

Hon Murray Criddle; Deputy President; Hon John Fischer; Hon Jim Scott; The Deputy President (hon George Cash); Hon Ken Travers; Deputy President (hon George Cash); Hon Bruce Donaldson

REGIONAL ROAD GROUP FUNDING

Motion

HON MURRAY CRIDDLE (Agricultural) [2.06 pm]: I move -

That the Gallop Government be condemned for its failure to provide -

- (1) Adequate funding under the regional road group allocation in 2003-04 and future years.
- (2) A comprehensive plan and/or mechanism for funding the construction of new strategic freight transport and tourism roads.
- (3) A comprehensive road construction and road improvement program for the next five, 10 and 15 years to cater for the road freight task in Western Australia which is expanding at between seven and 10 per cent per annum.

I should not have to move a motion like this because it reflects on the Government and the requirement to understand the importance of road funding to Western Australia. I often hear the minister talk in glowing terms about rail transport. However, the transport system in Western Australia is totally intermodal, and we need to recognise that the heavy transport, tourism and general community requirement to move from place to place must be addressed in the form of far better transport routes and roads.

Recently, I met with local government, which outlined to me what it calls its outrage program, which addresses road funding issues and the requirement to get better local government funding for the regional road groups. Nobody needs to be told about the pressures on local government. It is facing enormous pressure from all sides to spend money on the many requirements for communities. Of course local governments are increasingly being asked to become involved in the funding of roads, not only for heavy haulage but also for the general freight network. It is ironic in some ways that this Government, under the current Minister for Planning and Infrastructure, is cutting back on road funding, bearing in mind the pain that I went through as a minister when we were putting in place enormous road funding commitments and were talking about going to term network contracts. I am very pleased that we went to term network contracts, because that was something the minister could not dismantle. I will go through the budget and a few other issues later, but the fact of the matter is that the Government is winding down on many of the commitments to projects that we made when we were in government, and it has provided no funding in future budgets for any projects to be put in place over and above the requirement for maintenance.

One of the benefits of a good road network is that it reduces living costs substantially. It also allows people to access facilities. I remember that when there were problems with the road network in the north west a lady said to me that it is all very well to have a school or a hospital, but that is of no value whatsoever if people cannot access those facilities. The crucial point is that it must be possible for people to access the facilities that are available. From the point of view of the Greens and everyone else in the community, a good road network reduces air pollution, because it facilitates the free flow of traffic. That was evident during our time in government, when we reduced the number of traffic lights on the freeway to the south so that there was less stopping and starting of vehicles. The better the road network the greater is the reduction in the amount of pollution. A good road network also reduces road trauma. Road safety is something that everyone wants to talk about. The cost of road trauma is in the vicinity of \$1 billion a year. If we build passing lanes, increase blackspot funding and address the other road safety issues, obviously that cost will be reduced substantially. The main issue is that it is not only the deaths but also the cost to the community of the people who are badly maimed and injured in accidents. That is what costs the community so dearly, and of course that has an impact on the health system in this State.

When the road between Mt Magnet and Leinster was put in, we did an analysis of the benefits of black-topping that road. That demonstrated clearly that it would reduce by around 30 per cent the amount of maintenance that would be required for the heavy haulage that would be using that road. A subsequent benefit is that it has increased the amount of tourism to that area. It has also reduced the overall cost of transport by about 20 per cent. I recently saw some data in a newspaper that indicated that if road and rail are put in there is an exponential benefit to the community and the business sector. That leads onto jobs as well. It is said that for every dollar that is spent on roads the community gets a benefit of \$7. There is no doubt whatsoever that if we put in this sort of infrastructure, the benefits to the community are outstanding.

As I progress through the debate I will touch on a document titled "Report on Local Government Road Assets and Expenditure 2001- 2002". I will talk about the State Road Funds to Local Government Agreement 2000-01 to 2004-05. I will touch on the budget. I will also look at the AusLink program, and a couple of the projects that we have been talking about for development into the future.

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The "Report on Local Government Road Assets and Expenditure" is an interesting document. The foreword states -

Most significantly the report shows that while Local Governments needed to spend \$307m in 2001-02 to maintain the roads at their current condition, the actual expenditure was \$263.7m.

That is a shortfall of \$43.3 million. That remains a concern, because the road network has been deteriorating over time. The roads that were constructed in the 1960s and 1970s are now deteriorating and approaching the end of their useful life. Expenditure needs to be put in place to address that deterioration so that the road network will not fall apart.

The foreword states also -

As predicted, the Federal Government's Roads to Recovery program has provided a much needed boost to Local Government road funding by increasing Federal funding from \$62.9 million in 1999-00 to \$11.5 million in 2001-02.

Indeed this year it is over \$200 million, a substantial increase. I know the arguments, and I have carried them myself, about the amount of road funding that we get from the federal Government compared with the amount of money that it collects from fuel taxes. However, it is good that the federal Government is at least returning some of that money to our road network.

The foreword highlights the issue -

The shortfall in funding for Local Government roads, particularly for asset preservation will form the main focus for the Association as it actively seeks to have both State and Federal road funds increased over the coming months.

That is based on the fact that state road funding dropped from \$92.4 million in 2000-01 to \$84.8 million in 2001-02. In 2005-06 the funding will be \$78 million, in 2006-07 it will be \$85 million and in 2007-08 it will be \$85 million. That is a substantial cut of about \$12 million a year. That is just the straight-out loss to local government each year. However, it has a multiplier effect, because for every \$2 spent by the State Government, the local government spends \$1. Therefore, that \$12 million would have led to an extra \$18 million being spent on the road network. That expenditure is directly linked to heavy haulage. Savings can be made if heavy transport uses local roads to deliver produce directly to properties; that is, if it goes from the farms directly to the receival points, whether that be for grain, sheep or wool. That direct delivery obviously saves an enormous amount of money due to the fact that there is no double-handling and there is no loss of time because the drivers do not need to break down the heavy vehicles and drop off a trailer in order to move onto a farm.

Local government is responsible for 72 per cent of Western Australia's road network. Local government roads have a replacement value of \$11.36 billion as at 30 June 2002, and a written down value of \$7.3 billion, equivalent to 65 per cent of replacement value. It would be in everyone's interest for that replacement value to be 75 per cent. However, that would require a major expenditure on roads. I have said that local government is responsible for 72 per cent of the State's road network. That represents 121 000 kilometres. The total road network in Western Australia is about 175 000 kilometres, so 43 per cent of vehicle kilometres travelled occurs on local roads and 31.8 per cent of tonnage travelled occurs on local roads. That demonstrates that there is a real requirement for expenditure on local roads. The total local government road expenditure was \$401 million in 2001-02. Of that \$401.2 million the State Government put in \$84.8 million and the private sector made an investment of \$5.1 million. The councils themselves put in very close to \$200 million and the federal Government put in \$111.5 million. There was quite a spread of financing arrangements. The only body that reduced funding was the State Government. Bearing in mind all the advantages that the State Government receives from those roads, they should be maintained. I have heard the argument about putting funds into health and education, but when the roads are maintained there are spin-offs back into the health system from road safety and other issues. This Government's priorities may be those social issues, but the Government needs to understand that there will be a direct impact on the economic viability of the State if we do not maintain the road network.

The Roads to Recovery program put in place by the federal Government is a good exercise, but it has been used as a mechanism by this Government to explain away some of the issues about reducing the funds. From my point of view, that has been a real disappointment, because the funds from the federal Roads to Recovery program were put in place because of the deterioration of the roads and the necessity to upgrade the road network. The loss of that opportunity as a result of reducing the state funds in the roads program means we have lost the ability to at least maintain the road network in its present condition.

The preservation needs in areas to the south of the State are very high. The wheatbelt, in the south and the north, is in high need of road network preservation. That came as a surprise to me. There is not a lot of expenditure by

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local government in the north of the State - I think it is about 18 per cent - whereas in other areas it is as high as 60 per cent. The road network in the south of the State has also suffered pretty badly.

Local government roads represent 72 per cent of the State's road network. Of that 120 000 kilometres of roads, only 30 000 kilometres is sealed, which is a very low figure. Some 53 000 kilometres is paved, 26 000 kilometres is formed and 9 000 kilometres is unformed. There is a real issue with the deterioration of those roads and it could worsen in the future. If that is not recognised, the replacement cost of over \$11 billion will expand quite rapidly. The seriousness of that situation is outlined in the local government report.

I also want to outline the local government agreement that was put in place by the previous Government. The funding for that has been dramatically reduced by this Government. There was a commitment for approximately \$90 million a year to go into local government. Sixty per cent of that was to go in direct grants, road project grants, and strategic and technical support; and 20 per cent was for state initiatives on local roads. In one year we spent approximately \$147 million on some of those roads on the coast north of Cervantes. A number of other local roads were also included. There was a further allocation of 20 per cent for road safety, bridgeworks and remote Aboriginal access roads. That allocation was very beneficial. We put some roads through some of those communities to reduce the dust, which was having a health impact. There was a further allocation for national parks, including the Kalbarri National Park, where some roads are still to be built, but we had set money aside for those. One-quarter of 85 per cent of the allocation from the consolidated fund was provided to the Commissioner for Main Roads. A quarter of the revenue from licence fees was also included, taking into account an arrangement with the Transform WA program. There was also an allocation of \$6 million for a special initiative fund, which was used if there was a flood or some unexpected event. Any funding that was supplied by the State Government directly and tied to specific projects did not form part of this agreement, as I outlined previously.

