

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2015–16 ANNUAL REPORT HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 2 NOVEMBER 2016**

**SESSION TWO
DEPARTMENT OF TRANSPORT**

Members

**Hon Rick Mazza (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Alanna Clohesy
Hon Helen Morton
Hon Sally Talbot**

Hearing commenced at 10.46 am**Hon JIM CHOWN****Parliamentary Secretary to the Minister for Transport, examined:****Mr RICHARD SELLERS****Director General, examined:****Mr GRAEME DOYLE****Managing Director, Policy, Planning and Investment, examined:****Ms NINA LYHNE****Managing Director, Transport Services, examined:**

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing. Can the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

The Witnesses: Yes.

The CHAIR: It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and the transcript of your evidence will be provided to you. It is also being broadcast live on Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Agencies and departments have an important role and duty in assisting the Parliament to review agency outcomes and the committee values your assistance with this.

Hon STEPHEN DAWSON: Parliamentary secretary, if I can start on page 22 and the transport plan at 3.5 million in particular, I wanted to ask: what has been the total cost of preparing this plan?

Mr Doyle: I can give you an approximate figure. I would have to check the exact figure to date, but the last figure I had was \$1.257 million that had been spent on development of the plan. That was a little while ago, so there may be some very small additional expenses since then, but not very much since then.

Hon STEPHEN DAWSON: Is there a specific unit in the department that is working on this plan; and, if so, how many staff are involved across the department in the production of the plan?

Mr Doyle: Over the course of the development of the plan, there have been a large number of people involved either directly or indirectly. The plan has been developed under my area of the department—policy, planning and investment—and, in particular, the major transport projects directorate of the department. I have had the executive director of that area and one specific project director working on the development of the plan, but, in addition to that, our integrated transport planning area, with cycling and freight, has been involved in its development. My transport strategy and reform area has been involved in the development of the travel demand management elements of the plan, Main Roads has been involved in the development of the road network elements of the plan and the Public Transport Authority has been involved in the development of the public transport elements of the plan. We co-opted people from Main Roads and the Public Transport Authority to come and work in the project team, all co-located at 140 William Street. There were two people from Main Roads and one person from the Public Transport Authority that came across to work with us on that plan. Overall, there would probably be, either indirectly or directly, up to

about 50 people involved in the development of the plan. It has been a very broad development process.

[10.50 am]

Hon STEPHEN DAWSON: Thanks, Mr Doyle. Did Treasury play a role in the development of the plan; and, if so, what role did they play?

Mr Doyle: Regarding the governance around the plan, there was a steering committee that involved all of the transport portfolio agencies, the director general of the Department of Planning and the chairman of the WA Planning Commission, Mr Eric Lumsden, and the Department of the Premier and Cabinet were on the steering committee. We had what we called an executive coordination group, which was like the next level down from the steering committee, involving executive director level across the entire transport portfolio, and the Department of Planning were involved in that and Treasury were on the executive coordination group. So, yes, they were involved and were kept informed through that process along the way on the development of the plan.

Hon STEPHEN DAWSON: Have any of the options that are not yet part of the existing budget been costed as part of the project so far?

Mr Doyle: As you are aware, there are a number of proposals and initiatives in the plan, and some of them are already in the budget and already in fact underway, but others are yet to be funded, so things like some of the rail extensions—for example, the extension up to Yanchep and the extension of Thornlie across to Cockburn. Work has been done on developing those up, but it is not yet finalised.

Hon STEPHEN DAWSON: Is there a list of those projects not yet funded, and can you provide it by way of supplementary information, as well as the likely dollars that will be required to get that part of the project off the ground?

Mr Doyle: We have not done what we would call accurate costings on the unbudgeted projects in the plan. It was not really part of the development of this plan to do detailed costings. As it is outlined in the plan, the way forward was that this was a consultation document; this is a long-term plan heading towards a population of 3.5 million, roughly, around the year 2050. So the project itself was not around costing those. It was around developing through all the modelling and research what we thought the transport needs of the Perth and Peel region leading up to a population of 3.5 million were. So we do not have a list, as you referred to it, of projects and what their costs might be.

