

Division 39: Planning and Infrastructure, \$202 869 000 -

Hon Giz Watson, Chairperson.

Hon Adele Farina, Parliamentary Secretary to the Minister for Planning and Infrastructure.

Mr G. Martin, Director General.

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

Mr M. Allen, Executive Director, Statutory Planning.

Dr N. Binning, Acting Assistant Director General, Operations.

Mr K. Kirk, Chief Financial and Procurement Officer.

The CHAIRPERSON: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations I welcome witnesses to this evening's hearings, which are being held in public, although there is discretion for the committee to hear evidence in private, either at its own motion or at a witness's request. If for some reason a witness wishes to make a confidential statement during this evening's proceedings, the witness should request that the evidence be taken in closed session before answering a question. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise budget papers on behalf of the people of Western Australia. The committee values that assistance. It would greatly assist Hansard if, when referring to *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program amount and so on in preface to their questions. If supplementary information is to be provided, I ask for witnesses' cooperation in ensuring that it is delivered to the committee clerk within five days of receipt of the questions. An example of the required *Hansard* style for the documents has been provided to the parliamentary secretary's advisers. The committee reminds agencies' representatives to respond to questions in a succinct manner and to limit the extent of personal observations.

I ask each of the witnesses if they have read, understood and completed the "Information for Witnesses" form.

Mr R. Farrell: I have not completed it because I cannot complete something I have not been given, but I undertake to do it.

The CHAIRPERSON: While that is happening, I indicate that we will be taking the Department for Planning and Infrastructure, division 39, and then move to the Public Transport Authority, division 41. I ask again if each of the witnesses have read, understood and completed the "Information for Witnesses" form?

The Witnesses: Yes.

The CHAIRPERSON: Do all the witnesses understand the meaning and effect of the provisions of this document?

The Witnesses: Yes.

Hon RAY HALLIGAN: The third dot point on page 673 refers to the Perry Lakes redevelopment project. What is the breakdown of the estimated cost of \$79.579 million for that redevelopment project?

Hon ADELE FARINA: There is an allocation of \$1.7 million for the AK Reserve compensation, \$3.4 million for the demolition costs at Perry Lakes, \$16.799 million for land development at Perry Lakes and \$57.68 million for development costs of the sporting facilities.

Hon RAY HALLIGAN: Is the parliamentary secretary able to provide forward estimates for the next three years for expenditure on the AK Reserve and the housing development?

Hon ADELE FARINA: No, I am not able to do that at this time. It has not yet been programmed.

Hon RAY HALLIGAN: Will the parliamentary secretary take that question on notice?

Hon ADELE FARINA: I do not know that we will be able to answer it at this point in time. As I understand it, that programming work has not yet been undertaken, so I am not in a position now, and will not be in a position in five days, to provide that answer.

Hon RAY HALLIGAN: Not even an estimate?

Hon ADELE FARINA: LandCorp and the Department of Sport and Recreation are managing the project for the government, so we would have to get that information from those agencies if we were to provide it. It may be easier for the member to get it directly from those departments. I will leave that to the Chair to decide.

Hon RAY HALLIGAN: I would prefer that the parliamentary secretary's agency undertook to obtain that information, because it would be far easier than me trying to go to a number of agencies.

Hon ADELE FARINA: Okay, but let me say for the record that I am not certain at this point in time that I can provide it within the five days required.

Hon RAY HALLIGAN: I understand.

The CHAIRPERSON: It is probably a reasonable observation that the parliamentary secretary might need a little longer. We might put that question on notice. I will give it number H1 but acknowledge that it might take a little longer than the five working days normally requested.

[Supplementary Information No H1.]

Hon RAY HALLIGAN: The third dot point on page 657 is associated with the taxi industry. What changes have been made to address demand for taxi services during peak periods?

Hon ADELE FARINA: Is the question in respect of the multipurpose taxis or generally?

Hon RAY HALLIGAN: The third dot point reads -

Given the regulated nature of the taxi industry, Government must ensure the supply and quality of the services matches the community's expectations.

