

Ms Rita Saffioti; Mr Dean Nalder; Mr Paul Papalia; Ms Simone McGurk; Mr Frank Alban; Mr Sean L'Estrange;
Mr Chris Hatton

Division 71: Transport, \$48 788 000 —

Ms W.M. Duncan, Chairman.

Mr D.C. Nalder, Minister for Transport.

Mr R. Waldock, Director General.

Ms N. Lyhne, Managing Director, Transport Services.

Mr G. Doyle, Managing Director, Policy, Planning and Investment.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 19 June 2015. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: I call the member for West Swan.

Ms R. SAFFIOTI: I refer to page 803 of the *Budget Statements* and income generated by the department, particularly in relation to the Barrack Square shop owners. What amount of rent does the government receive each year from the Barrack Square traders?

Mr D.C. NALDER: I will confirm a couple of things while some further information is obtained. Essentially, the Department of Transport controls the leases of only two of the buildings down there, which, all-up, concerns around five of the traders. The others come under the old port of Perth, which is now part of the Swan River Trust. Of the 15 traders that are referred to, two are actually government traders—that is, state government. I do not have any numbers here on the lease payments. I will see if Graeme has anything further to add.

Mr G. Doyle: The total revenue for what we call the port of Perth, which includes Barrack Square, is \$229 000 for a full year.

Ms R. SAFFIOTI: So is it \$229 000 per annum from the port of Perth?

Mr G. Doyle: In 2015–16, yes.

Ms R. SAFFIOTI: I have a further question. I refer to some commitments given yesterday and today by the minister. Can the minister confirm that he has put on the table for the Barrack Street traders full rent relief backdated to the start of works at Elizabeth Quay up to the practical completion of Elizabeth Quay?

Mr D.C. NALDER: The traders were advised last year that if they could substantiate any loss, they would receive a waiver of rent. Five tenants applied and were immediately given a three-month rental waiver while the process occurred; they were given an automatic three-month rental waiver even if they could not substantiate it. Of the five who applied, three could substantiate a loss. Those three have been on a full waiver of lease fees and will continue to be until the practical completion of construction. Two traders were unable to substantiate any financial losses. We allowed them to have the three-month rental waiver, but that was all they were entitled to. We have subsequently received another three applications for waiver of lease fees at Barrack Square. One of those applications concerns a head lease with the port of Perth, which underneath it has, I think, six subtenancies. There were difficulties around that, which is why it has taken a little longer to work through and resolve. That is being worked through now. Nearly two weeks ago I received advice from the Department of Transport that some of the tenants had concerns that conditions had worsened for them. That was raised with me. I requested the Department of Transport to do everything it could to see whether we could assist and to continue to review financial situations, so that if any loss can be substantiated, we will apply the waiver. The waiver was made retrospective to the date of application. Some tenants could not get the application in on time for various reasons.

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I am happy for them to go back to the same date as everyone else. That is the basis on which the offer has been made.

Ms R. SAFFIOTI: I have a follow-up question. I understood that the minister's commitment was to provide rent relief retrospective to when the disruptive works started and that it would stand until practical completion of the project. Is my understanding incorrect?

Mr D.C. NALDER: I did not set a specific date. I said that it would be retrospective. The department had been working on that retrospectivity being the date on which an application was made. I want to ensure that everybody is treated fairly and equally, so I am happy for those who were held up with difficulties because they were subtenants and those sorts of things to be given the same date as everyone else.

Ms R. SAFFIOTI: So which date is the minister offering—the date of application or the date that the disruptive works started?

Mr D.C. NALDER: The date of application. The advice I received was that the real difficulties have occurred since about mid-2014. Up until that point, there were not too many difficulties. A couple of the traders have publicly raised specific issues. One trader in particular had applied for a rental waiver and was not able to substantiate any financial impact.

Ms R. SAFFIOTI: I do not believe what the minister has just said in that respect. I wish to clarify something. The minister said both yesterday and the day before that some traders actually were getting more business because of the staff who were employed at the Elizabeth Quay project. Can the minister confirm that he received that advice and that that is the case?

Mr D.C. NALDER: Sure. There are a couple of things. The first is that the trader I mentioned denied on television today that it was true and said that he had put in an application and that it did show financial loss. He said that he does not believe he was treated fairly. I went back to the office and requested a copy of his application. He has said that on the public record. If he is prepared to release his data, I will be prepared to let people have it, but until he is prepared to release it, I will not talk about his specific financial circumstances.

[7.10 pm]

Ms R. SAFFIOTI: But the minister is; he just did.

Mr D.C. NALDER: I did not give any detail.

Mr P. PAPALIA: Is the minister making a claim that they are getting more money than before?

Mr D.C. NALDER: No.

The CHAIRMAN: Order, members!

Mr P. PAPALIA: Does the minister know that he is on the record in *Hansard*?

Mr D.C. NALDER: I know. I am putting it on *Hansard* because this is what was said today in the public forum. I am not providing any specifics on it, other than to say I am comfortable that a proper process was followed and that he was unable to substantiate any financial loss as a result of the construction activity going on there. Advice I received more specific to the member's question —

Mr P. PAPALIA: What did the minister think when he was there?