Hon STEPHEN DAWSON: Can I ask about the public consultation period? How many submissions have been received?

Mr Doyle: We have received 672, and I can break that down for you. We had an online survey tool that individuals or stakeholder groups could do online and we received 543 individual submissions through that process and 27, what we call, stakeholder survey responses through that process. In addition to that we had various bodies and individuals writing to us, such as local governments, for example. We received 25 submissions from local governments.

Hon STEPHEN DAWSON: I will stop you there. Which local governments did you receive submissions from?

Mr Doyle: Most of the metropolitan local governments have made a submission. There are two or three that I am not sure of; they may have done it in the online survey.

Hon STEPHEN DAWSON: Can I ask by way of supplementary whether you are able to provide a list of those local governments that have made a submission?

Mr Doyle: Yes.

[*Supplementary Information No B1.*]

Hon STEPHEN DAWSON: How long will government take to work through those submissions?

Mr Doyle: The submission time frame closed last Friday, so we have started to try to theme up and consider all of the information that has been submitted. There is a lot of information, as you might imagine, to make sense of, so as we theme that up and start making sense of it, we can start considering how that might need consideration of changing what was considered in the draft plan and how we respond to that in terms of providing a consultation report of the entire consultation period. I would think we would take the best part of this month to really have a good take at that. I hope that in the next two to three weeks I will be in a position to give advice to our minister as to how I think we can take this forward from the consultation period. So it is very early days; as I said, it only closed last Friday.

Hon STEPHEN DAWSON: What is the time line you are working towards as we move forward?

Mr Doyle: It is pretty fluid, because we need to make sense first—my team and the whole portfolio—of what we have actually got in. I have read some of the ones that came in early and I am starting to try to get a sense of where the feedback is and what the key issues are for the respondents, but there is still a lot to work to go through. I can tell you that overall we had a look at a period of time through which there is very strong support for public transport elements in the submission.

Hon STEPHEN DAWSON: I might stop you there for second. Is there a time line you are working towards? I understand that it is fluid and it will take some time, but is there an indicative time line you are working towards in relation to whether there is more consultation or whether there are reports publicised—so is there more consultation to be undertaken?

Mr Doyle: I do not have a specific time frame. I would like to be able to get something back to the government this calendar year. That is obviously going to be a challenge, but that is what I would like to be able to do.

Hon STEPHEN DAWSON: Will Treasury have a role in assessing the kind of submissions that you have received or not yet?

Mr Doyle: Not directly in the consideration of the submissions. That will be done largely by the transport portfolio, particularly in consultation with the Planning people, because this is aligned with the Perth and Peel@3.5 Million planning frameworks, and they have progressed a long way down the track towards finalising those planning frameworks; the Planning Commission is in the final throes of considering all of that before they put that back to government. So, we are working very closely with the Planning people to make sure that we stay aligned with what is happening with the developments in the Planning frameworks. Primarily, it is the transport portfolio and the planning portfolio that work together to assess the submissions, but that will go through that steering committee and executive coordination group, so we will go back through that governance process before we go back to government.

Hon ALANNA CLOHESY: Can I just ask about your methodology with that? When the original assessments were being made about what to include as major transport projects in the plan, did you start from the basis of, “This is the infrastructure that we have got in place or this is the current policy formulation in relation to particular modes of transport and we will go from there”; or did you start with, “This is actually a better mode of transport for this particular corridor”?

Mr Doyle: To start with, we have what we have in terms of the transport network for the Perth and the city.

Hon ALANNA CLOHESY: Including those that already had commitments but work had not commenced?

Mr Doyle: No, in terms of the footprint that we had. One of the very first key data sources, if you like, that we could really start working with was when the Perth and Peel@3.5 million planning frameworks came in draft around about July, I think it was—around about the middle of 2015.