[7.10 pm]

Hon ADELE FARINA: This dot point relates to the multi-purpose taxis and not the taxi service generally. We could provide an answer about the MPTs if that is what the member wants.

Hon RAY HALLIGAN: Do the taxi services come under the Public Transport Authority?

Hon ADELE FARINA: No.

Hon RAY HALLIGAN: It talks about the taxi industry. I take it that the parliamentary secretary is unable to provide an answer.

Hon ADELE FARINA: It refers to MPTs. We can provide the member with an answer about MPTs.

Hon RAY HALLIGAN: Will the parliamentary secretary take it on notice?

Hon ADELE FARINA: We can do that.

[Supplementary Information No H2.]

Hon RAY HALLIGAN: Has the department conducted any trials into extending the hours of taxi services on Friday and Saturday nights to relieve the demand? If it has, has it estimated the cost of running the additional services?

Hon ADELE FARINA: The taxi industry is required to operate at peak periods. From time to time the government reviews those periods and provides additional taxi services where they are required.

Hon RAY HALLIGAN: I refer to footnote (b) on page 675 regarding full-time equivalents. How many Department for Planning and Infrastructure staff are involved in developing and implementing the WA building sustainability index - BASIX.

Hon ADELE FARINA: I know the program.

Mr G. Martin: Until now five people have been involved in developing that program. The intention is to reduce that number. We have done the preliminary work and expect to employ two people on that program.

Hon RAY HALLIGAN: Will the parliamentary secretary indicate how long the staff members have been working on the program?

Mr G. Martin: They have been working on it for in excess of one year.

Hon RAY HALLIGAN: What is the approximate cost of that?

Mr G. Martin: I do not have that information.

Hon MURRAY CRIDDLE: I refer to the ninth dot point on page 656 regarding Western Australia's intrastate air service policies. I am interested in local services, including funding for the Derby-Broome service. A service operates also from Derby to Port Hedland and Karratha. Are those services still being funded?

Mr G. Martin: I will give a generalised answer but I may need to provide the member with a more specific answer later. Presently subsidised air services are running from Broome to Derby and Fitzroy and Halls Creek. Reviews are always being conducted into whether changes should be made to those services. Currently that

service is still operating. If the member would like more specific information, I would have to provide a briefing.

Hon MURRAY CRIDDLE: I want to know the status of the subsidies that apply to regional air services in the north west of the state.

Mr G. Martin: When the member says “status”, does he mean how much is applied to each route?

Hon MURRAY CRIDDLE: Yes.

The CHAIRPERSON: Does the member wish to have that information provided as supplementary information?

Hon MURRAY CRIDDLE: Yes.

[Supplementary Information No H3.]

Hon MURRAY CRIDDLE: The eleventh dot point on page 656 refers to the use of hydrogen as a fuel, and greenhouse gas emissions. Has the state government maintained its decision to continue to use gas for the buses that it purchases?

Mr G. Martin: The Public Transport Authority obviously runs the public transport buses. My understanding is that the government has no intention to move away from gas, other than to trial additional fuels to determine whether they prove to be more beneficial. I am aware that biofuels are being contemplated.

Hon NORMAN MOORE: How much does the state contribute annually to subsidise intrastate air services, and which routes are subsidised? What is the situation regarding a jet service to Derby, and is a subsidy likely to be attached to that?

Hon ADELE FARINA: I ask that that question be placed on notice. We do not have that level of detail on subsidies for each service with us this evening.

Hon NORMAN MOORE: Will the parliamentary secretary provide me with the total amount?

Mr R. Farrell: Information on aviation subsidies for public travel can be found on page 681 under “Details of Controlled Grants and Subsidies”. In 2006-07, \$852 000 is budgeted to be spent.

The CHAIRPERSON: Does the member want to place that question on notice?

Hon NORMAN MOORE: I would like the detail to be provided as supplementary information.

[Supplementary Information No H4.]

