

Deputy Chairman; Hon Alan Cadby; Hon Graham Giffard; Hon Ljiljana Ravlich; Hon Murray Criddle; Hon Jim Scott; Hon Bill Stretch; Hon John Fischer; Hon Peter Foss; Hon Adele Farina; Hon Louise Pratt; Hon Ken Travers

Division 49: Main Roads, \$652 489 000 -

Hon Simon O'Brien, Deputy Chairman.

Hon Graham Giffard, Parliamentary Secretary representing the Minister for Planning and Infrastructure.

Mr M. Henneveld, Commissioner of Main Roads.

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

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

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

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

Mr R. Farrell, Principal Policy Officer, Office of the Minister for Planning and Infrastructure.

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, I ask your cooperation in ensuring that it is 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 your 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. Have all witnesses read, understood and completed the Information for Witnesses form? All witnesses have indicated in the affirmative. Do all witnesses fully understand the meaning and effect of the provisions of the document? All witnesses have indicated in the affirmative.

A number of parties have indicated their lead speakers for this session and, in the first instance, I will refer questions to those members before opening up proceedings to other members. I ask that the questions be brief and that personal observations be limited, and ditto for the answers.

[9.20 am]

Hon ALAN CADBY: I refer to page 764 of the *Budget Statements*. Output 2 deals with the money allocated for road improvements. That figure has fallen by 30 per cent from 2001-02, and by 18 per cent from 2002-03. Can the parliamentary secretary explain the need for a marked decrease in maintenance funding?

Mr HENNEVELD: Did the question deal with the amount set aside for maintenance in 2003-04? I was distracted while -

Hon ALAN CADBY: I am making the observation that the figure has fallen by 30 per cent from 2001-02 and then by 18 per cent from 2002-03. Why is there such a marked fall in the allocation for road maintenance?

Mr HENNEVELD: Is the member asking why there has been a reduction in maintenance funding from \$378 million in 2001-02 to \$354 million in 2002-03?

Hon ALAN CADBY: Why has the figure gone from \$108 million to \$90 million and now to \$77 million?

Mr HENNEVELD: I beg your pardon. Yes, the member is referring to the road improvements under output 2. Those figures are a reflection of the budgetary reductions that have occurred this year in the funds allocated to Main Roads Western Australia.

Hon ALAN CADBY: Will this budgetary cut put travellers at risk?

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Mr HENNEVELD: No. Under output 1 an amount of money has been set aside for road maintenance and minor modifications, and under output 2 money has been set aside for road improvements. The total amount for those two areas - \$432 million plus \$77 million - is \$510 million, which compares with the sum of those same two items in our budget in 2002-03 of \$496 million. The point is that the care of the road network - the asset maintenance aspects - is covered by the maintenance and the road improvements items, which have gone up.

Hon GRAHAM GIFFARD: Two pressures have been operating on the Government when framing the budget for this year compared with last year. Firstly, the Government has been clear in the decision it made that the overall budget give the greatest priority to health; we make no bones about that. Therefore, that is where the funding has been directed. Secondly, the other consideration for the Government in framing this budget is the reduction in overall funding from the Commonwealth across the whole of the state budget. That has placed pressures on the budget, which is evident in the Main Roads budget. The overall maintenance budget has not been cut. It is important to note that maintaining the network of roads in terms of road safety and improving management of that asset is a high priority in the context of this budget. For that reason, members will see that overall the maintenance budget in Main Roads has not been cut.

Hon ALAN CADBY: I refer to output performance measures and cost efficiency on page 766. Can the parliamentary secretary explain the increase of nearly 10 per cent for the average cost per lane kilometre of road network maintained? Ten per cent seems to be a considerable increase.

Mr HENNEVELD: The nature of those figures can be very deceptive because a lot of complexity sits behind them. The cost per lane kilometre of road network maintained can vary depending on the nature of the road. The cost of maintaining roads in the north west under extreme conditions will go up if there are floods and so on. Therefore, the overall cost in terms of efficiency or effectiveness will depend on what happened to the road network during that year. A range of factors are involved but climatic conditions and the changing status of the road network is also a contributing factor.

Hon ALAN CADBY: I refer to page 773 and output performance measures. Under quality, I am perplexed by the reference to the targets for the width and strength standards for bridges being 94 per cent and 92 per cent respectively. Surely, when a bridge is designed we should aim for 100 per cent. Can the parliamentary secretary explain what those figures represent because they obviously do not represent what I think they represent?

