

Mr John Kobelke; Ms Rita Saffioti; Mr Troy Buswell; Mrs Michelle Roberts; Mr John McGrath; Mr Tony Krsticevic; Mr Ian Blayney; Mr Bill Johnston; Chairman; Dr Mike Nahan

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**Division 53: Transport, \$162 606 000 —**

Mr J.M. Francis, Chairman.

Mr T.R. Buswell, Minister for Transport.

Mr R.A. Waldock, Director General.

Ms S.J. McCarrey, Deputy Director General.

Ms N. Lyhne, Managing Director, Transport Services.

Mr G. Doyle, Executive Director, Investment and Finance Coordination.

**The CHAIRMAN:** This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

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 committee clerk by Friday, 8 June 2012. 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.]

[Mr P.B. Watson took the chair.]

**The CHAIRMAN:** The member for Balcatta has the first question.

**Mr J.C. KOBELKE:** Starting at page 625 of the *Budget Statements*, does the efficiency dividend apply across all of the operation of Transport? Secondly, what proposals does the minister have, or is the department putting to him, in order to meet that efficiency dividend?

**Mr T.R. BUSWELL:** The efficiency dividend does apply, or potentially could apply, across the entire department. We are still working through with the director general and his executive exactly how that will be applied, and that will be reported to Treasury, I assume, in the not-too-distant future. As yet, we have not finalised how that will be applied.

**Mr J.C. KOBELKE:** On the delivery of services in item 84 further up the page, there is a drop in the 2012–13 budget estimate of nearly 10 per cent on the estimated actual budget for 2011–12. Can we have some explanation for that reduction in the budget for the delivery of services?

**Mr T.R. BUSWELL:** I will work through that. There are a couple of points to make here. One is that in the 2011–12 estimated actual budget of —

**Mr J.C. KOBELKE:** It is \$151.7 million.

**Mr T.R. BUSWELL:** It is \$131 million versus the estimated actual of \$151 million. Clearly, there were some items that we spent money on that we had not anticipated at the start of the year and subsequent to that. Some of those items are one-offs, such as \$3 million for the Fremantle rail container subsidy and \$5.8 million in additional funding for the Esperance clean-up. What are we after—\$20 million? They are the main two.

**Mr J.C. KOBELKE:** As the minister indicated, that is \$8 million out of \$20 million.

**Mr T.R. BUSWELL:** I can read out the rest.

**Mr J.C. KOBELKE:** Are the others very small ones?

**Mr T.R. BUSWELL:** Generally. I will just get some clarification. I will go through them: access to driver and vehicle services in remote communities, \$700 000; Esperance clean-up and recovery, \$5 8 million; contribution to the Lloyd Street southern extension underpass, \$1 million; and taxi users' subsidy scheme, \$1.8 million. There were some revenue-related adjustments. I am not entirely sure of that but we can go through them.

**Mr J.C. KOBELKE:** They would not apply to the delivery of services, which is costs.

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**Mr T.R. BUSWELL:** I will leave out the revenue ones—fair point. They are the Fremantle rail container subsidy, \$3 million; and interstate air services, \$973 000. I think that is most of the main ones. My apologies for including the revenue-related one in there.

**Ms R. SAFFIOTI:** As a follow-up, can the minister give us the revenue-related ones?

**Mr T.R. BUSWELL:** Hang on. The second part of the question is to look at how we go from \$131.858 million, which is the 2011–12 budget, to where we are this year, in 2012–13. Let us compare what we budgeted for last year with what we budgeted for this year. Going through that, there is another \$2.3 million to help people living in remote communities get a driver's licence, which is a fantastic initiative. Many people are out in remote communities delivering training and licence-testing services to people in an attempt to deal with one of the fundamental problems faced by people living in remote communities; that is, they cannot get a driver's licence, which makes it hard for them to get a job and it means that often they are in strife with the law for driving motor vehicles without a licence. There is an additional \$4.7 million. This is a 2012–13 budget service appropriation of \$1.43 million versus the 2011–12 amount of \$1.31 million. There is also the grain freight network transitional assistance package of \$4.7 million; a \$5 million contribution to the Lloyd Street southern extension and underpass, which will pass under the railway line to enable people going to the Midland health campus to avoid the level crossing; and \$10 million to the metropolitan bicycle network. There is additional funding for taxi-user subsidies, Port Geographe in Busselton, planning and design money for light rail et cetera. They are the main ones.

[10.10 am]

**Ms R. SAFFIOTI:** My question relates to the line item for planning and design for light rail on page 625, which the minister just mentioned, moreover, two projects in the 2031 transport master plan—the Ellenbrook transit way and the light rail. Can the minister provide current estimates for those two projects and their commencement and finish dates?

**Mr T.R. BUSWELL:** Good question. I will soon be signing off on some time frames for light rail that have emerged from that planning process. They are not quite finalised yet; when they are finalised, we will provide that information.

**Ms R. SAFFIOTI:** When will the minister be signing off on them?

**Mr T.R. BUSWELL:** Imminently.

**Ms R. SAFFIOTI:** What is the minister's definition of "soon"?

**Mr T.R. BUSWELL:** Probably within a couple of months. We have committed a lot of funding for light rail planning, I think in total \$8 million. We are expecting some support from the commonwealth around that and we are finalising that discussion with the commonwealth.