Hon NORMAN MOORE: I refer to the third dot point under “Major Initiatives for 2006-07” regarding the provision of credit card facilities for over-the-counter licensing transactions to improve customer service. I congratulate the government on this matter. Why did it take so long? Obviously no-one from the department has ever been to one of those places.

Hon ADELE FARINA: We do not have an officer from that section with us because that falls within the -

Hon NORMAN MOORE: He is probably in the queue at one of those places!

Hon ADELE FARINA: That falls within the jurisdiction of the Parliamentary Secretary to the Minister Assisting the Minister for Planning and Infrastructure. However, we thank the member for his congratulations. As to his comments about it taking so long, we should be focusing on the fact that this government has brought it on stream.

Hon NORMAN MOORE: Credit cards have been around almost since Adam. At last it is possible to use them in those centres. Has anything been done to improve the haste with which customers are served in licensing centres?

Hon ADELE FARINA: As I indicated earlier, we are happy for those questions to be put on notice. Questions and details about the licensing section within DPI do not fall within the portfolio ambit of the Minister for Planning and Infrastructure.

Hon NORMAN MOORE: They fall within the division with which we are dealing tonight.

Hon ADELE FARINA: That is correct. However, my understanding is that members from DPI and I were called, and that if the member wanted to ask questions on licensing, he had an opportunity to indicate that to the committee. If he had done so, we would have brought the relevant people to the estimates committee.

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Hon NORMAN MOORE: With respect, this is an opportunity to talk about this particular division of the budget regardless of what is or is not in it. The parliamentary secretary has an obligation to provide that information to the committee.

Hon KEN TRAVERS: That is not exactly right.

Hon NORMAN MOORE: The government had better get its act together in the future.

The CHAIRPERSON: I do not think members should engage in a debate on this.

Hon RAY HALLIGAN: We were told that we would be dealing with division 39. Read *Hansard*.

Hon ADELE FARINA: Perhaps it would be helpful if the Chair could remind members of the communications between him, me and members of the committee regarding this issue.

[7.20 pm]

Hon NORMAN MOORE: We would all like to know.

Hon RAY HALLIGAN: Yes, we would all like to know.

The CHAIRPERSON: It is fair to say that this process is a relatively new process, to be more specific, about how we deal with questions in the annual estimates hearing. Given that the committee also has the capacity to deal with any part of the department in detail in our ongoing hearings, members were asked to specify on which parts of the divisions they wanted to ask questions. I apologise to members if they did not understand that, but that is why there are responses from ministers and parliamentary secretaries that they are unable to answer questions because they do not have those people in the chamber. We tried to make that clear to members but perhaps we will have to hone the process a little for next year. I apologise for the frustration that members are experiencing. Does the Leader of the Opposition have a further question?

Hon NORMAN MOORE: No, but I have comments that I will save for another occasion.

The CHAIRPERSON: Hon Ken Travers has the next question.

Hon KEN TRAVERS: My question relates to “Perth Bicycle Network / Country Pathways” on page 681 of the *Budget Statements*. Will the parliamentary secretary or the department provide a breakdown of how that money is intended to be spent; which bicycle networks have been funded out of last year’s budget; and what happened to the carryover funds? Also when officers from Main Roads were before us, they indicated that the Department for Planning and Infrastructure is the body that identifies which cycleways will be funded. Is the parliamentary secretary able to tell us what the \$1 million for the Main Roads item in page 701 under “Various Roads - Perth Bicycle Plan Stage 2: Safety and Network Improvements” is for, and whether DPI or Main Roads will make the decision on where that money will be spent? I am happy to put the question on what is proposed to be spent on notice.

Hon ADELE FARINA: Can I clarify whether the details the member wanted for network pathways was for 2006-07 pathways?

Hon KEN TRAVERS: Also which ones were funded under the estimated actual and what is proposed to be done this year? In other words, what has been done as well as what is planned to be done with that bicycle network? I am happy for the question to be taken on notice.

