are also learning is that technology is going to change significantly how people interact with taxi services, and we are already seeing lots of apps and things for people booking taxis and so forth, so that will actually significantly change the interaction that people have with taxis and probably make it a much smoother process in terms of booking and so forth. But the answer to your question is: yes, we do conduct some customer survey work and we obviously work with taxi dispatch companies. That is part of the service standards approach and feedback in those areas; obviously, monitoring complaints in those areas is an important part of what we are doing.

**Hon PHILIP GARDINER:** I was not really thinking, in the case of the taxi industry, about telephone interaction. I was thinking more about interaction with the drivers—whether they know where to go, whether they are trying to fool you by going some longer distance. It is that quality of experience to which I was trying to get some gauge.

**Ms Lyhne:** Again, driver standards is part of the taxi action plan and a very important part. The demerit points are also a way of managing that, although that is the big stick part of the equation. We also do training up front; obviously standards come in in terms of criminal records and those sorts of things, but there is also training required and refresher training required for taxi drivers. Clearly, part of our compliance officers' role is very much about that connection. We go out with police on booze buses and stop hundreds of taxis overnight. Our interaction with them is all about, are they wearing their uniform, what is the standard of their vehicle and those sorts of things, which all goes to that customer experience.

**Hon PHILIP GARDINER:** That was my question—the service element. You have industry refresher courses; is that once every year?

**Ms Lyhne:** I cannot remember off the top of my head exactly how frequent they are, but there is a refresher process as well. It is an important part of the service.

**Hon PHILIP GARDINER:** Okay; it is just that I did not see it. I read the driver standards quickly, and it is really about the big stick; I was thinking more about the carrot.

**Ms Lyhne:** I guess the carrot part of the equation has been in place for some time. These are the new initiatives that the government has put in place as a part of the taxi action plan.

**Hon PHILIP GARDINER:** I refer to page 634, under “Details of Controlled Grants and Subsidies”. I am trying to get an idea of how much money is, in a sense, being spent by government in terms of the taxi industry. I know this differs a little from what is on page 625 under “Major Spending Changes”, but I turned up three items, midway down the page under “M”—“Metropolitan Taxi Camera Surveillance Unit Replacement Project”, \$2.5 million; and then the other ones that I thought were specific to taxis were the bottom two: “Taxi User—Lifting Subsidy” and “Taxi User—Subsidy Scheme”, which totals around \$13 million in direct subsidies.

**Ms Lyhne:** And the Milligan Street taxi rank is also there.

**Hon PHILIP GARDINER:** Yes, but that is not in this year, though. What is that as a proportion of the total revenue of the industry? Any idea? Do we know what the total revenue of the industry is?

**Hon KEN TRAVERS:** They are only the grants given out.

**Ms Lyhne:** Do you mean the revenue of the industry itself, or do you mean the money that is collected by government as part of the lease plates?

[10.00 am]

**Hon PHILIP GARDINER:** No; the revenue of the industry itself—assess the gross product of the industry. I was trying to get to what government expenditure there is as a proportion of the revenue.

**Hon SIMON O'BRIEN:** Possibly, Chair, it might help the member if I ask the officer to give a quick overview of the source of revenue because there are several. There is a lot of industry funding, which is part of it. Perhaps I will ask Ms Lyhne to identify the sources of funding. You mentioned lease plates but there are others as well—what happens to that money, how that is disbursed, and what other forms of revenue there are for running this regulated system from the government perspective. There is a lot of money. Of course, this is not a government operation. The government regulates it and goes a bit further to assist in the development of the industry by the controlling of some funds. There is a board and what have you which makes recommendation to the minister. For example, training operations and other things are actually run by other service providers such as Swan Taxis, who have a massive operation over in Vic Park, which is very interesting to visit. Nina, do you want to give that commentary on the funding?

**Ms Lyhne:** Yes. Essentially the minister has probably outlined the key elements. It is a regulated industry, so whilst the government sets the standards and regulates entry and fares and those sorts of things, basically what money the industry makes, what revenue they generate, is for the industry, and it is not something that we would necessarily be able to provide any detail on. There are training aspects and elements, too. There is a whole industry around the industry—there are fleet operators and fleet managers. There are a whole number of parties who are involved in the industry apart from taxi dispatch services and the drivers themselves who drive the taxis, who would all be generating their own revenues. Fleet operators are quite a significant part of the industry, as you would imagine, because there are a lot of cars on the road that need to be maintained. There are the camera operators and the camera installers and so forth. The government, as part of the government lease plates process in the metropolitan area, provides government lease plates. We collect revenue from the taxi operators who have those lease plates. That goes into the taxi industry development fund, which is then used for the betterment of the industry. The numbers are in the budget papers in relation to that fund. I guess we use that money to develop the sorts of initiatives that are in the taxi action plan.

Going back to your question, I do not think we would be able to in any way give you a sense of what percentage this would represent of the total revenue that the industry generates.

**Hon PHILIP GARDINER:** It is an intriguing answer. I can see some of the difficulties about getting an aggregated industry revenue, but when it is regulated, I would have thought you would need to have some idea of that to determine how much support one gives it, or how much investment one makes into it as a regulated industry. In agriculture, we can show how much we generate. Other industries have roughly how much they generate. There may be a way we should be thinking about how we do it.

**Mr Waldock:** It would certainly be in the order of \$1 billion, but plus or minus I am not sure —

**Hon SIMON O'BRIEN:** I am sure it is all declared somewhere or other! I understand from Mr Doyle, perhaps to give you an indication, member, that the amount of revenue currently going annually into the taxi industry development account, TIDA, is about the order of \$12 million.

**Mr Doyle:** Just over. The budget for 2012–13 is \$12 049 000.

**Hon KEN TRAVERS:** Is that budgeted revenue?

**Mr Doyle:** Into the TIDA fund.

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**Mr Waldock:** Into the TIDA. Just to pick up your question, if I may, member, in terms of the table you mentioned and the three items: one of those items would have been funded through TIDA, with industry development, and the others would have been part of the normal recurrent expenditure.

**Hon LYNN MacLAREN:** I have submitted a lot of questions on notice, and I thank you very much for your answers to those questions. There are a couple of follow-ups from that. I refer to page 625 of budget paper No 2. I asked a question about the relative expenditure on roads, rail and cycling. You have given me some answers. One of the reasons I asked that question is that the National Cycling Strategy has recommended that a portion of transport funding be spent on cycling infrastructure. This government has allocated quite a bit in cycling infrastructure in its budget. I wondered if that was in response to that call for 2.4 per cent of the total transport budget to be allocated to cycling. I wondered if you were aware of that and if that is a goal of yours. You have indicated that \$13.86 million of the total \$1.979 billion has been allocated to cycling; I wondered if that was in your budget thinking and if it could be in your budget thinking?

**Hon SIMON O'BRIEN:** The proposal that has been put forward is something that will come to the transport portfolio for consideration. As you know, we have a Department of Transport, Main Roads, and the Public Transport Authority, where all the passenger rail is concentrated. That is all in one portfolio. They will be able to look at this through the prism of their experience and expertise. That is not a guiding principle or figure that we have adopted. I might ask Mr Waldock to make a further observation to help you. I point out, too, that when one notionally applies a figure of a percentage of the total pool going to something, when you apply that to transport, I am not so sure how exact an exercise it can be. For example, if a place like Western Australia is building a passenger railway, the capital expense of that in one or two financial years will be disproportionate perhaps to the capital expenditure in the previous year or the subsequent year—similarly with roads. Plus of course you have then got the other elements of recurrent expenditure. For example, for railways, it is pretty substantial. The ongoing costs to run a passenger rail service is very substantial, whereas the ongoing costs of running a bicycle network are not. You might have the capital expense of a bicycle network which might exceed that figure—that is a great result—but then the apparent failure to expend it in subsequent years might be seen as a failure when in fact you have got a lot of the infrastructure in place. I will ask Mr Waldock to comment more.

**Mr Waldock:** From our point of view, as you may be aware, we have done a draft bicycle network plan. It is out for consultation at the present moment. This has been raised with us, and directly with me, particularly from the Bicycle Transport Alliance—Heinrich Benz particularly and others are pretty familiar with some of the general sense of how we might look at policies in the future. That percentage you mentioned has been brought to my attention. If you look at the numbers there, we are about 0.8 per cent rather than 2.4 per cent, but 0.8 per cent is a lot larger than it was in previous years.

**Hon LYNN MacLAREN:** Yes, absolutely.

**Mr Waldock:** I guess that this is a journey. Greatly in many respects the numbers come from looking at the full costs and comparisons with other transport, particularly motor vehicles, and arguing not just the financial differences about what benefits they should be in terms of numbers of people and what it costs each way, but it also looks at externalities in terms of health and society and all the issues of safety—although safety does not necessarily always work with cycling, although it is not bad—but they look at the whole cost. It is not just, as I say, financial—it is financial, economic, social, and environmental costs are quite significant. That is where they get the percentage they have got in saying on the basis of those benefits, this is the sort of percentage you should be putting into your investments to promote those benefits and to get some form of equity. As we all know in transport, there is not always full equity when looking at all those issues. Governments tend to look at transport on a financial basis—right or wrong; that is the way it is.

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My sense is very interesting; it will be considered as part of the consultation process. Certainly in terms of where we are up to, I think that number is certainly under one per cent; we may need to grow it. I think the good news is the enormous investment we are now putting into cycling. I see the City of Perth has just put out its cycling plan this week as well. I think they are embracing the same view as we are, that we need an investment in the core of the CBD. We will certainly put a lot of money into the 12 to 15 kilometres particularly in principal shared paths. We have a strategy which is pretty much aligned. We will continue to pursue opportunities in cycling.

**Hon LYNN MacLAREN:** Great. Our interest is to see if there is a capital expenditure and then a regular maintenance allocation, because that has been lacking in the past—to see that constant.

**Mr Waldock:** The good news about cycling—I guess it is all a matter of money—maintenance on paths and roads is very much a function of axle loads. The good news about cycling, by and large, is that it is tree roots that get in the way rather than the axle loads of the cycle! We do not believe that is an enormous ongoing legacy for us, so that is good news.

**Hon SIMON O'BRIEN:** The other point probably worth mentioning on that is beyond the Department of Transport input, Main Roads of course invests very substantially in building cycle paths with new freeways, or upgrades to existing freeways. It is now a standard that they are part of it. Those cycleways are Rolls-Royce cycleways; they cost a lot of money. None of that is reflected in the answer to the question that you asked. Again, some years it is larger than others. If you have a Bunbury highway or something being opened, there is a lot of expenditure on that cycleway, which is not necessarily going to be repeated every year but there are substantial amounts there on cycling infrastructure that are outside this immediate division.

