

Deputy Chairman; Hon Peter Foss; Hon Ken Travers; Hon Norman Moore; Hon Adele Farina; Hon John Fischer; Hon Jim Scott; Hon Sue Ellery; Hon Louise Pratt; Hon Simon O'Brien; Hon Bruce Donaldson; Hon Bill Stretch

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**Division 47: Commissioner of Main Roads, \$670 985 000 -**

Hon Jon Ford, Deputy Chairman.

Hon Ken Travers, Parliamentary Secretary to the Minister for Planning and Infrastructure.

Mr M. Henneveld, Commissioner.

Mr B. Phillips, Manager, Budget and Program Management.

Mr R. Farrell, Principal Policy Officer.

Mr M. Wallwork, Executive Director, Construction and Maintenance Services.

Mr G. Norwell, Executive Director, Technology and Environment.

Mr D. Snook, Executive Director, Road Network Services.

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

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

Members are asked to sit towards the front of the Chamber where practicable so that witnesses will not have to turn their head when answering questions.

It will greatly assist Hansard if when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount, and so on in preface to their questions.

If supplementary information is to be provided, it is to be delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to the advisers. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations.

For the benefit of members and Hansard I ask the parliamentary secretary to introduce his advisers to the committee, and for each adviser to please state their full name, contact address and the capacity in which they appear before the committee.

At this time, I ask each of the witnesses whether they have read, understood and completed the "Information for Witnesses" form.

The WITNESSES: Yes.

The DEPUTY CHAIRMAN: Do all the witnesses fully understand the meaning and effect of the provisions of that document?

The WITNESSES: Yes.

The DEPUTY CHAIRMAN: Would the parliamentary secretary like to make an opening statement?

Hon PETER FOSS: Before we go any further, are there any answers to questions given on notice? A question of mine related to Main Roads.

The DEPUTY CHAIRMAN: I have answers to questions on notice. I have just one from Hon Jim Scott, which I table.

Hon PETER FOSS: I asked a question on notice too, which I would like to have an answer for.

The DEPUTY CHAIRMAN: Yes, I do have a question on notice from the member.

Hon KEN TRAVERS: My understanding is that answers to questions on notice were provided to the clerks electronically yesterday and that hard copies have been provided today.

The DEPUTY CHAIRMAN: Yes, I have found them.

**Extract from Hansard**  
[COUNCIL - Wednesday, 9 June 2004]  
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Hon PETER FOSS: I sent my question to the minister and I asked in particular whether any of the costs of the railway, for instance bridges, approach roads and so forth, have been passed off to Main Roads. That does not seem to have been dealt with in the answer provided.

Hon KEN TRAVERS: Which question is the member referring to?

Hon PETER FOSS: I am just looking it up now.

The DEPUTY CHAIRMAN: I have another question on notice from Hon Peter Foss. It is in five parts and asks whether the estimated total cost of the New MetroRail project includes the cost of a train station in South Perth.

Hon PETER FOSS: I want to know whether any of the costs have been passed off into any other budget.

Hon KEN TRAVERS: I think I know the question to which the member is referring. I think I know what the member is seeking to ask by the question but that is not the wording of the question. The question asks on what page in the *Budget Statements* are the items for the entire cost of capital works for the New MetroRail this year and in the out years. The answer has been provided.

Hon PETER FOSS: My question included ancillary things such as bridgeworks, level crossings, approach roadworks, temporary works, train stations, car parks, composition and land acquisition. Hopefully the answer will include information on whether any of those things are included in the budget for Main Roads.

[9.20 am]

Hon KEN TRAVERS: When we get to the formal questions we will be happy to answer that.

The DEPUTY CHAIRMAN: Perhaps when we are dealing with division 48, which deals with New MetroRail.

Hon PETER FOSS: I am asking whether any of these advisers know anything about the costs that are not shown within division 48. I would like an answer.

Hon KEN TRAVERS: Mr Deputy Chairman, are we now in formal proceedings or are we still argy-bargy?

Hon PETER FOSS: They are questions on notice; they come first. I would like to know whether they have been answered.

Hon KEN TRAVERS: An answer is provided. If the member then has further questions he wishes to ask about the answers, he is welcome.

Hon PETER FOSS: The heading of my question refers to rail, the MRD and New MetroRail transport. I would like to know the answer from Main Roads.

Hon KEN TRAVERS: It is not the question I have.

Hon PETER FOSS: That is what I am asking. That is why I want its answer. Am I to assume that Main Roads is saying there is no expenditure in its budget for the rail?

Hon KEN TRAVERS: When we are ready to start the session, Mr Deputy Chairman, I will answer the questions asked of me.

Hon PETER FOSS: I would like the questions that I asked answered. I am getting fed up with people not answering questions. I go to the trouble of putting questions on notice and I send them in. The heading of my question refers to rail, the MRD and New MetroRail transport. Main Roads was asked whether it had any costs associated with the rail. I am entitled to an answer because I have already asked the question. It should have been in last Friday. If it is not in, I would like to know why. If the answer is nil, I should be told it is nil. I need an answer. It is outrageous that we get this year after year. Members go to all the trouble of sending in questions -

Hon KEN TRAVERS: I have a point of order. Are we to have a formal hearing or is it just speeches from the mount?