Hon ADELE FARINA: I do not have with me the list of the ones we have done, but I will take that question on notice and provide the list to the member. The grants that will be provided in the 2006-07 budget year will be dependent on local authorities actually putting in applications for the grant funding; therefore, that is dependent on applications being put in. At this time we have requested applications, they have been received and are being processed. I cannot, therefore, provide a list of the bicycle ways that we will be funding through that grant this year. With respect to Perth bicycle network for 2006-07, there is a commitment for local government grants of up to \$700 000. Through this grant system, local metropolitan authorities will be able to apply for grant funding assistance towards the infrastructure projects that assist cyclists. There is also funding of \$80 000 for Armadale Road to Forrest Road; \$200 000 for a principal shared path through Kelmscott station; \$200 000 for a principal shared path through Midland station; and \$600 000 for underpasses at Leach Highway and South Street.

[*Supplementary Information No H5.*]

Hon PAUL LLEWELLYN: On page 663, under service 1, “Transport System Planning and Regulation”, the fifth dot point states -

A draft seven year plan for public transport in Perth has been prepared by the Department . . . The plan identifies:

- planning priorities for the extension of the network;
- measures to improve the efficiency of services;
- major infrastructure investment priorities; and
- the funding needed to sustain the system.

Other than major investments in the Perth to Mandurah rail, what other major infrastructure investment projects are there? I have a line of questions that relate to transport planning.

Hon ADELE FARINA: The seven-year public transport plan was prepared to inform the government's budget forward estimates process, and identified a number of initiatives for infrastructure, new services, station precincts and related services such as security. The plan has not been released for public comment. DPI and the Public Transport Authority are working on developing a 10 to 15-year public transport strategy. That has just commenced and the timing of the project, including public consultation, will be subject to full project scoping and a project plan.

Hon PAUL LLEWELLYN: In spite of that being a major achievement, is the parliamentary secretary saying that there is no plan available and there are actually no forward estimates of actual projects?

Mr G. Martin: Perhaps I can answer the question. At the time this plan was prepared, the expectation was that this would lead to something more. We have actually decided that we need to take a much bigger and broader approach, and that is why we are talking about a 10 to 15-year program. This really has not developed to the extent that the member might expect from reading those notes.

Hon PAUL LLEWELLYN: It is a minor achievement! I understand that there is a state transport plan, which is another matter altogether. I need to understand the distinction between this seven-year public transport plan and its relationship to the state transport plan; who has worked on the state transport plan; where is it up to; when will it be released; and when will we see the forward estimates of the budgets required to implement it?

Mr G. Martin: Perhaps I can explain the state transport plan. It originated largely in regard to the AusLink program, which was the commonwealth program to invest in road and rail infrastructure. We had considerable discussions with the commonwealth about including more routes in its plan than it chose to put in, so we decided to set up a state transport plan to cope with a number of routes that the commonwealth has not yet recognised, such as the North West Coastal Highway. Therefore, our main focus at the present time is largely freight routes that will support export ports. For the ports of Esperance, Albany, Bunbury etc, which have not been specifically catered for in the commonwealth program, we are endeavouring to set up a state transport plan so that those projects along those routes can be candidates for commonwealth funding in the future. At the same time, of course, they become candidates for state funding as well. That is the origin of the state transport plan, which is expected to be completed before Christmas.

[7.30 pm]

Hon PAUL LLEWELLYN: I seek clarification about the Manjimup-Bunbury rail link and where it fits into that transport strategy. Where is the investment schedule for upgrading the Bunbury-Manjimup rail link? What is the funding for the Greenbushes intermodal link? I cannot see it in the budget papers, but perhaps it is in here.

Hon ADELE FARINA: There is a funding allocation for the intermodal link.

Hon PAUL LLEWELLYN: Can we have an update on the Manjimup-Bunbury rail link and what funding has been allocated to progress it?

Mr R. Farrell: I direct the member to the funding allocation for the south west plantation timber rail at North Greenbushes on page 681 of the budget papers. Notwithstanding that it is more of a capital works type of project, because it is a grant it is listed under "Details of Controlled Grants and Subsidies" as the fifth item from the bottom of the table.

Hon PAUL LLEWELLYN: Where will that money be allocated to?