**Mr J.C. KOBELKE:** The minister referred to about \$8 million for light rail, but only \$3.5 million is listed on page 625 of the budget papers.

**Mr T.R. BUSWELL:** That is an additional \$3.5 million over the \$4.3 million we already had. That is \$7.8 million. I apologise if I exaggerated.

**Ms R. SAFFIOTI:** Is the minister expecting some help from the commonwealth?

**Mr T.R. BUSWELL:** I am saying that we are in negotiations with the commonwealth. It wants to partner us in this very exciting project. We are working through the final detail around how that will play out.

**Ms R. SAFFIOTI:** What sort of funding is the minister looking at?

**Mr T.R. BUSWELL:** The quantum of that will be determined in our ongoing negotiations with the commonwealth. Minister Albanese has been very, very supportive of the light rail project. We have not quite finalised those discussions yet, but we are not far off. I expect to finalise the time line around light rail in the not-too-distant future, or whatever term I used. We are about to seek tenders for the conceptual design of the bus rapid transit service that will service Ellenbrook. I expect that when that work is done it will help us put some firm outline around the time frame for the delivery. We will have to wait until that work has been done. I think it is fair to say that the conceptual design of the BRT will not be as complicated as the conceptual design of the light rail, simply because, as the member will be aware, there is already a reservation along the eastern side of Lord Street and in some areas the BRT will be on-road. That is not preferable, but there is a probability that will happen for part of that journey. It certainly will not have the impact that light rail will have and certainly not the design challenges that the light rail project presents.

**Ms R. SAFFIOTI:** Does the minister have any estimates of cost for the BRT?

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**Mr T.R. BUSWELL:** I think there is around \$1 million in the budget for planning, with half a million for this year.

**Ms R. SAFFIOTI:** What about the cost of construction?

**Mr T.R. BUSWELL:** No. I am reluctant to make any estimates until we do a bit more of the planning work, because I do not want to create an expectation only to find later that it is just not deliverable. I would rather work through the planning stages and then we can look at some estimates of total costs.

**The CHAIRMAN:** Member for West Swan, go through the Chair.

**Ms R. SAFFIOTI:** Sorry, Mr Chair. In relation to the route design, will the realignment of the Perth–Darwin highway, away from Lord Street, impact significantly on what was to be part of a total package?

**Mr T.R. BUSWELL:** No. I think that realignment, which will basically take the Perth–Darwin highway into a closer alignment with Tonkin Highway, will be a pretty good outcome.

**Ms R. SAFFIOTI:** Last year the minister sold the Lord Street–Reid Highway intersection as stage 1 of the Perth–Darwin highway.

**Mr T.R. BUSWELL:** At that stage it was.

**Ms R. SAFFIOTI:** No; it was not, because the planning had not been done. Anyway, it does not matter.

**Mr T.R. BUSWELL:** The Lord–Reid intersection is being upgraded at a cost of \$7 million or \$8 million.

**Ms R. SAFFIOTI:** It is important, but it is not stage 1 of the Perth–Darwin highway.

**Mr T.R. BUSWELL:** We are starting the planning work on the Perth–Darwin highway. I think, sensibly, that work has identified that a better alignment is probably with Tonkin Highway, acknowledging that a lot of the vehicles that will leave that Welshpool–Kewdale area will not necessarily use Roe Highway, although some will; some may use Tonkin Highway to access the Perth–Darwin highway. Those linkages through to that road are important. In answer to the member’s question, my advice to the member is that the realignment of Perth–Darwin highway will not have any impact on the Ellenbrook BRT. That will run down the reserve on the eastern side of Lord Street, and there is more work to be done to work out exactly how we get from the Lord Street–Reid Highway intersection through to Bassendean station. That work is happening. I think it will be an exciting project.

**The CHAIRMAN:** Further question, member for South Perth?

**Mr J.E. McGRATH:** My question has been covered.

**Ms R. SAFFIOTI:** When does the minister expect the study for the BRT route to be finalised?

**Mr T.R. BUSWELL:** That process has started. That study will be completed in 12 to 18 months.

**Mrs M.H. ROBERTS:** Towards the bottom of page 625, under “Major Spending Changes” there is \$4.7 million for the grain freight transitional assistance package. Will any tier 3 rail lines close later this year? If the lines are still operating next year, will they require an increase in the TAP and, if not, why not?