Mr NORWELL: The figure does not refer to bridge width standards for bridges that have been designed and are to be built during this coming year. It takes into account all bridges around the State. As traffic grows the desired width of a bridge increases. New National Road Transport Commission mass limits for the strength of bridges came into effect some 18 months ago and quite a number of our bridges are not designed to those new limits. A program is in place to strengthen the bridges that do not meet those standards, which will take some years to implement.

Hon ALAN CADBY: Is that figure likely to decrease over the years?

Mr NORWELL: The strength figure will improve. A number of bridges still need strengthening. The Commonwealth has contributed to the strengthening of some bridges. We have a list and we are knocking them off in order of priority based on the upgrading of networks. For instance, three or four bridges along the Great Eastern Highway still need to be strengthened to take vehicles loaded to the new NRTC mass limits. Under the normal mass limits, the legal limit for a triaxle combination vehicle is 20 tonnes. It is now 22.5 tonnes under the new NRTC mass limits. That is the reason for strengthening the bridges.

[9.30 am]

Hon LJILJANNA RAVLICH: On page 783 the middle table gives an outline of details of controlled grants and subsidies. Local governments are voicing concern about a reduction in state funding towards local roads. Can the parliamentary secretary or his adviser respond to those concerns?

Mr PHILLIPS: It was announced in the 2002-03 budget that there would be a reduction in funding to local governments, which is reflected in those tables. However, over the five years of the current local government agreement the total funding that will be provided to local government will exceed the minimum allocations within that agreement. While the funding is currently decreasing in line with what was announced earlier, over the five years of the current agreement local governments have in effect received more funds than they would be entitled to under the allocations in the agreement.

Hon LJILJANNA RAVLICH: What has been the response of local government to this initiative?

Mr PHILLIPS: Local governments are concerned because of the announcement that was made in the 2002-03 budget process in which \$18 million was reduced annually, coming into effect in 2003-04, from their program.

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Because most of that reduction impacted on regional road group funding for road project grants, we have endeavoured to maintain the allocation for direct grants to each of the councils to ensure that they are being supported through this program. We have also tried to protect the allocation for 2003-04 from any further reduction as a result of the reduction in the funding to Main Roads.

Hon LJILJANNA RAVLICH: On page 764, output 1 refers to road maintenance and minor modifications. I note that in a media report at the time of the release of the budget, claims were made that the budget would result in a deterioration of the road network. How will the network deteriorate if the funding for maintenance is increasing?

Hon GRAHAM GIFFARD: That question falls within the same area as the question from Hon Alan Cadby. I understand that the budget last year provided \$354 million for maintenance and this year provides for \$432 million for maintenance. Those figures show that the Government has enhanced expenditure on maintenance. Likewise the Government has retained and enhanced the levels of expenditure on black spot areas.

Mr HENNEVELD: The figures that were previously referred to by the member indicate that the maintenance amount for 2003-04 is \$432 million, which compares with an actual amount in the current financial year of \$405 million and a budget amount for the current year of \$354 million. That represents a significant increase in maintenance. The maintenance that is performed on the State's road network is done through a number of term network contracts. The amount of money that has been spent on maintenance has significantly increased. Some of the money outlined on that page is due to increases in depreciation provisions. Nonetheless the amount that is spent on maintenance is increasing. That is necessary as the scope of the road network increases from year to year and also as the term network contractors carry out their requirements in accordance with the performance standards that we have set.

Hon LJILJANNA RAVLICH: On page 775 reference is made to the upgrade of the Derby Highway. Could the parliamentary secretary provide details of funding in the budget for the commencement of the upgrade of the Derby Highway?

Mr WALLWORK: The Derby Highway is about 43 kilometres in length between Derby and the Great Northern Highway. It has already been widened out to the old airport. Some 33 kilometres are yet to be widened to the Great Northern Highway. Currently, it is expected to cost about \$9 million of which \$2.35 million is available in 2003-04. We are now in the process of preparing tenders for that work to be carried out in the coming construction season.

Hon MURRAY CRIDDLE: The third output on page 770 refers to road construction. The figures indicate that the 2002-03 expected expenditure was \$259 million and the actual expenditure was \$151 million, which is a difference of \$108 million. Why was the work not completed and why was the money not used for roads such as the Muirs, Lancelin-Cervantes and Corrigin-Hyden roads or a whole raft of other activities that could have been carried out? How much money was carried over from the year before?

Mr HENNEVELD: I will start by answering the question and then I will ask Mr Phillips to carry on with the latter part of the question. The reduction in expenditure from \$259 million to \$151 million is the result of a couple of large projects that have been delayed because of planning issues. The main ones that I recall are the Tonkin Highway and some aspects of the Roe Highway stage 6. We will still do those projects but the start ups will be later, so the money that was supposed to have been spent in the current financial year will carry over into the next financial year.