The DEPUTY CHAIRMAN: We will start with the formal proceedings. I accept the explanation of the parliamentary secretary. If he wishes, the parliamentary secretary may make an opening statement. I will then call for formal questions.

Hon KEN TRAVERS: I am happy to move straight to questions on this division. I am more than happy to take the question from Hon Peter Foss when we get to it.

Hon NORMAN MOORE: I refer to output 4, road-use safety improvements, at page 775 of the *Budget Statements*. I refer to the total cost of output and the estimated actual for 2003-04 of \$33.003 million, which has

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been reduced to \$15.166 million in the 2004-05 budget estimate. The appropriation for delivery of output 4 has been reduced from \$24.387 million in 2003-04 to \$8.402 million in 2004-05. Under output performance measures, the lane kilometres of safety improvements provided has been reduced from 374 in 2003-04 to 79 in 2004-05. The average cost of road construction per lane kilometre has increased from \$42 708 in 2003-04 to \$68 995 in 2004-05. Do these figures represent a diminution in the Government's response to the need for road safety improvements?

Hon KEN TRAVERS: The simple answer is no, they do not. It is arguably the opposite because the reason for the increase in expenditure last year was money brought forward from this year on those works. I will ask Mr Phillips to go through that in detail.

Mr PHILLIPS: The 2003-04 budget shows \$18.624 million and an out turn of \$33.003 million. It is a result of the carryover of substantial funds from 2002-03 into 2003-04 and the advancement of some 2004-05 works into 2003-04. That means that the out turn for 2003-04 is a lot higher than the budget figure. Naturally, that is reflected in the number of lane kilometres. The average cost of the works can change from year to year depending on the type of works being undertaken.

Hon NORMAN MOORE: I will look at that later. I refer to the major achievements for 2003-04 at page 774. Reference is made to stage 1 - 25 kilometres - of the Karratha to Tom Price road. Is it correct that the Government promised to complete the sealing of that road in its first term of office? Secondly, what is proposed to be done to that road in 2004-05?

Hon KEN TRAVERS: I do not have the specific election commitments in front of me. From recollection, we committed to spending \$100 million on the road. I remember that figure. I will take that on notice. I will ask Mr Henneveld to answer further.

[9.30 am]

Mr HENNEVELD: The work we are doing at the moment involves mainly the preparatory work and preconstruction activities associated with stage 2 of that project. We completed stage 1 in the current financial year, which was a 23-kilometre section north of Tom Price. Stage 2 is an 80-kilometre section that extends south from Karratha. Currently we are doing an environmental investigation and any heritage and land matter works associated with that stage.

Hon NORMAN MOORE: How many kilometres of the Tom Price to Karratha road will be sealed in 2004-05?

Mr HENNEVELD: No sealing will be done in 2004-05.

Hon NORMAN MOORE: None. No money has been allocated other than that for the preliminary work that you were talking about.

Mr HENNEVELD: That is correct.

Hon NORMAN MOORE: Just for the record, and as the parliamentary secretary would be aware, the Government promised to seal that road by the end of its first term in office.

I refer to the adjustments under the output and appropriation summary on page 767 of the *Budget Statements*, which range from \$29 million to \$118 million. Will the parliamentary secretary explain what those adjustments are? They are large sums of money to be called adjustments.

Mr PHILLIPS: Those adjustments relate to the movement in cash balances and other types of accrual items. Part of that is that included in Main Roads Western Australia's budget for 2004-05 is approximately \$110 million of external funding coming into the organisation to project-manage other projects for the Government. Those projects are funded through appropriations to other agencies. We have to take that amount out at the bottom line and that is why substantial adjustments can be seen from one year to the other, depending on the extent of funds that are being brought into Main Roads either to fund commercial enterprises for works we undertake on behalf of those agencies or to fund other government agencies that we bring in as sundry debtors. Those items have to be taken out and the extent of that will reflect in fluctuations in that figure from year to year. In 2004-05 the substantial amount of \$110 million relates to what we call works that are undertaken on behalf of others, for which we do not receive appropriations. The funds come in from external sources and we have to take them out.

Hon ADELE FARINA: I refer to capital contributions and commonwealth grants on page 782 of the *Budget Statements*. What effect has the federal budget's recent AusLink announcement had on commonwealth road funding for Western Australia?

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Hon KEN TRAVERS: As the member would be aware, the federal Government also made a further announcement last Friday, although some of the figures that were incorporated in that included those previously announced in the budget. In a broad general sense, although we are pleased to get the money that is coming via AusLink, it should be noted that we will receive in the order of 3.92 per cent of the total funding even though we have significantly more main roads - some 25 per cent more - than other States. The Government's view is that we are still significantly underfunded and that there is a lack of understanding on the east coast of the importance of the road systems in Western Australia and of the need for us to get a reasonable proportion of the funding. Another area in which we suffer is maintenance costs. Again the funding we receive for that does not meet our maintenance requirements. Mr Henneveld will give a more detailed explanation of the recent commonwealth funding.