Mr G. Martin: The money will be given to industry through the WAPRES organisation and the rail provider. It is a grant from the government to assist industry to provide those facilities.

Hon PAUL LLEWELLYN: It is corporate welfare.

Hon ADELE FARINA: I thought the member, being such a strong proponent of the environment and therefore of public transport and of rail rather than road, would support that initiative.

Hon PAUL LLEWELLYN: We like corporate welfare. We acknowledge it for what it is and we would like to see it extended to other green initiatives.

Hon ADELE FARINA: As the member will be aware, WAPRES was the only company using the rail between Manjimup and Greenbushes. It made a commercial decision to stop carting its timber on rail because of costs. As a result of that decision, and consequently the lack of customers, the railway service stopped running the train from that siding. Under the government proposal to keep as much freight on rail as possible and to keep the rail line open, it was decided to build the intermodal facility at North Greenbushes, so the rail line will operate from North Greenbushes to Bunbury.

Hon PAUL LLEWELLYN: Are there plans for any other sidings to be established along the line to reduce the impact of trucks on the road or is that the only one ?

Hon ADELE FARINA: The department is continuously assessing opportunities for getting more freight onto rail. However, at this point there is no proposal for any other sidings.

Hon MURRAY CRIDDLE: The sixth dot point from the bottom of page 665 refers to the development of a sustainable grain freight network strategy. What is the status of that grain freight network strategy? When will it be announced? Will the government make a contribution towards its development?

Mr G. Martin: The grain freight network strategy has been an exercise conducted by the state with the rail operator, CBH and AWB to examine the future of grain transportation over the next 30 years. That involves comparing the viability of road versus rail transport for that grain task and reaching a conclusion about how we can possibly retain the amount of grain presently carried by rail and potentially increase it. That exercise has been very fruitful. The intention was to have made presentations to the government by this time and for the government to have drawn some conclusions. The fact that the rail industry has changed spots a little in recent times has caused a delay. However, we expect the government to consider that in the next few months and to make some announcements. I anticipate also that some public consultation will occur as a result of the report that has come out of that strategy development.

Hon MURRAY CRIDDLE: The fifth dot point from the bottom of the page refers to studies on ports and related infrastructure, including rail, in the Pilbara and mid-west regions to identify infrastructure requirements. How is that progressing? Is someone examining it? Are we developing it? I have asked that question because an immediate issue of road versus rail transport is involved in that the minister has announced that she will remove the permit for the road operator to travel on the road.

Mr G. Martin: It is fair to say that about 12 months ago, the question was about how we would use the Pilbara ports as they existed. The question now is: how do we expand them or how do we create new ports? At present, we expect to finish a preliminary examination by about the middle of the year - some time soon - of the future of the ports at Dampier and Port Hedland and how we can expand them if it is appropriate to do so. It is a matter not only of making better use of the port, but also of how we expand the ports in both locations or whether we create new ones. That study is nearing completion.

With regard to the member's question about the mid-west, clearly there is a lot of enthusiasm by miners in the mid-west to take advantage of a development at Oakajee and to develop road and rail. In the short term, the minister is seeking to make maximum use of rail as the member indicated, and is seeking to make sure that the miners work with the rail industry to find a solution that involves using rail.

Hon MURRAY CRIDDLE: I take it that the government has got no further than talking to them?

Mr G. Martin: No. I believe the minister has given them some criteria that she expects them to meet. She has set a target date by which she expects rail to do a proportion of the work.

Hon MURRAY CRIDDLE: I understand the contract has been signed by the road operator and the mining industry, and this decision will obviously impact on that agreement. Will any compensation be paid for the handover to rail, otherwise there will be a breach of contract?

Mr R. Farrell: That probably depends on the circumstances in which the contract was entered into. For example, whether a permit had been obtained before the contract was entered into might be relevant.

Hon MURRAY CRIDDLE: The second dot point from the bottom of the page refers to completion of the strategic assessment of options for Fremantle port's outer harbour. The director general will know that this is dear to my heart because I signed the memorandum of understanding with the proponent, James Point. At what stage is the assessment of those options?