Hon MURRAY CRIDDLE: I understand that \$88 million was pushed out in the previous year. If the parliamentary secretary will allow it, I will get Mr Phillips to confirm that that is the case. Some \$107 million is going into this year's budget according to the note at the side of the page, which means that the expenditure on next year's budget will be only \$35 million or thereabouts. Therefore, as there will be very little construction, the impact on Western Australia is horrific.

Mr PHILLIPS: The member is right in the sense that as well as Roe Highway and Tonkin Highway being subject to some slight delays in the sense of what we allowed in our cash flows, the Geraldton southern transport corridor is also behind schedule. That has contributed to what is shown in the road construction output as an under expenditure for 2002-03. The member also asked what was the carryover situation for 2001-02. He is correct in saying that the figure was between \$88 million and \$89 million.

Hon MURRAY CRIDDLE: That is very concerning because it demonstrates that we are not getting the amount of money spent on roads that we initially thought we would be getting.

[9.40 am]

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Mr PHILLIPS: Just a further clarification. While the dollar value looks quite substantial, it represents between four and six weeks work in Main Roads program. While delays on some of these major projects make the dollar value figures look quite considerable, it represents only four to six weeks of work.

Hon MURRAY CRIDDLE: I refer to output 4 - bridge construction - on page 773. The figure for that output in 2002-03 is \$26.981 million and the budget estimate for 2003-04 is \$49.691 million. Can the parliamentary secretary indicate what bridge construction will be carried out?

Mr HENNEVELD: We have an extensive bridge building program. Some of those bridges are parts of larger projects. I have a list here of about 25 bridges that are part of that program. I will read out the larger items.

Hon MURRAY CRIDDLE: Are any of them to do with the south west metropolitan railway?

Mr HENNEVELD: No Main Roads funding will be applied to the new MetroRail project.

Hon MURRAY CRIDDLE: Is there any in that budget?

Mr HENNEVELD: There is none in this budget.

Hon MURRAY CRIDDLE: Can I have that list as supplementary information?

Mr HENNEVELD: I can provide it now, if the member wishes.

Hon MURRAY CRIDDLE: Can that list be tabled?

Hon GRAHAM GIFFARD: Yes, it can.

Mr HENNEVELD: I can read it out. That might solve all the problems. The projects listed are: Board Road, bridge over the Owingup crossing; the Boyup Brook-Cranbrook Road, bridge over the Towerlup Brook; Brassey Road, bridge over the Gordon River; Dalaroo West Road, bridge over Coonderoo River; Falls Road, bridge over Jane Brook; Geraldton-Mt Magnet Road, Geraldton southern transport corridor; Gerard Street, bridge over the railway; Great Eastern Highway, bridges over Cohn Creek; Great Northern Highway, bridge over Roses Yard Creek and the Upper Panton River; Great Northern Highway, bridge over Ord River - that bridge is finished, but there are some carry-over funds; Great Northern Highway, bridge over the Fortescue River; Karratha-Tom Price Road, stage 1; Lynn Street, bridge over the Collie River; Mungalup Road, bridge over Bussell Brook; North West Coastal Highway, Ashburton River bridge; Roe Highway, Nicholson Road to Kwinana Freeway; Rosa Glen Road, bridge over unknown creek; South Western Highway, bridge over unknown creek; Throssell Road, bridge over unknown creek; Tonkin Highway, Mills Road to Armadale Road; Tower Road, bridge over unknown creek; Nangetty Walkaway Road, bridge over Greenough River; and Yabberup Road, bridge over Bussell Brook. There are also some minor carry-overs that, when added to the figures for those bridges, make up the \$49.691 million.

Hon MURRAY CRIDDLE: I refer to page 781, which is the statement of cash flows. The net cash flow line falls from the 2003-04 budget estimate of \$513.638 million to \$397.228 million in the 2006-07 out year. The capital user charge and other figures are going up, but they will not be used on the roads, obviously. The figure for supplies and services drops from \$406.527 million in 2003-04 to \$250.240 million in 2006-07. What impact will that have on road maintenance and construction? How much activity will be carried out on the roads as a result of that?

Mr PHILLIPS: The question was about whether we are moving from a budget of \$513 million, showing the net cash from operating activities, down to \$397 million over the forward estimates period. That indicates that less funds will be available for road construction projects, which in effect is new works. Over that period we will endeavour to ensure that the funding for maintenance of the road network, which is our prime responsibility, will be maintained and, in effect, increased. We will also endeavour to make sure that funding allocated for road improvement works is maintained at an appropriate level. The member is correct in saying that over that period, with the reduction in funding, less funds will be available for new road network construction works.