Mr HENNEVELD: Western Australia has been allocated a total of \$463 million for the five-year period within which AusLink will apply. The total allocation for AusLink for all the States is \$11.8 billion. That amount excludes money for local government federal grants and for the Roads to Recovery program. When that and the maintenance component that was mentioned earlier is taken out, the percentage we receive - keeping in mind that we have 25 per cent of the network - is around 7 per cent for national highway projects on the national network. That is a concern and it shows that Western Australia is not receiving a fair proportion of the total money allocated. The area of immediate concern is the amount of money allocated for maintenance on the national highway. We requested \$30 million for 2004-05. We have been provided with \$25.7 million. That means a shortfall of nearly \$5 million, which has to come from state funds. Incidentally, that money could otherwise have been allocated to local government for local government roads. We are concerned about some of the allocations. We are pleased that \$150 million has been allocated for the Peel deviation. In its entirety that project includes the Peel deviation and the extension of the freeway south. We are very concerned about the timing of the allocation. There has been no consultation on the timing. Our planning indicates that the funding requirement for that road is not expected until 2008 and the State was planning to accommodate that. We will enter into negotiations with the federal Government to determine how we can reschedule that cash flow or accommodate the cash flow that is being sought. That has been the major impact of the AusLink announcement of the cash flow and funding associated with it. I have a lot more information; however, that is a summary of the impact of AusLink on Western Australia.

Hon ADELE FARINA: Thank you for that; it does not paint a very positive picture of commonwealth contributions to this State. I refer to works in progress on page 781 of the *Budget Statements* and, in particular, to the Perth to Bunbury Highway. I note that the total cost estimates are given for the Dawesville and Peel deviations and are about \$16 million and \$72 million respectively. What is the total cost of the group of projects generally referred to as the Peel deviation? What part of that cost is the Commonwealth now offering to fund?

Hon KEN TRAVERS: The member's question raises an issue that relates to her previous question about AusLink. It is my understanding that - the officers can provide more detail if members wish - the original budget estimate for the Peel deviation was \$140 million. Based on the latest information, that cost is now estimated to be \$160 million. Likewise, the extension of Kwinana Freeway to Lakes Road, which is integral to connecting the system through, was originally \$165 million whereas the new estimate is \$180 million. That gives a total project cost of \$340 million. The member will note that the Commonwealth has committed \$150 million and that, under that funding arrangement, the State is required to come up with \$190 million. On top of that, other issues include road connections between that road system and the Mandurah area and the northern Mandurah bypass. As I understand it, additional funding will be required connect that.

Mr PHILLIPS: Included in the 2004-05 budget and forward estimates is a total of \$13.85 million that has been provided in line with the advice we gave the federal Government about the State's plans to contribute its share of the cost of that project. We have been in discussions with Treasury over the past week. We have received preliminary advice about the level of funding that the feds were putting into the Peel deviation. We have to consider our options in funding the balance. As was said earlier, the State is required put in \$190 million less the \$13.85 million in the forward estimates.

Hon ADELE FARINA: I refer to output 6 on page 767 of the *Budget Statements*. What has been happening with the Bunbury port access road; what is the relevance of the draft greater Bunbury region scheme to the road; what is the road's estimated total cost; and, what will be achieved with the \$17.5 million?

[9.40 pm]

Hon KEN TRAVERS: I will get the officers to go through exactly what the total cost is and what will be delivered for the \$17.5 million. In broad terms, the Bunbury port access road is being developed to provide an efficient and safe road link to the inner harbour. It will connect to the proposed Bunbury outer ring road near

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Moore Road, and will go through Picton and along the Glen Iris service corridor to the inner harbour. The timing for the construction of that, or the provision of any part of the project in stages, will be dependent on the port requiring improved road access because of high volumes of heavy traffic or vehicles and/or general road congestion issues. It has been incorporated in the draft greater Bunbury regional scheme. The Environmental Protection Authority assessed that scheme and advised that it required significant changes between the future Bunbury outer ring road and Picton. Main Roads has reviewed the Environmental Protection Authority's recommendations and has appealed against them. I am advised that the appeals are currently being considered by the Appeals Convenor. The section between Picton and the port represents stage 1 of the project and has no environmental constraints. It is certainly part of the long-term planning of the greater Bunbury area to allow easy access into and out of the port, and for there to be orderly planning. Main Roads, in consultation with the Department for Planning and Infrastructure and the Bunbury Port Authority, is monitoring the traffic demand and the proposed developments that will require port access. It will seek to adjust the construction program to make sure it meets those demands. Studies were done to determine the economic and other benefits of the road. I think one was done in February 2004. At that time the study identified that the port access road could not be justified on an economic basis. I will get the officers to go through the exact funding and what can be provided for the \$17.5 million.

Mr PHILLIPS: I can comment on the funding included in the forward estimates. An amount of \$1.7 million of the \$17.5 million has been included in the forward estimates out to 2007-08. Further funding of \$15.8 million will be required past that point to complete the project. That is stage 1.

Mr HENNEVELD: That would complete stage 1 of the project. The total cost of the project is estimated to be \$39 million.

The DEPUTY CHAIRMAN: Before I go on to the next set of questions, about eight members, plus the lead speakers, have indicated that they want to ask questions on this division. I ask the advisers and the parliamentary secretary to try to make their answers succinct. That is not a criticism, it is just important that every member get a chance to ask a question.

Hon JOHN FISCHER: I refer to the appropriation and forward estimates table on page 765 of the *Budget Statements*, and in particular to item 80. What is the cause of the huge decrease in the 2003-04 estimated actual figure from the 2003-04 budget figure?