[11.00 am]

So that gave us the data we needed for where the planning frameworks proposed that people would live, people would work, where their homes would be and what the environmental factors were around the city and in the Peel regions as well. So that gave us a very important dataset to work with, and that is where the real modelling commenced in terms of, okay, what are the people flows that go from origin to destination. We have a very—I almost want to call it a black box; unless you are a modeller it is difficult to describe in broad terms. But our strategic transport evaluation model, which interprets all that data and provides the information with all the metrics that are in it on where the major flows will be of people from their origin to the destination. PATREC, the Planning and Transport Research Centre, also had that information and did their own modelling in terms of where the major flows would be. What they did for us was the mass transit study; that was the very key first start of it as to where the mass transit corridors would need to be to help shape the rest of the city and work out what the next level down, in terms of people movements, would be.

Hon ALANNA CLOHESY: This is really interesting. Is it possible to get a copy of that original study?

Mr Doyle: It is online already. The PATREC report and all the other technical documents have been on our website since 29 July. There are six technical documents in support of the Perth transport plan, and they have been on our website. Significant numbers of downloads of those documents have occurred over the three-month consultation period. I think it is also on PATREC's website; I expect it would be. There is also technical data underpinning the PATREC report—very detailed stuff that modellers are interested in that leads up to the PATREC report as well. That is all publicly available, and has been for more than three months.

The CHAIR: Before you move on, member, I have a couple of questions, too. On page 29 in relation to improved readiness for marine emergency, can you give us some detail in relation to the expansion of the specialist teams?

Ms Lyhne: What we have done there is reviewed the way we approach an oil spill response—emergency response. We are the hazard management agency for the state, and the legislation makes us responsible for decisions around oil spill response and emergency responses to hazardous substances in the water. So we have reviewed our resources in that area, and we have conducted a number of exercises to test our capability and worked very closely with other emergency agencies across government. Based on that, we have decided that we needed to increase our capacity just by a very small amount in that area. So we have actually just reorientated some resources from within our organisation to ensure that we have a strong team that is able to respond, should we need to respond. We are comfortable now that we have the capacity that we require and the structures. It is not that the Department of Transport is totally responsible for every response, so the team is relatively small. What we are responsible for is ensuring the readiness of all the state government agencies, so we work very closely with the port authorities, with the state emergency management committee, with FESA, with police and all the other agencies. So we are very much around making sure we have a plan that can engage all those resources, should they be needed.

The CHAIR: You talked about first phase of the 2016 state response exercise. When you talk about the first phase, what was the first phase? What did that entail?

Ms Lyhne: Obviously we work with AMSA as well, so what we have done is have a series of exercises where we have, I guess, created an artificial oil spill and tested our response capability. So the first phase was very much an office-based activity that we conducted in Fremantle, where there was a simulated oil spill off the coast near the metropolitan area. We engaged very much with

the port because there are different responses depending on exactly where the spill is. We used all our technological capability to monitor and project where the oil may go to, so that we could be prepared in terms of responding because all it depends on wind and tide and all those sorts of things. The first phase was very much around that. The second phase, which was not completed at the time of the report, was actually an exercise in Beadon Creek, which was conducted only a few weeks ago, where we actually mobilised a lot of the Department of Parks and Wildlife staff and many other staff to actually test readiness should there be an oil spill which actually reached a beach near a town and how we would go about dealing with that.

The CHAIR: How many actually incidents has the team attended in the last 12 months?

Ms Lyhne: I cannot tell you exactly. Obviously, we attend very small incidents as well, and there are many of those which the general public would not be aware of. We have had minor spills in Fremantle fishing boat harbour and there are incidents, obviously, on the river, and we deal with those as they occur. I would need to get you the exact details on how many of those there were, but obviously we have not attended any significant event.

The CHAIR: If you would. Also, Cockburn Sound: I understand there have been a number of pollution spills in Cockburn Sound, everything from diesel to sewage to grain, can you advise whether you attended those incidents.

[*Supplementary Information No B2.*]

The CHAIR: Also, with the incident control centre capabilities, what improvements have actually been made there?

Ms Lyhne: In terms of our readiness for these marine emergencies?

The CHAIR: Yes. You talked about the control centre capabilities.