**Mr T.R. BUSWELL:** I have a note on this. I can say that, as I recall, CBH may cease to operate on three of the lines. Those lines are Quairading–York, Yilliminning–West Merredin and Trayning–West Merredin. When I say CBH may choose to cease operations, the government will not close the railway lines. But the government will not pay the transitional assistance package payment after this year; this will be the last year of the TAP. The TAP is the additional money paid effectively to CBH to, in theory, help subsidise what has historically been an inefficient rail network. That will cease. What I have been saying to CBH fairly clearly is that there is no more government money for the upgrade of those lines on the books or anticipated. If CBH can come to an arrangement with Brookfield, which effectively has control and operation of those lines, it is more than welcome to use them, but that is an arrangement for CBH and Brookfield to sort through themselves. CBH’s view is that it now has you-beaut locomotives and lighter rail cars. Its claim is that it is investing \$175 million in buying its own rolling stock. That is CBH’s investment decision—nothing to do with government. If, as it has been claimed, they are more efficient, lighter and a whole lot of other things, then it may well be the case that Co-operative Bulk Handling can come to an arrangement with Brookfield Rail, but that is entirely for them to sort through. From a government point of view, our focus is on completing the investment in roads that was part of the grain freight package. That work is happening. Some of that money is being spent by local governments. Some of it is being spent by Main Roads. I should also add that some of the money being spent by Main Roads is on work that is being carried out by local governments. I am pretty sure the Shire of Kellerberrin is involved in that and is very excited about it. Some of the money being spent by Main Roads is going through its integrated service providers.

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[10.20 am]

**Mrs M.H. ROBERTS:** Is the minister ruling out any more transition assistance package payments in the future?

**Mr T.R. BUSWELL:** That is correct. I have said that publicly for some time now, so it will not come as a surprise. One thing that has to be understood is the misconception that if tier 3 grain travels on road, which it does anyway, more trucks will travel through the metropolitan area. When I put that to CBH, its answer was that that will not be the case. For a range of reasons CBH use a mix of truck and rail transportation for grain at different times. It is also fair to say that I have met with a few shires that have raised some issues about some roads that were not included in the original grain freight decision. Certainly, when I was in Carnamah, that wonderful centre—the member for South Perth was on the trip with me—I was told that there was a big issue with the Bunjil Carnamah Road. One of the reasons there is a big issue with the Bunjil Carnamah Road is that even though there is a CBH bin at Perenjori, to the east of Carnamah, the way CBH prices access to its bins means that nearly all the farmers there drive across the road and put it in the bin at Carnamah, which is exactly the opposite to what CBH has told us will happen on the tier 3 lines. We will look at how we can fix the Bunjil Carnamah Road. Another road that has been raised with me as an issue by a number of shires, including the Shire of York, is the Quairading–York Road. The view of the Shire of York is that that road has always been used for grain and will always be used for grain irrespective of what happens on the railway line. We are also looking at what we can do to assist with the upgrade of that road.

**Mr J.E. McGRATH:** I refer to the second dot point on page 626 under “Significant Issues Impacting the Agency”, which deals with the central business district transport plan. As a member for an electorate that is very close to the CBD, will the minister advise of the government’s series of inner-city congestion initiatives and how they will help us to cope with the bursting transport situation in and around our city?

**Mr T.R. BUSWELL:** I appreciate the question. As the member for South Perth has raised in his time, this is an issue for him and for the people of South Perth. There is a genuine concern about where the 38 000 existing motor vehicles that use Riverside Drive will go. We needed to develop responses to deal with that. The responses take a couple of forms. First, at a cost of \$57 million, we will be adding an extra lane to the Graham Farmer Freeway tunnel so it will go from two to three lanes. My recollection is that that will mean a 10 centimetre reduction in the width of the lanes. In addition, we have to spend some money on the freeway heading north from the tunnel. There is a major point of congestion from the tunnel and Lake Monger through to Hutton Street. Not only will the money go into putting an extra lane in the tunnel, but also significant upgrades will be made to the Mitchell Freeway north from the city through to Hutton Street. That will be done in two jobs of work. The first will involve adding an extra lane on the freeway through to Vincent Street. One of the big problems as cars come out of the tunnel is trying to merge across to get off the freeway. That is why traffic is almost at a standstill. Cars almost have to go across traffic or perpendicular to the traffic. It is not for the faint of heart, member for South Perth.

**Mr J.E. McGRATH:** I understand.

**Mr T.R. BUSWELL:** I am sure the member for South Perth would be apt at doing that.

**Mr J.E. McGRATH:** Those people who want to go to the left should be in the left lane.

**Mr T.R. BUSWELL:** As part of the new works, as cars come out of the tunnel they will shave as if they are going to head off to Thomas Street. As they head off at Thomas Street, there will be a new ramp or slip that will whip them back down so that they will be on the other side of the freeway. In that way, cars will not have to cross traffic.

**Mr J.E. McGRATH:** That is what is in the harbour tunnel in Sydney. If drivers want to go to Kings Cross, which I sometimes do when I am in Sydney, they have to get into the left lane, otherwise they go straight on to the airport.

**Mr T.R. BUSWELL:** I think I saw a character playing the member in *Underbelly*!

That first bit, which is very important, is at a cost of \$57 million. The second part of the initiative involves \$47.6 million, which will be used to do a range of things. Firstly, we will put on a new green central area transit service, which will effectively run from Leederville to Esplanade station. That will assist in taking a lot of pressure off the red CAT, which is our busiest CAT service at the moment. Indeed, as an interim measure we will introduce an additional red CAT service from July this year. The green CAT, at about \$19.5 million, will commence in July 2013. I should point out that \$1 million of that money is going to be spent funding a hybrid bus trial. Our bus supplier, Volvo, which is owned by the Chinese firm Geely, will supply us with a hybrid bus. It is a very interesting innovation. Hopefully, that will come out towards the end of this year. It will be trialled around Perth. I am sorry, I diverted; I am interested in buses.