**Hon KEN TRAVERS:** You should give credit to the previous enlightened head of the PTA who did a lot of cycling infrastructure as part of the Mandurah railway as well! Effectively you talked about what is called “mainstream”: if Main Roads still have it as part of their mandate, why is the cycle path going north, not being done as part of the widening of the freeway, considering there are bridges to be built over the same roads and the like? If mainstream is still part of the formal policy, why are those two projects not being done concurrently?

[10.15 am]

**Mr Waldock:** That is not a new freeway. That is a single lane in the north direction, so we would not class that as a significant major work, but I will look at that. Certainly the money we are putting into this, as you know, is within the—and certainly the freeway north is part of that, but it is not that far north. As we have both ridden up to Joondalup, we know the areas we need to put it into. But it is a question. I will actually check that out.

**Hon KEN TRAVERS:** You are going to be building some form of bridging structure over Scarborough Beach Road for the widening project. I cannot understand why you would not also do the bridge for the cycleway at the same time —

**Mr Waldock:** You are talking about the Mitchell Freeway extension for the Graham Farmer Freeway?

**Hon KEN TRAVERS:** Yes.

**Mr Waldock:** Not the road widening. Okay, we have got a different project.

**Hon SIMON O'BRIEN:** I thought you meant the other one.

**Hon KEN TRAVERS:** Both projects where there is work alongside them, it would strike me that there would be significant savings in having the two projects done concurrently as part of a mainstreamed approach.

**Mr Waldock:** I think we did look at that, but I will come back. That could be a supplementary question.

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[*Supplementary Information No A7.*]

**Hon SIMON O'BRIEN:** When I was Minister for Transport and bicycled to Joondalup, they shut the freeway for me that morning—me and about 10 000 other people!

**Hon KEN TRAVERS:** Was that the first time they did it and there were lots of complaints?

**Hon SIMON O'BRIEN:** No, it was not the first time. It is every year.

**Hon LYNN MacLAREN:** I am tempted to keep going on cycling, but I would like to ask a question about the light rail. On page 627 you mention the study, bullet point one. I still have to pose the question directly: how did you determine that the first rail off the rank should be the northern suburbs rail? What I ask for is that any study be tabled that identifies the relative need and comparing all the different routes that are out there. Could you explain in a bit more detail about the drivers for choosing that route and maybe a bit more about your plans in the future?

**Mr Waldock:** Happy to. I see the minister has got it as well. The minister may well make comments. The public transport draft plan that is out there is now being finalised. It is being finalised because we are reworking it because of the changes in population scenarios coming forward from “WA Tomorrow”; we based our numbers on 2.2 million and we are now looking at 2.7 million. So for very good reason we are reworking the 20-year plan. We put an enormous amount of effort into the light rail through our STEM modelling processes where we looked at the whole issue of trip generation and distribution and mode and trip choice and all the rest. And you could argue that the light rail to the north, although we believe there will be significant place-making opportunities, particularly in Mirrabooka and Dianella and North Perth, the reason we are doing it is primarily the transport need. That corridor, we believe, by 2031 will be moving 35 000 trips a day. That is larger than any of the heritage lines at the present moment. So, we look at the light rail and there are lots of approaches to light rail and a lot of them is “build it and they will come” and let us see wonderful greenfield opportunities or even brownfield opportunities for urban renewal and development and TODs and all the rest, and that is true; but in this particular case it was a need to move an enormous amount of people in their whole catchment area west of the Mitchell Freeway and we believe that was the only sensible mode choice. Heavy rail would have been an enormous cost and an enormous challenge in terms of doing it. Buses—we would not have met the transport task unless we did what they do in Brisbane, which is pretty much bus lanes, often elevated via ducts and the like. What we are doing in response to, I think, your question, we are making up a set of papers that emanate from that STEM modelling and the detail to make available. The problem with all this is that it is all gobbledygook unless you understand, but certainly that will be made available. I just come back. We are doing it because there is an enormous transport task and light rail is the best way to respond to it.

**Hon LYNN MacLAREN:** How much longer will it be until the next project is underway? I recognise that there is a great need for that one, but there is also a great need for a link to the airport, for instance.

**Mr Waldock:** We think the link to the airport will be heavy rail, as you are well aware, and that is coming north of Bassendean station. That is a bit different. One, we would not do it before the airport consolidation. Certainly we would hope to make sure that whenever the airport consolidation starts happening, we will have done our planning and if there is any up-front capital costs, we will see how that we could be part of that.

But I think the airport is a different one. In the draft plan it was in the second 10 years; so it was between year 10 and year 20. The argument we had there is we did our numbers and we believe that is a fair more marginal case. We will continue to work through this, but we think that airports around Australia—I think I have mentioned in previous meetings—have a bit of a mixed view. Certainly, both Sydney and Brisbane, both of those airport developments, for the first five years and 10 years, in particular in Brisbane's case, it was pretty shaky in terms of both patronage and any

sort of return. In fact, both of them and particularly Brisbane had a huge write-down of the assets to make it viable. So, they are not necessarily high patronage and when you think about it, when you are an international visitor, it is a bit hard to understand where you would go without catching a taxi from a station somewhere. So, there is a transfer penalty and another trip. If you are a local, you go from your home to the airport and back. You do not normally go to a railway station and catch a cab. I am not saying there is not an opportunity and I am not saying there will not be in due course significant patronage. We think the fly in, fly outs might provide some good base loads. We are a bit different from other places because of the sheer volume of fly in, fly outs moving through. We still believe that is year 10 to year 20, that time frame. There are other rail projects before then and certainly we believe light rail should be before then as well.

**The CHAIR:** I want to slip in a question. Just briefly back to cycleways—this is totally self-interested. It related to Ken's question about the work besides freeways and that is the cycle path that goes besides the freeway where there is that point between the lake and the freeway and there was some recent conversation.

**Mr Waldock:** That was Lake Monger.

**The CHAIR:** That cycle path is safe?

**Mr Waldock:** That is safe. We are going to take away some rail reserve land there and go the other side.

**The CHAIR:** That is self-interest. That is where I ride to my office.

**Hon KEN TRAVERS:** The actual main commuter cycle path is on the other side, but it is a recreational path around —

**Mr Waldock:** It is a recreational path, but it is still safe.

**The CHAIR:** It is a very heavily used recreational path.

**Hon KEN TRAVERS:** It is, but the main cycle commuter path is on the other side.

**The CHAIR:** It is not as nice a ride.

**Hon KEN TRAVERS:** Of those 35 000 that you estimate, that was obviously on the old population projections, how many are morning peak and how many are afternoon peak?

**Mr Waldock:** We think that would be very similar profile to the existing heavy rail systems and I can get those percentages. As we know, the morning peak is a tighter morning peak than the afternoon peak and, as we know, I think the morning and afternoon peaks together is about 70 per cent of total day ridership, but if you wish I could give you —

**Hon KEN TRAVERS:** Also, if you can give us, when you describe the peak, how many hours that is, because, as you say, the morning and afternoon peaks are slightly different in length. Of the 35 000, how many will be in the morning peak and how many in the afternoon peak? For each light rail car, how many passengers do you expect them to be able to carry?

**Mr Waldock:** It is fair to say that the whole purpose of the work we are doing now—minister, if you are happy, I might just read through the contract, which we are working through now. The contracts we have awarded and the contracts to be awarded. We have already done the investigation and concept design of the light rail. That was an early bit of work. Inner city sections—we are trying to understand how we might move it through the city and that is not easy and it is still not easy. What we are going to do in this financial year—that is why significant funds have been made available for this year—is the far more detailed investigation and concept design. That will be getting towards P50. Utility services—is so critical in light rail in terms of where those services are right long the alignment. Location—we will have to do whole 3D modelling of services and that is an unknown. When we go into any business relationship, whether it is a PPP or whether it is just a



contractor, if we have not done our work there, it will be very expensive for government to try to sort it through later on, so we certainly need to know where that is.

We are doing the whole issue of project commercial framework investigation. How we might in fact do this: we are looking very closely at the Gold Coast—as you know, they have got a light rail there—and how they went about it. In fact, using their project director, a chap called Tim Poole, to provide some very good advice and experience, because, again, they have been through this long and quite painful exercise and we certainly want to learn lessons and, hopefully, be in a position to accelerate it. We are looking at the whole issue of procurement options. I guess all of this will give us a far better understanding of the costs. We would like to be able to go to government with a business case that will look at all the options, not just routes, but procurement options and clearly an understanding of the costs. That is what we are doing and that what we will be doing over the course of this year and into the following year.

[*Supplementary Information No A8.*]

**Hon KEN TRAVERS:** I might add to that. I understand the work you are doing. What I am trying to understand is the work you did to develop the master plan. If you are saying it is as around 70 per cent of that 35 000—I mean, when you are carrying 35 000, what frequency do you expect the railcars to be coming down Alexander Drive at?

**Mr Waldock:** At this stage, again, both the size —

**Hon KEN TRAVERS:** That is in terms of the modelling you did for the master plan, not what you are looking at for the future.

**Mr Waldock:** The modelling for the master plan was actually, again, STEM modelling to look at the sheer volumes of the people we would need to move in different time lots.

**Hon KEN TRAVERS:** You must have then looked at: is light rail able to meet that task?

**Mr Waldock:** There is no question. Light rail can meet the task in a whole range of scenarios based on capacity of the light rail vehicle and the headways between or the frequencies of the railcars.

**Hon KEN TRAVERS:** That is what I am asking —

**Mr Waldock:** But at this stage we are looking at somewhere between every four to five minutes for railcars moving down.

**Hon KEN TRAVERS:** Four to five minutes with what sort of capacity railcars?

**Mr Waldock:** I think they are talking at nominally 600.

**Hon LYNN MacLAREN:** Is that 600 in each car?

**Mr Waldock:** No, 600 total. As I understand it, we are looking at a range between a number of cars through to 600 depending on the configuration.

**Hon KEN TRAVERS:** That would mean running double railcars.

**Mr Waldock:** Of course; that is right.

**Hon KEN TRAVERS:** As they get closer into the city, will the blocks be long enough for them not to be blocking the previous intersection? Was that work considered as part of the overall planning?

**Mr Waldock:** There is no doubt that has been considered in a general sense and now we are moving into more definitive arrangements.