The CHAIRMAN: Member for Warnbro, this is not a debate!

Mr D.C. NALDER: More specific to the member's question, the advice I received from the department—I had not seen the specifics of the applications as we took only about five applications initially—is that a couple of the traders had in fact not demonstrated a financial loss but their financials had shown growth during the period.

Ms R. SAFFIOTI: Is the minister telling me that his advice is that some traders actually increased their revenue with all that disruption?

Mr D.C. NALDER: That is correct. The advice I received from the Department of Transport —

Mr P. PAPALIA interjected.

The CHAIRMAN: Member for Warnbro, we do not need a running commentary. Thank you.

Mr D.C. NALDER: Advice I received from the Department of Transport is that a couple of traders had shown an increase in revenue.

Ms R. SAFFIOTI: Will the minister table that advice?

Mr D.C. NALDER: The department officers are here with me. The member asks whether I will table that advice. No; it was verbal advice provided to me. I have stated it in this place.

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Ms R. SAFFIOTI: I have a further question.

The CHAIRMAN: We have had six questions on that line of questioning. This is the last one.

Ms R. SAFFIOTI: What is the date of application that the minister referred to? Today I heard the minister say he would retrospectively provide rent relief from the beginning of construction at Elizabeth Quay. He is now saying it is the date of application. What is that date?

Mr D.C. NALDER: My advice is that the first applications came in in October–November.

The CHAIRMAN: Are there any other questions from members? Member for West Swan.

Ms R. SAFFIOTI: I have a further question.

The CHAIRMAN: I said it was the member for West Swan's last question, but nobody else is putting up their hand, so she can go.

Ms R. SAFFIOTI: My further question is about the ferry route. I understand that the ferry route will be changed so that it will go into the inlet at Elizabeth Quay. Has any estimate or forecast been made of the impact on the traders from this change in route?

Mr D.C. NALDER: No assessment has been made on the impact on trade for the traders there as a result of the ferries coming in closer to the train station. The forecasting suggests that Elizabeth Quay will be such a success that the traders will benefit as a result of the works being undertaken.

Ms R. SAFFIOTI: Is that even though the government will not deposit thousands of people on their doorstep from the ferry?

Mr D.C. NALDER: Is the member talking about the ferry that goes across to South Perth?

Ms R. SAFFIOTI: Yes.

Mr D.C. NALDER: No.

Ms R. SAFFIOTI: For my last question on this issue, can I again confirm that today the minister said he would backdate the rent relief from when the traders were adversely affected and he is telling me tonight that he is walking away from that and will backdate only from the date of application?

Mr D.C. NALDER: The basis on which it is being operated by the department is the date of the application. I remain open, as I do not want anybody to be adversely affected as a result of this. I will come back. I am trying to ensure we look after all traders down there. The Department of Transport is responsible only for five tenants in a couple of buildings. The project itself is actually run by the Metropolitan Redevelopment Authority. I am trying to make sure that we look after all the traders there. I am trying to pick up not only those who are covered by the Department of Transport, but also all of them. I am prepared to look at any aspect of the project. The department has been operating based on the application date. I will not rule out going back before that date if a claim can be substantiated as we are talking about only incidental amounts. I will not rule it out, but that is the basis on which the department has been operating to date and that is the basis on which I referred to retrospectivity.

Ms S.F. MCGURK: My question is on a different topic. I refer to the line item "Fremantle Port Rail Service" on page 804 of the budget papers. There is a subsidy for the current year of \$2.959 million, which declines to \$2.458 million in 2015–16 and is then removed altogether. That is the port rail subsidy. I understand the target figure for government to get freight moved from the port on rail is 30 per cent. How does the government intend to meet that target if it removes the port rail subsidy?

Mr D.C. NALDER: I will hand over to Graeme around the specifics on the financials. I will just say that we remain committed to continuing to grow our share in rail, hence the investment that we made to increase the spur at Fremantle and the overtaking lanes that have been added on the route so that as capacity continues to grow through Fremantle port, there will be the ability to continue to put more onto rail.

The CHAIRMAN: I ask the minister when he refers to his advisers to use their full name for the benefit of Hansard.

Mr D.C. NALDER: I apologise. I will hand over to Graeme Doyle to deal with the specifics of the financial implications of the subsidy.

Mr G. Doyle: The subsidy deed was entered into for a five-year period. That five-year period started in 2012, hence it ends in 2017. At this stage no arrangements have been confirmed yet as to what will happen beyond 2017, hence the reason that the funding as it is shown in the budget papers finishes in 2016–17. There will be a requirement—we have started early thinking on this particular issue—to review the situation throughout the

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course of 2015–16 to see what arrangement might be required beyond the current five-year deed. Once we undertake that review, we will then provide a report to the government for its consideration, and at that time the government will make a decision on what follows beyond the existing five-year deed that expires, as I said, in 2017. That is why the figures run out in the budget at the moment only to 2016–17.

Ms S.F. McGURK: Further to that, what would be the impact of the percentage of freight on rail if the subsidy were removed?