Mr PHILLIPS: That is really the way that the funding is allocated. It relates to the special appropriation that we get. It is a matter of identifying what we need to deliver, which is called the delivery of outputs, compared with what is allocated to capital. The member will notice that the reverse has happened under item 145, capital contribution - it has gone from a budgeted figure of \$74.761 million to an estimated actual figure of \$177.983 million. It is an internal process of allocating funds. The member will notice that the amount that comes from the Road Traffic Act under the delivery of outputs has increased but that the bottom line for the total delivery of outputs has remained constant; the budgeted figure was \$464.842 million and the estimated actual figure is \$474.376 million. It is the way in which the two sources of revenue that we get - vehicle licence fees and the special appropriation - are allocated internally between the delivery of outputs and our capital operations.

Hon JOHN FISCHER: Thank you. I refer to the statement of financial performance on page 783. What is the reason for the almost 300 per cent increase in revenue from user charges and fees from the 2003-04 estimated actual figure to the 2004-05 budget estimate?

Mr PHILLIPS: This relates to the amount of external funding to Main Roads other than through appropriations. As I said earlier, significant works are being undertaken in 2004-05 on behalf of external parties for which Main Roads does not receive direct appropriation funding but for which it may be delivering works or project-managing works on behalf of others. That is why there is a significant increase over the earlier years.

Hon JOHN FISCHER: Thank you. I refer to the capital contribution table on page 782. The estimated actual figure for commonwealth grants for 2003-04 has increased by \$25 million on the budgeted figure. Why, and to what projects, were the funds allocated?

Mr PHILLIPS: I do not have the specific details of that, but at the time the budget papers were prepared for 2003-04 the federal budget would not have been handed down and that would perhaps have given us additional funds for projects than we had anticipated receiving. We could provide details if necessary.

Hon JOHN FISCHER: Can those details be provided?

Hon KEN TRAVERS: We will take that on notice.

[*Supplementary Information No 32.*]

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Hon JOHN FISCHER: The sealing of the Wiluna to Meekatharra road has not been included in the budget. Given the minister's written commitment to the Shire of Wiluna and the Government's pre-election promise, why not?

Hon KEN TRAVERS: I will ask Mr Wallwork to answer.

Mr WALLWORK: The extent of works on the Wiluna to Meekatharra road in the current year includes the sealing of an overtaking opportunity that is about 3.5 kilometres long and roughly in the middle of the road. Apart from ongoing sheeting and general maintenance, that is the extent of the work that Main Roads will be doing on that road for the foreseeable future.

Hon JOHN FISCHER: The last part of my question asked why that had not been included in the budget when it was a government promise and a written commitment had been given by the minister to the shire.

Hon KEN TRAVERS: We will take that on notice.

[*Supplementary Information No 33.*]

[9.50 pm]

Hon JIM SCOTT: In 2001, the Government promised to spend \$20 million over four years expanding the dedicated bypass system. How much has the Government spent expanding the dedicated bypass system in Perth and regional centres in the past three years and how much will the Government spend in the next financial year expanding the dedicated bypass system? I will ask my third question separately because that is a different matter.

Hon KEN TRAVERS: Firstly, this is a Department for Planning and Infrastructure matter. Secondly, we have provided a written response to this question to the member. I am happy to read it onto the record but the answer has already been provided.

Hon JIM SCOTT: I do not think I have got that answer at this stage.

Hon KEN TRAVERS: It is good news, so I am happy to read it out, but I suggest that in view of the time we move onto another question.

Hon JIM SCOTT: I presume the parliamentary secretary has also answered the following question: what allocations has the Government made for the purchase of additional passenger rail carriages for the Joondalup, Armadale and Fremantle line?

Hon KEN TRAVERS: Yes, we have, but that will come under the division for the Public Transport Authority of Western Australia.

Hon SUE ELLERY: I refer to page 780 of the *Budget Statements* and the introduction under the capital works program. How will the sale of the Fremantle eastern bypass reserve land assist in meeting the objectives of ensuring efficient freight movements?

Hon KEN TRAVERS: In simple terms, and in view of the time, funding raised from the sale of that land will be put towards implementing the six-point plan for improved access into and out of the harbour and a road system in that area. I think members are well aware of the broader issues in the six-point plan and I do not need to go through them again today.

Hon PETER FOSS: Can the parliamentary secretary confirm that no amount will be expended from the Main Roads Western Australia budget that will be used for any of these things I have asked about: bridgeworks, grade separations, level crossings, approach roadworks, temporary work stations, car parks or compensation in any way associated with the New MetroRail?

Mr HENNEVELD: No funds in the Main Roads budget will be used on any infrastructure that will become part of the New MetroRail project.

Hon KEN TRAVERS: I should make the point that that means that we did very clearly answer the question that was put on notice.

Hon PETER FOSS: No, you did not.

Hon KEN TRAVERS: We gave the answer to exactly where all the funding was, and that is the way the question was asked.

The DEPUTY CHAIRMAN: Order, members!

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Hon LOUISE PRATT: I note that in the past couple of years there has been some allocation of funds for the Cervantes to Green Head road. However, I want to inquire about the future of this road. The estimated total cost is reflected, but what is the estimate of the cost of completing this road?