Local government was very happy with this agreement. I was certainly happy to be involved in its signing, and it led to some confidence in local government about the amount of funds that could be expected over the years. The reduction of that funding has had an impact on local government. Local contractors also missed out on funding and suffered pretty badly. That was exactly the point the minister was making regarding the term network contracts. I have seen a lot of work being done through the term network contracts, and local contractors have been involved in that work.

I also have the figures applicable to the agreement on state road funds to local government for the years up to 2007-08. That funding also includes vehicle licence fees for local roads. It is anticipated that the total licence fees collected for 2005-06 will be \$309 million; for 2006-07, \$325 million; and for 2007-08, \$344 million. Thirty per cent of those funds represents some \$92 million being expended by local government if that arrangement were to be put in place.

I will now refer to some of the matters that seem to be impacting on the budget. Firstly, I will outline what is projected in the budget for supplies and services, the allocation for which has dropped dramatically. The figure for 2005-06 appears to be \$510 million, dropping to \$351 million in 2005-06 and \$302 million in 2006-07, and rising to \$333 million in 2007-08. The capital user charge distorts the figures extraordinarily, because it jumps dramatically from \$27 million in 2004-05 to over \$62 million in 2007-08. If capital user charges are included in the figures it distorts them substantially, particularly if we include depreciation, which is estimated to be \$212 million in 2007-08. That substantially distorts the total figure of \$758 million. That sounds a lot of money, but if those figures are taken out - they are really book entries - not a lot of money is left for the roads themselves. In our last year of government we allocated something like \$850 million for roads; there was no capital user charge in place and depreciation would have been substantially less. That has had a huge impact.

I will highlight where some of the money has gone. Everybody talks about the railway to the south and so forth, but the budget of the Public Transport Authority of WA shows that its borrowing costs will jump dramatically from \$78 million in 2004-05 to \$140 million in 2007-08. One does not need to be a Rhodes scholar to know that that will have an enormous impact on the transport budget, and that funding has disappeared in this area.

The coalition Government had in place the Transform WA package, which covered more than 30 projects. It clearly defined for people where we were going. That program has been chucked out the gate. We do not seem to have any organised program that shows where we will go in the future. To some extent, that is one thing that needs to be put in place so that people understand where they are going.

The AusLink program has been spoken about by a number of people. Benefits from the federal budget have come to Western Australia under that program. They have not been enormous benefits, because we would like a lot more money. As I explained earlier, the federal Government collects an enormous amount in fuel tax compared with the money that comes back to us. It was about seven per cent at one stage. It may be a great deal more now. The AusLink program enables state, federal and local governments and private enterprise to get

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involved in the funding of special projects around Australia. The program includes an additional \$1.9 billion in funding for Australia's major roads and railways, including a \$450 million grant to the Australian Rail Track Corporation Ltd in 2004. From Western Australia's point of view, \$1.4 billion will be provided over the next five years through the Roads to Recovery program, including the \$1.2 billion extension of the program that was announced in January 2004. In this financial year, funding to Western Australia includes \$126.3 million for continuing projects, \$37.5 million under the Roads to Recovery program, some untied local road grants totalling \$72 million and \$5 million under the black spots program, which is an area to which a lot more money should go. Around \$240 million is coming to Western Australia from the federal Government. I do not think that is enough.

Hon Ken Travers: I was going to ask whether you wanted to compare that with previous years. In the forward estimates, federal funding to WA has been reduced.

Hon MURRAY CRIDDLE: I am saying that it is very low compared with what we should get.

Hon Ken Travers: The way you presented that argument was that the global figures were going up. However, the figures for WA across some of those programs are going down and we are getting a very small percentage of the total amount.

Hon MURRAY CRIDDLE: I have already said that. I understand.

Hon Ken Travers: The feds might be doing a great job on the east coast, but they are not doing a great job for us.

The DEPUTY PRESIDENT (Hon George Cash): Order; one at a time! Hon Ken Travers will respond in due course.

Hon MURRAY CRIDDLE: The amount coming to Western Australia could be greater. We previously did not receive much funding at all. I am happy to see that funding. That sort of thing can be argued, but the parliamentary secretary must also realise that funding from his Government is falling in a hole. If he agrees with that, his argument will have some balance, but if he does not agree that funding from the State Government has been substantially reduced in the budget figures into the future, his whole argument falls over. He cannot argue both ways.

Hon Kim Chance: I think we have acknowledged that.

Hon MURRAY CRIDDLE: I think the Minister for Planning and Infrastructure has acknowledged that. She said that she had put a lot of the money into other areas. I am sure that the parliamentary secretary will reply. From what I have observed about the road budget, and having been minister, I am absolutely devastated that road funding in Western Australia has been reduced. Western Australia relies heavily on its transport system; we need our road networks to be brought up to scratch. There are some real issues with funding, which relate to our economic development. We hear a lot of arguments about the economic development that will continue into the future. We need to realise that if that is to happen, we need infrastructure to be developed in parallel to carry our heavy transport. We need to recognise that road funding is very important for our future. There are a range of necessary issues around the State.

I would like arrangements for access to all our ports to be taken into consideration. We require access to ports. I think in particular of Esperance, Albany and Bunbury. Bunbury's corridor needs to be locked in and developed. The cost of doing that is about \$17 million. Access is required in Geraldton. A substantial commitment was made to that in our days in office. I am pleased that funding has been maintained and that the development has gone ahead. In the north, access in Broome is a continuing problem. We have still not resolved that issue. Those issues need to be put in focus in the future. I recognise that issue.

The other issue that will be of great importance as we move forward is the development by Co-operative Bulk Handling Ltd of strategic receival points. Those receival points must be developed on the basis of an understanding with the Government about what roads are required into the future; otherwise, we will double up on the requirements for roads and will build them in the wrong places. The receival points also need to be developed in concert with our rail network. We have a very good company in place at this time. It is moving the grain very efficiently. I have heard some comments about the company lately. I understand that last year's enormous crop is being shipped out at a rate of about one million tonnes a month. That is enough to cover the crop. We need to maintain that commitment from the current owner. I have not heard any whispers of any problems with those people. In fact, I spoke to them as late as last week. They are getting on with the job of moving the grain and with their commitment to the port.

The linkage of paddock to port is tied in with the intermodal system. That is where I started this presentation. It is about an efficient delivery of our product from the paddock or industrial centre to the port, so that our industries receive the benefit of the profitability presented by the current situation around the world. Australia is

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recognised around the world as having very good products, whether agricultural or industrial. Our products are considered to be as good as any. We need to make sure that we have those efficiencies. We need to develop strategies that can be financed in a reasonable way. The financing of them is very important. The other issue we will face in the future is the way we power our vehicles and so forth. That is an argument for another day.

I am pleased to have brought forward this discussion. Local governments have some real concerns about their current funding arrangements. They feel as though they lack certainty about the commitments of government. We have been to their conference and have spoken to them about the arrangements that we will put in place, given the opportunity of being in government. The opportunity to carry out their infrastructure developments is absolutely essential for the wellbeing of the State and our industries - not only our agricultural and industrial, but also tourism - so that people can travel in an efficient and comfortable manner and be safe on our roads. That will benefit the State.

HON JOHN FISCHER (Mining and Pastoral) [2.40 pm]: I commend the honourable member for putting forward this very important motion that is extremely relevant to the rural and regional areas of Western Australia. It is an issue that I have been speaking about repeatedly for some time. This Government has continued the work of previous Governments in shifting the responsibility of various costs to local government and local communities. What better way to do it than through reducing road grant funds by using the excuse that as local authorities are now receiving greater direct federal contributions, they should be better able to afford to meet the total costs themselves? That view does not stop this Government making promises and then reneging on them when it suits it. We have only to look at the promise made by this Government for the Wiluna to Meekatharra road. It was an express promise made by this Government, which has conveniently slipped out the door. A similar promise was made about the Karratha to Tom Price road. The promise was that the road would be completed in its first term of office. The promise has been blatantly dropped.

Hon Ken Travers: We said we would put in \$100 million and we have put in \$100 million.

Hon JOHN FISCHER: Labor said it would construct the road in its first term of government. Is the member referring to the first term of the next time Labor gets in? There is not much time left in this term. That is what Labor said. It also said it would construct the Wiluna to Meekatharra road. There is no confusion here; it said one thing but it has done another. It is as simple as that.