Mr D.C. NALDER: I will hand over to the director general to comment on that.

Mr R. Waldock: It is very difficult to work out the elasticities of how demand would work. A lot of our growth in recent times has been containerised grain. That has been very much a growth area. Again, it depends on the grain harvest and the like. In essence, we could not estimate that but certainly the subsidy does help and to some extent equalises the competitiveness with road—something that we are all very aware of and that will be the basis of our analysis when we come back to advise government in the next 12 months or so.

Ms S.F. McGURK: The government at this stage has not budgeted for the subsidy beyond 2016–17 but the minister cannot tell us what effect the removal of that subsidy will have on the percentage of freight on rail.

Mr D.C. NALDER: I am waiting for further information to come from the agency with regard to that so that we can map it forward. Part of our medium-term plan is to establish a charge for the movement of containers on trucks. We know that will also assist in creating a more viable option to move it on rail. Our objective, which is similar to the policy objective of the other side, is to continue to grow the rail. We believe that is a prudent thing to do. Advice we have received from International Rail carriers is that 30 per cent is fairly ambitious. That is not to say we should not be ambitious. That is one of the things we are advised, but we wish to continue to grow it and to continue to support it. I imagine that the recommendation will come back that we need to continue to subsidise it. Longer term, we would like to steer away from the need to subsidise it if that is possible, but only on the basis that it does not impact on the volumes that are travelling by rail.

[7.20 pm]

Mr F.A. ALBAN: I refer to the last dot point on page 794 of budget paper No 2 that makes reference to the Western Australian bicycle network. Will the minister please explain what works have been completed and what work is planned to improve our cycling network, particularly the portion of Great Eastern Highway between Bilgoman Road and Mundaring in my electorate?

Mr D.C. NALDER: The government is extremely committed to this alternative form of transport. Obviously cycling is rapidly growing in popularity. The member might like to see a copy of the map I saw last night that showed the amount of work that is going on with cycle paths in the eastern suburbs. Since coming to government, the Liberal–National government has invested \$101.6 million in cycle networks throughout Western Australia, resulting in 221 kilometres of off-road shared paths and 71 kilometres of on-road bike lanes. We know that there is demand for still further investment, and for every major infrastructure project that we undertake, we have committed to ensuring that we build further cycling infrastructure. We are working on further plans to that effect. As we commence NorthLink WA in 2016 and the Perth Freight Link, we are looking at how we can better connect those cycle networks through that process. There are a lot of exciting areas in that space.

An amount of \$10.7 million will be provided in grants to local governments because we know that to succeed in this we need to work in partnership with local governments to make our communities more accessible for everybody across all modes. It has been identified that there are three types of cyclists out there. There are the social cyclists, who just pop down to the shops; there are those who commute to work; and those who cycle for exercise. Although we might think that commuting and cycling for exercise are one and the same, we have identified that they actually use different networks and different paths to get to their points of destination. Although we cannot cater for everybody, we need to be cognisant of those things. We want to make Perth a better place than it is today, and we know that it is already one of the best places in the world to live.

With regard to the project mentioned by the member, the improvement of the portion of Great Eastern Highway between Bilgoman Road and Mundaring, we will be constructing two kilometres of cycle path and widening seven kilometres of sealed road shoulders. That in itself is a good project that we will undertake. The total project cost is anticipated to be \$24 million, of which \$9.6 million will come from the commonwealth government; the rest will be funded by the state government. That will go a long way towards making roads safer in the member for Swan Hills' electorate.

Ms R. SAFFIOTI: My question relates to the public transport plan for the metropolitan area. I understand the draft plan was issued in 2011. Can the minister provide an update as to when the final public transport plan will be released?

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Mr D.C. NALDER: One of the reasons for the delay in the release of the final version is that there has been a change in the estimate of the population growth of Western Australia, particularly for Perth. The original 2031 plan suggested that Perth would have a population of 2.2 million by 2031; it is now suggested that the population will be closer to 2.7 million to 2.9 million. That means we have had to reconsider what projects need to be done in the time frames we are talking about. With regard to public transport infrastructure, I believe we need to look a lot further ahead than just the next 15 years, so I have asked the department to consider planning through to a population of 3.5 million; the Department of Planning has already made projections for a Perth population of 3.5 million. I have also asked the department to look beyond that to a population of five million. It is estimated that Perth will have a population of 3.5 million by the mid-2040s, and a population of up to five million by the mid-2060s. I have requested an expansion on the original scope of the project around the network plan—hence the delays. However, we anticipate being in a position to release that information in total by early to mid-2016.

Ms R. SAFFIOTI: The Department of Planning's document that projects a population of 3.5 million highlights a number of priority rail routes—for example, the extension of the railway from Butler to Yanchep, and a north east rail line linking Ellenbrook to the central area. There is also a proposal for the extension of the rail line to Byford and the creation of a circle link to the Thornlie line from the new Forrestfield station. Are these projects all supported by the Department of Transport?

Mr D.C. NALDER: At this stage, the Department of Transport supports these projects, but there is a lot more development work required. The Department of Transport is therefore working to provide more specifics around the proposals that have been raised by the Department of Planning. An additional point that the director general just passed to me is that the modelling work is being done based on the new information that has been put out by the Department of Planning. As I said, the Department of Transport supports the routes that have been proposed by the Department of Planning.