Mr HENNEVELD: The total cost of the project is \$44 million. The work we are currently doing on that is associated with the detailed design work, which will enable construction to commence as soon as the funds are available. In years three and four, we have made some provision to start that construction work; namely, \$1.5 million in year three and \$5.6 million in year four.

Hon SIMON O'BRIEN: I refer to page 766 of the *Budget Statements* where we learn that Main Roads is an agency involved in the New MetroRail project. Its involvement includes accommodating the rail corridor in the central median strip of the Kwinana Freeway south from the Narrows Bridge. I have a couple of questions about bridges. Firstly, for the section of the Kwinana Freeway north of Thomas Road, Kwinana, I think five grade separations were carried out at intersections to replace former traffic-light controlled intersections. The bridges that were provided across the Kwinana Freeway were delayed because the Kwinana Freeway median had to be widened. Why did the Kwinana median strip have to be widened to accommodate that, what was the advice given to Government about why it had to be widened and what is the current advice being given to Government about how wide median strips in the middle of freeways need to be to accommodate rail systems? If that question needs to be taken on notice specifically for those measurements, then so be it, but I will put the question in those terms.

Hon KEN TRAVERS: We can get an officer to provide an answer in detail now or we can take the question on notice, whichever the member prefers.

Hon SIMON O'BRIEN: I am quite happy for the parliamentary secretary to take the question on notice if I can proceed with another quick question.

*[Supplementary Information No 34.]*

Hon SIMON O'BRIEN: I will ask a further question on the same subject on the basis that works on the Narrows Bridge are still something that is controlled by Main Roads. Was the new Narrows Bridge - the second one, not the third one - designed to carry rail and are there any outstanding legal actions associated with the construction of the new Narrows Bridge?

Mr HENNEVELD: The high level answer is no, the bridge was not designed for rail. There is a gap down the middle of the two sections of lanes that will accommodate the rail, and that will contain a separate bridge that will be designed accordingly.

[10.00 am]

Hon SIMON O'BRIEN: Is that the third bridge?

Mr HENNEVELD: Yes, that is the third bridge, but it is not a road bridge.

Hon KEN TRAVERS: It is a shame the previous Government did not have the foresight to see these things.

Mr HENNEVELD: To deal with the second part of the question, I am not aware of any outstanding legal aspects or contractual commitments associated with the contract.

Hon SIMON O'BRIEN: I refer to the 2001 Main Roads Western Australia disability service plan, which is headed "Ensuring access for all". I refer also to the Everingham Street walkway in the electorate of the parliamentary secretary, and to correspondence from Main Roads, the Australian Council for Rehabilitation of Disabled and the Minister for Planning and Infrastructure, all of which the officers would be familiar with. Is Main Roads committed, as an agency of the State, to complying with its own standards, or is this just some sort of window-dressing because of some feel-good program that the Government has said all departments must have? If it is a dinkum document, what checks and balances have been put in place to avoid \$2 million stuff-ups like the Everingham Street overpass, which many elderly people who live close by cannot use because of its gradient and the fact that it was not built to the standard that Main Roads appears to adopt? What is in place to stop that happening again?

Hon KEN TRAVERS: I will ask the officers to give their own explanation about how they interpret the disability access plan, but, as a former spokesperson for disability services for the Labor Party, it is something I take very seriously. Agencies must be encouraged to endorse and embrace those plans. The bridge the member is talking about was commenced in 2000 and completed in 2001 - some considerable time ago. The current commissioner was not in the position at that time. I also had concerns about some of the projects of the previous

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Government, such as the Northbridge tunnel. The member will notice that the tunnel does not meet the disability access standards. I was very concerned about that, but I did not get the support of members opposite at that time.

Hon SIMON O'BRIEN: You just had your mates there yelling obscenities at people when it was opened.

Hon KEN TRAVERS: If members go back to it -

Hon SIMON O'BRIEN: All I want to know is whether the department is dinkum about this or not, because the minister is not.

The DEPUTY CHAIRMAN (Hon Jon Ford): Order, members! This is an Estimates Committee dealing with the current budget, not past issues. Members should restrict their questions and answers to these estimates.

Hon KEN TRAVERS: I accept the ruling of the Deputy Chairman, in which case the question is clearly out of order.

The DEPUTY CHAIRMAN: I give the call to Hon Jim Scott.

Hon SIMON O'BRIEN: What is the Government doing now to implement the plan? There has been no evidence of it in the past.

Hon KEN TRAVERS: I will not sit here and make up for the mistakes of the previous Government.

Hon PETER FOSS: Mr Deputy Chairman, I protest. The question has been asked about what is being done in this budget. It is not for the parliamentary secretary to rule things out of order.

Hon KEN TRAVERS: The Deputy Chairman gave me advice.

Hon PETER FOSS: This is the stage at which, if anybody is to rule the question out of order, it should be you, Mr Deputy Chairman. If you do so, I will move dissent from your ruling, because it quite plainly deals with this budget.

The DEPUTY CHAIRMAN: In my role in the Chair, I am trying to ensure a smooth transition through the divisions to be covered by this Estimates Committee, so that all members have the opportunity to ask questions in an orderly manner. I gave the call to Hon Jim Scott because Hon Simon O'Brien had asked a number of questions, and I felt that the committee was not progressing. I am not taking sides, but it is my view that we need to move on and allow other members to ask questions. Hon Jim Scott is owed a question.