Hon JIM SCOTT: My first question does not relate to any particular part, but is a general question about funding. Following the restructure of the Department for Planning and Infrastructure, is Main Roads funding passed directly to Main Roads from state and federal treasuries, or is it channelled to Main Roads through the Department for Planning and Infrastructure, or via some other path?

Mr HENNEVELD: All the funding is allocated directly to Main Roads. No funds are passed through the Department for Planning and Infrastructure. No allocations are made by the Department for Planning and Infrastructure to Main Roads.

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Hon JIM SCOTT: Following on from that question, how are the estimates created for funding required for new roads, as opposed to the maintenance projects?

Mr HENNEVELD: Is the question about how the estimates are worked out for new construction work?

Hon JIM SCOTT: Given that the Department for Planning and Infrastructure is now driving the demand for new roads, how is the additional funding allocated? Is it done at the level of Main Roads or at that of the Department for Planning and Infrastructure?

Mr FARRELL: The member is picking up on some of the issues that arose in the context of the machinery of government Bill, in terms of how the recommendations of the Machinery of Government Taskforce would be implemented through the planning and infrastructure portfolio. At the time of the machinery of government Bill, the emphasis was on creating a single source of funding, to move away from the previous position where funds were earmarked for roads, rail and so on. The mechanism suggested to achieve this was to put all funds in the Department for Planning and Infrastructure, and then have that department reallocate the funds as appropriate, in accordance with proper planning principles. That idea has not yet happened. An alternative approach is now being looked at. Given that the minister makes decisions and drives planning allocations between agencies, the idea of double handling the money and the complications ensuing from that seem less attractive. Instead the idea is that the Department for Planning and Infrastructure play a key role in advising the minister about how the budget should be allocated between the agencies without necessarily having the money along the way. I do not know that that policy has finally settled, but no change has happened as yet.

[9.50 am]

Hon JIM SCOTT: Will that need any change of legislation?

Mr FARRELL: I am not absolutely sure. If we were sending the money through the Department for Planning and Infrastructure, the Main Roads Act might need to be amended to enable that.

Hon GRAHAM GIFFARD: I ask Mr Henneveld to add to that.

Mr HENNEVELD: I will comment on the way it is working currently and refer to the member's previous question about how estimates are prepared. The Department for Planning and Infrastructure integrates the transport and road network planning with land use planning. Main Roads carries out project specific planning. The overall programs of road projects are determined in very close cooperation with Main Roads and the Department for Planning and Infrastructure.

Hon JIM SCOTT: Does the Department for Planning and Infrastructure or Main Roads intend to rationalise and sell off unused road reserves in the foreseeable future; has any estimate been made of the realisation value of such a sell-off; and, if so, what is the estimated value?

Hon GRAHAM GIFFARD: We can answer that on behalf of Main Roads. The question related to the Department for Planning and Infrastructure as well.

Hon JIM SCOTT: I am not sure which department would handle it.

Mr HENNEVELD: We have a lot of holdings that arise from reservations made for future road requirements. Some land has been left over as a result of the projects finishing and we plan to rationalise all of that and sell it off. We have made some small provisions in 2003-04 - I think it is \$6 million, but I could be wrong - although that is not reflective of the total holdings and the potential that we have, which is far greater.

Hon JIM SCOTT: When is it envisaged that the land released by the deletion of the eastern bypass will be sold?

Mr HENNEVELD: That really is a Department for Planning and Infrastructure option, although Main Roads owns some of that land. A decision would be made at that level. I cannot really answer that question.

Hon BILL STRETCH: My first question relates to contracting out, mainly referred to on page 767. In some instances local contractors are being ignored under the large contracting system. There was a rather ridiculous situation in which a contract was let in Geraldton for work in Port Hedland opposite a local contractor's office and workshop. Has there been some rationalisation, or are contracts let on such a large basis that they are statewide? Do the local purchasing provisions apply to the larger contractors? We receive continual complaints that the smaller contractors with equipment capable of doing the work are losing that work to the bulk contractors a long way from town, in some cases thousands of kilometres away.

Mr HENNEVELD: I think the member is referring to the subcontracting that is done by our term network contractors. I know that prior to the awarding of those contracts there were concerns about the impact on local communities. Main Roads had previously been doing the work and had used local people as subcontractors. The

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term network contractors have taken on that workload and they choose which subcontractors they will use. In some instances they have kept using the local people, and in other cases where the term network contractors cover large areas their choice of contractors has been what they feel is in their best interests. We do not have a say about the subcontractors used by the term network contractors.