Ms Lyhne: We went to a lot of trouble to determine what the best site is to establish the central base. Should there be a significant event, we actually have to have a control centre that disperses all the resources. We spoke to Police and we spoke to FESA, but at the end we came to the decision that probably the best site for us was actually to use Marine House in Fremantle. It is obviously something we already had a lease on, we were able to use the meeting rooms and the boardrooms down there to establish the various parts of a control centre that you might need. What we did was upgrade our technology there, which is obviously about introducing a lot more screens and technology so that you can actually monitor the projected spill and where it is going to go, so we can link into AMSA databases so that we can monitor vessels and do all those sorts of things. We invested in some technology, we put extra power points in—all those sorts of things that you would do—so that you can plug all the gear in. Actually, for a fairly modest investment we have now established an incident control centre that uses an office we already have but can be easily converted into an incident control centre if we need to.

The CHAIR: I have another subject. With the changes to the drivers' fitness to drive system, if you like, you talked about reducing red tape and moving to a declaration system rather than actually having to go and have a full assessment. What safeguards are in place to make sure that people who may have a health issue are correctly filling out those declarations? Obviously, being on the road it is important for the safety of the community, so what safeguards are actually in place after you have reduced that red tape?

Ms Lyhne: This was actually the result of a lot of careful analysis by the department; it was not a quick decision. What we did was actually look at how many of those medical assessments that people were having conducted and producing the paperwork that were actually resulting in action being needed to be taken on our part. It was a very, very small percentage. So, I guess we assess the risk as relatively low, because the current system was actually generating very few assessments that we had to, in any way, intervene with or engage with. What we did was then, I guess, assess the

risks on the roads. We have not changed the medical assessments, for example, for heavy-vehicle drivers or for taxidriver; they are still required to undergo the more stringent medicals, if you like.

The CHAIR: Okay, so just for a standard driver?

Ms Lyhne: It is more your mum and dad kind of a user. If you have diabetes or you take medication for depression or any of those sorts of things, what we have said to people is, “You’re obviously responsible for managing your condition, which you need to do anyway, and for declaring to us if there’s any change in your condition. You do that, together with your doctor, in a manner that is best for you.”

[11.10 am]

The CHAIR: So commercial vehicles will have to have the full backup.

Ms Lyhne: Absolutely. It is based on a risk assessment.

The CHAIR: What about the age? There was a time that once you got to a certain age you had to have an annual assessment.

Ms Lyhne: There is still an age requirement on that.

The CHAIR: Is that a declaration system now?

Ms Lyhne: No; there is still an age requirement. Once you reach a certain age, you need to go regularly to your doctor for a fitness assessment. That age was actually changed some years ago. I cannot, off the top of my head, remember exactly what it is, but there is still an age point at which you need to continue to —

The CHAIR: What is that current age point?

Ms Lyhne: I will need to take that on notice, to be sure.

[*Supplementary Information No B3.*]

Hon STEPHEN DAWSON: Page 24 talks about the “State Aviation Strategy”. What are the short-listed sites for a second airport to service Perth?

Mr Doyle: That study is being done under the auspices of the WA Planning Commission. It has a steering committee set up, which I am on, but I am not at liberty to release any information on sites, just that the study has basically not stopped but been parked for the last six to nine months. There has not been any serious work done on that for most of this calendar year.

Hon STEPHEN DAWSON: Do we know when government might make a decision in respect to a site for a second airport or is that on hold as well?

Mr Doyle: I think that is some way off. I would expect that not to be in this term of government.

Hon STEPHEN DAWSON: In relation to aviation again, has the department had any conversations about a second international airport in the Pilbara with the City of Karratha?

Mr Doyle: None that I am aware of.

Hon STEPHEN DAWSON: Could you take that on notice and check? Can I have that by way of supplementary?

[*Supplementary Information No B4.*]

Hon STEPHEN DAWSON: The second part of that is: does the department have a view on whether a second international airport in the Pilbara would be viable?

Mr Doyle: I do not have a view.

Hon STEPHEN DAWSON: Director general, is there no departmental view?

Mr Sellers: Just to restate what Graeme said, we have not been asked to look at it yet, we have not thought about it and we do not have a view as yet.

Hon STEPHEN DAWSON: Turning to page 28 with respect to the on-demand taxi changes, how much hardship assistance has been paid out to date?