**Hon KEN TRAVERS:** So you are saying that the plan is president cade on railcars carrying 600 passengers —

**Mr Waldock:** I think up to 600, yes.

**Hon KEN TRAVERS:** Up to 600 running every four to five minutes?

**Mr Waldock:** I think that is roughly what they are looking at, yes.

**Hon KEN TRAVERS:** What other alternatives did you model for servicing that corridor?

**Mr Waldock:** We modelled buses to a great extent. At the end, we did most of the work between buses and light rail. In the end we believe light rail, because of the constrained road reserve, would be by far the best. Buses do work, as I said earlier, in BTR environments, particularly when you are able to have passing lanes, especially around stations, but there just is not the road reserve for that on any of the—particularly Fitzgerald Street. So we looked at that. We looked at, again, the business case they used for the Gold Coast, and they both did feasibility studies of both BTR and light rail.

[10.30 am]

**Hon SIMON O'BRIEN:** One of the things—Chair, this might assist Hon Lynn MacLaren—is that you have to work out the total transport task before you invest in something that going to affect the overall planning of our city's layout, is going to cost a very great sum of money and is going to be there for a very long time in the future; you need to get it right. That is reflected in the fact that just in this venue we are looking at spending \$7.85 million on the planning processes that Mr Waldock has just been discussing. That seems like a lot of money to many people, and the sort of time frame that he is talking about—with final decisions probably in about mid-2014—seems like a very long lead-in time, but this is the homework you have to do to make sure that you do not end up with a white elephant or massive cost blow-outs. This sort of strategic approach to asset management is important. It strikes a lot of people, I know, as extraordinary—the amount of amount of money spent before any shovel first hits the dirt or any track is laid. The other point that needs to be realised—I do not think this is broadly realised in the public domain, where everyone wants a light rail service —

**Hon LYNN MacLAREN:** Certainly in my electorate, they do.

**Hon SIMON O'BRIEN:** Indeed they do; it is also my electorate, and I have been there since 1997 —

**Hon LYNN MacLAREN:** So you would know.

**Hon SIMON O'BRIEN:** — and I can tell you that that is the case. It does not matter where you go, there is an attraction to it. But governments have to be hard-headed about this, because staggering sums of money have to be invested with a decision to proceed. That is going to be a very large proportion, obviously, of the public transport budget of the day. When we talk about light rail, too, I think a lot of people—not you, but others—in their mind's eye have a picture of some quaint tram system or the good old days of even trolley buses and things with Lady Samson driving the first tram out of Fremantle to Bicton; all those sorts of images. As Hon Ken Travers has indicated with his question, this is a mass transit system. We talk about light rail, and I do not think people broadly understand what we are talking about. There is nothing mickey mouse or dinky about it; it is a mass transit system. Frankly, when I look at some systems described as light rail, I do not see much difference between what we could call heavy rail and light rail. It is a very substantial people-moving project. But you have to have those sorts of numbers to be able to justify the expenditure. If you were putting in a similar system where you did not have that level of transport task, well that would probably be a misuse of priorities. Regretfully, we cannot do everything everyone wants all at once.

**Hon LYNN MacLAREN:** It sounds like you have done a lot of study behind this decision; I was wondering whether there was something we could look at. Is there a study you can table so that we can see the difference between buses and rail and how you have modelled your use patterns?

**Mr Waldock:** Sure.

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**Hon LYNN MacLAREN:** That would assist us in looking in our own areas and where there are other alternatives for light rail.

**Mr Waldock:** I indicated that we will certainly make available the work we have done in terms of modelling, and I am certainly happy, as a supplementary question, to look at the bus analysis as well.

**Hon LYNN MacLAREN:** Thank you.

**Mr Waldock:** Can I just make the point that when we talk about decision, there has been no decision other than to fund more planning work for light rail. I think we just need to be clear on that. That is Mr Travers' point; we are finishing the demand modelling—we have done a lot of demand modelling work but we need to make it a lot more detailed—and we are looking at the whole issue of concept design and systems design. So, in terms of all those issues, while we have probably got into our own minds—I have in my own mind what it might look like—it will be far more clear when this work is done. So, it is a bit dangerous, I think, talking about even—and I have—headways or vehicle size until that work has been done, and that is what the \$7 million is about.

**Hon LYNN MacLAREN:** So that is why you are just calling it your focus for the first stage?

**Mr Waldock:** Indeed, yes.

**Hon SIMON O'BRIEN:** I might add that beyond that \$7.85 million, when decisions are made to proceed, there will be a heck of a lot more than that spent on —

**Hon LYNN MacLAREN:** Building it?

**Hon SIMON O'BRIEN:** No, preliminary work.

**Mr Waldock:** Getting into real detail. Let us assume it was a billion-dollar project, then you would just understand—if you look at the way projects work of this nature—that it is an enormous investment up-front to get all that work done properly before you move into contracting and having contracts with various builders

**The CHAIR:** I need to give a number to that request for supplementary information, which is the analysis and the modelling.

*[Supplementary Information No A9.]*

**Hon KEN TRAVERS:** Just so we are clear about what we are getting: I am certainly interested in terms of on top of the peak-hour loads and the length of the peak hour —

**Mr Waldock:** Yes.

**Hon KEN TRAVERS:** — in terms of the work done to determine the next stage of further investigation; so the work done in preparation for the master plan: what was the estimated number of passengers per car; what was the frequency of service; and what was the length of service? I am also interested in the percentage of patrons, because you must have done, at least, a feasibility study to work out whether or not what is being proposed is even feasible to do the further work.

**Mr Waldock:** Yes, but what we would have done is looked at what light rail can carry, and there is lots of information on that around. We would not have got into detailed car sizes or frequency, other than in a general sense. I do not believe any detailed work has been done in that space.

**Hon KEN TRAVERS:** Whatever work you have done that can help advise us and inform us of that area.

**Mr Waldock:** Sure.

**Hon KEN TRAVERS:** Did it include work about the percentage of the patrons that come from north of Mirrabooka, as opposed to those who would be along the actual route; so, how many would actually be fed into the route from north of it? Not just Mirrabooka, but north of the route—I think

you have a bus interchange being planned at Dianella. So, how many of the people actually would be coming down from catchments north of the immediate environment of the proposed route?

**Hon SIMON O'BRIEN:** I do recall that under the chairmanship of Professor Stuart Hicks, who was doing this, there was examination of the places the passenger load would be coming from. One of the interesting aspects of it is that there are a lot of people on what is now a corridor that has been identified as needing a lot more service in the future. A number of those actually head west —

**Mr Waldock:** They do indeed.

**Hon SIMON O'BRIEN:** — to the freeways, for example, to come in; so it changes the whole dynamic. It is a very interesting matter and one that I understand you asking about. Reece, do you want to indicate whether we have that information?

**Mr Waldock:** I have no doubt that we would have made some assumptions based on the catchment from the north, and, again, as the minister said, we looked at a lot of assumptions about people moving over both to the freeway but more particularly the railway and taking some pressure off the railway with that catchment as well. Because if you look at the north–south railway, the major issue is balancing the south–north load, and the north load is the critical limiting factor.

**Hon KEN TRAVERS:** During the peak hour—because the total boardings are now higher on the Mandurah line.

**Mr Waldock:** Sure; but it is a matter of length as well, Ken; the number of trains on different—I think you would understand that. So I repeat: the north line is our limiting factor in terms of managing patronage and growth.

**Hon SIMON O'BRIEN:** As you would appreciate, one of the ways you can increase capacity on our freeway and on the Joondalup line—or the north line as we are calling it now—is to take passengers off it on the existing length if they can find better alternatives, such as the one we have been discussing. That then leaves greater capacity for expanding suburbs further north to be able to provide passengers to that freeway and that railway in due course.

**Hon KEN TRAVERS:** If we can get the figures on the percentage of the patrons who come north of the immediate catchment, so will be fed into or will feed into that system either with Park 'n' Ride or feeder bus services to the light rail. You talked about the 35 000 at 2031. Did you do any work on what the demand on that line will be when you have full build-out in that corridor, or did you only do it to 2031?

**Mr Waldock:** We could look at that. We actually did a network plan, if you remember, and we took it out to 2050 to try to give us a sense of—it is very dangerous looking at small time lines, because you need to understand how the jigsaw is all going to fit together in the longer term. We would have done some rudimentary, I guess, understanding of that, and I can look at that as well. Certainly a lot of people are talking about sitting at 3.5 million, so let us better understand that.

**Hon KEN TRAVERS:** I am interested in, if you have done that, what all the equivalent figures we have just talked about earlier are for; 2051 or full build-out —

**Mr Waldock:** It is 2050.

**Hon KEN TRAVERS:** — which I would have thought might have been a better figure to use because ultimately that is what that corridor has to maintain, and then I would have thought that you then need to try to build a system. I guess my concern with the light rail is that the volumes are actually going to be too large for the system, because there is a point where you cannot run greater frequencies because it then starts to block—without grade separation—east–west movement across that corridor. You also cannot lengthen the trains beyond a certain length; otherwise, you start blocking intersections once you get certainly into the more congested sections, I assume, of the city, where the block sizes are quite short. Even a train carrying 600 will mean at least a double-length railcar, and that starts to get quite lengthy in terms of its capacity to move through particularly in

the city but even outside. I am intrigued to know what work was done in terms of assuring yourselves that those things can be dealt with, and that that system—a light rail to Mirrabooka—does have the capacity to actually meet the task in the long term.

**Mr Waldock:** As I say, I think we would have done some work up to 2050; I think that would be an excellent—I can certainly dig that work out

[*Supplementary Information No A10.*]

**Hon LYNN MacLAREN:** I just wondered if you were, in your planning, thinking about including bike lanes in all the light rail corridors? The minister mentioned the bike lanes are going to be alongside the freeway.

**Mr Waldock:** In light rail? Probably not.

**Hon LYNN MacLAREN:** The light rail corridors.

**Mr Waldock:** Yes, probably not.

**Hon LYNN MacLAREN:** Why is that?

**Mr Waldock:** Some of the work we are doing now is in the area of what we call smart roads, and we are trying to, I guess, have a hierarchy of different roads for different purposes. Where I think there is any potential conflict or where we need to be careful now, is that, one, they are very narrow and constrained systems, but light rail and cyclists, I do not think, is a natural synergistic relationship, particularly with slippery rails and all the rest. My sense is that we can find far better—we already have as part of the bicycle plan—networks for cycling than along light rail routes.

**The CHAIR:** If there are not more questions specifically on site rail, I think this might be a natural break time. I am not getting more indication about light rail.

**Hon KEN TRAVERS:** Just one other question. In the 20-year master plan, a link to Curtin University was included in the first 10 years. Is it still the intention to build a link to Curtin University within the first 10 years—that is, by 2020?

