

Division 40: Commissioner of Main Roads, \$1 610 079 000 —

Ms R.S. Stephens, Chair.

Ms R. Saffioti, Minister for Transport.

Mr P. Woronzow, Acting Director General, Department of Transport.

Mr D. Snook, Executive Director, Metropolitan and Southern Regions.

Mr P. D'Souza, Acting Executive Director, Finance and Commercial Services.

Mr L. Coci, Managing Director, Office of Major Transport Infrastructure Delivery.

Mr M.D. Cammack, Director, Budget and Investment Planning.

Mr P. Abromeit, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information she agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by close of business Friday, 1 October 2021. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Cottesloe.

Dr D.J. HONEY: Perhaps I will go straight to a detail. On pages 612 and 613 under new works, one road that is not there is Tanami Road from just south of Halls Creek through to the Northern Territory. I seek the minister's input on whether there are plans for that road. When I visited the area, I was told that, as the minister is probably aware, the road cuts a significant amount of time from travel to the east coast. Businesses and small businesses in the very north of the state, in particular, believe if that road were sealed, it would substantially reduce the cost of delivering goods to their businesses. Are there any plans to bituminise that road?

As an aside, minister, I will say congratulations to the department for the work it has done with the Shire of Halls Creek so that people in the local community can maintain that road. It is a fantastic benchmark for a local employment scheme, which is a model for the rest of the state. What are the plans for Tanami Road into the future?

Ms R. SAFFIOTI: Tanami Road is not identified separately in the asset investment program because it is a local government road, so it is represented as a cash flow from operating activities. There is funding throughout the forward estimates of \$42 million for the Tanami. It is a 20–80 split between the commonwealth and the state.

I also met with the Shire of Halls Creek. I want to congratulate the shire and the department for working together and the team up in the Kimberley for recognising what the Shire of Halls Creek has been doing in training and employing local Aboriginal people. There is \$42 million allocated. We are now going through the stakeholder consultation, particularly for things like the Aboriginal surveys and meeting with the traditional owners. We have a dedicated person in the Kimberley team who is working on that project, together with the Duncan Road and Gordon Downs Road projects. We have funded those two projects, but we are seeking the permission and approvals of local Aboriginal owners to get them underway. Of course, \$42 million will not do it all, but the commonwealth is very keen to support this project and we are very keen to support this project. We really need to get over the first hurdle of getting the approvals underway, but we expect that we will commence some work in 2022, subject to obtaining all the necessary environmental and Aboriginal heritage approvals.

Mr R.S. LOVE: I would like to refer to "Road Efficiency Improvements" in the service summary in budget paper No 2, volume 2, on page 604. It shows a significant increase in 2022–23 due to construction of the Bunbury Outer Ring Road and the Great Eastern Highway bypass. Given that there will be great improvements from those particular roads, why was the Bindoon bypass, which has a much higher benefit–cost ratio than either of the other roads, set aside in favour of them?

Ms R. SAFFIOTI: In the smoothing of the capital works program, we very much consulted with industry. We want to get on with the Bindoon bypass as soon as possible as well, but it was really about the market's ability to

absorb it or the contracts that would have been given out. As I understand it, some minor works are happening on the Bindoon bypass, which employs Aboriginal people. I will ask Mr Woronzow to elaborate on that in a minute. More generally, we are doing what we can to improve road safety and road conditions in regional Western Australia. A number of projects have been, in a sense, smoothed out. The delays are not significant and they are for both metropolitan and regional projects. It was really for projects that had not gone into the market properly yet and, as a result, were not creating too much uncertainty or potential cost impacts by breaking existing tenders or existing contract proposals. I will ask Mr Woronzow to highlight some of the shorter segments of current works that are happening.