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The second component involves putting in 30 new closed-circuit television cameras in traffic hotspots around the CBD, which will be monitored in real time at Main Roads' traffic operation centre. That is fantastic, because it means that we can have our eyes on the street and we can adjust traffic signals and the like in real time to meet changing conditions on the road. Thirdly, there will be a fundamental change to the way people cross roads in Perth. Pedestrian walk signals will transition to parallel phases. It will cost \$5 million to do that. We will spend \$7.5 million upgrading two of the main principal shared paths for cycling that service the CBD. I refer to the one along Roe Street between Milligan and Thomas Streets and to the other main one, which is along the foreshore heading down from Barrack Street to Plain Street. Hopefully, the PSP on the foreshore in the city will get the same sort of separation and great facilities that are enjoyed in South Perth which, member for South Perth, I observe as I run around there in the morning. The other components of it —

**The CHAIRMAN:** Minister, at the start I said precise and short answers. That applies to members of both sides of the house.

**Mr T.R. BUSWELL:** Sorry.

**The CHAIRMAN:** I know that the minister is interested in buses and that he is pumped up, but we have to get through a lot of questions today.

**Mr T.R. BUSWELL:** The Chairman has just deflated me!

I should also point out that the incident response vehicles that were very unfairly called "shunters" will go out when vehicles break down. There will be one in the CBD, one on both the freeway approaches and one in the tunnel. They will help move along cars that have broken down.

**Mr J.E. McGRATH:** There are no emergency lanes in the tunnels in New York.

**Mr T.R. BUSWELL:** A lot of tunnels around the world do not have an emergency stopping lane. The shunter will push cars that have broken down to the end.

**The CHAIRMAN:** When I am in the chair, I get to ask a question. I refer the minister to the fifth dot point on page 627, which refers to the aviation industry in Western Australia playing a crucial role in the state's economy and in underpinning tourism. I notice that a draft Western Australian aviation strategy is coming out. Will the minister look at the Skywest issue in Albany from a tourism aspect? Can the minister tell me whether Busselton Regional Airport will continue to use Skywest flights after 1 July?

[10.30 am]

**Mr T.R. BUSWELL:** In answer to the second part of the question, I do not know. The member would probably have to put that to Skywest. It made that offer to the government, as I understand it, as part of its bid.

**The CHAIRMAN:** Can the airport do it without having security under the current —

**Mr T.R. BUSWELL:** That is all being put in. Busselton, Esperance and Albany Airports are going through the same security upgrade as required by the commonwealth to keep regular public transport services. It is about the weight of the aircraft. As the member knows, being the local member in Albany, the cost—not so much the capital cost, because the commonwealth funds a lot of that—of operating those facilities will have to be passed on to the passenger.

**The CHAIRMAN:** It is \$20 each way from Albany.

**Mr T.R. BUSWELL:** That is a real issue. It is expensive enough to fly to areas such as Albany and Esperance. Busselton is not too bad. In relation to Skywest's plans for its routes, I cannot answer that because that is really for it to determine. I assume that if Skywest wanted to change, it would have to seek our approval under the deed we signed with them.

The second question is a very good question. The issue of air services to Albany is a big issue in Albany. The member has raised it in the house and he has raised it with me privately. We signed five-year contracts with Skywest in early 2011 to service Albany and Esperance. The review process will start at the three-year mark. My preference is to have the Albany and Esperance airports opened up to a competitive process. Does that mean in due course it will be serviced by two airlines? I do not know. That is really for the market to work out. My policy position is that when we have that review, we will look at the willingness of airlines to service Albany and Esperance in a competitive market.

**The CHAIRMAN:** In a tourism sense.

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**Mr T.R. BUSWELL:** Yes. We have seen real benefits at Geraldton and Exmouth after the introduction of Qantas on what was previously a regulated Skywest route. Geraldton is fully deregulated. Exmouth has limited deregulation, with two suppliers—Qantas and Skywest. Competitive pressures have caused a lot more focus on price, at different times of the year. That is a good outcome. We will get some service competition as well.

**The CHAIRMAN:** I was approached by a lawyer who said that if he is charged an extra \$20 for security on his ticket out and \$20 for his ticket in, surely there is something factored in his ticket for security coming out of Perth. Are they double-dipping?

**Mr T.R. BUSWELL:** That is a good question. I do not think bags are scanned when people come in. I do not know; I would have to check.

**The CHAIRMAN:** I am saying that when people leave Perth, bags are scanned. He is saying they are putting an extra \$20 on the ticket leaving Albany and also on the ticket coming in, whereas he says it is being scanned —

**Mr T.R. BUSWELL:** I would have thought the Perth \$20 would have already been included.

**The CHAIRMAN:** That is what I mean; he says he is paying twice.

**Mr T.R. BUSWELL:** We will have a look at that. I would be surprised, but we will certainly follow that up.

**The CHAIRMAN:** Thanks, minister.

**Mrs M.H. ROBERTS:** I refer to the third heading “Other” on page 637 of the *Budget Statements*. The minister will see that income from motor drivers’ licences is flagged to decrease from an estimated actual of \$39 million for 2011–12 down to just \$33 million for 2012–13. What is the explanation for the fall in revenue given an increase in population and, one would expect, higher demand?