**Mr Waldock:** Do you want to make a comment, minister?

**Hon SIMON O'BRIEN:** I am advised that the current planning the government is pursuing is for the central northern, or Mirrabooka, corridor. The western branch, to the QEII area—at this stage east to a point in east Victoria Park —

**Mr Waldock:** The causeway interchange.

**Hon SIMON O'BRIEN:** Okay. What eventually is pursued will be a future decision for cabinet.

[10.45 am]

**Hon KEN TRAVERS:** Right. Let me put another question to you, then. To be able to —

**Hon SIMON O'BRIEN:** I see where you are heading. Obviously, the passenger task to Curtin University is very significant, and there would still be linkages between the first terminus in Victoria Park with the Curtin campus. But the extension of light rail along that route would be obviously part of a later stage.

**Hon LYNN MacLAREN:** So you are talking about buses? You are indicating buses would link with the rail service to Curtin.

**Hon SIMON O'BRIEN:** It would have to. As it happens now, stacks and stacks of buses go to and from Curtin, but I would anticipate that that would be a future stage.

**Hon KEN TRAVERS:** In terms of the planning time, though, for the northern corridor, when do you expect—even if you get all of the necessary decisions—the earliest you could actually have the

light rail to Mirrabooka completed? Like, if you complete every study and you get an approval from government and funding from government, when would the earliest that you would be —

**Mr Waldock:** To actually have it operating?

**Hon KEN TRAVERS:** Operating.

**Mr Waldock:** If you just look forward, you know, and it depends on a number of things outside my control —

**Hon SIMON O'BRIEN:** I think at this stage —

**Hon KEN TRAVERS:** I mean, I have heard the minister quote figures. I am just intrigued to know the department's view of when they think they could have it delivered by—operating.

**Hon SIMON O'BRIEN:** I think the department have been constrained in giving anything more than an educated guess to that question because they will be subject to a series of government decisions that have to be made in series. So, perhaps asking for them to answer the questions at an estimates hearing in 2012 is probably not —

**The CHAIR:** How about a range—10 years, 20 years, 30 years?

**Hon KEN TRAVERS:** Minister, they must have done some work as to how much time it would take to complete the studies they are currently doing, then how much to do the more detailed studies they have just talked about if that proves up the case, and then how long it would take to physically construct it. That sort of work must have been done.

**Hon SIMON O'BRIEN:** And it also depends on how much resources and priority the government is prepared to invest in it. I mean, there are all sorts of things you can do to hurry things up.

**Hon KEN TRAVERS:** But if they are given all of the resources and all of the decisions are made in a timely way, what is the quickest you would be able to get it built in? I mean, they must know that.

**Mr Waldock:** All I would say, following a government decision, you still need to do a number of significant bits of work. You need to go to the market on some basis. If it is some sort of PPP, there is a lot of interactive work as you go to the market and work out how it is going to be financed and on what basis and the like, even before you think about constructing. So there is a significant body of work you would need to do in terms of both working with the market and finally coming to a contract resolution. Then following that, you have got, of course, the construction phase. We both know the construction phase and that sort of thing you would not be doing in less than, say, two and a half or three years. So, I think you are just doing your own work in forming numbers around that.

**Hon KEN TRAVERS:** So you are looking at, from now, six years would be, even with everything going well, to have actually a railcar carrying you as the first passenger —

**Mr Waldock:** I think that is what the minister said.

**Hon KEN TRAVERS:** Yes.

**Mr Waldock:** So I agree!

**Hon KEN TRAVERS:** Finally, is the plan still to have a tunnel under Walcott Street and to then make it that traffic down Alexander Drive cannot turn left and right?

**Mr Waldock:** I think there was another variation on that matter.

**Hon KEN TRAVERS:** So, no tunnel?

**Mr Waldock:** There is another variation in terms of alignment as well, as I understand it.

**Hon KEN TRAVERS:** What does that mean?

**Mr Waldock:** I would rather not say too much about it because it is still very early planning—that particular part. My understanding is that they might be looking at another street to go around there,

rather than as the current alignment. But it would still need some sort of grade separation. I am happy, in due course when we are clear, to talk to you about that, but at this stage it is still a work in progress.

**Hon PHILIP GARDINER:** Listening quietly, it is just hard for me to actually quite understand whether this light rail is ever going to work. Are there any other cities in the world where this so-called light rail, for which we are doing all this work, works rather than going underground?

**Mr Waldock:** The great cities of Europe could not imagine going underground. In the sort of numbers we are talking of patronage, that is just business as usual for them.

**Hon KEN TRAVERS:** This volume over this distance?

**Mr Waldock:** Yes. The Gold Coast is similar; in fact, it is a smaller distance, but certainly larger numbers.

**Hon PHILIP GARDINER:** I have not seen where light rail works, so maybe I have just got to travel —

**Hon SIMON O'BRIEN:** This committee obviously needs to travel more!

**Mr Waldock:** I think we should do a fact-finding mission! But there is a spectrum between heavy rail, light rail and buses. There is a fair grey area between buses and light rail where you have got busways and all the rest. If you look at South America and even Turkey, busways can give you potentially even higher volumes than light rail, but it is a very hostile environment. I mean, theirs are purely about moving people in and out and it is all about the costs. Whether you are in Colombia or whether you are in Turkey, they are looking at very, very cost-efficient mass transit. I think what we are looking at, especially with the corridors we have got, is light rail. It is a different beast; you know, we are still moving people, but we are trying to do it within the constraints of what we have got. I do not think we can imagine the busways that we talk about that can have the same volumes of light rail for the purpose we have talked about in the corridor we are. So, it is horses for courses.

**The CHAIR:** I suggest we do now take a break. Let us break until 11.00 am; that is 10 minutes or so.

#### **Proceedings suspended from 10.51 to 11.05 am**

**The CHAIR:** I just had an indication during the break that there might be a couple more questions that Hon Lynn MacLaren wanted to ask on the bike plan, and then we will perhaps go to a different subject.

**Hon LYNN MacLAREN:** I know that you mentioned that we are in the process of examining the draft, on which I have made a submission. I wanted to know if you could give us an indication about how many submissions have been received. How many consultations did the department hold, and how many of these were in regional areas? That is a good start.

**Mr Waldock:** I cannot answer all those questions. What I can say is that our people, particularly led by Craig Wooldridge, have actually had many, many meetings with all the key cycling bodies. As you know, there is Westcycle, which is now the big organisation across all the other so-called peak bodies. Certainly, in terms of cycling, Bicycling WA, in terms of the bicycle transport lines, in terms of the cycling action group—all those people have been not just spoken to severally; they have been embraced together on a number of occasions now. Indeed, when the draft came out and there was the formal launch of the draft, which was done at the Public Transport Centre—I remember it very well because at the same time it was Black Tuesday and the trains stopped, so there was other sort of information. But I can say that certainly in principle, there has been enormous support from the cycling lobby. Now, there are issues of detail, but I do not know anybody in the key groups, and I speak to them quite regularly, that are not delighted in terms of the general tenor of the work.

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There have been suggestions that it may involve perhaps a little better and more clarity and overarching direction in policy, rather than just going into the infrastructure; and we are looking at that as part of the consultation. I think Sue may be able to discuss the regional consultation, but certainly the fact that regions were given a very, very significant increase as part of it is very real, and we may even be able to seek opportunities from royalties for regions in addition. I think all the key players would be delighted in the direction we are going. In terms of the responses to date, I know not all the responses have been finalised. We have certainly got at least a dozen I am aware of, but I cannot say too much more than that, unless Sue can.

**Ms McCarrey:** I can add a bit to that? Consultation closed on 17 June, but since then some other submissions have come in; we do not close it off and we continue to look at those. At this stage we have received between 560 and 600 submissions —

**Hon LYNN MacLAREN:** Wow!

**Ms McCarrey:** — which is fantastic. They have been very supportive. We are going through the feedback now in order to summarise what has been received. But as Mr Waldock has said, it is very supportive. It is very supportive of the additional funding that has been put in and also supportive of focussing on that and, as already mentioned today, within five to 15 kilometres of the city and the PSP-type focus. I would need to look at exactly what consultations have occurred if you want actual numbers, but as Mr Waldock said we have a lot to do with the peak bodies. We also take the opportunity when we are in the regional areas—for example, I have done some regional workshops recently on a whole range of issues—to talk about the aviation strategy or the regional freight transport plan, but I also take the opportunity to talk to the regions about identifying potential projects or bike paths and PSPs; and a lot of those obviously come into the submissions.

**Hon LYNN MacLAREN:** Maybe while I have you here: was there any emphasis on safety in the draft bike plan?

**Ms McCarrey:** Yes. The way in which the projects were looked at in order to prioritise the projects, the issues or the criteria that were used were: feasibility; constructability; reduction in severance so we are getting continuous bike paths: safety; environmental; proximity of schools and rail stations; catchment of journeys to work; and a potential increase in demand where we see that demand. They were the criteria used to prioritise those ratings.

**Hon LYNN MacLAREN:** Subsequent to the draft bike plan coming out, the City of Fremantle has announced a trial of a helmetless period in which it is trying to gauge if there is more cycling if people do not use helmets. Are you working with them on that? Are they working with you in your draft bike plan, because that is a key issue of participation and safety? I wondered if your plan was coming forward with some research on that.

**Mr Waldock:** No; it is not part of the bike plan. We are well aware of what they are doing and certainly we are following it incredibly closely, as you might expect. I would have thought, in a government position at this stage though, the government would still be very clear that helmets are part of our modus operandi and the way we in fact believe safety is critical, not just for the user but for the person who might be part of any accident that would happen. I think at this stage it is best, if there is any support, it would be tacit support and not in terms of how we see it. But we are looking closely at it because this debate has been going on for a decade now on whether by putting helmet legislation together you are reducing the people that move so on an overall basis it is a net deficiency. Having said that, there is enormous evidence from the medical fraternity and there is certainly a sense from people who are involved in accidents and the cyclists that it is putting them in an invidious position and is certainly not in their interests. At best, you would be suggesting that we in the department, at least, will be looking and interested but not being players in it.

**Hon LYNN MacLAREN:** The Mayor of Perth has also indicated with the bike sharing scheme that the relaxing or our compulsory helmet laws would occur. Is this, too, part of the bike plan?

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**Mr Waldock:** Neither are part of the bike plan, and I do not think either will be part of the bike plan. That is my view, but the minister may have different views and if the minister asks us to embrace that we will. I am well aware of the issues with hire bikes as well and with helmets and whether you have to have separate helmets and whether you can clean helmets. It is a logistics issue, there is no doubt, which is being challenged in every state, particularly the states that have these bicycle schemes operating now. We are not moving on any of that. It is of interest to us, but it is not part of our bicycle plan.