Mr P. Woronzow: Thanks, minister. Currently Garli, which is a wholly Aboriginal owned and operated contractor, is doing work in conjunction with Lendlease on three kilometres of the Bindoon bypass. To provide continuity and keep work going on the project, we are going through a process in which we are going to give them another seven kilometres of work. Hopefully, that work may even develop into some greater work, but the intention is to keep a level of work going until we get through the period the minister has talked about in 2022–23. Industry made it quite clear to me and the minister that the level of work that it can support in Western Australia is about \$3 billion a year, so we had to make some hard decisions about which projects would be slowed down. The consensus amongst industry—all the industry bodies were involved in this decision, ranging from Consult Australia, the Civil Contractors Federation and the Construction Contractors Association to the Chamber of Commerce and Industry of Western Australia—was, unfortunately, that this is one of those projects. Because it is a rural project, which is harder to get resources for, we had to make that tough decision to slow it down.

Ms R. SAFFIOTI: As I said, we have slowed down some of the Tonkin Highway separations and the Reid Highway grade interchanges, too. This was an issue across the whole state. The market has never seen this level of activity. The reality is, even if we were to try to make some claims about start and finish times now, the market could not deliver them, to be quite honest. That is where we are at.

[4.10 pm]

Mr R.S. LOVE: Was there any consultation with the federal government when this decision was made, because I understand it is a major funder of this project and perhaps some of the other projects that have been forestalled? What was the process of consultation with the federal government?

Ms R. SAFFIOTI: I am not sure what happened at the departmental level, but there has been a lot of general discussion about the heat in the Western Australian market. I do not think there were specific discussions. Sorry; at the departmental level there were discussions. At a ministerial level, there were some broad discussions with one of the ministers involved, but not the other minister involved. We face the challenge of having to deliver these projects and, to be honest, the federal government does not seem concerned about a lot of the problems that we face in delivering them. Ideally, we would like to build everything tomorrow, but we know that we cannot do that. I would say there were no formal discussions with the ministers.

Mr R.S. LOVE: I refer to the Main Roads Western Australia annual report 2020–21. There is a very pretty picture on the front cover. Do the Main Roads advisers recognise the pretty picture? It is labelled as the Bindoon bypass, but, unfortunately, we know that that does not exist. I wonder what it is a picture of. It does say in the report that it is the Bindoon bypass. Maybe it is a mock-up of what the bypass might look like when it is completed. Unfortunately, it is not there yet. I thank Main Roads for at least taking the time to put the bypass on the front cover of its annual report even though it has not managed to get it on the front page of the budget and get it underway! As we know, that project will have significant benefits to industry. It is between two very large pieces of infrastructure in the expansion of the Tonkin Highway and the upgrades of the Great Northern Highway from Wubin down, and the bypasses at Miling, Wubin and New Norcia. Probably well over \$1 billion has been spent to facilitate freight into Kewdale and that is the last little bit of the project. Every day, hundreds of truck drivers are required to go and pick up their extra trailers. It is also forestalling development at the Muchea Industrial Park, and that is a matter of great concern to the local shire and industry in that area. I put on record my great disappointment that that project has not gone ahead.

Ms R. SAFFIOTI: It is going ahead but in a different time frame.

Mr R.S. LOVE: It will not be completed in this term of government.

Ms R. SAFFIOTI: Yes, it will commence in this term of government. Trying to manage an infrastructure program during a pandemic and in a market that is completely different to the one that we expected has a number of challenges. Other states shut down infrastructure construction; we have not had to do that and we do not intend to do that. Money will be spent this year and significant money will be spent in future years. The member's point is noted.

Dr D.J. HONEY: I refer to page 605 of the budget papers and outcomes and key effectiveness indicators. I wish to raise an issue that is not listed as a key performance indicator. I am sure the minister is familiar with this issue. I have spoken to developers in the metropolitan area about their concerns about development. The single greatest concern that they raise is the time that it takes Main Roads to approve road or access changes into their developments.

I will say that of all the agencies, they identify Main Roads as the agency that takes overwhelmingly the longest time to give approvals, and in their words—not my words—is the most difficult agency to deal with. I appreciate that there may be some developers who wish to put in entrance roads right next to major intersections, which will cause traffic hazards and so on, but, equally, a number of very reputable developers I have spoken to are attempting to do reasonable things, yet they also make that complaint. Is that matter being resolved or is any sort of process going on? Is there a metric that we could perhaps track on that?