Ms Lyhne: We opened the application process. To date—I got my last update yesterday—we have had 16 applications. It is fair to say that most of those—because it is a fairly detailed process where people need to obviously detail all of their assets and their income, there has been a bit of an iterative process around making sure that all that information has been collected. We are in the process of processing those 16 and they are at various stages. But at this stage there has not been a hardship allocation.

Hon STEPHEN DAWSON: So no money has been paid out.

Ms Lyhne: Not yet.

Hon STEPHEN DAWSON: The \$20 000 per plate transition payment, that is a separate thing, is it not?

Ms Lyhne: Yes.

Hon STEPHEN DAWSON: Have those payments been made; and, if so, how much and to how many people?

Ms Lyhne: That payment was subject to the legislation passing through the Parliament and going through the process, obviously, of Exco. Those regulations were finalised late last week. All of the people who are entitled to apply were notified in writing on Friday; or the letters went out on Friday. I believe we have had some applications already. Because that is a fairly straightforward application process, people just have to establish that they own the plate. We will be able to process those fairly quickly as they come through.

Hon STEPHEN DAWSON: Have you set a deadline for those applications to be received or is this an open process?

Ms Lyhne: I would imagine that most people will be fairly quick to put in their application forms, so we would imagine that those will be processed fairly quickly.

Hon STEPHEN DAWSON: You have not said they have to be in by 30 June next year?

Ms Lyhne: Not that I am aware of. We have anticipated that people would be putting them in fairly quickly. I would have to check and take that on notice, if we have an end to that process.

[Supplementary Information No B5.]

The CHAIR: Are you going to move away from taxis?

Hon STEPHEN DAWSON: I am.

The CHAIR: Before you move away from taxis, on page 118, under the “Special purpose accounts” for the taxi industry, you have payments there of consultants’ fees of \$953 000. Can you give us some detail about what that was?

Ms Lyhne: I will have to take that on notice. I have not got the detail on that. That is a very broad category.

The CHAIR: And also the other figure of \$4 039 000 for “Other payments”, is that something I would also have to take on notice?

Ms Lyhne: Yes, I will have to take that on notice.

[Supplementary Information No B6.]

Hon STEPHEN DAWSON: I turn to the Perth parking levy on page 40. How much is expected to be collected from this levy in the next four financial years: 2017–18, 2018–19, 2019–20 and 2020–21?

Mr Doyle: It is in the budget papers. Without taking time and trying to locate it in the budget papers, I could not give you exact figures. It is approximately \$57 million for 2016–17, is my recollection. It is perhaps best to take that on notice and provide the figures in that manner.

Hon STEPHEN DAWSON: Great. It was 2017–18, 2018–19, 2019–20 and 2020–21.

Mr Doyle: We are not up to 2020–21 yet; but 2016–17 through to 2019–20.

Hon STEPHEN DAWSON: You do not know 2020–21?

Mr Doyle: We have not yet submitted our review of fees and charges for the next budget process. That is still ahead of us.

[Supplementary Information No B7.]

Hon STEPHEN DAWSON: In the same years, have you already forecast what is to be spent?

Mr Doyle: There are budgeted figures in there. Primarily it is spent on the CAT services and the free transit zone.

Hon STEPHEN DAWSON: Can I ask, by way of supplementary, adding it to that earlier supplementary —

The CHAIR: We will add it to B7.

Hon STEPHEN DAWSON: Yes. Can you tell me how much is forecast to be spent in those same years; and, if you have got an allocation project, if you are able to provide that to the committee too?

Mr Doyle: Wait a minute; I might be able to tell you. Sorry, I will have to take it on notice.

Hon STEPHEN DAWSON: That is fine. I am happy to take it on notice. There are extra elements.

On page 33 there are figures in relation to the “Average Cost per Vehicle Inspection Performed by Vehicle Examination Centres”. How many licensing centres currently exist? Where are the buildings currently leased by government but the services have been transferred out?

Ms Lyhne: You are talking specifically about vehicle examination centres?

Hon STEPHEN DAWSON: Yes.

Ms Lyhne: The department currently has one vehicle examination centre at Welshpool. That is owned by the government. We have a lease on a centre at Osborne Park, which is no longer operating, and we are currently in negotiations around finding an alternative tenant for that location.