**Mr T.R. BUSWELL:** That is a good question. The advice I have is that that is an outcome of compositional shifts between one and five-year licences.

**Mrs M.H. ROBERTS:** Six million dollars is a considerable amount.

**Mr T.R. BUSWELL:** There has been a compositional change. The member will see that from 2010–11 to this year it looks like it will go down a little—only \$1.5 million. What the member is referring to is a \$5.5 million decline. I can provide the member with the numbers of licences. I do not have how that translates to \$33.5 million but I can give the price of licences. To put it into perspective —

**Mrs M.H. ROBERTS:** Is the price of a licence going to go down? There will be less income.

**Mr T.R. BUSWELL:** No. I will work through it. In 2011–12, there were 364 640 one-year licences renewed and 201 437 five-year licences renewed. In 2012–13, it is anticipated that there will be 355 909 one-year licences renewed. It is estimated there will be 169 456 five-year licences renewed. I am adding those figures up. It is sort of a shift from 566 000 licence renewals in 2011–12 to about 525 000 in 2012–13. There is a significant step down in the number of licence renewals, and that is mainly made up by this compositional shift in five-year licence numbers.

**Mrs M.H. ROBERTS:** If they stayed on the current trajectory, would the minister not expect there to only be \$1.5 million and not \$5.5 million in terms of people taking it up?

**Mr T.R. BUSWELL:** It is not a constant series. It is “chunky”—that is probably the best term I can use. Maybe I can use some figures. Our estimates over the forward estimates around five-year licences, to give an example—mind you, having said that —

**Mrs M.H. ROBERTS:** Perhaps I can get to the point of my question. There are no other changes in staffing or other matters that would affect this. Is it simply a matter of the one to five-year licences? Is the minister saying there are no other factors?

**Mr T.R. BUSWELL:** No.

**Mrs M.H. ROBERTS:** I note that P-plate drivers are penalised in that they cannot purchase a five-year licence. Has any thought been given to allowing them to do otherwise? When P-plate drivers have one year on red P-plates and then one year on green P-plates, they are compelled to buy a one-year licence. For people keen to make a saving, they have to pay the higher yearly rate.

**Mr T.R. BUSWELL:** We do not have anything planned. It is something that has not been raised with me. It does not seem like an unreasonable suggestion.

**The CHAIRMAN:** I do not know whether the minister has organised a morning tea break or he wants one.

**Mr T.R. BUSWELL:** That is a well-put suggestion.

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**The CHAIRMAN:** We will have a 10-minute break.

*Meeting suspended from 10.39 to 10.49 am*

**Mrs M.H. ROBERTS:** I refer to the line item “Percentage of vehicle examinations completed in accordance with the Australian Design Rules assessed by independent audit (safe vehicles)” in the outcomes and key effectiveness indicators on page 628 of the *Budget Statements*. Who is being audited? Are vehicle examinations completed by both the department and private providers audited? Who does the auditing—the line item refers to an independent audit? Are these physical audits, are they just flick-and-tick desktop audits or how are they done?

**Mr T.R. BUSWELL:** My understanding in relation to the technical aspect of what happens with the audits is that they are done by an independent auditor. The way the audit happens is that during each of the four quarters of the year 100 vehicle examination forms are selected at random, which gives an annual random sample of 400. I am not aware of what happens to those forms. Perhaps I can get more information from Ms Lyhne.

**Ms N. Lyhne:** The audits are actually conducted independently, but by internal independent auditors and a lot of them are paper-based audits—the paperwork is checked. We have recently conducted a review of some of the auditing processes and we are in the process of putting in place new systems to audit vehicle examinations.

**Mrs M.H. ROBERTS:** The minister referred to an independent auditor and Ms Lyhne just referred to an internal independent auditor. The words “internal” and “independent” seem to be diametrically opposed, so could I get some clarification? Who actually is the auditor and how can they be both internal and independent? Why was it determined to do a review of the audit? Also, can I have an answer to my question about whether they are desktop audits or whether the vehicles are physically examined?

**Mr T.R. BUSWELL:** There are two parts. Firstly, as Ms Lyhne indicated, it is effectively a desktop audit; as I understand it, the auditors do not examine the vehicles. Secondly, the member points to the use of the term “independent”. The view could be taken that “independent” would mean external to the agency. My advice is that there is a standard section within the Department of Transport that is independent of the vehicle inspection area. The standards and audit group, who are independent of the vehicle inspectors, conduct those audits. Perhaps I should apologise if the use of the word “independent” created the impression that the audits were done by a body external to the agency. Clearly, that is not the case. The audits are conducted independently of the vehicle examination area. I would not be surprised if that arrangement has not been in place for a long, long time.

**Mrs M.H. ROBERTS:** I think the use of the word “independent” is quite misleading if the auditing is done in-house, albeit by a different unit within the minister’s agency.

**Mr A. KRSTICEVIC:** I refer to the fourth dot point on page 628 dealing with the Esperance lead contamination. Can the minister please advise what was done to get rid of the contamination and, more importantly, what is being done to monitor the situation?