Hon BILL STRETCH: Once the contract is let, that is it? Are there any guidelines or directions? The local purchasing policy was put forward by the Government.

Mr WALLWORK: Indicators are built into the term maintenance contracts, which are currently called the term network contracts. If a prime contractor - the one we are dealing with directly - expends money locally, that performance indicator is reflected in additional payments to him. In general, at the moment those performances in our view are quite good. We often receive questions and queries from local contractors who feel that they are disadvantaged by the term network contract, but on investigation there are often reasons for that; for example, the particular expertise required may not be available from the local contractor. That was often the case when we were doing the work ourselves.

Hon GRAHAM GIFFARD: The point Mr Henneveld was making a moment ago was that the difficulty and level of complaints arose under the term network contracts, and he was contrasting that with the previous situation when Main Roads, prior to the use of term network contracts, would make use of those local contractors. The question points to the difficulties that arise under those term network contracts. When Main Roads performed that function under the previous arrangements, it tended to make more use of local contractors.

Hon BILL STRETCH: I accept that. How does this sit with the Government's much-promoted policy of local purchasing and the use of local facilities? It is really a policy question. How are those two things reconciled?

Hon GRAHAM GIFFARD: The previous Government entered into those term network contracts and that is where the issue arises. In policy terms, it was an issue from the previous Government that has given rise to this level of complaint and problems with local contractors getting work.

Hon BILL STRETCH: Ministers from the top down have made a big thing about local purchasing and I was wondering how this was consistent with the term contracts.

Hon GRAHAM GIFFARD: It is obviously one of the difficulties of managing the term network contracts and reconciling that with trying to get local work for local contractors.

[10.00 am]

Hon BILL STRETCH: I have a question on road verge clearing. It applies mainly to secondary roads. I congratulate Main Roads on the way in which it manages vegetation on the main highways. Some of its verge and median strip planting is world-class and is a major contribution to safe travel. I do a lot of night travelling. The work Main Roads has done is great. My main concern is with secondary roads. I do not know how much control Main Roads has over those roads. In the south west there is continual conflict between wider and faster transport and school buses. One difficulty concerns what can be removed from road verges, such as large trees and corner clearing. Much of this is the responsibility of local government. I look to Main Roads for some guidance. Is there a Main Roads channel through which action can be taken to allow troublesome spots such as that to be handled expeditiously? Main Roads obviously has a way to handle its own projects, because it has been able to remove dangerous trees and replace them with safer vegetation. Is there a follow-up way in which Main Roads can assist local governments in particular in getting through the bottlenecks that they seem to run up against, not just with conservation groups but also with local groups?

Mr HENNEVELD: We work closely with local government through our regional offices. The member is right; it is an issue for local government to maintain the vegetation on the road reserves. Main Roads can facilitate and help local government. The regional managers from Main Roads take that approach. We can set standards and demonstrate the requirements, which we do in many instances. The funding that local authorities have access to is probably the ultimate crunch in terms of what they can and cannot do. We help them. As the member pointed out, we have strict standards for safety and the way in which we deal with the road reserve. It is done in an environmentally sensitive manner. That is what we try to pass on to local authorities. How far they can take that depends entirely on the resources available to them.

Hon BILL STRETCH: Does Main Roads have a special task force or something to assist local authorities, or is it a routine matter that is handled through negotiation?

Mr HENNEVELD: We do not have a special task force. It is part of the normal liaison we have with local authorities. The member may be aware of Australian Training Services, which runs a program similar to a work

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camp through which people travel throughout the State cleaning the road verge. In some instances we liaise with local authorities and, if appropriate, that service is provided to them. In most instances, it applies to Main Roads.

Hon JOHN FISCHER: I refer to page 775 of the *Budget Statements* and the line item for the Wiluna to Meekatharra section of the Goldfields Highway - construct and seal. I note that no money has been allocated for this road in the item for estimated expenditure for 2003-04. Labor made a pre-election promise to seal this road by 2006. Given that the second dot point on page 762 states that the Government intends to reduce spending by \$200 million over the period 2003-04 to 2006-07, does the Government still intend to realise its promise to seal this road by 2006?

Hon GRAHAM GIFFARD: The question relates to the priority for the Wiluna-Meekatharra section of the highway. The member is right in identifying that no money has been detailed in the budget papers. At this stage works will not commence until a time outside the forward estimates. As I have said in answer to previous questions, the priority of this Government is unashamedly the health budget. In that sense, the Main Roads budget has made its contribution to the ordering of that priority. Although the Government would like to build more roads, the Wiluna-Meekatharra road is one that is not in the budget or the forward estimates for those reasons.