Hon STEPHEN DAWSON: Are you aware of the amount of lease payments being made for that empty centre?

Ms Lyhne: I will have to take that on notice to be specific.

[Supplementary Information No B8.]

Hon STEPHEN DAWSON: That was vehicle examination centres. Are there other licensing centres that you have where the buildings are currently leased by government but the service has been transferred out or outsourced?

Ms Lyhne: Our other licensing centres are occupied by our—to the best of my knowledge, we do not own any of those centres; we lease those for the delivery of driver and vehicle services at those various centres.

Hon STEPHEN DAWSON: And they are all occupied?

Ms Lyhne: By us?

Hon STEPHEN DAWSON: Yes.

Ms Lyhne: Yes. I think I should take that on notice just to double-check, in case there is one that I am not aware of.

[*Supplementary Information No B9.*]

Hon STEPHEN DAWSON: Chair, can I ask another question?

The CHAIR: Before you do, I will ask one question and then I might hand to Hon Alanna Clohesy.

On page 171 is “Occupational safety, health and injury management performance”. The third item down is “Lost time injury and/or disease severity rate”. There is quite a jump from 2014–15 to 2015–16 from 5.263 to 13.333 per cent. Can you give us some indication as to why that has occurred?

Ms Lyhne: I cannot go into specific cases; however there are cases that, for example, involve stress, which significantly increases those sorts of numbers because of the significance in terms of the amount of time that is required for people to recover, so they have quite a significant impact on our figures when they occur. I would be happy to supply more detail if you need more than that.

[*Supplementary Information No B10.*]

[11.20 am]

Hon ALANNA CLOHESY: How many assessors for recreational skippers’ tickets have been removed for improper conduct in the last five years?

Ms Lyhne: I will have to take the specific number on notice, but we do conduct investigations where it is drawn to our attention that assessors are not conducting the tests in accordance with our standards. I am aware that we have conducted investigations in that area, but I will need to take on notice the actual number.

[*Supplementary Information No B11.*]

Hon ALANNA CLOHESY: How many complaints have you received about the performance of assessors in the last 12 months?

Ms Lyhne: I will need to take that specific detail on notice as well.

Hon ALANNA CLOHESY: Maybe you could also then supply details of what has been done about those complaints as a point of comparison over the last two years?

Ms Lyhne: Yes.

[*Supplementary Information No B12.*]

Hon ALANNA CLOHESY: Can I just go to—guess what?—multipurpose taxis! In the questions on notice that I asked prior to the hearings, I asked for statistics about MPT jobs not covered and wait times for each month for 2015–16 to date, but I only received it up until June. Do you think I could have that data updated to date?

Ms Lyhne: Yes, we will be happy to update that data for you.

[*Supplementary Information No B13.*]

Hon ALANNA CLOHESY: In addition to that, can I have the number of jobs not covered as raw numbers rather than as a percentage? A percentage really has no meaning unless there is a base point from which you do your raw numbers.

Ms Lyhne: I would just need to check on how we might do that, but I will take it on notice to do our best to provide that for you.

[*Supplementary Information No B14.*]

Hon ALANNA CLOHESY: Also in this, I asked for the number of MPT drivers licensed, and the answer I got back was 60. Can I get you to clarify that, because I asked for it by gender and by region, and I got 60 out of 2523 drivers. If there are only 60 MPT drivers, can you clarify that there are only 60 MPT drivers?

Ms Lyhne: Or 60 with a taxidriver ID who were MPT. I will get clarification for you on that.

Hon ALANNA CLOHESY: Okay, because that would be just mind-boggling.

Ms Lyhne: Yes, it would be an interpretation of the question, so we will get clarity for you on that.

Hon ALANNA CLOHESY: I suspect it is 60 women, so if I could have women, men and —

Ms Lyhne: Probably, but let me be sure before I answer that.

Hon ALANNA CLOHESY: Yes, because it would be absolutely mind-boggling.

[*Supplementary Information No B15.*]

Hon ALANNA CLOHESY: In relation to the single taxi dispatch service, was a business case for a single TDS developed?