Hon Ken Travers: If you do not do your own research, Hon John Fischer -

Hon JOHN FISCHER: I do my own research, thank you very much. In fact, I have a copy of a letter to the Shire of Wiluna from the member's minister stating that the Government intended to keep the promise to construct the Wiluna to Meekatharra road. I do not know how much more research the member wants other than a letter direct from the minister. On top of all that, it must be remembered that the Government has scored incredibly large revenue windfalls from stamp duty on real estate transactions and from the Commonwealth under the grants process. One would have to ask why it has not funded some of its broken promises with the additional money. To add insult to injury, the Government has maintained its stance of significantly reducing road funding. To make matters more ludicrous, that is happening while the Government is supposedly reviewing the 2000-01 to 2004-05 state road funds to local government agreement. It appears to me that the Government is putting the cart before the horse. The reduction in road funding consequently requires local authorities to find additional money to simply maintain their roads. That can be done only by increasing rates or borrowing. Small local authorities, such as the Shire of Sandstone and others, are put under extreme pressure. As members can appreciate, the Western Australian Local Government Association and its regional members are extremely concerned about the situation. I have contacted WALGA, and I am extremely indebted to it for the following information. Since 1995 a five-year state road funds to local government agreement has been in place. The agreement provides for the allocation of a proportion of vehicle licence fees and consolidated revenue from the State Government to local roads. The principles of the agreement include maximising the use of scarce resources for local roads and providing funding certainty for local government authorities, which, as the member who spoke previously mentioned, manage 72 per cent of the State's road network. The agreement contains minimum annual funding allocations for each five-year period. The current agreement runs from 2000-01 to 2004-05. The minimum funding allocations were honoured for the first three years of the current agreement. However, in 2003-04 the first cut occurred. The agreement provided for a minimum allocation to local roads of \$92 million in 2003-04. However, the actual funding in that year was \$80.9 million, which represents a cut of approximately \$12 million in the minimum allocation. In 2004-05 the agreement provides for a minimum allocation of \$92.2 million for local roads. This Government has decided to provide funding of only \$80.6 million, which represents a further cut of \$12 million. From a local government perspective, there are two key issues of concern. The first is the cumulative \$24 million cut to funding for local roads over the past two years of the agreement. The second is that the majority of funding has been cut from the category in the agreement known as the road project grants. The agreement provides for a minimum of 60 per cent of the

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funding available to be allocated to a category known as direct road project grants and strategic technical support. However, the Government has again broken the agreement by funding only 47 per cent of this category in 2004-05. The cuts to the road project grants have a cumulative effect in that local authorities are required to make a contribution to the factor of 1.2 to projects that are funded under the road project grants. I was given a spreadsheet by the Western Australian Local Government Association, for which I seek leave to incorporate into *Hansard*.

Leave granted.

The following material was incorporated -

STATE ROAD FUNDS TO LOCAL GOVERNMENT AGREEMENT

CATEGORY	2002/03 ALLOCATION	2003/04 BASELINE	2003/04 ACTUAL	NET IMPACT BASELINE TO ACTUAL	NET IMPACT 2002/03 TO 2003/04
Strategic & Tech Support	\$1,300,000	\$1,300,000	\$1,300,000	\$0	\$0
Direct Grants	\$11,867,000	\$11,867,000	\$11,867,000	\$0	\$0
Road Project Grants	\$45,513,000	\$37,665,000	\$23,640,000	-\$14,025,000	-\$21,873,000
- Gascoyne	\$1,003,868	\$900,000	\$671,821	-\$228,179	-\$332,047
- Goldfields-Esperance	\$2,097,908	\$1,335,000	\$996,534	-\$338,466	-\$1,101,374
- Great Southern	\$2,502,635	\$1,758,000	\$1,332,445	-\$425,555	-\$1,170,190
- Kimberley	\$1,266,938	\$1,015,000	\$757,665	-\$257,335	-\$509,273
- Mid -West	\$3,092,112	\$2,580,000	\$1,925,887	-\$654,113	-\$1,166,225
- Pilbara	\$1,419,433	\$1,050,000	\$783,791	-\$266,209	-\$635,642
- South-West	\$4,397,130	\$3,190,000	\$2,381,232	-\$808,768	-\$2,015,898
- Wheatbelt North	\$4,636,783	\$3,945,000	\$2,944,815	-\$1,000,185	-\$1,691,968
- Wheatbelt South	\$2,921,193	\$2,435,000	\$1,817,649	-\$617,351	-\$1,103,544
- Metropolitan	\$16,175,000	\$13,430,000	\$10,025,161	-\$3,404,839	-\$6,149,839
- Supplementary	\$6,000,000	\$6,000,000	\$0	-\$6,000,000	-\$6,000,000
Traffic Mgt & Road Sfty	\$18,515,000	\$12,000,000	\$12,515,000	\$515,000	-\$6,000,000
Aboriginal Access Rds	\$3,496,000	Amount not specified	\$2,496,000	\$0	-\$1,000,000
Bridge Works	\$3,292,000	Amount not specified	\$3,292,000	\$0	\$0
CALM, Kings Park etc	\$2,257,000	Amount not specified	\$2,257,000	\$0	\$0
State Initiatives	\$13,784,000	\$16,193,400	\$23,600,000	\$7,406,600	\$9,816,000
TOTAL	\$100,024,000	\$92,000,000	\$80,967,000	-\$11,033,000	-\$19,057,000

Hon JOHN FISCHER: The document identifies the breakdown of categories of the state road funds to local government agreement and the cuts to the road project grants experienced in 2003-04. By way of explanation, the road project grants are allocated to projects identified by a network of 10 regional road groups. The regional road group network has been highly acclaimed and certainly used as the best practice model in other States, including Queensland and Victoria. However, the cuts to the road project grants have put severe pressure on the regional road groups and have meant that a number of regionally significant road projects have not proceeded. Impacts of the State Government's local roads funding cuts are starting to be felt through loss of employment and the deterioration of local road networks, particularly for crucial industry uses such as grain haulage. Road projects of regional significance in rural and metropolitan areas have not been funded. There is a continual decline in the standard of local road networks.

Each year, in conjunction with its members, WALGA produces a local government road asset and expenditure report to identify the investment that is being made from all sources - that is, from federal, state and local governments in the local road network - and the amount that is required to be spent to maintain the network to its current standard. WALGA's latest report indicates a \$43 million shortfall between what is being spent and what

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is required to be spent. Therefore, any further cuts in funding, whether by a federal, state or local government, will increase that shortfall, causing a rapid decline in the local road network. Simply put, the act of cutting funding by the Government is really an act of putting its head in the sand about this issue and it should not be allowed to continue, unless we want the local road network obliterated.

In the context of road funding, I turn now to a specific issue in my electorate. Some members will have heard of the Tanami Road, or Tanami track as it is more colourfully referred to by adventurers. The Tanami Desert is the epitome of what most of us regard as a desert: it is a vast, flat and featureless landscape where water is scarce. The notorious Tanami track cuts a 1 050 kilometre sandy course from Halls Creek to Alice Springs through the unforgiving country of the Tanami Desert, where many early expeditioners perished trying to conquer the harsh terrain. The track is sealed for only about 150 kilometres from where it meets the Sturt Highway just north of Alice Springs, with the balance being a graded dirt road. Most of the sealed section provides a blacktop for one vehicle width only. Travel on the Tanami track is not recommended for conventional vehicles west of the Granites and Groundrush goldmines.

Eight years ago the Northern Territory Government recognised the importance of the Tanami track and committed itself to sealing that section of the road to the Western Australian border. However, to meet the Commonwealth's enforced cost-sharing arrangements for the construction of the Darwin to Alice Springs railway, the Northern Territory Government was forced to postpone the sealing of the Tanami Road project. However, with the completion of the railway project, the Northern Territory Government has resurrected this ambitious project to seal the Tanami Road. Given the distance involved and a projected cost of approximately \$50 million to seal it in its entirety, it is a major infrastructure project that cannot be completed overnight. However, in 2004-05 the Northern Territory Government is planning to seal an additional six kilometres and to design another 20 kilometres at a total cost of \$2 million. The Northern Territory Government recognises that the upgrade of the Tanami Road will provide improved access for the mining and pastoral industries, tourists and most certainly remote communities, and will reduce maintenance costs. At the Western Australian end of the track is approximately 320 kilometres of dirt road that commences just south of Halls Creek and runs down to the Western Australian-Northern Territory border. This road is also not suitable to be traversed by conventional vehicles. This section of the Western Australian track provides access to the well-known Wolf Creek Crater, the northern end of the Canning Stock Route, which is being used more and more as an outback tourist route, and the Balgo and Bililuna Aboriginal communities. As members will appreciate, fuel outlets are few and far between on the Tanami; however, Aboriginal communities do provide fuel access. I am advised, though, that in certain communities, such as Balgo, only diesel is available for sale.

The present Government made a pre-election promise that \$10 million would be spent by the Shire of Halls Creek over five years on the Tanami track. The Halls Creek shire council saw this as an opportunity to retain funds in the area and create employment and training opportunities in the region. However, the shire has struggled for recognition by Main Roads WA of its desire to retain the benefit of those funds in the region. As a consequence, very little of the \$10 million has been spent to date, with Main Roads going its own way, apparently at its whim. Main Roads WA has stated that it did not progress procurement for the planned 2003-04 works because the project funding was identified as being deferred, obviously at the behest of a Government that is trying to rein in spending. However, the consequences of that decision and the way in which the information was withheld have been severe for the Shire of Halls Creek, certainly for local contractors and the community in general. It is a clear example of a misunderstanding by the Government of the impact of its decisions in local areas when it does not honour its promises.