Hon JOHN FISCHER: The question I asked was whether the Government intended to honour its promise to build that road by 2006. Does the Government intend to do that or not; yes or no?

Hon GRAHAM GIFFARD: The member can ask questions in the way in which he wants to ask them and I will answer them in the way in which I want to answer them. I have answered it.

Hon PETER FOSS: I raise a point of order. This is a Committee. It is probably obvious that the answer is no, but members are entitled to an answer when they ask a question in this Committee. It is not like question time. Members are entitled to an answer. I ask that the parliamentary secretary answer the question.

Hon ADELE FARINA: On the point of order, I believe that the question was asked and answered. The parliamentary secretary clearly provided an answer. If members of the Opposition did not listen to the answer, perhaps they need to attend to that factor rather than to ask the parliamentary secretary to answer in the way in which they would like him to answer.

Hon GRAHAM GIFFARD: I thought I had made it clear. The Government would like to build that road if it could; however, the road did not make the priority list for the budget estimates or the forward estimates.

Hon JOHN FISCHER: It was a promise by the minister. It was a pre-election promise.

Hon GRAHAM GIFFARD: I have provided an answer to the question.

Hon PETER FOSS: The answer is no.

The DEPUTY CHAIRMAN (Hon Simon O'Brien): Order! Interjections are unruly at any time, but interjections when the Deputy Chairman is addressing the Committee are right out of leftfield. There is no point of order. The question has been addressed. Members are entitled to be dissatisfied with the answer, but there is no point of order.

Hon GRAHAM GIFFARD: I thank the Deputy Chairman for that ruling. I will explain why I answered the question in the way in which I did. I understood the purpose of today was for us to consider the budget and investigate issues relating to the budget. The question was two-pronged. It alluded to the budget and then referred to election commitments. I answered the question in relation to the budget and the forward estimates. It was appropriate for me to do that. That is why I answered the question in the way I did.

The DEPUTY CHAIRMAN: The parliamentary secretary does not need to thank me for the ruling, because I made it impartially. There is no point of order. We are here to consider the estimates. I want to ensure that the maximum amount of time is available to members to do that. Members come in to what is, among other things, a political environment, for various purposes. I will make sure that the purposes of our Committee are what we are primarily here to address. To that end I now give the call to Hon John Fischer, so that we can proceed with this hearing.

Hon JOHN FISCHER: I refer to the twelfth dot point on page 769 of the *Budget Statements* under the major achievements for 2002-03, which refers to the state black spot program. On page 770, the ninth dot point outlines that black spot funding will decrease from \$17 million last year to some \$15 million this year. Given that black spot funding was supposed to come from Multanovva revenue, and there has been an increase in revenue from the use of Multanovas, why is there a reduction in funding?

Hon GRAHAM GIFFARD: I ask Mr Snook to answer that question.

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Mr SNOOK: The reason for the reduction in funding in the budget papers is that the allocation in 2002-03 was a double allocation of additional funding. The original funding was \$13 million a year and was increased to \$15 million a year. However, the additional \$2 million was not allocated in 2001-02 it was carried forward from 2001-02 to 2002-03. It is now consistently \$15 million a year.

[10.10 am]

Hon JOHN FISCHER: I refer to the last dot point on page 769 and the allocation on page 775 of some \$7 million last year to improve the Gibb River Road to Wyndham. Why has it been reduced to \$1 million this year, given the extremely poor state of the road?

Hon GRAHAM GIFFARD: At the risk of repeating myself, the consideration for the construction of this road is similar to the consideration for the Wiluna to Meekatharra road. Although funds will be spent on this road, the timing and speed of its construction is a question of budget priorities and the amount allocated to the road this year reflects those priorities. I will ask Mr Phillips to add further to that answer.

Mr PHILLIPS: I am not sure where the member got the figure of \$7 million. An amount of \$7.302 million for the Gibb River Road is the estimated expenditure to June over a number of years. The current policy is basically to apply \$1 million a year to the continued maintenance and upgrade of the Gibb River Road. The allocation has only ever been \$1 million a year and the amount of \$7.3 million represents an accumulation over a number of years. Another \$1 million will be provided in 2003-04 to continue that program.

Hon LOUISE PRATT: I refer to page 775 and the allocation of \$3.449 million for the Brookton Highway between Kalgarin and Hyden. I want to know about the completion of that project and the development of the Brookton Highway in general.

Hon GRAHAM GIFFARD: An allocation of \$1 million has been made in this year's budget and the forward estimates to continue road improvement works. That allocation will complement \$2.3 million allocated in last year's program to upgrade to two lanes 8.2 kilometres of existing single-lane road between Kalgarin and Hyden. Further allocations will be a matter of future budgetary processes.