Ms Lyhne: There was policy work done within the department, and we looked at a whole range of options. As you are aware, we have for some time been considering the sorts of things that we can do to improve the services around MPTs, so there was a lot of policy work done, and the policy recommendations that came out of that policy work, which involved input from the sector and from our staff, ultimately generated the recommendation around a single MPT dispatch service.

Hon ALANNA CLOHESY: But there was not a business case done?

Ms Lyhne: I cannot give you a business case. There is no business case.

Hon STEPHEN DAWSON: Page 137 of the annual report discusses the TEUs in Fremantle port. Is the government still committed to reducing the subsidy for each 20-foot equivalent unit from \$35 to \$30 from 31 December?

Mr Doyle: Yes. It is in the deed that has been struck with the provider that it is a sliding scale of subsidy that does decrease over time, with the intent that the proportion of freight on rail and the actual volumes of freight on rail do increase over time and therefore, as you get the higher volumes, it becomes more economical to the provider. So, yes, that is intended to be the case.

Hon STEPHEN DAWSON: When will that finally end? You said that it is going to happen over time, and it is going to go from \$35 to \$30. What will be the end time when it will definitely be at \$30?

Mr Doyle: We constantly review that, but, in terms of the projections going forward, it is intended to decrease by, I think, \$5 per annum after each year. We now have a funding commitment through the last budget process to take us out to the year 2021–22. The subsidy is continuing up to that time, but it is expected to gradually decrease by that \$5 per TEU per year over time.

Hon STEPHEN DAWSON: So each year that \$5 will —

Mr Doyle: That is the intention, but, as I said, we do monitor it and work with the providers to review the situation. Going back a few years, it was \$50, and we did retain that for a little while to help get it up and rolling—pardon the pun—but it is now at \$35. We started in 2012–13 at \$50, and we are now in 2016–17 at \$35, and that is expected to decrease to \$30.

Hon STEPHEN DAWSON: Have you done any modelling of the likely impact this will have on encouraging rail use?

Mr Doyle: We believe the subsidy is working. The volumes had a very slight hiccup in the 2014–15 year, when they stuck a little bit, but there was an issue with the closedown of the bridge for three weeks in that time, so, if you take that into account, it would have been very similar in 2014–

15 to the previous year. It kicked up again in 2015–16. I know the number is somewhere, but it is around 100 000 TEUs; it was 14.6 per cent if my—yes, there it is, sitting right there—14.6 per cent of the total container movements to the inner harbour. I think the total number for that year was around over 715 000 containers that were imported and exported through the inner harbour. It has been increasing. We believe the subsidy is working. It is assisting with the proportion of freight on rail, and we aim for that to continue to grow into the future.

Hon STEPHEN DAWSON: Thank you. I have one final question. I refer to page 141 and the cost recovery model that will be levied by AMSA—the single national service delivery model from 1 July next year. Has any modelling been undertaken to examine the impact of the new fee structure on key industries, such as the fishing industry; and has the department received any advice or complaints from the industry about the new cost model?

Ms Lyhne: We have ongoing discussions with industry around the whole transfer of responsibility to AMSA. AMSA is currently working on its cost recovery model, and, as far as I know, they have not come to a landing on exactly what those fees and charges will be. I believe it is still the subject of ministerial forums and discussions. We certainly have not done any detailed work on what the impact will be on a particular industry group, but industry is very much part of the discussions that are going on with us and with AMSA.

Hon STEPHEN DAWSON: Have you received complaints?

Ms Lyhne: My understanding is that the future fees are obviously the subject of discussions with industry, and I am sure that there are members of industry who would be concerned, but until we have the details on that it is difficult to say exactly what the impact will be.

The CHAIR: On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, highlighting the questions taken on notice, together with any additional questions in writing, after Monday, 7 November, 2016. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible beforehand. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit them to the committee clerk at the close of the hearing. Once again, I thank you for your attendance today. I remind members that the deadline for submitting additional questions is 12.00 pm—midday—on Monday, 7 November 2016, as stated in paragraph 8.2 of the procedure policy. Thank you.

Hearing concluded at 11.30 am