**Hon KEN TRAVERS:** How would the City of Fremantle be able to do that without the state government, because it is state government legislation, is it not?

**Mr Waldock:** It is the police, and I am not sure.

**Ms Lyhne:** It is the Road Traffic Act.

**Mr Waldock:** Yes, it is the Road Traffic Act but the police enforce it.

**Hon KEN TRAVERS:** It cannot happen without state government intervention.

**Mr Waldock:** One would think not, no.

**Hon KEN TRAVERS:** I know there are some people down in Fremantle who have already commenced the trial in their own way, but we will not go into that!

**Hon LYNN MacLAREN:** That was before it was announced!

[11.15 am]

**Hon KEN TRAVERS:** Maybe that is what prompted it. Hopefully Hansard can record the laughter and merriment with which those comments were made. Still on cycling, I am interested in the pilots for the connecting schools and connecting rail stations. When do you expect those to occur and the sites to be selected? Is there funding for those pilots to occur and, if so, where is that funding in terms of the package?

**Ms McCarrey:** Work on that is starting in this year, 2012–13. It is part of the internal work that we do. It will be a mixture of what is available through my integrated transport planning group but also what we are working on with our active transport group. The active transport group that runs TravelSmart will focus on those pilot schools. Those schools will be chosen this year.

**Hon KEN TRAVERS:** What is the process for choosing those schools?

**Ms McCarrey:** It is mainly around physical location—where schools already have an active program. It is trying to see how we can better integrate cycling around the schools. Do they have the right cycle paths to be able to link to the schools? Part of that pilot work is doing specific work around train stations.

**Mr Waldock:** Depending on the response, we might try to widen it but, as Sue suggested, it is a matter of physical location but also whether both local government and the school principals want to be part of it and whether local government has TravelSmart officers they want to put into it as well. It is a matter of bringing all those positives together to make sure we give these trials every opportunity.

**Hon KEN TRAVERS:** The impression I got is that part of it is around improving the physical infrastructure for cycling to either the school or the railway station. Is that correct?

**Mr Waldock:** There may be some work on physical infrastructure. We do not think that is going to be significant. Most of it is working. Again, it is in the behavioural and education side. Having said that, if part of it comes out that we may need to work with local government in terms of designating roads, particular speeds and even additional room for cyclists to use—in other words, designated areas for cyclists above and beyond what we normally do—we will be looking at that. It is interesting that the bicycle transport alliance is very keen on both stations and schools having a

whole new categorisation of roads that are very much passivated in speed and nature. That is not something that we are pursuing at this stage but it is something that we might consider. There may be some physical demands but let us work through the trials and see how it works.

**Hon KEN TRAVERS:** What is the budget for those two trials? How much money is allocated to administer those two trials, both for recurrent and also capital?

**Mr Waldock:** I think it is coming out of the TravelSmart program, which is about \$1 million. I think about \$150 000 has been allocated in a nominal sense.

**Hon KEN TRAVERS:** It is coming out of the existing TravelSmart budget, so no additional money has been allocated for it?

**Mr Waldock:** That is right.

**Hon KEN TRAVERS:** Can we maybe get taken on notice an exact amount of how much is allocated? I am still unclear as to how those locations will be chosen. Is that something that the department is working on identifying?

**Mr Waldock:** Yes.

**Hon KEN TRAVERS:** Do you have a formal set of criteria you are looking at?

**Mr Waldock:** Sue mentioned those.

**Hon KEN TRAVERS:** She mentioned a number of criteria.

**Mr Waldock:** We will come back with more information.

**Hon KEN TRAVERS:** If you could give us the formal criteria on which you are choosing those, and also your time line. You said 2012–13. When would you expect that to commence?

[*Supplementary Information No A11.*]

**Hon LYNN MacLAREN:** There was a question that I asked earlier, which I do not think we followed up with a supplementary; that is, the number of consultation sessions and which ones were in regional areas. We did not have that in detail at the moment. If I could get that at some point, even an indication of those additional meetings.

[*Supplementary Information No A12.*]

**Hon PHILIP GARDINER:** I refer to pages 626 and 636, to do with the contribution to responsible financial management. How do we get the two per cent, three per cent, four per cent and five per cent? We have been told in previous evidence that the calculation really relates to service appropriations, which is the line at the top of page 636. There must be some other amounts taken out of that to give you the two per cent, because that is 1.7 per cent from my calculation. Then it goes to 2.8 per cent, which is pretty close to three per cent. Then the service appropriations drop from \$148 million down to \$118 million, and it is the same for the final forward estimate year of 2015–16. I have two questions. What is in the drop of 2013–14 to 2014–15 and continuing? That is the first question. Secondly, what is excluded from any of that line so that you do not quite make the full quid, if you like?

**Mr Doyle:** You are nearly right in terms of the line that the two, three, four and five per cent are allocated to. It is applied to recurrent service appropriations but only to the cash component of the recurrent services appropriations. That line on page 625—that net amount appropriated to deliver services—is an accrual appropriation, so it includes funding for depreciation, for example. I take you to page 636 of the budget statements where the statement of cash flows is contained. The very first line in that table is service appropriations. That is the cash component of our total service appropriations. That is the line that the percentage has been allocated to but there is one more minor complication. It was allocated prior to the final budget adjustments that were made to the department. You will not get the exact figure, for us, if you multiply the two, three, four and five

per cent against it. There were a couple of late adjustments in the final throes of the budget deliberations that were not counted in the two, three, four and five per cent. In essence, it is that line; it is a cash service appropriation. If you look at those figures, you will see it does go up from 2012–13 to 2013–14 and then drops down again to 2014–15. The major issue that is causing most of that movement is the funding that we got for the Lloyd Street southern extension and underpass.

**Hon PHILIP GARDINER:** Where is that?

**Mr Doyle:** If you look on the front page, page 625, you will see in the “Major spending changes” table, about halfway down, “Lloyd Street Southern Extension and Underpass” goes from \$1 million to \$5 million to \$29.2 million and then back to \$5 million. That is in the efficiency dividend. That is why our figure for 2013–14 is higher than that for 2014–15 because that line of funding is counted in the efficiency dividend calculation.

**Hon KEN TRAVERS:** Can I just be clear? Are you saying you need to find a two per cent efficiency dividend on that \$29.2 million?

**Mr Doyle:** I am saying that the calculation includes that \$29.2 million.

**Hon KEN TRAVERS:** You either have to find it in what you estimated the Lloyd Street underpass would cost or somewhere else in the agency?

**Mr Waldock:** That is exactly right. That money has flowed through Main Roads to construct that particular underpass and that is the major funding for Lloyd Street.

**Hon PHILIP GARDINER:** That does not explain why it drops back to \$118 million in 2014–15 and 2015–16, which is a significant drop in real terms, even compared to the 2010–11 actual of \$129 million.

**Mr Doyle:** In terms of the figures that are in this budget, the other significant change between 2013–14 and 2014–15 is that the bicycle network funding at this stage is only for two years. The additional \$10 million is only in 2012–13 and 2013–14. That also is a reason why the figure for 2014–15 in these budget papers is lower because of the bicycle network funding at this stage not continuing beyond 2013–14.

**Hon PHILIP GARDINER:** If those service appropriations rise in 2013–14, 2015–16 and in subsequent budget years, does that suggest that the responsible financial management contribution is also going to rise? Is the percentage going to hold or are the service appropriations going to hold, for example? If the \$118 million in 2014–15 goes back up to, say, \$140 million, which in real terms is not too far out from what could be expected, is your four per cent for 2014–15 and five per cent for 2015–16 going to then rise above the \$4.896 million and the \$6.015 million?

**Mr Waldock:** No, it will not. It is locked into TIMS with those numbers. We will not be arguing for any increase. What we have is what we have.

**Hon PHILIP GARDINER:** The locked in number is that contribution to responsible financial management, using those words. That is locked.

**Mr Waldock:** It is in the forward estimates adjustments for Treasury.

**Hon PHILIP GARDINER:** If the denominator changes —

**Mr Waldock:** It does not matter.

**Hon KEN TRAVERS:** That is what your government currently needs to find to make their books balance over the forward estimates.

**Hon PHILIP GARDINER:** They will work that out. The executive has to work that out.

I think I have got that. I move to one other item. As you would expect, director general, it is back to the grain freight network transitional system package.

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**Hon KEN TRAVERS:** Someone had to raise it. I am taking a bet that both Lynn and I will have follow-on questions.

**Hon PHILIP GARDINER:** Mine will be the easy ones. On the first page, 625, I would have thought you would have had something for 2011–12 under this temporary assistance package. I do not know why it is not there. How much was it?

**Hon SIMON O'BRIEN:** That is the \$4.7 million.

**Hon PHILIP GARDINER:** I beg your pardon; I misread it. No, I have not misread it.

**Hon KEN TRAVERS:** This is the increased money they have got for this year.

**Hon PHILIP GARDINER:** Yes, it is the increased money. You would not have put the estimated actual there at all, what you spent on tax?

**Hon SIMON O'BRIEN:** It shows details of major decisions since publication of the 2011–12 budget. You will see that a lot of the grain freight network money, including TAP, was published in that previous budget. This additional \$4.7 million was determined and announced between that budget and this budget.

**Hon PHILIP GARDINER:** Let us make sure I understand this. The forward estimates, based on the previous year's budget, 2011–12, had an amount for TAP and this amount of \$4.7 million is on top of what was there. What is the total amount of TAP now?

**Mr Waldock:** It is \$6.1 million.

**Hon KEN TRAVERS:** If you go to page 634, it is under "Grain Freight Network Rescue—Transitional Assistance Package".

**Hon PHILIP GARDINER:** Rescue; that is interesting terminology. In terms of the \$6.1 million, what are the underlying assumptions of the tonnes which are going to be there?

**Mr Waldock:** Sue McCarrey is really on top of this, so I will pass it over to Sue.

**Ms McCarrey:** First of all, obviously there was a reduction in expenditure for the 2011–12 financial year. This was primarily due to delays in CBH implementing their full rolling stock. They ordered new rolling stock and were taking over those services through Watco from ARG in April this year but without the rolling stock that they had expected to be there. They had done a lot less movement than what they had projected to do, particularly in that tier 3 area, which is where the TAP is for. Due to the amount of grain that they were moving this year, they used their rolling stock to focus firstly to move that quick and easy direct to port so there was a lot of movement on the other lines. They have just started to move the grain in the tier 3 area now. They were storing them in the bins and they are starting to move those now. That is why we did not spend the TAP that we would have normally spent in the 2011–12 financial year but it is also why we expect to have an expenditure of around \$6.1 million based on the average tonnages that move on those lines as a matter of course. That will get us through the remainder of this harvest as they move over the next two to three months.