Hon LOUISE PRATT: I have a further question and I refer to page 776. I want to know about the Government's commitment to the reconstruction of the Nyamup to Strachan section of Muirs Highway.

Hon GRAHAM GIFFARD: We have been able to allocate \$2.925 million in the budget and forward estimates to undertake priority road widening routes on Muirs Highway between Nyamup and Strachan. The funds will be used to widen to two lanes 8.2 kilometres of the existing single-lane sealed section between Nyamup and Strachan as an interim safety improvement measure until the planned future realignment of that section of the highway. The Shire of Manjimup is carrying out the interim works under Main Roads' management. To date 4.3 kilometres of highway have been completed, with the remaining 3.9 kilometres of road to be upgraded by 2004.

Hon PETER FOSS: I refer to pages 775 to 778, volume 2 of the *Budget Statements*. I have a couple of questions on the forward estimates that go up to 2006-07 on page 778. First, does the current Government maintain, as did the former Government, a 10-year forward list of proposed road building; and, if so, can I have a copy of it? Secondly, given that the amount in the forward estimates for 2006-07 is \$51 146 000, what does Main Roads intend to do with the roads? Will it continue to maintain them with that amount of money or will that amount be insufficient for that purpose? Will it be able to go beyond maintenance to new construction with that amount? Lastly, when did Main Roads previously have a forward capital works budget as small as \$51 million? I realise that some of those questions may have to be taken on notice but I ask for the answer in present day dollars to the question about the previous allocation in the budget being as small as \$51 million.

The DEPUTY CHAIRMAN (Hon Simon O'Brien): There are several parts to that question and the parliamentary secretary might want to take them in turn.

Hon GRAHAM GIFFARD: I ask Mr Norwell to address the first question and Mr Phillips to apply himself to the second and third questions.

Mr NORWELL: My answer relates to the 10-year forward program. Through our asset management planning process we identify sections of road that need improving, replacing or reconstructing over at least the next 10 years. Some time ago we developed a set of intervention standards based on safety and what we believe are the community's expectations. On an annual basis we develop what we call a state road network investment analysis that gives us a list of the priority projects that we believe must be addressed in the future. That information has not been made public but has been treated as an internal document.

Hon PETER FOSS: Can we have a copy of that document, please?

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Hon GRAHAM GIFFARD: I ask that the question be put on notice. It is an internal document and if the member wants a copy of it, I will need ministerial clearance for it.

[10.20 am]

Hon PETER FOSS: Committee clearance will do just as well.

Hon GRAHAM GIFFARD: I ask that that part of the question be put on notice.

Hon PETER FOSS: I ask that the committee ask that that document be produced.

The DEPUTY CHAIRMAN: There is an implication to that request, which I will turn to in a moment. I wish to consider it. We will now proceed to the next part of the question.

Mr PHILLIPS: I think the member asked a question about the total appropriations provided on capital contribution being reduced from \$187 million in 2003-04 to \$51 million over the four-year forward estimates. However, it is more important to look at the table at the top of page 778 of the *Budget Statements*, which shows the capital contribution. The top line of that table - the total cost of capital works program - shows a decrease in funding for that program from \$328 million to \$182 million. That has no impact whatsoever on our maintenance program because that is considered in isolation to our maintenance and road improvement outputs. The capital works program incorporates the bridge and road construction programs. In any event, it indicates that the capital works program is decreasing over the four-year period. It is reduced to \$51 million when various sources of funding for those works are identified. With regard to the last time Main Roads had a capital program of \$51 million, again I refer to the \$182 million in the 2006-07 capital contribution forward estimates, which is the more appropriate figure. I do not have the figures in front of me, but I would have thought funding was probably back to around the 1993-94 levels. However, it must be taken into account that since that time a significant amount of additional funds has been put into our maintenance program, which naturally impacts on the amount of money we have available for the road construction program.

Hon PETER FOSS: Will Main Roads be able to provide adequate maintenance with the amount that has been provided?

Mr PHILLIPS: Yes. We have built into the forward estimates an annual increase in maintenance, which takes into account a number of issues, including the rise and fall under the terms of the contract, the additional funds needed for the expansion of the network over the four-year forward estimates and any performance bonus payments that may become payable to the contractors. Those allocations allow an annual increase in funds to our maintenance program.