[10.50 am]

**Mr T.R. BUSWELL:** Certainly. I do not think I need to go through the history of the lead pollution in Esperance. It was lead carbonate that was exported by Magellan Metals out of Esperance. There were a lot of issues with the way it was transported to the port and with the way it was dealt with as it moved through the port. It is very interesting—I will talk about Esperance in a second—that a different form of lead, lead sulphide, is exported through Geraldton. The Geraldton port, I think, does a good job. We had a minor issue there that was dealt with. The local community is very supportive of what happens there. Lead sulphide is a different product to lead carbonate, by the way. In relation to Esperance, clearly there was significant contamination of properties in and around the town. Obviously, the contamination depended on wind dispersal of the dust. It has cost us \$25 million to fix it up. My understanding is that if it is not completed, it is not far off—it will be completed by the end of June. I will give some details of what we have done. We invited 2 502 homes and commercial premises to take part in the sampling and clean-up program. Of those, 2 320 consented to the sampling. That is a massive sampling effort in a town the size of Geraldton.

**The CHAIRMAN:** Esperance, minister.

**Mr T.R. BUSWELL:** My apologies.

**The CHAIRMAN:** Do not say there is another one at Geraldton. The member for Geraldton just fainted.

**Mr T.R. BUSWELL:** No. Geraldton is fine; it is going along nicely.

Of those Esperance properties, 1 775 premises were cleaned. That cleaning included cleaning of roof space, roof surfaces, gutters, rainwater tanks, soils, external surfaces and carpets. My advice is that the owners of 72 premises declined to have any cleaning undertaken at all. We have also implemented a two-year monitoring

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program across the town site to ensure that there is no re-contamination. The \$25 million is more than we had originally budgeted and/or anticipated. Additional costs were incurred for sampling, as I recall, and in and around disposal of the material. We had to inject another \$5.8 million in 2011–12 to get it up to \$25 million. An independent audit is now being undertaken by GHD to verify that the clean-up has been successful. Notwithstanding the fact that the clean-up is completed, or will soon be completed, and the audit is being undertaken, we will maintain a monitoring presence in and around Esperance for some time to come. It is an important issue for the local community. It is important that the local community has confidence in the safe operations of the port in Esperance, because the Esperance port, like the Geraldton port, has a really important role to play in the economic development of not only that town, but more broadly the Yilgarn iron ore province.

**Mr I.C. BLAYNEY:** I understand that the Magellan Metals product now is going out through Fremantle; is that right?

**Mr T.R. BUSWELL:** It was. It currently is not going anywhere.

**Mr I.C. BLAYNEY:** I was actually, I guess, sounded out by someone—a private person—as to what my attitude would be for it to go out through Geraldton port. I indicated my opposition to that. They said, “That’s fine,” and went away. But sooner or later we will have to find some way to get the Magellan product out of Western Australia.

**Mr T.R. BUSWELL:** Magellan has a licence, effectively, with the Department of Environment and Conservation to export that product. The port really is the end of that process. As the member is aware, some issues with Magellan arose on or near New Year’s Eve in 2010. I can recall it vividly. It was during the day leading up to New Year’s Eve. I was getting my hair done and a few other things—my finery adjusted—but that is a different issue. Those issues related to the transportation of lead on the railway line. Ultimately, if it starts again, that is a matter Magellan will have to work through with DEC in the first instance. I have not seen any proposal whatsoever for it to go through Geraldton.

**Mr I.C. BLAYNEY:** I think I killed it.

**Mr T.R. BUSWELL:** There you go.

[11.00 am]

**Mr J.C. KOBELKE:** The dot point at the bottom of page 626 refers to the Perth Waterfront and the impact on traffic flow. My question is not to ask the minister to provide the answer with specifics now, but will he table or provide the full set of traffic modelling done by his department on the alterations that will need to take place for the Perth Waterfront development?

**Mr T.R. BUSWELL:** Not at this stage. We are still refining some aspects of that modelling and that modelling is still effectively being used by government to assist us with some decisions that will go through the cabinet process.

**Mr J.C. KOBELKE:** I know that that is the standard answer, but it is very lame. This will impact very directly on the residents of Perth and it is objective data that should be made public. There is no reason not to make it public, other than the minister’s embarrassment.

**Mr T.R. BUSWELL:** I am not embarrassed, member for Balcatta. At the moment, it will not be released. I am comfortable it will be released at some stage when we have finished using the data to assist us through the decision-making processes of executive government. I will not go back through my answer to the very good question from the member for South Perth about how we are investing —

**Mr J.C. KOBELKE:** I just want the modelling to be released and the minister is not willing to release it, so I will move on to my next question. The table on page 637 includes a line item referring to the total amount of fines. This question is on behalf of the member for Nollamara, who asked the Minister for Police about speed fine infringements on Reid Highway at Mirrabooka Avenue and was told to ask the question during the budget estimates hearings. Of the revenue raised in 2010–11, 8 845 speed infringements along Reid Highway near Mirrabooka Avenue raised some \$2 million. The member for Nollamara would like to know whether the minister can indicate how much of that money was spent on roads in the Mirrabooka area.