In summer the Tanami Road is at times a muddy, virtually impassable track, and in winter it is extremely dusty, rough and difficult to traverse. The condition of this road has caused a very high rate of road accidents. One reason for that, of course, is that many Aboriginal community members cannot maintain vehicles in an appropriate condition. The condition of the road has caused considerable hardship in obtaining supplies, as freight costs are expensive due to the damage caused to supply vehicles and the road's unreliability during the wet season when all essentials must be airlifted in. Aboriginal communities, therefore, are unable to develop any form of viable industry and career opportunities for young people, as they are restricted in developing cultural tourism, art centres, services involving road trade etc and, indeed, participating as a labour force in maintenance and construction.

Bob Smillie, the former manager or commissioner of the Balgo Aboriginal community, has observed that weather has a huge impact on the cost of landed goods. Some parties refuse point-blank to bring in vehicles. Sims Metal, for example, refused to bring in a crusher, which would have been used to remove a large number of old car bodies, and Toll West will truck in supplies only under very restricted conditions. These communities, therefore, are often unable to guarantee food deliveries or larger items, such as transportable houses, during the wet season, which makes it extremely expensive to carry loads into that area. However, the Shire of Halls Creek

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believes that the upgrade of the Tanami Road presents a wealth of opportunities for the shire. Certainly, it sees a need for marketing and advocacy, including marketing the Tanami Road as a well-known tourist track, to create an awareness of and exposure to mining, tourism, Aboriginal communities etc and the lack of opportunities that exist in those regions through poor accessibility.

The shire has also identified that upgrading the Tanami Road would create economic development. The Government has placed the Shire of Halls Creek in a precarious position with regard to the Tanami Road construction. Having promised \$10 million over a continuous five-year period, the deferral by Main Roads of the preliminary works in January 2003 presented unnecessary problems to the community and the contractors concerned. However, like the Northern Territory Government and the Shire of Halls Creek, I can see tremendous value in sealing the Western Australian section of the Tanami Road, as it will increase transport efficiency to further encourage tourism. I am sure that it will help the long-term economy of the region, and it would improve our defence capabilities as well. We should take the initiative now and work with the Northern Territory Government to make sure the Tanami Road is sealed as quickly as possible. The sealing of the road would effectively produce another main road, providing a third sealed gateway to Western Australia, and it would also provide a catalyst for additional benefits to the mining industry. Already two goldmines operate near the Tanami Road - the Granites and the Groundrush mines. The road between these two mines is in excellent condition, because the mining companies look after it. I am advised that these mines consume around 30 million litres of fuel per annum, which works out to approximately 82 000 litres a day. It is certainly not an insignificant amount of fuel. Before the advent of the Darwin to Alice Springs railway, this fuel was trucked from Darwin to Alice Springs and then on to the mines. I understand that the rail transport has reduced the cost of fuel to the mines, and no doubt the sealing of the Northern Territory part of the Tanami Road would reduce its cost even further. However, if we were to seal the Tanami Road on the Western Australian side of the border, it has been conservatively estimated that a distance saving of around 5c per litre of bulk fuel could be achieved if the fuel were shipped through Wyndham.

Hon Jim Scott: Where does that calculation come from?

Hon JOHN FISCHER: It actually came from the fellow who does the fuel carting in Halls Creek. I had a discussion with him. Initially, the fuel was brought through Wyndham port. When the port ceased operation the Ord River cooperative took over the port and opened it again. I am talking about 82 000 litres of fuel a day. Were that to come through Wyndham, it would generate a considerable amount of work for the town. If the saving is 5c per litre for bulk fuel resulting from bringing the fuel in through Wyndham, it would produce an average annual saving for those two major mines of about \$1.5 million. However, as well as that, there is no doubt that the increased accessibility would result in a great deal more interest in that region from the mining industry. As I said before, this area is considered totally remote, and because the road is so rough at times people just refuse to go down there. Not only would sealing the road produce savings and increased viability and profitability for the mines, but also it would provide opportunities for Western Australian businesses, in the ways I have just identified, in the shire of Halls Creek and the port of Wyndham, as a result of greater throughput. I am also certain that the increased fuel delivery capacity would have spin-offs for the productivity and economic benefits of the whole Kimberley region. I therefore call on the Government to reverse its decision to cut regional road funding, and to increase funding to facilitate the sealing of the Tanami Road for the benefit of the Kimberley region and the whole of Western Australia. The \$10 million initially allocated for that project is a small start for a project that will be an excellent benefit to Western Australia in general and to the north of the State in particular.

HON JIM SCOTT (South Metropolitan) [3.04 pm]: This is a good motion for this House to discuss, for a number of reasons. Members have already raised a number of issues of individual roads or access to ports that they believe need upgrading to provide better transport options in their own areas. However, I think it is also a good time to start looking at this issue in another way. Although some important individual issues have been raised, we will need to look at some of those very differently in the next decade. This is simply because there will be massive rises in the cost of transport fuel, which means that we will need different ways of solving many of our problems. Hon Murray Criddle raised the issue of some of the strategic grain storage areas being built by Co-operative Bulk Handling Ltd. I think I heard him say that there will be fewer of them, but they would be more centralised. There will need to be a real rethink about those sorts of things. When we start building facilities that are less centralised, it means that people will have to travel further. That will mean a greater use of fuel overall. Also, because they will be driving further, it means a greater amount of maintenance will be required on the roads, because a lot of people will be driving a lot more miles. We have to think about this as a planning issue, more than a road transport issue. It concerns me that everybody thinks we can look backwards at where we have come from and expect to keep going there in the future, because that will not happen. We will need to find different ways to deal with these problems. I note that Hon John Fischer mentioned the fuel costs of mines off the Tanami track. He said that one mine used 30 million litres of fuel a year.

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Hon John Fischer: That was the figure for the two mines. Like you, I am all in favour of electrifying the mines. It would certainly be a lot safer.

Hon JIM SCOTT: He also said that the new rail line through that region had reduced the cost of fuel significantly. There is a very important message on that issue, because the higher fuel costs go, the more viable rail services will become throughout this country. The lack of friction between the rail and the metal wheels of rolling stock results in a far more efficient way of moving than rubber tyres on roads. Large bulk commodities can be hauled much more cheaply in terms of energy use by using rail wherever possible. We were told that with the sale of Westrail we would see a lot more investment in rail, but we have seen very little in recent times outside the Government's push for some investment, such as in access to the port of Fremantle. The railway between Bunbury and Manjimup is under extreme pressure because only one, cheap, bulk commodity is carried on it; that is, woodchips. We will have to start looking at these issues in terms of infrastructure provision, and we have to be ready when the fuel prices really start to rise.

A few weeks ago, I went to the "Oil: Living with Less" conference at the new Perth Convention and Exhibition Centre. A number of speakers talked about the possible impacts of dwindling world oil supplies. The first conference on the depletion of oil reserves was held in 2002 at Uppsala, in Sweden. Matthew Simmons, a prominent energy sector investment banker from Houston who advises President Bush, said at that conference -

I have studied the depletion issue intensely for too long now to have any remaining doubts as to the severity of the issue. But I am still amazed at the limited knowledge that exists, even in the U.S. or within our major oil and gas company's senior management about this topic and its dire consequences.

Ali Samsam Bakhtiari, from the National Iranian Oil Company, was the main speaker at the conference in Perth, and he was also a speaker at the Uppsala conference. I have some of his statements from the latter conference that he repeated at the "Oil: Living with Less" conference. It is important to read them out because it sums up where we are at today, and it will shape our transport and freight future. He said -

Seen from a Middle Eastern perspective, the present global oil situation can be summarised within five major and inescapable trends:

1. The world's super giant and giant oil fields are dying off;
2. There are no more major frontier regions left to explore besides the earth's poles;
3. Production of non-conventional crude oil has been initiated at great costs --- in Venezuela's Orinoco belt, Canada's Athabasca tar sands and ultra-deep waters;
4. Even OPEC's oil production has its limits;
5. No major primary energy rival can possibly take over from oil and gas in the medium term.

Adding up these five trends, one can envision a global oil crunch at the horizon --- most probably within the present decade.

...

It would take a number of miracles to thwart such a rational scenario. Now, a single miracle is always a possibility, but a series of simultaneous miracles is not --- for there are limits even to God Almighty's mercifulness.

The importance of what he said is that we have to be incredibly careful with road building; it is a matter that should be carefully examined before we go ahead. I would be concerned if the Western Australian Government spent a lot of money on a road going through the Tanami Desert, from what I know about the matter. That area might have future prospects that are worth developing, but careful consideration is needed of the allocation of such important resources and whether we shall simply be encouraging a huge wastage of fuel by going down that path. We will have to change our attitudes. We cannot simply say that the roads are not good enough in an area and that they have to be fixed. We must address the problem by making sure that people have proper facilities in country towns so that they do not have to travel so far. We must stop sending away raw products and start running downstream processing in country towns, so that there are more jobs in those areas and people do not have to travel as much. This is the sort of change we really need. This is not about roads; it is about planning, and about planning for a future without significant amounts of cheap oil, which a lot of this sort of discussion is predicated on; that is, oil supplies will not last forever.