Ms R. SAFFIOTI: With regard to reference in the Department of Planning document to the central area, there is no proposal for any future light rail in the north east corridor. Is that something that was also worked on by the Department of Transport—that there would be no light rail for the next 30 years in the central north east corridor?

Mr D.C. NALDER: No, not at all. The document was not intended to highlight specific lines but to ensure that certain corridors were maintained. With regard to light rail, there is a separate piece of work underway at the moment that looks at our major corridors. As I have mentioned in this place before, we know that we have to get more people moving down the existing major arterial roads and corridors. Perth needs that. We have learned lessons from the 950 series bus service coming down Beaufort Street; we today received information that that service achieved a 99 per cent satisfaction rating with customers in a recent survey. We know that it is a fantastic service; it is more direct and high frequency, and during peak period, we are shifting up to 40 per cent of all people travelling down Beaufort Street on buses. The corridors that we are looking at for the future, whether for bus or light rail, are basically the roads that already exist today, so we are not looking at creating those. Even the eastern corridor, the East Wanneroo section, does not show us how it gets into the city—whether it links up at Bayswater or comes through a tunnel—but this is the work that will need to be done by the department in the future. The work that the Department of Planning has put out is really based around those corridors.

Ms R. SAFFIOTI: Will the final plan be issued early next year?

[7.30 pm]

Mr D.C. NALDER: Early to mid-next year is what I said. What we are looking to show is not only the original 2031, which is that 2.7 million to 2.9 million people, but the 3.5 million people and then beyond, so that we can actually see 40 or 50 years out what we believe this city needs. When we get that far out, it becomes more aspirational—it is obviously easier to identify today what we need to do today—but I believe we need to set a vision for what we want this city to look like. So we are looking to put that out early to mid-next year.

Ms R. SAFFIOTI: I have a further question in relation to priorities. Is the Thornlie–Cockburn line something that the Department of Transport or the minister's advisers are advising him should be done as soon as possible in relation to the stadium transport solution?

Mr D.C. NALDER: No. They have not provided specific advice on that at all. It is in our master plan to do the Mandurah–Thornlie line. It is currently not in our forward planning, but it is something that we continue to look at.

Ms R. SAFFIOTI: Would the construction of that link make the transport solution for the stadium easier to deliver?

Mr D.C. NALDER: In an ideal world, there are a lot of projects that we would want to do and continue to do, and I want to do a lot more than I can. I am accused of trying to bite off a bit more than I can chew and always

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have been my whole life. I believe the Mandurah–Thornlie line would be a great addition to the rail service, and I would like to see it done as soon as possible, but it is a matter of —

Ms R. SAFFIOTI: Would it make it easier to bring and take people away from the stadium?

Mr D.C. NALDER: It would potentially make it easier, yes.

Ms S.F. MCGURK: I want to go back to those issues around the Fremantle port rail service. The minister talked about the target of 30 per cent freight on rail. When does the minister expect to reach that target?

Mr D.C. NALDER: That is difficult, because as we grow the total volume through, it has been a real challenge just to maintain the existing percentage. At one point we were criticised because it had dropped one per cent. However, the overall volume that is coming through the port has increased. We have looked at what we need to do to increase the capacity through the rail line—hence last year the lengthening of the spur and the work that is being done on further parts of the line. I will pass to the director general to see whether he can provide some more specific information.

Mr R. WALDOCK: The reality is we just do not know. It is extraordinarily difficult to predict market share. Over many years we have attempted to improve it. As the minister suggests, we have put in significant new capital works in the last 18 months, and indeed we have maintained a subsidy, albeit reducing. Nobody could predict how the growth is going to go. In fact, as I say, it is subject to a lot of market variations, including grain. Although it is fair to say that the subsidy has been dropping and continues to drop—the subsidy will drop in 2017 to \$30 a twenty-foot equivalent unit, and it commenced in 2014 at \$50 a TEU—we have sought to maintain it. If the member looks at the TEUs over those years, they have moved from 103 000 TEUs to 128 000 or 129 000 TEUs. So there has been a slight improvement, and the market share is holding. However, nobody could predict it. It has been a very difficult task around Australia, as the member would probably be well aware. Nobody is doing any better than us. Botany Bay would hope to do better than us in the future based on their large announcements in terms of infrastructure. However, certainly it is tough. As we have already discussed, we do not think there is any more than 30 per cent market share contestable anyway, but 30 per cent is really a very brave target. We will continue to work on it. We will continue to consider subsidies and the elasticities. However, nobody can predict that. As the minister suggested, the issue of a heavy vehicle charge will also impact on market share; we just need to continue to stay close to those issues.

Ms S.F. MCGURK: What percentage of grain is currently going through those containers?

Mr D.C. NALDER: I will pass to the director general.

Mr R. WALDOCK: In terms of the total grain that goes through the port in containers, because most of it is bulk, I think—I could be wrong—that it is about 50 per cent. Mr Doyle might have a better figure.