Hon JIM SCOTT: I have a funding procedural question that does not relate to any particular part of the budget. When the machinery of government process set up the new structure incorporating Main Roads underneath the Department for Planning and Infrastructure, it was intended that the funding would come through the Department for Planning and Infrastructure enabling it to choose the mode of transport, whether it be roads or some other planning solution. I understand that that will no longer happen and that Main Roads will continue to be directly funded because, I understand, the accounting costs of funding it through the Department for Planning and Infrastructure would be more expensive. Can the parliamentary secretary confirm whether this is the case, and explain why it is more expensive to do it in that way, which would help with more orderly planning? Has the Government done some assessment of how much it would cost; and, if so, can the parliamentary secretary give me some indication, either now or by way of supplementary information?

Hon KEN TRAVERS: I will ask Mr Henneveld to comment on that question. I am also more than happy to go back and answer the previous question about what the Government is currently doing to implement the access plan within Main Roads.

Mr HENNEVELD: The question made some assumptions up front that I do not think are quite correct. Main Roads does not operate under the Department for Planning and Infrastructure. It operates in the same portfolio. Responsibility for planning for roads became part of the responsibility of the Department for Planning and Infrastructure as a result of the Machinery of Government Taskforce outcomes. In fact, sections of Main Roads were transferred to the Department for Planning and Infrastructure to do the broader planning associated with roads. Main Roads does not do the regional planning. It gets involved and provides input, but it does not do the planning. That is the responsibility of the Department for Planning and Infrastructure. I cannot comment on the efficiencies and costs resulting from that, because we have not done any cost comparisons. All I can say is that, from my observations, it is working particularly well. We are seeing road transport planning and regional planning integrated with land use planning very effectively. Main Roads delivers on the outcomes of that broader regional planning - that is its role - to deliver on those outcomes and this is working particularly well with the Department for Planning and Infrastructure.



**Extract from Hansard**  
[COUNCIL - Wednesday, 9 June 2004]  
p561c-571a

Deputy Chairman; Hon Peter Foss; Hon Ken Travers; Hon Norman Moore; Hon Adele Farina; Hon John Fischer; Hon Jim Scott; Hon Sue Ellery; Hon Louise Pratt; Hon Simon O'Brien; Hon Bruce Donaldson; Hon Bill Stretch

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Hon ADELE FARINA: I refer to the works in progress listed on pages 781 and 782, and my question relates to the Roe Highway. Is it clear whether the coalition is committed to building the Roe Highway stage 8 and the Fremantle eastern bypass?

Hon SIMON O'BRIEN: Why does the member not ask the coalition that?

Hon KEN TRAVERS: I would more than happily ask the coalition if its road spokesperson were here today.

Hon NORMAN MOORE: He is not here because he is on urgent parliamentary business.

Hon KEN TRAVERS: I am sure he is out on urgent parliamentary business.

The DEPUTY CHAIRMAN: Order, members! Succinct answers, please.

Hon KEN TRAVERS: Previously, opposition members have indicated in this place that they are committed to building that road, and in the media they have indicated that they are committed to building it, but the Leader of the Opposition, as reported in the *Geraldton Guardian*, has commented that the only road project the Opposition had committed itself to funding immediately if it came to government was Indian Ocean Drive. I will ask one of the officers to outline the costs of the Roe Highway stage 8.

Hon NORMAN MOORE: This question is clearly out of order. It has nothing to do with this budget. To require the officers to spend time answering a question from the parliamentary secretary is also out of order. It has nothing to do with the budget papers, and I suggest we move on to the next question.

[10.10 am]

Hon PETER FOSS: It is a deliberate wasting of time.

The DEPUTY CHAIRMAN: We will move on. I give the call to Hon Bruce Donaldson.

Hon BRUCE DONALDSON: I refer to pages 780 and 781 and to the Lancelin to Cervantes road. I note that there is no allocation in the 2004-05 budget for that road, irrespective of the huge economic benefit to the region and to regional development in Western Australia. First, was funding for this road originally in Main Roads' forward estimates program for roads for 2004-05 and then deleted by the Government? Secondly, if this is not the case, does it mean that the Government does not see this road as a priority? Thirdly, if it does see it as a priority, when does it expect to commence work on this road?

Hon KEN TRAVERS: We have already outlined the money that has been spent on this road and the time line for the money that is available in the forward estimates. We discussed this earlier.

Hon LOUISE PRATT: I asked a question.

Hon KEN TRAVERS: Mr Phillips and Mr Henneveld outlined where the funding was in the forward estimates. I think there is \$1.5 million in 2006-07 and \$5.6 million in 2007-08, and some \$3 million will have been spent by the end of this year.

Hon BRUCE DONALDSON: I will phrase the question differently. When does the Government expect this road to be completed?

Hon KEN TRAVERS: When the funds are available to complete the road.

Hon BRUCE DONALDSON: That is all I want to take away from this hearing. The second issue is grain logistics roads, which is referred to on page 780. The budget papers indicate that ongoing improvements to local roads will reduce transport costs for the cartage of grain. Grain logistics improvements are referred to on page 782, and there is expected expenditure of \$750 000. Is this just to put in a few white posts, or will some of that government funding go towards some of those roads in the Main Roads budget that do not show in that sense? In other words, how much money will the Government spend on these local roads to improve the transport of grain?