Hon Murray Criddle's almost final comment, which was said in a throwaway manner, was that fuel was an issue for another day. It is not an issue for another day; it is an issue right now.

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Hon Murray Criddle: Hon Jim Scott would understand that as a minister I started to look at other fuels. You might have regarded it as a throwaway comment, but I was deadly serious. I was the one who started looking at the hydrogen fuel cell buses in this State.

Hon Ken Travers: You still brought in the diesel bus though.

Hon Murray Criddle: That is a stupid comment. It will take a long time for us to get hydrogen fuel cell transport in place. There is still an argument about whether gas is the best means of fuelling our transport system.

The DEPUTY PRESIDENT (Hon George Cash): Order, members! Let Hon Jim Scott get a word in.

Hon JIM SCOTT: This is not about which fuel to use; it is about the sort of planning required. We will have to plan our economies and where we carry out our developments differently. We will have to consider whether we want to use road or rail, not next year or the year after, but in 50 years.

Hon Tom Stephens: What did you say about the Tanami Road?

Hon JIM SCOTT: Hon John Fischer suggested that we should put a bitumen surface on the Tanami Road up to the border to meet the work done by the Northern Territory. That is exactly the sort of issue that needs careful consideration before it gets support, because it may be a waste of resources.

Hon Tom Stephens: Could we take the bitumen off the roads in Fremantle and put that on the roads in the Tanami?

Hon JIM SCOTT: Yes, the minister can do that. In fact, I have been fighting for exactly that for a long time. We have too many urban roads and we are wasting huge amounts of energy and space on them.

Hon John Fischer interjected.

Hon JIM SCOTT: I did not say I was certain, because I do not know the potential that area has for development. Without knowing that information, it is not something I would be happy to support. However, I am prepared to be persuaded. We need to look more closely at the roads we build, where we build them, whether we need road or rail and whether it is worthwhile supporting a couple of industries stuck in the middle of nowhere by building them roads rather than subsidising them with better four-wheel drive vehicles or something of that nature.

Hon Tom Stephens: At the moment that area needs just a basic access road and bridge. It has potential mineral prospects all over the place; goldmines are developing everywhere. A large number of Aboriginal communities are also in the area, and the lives of people from those communities are ruined as a result of poor roads. They have no access to cheap, healthy foods. The coroner's report has just come down damning the place because it cannot get healthy food supplies. It is the sort of the thing that is desperately needed in that part of the State.

Hon JIM SCOTT: That may well be the case, but I am trying to tell members that if those people are spending all their money on fuel so that they can drive to get their food, medicines or whatever, and the price of fuel has gone up to \$10 a litre, it does not make a lot of sense.

We need to look very carefully at the allocation of resources to roads and whether those roads really are needed. We need to be far tougher now than we have needed to be in the past, because the reality is that oil production has peaked and supplies of oil are going down faster than new cheap energy sources are coming on stream to replace them. I am not denying the fact that new roads will be very important for some areas and will be a real boon. However, we need to be very careful about taking that simple solution to the problem when there may be other solutions that will avoid the need to waste a huge amount of oil in those areas. The very fact that these mines are using 30 million litres of fuel is of concern. We need to support industries that are less in need of massive amounts of energy and that do not have a lot of transport issues, and start to develop this country in an intellectual way rather than in an exploitative way. That will be one important way of ensuring that country people get better roads and better access to the services they need. We should not simply go down the path of saying that last year we spent this amount on roads and next year we will need to spend more, because every time we build a new road it will need to be maintained, so unless we spend more we will be going backwards. The more we use road transport such as heavy haulage, which does not pay for itself but needs to be subsidised by the taxpayer, the more that means that money must come from some other part of our economy. We need to be more careful. That is what I am saying. We need to look at it with a new eye. In the future there will not be an endless supply of oil to enable people to drive up and down these roads. I think that a lot of people in this House and in other places do not realise how soon that is going to hit us. I acknowledge that Hon Murray Criddle did take part in the idea of running a hydrogen gas bus in Western Australia. However, I felt that that was a bit of a ploy to take the heat off people who had not been able to provide the type of gas engine that -

Hon Murray Criddle: That is not what you said at the time.

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Hon JIM SCOTT: I did. I said I thought it might be a bit of a ploy, because at that time the former Government was under a great deal of pressure, because fibs had been told in this place about Mercedes-Benz being able to deliver a particular type of gas engine that it did not have.

Hon Murray Criddle: That had absolutely nothing to do with it.

Hon JIM SCOTT: It had a lot to do with it.

Hon Murray Criddle: I know, because I was involved.

Hon JIM SCOTT: I know, and I asked Hon Murray Criddle a lot of questions about it, and he did not give me very good answers.

Hon Murray Criddle: You are misleading this House.

Hon JIM SCOTT: I asked a lot of questions about it. I am pleased that there will now be a lot more gas engines, because the next phase of Western Australia's fuel supplies will clearly not be petroleum. We are now importing about 20 per cent of the oil that we require for our transport. In less than 10 years it will be 60 per cent. That will have a vast effect on our economy. Unless we start to move to the use of gas-fuelled vehicles, as Hon Ken Travers tells me he has done -

Hon Ken Travers: Yes, and I am still waiting for some of you Greens to join me! You are a bit slow!

Hon JIM SCOTT: I can tell the member that my next vehicle will be a gas-fuelled vehicle.

Hon Norman Moore: What? You catch the bus every day, do you not? Surely you do not have a car, do you?

Hon JIM SCOTT: Hon Norman Moore always talks about how surely I do not have a car.

Hon Norman Moore: You are saying that no-one should have a car; we should all use public transport.

Hon JIM SCOTT: The reason that a lot of people have cars is that previous Governments in this State have been appalling in their lack of planning for public transport infrastructure. Some of them have hated railway lines and have not wanted money to be expended on the sorts of things that it should be expended on so that the fuel can be saved and be used in the places where it is really needed, such as for industry and in country areas where there are no other options.

Hon Norman Moore: Are you saying you do not use public transport?

Hon JIM SCOTT: I use public transport some of the time, but it is not always available where I want to go because our city has not been planned all that well for public transport. For the past 20 or 30 years it has been planned as a car city by a series of Governments that were very poor planners and could not see what was coming around the corner. That was the problem. There was no foresight.

Hon Ken Travers: If you want to keep up with me, do not worry about getting an LPG car but get a pushbike, because I have moved on. I am onto pushbikes now. If you really want to move with the times you could catch up with Hon Louise Pratt and get a hybrid vehicle.

Hon JIM SCOTT: We need to do a comprehensive study of our future needs for not just transport, but also the development of industry. I am talking about the sort of industry that we used to have in Kellerberrin, where I grew up. Kellerberrin used to have flour mills and all sorts of secondary industries that produced products and employed people. It also had a good hospital and pretty good schools, because it had a vibrant community. However, in recent years, because oil has been so cheap, there has been a big change and all these types of businesses have moved to other places or have centralised, and some of them have even moved overseas. A lot of the milling has gone overseas because oil has been cheap. However, we will now have to change.

Hon Norman Moore: You are drawing the most extraordinarily long bow.

Hon JIM SCOTT: It is not a long bow. I am saying that we cannot spend all our money on roads, because we will be going down a dead-end track. We will have nothing to drive along the roads, and we will all be broke. Does Hon Norman Moore not have any economic capability at all? The problem is that he cannot see it. The problem is not behind him. It is in front of him. We need to look ahead, not backwards. That is where the Greens want to look. We have nothing against this motion. However, we want to expand it. We believe the Government should be providing proper infrastructure to country areas, and ensure that those issues that have been raised by various people are looked at carefully. However, at the same time we need to say to Co-operative Bulk Handling Ltd that it is all very well to centralise the wheat bins and make people drive a lot further, but people will not be able to afford to bring their wheat to the bins because the fuel will be too expensive. It is already costing farmers a lot of money to run headers and tractors around the paddock. I am saying that we should talk to our industries and farmers and the whole community about how we can change our planning and

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our industrial and economic development to fit in with what will happen in the future. That is far more important than jumping up and down about individual roads in individual places, because that will not solve the underlying problem in the future. It is unfortunate that at this stage some areas do not have the traffic to justify the construction or upgrading of a sealed road in that area, but judgments must be made about whether it is worth doing. In other instances there may be huge potential. We should look at this more carefully than we have in the past.

HON KEN TRAVERS (North Metropolitan - Parliamentary Secretary) [3.30 pm]: When I was a young man I tended to be more extreme in my views. As I get older I realise that if I sit somewhere in the middle, I am normally about right. Today's debate has highlighted that the Government is sitting somewhere in the middle and is getting the debate about right.