Mr G. DOYLE: No.

Mr D.C. NALDER: I am happy to take that on notice.

The CHAIRMAN: Can the minister describe what he is going to provide?

Mr D.C. NALDER: The percentage of containers that are grain—export?

Ms S.F. MCGURK: Going through the port of Fremantle.

Mr D.C. NALDER: Yes, going through Fremantle.

Ms S.F. MCGURK: As a number and as a percentage would be useful.

The CHAIRMAN: Is the minister happy with that?

Mr D.C. NALDER: Yes.

[*Supplementary Information No A20.*]

Ms S.F. MCGURK: In terms of the modelling for the Perth Freight Link, was it assumed that there would be 30 per cent freight on rail when we look at how many containers will come in and out of Fremantle port and then how many of those will go by truck?

Mr D.C. NALDER: I will have to pass to the director general to see whether he has some information specifically on the modelling. We know that even if we got to 30 per cent, a minimum of 70 per cent would still be moved by truck, which in itself is substantial. We know also that even if it was down as low as 70 per cent, the benefits of that freeway will come in at around 2.6 times to the dollar—so \$2.60 for every dollar that is spent on it. Based on the revenue that will be generated from a freight charge, we believe that the freight link will be paid off very, very quickly—in the order of eight to nine years.

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Ms S.F. McGURK: If I can just go back to the question, is the minister assuming 30 per cent freight on rail in the traffic modelling for the Perth Freight Link?

Mr D.C. NALDER: We are still working through the modelling in that level of detail. However, we know, as I said, that at 70 per cent it is still very worthwhile doing. I cannot give the member the exact detail of that because the modelling is still being worked through.

Ms S.F. McGURK: I have other questions about the construction and route of the Perth Freight Link, which I will take up under the Main Roads portfolio. However, with regard to these questions, how can the minister claim that the Perth Freight Link will take 500 trucks off Leach highway by 2031 when he does not know the impact that amount of freight going by rail will have on that modelling? How can the minister be so specific about one point?

Mr D.C. NALDER: What I will say is that a lot of our modelling includes all truck movements under the freight charge—that is, everything from 4.5 tonnes and up. We also know that depending on the route that we take, if we can bring other areas onto that freight link—for example, down from Cockburn—it will shift trucks from moving through Fremantle. We are looking at a number of different things that will deliver different outcomes in the financial modelling, and that is currently being worked through. I will hand over to the director general to see whether he can provide specific information.

Mr R. Waldock: I can only concur with the minister. A lot of modelling has been done. We certainly did a very substantial piece of work for the business case. I should say, as Mr Doyle has mentioned, that the final project development plan will not be finished until later this year, and that is when we will get even more detail and will try to understand more about potential leakage and the like, and of course all the traffic in more detailed modelling terms. I suggest that we hold that question back until we get to the Main Roads portfolio, because Main Roads did in fact run a business case. Peter Woronzow was leading that and he will be here later.

Ms S.F. McGURK: I will be happy for him to take the question.

[7.40 pm]

Mr S.K. L'ESTRANGE: I refer to the first dot point under the fourth service on page 799 of the *Budget Statements*. Can the minister please explain what work is being undertaken to continue to improve service offering for vehicle examinations and over-the-counter licensing services, such as those provided at Australia Post?

Mr D.C. NALDER: It is to do with authorised inspection stations. We currently have in excess of 230 authorised inspection stations. This has been a huge success story for the Department of Transport and it has been well taken up by the broader community. In fact, recently we discussed that it has been taken up by more in the community than we anticipated. It provides people with choice and greater convenience to get their vehicles inspected. Since 1 July, 14 new authorised inspectors have been added to the network. Only three were added in the metropolitan area; the rest were in regional areas. Currently, in excess of 75 per cent of all vehicle examinations are undertaken at an authorised inspection station. The long-term plan is to continue to increase the local availability for vehicle inspections through the strategic expansion of this network, particularly in regional areas. We see that as important. I will provide a couple of statistics. I do not know whether a lot of people understand that we provide services to more than 1.7 million Western Australian-registered drivers and manage the licensing of 2.7 million registered vehicles. Approximately seven million financial transactions a year are conducted across a broad range of areas, including driver's licence renewals and vehicle registration renewals. The transaction level through the Department of Transport is one of the highest of any government agency. Providing greater choice and flexibility is a great advantage. Customers can now access services, particularly at 33 Australia Post outlets, for applications for drivers' licences and Western Australian Photo Cards, to change customer details, for driver's licence renewals and vehicle registration renewals and a number of other things. I think this provides greater choice and flexibility so that customers do not spend hours waiting in long queues in just a few locations. It is a great credit to the Department of Transport for this bit of work.

Ms R. SAFFIOTI: I refer to the line item for the Perth parking levy in the net appropriation determination table on page 807 of the *Budget Statements*. Can I confirm that the total collections for the Perth parking levy in 2015–16 are \$57.1 million?

Mr D.C. NALDER: That is correct.

Ms R. SAFFIOTI: Can I have a breakdown of that \$57.1 million?

Mr D.C. NALDER: I will need to pass to Mr Graeme Doyle to answer that question specifically.