Mr PHILLIPS: Main Roads expects that by 30 June 2004 it will have expended \$7.5 million on various improvements to grain logistics roads. There is a further \$4.25 million in the forward estimates for further improvements to roads associated with the logistics delivery of various grains.

Hon BRUCE DONALDSON: However, there is only \$750 000 in this coming budget.

Mr PHILLIPS: That is correct. There is \$3.5 million over the final three years of the forward estimates.

Hon BILL STRETCH: I refer to the major achievements on page 779. I am pleased that Mowen Road still features in the works and that money has been allocated for that road. Is that money sufficient to complete the sealing of that road, and when is the road expected to be finished? Similarly, I refer to the blue gum plantation

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roads mentioned in the same section of the budget papers. I am pleased to see the good standard of works that have been occurring. A lot of blue gums have been pulled throughout the area and the standard of roads generally has been very good. A lot of that can be attributed to the work of the TIRES committee, along with Main Roads. What contribution do blue gum companies make to the maintenance and construction of those roads?

Mr PHILLIPS: It is estimated that, again, by 30 June 2004 we will have spent \$3.9 million on Mowen Road. We have allocated \$931 000 in 2004-05 and a further approximately \$6 million over the forward estimates to do further work on Mowen Road. The allocations that we have made in the forward estimates meet the requirements of the deed of agreement that Main Roads has for that road.

Hon BILL STRETCH: When is the completed sealing date?

Mr PHILLIPS: There will be a further requirement for funding past 2007-08.

Mr SNOOK: Various arrangements are in place for the maintenance of the roads that the blue gums are carted on. For some of them, prior to the carting occurring, there is a joint inspection by the blue gum operator, the local government and Main Roads. Once carting has been undertaken, the blue gum company funds the repair of the road back to the agreed condition. In other cases, the companies just cart in the normal way across the roads and the local government picks up the maintenance costs in the normal way.

Hon SUE ELLERY: I refer to page 776 and to the significant safety projects being undertaken. In particular, I ask about the progress that is being made on the works designed to improve Leach Highway.

Mr SNOOK: A project has been put together for which we have done a series of works. Currently, we are in the process of installing overhead mast arms for traffic lights at five of the intersections along Leach Highway. We anticipate that those works will be completed by the end of June. Also, we will put in some antiskid treatments at four of the intersections along Leach Highway, and we anticipate that those works will be completed by the end of July.

Hon NORMAN MOORE: I refer to the works in progress referred to on page 781. There is an item towards the bottom of the page called "Operational Costs". The total estimated cost is \$318 million, of which \$53 million is to be spent this year. Can the parliamentary secretary explain what operational costs are, bearing in mind that the item falls under the capital works budget?

Mr PHILLIPS: Main Roads has a policy that it eventually allocates a proportion of its total operational costs to the capital works program; that is, that proportion that it believes is fairly attributed to the works that are undertaken through the capital works program. They are spread on a pro rata basis based on dollars spent on construction and preconstruction costs. The \$313 million is over a number of years naturally, and that picks up not only the allocation in 2004-05 but also allocations in the forward estimates for future years.

Hon NORMAN MOORE: Is it borrowing for operational expenses?

Mr PHILLIPS: No. Currently no borrowings are being undertaken by Main Roads.

Hon NORMAN MOORE: Again, I refer to the capital works program budget outlined on page 782. The budget estimate for 2004-05 is \$376 million. The forward estimate for 2005-06 goes down to \$222 million. Can the parliamentary secretary explain that significant reduction in the total cost of the capital works program?

Mr PHILLIPS: The capital works program is a combination of works undertaken from all sources of funding - commonwealth funding, works from outside organisations and state appropriations. Therefore, there will be significant fluctuations depending on the extent of commonwealth funding allocations and works that are undertaken for others. The capital works program also includes capital works on the local roads program as well, which are fairly constant from year to year.

Looking at the actual appropriations, we are getting \$171 million in 2004-05, and that will decrease in 2005-06.

[10.20 am]

Hon NORMAN MOORE: Only half a million dollars has been allocated for the Great Central Road, or Outback Highway, in the 2004-05 budget. Can Mr Phillips give me an indication of when some serious money will be put into that road?

Mr PHILLIPS: Yes. Main Roads has allocated half a million dollars in 2004-05, and it proposes to allocate another \$3.5 million over the forward three years. Currently, within its funding constraints, there is a sufficient level of funding to keep that road in a safe and trafficable condition. We have no plans at this time to inject significant levels of funds to seal that road which would be a very high cost.

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Hon NORMAN MOORE: Even though the estimated total cost of the program is \$19 million?

Mr PHILLIPS: That is purely to do with the type of maintenance and resheeting-type program that we have for that road to keep it in a trafficable state. However, it is not to do with upgrading it or, for example, sealing the road.

Hon NORMAN MOORE: That is a pity.

Hon KEN TRAVERS: Is that another commitment from the Leader of the Opposition's side?

Hon NORMAN MOORE: I would love to build it and seal it, yes, and so should the Government, if it had any vision.

Hon KEN TRAVERS: Some of the impact of the experience would be lost if we did that.

Hon NORMAN MOORE: I hope you disappear in a big pothole some time. That would be a great benefit to all of us.