Hon PETER FOSS: Earlier, reference was made to the standards Main Roads applies to the construction of roads. What is the method by which Main Roads ensures those standards are met? Is it done by using engineers from within the department or are engineers from outside the department employed to provide quality assurance? What are the processes involved in determining whether the quality of a road is sufficient? As a supplement to that, does the department provide engineering expertise to any other part of the department; for example, does it approve bicycle tracks? Has the department been consulted on the three-kilometre Maylands bicycle track, which cost \$3 million? Is that a reasonable amount to spend on a three-kilometre bicycle track? It appears to have been reworked but the surface is extremely uneven and is unsuited to the users at which it has been targeted according to a ministerial press release. People in wheelchairs, skateboarders and cyclists are meant to use it. How is the quality of roads usually assessed? Does Main Roads provide assistance to the rest of the Department for Planning and Infrastructure? Has Main Roads been involved in the three-kilometre bicycle path? What does Main Roads think about the bicycle path costing \$3 million?

Hon GRAHAM GIFFARD: We are not in a position to give the member any detailed information on the bicycle track to which he referred.

Hon PETER FOSS: Has Main Roads been asked to provide advice on that bicycle path? If it has, the rest of my question follows.

Hon GRAHAM GIFFARD: Mr Snook can provide a simple answer on that. Mr Henneveld will answer the first part of the member's question.

Mr HENNEVELD: The member asked how Main Roads ensures the quality of its road construction and road maintenance. We supervise the contracts. Professional engineers are used in most instances. The requirements of the contract, including the specifications and so on, have pretty strict performance outputs and requirements. We insist on a quality assured approach in our contracts. All those factors help to ensure that we get the quality we want. We also have very clearly specified outcomes for our term network contracts and performance

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requirements that are measured with some key performance indicators. We always have a continuing update as to how well those contracts are being performed.

Hon PETER FOSS: Could information be provided on notice giving some examples of the types of engineering standards that are applied and of the key performance indicators the department considers to ensure the quality of the roads? I would like some information to be provided that would give us a representative example of the standards that Main Roads imposes.

Mr HENNEVELD: I can provide the member with that information in general terms now, but if he wants detailed information, I will have to provide it on notice.

Hon PETER FOSS: It would be very helpful if detailed information could be provided on notice.

Mr HENNEVELD: I am happy to provide that as supplementary information.

[*Supplementary Information No 26.*]

Hon ADELE FARINA: I refer to page 767 -

Hon GRAHAM GIFFARD: Sorry, members are indicating by interjection that we did not deal with the other part of the question. I indicated that Mr Snook would be able to provide that answer very briefly.

Mr SNOOK: Funding for the Maylands bicycle path was provided by the Department for Planning and Infrastructure through the Perth Bicycle Network. The actual design and construction work was project and contract managed by Main Roads, and complied with the various Australian standards. That particular length of bicycle path cost more than usual because it had to be fitted into a very narrow road reserve alongside the railway line. Also, a number of small culvert-type structures were required to go through there. Lighting and that sort of thing was also required.

Hon PETER FOSS: Did it meet the standards?

Hon KEN TRAVERS: Point of order.

The DEPUTY CHAIRMAN: There is no need for a point of order. The question has been finalised, and we must move on. I am trying to allocate time as fairly as I can. So far I have been generous with all members. I do not want other members to miss out.

Hon ADELE FARINA: I refer to the first dot point under major achievements for 2002-03 on page 767 of the *Budget Statements*, which states that Main Roads is continuing to implement recommendations from the Michael report, including undertaking a proportion of design work at a rural level using in-house staff and strengthening the bridge expertise in the south west. Will the parliamentary secretary please explain the benefits of those changes to the Government and the community and how successful they have been.

Hon GRAHAM GIFFARD: I ask Mr Henneveld to answer that.

[10.30 am]

Mr HENNEVELD: I will comment, firstly, on the transfer of that bridge section to the Bunbury region, which was one of the recommendations of the Michael report. We appointed a level 6 engineer for the timber bridge section. Unfortunately, he has resigned, and we are replacing him. A bridge crew of six has been established in Bunbury, which consists of some people who were previously involved in bridge construction and some other additional recruits. On top of that, there is an additional engineering support staff of two. That is a significant unit to undertake the overall management of timber bridges throughout the State. The program has been undertaken with some supervision from Perth during the transition of the timber bridge section from Perth to Bunbury. That situation will be rectified shortly. It has been very successful to the point at which the group in Bunbury is saying it does not have enough personnel to maintain bridges throughout the State. That is demonstrating an improved level of asset management associated with those timber bridges. It is also demonstrating that it was a well-considered move to locate that bridge section in Bunbury, which is really the centre of gravity for where the main area of timber bridge construction has been carried out in the past.

Sitting suspended from 10.30 to 10.45 am