Ms R. SAFFIOTI: I will say a couple of things. It is not the first time I have heard that criticism. Firstly, we have asked that Main Roads change its structure slightly to have a sort of business facilitator person, which it now has. I do not want to be too crude here, Main Roads; do not shoot me! It is about having an intermediary between the development front and the road engineers to hopefully get a win-win situation or for parties to reach a middle ground. We have done that.

Secondly, as a minister, I can see both sides of the issue, because I am the Minister for Planning and Minister for Transport. The Minister for Transport says, “We don’t want to create unsafe intersections that will create black spots and potentially deaths and serious injuries.” The Minister for Planning says, “We need to get access to the main road.” There are two sides to the issue. We need better expectation management. One of the first issues I remember encountering was interesting. I received a complaint from a serious developer about an intersection. When I dug deeper, I realised that the planning consultant was using Queensland guidelines for the width and the style of the intersection. There is also sometimes not naivety but a lack of understanding about our particular requirements.

Thirdly, I will talk about planning reform and the role of a central referral coordinator. I know that we get complaints about Main Roads but I also get complaints about a number of other entities, whether it is Western Power, environmental agencies or water agencies. As part of planning reform, we are looking at how we can better coordinate state referrals and the roles that they have. We want to try to bring those discussions forward in the planning and development process. What seems to happen is that developers get planning approval and then they have to go and get road access approval, and that seems to create an issue. We are reviewing the Local Government Act regulations in relation to Main Roads clearances, but we have to get the balance right on safer roads and the need for people to access roads. Where we can, we try to remove interactions with major roads by using secondary road access or other access and we amalgamate land to remove the need for too many access points. Yes, it is an issue, and we are trying to pick it up as part of our planning reform.

Dr D.J. HONEY: I refer to page 916 of budget paper No 2, volume 2, and “Details of Controlled Grants and Subsidies”.

Ms R. SAFFIOTI: Sorry; was it page 916?

Dr D.J. HONEY: Yes.

Ms R. SAFFIOTI: Was it page 616?

Dr D.J. HONEY: I apologise, minister; it is page 616. The minister is correct. My vision is getting blurrier as the day goes on. At 10 o’clock I will be hopeless!

“Metronet related works” is in the middle of the table headed “Details of Controlled Grants and Subsidies”. I did a quick tabulation from 2019–20. It is almost \$353 million for Metronet-related works. Are those Metronet costs? Should those costs have been ascribed to Metronet, but have been put into Main Roads or road project budgets, or is it genuinely, purely Main Roads work? The minister has heard me say this before: I am concerned that project costs for Metronet are going into other categories.

Ms R. SAFFIOTI: The ETCs under each Metronet project are the estimated total costs. That is a source of funding. There is funding that is sourced through the hypothecated revenue. Road-related works associated with the Metronet projects may include, for example, level crossing removals, which are primarily road projects rather than rail projects. The road component is sourced from the special purpose account, which is a Main Roads account. That is how that money is transferred. It does not impact the ETC; it impacts the source of funds. That is how that money is then granted to the other accounts to help fund the estimated total costs.

[4.20 pm]

Dr D.J. HONEY: Just to make it clear for my simple mind, if I asked for a summation of the Metronet costs, would these costs form part of that cost or are these costs separate? I think I heard the minister say that they are part of it.

Ms R. SAFFIOTI: It is a source of funding, in a sense. The estimated total cost against each line item, whether it be in the Metronet or the Public Transport Authority section, is the estimated total cost. On the other side is the source of funding, whether it be consolidated funding or from the Western Australian Planning Commission, potentially. I think we have about \$3 billion of commonwealth funding, too. There are different sources of funding, but the ETC is a cost and the source of funds are found in other areas.

Dr D.J. HONEY: I thank the minister.