Mr G. Doyle: In terms of the break-up in total, it is broken up into four categories. The first category is short-stay public parking, which is \$8 563 000.

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Ms R. SAFFIOTI: Is that the source of revenue? Is that what Mr Doyle is giving?

Mr G. Doyle: The member asked for a breakdown of the \$57 million.

Ms R. SAFFIOTI: Can I have a breakdown of the expenditure of that money?

Mr G. Doyle: The expenditure of the money? I thought the member was asking about the revenue.

Ms R. SAFFIOTI: I am sort of interested in that, but I am far more interested in the expenditure of that money.

The CHAIRMAN: Minister, do you still want to defer to Mr Doyle?

Mr D.C. NALDER: No. When we come to the breakdown of expenditure, I will hand it over to the director general.

Mr R. Waldock: While Mr Doyle is collecting his thoughts, certainly we know that 66 per cent of the Perth bus station was funded through the Perth parking levy. The underground bus station was a very significant contribution, but of course it continues to do all the issues in terms of CAT bus services and the extension of the CAT bus services. It was particularly useful in rolling out the whole CBD transport plan. I think we have details of the CBD transport plan. Mr Doyle might want to read those out.

Mr G. Doyle: In terms of recurrent expenses from the Perth parking fund, there is a total of \$21 331 000 in 2015–16. There is also \$34 696 000 as a payment towards the Wellington Street bus station and there is \$5 million for CAT replacement buses transferred from the Perth parking fund to the Public Transport Authority.

Ms R. SAFFIOTI: Is all of the anticipated revenue in the forward estimates of \$58.2 million, \$59.9 million and \$59.9 million expensed?

Mr G. Doyle: No.

Ms R. SAFFIOTI: What percentage of the revenue is expensed?

Mr G. Doyle: The amount that is expensed is the \$21.331 million that I referred to in the first part of my answer. The contribution to the Wellington Street bus station of \$34.696 million is basically a cash transfer from the Department of Transport to the Public Transport Authority to assist in meeting the costs of that particular project. That is part of the figure that is in our statement of cash flows on page 806 of the *Budget Statements*. There is a line item towards the bottom of the table that states “Net cash transferred to/from other agencies”. That figure of \$39.696 million comprises those two figures I mentioned earlier—that is, the \$34.696 million for the Wellington Street bus station and the \$5 million for the CAT bus replacement.

Ms R. SAFFIOTI: Can I presume that the department is assuming that in 2016–17, \$19.6 million will be transferred from the Perth parking levy to finish the Wellington Street bus station?

Mr G. Doyle: Yes.

Ms R. SAFFIOTI: In 2017–18, there is \$6.3 million, but in 2018–19 the only amount that the department is forecasting to be spent from the Perth parking levy is the expense amount of \$21 million.

Mr D.C. NALDER: I will pass to Mr Doyle.

Mr G. Doyle: The out year figures for the cash transfers for those two particular projects that the member has referred to are right. The Wellington Street bus station will finish in the 2016–17 financial year. The CAT bus replacement will finish in 2017–18, which is the \$6 268 000 figure. At this time, there are no further capital payments, if we can call it that, from the Perth parking fund.

Ms R. SAFFIOTI: Could I have the information about what will be expensed from the Perth parking levy and the capital items that are currently budgeted for over the next four years provided in a table by way of supplementary information?

Mr D.C. NALDER: I am happy for that to be provided. There will be additional recurrent expenditure, of course. This is just about the capital.

The CHAIRMAN: Can you just define what you will provide, minister, please?

Mr D.C. NALDER: It is a table of the capital expenditure from the Perth parking levy.

Ms R. SAFFIOTI: There are two parts—the recurrent expenditure from the Perth parking levy and the capital items expected to be paid for by the Perth parking levy each year over the next four years.

Mr D.C. NALDER: As per this budget, yes.

[*Supplementary Information No A21.*]

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Mr C.D. HATTON: I refer to the last paragraph on page 795 of the *Budget Statements*, which refers to the green paper about on-demand transport reform. This is a priority of the department. Can the minister please advise when the green paper will be released?

Mr D.C. NALDER: We are looking to release the green paper very soon. We talked about releasing that paper in late June. We are still working towards that date as quickly as we can. The paper is expected to be available for public comment for a minimum of 12 weeks. I just want to share some of the process. In the past 12 months, three significant reports have been released in Western Australia that all call for reform and deregulation of the taxi industry. They are the Economic Regulation Authority's "Inquiry into Microeconomic Reform in Western Australia", the RAC report titled "Review of aspects of the Taxi Industry in Perth and Western Australia" released in October last year and the Competition Policy Review Panel's final report on Australia's competition policy released on 31 March. We believe that it is an opportune time for a review of the taxi industry. I think the broader community would agree that the service standard in Perth is not at a level that we all desire. We are very keen to raise a number of significant questions and put them to the broader community for response. We understand that this needs careful consideration. We do not want to rush it, but we want to move as quickly as we can. It needs to be considered fully. Out the back end of that, we then need to look at what sort of policy reform is required. We will then proceed through the appropriate cabinet process.