Hon Norman Moore: Let Hansard report "loud laughter"!

Hon KEN TRAVERS: I would not expect anything less from the extremes of this Chamber. Towards the end of his speech Hon Murray Criddle summed up the way in which we should be looking at these matters. He referred to totality and the whole intermodal transfer of goods.

Hon Murray Criddle: You should tell your minister that.

Hon KEN TRAVERS: I think that is right. I intend to deal with some of the more specific issues, but I believe that we need to look at transport in a total sense and not just break it down into individual components. Hon Murray Criddle agreed with that approach, yet his motion deals with only a very small part of the industry. When the Government gets involved in transportation issues it must consider what it is seeking to achieve. In the main it is about developing the State's economic development and trying to achieve a greater outcome, by providing jobs and job security, and ensuring that that is done in an environmentally sustainable way. Whenever we have these debates we need to put them into that total context. With the sort of development that is taking place in Western Australia and our record low levels of unemployment, we must give consideration to what we are doing. This Government has done that. When the subject of transport is discussed, it should not just focus on road transport but should also include ports and the like. I had some concerns that we would get into a debate about city versus metro. I appreciate that Hon Murray Criddle was not going down that path. A lot of road funding within the metropolitan area will assist with transport links to and from Fremantle port, which services regional Western Australia, and enables access to markets and the total growth of economic development in this State. Some of the metropolitan road projects under way at the moment, such as the extension of the Tonkin Highway or the Kwinana Freeway, are about supporting -

Hon Barry House: What about the Fremantle eastern bypass?

Hon KEN TRAVERS: I will get to that later. They are about supporting the regions of Western Australia and ensuring that they have access to the most viable and efficient port.

Hon John Fischer: The honourable member is serious when he is saying that, is he not? I find that absolutely incredible.

Hon KEN TRAVERS: It does not surprise me that the honourable member finds it incredible.

Hon John Fischer: I wonder whether anyone ever leaves this Chamber encumbered by any further knowledge after you have stopped speaking.

Hon KEN TRAVERS: Only those like the honourable member, who cannot hear what is said to them and who stay blind and ignorant for the rest of their lives.

Hon John Fischer: You started off by referring to the city and the country.

Hon KEN TRAVERS: The honourable member will understand it when Hon Graeme Campbell writes a speech about it for him. If the honourable member does not think the road network in Perth services roads such as the Tonkin Highway or the extension of the Roe freeway to the Kwinana Freeway -

Hon Barry House: It is the Roe Highway.

Hon KEN TRAVERS: If Hon John Fischer does not think those roads provide access to the port for the hinterlands of Perth and the regional areas, then he does not understand much. One thing the honourable member does not have to worry about is that I do not have high expectations of him, so he will never have to worry about not meeting them.

This Government has provided record levels of capital expenditure across the State, and a lot of that has gone into economic development. Many projects are under way. There is the upgrade of the Geraldton port and the southern transport -

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Hon Murray Criddle: For which you have to thank the local producers.

Hon KEN TRAVERS: As with all of the economic development in this State, we must thank the companies that take an active role, but the Government plays a role as well. It is a team effort. All eight must be rowing at the one time to get across the line, and with something like the Geraldton port it is about the Government doing its bit and local companies doing their bit. I accept what Hon Murray Criddle says, but one will not work without the other. The southern access corridor is also being constructed at the moment to provide access to the port. Amazing opportunities are available on the Burrup, with the construction of some \$150 million worth of common-user infrastructure, a new port and access into and out of Karratha. I was there a couple of weeks ago and had the opportunity to see the new jetty that is under construction. It was great to see the work that is going on in that area. Those capital works are funded by this State Government. When there are record levels of expenditure on capital works people will always have a longer list of items. I remember that when Hon Clive Brown and I looked after the tourism portfolio, across the State the industry would prepare a list of desirable tourism infrastructure. I suspect that if we looked at the budget for Main Roads over the past 10 years, it would not go close to fulfilling the wish list for roads. People wanted the outback highway to be fully bitumenised, but there is a debate about whether to seal those sort of roads because that would remove some of the tourism benefit. For many people part of the tourism experience is driving over rougher roads.

Hon Bruce Donaldson: Go and ask the caravanners what they see as necessary.

Hon KEN TRAVERS: As I said, there was a debate about it. There will be a debate about a lot of those roads. People will go along the Canning Stock Route and say they wish it was bitumenised. Others will be glad it is not bitumenised, or will say that too many cars are going there which is removing the experience that they want. The point I make is that there will often be two sides to the debate about the wish list, particularly relating to tourism roads. When it comes to road funding and the magnitude of the projects, that is just one industry among many in regional Western Australia that places demands on the Government. That must then be balanced against the total picture of the many other capital works projects. Hon Murray Criddle mentioned that this Government has made health, education and community safety its priorities. I mentioned a couple of the many projects in the transport area to which the State Government is making significant funding contributions.

I will now deal with some of the more specific items that were included within the motion. The first was state road funding to local government. It must be noted that the state and local governments are debating the amount of funding that the State Government has provided. I accept that. A couple of things need to be noted. The original agreement was struck prior to the federal Roads to Recovery program being developed, under which additional money has gone to local government. The second item that needs to be noted is that the negotiation of a further contribution to local government was held up because we were waiting for the final figures to be announced for the federal Government's AusLink program. That announcement was recently made. I understand that those negotiations are now occurring. The AusLink paper was announced on 7 June. Negotiations on a new agreement have commenced and are ongoing. We hope that that will come into effect from the commencement of the next financial year. We have extended the previous agreement for an additional year. Part of the hold-up was that we were waiting for the figures from the federal Government, because there are two sources of funding.

Another issue was raised by Hon Murray Criddle when he originally gave notice of this motion. I suspect it was based on last year's forward estimates for funding for this year. This year's budget continues the funding at the same rate. I accept that that is one of the processes of this House when notice of motions is given.

Hon Murray Criddle: It is still relevant.

Hon KEN TRAVERS: Yes, but that is often the case. It also indicates that the Government will balance its budget. Because additional funds were available, we were able to make sure that it was given the priority that was owed to it. We were able to continue the funds at the rate provided in previous years. The funding has exceeded the minimum amount over the five-year period. I accept the arguments about individual years.

Hon Murray Criddle: I don't know what you're talking about, because that's not right.

Hon KEN TRAVERS: The advice I have been given is that the minimum allocations over the five-year program were exceeded. I am not disagreeing with the debate about what occurred in individual years. I am looking at the whole of the five-year funding program. That is an issue that the House should note.

Hon John Fischer: Is that from 2001 to 2004-05?

Hon KEN TRAVERS: Yes, but we have extended it for an additional year. For the four years from 2001 to 2003-04, the minimum allocations were \$90.7 million, \$96.7 million, \$92.8 million and \$92 million. When the amounts received by local governments over the full four-year period are added together, the total is greater than

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the minimum amount required over that period. I accept the debate about individual years. On top of that was the money from the federal Government that used to be provided to the States.

Hon Murray Criddle: If you add the two together, you might get the answer you have come to. I do not know where you got those figures. It was a good try.

Hon KEN TRAVERS: That is the advice I have been given. Members can argue about that. Back in 1995, the money from the federal Government effectively came through the States. It now goes directly to local governments.

That brings us to the federal Government. Hon Murray Criddle went through a number of the global funding figures provided by the federal Government for roads nationally. I am not across the detail of the national figures to the degree that Hon Murray Criddle is. However, I do know what Western Australia gets from the national figures. This is an area on which I would hope to get agreement, with the exception of possibly Hon Jim Scott.

Hon Murray Criddle: I think that I already -

Hon KEN TRAVERS: I acknowledge that. Western Australia has about 25 per cent of the national highway system, yet Western Australia gets only 6.8 per cent of the \$11.8 billion in federal funding provided under AusLink. I accept that our roads may not need to be of the same standard as roads on the east coast, such as the dual carriage highways that are built there. Nonetheless, to have 25 per cent of the national highway system and to receive only 6.9 per cent of the funding over the five years is quite scandalous.

Another issue in Western Australia limits our capacity to direct funds to where we would like them to go. Federal funding is provided to Western Australia for maintenance, safety and minor works. Those programs on national highways are underfunded to the tune of about \$5 million per annum. Money that we would like to use on other roads in Western Australia must be diverted to urgent safety and minor works to the national highway, which is underfunded. Western Australia will receive about 6.9 per cent of the \$11.8 billion announced for land transport infrastructure over the five years from 2004-05 to 2008-09. That is of great concern. Of even greater concern is the level of road construction funding provided to the State under the program for improving and expanding the current highway network. Funding for that will reduce quite significantly across the five-year period of 2004-05 to 2008-09. In 2004-05 we will receive \$76.9 million, in 2005-06 it will drop to \$57.87 million, in 2006-07 to \$49.6 million, in 2007-08 to \$41 million and in 2008-09 to \$29.3 million. I am sure that will cause grave concern.

Hon Murray Criddle: Where do those figures come from?

Hon KEN TRAVERS: Those are the figures I have been provided with.