**Mr T.R. BUSWELL:** My advice is that regulatory fees and fines are not speed camera fines. If I can take the member to page 637, there are some speed and red light fines —

**Mr J.C. KOBELKE:** The specific question is: can the minister provide figures on how much money has been spent on roads in the Mirrabooka area from the speed fines collected in that area? The minister can answer it as supplementary information if he is willing to provide it.



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**Mr T.R. BUSWELL:** We have an issue because I am not sure I can get that information from my agencies, because the police are involved with the issuing of fines. But I suspect we are not doing too badly in the Mirrabooka area of late given that we have opened the Reid Highway and Mirrabooka Avenue overpass and the Reid Highway and Alexander Drive interchange. Pretty substantial investments of state and federal money in Reid Highway and Alexander Drive have made tremendous improvements in that area. I was out the other week with the member for Morley talking to local residents who use those roads a lot and those two grade-separated interchanges are a fantastic outcome.

**Mr J.C. KOBELKE:** I thank the minister for his non-answer.

**Ms R. SAFFIOTI:** My question relates to page 628 and the outcome at the bottom of the “Outcome and Key Effectiveness Indicators” table, “Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle port”. Does the government still have a 30 per cent target on rail? When does the minister expect to achieve this?

**Mr T.R. BUSWELL:** People talk about a target. I went to the Port of Hamburg —

**Mrs M.H. ROBERTS:** This is not going to be another story, is it? The minister has waffled a lot in the answers and we have so many sections to get through; I will start to think it is a deliberate strategy if the minister continues.

**Mr T.R. BUSWELL:** No, it is not. I am answering about —

**The CHAIRMAN:** Minister, will you answer the question? Thank you.

**Mr T.R. BUSWELL:** The Port of Hamburg is one of the largest container ports in the world with some of the largest rail infrastructure. When I asked the CEO of the Port of Hamburg what the port’s target was for the number of containers travelling via rail versus road, he said that he had no idea. He did not know what the percentage was; he was not interested. The Port of Hamburg is lucky because an autobahn drops right into the middle of it, which makes it a bit easier. It would be fair to say that that is an aspirational target.

**Ms R. SAFFIOTI:** Tony Abbott–style.

**Mr T.R. BUSWELL:** It will be hard to get to. It will be difficult for a range of reasons.

**Ms R. SAFFIOTI:** Does the government still have that target?

**Mr T.R. BUSWELL:** As I said, it is an aspirational target. It is encouraging us to deliver investments in getting containers from Perth out to Welshpool or Kewdale. One of the big problems is the size of the cost difference between using rail versus road because of the short haul and a lot of inefficiencies in the system. We are dealing with some of those inefficiencies with some of the investments we are looking to make in partnership with the commonwealth.

**Ms R. SAFFIOTI:** What sort of investments is the minister talking about?

**Mr T.R. BUSWELL:** I will have to find the quantum of the investment. We are spending \$20 million to expand the North Quay at Fremantle Harbour. That will mean trains in their entirety can be unloaded much more efficiently. The second issue is demand on the line. We are putting in a passing loop on the line at a cost of about \$8 million.

**Ms R. SAFFIOTI:** Are these all funded?

**Mr T.R. BUSWELL:** Yes. This is part of the Nation Building 1 program, so it is a commonwealth partnership, which is good. It is a passing loop so that trains can more freely move up and down the line. The third thing we are doing is looking at some investments in terminal 2 with an additional intermodal terminal in the Kewdale area.

Of course, it would be desirable to get containers onto rail, but the physical capacity to do that is limited. There are some other inefficiencies in the system. I will share with the member one that I am aware of. When a container comes off the ship at Fremantle, effectively it is unloaded and placed on the quay, for want of a better term. It then needs to go next door, where it is put on the train. I do not know whether there is a fence; I have not been down to look yet. The container gets lifted up, but rather than the thing that lifts it easily driving over to where it needs to go and putting it down, it gets put on a truck. That truck drives out of the port, goes around the corner and pulls up where the container gets offloaded again and put in a stack. That costs \$20 or \$30 bucks a container. Does the member know why that arrangement is in place? Because an arrangement was struck at some stage between the Maritime Union of Australia and the Transport Workers Union which said a truck has to be involved to get that container a very short distance. I have not seen it yet; I will go and look, but this is what has been described to me. That is an inherent inefficiency. I am sure that agreement was struck for a lot of good reasons, whenever it was, but we do not need it in a modern port. There are issues around capital. I am not

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saying this to have a go at the people down there; good luck to them if they can get that arrangement. However, it does not help when the basic issue is the inefficiency—that is, the cost to move the containers—given it is a short haul anyway. It is an issue.

I reflect on Hamburg again, and not because I want to tell a story. The CEO of the Port of Hamburg's advice to us was that up to a certain distance, the containers that leave the port leave on trucks to get there. I cannot remember how far it was, but it was significant. These containers go all over Europe from Hamburg. After the containers go that distance, the containers go on rail. I am reflecting on that experience. It is important to have efficient transport links into the port.

To understand the extent of the challenge at Fremantle, Fremantle currently exports about 600 000 twenty-foot equivalent units—that is, a 20-foot-long container. Economic conditions and things may change this, but our estimates show that by about 2025 that volume will grow to between one million and 1.1 million TEU. That is double the size of the port. That is a big land-side transport task. But the scary thing is that by 2060, it is anticipated that the container movements through Perth will be about six million TEUs. In other words, in the next 40 years we have to provide port capacity that will be five times larger than Fremantle when it is maxed out at about a million TEUs. A lot of challenges will be faced by ports.