[7.50 pm]

Ms S.F. McGURK: I might come back to freight on rail later. I have a question about aquatic biosecurity that I think can relate to page 798 of the budget papers about coastal infrastructure and marine safety. Minister, are ports and marinas required to produce aquatic biosecurity plans or undertake responsibility for aquatic biosecurity generally?

Mr D.C. NALDER: The Department of Fisheries is working with ports on the issues regarding biosecurity. I will see whether Nina Lyhne has any more information to provide on that.

Ms N. Lyhne: Our small boat harbours and marinas do not have any specific requirements at this point. I am aware that it is an issue that the Department of Fisheries is working with us on, but I cannot provide the member with any more details.

Ms S.F. McGURK: Can the minister tell me whether any money is planned to be spent across forward estimates in the transport portfolio?

Mr D.C. NALDER: No. I believe that question should be directed to the Department of Fisheries in that space.

The CHAIRMAN: Are you still going, member for Fremantle? Just ask for a further question if you want one.

Ms S.F. McGURK: I wanted to explain why I was asking the questions in this portfolio. In last year's budget, most of the money came out of the Department of Fisheries and the explanation for that was that the responsibility for preparing the aquatic biosecurity plans would fall to the ports and marinas as part of their normal operations. That was the information given last year for the money coming out of the Department of Fisheries.

Mr D.C. NALDER: Can I pass to Mr Doyle?

Mr G. Doyle: That is right. We were in discussions with the Department of Fisheries a year or two ago about how it could work with the ports, in particular, on biosecurity measures and some form of financial regime that would assist with its operations in meeting costs on the biosecurity side of things. It had quite a number of legislative hurdles; we kept running into roadblocks to making arrangements happen. It went back to the Department of Fisheries to work through with the State Solicitor's Office. I have not had any contact from the Department of Fisheries for about 12 months on that particular subject, so the minister is right—it is a matter that should be put to the Department of Fisheries and it can probably answer where it is with that issue.

Ms S.F. McGURK: I hope it got the money that was taken out of its budget for that work. I have another question about the sale of —

The CHAIRMAN: Is it a separate question?

Ms S.F. McGURK: It is a separate question.

The CHAIRMAN: I will come back to you, member for Fremantle.

Ms R. SAFFIOTI: My question relates to the taxi passenger services on page 799 of the *Budget Statements*. Has the department undertaken any estimates or analysis of a taxi plate buyback because of the implications of Uber? Has any compensation package been developed or prepared?

Mr D.C. NALDER: Not in recent times. Nothing has been developed or prepared at this point.

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Ms R. SAFFIOTI: Have any estimates been put forward or any work been undertaken about the implications of Uber on the value of the taxi industry and potential compensation payments?

Mr D.C. NALDER: I have requested that the department focus on a way forward for the industry and to ensure that we set up a process to consult widely. It is not something that has been discussed or prepared at this point.

Ms R. SAFFIOTI: About three years ago, London taxi cabs were brought into Western Australia, probably at the same time that Uber was starting to make its move into the market. Does the minister think it would have been better placed for government strategy to be targeting the impact of Uber rather than trying to bring in London taxi cabs?

Mr D.C. NALDER: There are a couple of things there. I cannot speculate on decisions that were taken three years ago before I even entered Parliament. I became aware of Uber only 12 months ago. As far as I am aware, London cabs might have been occurring elsewhere around the world. In the 12 months that I have been a minister, I have been very focused on trying to work out a way. There are plenty of jurisdictions around the world that are challenged by on-demand services, and I have not found a model out there that we should aspire to. Our department has been trying very hard to work out a way forward and come up with some suggestions, as well as engage more broadly in the community to see how we should tackle this.

Ms R. SAFFIOTI: When does the minister think he will have that answer?

Mr D.C. NALDER: We are scheduled to put out the green paper very soon. We have talked about the end of June—this month. We are still hopeful that we can achieve that milestone. We would be looking at a minimum of 12 weeks' consultation period to get the information back. Three acts impact on this and it depends on what legislative changes are required to facilitate what the consultation process defines is the appropriate way to move forward.

Ms R. SAFFIOTI: I understand that the London cabs were brought in by a supplier and they were done on a trial basis for a certain amount. Can the department explain how that happened? How did we engage with the supplier to bring in all these cabs?

Mr D.C. NALDER: Can I hand that to Nina Lyhne to respond to.

Ms N. Lyhne: The taxi trial was actually about a purpose-built taxi; it was not about London taxis. We put out expressions of interests and sought any interested parties that might have vehicles that met the standards that we were seeking. Fundamentally, it was about having a vehicle that was designed as a taxi as opposed to a standard passenger vehicle, which is what most of our taxis in Perth are. These taxis were to be designed to look after the safety of passengers and drivers—that is, the separation of passengers and drivers was part of the specifications. There was an expression sought and at the time, the London taxis were the only ones that were able to meet those requirements. We made 100 plates available. If other parties had been interested as well, they would have had similar access to the plates. The trial was for 100 plates that ended up going to the London taxis and it is a four-year trial. I can say that the trial to date has been very successful. All of the customer feedback that we are getting is very positive for customer experiences and driver experiences as well.