Hon Murray Criddle: It is \$240 million this year.

Hon KEN TRAVERS: That is in terms of improving and expanding the current national highway network.

Hon Murray Criddle: The Peel deviation will cost \$150 million or \$170 million. Another \$120 million will be spent on the Great Northern Highway.

Hon KEN TRAVERS: As I said, perhaps that is the money that will be provided to the State. That is the advice I have been given. I am happy to get some more detail for the member in that regard. That will obviously place pressure on the use of state funds to cover improvement and expansion works on this part of the state network in the out years. As a local member, I always find quite interesting the process for determining whether roads will be funded by the federal Government or whether it is the responsibility of the State Government. A classic case in point in my electorate is the extension of the Mitchell Freeway. When I was first elected, it concluded at the end of Ocean Reef Road, but it now ends at Hodges Drive. The \$25 million funding for that was provided by the federal Government. Local members have been keen to know whether additional federal funds can be obtained to continue the extension of the Mitchell Freeway from Hodges Drive to Shenton Avenue and eventually to Burns Beach Road. I expect the pressure will be on to extend the freeway to Neerabup. In fact, I think the pressure is already on to take it to Neerabup Road. The State Government has committed to funding the construction of the first part of the extension to Shenton Avenue. That is about to commence; the contract for the design has been awarded. I hope that the construction will commence in the near future. That will occur without any federal funding.

Hon Murray Criddle: It is not a national highway.

Hon KEN TRAVERS: No, I accept that it is not a national highway but it is considered a road of national importance for a section of approximately three kilometres. After that three-kilometre stretch, it is not considered a road of national importance.

Hon Murray Criddle; Deputy President; Hon John Fischer; Hon Jim Scott; The Deputy President (hon George Cash); Hon Ken Travers; Deputy President (hon George Cash); Hon Bruce Donaldson

Hon Murray Criddle: The priorities have gone elsewhere.

Hon KEN TRAVERS: Yes. I accept that we all have to decide on priorities. It is an interesting area that has a mixture of state and federal overlap. I am very pleased that, as a State Government, we are funding the further extensions. However, it would be fantastic to have some federal government support, particularly for the extension from Neerabup Road to Burns Beach Road. To a large degree, that extension would be connected with opening up the Neerabup industrial estate on Flynn Drive and the opportunities that presents. There are already fantastic industries in the area, including the laminated veneer lumber plant that is under construction and the like. The extension would certainly be a significant attribute for the economic development of the northern suburbs.

We have touched on the Roads to Recovery program, which has been extended. Hon Murray Criddle referred to the borrowing costs of the Public Transport Authority. I take this opportunity to remind members that the PTA does not operate only the metropolitan rail system; it also operates the 21 new coaches that have been purchased and are now operating across the State. It also funds the *AvonLink* and *Prospector* trains, both services of which have recently been upgraded. Members opposite talked about the subsidies. I remind members that the subsidies on those services and on the *Australind* service on a per capita of population basis for services that operate in the country are significantly higher than the per capita subsidies for services that operate in the metropolitan area.

Hon Murray Criddle: You might not want to go too far with that because you might upset a few people. If you do not want us to live in the country, go down that line.

Hon KEN TRAVERS: I was not arguing against it. Members opposite interjected about subsidies earlier when the member or another speaker was on his feet. I was making sure that they understood. I do not argue against the subsidies; I have no problem with the subsidies being higher in those areas. I am a strong supporter of the Government's commitment to and support for the upgrade of the *Prospector* and *AvonLink* and the continuation of the *Australind* services. I think they are all very important. I support the subsidies as well as those for the bus services in country towns. I make the point to members that the subsidies are higher than the subsidies in the metropolitan area on a per capita basis. Members around Hon Murray Criddle were making interjections. I acknowledge that Hon Murray Criddle steered clear of the comments. Some of his colleagues seemed to try to draw him down the path of the city versus metropolitan debate. I do not think that debate is necessarily healthy, particularly the way it is often constructed. Members need to be aware of that.

Hon Jim Scott interjected.

Hon KEN TRAVERS: I think that is right. The road network is a subsidised service. Hon John Fischer suggested that tarmac be used on the Tanami Road. I think he mentioned that the company would receive a saving of approximately \$1.5 million. Even if we were to ask the company for \$1 million, it would probably not cover the cost of putting tarmac on the road. I accept all the good arguments put by the future member for Central Kimberley-Pilbara about -

Hon John Fischer: I did not hear her say anything.

Hon KEN TRAVERS: I was wondering what lower House members were doing by coming into this place and interjecting and putting forward such a strong case for their constituents.

I suspect that if the road were to be constructed, the cost would be a subsidy and it would not be returned in direct costs. That is not an argument to not do it. When we started this debate I mentioned that we need to look at how we can obtain economic development and prosperity for the State in a way that is environmentally and socially sustainable. A lot of the arguments put forward by Hon Tom Stephens about the benefits to be gained from upgrading the Tanami Road would go to social benefits. Hon John Fischer talked about some of the economic benefits.

Hon Jim Scott interjected.

Hon KEN TRAVERS: That takes us back to almost where we started, which is the point that there needs to be coordination.

Hon Murray Criddle made reference to Co-operative Bulk Handling, the strategic receival points and the need for a coordinated response. I agree with that and I am more than happy to take that up with the minister, although I am sure she is aware of it. I was not aware of the detail but I agree completely with Hon Murray Criddle that those are areas in which we need to work cooperatively with the private sector about its future planning strategies to ensure that we target our road funding to try to maximise the benefits. It would be silly to build roads that would not be used to the same degree because the receival point had been moved. That must be tied in and coordinated with our rail system. That is part of the commitment. I note that Hon Murray Criddle

Hon Murray Criddle; Deputy President; Hon John Fischer; Hon Jim Scott; The Deputy President (hon George Cash); Hon Ken Travers; Deputy President (hon George Cash); Hon Bruce Donaldson

mentioned that discussions have been held with local government about the Opposition's commitment. Unfortunately, he was not able to share with us today what will be the Opposition's commitments.

Hon Bruce Donaldson: We didn't want to shame you.

Hon KEN TRAVERS: I look forward to hearing about the commitment of members opposite to road funding. We have heard them in many parts of the State talking up roads and a range of capital works programs. They have gone around the State with a different line and a promise for everybody in each part of the State. However, we still have not seen the collective of those promises brought together. They have mentioned a couple of road projects today that we know they support, including the Fremantle eastern bypass, which I understand they promised to build in the first term of their government.

Hon Norman Moore: Is there any prospect that you might make a comment about the Tom Price-Karratha road and the notion of commitments and election promises?

Hon KEN TRAVERS: As I have said before to Hon Norman Moore in this place, he has had from a better person than I the Government's response to the question about the Tom Price-Karratha road. As I recall, he asked questions on notice of the Premier through the Leader of the House and I thought they were given -

Hon Norman Moore: Could you just tell me which commitment do we actually believe when we read the Labor Party's commitments?

Hon KEN TRAVERS: The commitment to spend \$100 million on the Tom Price-Karratha road. I think the Leader of the House highlighted the other day that we had spent \$20 million so far and we will spend a further \$80 million in the current budget.

Hon Norman Moore: No, that is in the forward estimates, as a matter of interest. However, would you tell us what is the status -

Hon KEN TRAVERS: When I went to school, \$20 million plus \$80 million made \$100 million.

Hon Norman Moore: That is right.

Hon KEN TRAVERS: If I recall correctly, the answer the Leader of the House gave on behalf of the Premier was that the commitment we gave at the last election was to spend \$100 million.

Hon Norman Moore: No, that was part of the commitment. Will you please tell me what you are going to do with the second half of the commitment that was intended to be done in the first year of this Government's first term in office? That is what it says in your policy.

Hon KEN TRAVERS: We can tell members opposite but they do not necessarily listen, do they?

Hon Norman Moore: Is one a core promise and the other not a core promise? Perhaps that is what it is.

Hon KEN TRAVERS: Is that not interesting? Core promises and non-core promises: we know where that terminology came from, do we not? It came from the man who said, "Never, ever." It came from the gold medallist.

Hon Norman Moore: Could you just tell us which policy we are supposed to believe? Is it the one that says \$100 million or the one that says it will be done in the first four years?

Hon KEN TRAVERS: The Leader of the Opposition can believe absolutely that it is the one that says \$100 million.

Hon Norman Moore: And the other one?

Hon KEN TRAVERS: I am not aware of another one. I heard the Premier's response through the Leader of the House in this place the other day. The Leader of the House said that we had promised \$100 million and he highlighted the \$100 million. I am sure the people of Tom Price and Karratha will be very pleased that this Government is getting on and putting down tarmac between their towns.

Hon Kim Chance: It is \$109 million more than the previous Government spent.

Hon KEN TRAVERS: It is \$109 million more than that.

Hon Norman Moore: Just tell the truth. Just tell them that you are not going to do what you said you would do. That is all you need to say.

Hon Nick Griffiths: We are not like you.

Hon Norman Moore: You have broken a serious promise.

Hon Nick Griffiths: We did the right thing.