[11.30 am]

**Hon PHILIP GARDINER:** That \$6.1 million, the funding is not going to come so that the lines can be maintained unless it comes from the private sector totally, I understand. Is that all to be expended by the end of September?

**Ms McCarrey:** No, because only a certain number of lines, at this stage, are due to cease operating, so by 31 October it will be Quairading to York, Yilliminning to West Merredin and West Merredin to Trayning. But Kondinin to West Merredin and Kulin to Narrogin continue to operate until, we expect, 30 June 2013. The TAP will continue on those lines until the end of June 2013.

**Hon KEN TRAVERS:** Which lines will it continue on, sorry?

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**Ms McCarrey:** What is due to finish on 31 October this year is Quairading to York, Yilliminning to West Merredin and West Merredin to Trayning. Lines that will keep operating until 30 June 2013 are Kondinin to West Merredin and Kulin to Narrogin, so we need to have a TAP available. The \$6.1 million will cover the remainder of this harvest on all of those lines, and will provide us the TAP we need for those two remaining lines to keep operating until 30 June 2013.

**Hon PHILIP GARDINER:** I do not believe it is the government's decision to close; that is Brookfield's decision to close, but the government's decision is whether it is going to spend money on it if no money is found anywhere else.

**Hon SIMON O'BRIEN:** That is quite correct. Sometimes the term "closing the line" is used; the question is whether or not any operator is going to use the line so that, in effect, they fall into disuse or are not used, rather than the government actually closing them.

**Hon PHILIP GARDINER:** I notice a lot of publicity coming from the department, or from the minister anyway, talking about closure when it is not really closure; it is about finding.

**Hon KEN TRAVERS:** But the line is closed. They have to close because they are not safe.

**Hon PHILIP GARDINER:** The issue is that the government is not closing the lines; the government is refusing the funding, and that is what is going to cause the lines to close, if the private sector does not come in to fund it. It needs to be very clear —

**Hon SIMON O'BRIEN:** You have to ask yourself if they would be in use now if it was left up to the market. If it had been left up to the market, would those tier 3 lines be in use, or would they be falling into disuse, even though they are available, because no-one is using them? All the farmers that you and others represent would prefer to use road to move their grain around.

**Hon PHILIP GARDINER:** This is not about representation; this is really about what the facts are. That is what I am trying to get to. When it comes to usage, it is a funding issue, and if it is going to be really factual, you have as modes of transport either rail or road, and both should have the same principles applying to their funding. One is funded out of consolidated revenue and the other, we are saying, should be funded mostly privately. That is where I have the issue with that, I am afraid, minister.

**Hon SIMON O'BRIEN:** The issue as I understand it, member, is that if the government were to take a sum of taxpayers' money from out of revenue and build brand spanking new tier 3 lines and leave it to the market, those lines would be underutilised, if used at all. That was the finding of the strategic grain network review.

**Hon PHILIP GARDINER:** That is out-dated. We can go there if you would really like to; I would be very happy to, but I do not think this is quite the appropriate forum to actually go there. I would just like to get the assumptions, because there will always be movement of grain on road because of the complex logistics involved. I am sure you guys understand that, but a lot of people do not, because you have multiple marketers, multiple segregations and sites that become full that need to be freed up. Therefore there has to be road movement from some of it. What I want to do is, in framing the TAP amount of \$6.1 million, find out what the assumptions were for some of that leakage that would take place as a result of having to move because local marketers are requiring the same segregations, which may not always be at one site, so you are going to have road taking grain to another site where there is a rail terminal and so on. The TAPs will have to be adjusted. Maybe that is too fine a point; I do not know whether —

**Mr Waldock:** You are trying to understand the underlying assumptions in terms of how we actually quantified the \$6.1 million in terms of the ratio of road to rail?

**Hon PHILIP GARDINER:** Yes, and the movement across from sites so that some rail will be going a shorter distance to port because they have to do that blending of segregations and blending of marketing requirements to get the quality that has been contracted to sell in the overseas markets,

and what overall harvest you are expecting for the forthcoming year, especially if you are keeping the Kulin–Narrogin line open, I think, and Kondinin–Merredin. What are you expecting there for the forthcoming harvest?

**Ms McCarrey:** We actually work very closely with CBH, so in order to work out what the projected TAP will be, certainly back at the time of the strategic grain network review, and then we review each year, is looking at their transport patterns, so the tonnages at the particular bin sites, then the cost per bin. One of the other things that happened at the time the strategic grain network review was done was, because of the change in the market with the wheat, CBH actually changed the cost per tonne coming into their bins. Up until that time they had had, in a sense, cross subsidised so that it was the same price at each bin. Because of competition coming into the market, they have priced the bins at the actual cost to move a tonne of grain at each of those bins. The biggest area that it had a major impact on was that tier 3 area because it increased the price per tonne. By using that information, and also by using information on the cost per tonne to transport by road versus rail, we used that then per tonne, so CBH have to provide us with exactly what tonnages they have moved by rail. We check that with Brookfield Rail and then we pay the TAP based on that. The last few years, and certainly looking historically, we have been able to look at how much tonnage actually moves by rail in that particular area and that was used to predict the amount of TAP funding that we needed. That was based on working on an average harvest, so depending on how the harvest actually worked, but even looking at a potentially good harvest this year, that \$6.1 million should cover it, bearing in mind we will have only a couple of lines covering that post-31 October. Across the whole system, we know that up until now, CBH has moved about 50 per cent of grain by rail and 49.8 per cent by road, but that is the sort of information that we collect, working closely with CBH.

**Hon KEN TRAVERS:** That is out of the tier 3 zone?

**Ms McCarrey:** No, that is across the board.

**Hon KEN TRAVERS:** So that includes Esperance?

**Ms McCarrey:** Yes, but they have moved very little by rail in the tier 3 area at this stage. They have directed their rolling stock to the other lines and are now starting to move in that tier 3 area. They have stored it.

**Hon PHILIP GARDINER:** The aggregate amount that you just quoted for those numbers, that includes the two areas where there are limited rail networks—Esperance and the northern belt?

**Ms McCarrey:** Yes, and Geraldton.

**Hon PHILIP GARDINER:** Yes, those are the two. Because of more rolling stock being used to move tier 3 grain, which is about to commence or has just commenced, the efficiencies that CBH have claimed will occur should reduce that TAP draw. Have you taken that into account at all?

**Ms McCarrey:** We are actually expecting to receive from CBH in the very near future what their new actual target will be, so what their new negotiated rates are on those lines. We are about to receive that information; we have not got it to date, but we are about to receive it, and we are expecting that those rates will be slightly less than what they have been in the past.

**Hon PHILIP GARDINER:** When you say “slightly”, what gives you the indication of whether it is light or material?

**Ms McCarrey:** It is just an indication from CBH. Until we actually see those figures, I would not be able to tell you for sure.

**Hon PHILIP GARDINER:** Let us assume that it is material and that \$6.1 million draw, which is going to cover what you outlined before, let us say that comes down to \$4 million. That is the efficiencies that are occurring on a line that is in very bad shape anyway, but can be at least workable if a bit of money is put in, as has been by the government, up until the end of October. Is

that an efficiency that you are going to be able to calculate against the TAP which is budgeted? The answer to that question has to be yes, I presume.

**Mr Doyle:** Our budget is made up of lots of different components. If we have a particular saving in any area of our budget, then that goes through the various budget processes through our minister, through the midyear review process, through the next year's budget process, through any other processes that Treasury engages with us in. So we would take an efficiency like that into consideration with every other aspect of our budget going forward, and put that into the nexus as to how that would be best dealt with in a whole-of-department sense for the Department of Transport.

**Hon PHILIP GARDINER:** Given the \$6.1 million allocated and given that the movement in tier 3 appears to be planned to occur mostly between now—say, 1 July—and 31 October, will you know, in the course of the month of November, what you have budgeted against what is actually being required to supplement what CBH is going to do to make sure it is competitive with road? Will you have that information by November?

**Mr Waldock:** Yes.

**Hon PHILIP GARDINER:** I would certainly be interested in that information.

**Ms McCarrey:** And then what is required for the rest of the financial year, obviously, will depend on the harvest.

**Hon PHILIP GARDINER:** Sure, I understand that.

**Hon LYNN MacLAREN:** I am interested in how you calculate the relative costs of rail versus road and whether you include carbon dioxide emissions, and the costing.

**Mr Waldock:** I think that is a relatively easy answer.

**Hon SIMON O'BRIEN:** Relatively, given the times.

**Mr Waldock:** Indeed. Treasuries around Australia just do not look at those, as I said before, externality costs of environment and the like when they look at their decisions to invest. Even the benefit costs, which is an instrument which is used in business cases, do not include those triple bottom line things. One might argue that they should, but certainly they do not; they are pretty much economic and, certainly in the business of transport, it is generally issues—especially for normal road systems—like travel times and those sorts of things that tend to be the predominant indicators of economic advantage. So, to answer your question: no.

[11.45 am]

**Hon LYNN MacLAREN:** So you have no intention of calculating that?

**Mr Waldock:** It is just not an accepted practice by governments around Australia, and certainly our government. Graeme, would you like to make a comment on that?

**Mr Doyle:** In terms of this particular issue, that would be right. That would be my understanding of how Treasury would have looked at this particular aspect.

**Hon LYNN MacLAREN:** That is a great pity.

**Ms McCarrey:** Perhaps some additional information to that, member, is that certainly at the time the strategic grain network review was done, it did take into account potential scenarios. When it was making comparisons and determining is it a tier 1 line, tier 2 or tier 3, the strategic grain network review—which is obviously available on the Transport website; I can refer you to page 37—it actually looked at the current-day scenario at that time. It looked at the current cost at that moment in time between road and rail to determine what would be a tier 1, tier 2 or tier 3 line and where rail was either more competitive than road or equally competitive. Another scenario it looked at was the potential increase in fuel price to \$2.40 and a CO<sub>2</sub> carbon price of \$40. It at least looked at it and said, “If that comes about in that potential scenario, what changes in relation to tier 1, tier 2

and tier 3?” The potential change that occurred was mainly north of the eastern goldfields railway line. A lot of the lines that were borderline under that scenario became tier 2 railway lines and tier 1. That is why none of those, apart from the one small one, were considered tier 3. But in what is the current tier 3 area, there was not a lot of change. They still remained uncompetitive to road; hence why the TAP was introduced. That is on page 37, if you want to look at that.