Ms R. SAFFIOTI: When does the trial finish?

Mr D.C. NALDER: It was a four-year trial and it commenced in 2013.

Ms N. Lyhne: Yes, so we are two and a half years away.

Mr D.C. NALDER: It is 2017.

Ms S.F. MCGURK: Will the minister be handling the sale of the Fremantle Ports through his portfolio?

Mr D.C. NALDER: No. Treasury will be handling it. I anticipate that we will be actively involved in it, but it is Treasury.

[8.00 pm]

Ms S.F. MCGURK: I refer to the workforce renewal policy on page 793 of the *Budget Statements*. Quite significant savings are expected through that renewal policy. Could the minister outline how those savings will be achieved and what impact they will have on service delivery?

Mr D.C. NALDER: I will hand that question to Mr Doyle to give the specifics.

Mr G. Doyle: The policy was implemented with effect from 1 January 2015. Treasury got data from us for separations for the past year and a half and then calculated what it thought the future separations from the department would be and based its estimates on that information. The amounts that are shown commence in 2015, which is \$576 000, increasing by about \$600 000 a year, requiring us to save that amount of money each year. It grows by about \$600 000 each year. To manage that in the department, we have set up a committee

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whereby any position that is to be advertised for filling has to come to that committee with appropriate justification so that we can ensure that we only fill positions that we really need to fill. The size of the reductions that we have to make to our workforce to achieve this program is relatively minor in the whole department sense. We have about 1 400 FTEs in the department. The calculation that applies to the Department of Transport is based on only 14 separations through the year. The workforce renewal program maintains that 40 per cent of our target separations goes back to government—so 40 per cent of 14 means around six FTE a year and hence we have to reduce by \$600 000. We have to reduce by only a very small number. Part of the reason it is a small number for the Department of Transport is because extensive areas of our services are based on full cost recovery, such as driver and vehicle services and marine safety—a significant part of the coastal infrastructure area. A significant part of our business does not require government appropriation, if I can call it that. It operates on a fee-for-service basis. In Treasury's calculations, it agreed to exclude those parts of our business. We will still manage it right across the department, but it is a very small impost on us to manage.

Ms S.F. McGURK: Was the minister's adviser saying that there was no requirement to implement the policy on some of those areas he talked about—licensing renewal, for instance—but in practice the minister will implement cuts across those areas? Is that what I just understood he said?

Mr D.C. NALDER: No. We are saying that we do not need to do it in a number of areas and therefore we are not doing it; hence, our number is so small relative to the size of our budget or relative to other agencies. A number of the services that we provide are full cost recovery. They are not subject to some of the measures we have in place to try to drive the efficiencies. From what I can see across all the agencies that I am responsible for, they have continually worked to ensure that they are taking responsibility for ensuring that the roles they fill are roles that are required moving forward. We have a number of challenges around the delivery of service, particularly with technology changes that change the requirements of our workers. We are constantly reviewing it, but we are talking about only a small number—around 14 or around one per cent of our workforce—where those efficiencies need to be found.

Mr P. PAPALIA: I refer to the table at the bottom of page 799 of the *Budget Statements* under "Driver and Vehicle Services". The third last line item is "Average Cost per Vehicle Inspection Performed by Vehicle Examination Centres". Can the minister explain why a 63 per cent increase is projected for the average cost per vehicle inspection performed by vehicle examination centres in the coming year?

Mr D.C. NALDER: Part of it has been the take-up of the authorised vehicle inspections. Over 75 per cent of our inspections are now done through the authorised vehicle inspection service. The take-up has been far greater than what was originally anticipated. It has been a lot more successful as a choice for the broader community to utilise. I will hand over to Nina Lyhne to give more specific detail.

Ms N. Lyhne: As the minister explained, we have had a strategy of increasing the number of authorised inspection stations. The strategy ensures that these services are available to customers right across the state and obviously in as convenient a way as possible. It is fair to say that the take-up of those services has probably been faster than we anticipated. Therefore, the projections that were originally made, I guess, do not reflect what the business model looked like in the longer term. This is a period of transition to a new business model and those numbers reflect that.

Mr P. PAPALIA: Is this system outsourced? Are the operators outsourced? Is the minister saying that the average cost per inspection has increased 63 per cent and that is a success?

Mr D.C. NALDER: No, we are not saying it is the average cost. It is a reflection of the overall volumes, which have increased.

Mr P. PAPALIA: That is what I mean. The overall volume has increased, which has resulted in the average cost of each vehicle going up by 63 per cent.

Ms N. Lyhne: The number that you are referring to is the cost per vehicle inspection performed by the vehicle examination centres, which are the Department of Transport's vehicle examination centres. The line below reflects the cost for the authorised inspection centres, which are the separate centres. As the volumes have gone to the authorised inspection centres, the cost of delivering the service in-house has increased and obviously we need to adjust our internal costs.

Mr P. PAPALIA: So fewer vehicles are going to the government ones and more are going to the other ones.

Ms N. Lyhne: That is correct.

The appropriation was recommended.