Hon Murray Criddle; Deputy President; Hon John Fischer; Hon Jim Scott; The Deputy President (hon George Cash); Hon Ken Travers; Deputy President (hon George Cash); Hon Bruce Donaldson

Hon Norman Moore: You did not do the right thing.

The DEPUTY PRESIDENT (Hon George Cash): Order!

Hon KEN TRAVERS: Mr Deputy President, the Leader of the Opposition is such a negative man.

Hon Norman Moore: I said the other day that it is a really good bit of road funding. It is very nice but it is only 25 kilometres out of 250.

Hon KEN TRAVERS: See? There are optimists who see that half-full jar of extra strong peppermints sitting on the table and there is the Leader of the Opposition who would complain that it is half empty. The only difference is that the jar of peppermints will go down over time, whereas the building of the Karratha-Tom Price road will continue to grow as we extend that road with more and more tarmac and eventually build it. That is what we are getting on with, and I am sure the people of Tom Price and Karratha will thank this Government, because they waited for the other mob to do something on it and it did nothing. I guess we could put the Karratha-Tom Price road in the same category as the passenger rail track in metropolitan Perth: the previous Government did not build any road between Karratha and Tom Price and it has not laid any passenger rail track in the metropolitan area of Perth for more than 100 years.

Hon Norman Moore: Is this a big ticket for you?

Hon KEN TRAVERS: No. I thought it was only railways that members opposite did not like, but it is obviously the Karratha-Tom Price road. It is amazing to listen to a local member attack a Government for putting \$100 million into building a road.

Hon Norman Moore: No; just listen, you twit.

Hon KEN TRAVERS: That is what Hon Norman Moore is doing. He has come into this place and had a go at the Government for putting \$100 million into building a road from Karratha to Tom Price. What a negative, whining man he is. The other day I saw an old advertisement about Barry MacKinnon. I reckon Hon Norman Moore has been around this place long enough and was probably his chief adviser.

Hon Norman Moore: I can assure you that is not the case.

Hon KEN TRAVERS: Was Hon Norman Moore his adviser on those questions?

Hon Norman Moore: If you knew anything about politics, you would know that is a stupid thing to say.

Hon KEN TRAVERS: Was Hon Norman Moore his numbers man?

Hon Norman Moore: I can give you an assurance I was not.

Hon KEN TRAVERS: I know Hon Norman Moore had something to do with the numbers around that time, but I do not recall on which side.

Hon Norman Moore: Quite right, and you have it 100 per cent wrong. Your knowledge of recent political history is very average, to say the least.

Hon KEN TRAVERS: It must have been Hon Norman Moore who advised Hon Barry MacKinnon. I must tell Hon Norman Moore that when I first became a member of this place I did not think that Hon Norman Moore and Colin Barnett were good mates. However, I reckon he is Colin Barnett's adviser, because he follows Hon Norman Moore's strategy. They knock, knock, knock anything positive that the Government does and wherever they go they have a promise for everyone, but they hope that everyone around the State does not pick up and note them all. They make sure they have a promise for everybody and they make sure they do not tell the same story at two towns at the same time, wherever they go.

Hon Norman Moore: You can make as many promises as you like. You started this issue of promises and I asked you why you didn't keep your promises affecting this road.

Hon KEN TRAVERS: I told Hon Norman Moore that we are getting on with it. We are building it. We are putting the \$100 million that we said we would put in to build the Tom Price-Karratha road.

Hon Norman Moore: You have actually broken both promises, quite frankly.

Hon KEN TRAVERS: What a negative, negative man Mr Moore is.

Hon Norman Moore: Just admit that you broke your promise and get on with it. You can't even talk yourself into believing it.

Hon KEN TRAVERS: We give a local member 100 million bucks for the road we said we would give him and all he can do is whinge that somehow we broke our promise.

Hon Murray Criddle; Deputy President; Hon John Fischer; Hon Jim Scott; The Deputy President (hon George Cash); Hon Ken Travers; Deputy President (hon George Cash); Hon Bruce Donaldson

Hon Norman Moore: How can you say you have given \$100 million; you have spent \$25 million and that is it.

Hon KEN TRAVERS: One thing that has amazed me since I became a member of this place is that this is the only Opposition that has attacked a Government for fulfilling its election commitments. All the things that the Opposition has attacked us for throughout this term of government have been things we promised; it has attacked us for implementing them. Because we have been so good, the only thing the Opposition has been able to find to attack us on is implementing our election promises. We get those attacks regularly from those guys. Every item that comes up is always an attack about this evil Labor Government that is actually getting on and meeting its election commitments. We promised to stop logging old-growth forests and the Opposition attacked us for that. We have been looking at the roads in the south west and the accessways into those old-growth forests, because roads are an important -

Several members interjected.

The DEPUTY PRESIDENT (Hon George Cash): Order; one member at a time! The parliamentary secretary was trying to wind up his comments a few minutes ago but he has been encouraged to continue. I will listen to the parliamentary secretary, then the Leader of the Opposition.

Hon KEN TRAVERS: Mr Deputy President, you must have the toughest job of all.

The DEPUTY PRESIDENT: I was going to suggest that any member who interjected would be kicked out of the Chamber; then I realised that every member had interjected.

Hon KEN TRAVERS: Mr Deputy President, on this occasion Hon Tom Stephens has taken your advice! You are absolutely right, Mr Deputy President. About 10 minutes ago I was in the process of winding up. I think I have covered all the points. Just in summary, I think it is about looking at the total transport and infrastructure needs of the State, which this Government is doing. When we have these debates, we always need to look at the totality. This Government has budgeted for record capital works expenditure. That expenditure is going where it will create jobs. It is working, because the State has record low levels of unemployment, and record high levels of apprenticeships. The Government has done great things with apprenticeships. This is another good sign that things are working well, and that the Government's strategy of growing this State in a socially and environmentally sustainable manner is working. The Government is spending money on roads, but is also spending money in many other areas of capital investment. The Government can be responsible with its budgets, and not be in deficit for four out of five years, as the previous Government was. It has not privatised major government activities, as did the other side of politics. It has maintained the State's AAA credit rating.

Hon Ray Halligan: That is happening despite your incompetence.

Hon KEN TRAVERS: Does Mr Negative Halligan want to be the next adviser to the Leader of the Opposition? I would think that people living in Western Australia and seeing the way the economy is growing would be happy and excited, but the Opposition is just so negative.

Hon Ljiljanna Ravlich: I am happy.

Hon KEN TRAVERS: Hon Ljiljanna Ravlich can see things happening. She has always had a keen interest in seeing young kids get apprenticeships. Western Australia is leading the nation in the number of young people under 25 being granted apprenticeships.

Hon Kim Chance: We have broken our promise on apprenticeships, by a factor of three!

Hon KEN TRAVERS: Yes, we have exceeded the figures massively. I am surprised we have not been attacked for not capping the number of apprenticeships at the 500 promised.

Hon Murray Criddle: Are they building roads, by any chance?

Hon KEN TRAVERS: Yes, the Government is building roads, and it is being very strategic about it. Important roads are being built, including the Karratha to Tom Price road. We are getting on with building the roads that are strategically important. We are spending significant sums on roads, but we are also doing a whole lot more, because we have the capacity to look at the totality of the situation and see how, with the limited funds that any State Government has at its disposal, we can maximise the benefits to the State. By any analysis, we are doing that well. We have a successful economy, record low levels of unemployment, and record high levels of apprenticeships and business investment. It is a great State, and we are doing all that while maintaining and protecting the environment. I am proud to be part of a better Western Australia.

HON BRUCE DONALDSON (Agricultural) [4.13 pm]: I have been quite amused; it was almost like a comedy show as Hon Ken Travers tried to beat out a story that is not true. When he talks about the State's AAA credit rating, I hope he means that it was the previous Government, not the present one, that had the AAA rating reinstated, for goodness sake.

Extract from *Hansard*
[COUNCIL - Wednesday, 25 August 2004]
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Hon Murray Criddle; Deputy President; Hon John Fischer; Hon Jim Scott; The Deputy President (hon George Cash); Hon Ken Travers; Deputy President (hon George Cash); Hon Bruce Donaldson

Hon Ken Travers: Yes, and it was under risk until we got control of it.

Hon BRUCE DONALDSON: It was under risk when the present Government took over. We are talking about promises of no new taxes, and no increases in taxes. However in the period between 2000-01 and 2004-05, state revenue increased by about \$1 billion. If members do not believe me, when I resume my remarks in a couple of weeks I will have a paper that clearly indicates that. The low unemployment has much to do with low interest rates. It is not the State Government that sets the economic policy of this nation; it is the federal Government and - surprise, surprise - when it left office in 1996 the Keating Labor Government left a public debt of over \$90 billion, with the highest interest rates ever seen in this nation - 18 or 19 per cent. Do members remember those heady days, when people with mortgages -

Hon Kim Chance: What is the national debt now?

Hon BRUCE DONALDSON: It is less than \$40 billion.

Debate interrupted, pursuant to standing orders.

Sitting suspended from 4.15 to 4.30 pm