**The CHAIR:** The cost and maintenance of the roads, was that factored in—wear and tear on the roads —

**Ms McCarrey:** Yes.

**Hon LYNN MacLAREN:** Now that we know the carbon price has been fixed, will you redo that calculation? When you are comparing the costs of road to rail, now that we have more up to date information —

**Ms McCarrey:** It could be done.

**Mr Waldock:** It is a scenario we could envisage.

**Ms McCarrey:** The scenario was tested at the time; but it could be done.

**Hon LYNN MacLAREN:** Following up the point about the cost of improving —

**The CHAIR:** Do you want that as a supplementary?

**Hon LYNN MacLAREN:** Yes.

**Ms McCarrey:** Can I say that that work may be longer than a 10-day piece of work.

**Hon LYNN MacLAREN:** You are doing that on the actuals?

**Hon SIMON O’BRIEN:** Before we embark on this, is this really necessary? If I could ask, with respect, that the member refresh her memory from page 37 of the strategic grain network report. As Ms McCarrey was just saying, the scenario looked at the impost of fuel prices increasing to \$2.40 and a CO<sub>2</sub> imposition of \$40, not \$23 per tonne. I would have thought that if we now go back and apply the \$23 per tonne, it is not going to alter the scenario. I do not know how much work is involved in doing this, but could I ask the member to have a look at that, work out if it is really necessary before we accept that as a further inquiry and commit departmental resources to it because it will cost quite a bit of money, probably not for any real purpose. If the committee could determine that we not take it on —

**The CHAIR:** We will consider that.

**Hon KEN TRAVERS:** I would have thought the government is doing work anyway in response to the environment and public affairs committee, which will answer these questions.

**Hon LYNN MacLAREN:** I would hope so, but you never know.

**Hon KEN TRAVERS:** I do not know whether there is much point. That is the crucial piece of work that needs to be done.

**Hon LYNN MacLAREN:** I just wanted to follow up on something Hon Giz Watson raised, which was the cost of road improvements. One of my questions on notice related to how much funding was spent on the improvements of the roads in the wheatbelt. I wondered if you could give me more details.

**Mr Waldock:** We can certainly pick that up now. We were going to talk about it in some detail in Main Roads, but if you wish I can give you some definite details now.

**The CHAIR:** Do you want to wait until we do Main Roads? That would probably be logical.

**Hon LYNN MacLAREN:** Yes, we can wait until Main Roads; that is fine.

Sue, you did say in the beginning, I think, when you answered this question: the \$5 million underspend on the TAP which was not included in the “Major Spending Changes” table was an



inadvertent error—what happened to that \$5 million? Was that reallocated or did we lose it because the end of the financial year occurred and we did not spend it? Does the \$6.1 million include the \$5 million that we did not spend last year?

**Mr Doyle:** The \$5 million under “Underspend” against the budget does go back. It does offset some other overruns that happened through the year. It is reflected in the overall net result of the department. Effectively it goes back to government and is relocated across other areas of the department or other areas of government.

**Hon KEN TRAVERS:** Since the decision was taken for the lines to remain open beyond June 2011—the original lines that were going to close—has the government spent any money on maintenance or repairs to any of the tier 3 lines? Have they made a contribution; and, if so, how much?

**Ms McCarrey:** The government has actually expended at this stage \$3.3 million in maintenance work towards those three lines that were kept open.

**Hon KEN TRAVERS:** Is there a budget to continue any work —

**The CHAIR:** Ms McCarrey was just about to say something else.

**Ms McCarrey:** I was going to say any detail relating to that program with Brookfield–PTA, Public Transport Authority manage that budget and manage that process with Brookfield.

**Hon KEN TRAVERS:** Is there any budget for future years to continue maintenance or repair work on any of the tier 3 lines?

**Ms McCarrey:** No.

**Hon KEN TRAVERS:** My other question is: you mentioned earlier that you expect, as of October this year, the West Merredin–Yilliminning line to close. How will the Kondinin–West Merredin line be able to continue to operate once the West Merredin–Yilliminning line closes? To make it simple for you, the reason I ask is there is no way of rolling stock or locomotives being able to get to that line or returned from that line once you close the West Merredin–Yilliminning line—that is the line that gets you out there. No-one is going to leave rolling stock out there stranded in perpetuity for fear that they can never get it back. I am wondering how you envisage the ability to keep that line open once you close the other line. What magic do you have available to you?

**Ms McCarrey:** Sorry, could you repeat your original question?

**Hon KEN TRAVERS:** It is the West Merredin–Kondinin line—how do you propose to keep that line operating once the West Merredin–Yilliminning line has closed?

**Ms McCarrey:** It is a different line. Kondinin actually goes straight up into West Merredin.

**Hon KEN TRAVERS:** That is right, but the only way you can get rolling stock out of narrow gauge is along the Yilliminning–West Merredin line. To continue to operate that line would require someone to leave rolling stock and locomotives stranded out on that line running between West Merredin and Kondinin and not be able to get them back into the rest of the system. How do you do that?

**Mr Waldock:** My understanding would be—I have not thought about it other than in the last two seconds—I think it is an excellent question!

**Hon KEN TRAVERS:** I am still wondering why you would not have thought of it already.

**Mr Waldock:** I am sure our people have. I think I would be doing them a disservice if I did not say that. The fact of the matter is locos, with no loadings at all and with speed restrictions, will be able to access and cross over that line. The issue we have is not locos being able to actually, under speed restrictions, use the lines, it is a matter of work the lines with significant tonnages. I think that would be the answer, but I will check that out.

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**Hon KEN TRAVERS:** Are you aware it has taken a week to negotiate between Brookfield and CBH access to the Yilliminning–West Merredin line to get rolling stock out there? One train went out last night.

**Mr Waldock:** I am aware that the negotiations are extraordinarily robust, but that is as much as anything for commercial reasons.

**Hon KEN TRAVERS:** No; I think it is also safety reasons.

**Mr Waldock:** I think it is mainly—my sense is sometimes safety is actually used for—I do not want to, other than to suggest, I think that is plain. We will take that on notice. I think it is a good question.

[*Supplementary Information No A13.*]

**The CHAIR:** I know we get a bit excited, but for the sake of Hansard it is really good if one of us speak at once, because otherwise it is very difficult.

**Mr Waldock:** Was that me?

**The CHAIR:** It was a lot of people. You were speaking twice!

**Hon SIMON O'BRIEN:** Just before you go on, can I just confer?

We might have to come back to that.

**Hon KEN TRAVERS:** I hope the TAP payments include the double bogey, director general!

I am happy to have that taken on notice, as to how you envisage that will operate. Because they need that rolling stock to do other jobs, they will not leave it sitting out there on the Kondinin–West Merredin line. If your answer is that they will be able to get down there, I would like to have some detailed assurances that that line will be in a safe state, and who is going to pay for that maintenance and repair work to put it into a safe state? My understanding is that as of today, it is not, and it is already severely restricted.

Do you envisage that you will need to be paying a TAP payment for grain carted from Brookton to port in the future?

**Ms McCarrey:** At this stage there is a budget allocation for the Brookton to port. That is something that we need to monitor, depending on how things actually work at those loading facilities at Brookton. We are still talking to CBH in regard to CBH's plans to do some bit of rapid loading facilities at those particular locations, which may in the future negate the need for that TAP, but at this stage there is actually TAP in the budget of \$1.4 million for the Brookton to port section. That is an ongoing TAP.

**Hon KEN TRAVERS:** I refer to page 625, "Central Business District (CBD) Transport Plan" what is the money for out of that, which is allocated to the Department of Transport?

**Mr Waldock:** We can break that down.

**The CHAIR:** I might warn you, while we are looking at that, that we might run over just a few minutes. I hope your meters do not run out at 12.00. Just a little bit longer.

**Hon SIMON O'BRIEN:** If we have interpreted the question correctly, there is a breakdown between Main Roads, PTA and the Department of Transport in terms of the portfolio allocation. For the sake of the Department of Transport, for example, in 2012–13 it is \$1 million towards principal shared paths, \$1 million to bus lanes, and \$400 000 to congestion studies.

[12.00 noon]

**Hon KEN TRAVERS:** But there is \$7.3 million.

**Hon LYNN MacLAREN:** It was my question 3.

**Hon SIMON O'BRIEN:** As I indicated, it is going to a number of agencies. If you want to look purely, say, at the \$7.3 million, for example, because the totals are rather more, these are subsequent decisions —

**Hon KEN TRAVERS:** Actually, Hon Lynn MacLaren has pointed me to her answer 4.

**Hon LYNN MacLAREN:** They renumbered them.

**Hon SIMON O'BRIEN:** Do you wish me to pursue the answer or have you got the information you want?

**Hon KEN TRAVERS:** What I want to know is: of those projects, how many of them—this is a general question across the whole of the \$47-point-whatever-it-is million that has been spent on the congestion management. How much of that is within the Perth parking management area and how much is for projects beyond the Perth parking management area?

**Mr Doyle:** All of the \$47.6 million is in the Perth parking fund. So, there is some of the traffic operation centre that operates outside of that area that Main Roads are meeting, but that is outside of the \$47.6 million. All of the additional \$47.6 million is funded from within the Perth parking fund.

**Hon KEN TRAVERS:** The green CAT?

**Mr Waldock:** If I could just jump in there, the green CAT is funded as part of the additional CAT operations services of \$1 million, \$1.5 million, \$1.6 million and \$1.6 million. That is both in additional red CAT buses but mainly the green CAT, but understand that the green CAT service will stop at the boundary of the parking boundary. The additional cost to get to Leederville station will be from the PTA. So, they will be paying the additional —

**Hon KEN TRAVERS:** Do they have an additional budget allocation for that?

**Mr Waldock:** They have an additional budget allocation.

**Hon KEN TRAVERS:** Is that shown in the budget papers?

**Mr Waldock:** I do not know whether it is, but certainly we can raise that with PTA when they come.

**Hon KEN TRAVERS:** What about for your shunters? Will they only operate within the Perth parking management area?

**Mr Waldock:** Yes, that is the plan at the present moment. Although, I think the freeway, that would be funded separately again, as I understand it.

**Mr Doyle:** On the traffic operation centre and the quick response team, the portion that is outside the Perth parking management area is funded by Main Roads.