[11.10 am]

**Mr W.J. JOHNSTON:** Is the minister not expecting a diminution in the volume of rail movements from the port to the Kewdale area in the medium term?

**Mr T.R. BUSWELL:** It is not our policy to drive freight off rail and onto road.

**Mr W.J. JOHNSTON:** I am not talking about what the plans are over the next 20 years, but over the next four years does the minister not see any opportunity to provide any other infrastructure or take any actions to reduce the number of —

**Mr T.R. BUSWELL:** It will probably take four years to put in place the infrastructure at North Quay, the intermodal terminal at Kewdale and the rail loop. The impact of that will not be felt until four years when the infrastructure adds to the efficiency of the rail network. Container movements were artificially inflated a couple of years ago—I am not saying that is good or bad; it is just how the market determined it—when a lot of containerised grain went out of Fremantle and was generally taken from the port by rail. The containerised grain trade through the port has dropped significantly. Commensurate with that has been a drop in the percentage of container movements from the port by rail. Our target for the next year is 14 per cent.

**The CHAIRMAN:** There is one more questioner on the list.

**Mr T.R. BUSWELL:** Can I ask for clarification? I notice that a couple of other shadow ministers are here to discuss their portfolios. I seek some guidance on the way the day is divided. My reading is that we have an hour and a half this afternoon and possibly some time this morning to deal with the Department of Commerce.

**Mrs M.H. ROBERTS:** They are all in the one division.

**Mr T.R. BUSWELL:** That is fine.

**The CHAIRMAN:** That is what I was heading towards. I have one other questioner on the list. If there are no more after that, I will put that the division be recommended and move on to the next one.

**Dr M.D. NAHAN:** I have a further question.

**The CHAIRMAN:** As I said, I would like to get to the final question. Will this question be quick and short?

**Dr M.D. NAHAN:** Yes. Minister, what is the current share of container movements from the port by rail?

**Mr T.R. BUSWELL:** It is about 12 or 13 per cent. One of the challenges is that not all containers are contestable by rail. They have to be going to where the rail is to be contestable. I do not know what the contestable volume is, but I imagine that a pretty high percentage of containers would be contestable. As I said, some infrastructure-driven inefficiencies as well as operational inefficiencies make it very hard to compete. A subsidy is in place, but clearly that does not bridge the gap far enough. However, I do not think we should try to bridge the gap by continually inflating the subsidy to reward inefficiency.

**Mr J.E. McGRATH:** My question relates to “Major Spending Changes” on page 625. This is a very important issue. An additional \$20 million has been provided for the metropolitan bicycle network, which I think all members would agree is most important for our city. Has the minister decided where the locations for this network improvement will be?

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**Mr T.R. BUSWELL:** That is a very good question, member for South Perth. There has been a quantum shift in the level of funding to invest in cycling infrastructure. The rate of growth of cycling has been substantial, relative to the rate of growth in the population. We have a growing population but also a compositional shift to cycling, which is fantastic. The \$20 million is supplemented. The member for South Perth asked me earlier about congestion. Some \$7.5 million of that \$20 million will be spent on upgrading some of the significant cyclepaths that lead into the city from the west and east such as Riverside Drive and along Roe Street as well as a few other spots. The total package is around 27.5 million bucks. It is a great injection of funds. Historically it has been about \$2 million, which is why the cycling community has been so supportive. Of that \$20 million, \$16 million over the next two years will go to the metropolitan principal shared path network.

One of the key issues that the Western Australian Bicycle Network Plan identified was the lack of investment in the principal shared path. Generally, the principal shared paths are those that run along the freeways or the railway lines heading into the city. Our priority is to continue to work on the Guildford to Midland section of the Midland railway line—it pretty much conks out there; from Shenton Park station to Loch Street, which is opposite Karrakatta Cemetery where the bikes have to share the road with traffic; sections of Mitchell Freeway between Glendalough and Reid Highway; and sections of the Kwinana Freeway PSP, particularly between Narrows Bridge, alongside the member for South Perth's electorate where he wants a two-foot high north wall, through to Mount Henry Bridge; and sections between Cranford Avenue and Leach Highway. We are also doing planning on the section between Grant Street in Cottesloe and effectively what will be where Curtin Avenue and Marine Parade separate, near Beehive Montessori School. In addition, \$2 million will be made available to metropolitan councils and \$2 million to regional councils to use for local cycling infrastructure. Again, that is a doubling of funding for the metropolitan councils and an increase from \$750 000 for country councils to invest in local cycling infrastructure. I am really keen for local governments—we need to do some more work around this—to work with local communities and local schools in particular. Children do not ride to school anymore, for a range of reasons, including physical safety such as stranger danger and because the roads are not safe. If we can work with the school communities to address that, that will be fantastic for children's sociability and physical fitness.

**Mr J.E. McGRATH:** I have a further question.

**The CHAIRMAN:** No, member. I would like to move on. Government members do not tend to ask further questions.

**The appropriation was recommended.**