Mr G. Martin: The strategic assessment of the options for development of Fremantle port's outer harbour is nearing completion. I believe that a public consultation will occur very soon as a result of those assessments having been examined by the Environmental Protection Authority and the WA Planning Commission.

Hon MURRAY CRIDDLE: Has environmental approval been given for those developments?

[7.40 pm]

Mr G. Martin: No environmental approval has been given. The EPA and the WAPC have reviewed it, and I think they are about to go into the public arena for public consultation on the preferred option.

The CHAIRPERSON: Members should be aware that at some point we will want to deal with the Public Transport Authority. I am aware that members still have questions in regard to this part of the session.

Hon BARBARA SCOTT: My question on notice related to this part, but it may come under public transport. It relates to the Rockingham rail transit option and link. I asked yesterday whether that connection would be buses or light rail. Members may recall the government promised some \$40 million for the Rockingham-Mandurah rail link. The answer I got was that it would be buses. This relates to budget papers pages 718 and 719, which show there is a fixed infrastructure cost of \$10.8 million and that there will be four buses at a total cost of \$2.02 million. Part (2) of the answer I was given said that initially the connection would be bus based. If it will be bus based initially, is there a plan to move to light rail -

The CHAIRPERSON: I am sorry. I believe this question might be better saved until we deal with the Public Transport Authority.

Hon BARBARA SCOTT: I wondered whether it might be best to leave it.

The CHAIRPERSON: I ask the member to hold the question for a couple of minutes.

Hon NORMAN MOORE: On page 664, under major initiatives for this coming year, there is reference to revising the Coral Bay boating facility. What is meant by "revise"? Does it mean that what the government planned is not going to happen?

Mr G. Martin: I can give the member some advice. A preliminary concept was developed for the Coral Bay boat launching facility that proved to be expensive. The minister has asked us to revise that to see whether we can bring it into a more acceptable price range. That work is being done now and I believe we are very close to having satisfied the minister with the facility to be provided and the cost she believes is acceptable. I believe she will make an announcement very soon about what is intended to be produced there.

Hon NORMAN MOORE: Is it correct that the amount was about \$13 million, and is she considering a site other than Monck Head?

Mr G. Martin: My understanding is figures like \$13 million were being projected, which the minister regarded as excessive, so we were asked to revise it. At this stage I do not believe there is any intention to change the location.

Hon RAY HALLIGAN: On page 666, under "Motor Vehicle Registration and Driver Licensing Services", I notice there was a cost over-run of \$16 million in 2005-06. Can the parliamentary secretary explain the reason for that?

Hon ADELE FARINA: Again, this question relates to licensing and I do not have an officer from that section with me. I will take the question on notice.

[*Supplementary Information No H6.*]

Hon RAY HALLIGAN: On page 669, under "Land Accessibility Planning, Tenure and Policy Development" - I am not sure whether that is something the parliamentary secretary can answer? - I note that FTEs actual increased by 63, or 19 per cent, from 2004-05 to 2005-06. Can the parliamentary secretary give a reason for that? It has gone from 337 to 400.

Mr G. Martin: I cannot give any great detail. Two or three things have happened that could influence it, but if the member wants greater detail I would be happy to take the question on notice. Let me give him a first impression. We had a reorganisation, so sometimes shifting the organisation and changing the structure in these budget papers has led to some people being allocated to a different area. That is one factor that may explain it. The other, of course, is that we have had a number of people on temporary employment, or as contractors, and we have been endeavouring to shift people into full-time positions. If the member would like a more detailed explanation, I would prefer to take it on notice.

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Chairperson; Hon Ray Halligan; Hon Adele Farina; Hon Murray Criddle; Hon Norman Moore; Hon Ken Travers; Hon Paul Llewellyn

Hon RAY HALLIGAN: If you would, please.

[*Supplementary Information No H7.*]

The CHAIRPERSON: If members have no further questions about Planning and Infrastructure, perhaps we should move on to the Public Transport Authority.