Hon ADELE FARINA: I again refer to the Roe Highway item on page 782. The total costs shown there are for stages 5, 6 and 7 of the Roe Highway extension, adding up to more than \$180 million. What is the best available estimate of the total cost of constructing Roe Highway stage 8 and the Fremantle eastern bypass?

Hon KEN TRAVERS: I guess it will depend on the environmental constraints, but I will ask Mr Henneveld to give the best estimates at this stage.

Mr HENNEVELD: Main Roads has not put much effort into doing estimates for the Fremantle eastern bypass and Roe Highway stage 8 because they will no longer be required. The most current estimate we have for the three projects associated with that - this comes from a Western Australian Planning Commission report - is \$250 million.

Hon PETER FOSS: Is stage 8 in that?

Mr HENNEVELD: Stage 8, I think, was \$100 million.

Hon PETER FOSS: Do you intend to complete it?

Mr HENNEVELD: At this stage there is no planning to do that.

Hon NORMAN MOORE: So it has nothing to do with this budget at all, nor does the question.

Hon JOHN FISCHER: I refer to the item under major policy decisions on page 766 that states -

Reinstate funding for the Local Roads Program to prior year levels.

I will ask a quick three-part question. First, was anything allocated for 2003-04; if so, how much; and, if not, why not? Secondly, did the Shire of Sandstone get any of the reinstated funding; and, if not, why not? Thirdly, what local authorities got funds from this reversal of policy, and how much did each get? If the answer to that last part of the question cannot be provided, I would certainly be prepared to take it in a written form.

Mr PHILLIPS: The additional funds that came back into the road project grants allocation of \$5.334 million, reinstating the road project grant to a total of \$23.64 million, are spread across the whole State. The priority of projects is determined by the 10 regional road groups that are established across the State: one in the metropolitan area and nine in rural areas. They submit their project priorities to the State Road Funds Local Government Advisory Committee. That committee considers its priorities and therefore determines whether they will be funded, and makes that recommendation to the minister. There was no previous listing of projects that were to be funded from any reduced allocation. Therefore, I am not in a position to identify which councils would not have received funds should that amount have been at the lower level. I can tell the member that the Shire of Sandstone's allocation for 2004-05 will be \$100 000, and that is to do with the Meekatharra-Sandstone road.

Hon JIM SCOTT: I have a couple of questions on page 777. In the chart is a heading "Cost (Efficiency)", and the first line item is the average cost per lane kilometre of road network maintained. The figure rises from \$3 626 to \$4 333. In the 2003-04 estimated figure, there is a significant rise in the level of cost per lane kilometre. Can the parliamentary secretary explain why there has been such a significant rise?

Mr WALLWORK: Without the complete information at my fingertips, I can say that the State's main roads and highway system are maintained through a series of eight 10-year contracts. Built into those contracts are a number of elements that cause increases in costs. One is a consumer price index adjustment. The others are other works that are specific to the roads that are identified and carried out by the contractor. Anything under

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\$1.5 million is a stand-alone contract that the contractor can bid for. Provided he meets our value-for-money assessments, he can take on those works. Parts of those works would be reflected in that average cost per lane kilometre.

Hon JIM SCOTT: I have a second question to do with that line item. The budget for 2003-04 is \$3 703 per lane kilometre. However, the estimated cost for that same period is \$4 116. Does that mean there will be a shortfall, or will Main Roads not be able to carry out the maintenance that it expects to carry out?

Mr WALLWORK: I have just been advised by our finance manager that we have brought forward maintenance expenditure from the forward years, and that is reflected in an increased cost.

Hon JIM SCOTT: I am sorry; I do not quite understand that.

Mr PHILLIPS: The average cost increased because during 2003-04 we had some specific needs in the Kimberley region. We have brought forward \$2 million worth of maintenance funding from 2004-05 into 2003-04 without increasing the number of lane kilometres. That reflects in the average cost, because this is worked out on the average cost of lane kilometres, and we look at the total network across the State. That has meant that the lane kilometres have not increased, but the dollars spent on maintenance have increased, which is reflected in an average cost per lane kilometre increase.

Hon KEN TRAVERS: It depends on when it is done, basically.

Hon JIM SCOTT: Finally, I go back to the key effectiveness indicators on page 768. The first line item in the bottom chart states -

Road Standards: % of travel, which meet operational standards.

I note that the figure has gradually risen from 52.1 per cent. The estimated figure for 2003-04 was 53.3 per cent, and the target for 2004-05 is 54.3 per cent. All of those are fairly low figures for operational standards. Can the parliamentary secretary tell us what operational standards Main Roads is required to meet and why the figure is so low?

Hon KEN TRAVERS: So that his morning is not wasted, I will ask Mr Norwell to answer that question.

[10.30 am]

Mr NORWELL: The figure is based on three attributes: the seal width, the shoulder width and the design speed of the particular sections of road. Any section of road that fails one of those three criteria is deemed not to be meeting operational standards. The figure indicates the percentage of the road network that meets those three standards. In some cases it might be quite a marginal failure, but the reason that it has increased is indicated in some sections where we might have widened the road, reconditioned shoulders or improved the geometry so that the design speed value have been improved.

The DEPUTY CHAIRMAN: That finishes this division. I thank the parliamentary secretary and his advisers for their attendance and their assistance.

*Sitting suspended from 10.30 to 10.45 am*