**Hon KEN TRAVERS:** Have they been given an additional budget allocation?

**Mr Doyle:** They have it within their budget allocation.

**Hon KEN TRAVERS:** And that was at the time of the budget or has it been subsequent?

**Mr Waldock:** At the time of the budget.

**Hon KEN TRAVERS:** That is not what the Under Treasurer told us, but anyway.

**Mr Waldock:** We can raise that with Main Roads.

**Hon KEN TRAVERS:** How do those items like the shunters and the traffic operation centre and the pedestrian walks, which is about removing pedestrian walks, enhance a balanced transportation system?

**Mr Waldock:** If we can talk a bit about the traffic operations centre, a great deal of the funding there is for CCTV. There is no doubt that with enhanced CCTV and the ability to, in fact, remotely manage the traffic lights using CCTV, we will be able to—given that I work in the city at the

present moment, I can share some of the pain that is associated with the enormous infrastructure developments happening in the city. So, whether it is Perth City Link, whether it is the issues for the past year and a half with the City of Perth and their road management and development, whether it is Riverside now, we are seeing all of these issues really create traffic management problems in the Perth CBD and they are going to intensify. The opportunity for this is to be able to have Main Roads to be able to visualise the vast majority of intersections in the CBD and where there are—I see it all the time—imbalances between what the SCATS traffic light system is doing at certain intersection versus the reality of cars lining up in some directions for blocks, others directions being free, it will be able to manage. You can see that what we are doing is optimising vehicular capacity through the CBD. That is going to be very important in the future and certainly very important during this major construction phase.

**Hon KEN TRAVERS:** I understand that. I am not arguing that it is not a good initiative. What I am arguing is how does it add to a balanced transport system?

**Mr Waldock:** My sense is a balanced transport system is about—I guess, this is balanced to the extent we are trying to help get better capacity for vehicles and manage our operations and our assets better. At the same time, we are doing cycling and there is significant amount of money there for cycling initiatives; principal shared paths, \$7.5 million; bus lanes; public transport and pedestrian walks. Pedestrian walks are clearly more efficient in many respects, but certainly for pedestrians less waiting time but also better access for vehicles. I actually think it is a balanced package.

**Hon KEN TRAVERS:** It may be a balanced package, but is it about a balanced transportation system? I will move on. Raywood 20/20s now have ceased to be legal. Have all the taxis that had the 20/20s in them had their cameras replaced?

**Mr Waldock:** We have a graph on that for you.

**Ms Lyhne:** There is a very small proportion that have not. I think there is over 1 100 of them and it is in the order of 30 or 40 that have not. We have written continuously to the people that had the 20/20 cameras, encouraging them to replace, and we have told them that we will be coming out and taking their vehicles off the road now that 1 July has passed if they do not do that. We are talking a very small proportion.

**Hon KEN TRAVERS:** So it is 30 or 40?

**Ms Lyhne:** If you bear with me, I will be able to give you a precise number. As at 22 June I had replacements completed for 956; bookings made but the installation not yet completed for 14; a form had been received for the subsidy, but they had not yet booked their installation for 28; and then 15 were yet to apply. The 15 that are yet to apply are the ones that are a significant issue.

**Hon KEN TRAVERS:** Surely you should be getting—they would now be noncompliant —

**Ms Lyhne:** We are in the process.

**Hon KEN TRAVERS:** So are there inspectors out there now getting those taxis?

**Ms Lyhne:** It is 3 July today.

**Hon KEN TRAVERS:** I saw the statement signed by the director general in the *Government Gazette* saying they are no longer compliant as at 1 July.

**Ms Lyhne:** We will be moving. I cannot give you numbers today in terms of what my compliance officers are doing, but by the end of the week we will have a better sense. We are moving.

**Mr Waldock:** Certainly we were asked this question on previous occasions. We were also hugely concerned about the lack of response. It has been a good news story in recent months and that is because the department made it very clear that if you did not sign up and do the work, you would

not be operating. I think we have done very well. But quite right there is a tail. We need to enforce that tail.

**The CHAIR:** Could we have a response by the end of the week?

**Ms Lyhne:** Yes, we can take that on notice.

**Hon KEN TRAVERS:** How many have had their plates removed because they are no longer complying with the legislation?

[*Supplementary Information No A14.*]

**Hon KEN TRAVERS:** In your answer to me regarding metro taxi plate statistics, which was in the attachment, you have got 388 unallocated lease plates. How many of those have you advised people that if they go and get the taxi and get it all fitted out, they will actually get the plate?

**Ms Lyhne:** These are the supplementary questions?

**Hon KEN TRAVERS:** Yes. The metro taxi plate statistics for June 2012 that you provided, you have got a column there “Unallocated Lease Plates” that shows there are 388 unallocated lease plates.

**Ms Lyhne:** I cannot give you —

**Hon KEN TRAVERS:** For instance, I know with the MPTs, as a result of your expressions of interest you advised people that they have been successful in getting a plate. I am trying to work out how many of those 388 have drivers advised they have been successful in getting a plate, but they now have to go and get it on the road.

**Ms Lyhne:** As a result of that last expression of interest, we would not have allocated all 48 of those. We will be going out for more impressions of interests, so there will be a number of those. Also, in addition, the unallocated conventional plates, they are, obviously, the ones unallocated going up to the full 45 per cent of the total number. So some of those will not have been allocated or released at this stage. So, I would have to come back to you—as a particular day, how many of those have been offered?

**Hon KEN TRAVERS:** That is what I am interested in. How many have actually been offered—that is probably the right terminology—to a driver? How many are yet to be offered? How many are there because they have been handed back and you have not re-offered them to a new driver? Because looking at that, it suggests to me that there could be 388 more taxis on the road today than there actually is, which I do not think is correct. Before I go and do my press release, I wanted to make sure I got it right.

**Ms Lyhne:** That is not right. That would be a misinterpretation of what unallocated plates is, because in fact that 226 includes the total amount that are left to allocate out of the increase of the original 303 as well. So, it would be a much smaller proportion of that 388. I would have to go back and find a number for you that would tell you how many have been offered and are yet to be on the road for you to be able to draw conclusions.

**Hon KEN TRAVERS:** How many are actually available to be offered that are not on the road?

[*Supplementary Information No A15.*]

**Hon LYNN MacLAREN:** Possibly not the most important question, but a very important one: has compulsory third party insurance for recreational boat users or vessels been considered by the department? Has it been costed? Have you worked out how much it will cost? Could you give me some more information in terms of the study that you have done looking into this?

**Ms Lyhne:** We have done some work on that and prepared a report, which is currently with the minister for his consideration.

**Hon LYNN MacLAREN:** Do you have a cost of implementation or is it variable?

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**Ms Lyhne:** The report goes through a whole range of issues associated with things like third party insurance in the recreational boating industry. It goes into issues around the type of insurance that might be the most appropriate if government was seeking to, I guess, adopt this type of insurance and the issues around blame, no-blame insurance policies; should it be linked to the same sort of insurance that you would have for vehicles or what might be the most appropriate insurance? There was also an actuarial analysis done, which sought to get some information out of the insurance sector, which is actually very difficult because a lot of that information is commercial in nature. I do not want to go into the specifics of it here. There are a lot of those sorts of questions that are asked and really it is now a policy issue for the government and the report is with the minister for his consideration.

**Hon KEN TRAVERS:** Are containers going into and out of Fremantle Harbour being paid a subsidy today; and, if so, where are you getting the money from?

**Mr Waldock:** Yes, they are.

**Hon KEN TRAVERS:** There is no budget allocation for this financial year, so how do you fund something you do not have a budget allocation for?

**Mr Waldock:** That is a point. Indeed, the minister is aware of this. The issue is, as you would be aware, we are in, hopefully, the final stages of a very long and complex negotiation to look at the new contract for moving containers from the port to Kewdale—the port link, as it was. Indeed, that will set the scene, because part of that consideration will not just be looking at the subsidies that need to be paid, but it will also be finalising exactly where the operations will actually work from, particularly in the Kewdale area, because we still at this stage have not finalised whether it is the T2 terminal, which the Public Transport Authority own, or whether it is the Forrestfield terminal, which an existing bidder is considering. Until we know exactly the nature of what will be required in the future, it is extraordinarily difficult to put a number to government. So, all I can say is that it is unfunded; the minister is aware of it, and so is Treasury. Is that right, Graeme?

[12.15 pm]

**Mr Doyle:** Yes.

**Mr Waldock:** Treasury supports our approach.

**Hon LYNN MacLAREN:** It is unfunded? Sorry, did you say it is unfunded?

**Mr Waldock:** There is no funding in it for this year. The funding will run out on 30 June.

**Hon KEN TRAVERS:** Does the department support the minister's view that we do not need to expand Fremantle port until 2025?

**Mr Waldock:** There are a number of issues in terms of the port, and we are all attempting to understand them. The issues with the port are not issues in terms of what the port can handle; the issues with the port are how we actually manage transport to and from the port. That is pretty obvious to everybody. Of course, part of the discussions we are having now and in the future will be just how much we can carry on rail to manage that. So, it is to some extent a moving feast. We all know that somewhere between 2020 and 2025 those numbers will be maxing-out—it will be capped. So, if you ask me whether I support it, 2025 would certainly be part of that consideration.

**Hon KEN TRAVERS:** Can you provide us with the modelling you have done that sees it going out to 2025?

**Mr Waldock:** Sure, but it is not difficult modelling. It is a function of both how much you can move on containers on rail, but, secondly, what the growth of trade is going to be. That is the big issue; at what percentage do you extrapolate future trade? It does change a lot.

**Hon KEN TRAVERS:** To get to 2025, you would have to have growth of about 4.5 per cent; whereas over the last 15 years it has been 7.5 per cent.

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**Mr Waldock:** Well, it dropped heavily after the global financial crisis for one year.

**Hon KEN TRAVERS:** You still had 7.5 per cent growth; it was 10 per cent for the eight years prior to the GFC.

**Mr Waldock:** But we need to understand it, and we can make available what we have.

**Hon KEN TRAVERS:** So can you provide us with the modelling that sees it going out to 2025?

[*Supplementary Information No A16.*]

**The CHAIR:** We really must stop.

**Hon KEN TRAVERS:** I am finished.

**The CHAIR:** That was a very brief last question.

The committee will forward to you any additional questions it may have via the minister in writing in the next couple of days, together with the transcript of evidence, which includes questions that have been taken on notice. Members, if you have any unasked questions, I ask you to submit them via email to the committee clerk at the close of this hearing. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet that due date, would you please inform the committee clerk in writing as soon as possible before the due date, including advice on specific reasons as to why the due date cannot be met—if it cannot. Finally, on behalf of the committee thank you very much for your attendance for this hearing; it has been very useful.

**Hearing concluded at 12.17 pm**

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