Mr R.S. LOVE: I turn to the paragraph titled “Road Network Maintenance” on page 609, which has a fairly steep increase in the total cost of service this year. I notice that this service includes the patching of potholes and the control of declared plants and weeds, and litter collection et cetera. My question relates to some new roadworks. I have a couple of areas of particular concern. As the minister knows, there have been a few instances of failure on fairly new pieces of road. One of the most notorious is the Great Northern Highway just north of NorthLink WA, and the NorthLink itself. I have received numerous reports of road widening roadworks where the asphalt has lifted and broken away within a matter of hours, days or weeks of the roadworks being done, causing very soft road edges. Very poor workmanship appears to be the fault for some of that. Is that being picked up at the expense of Main Roads as a maintenance issue? What is the requirement for these road alterations and improvements to have to last for some time? What is the process Main Roads follows to ensure that the taxpayer does not pick up the bill in the operational budget for some of these failures? My constituents and others around the state send me pictures of these events on a daily basis.

Ms R. SAFFIOTI: The quality has to meet a certain standard and the contractor is liable for a period. I will confirm that. Standards have to be met and there is a time when the contractor is liable. I would say more generally that this is an issue to do with some of the weather that we have had and also the expenditure. I will give the member an example. When I was on the Great Eastern Highway between Southern Cross and Kalgoorlie, I saw some completed roadworks that did not meet the acceptable standard. There are a couple of reasons for that. One reason has been the very bad weather. Down south in Albany, the number of wet days has impacted the ability to deliver a completed project and has delayed sealing the asphalt so that it can last a considerable length of time. The Great Eastern Highway is an example of work that was undertaken in very bad weather and, as a result, the quality of the product was not up to standard and some of the work had to be redone. More generally, we are trying to roll out the safety program as fast as we can. We got about \$200 million last year and another \$200 million this year. It has been challenging over the past three or four months because although it is always wet in winter, when we were on the South Coast Highway in Albany, it was the wettest July on record. The weather has impacted some of the quality of the work far more than we have experienced in the past. Also, the level of activity is greater, so more people are out there doing work. Main Roads tries to ensure that the work meets a certain standard, but the contractor is also liable to rectify the work if it is not completed to an appropriate standard.

Mr R.S. LOVE: How long is the contractor liable for?

Ms R. SAFFIOTI: I think it depends on the project. I will ask Mr Woronzow to comment.

Mr P. Woronzow: The work the member is talking about is delivered as part of our long-term maintenance contract. Those long-term maintenance contracts have a warranty component that the contractor has a defects liability for seven years. The contractor has to bring the work up to the standard that we put into the contract. If a project is delivered under construct only, the defects liability is for seven years. The contractor has to warranty his work under both those forms of contracts when that work is delivered.

Mr R.S. LOVE: Is that the only measure that the department employs to ensure that the work is done to a certain standard? It is disappointing for the taxpayer—people take note of the condition of the road assets, especially when they are freshly done—when the work clearly does not stand up to the task. I do not have all the pictures with me, but I have plenty of examples of the licorice-stick work that is being done at the moment on various highways being lifted. I take the point that the contractor may be liable, but there are other issues at stake, one of which is safety. I put on the record that I have received many complaints about the standard of work.

Ms R. SAFFIOTI: The term-maintenance contracts are an issue that we have had significant discussions on and debate about. There was a particular issue down south prior to us winning government in 2017. I think people take pride in the quality of the roads and we want to make sure that we get the best outcome. We are always keen to look at the issue of term-maintenance contracts and how they are managed to ensure that we get value for money for the taxpayers and a quality product. We are currently looking at all those aspects.

Mr R.S. LOVE: I refer to the line item “Great Eastern Highway—Eastlink—Planning” on page 611 of budget paper No 2, volume 2, under the works in progress heading “COVID-19 Response”. What is the planning time line for the EastLink project? Has Main Roads confirmed the preferred route for the project?

[4.30 pm]

Ms R. SAFFIOTI: I do not think that we are close to confirming the preferred route for EastLink WA. I think we got some money from the commonwealth. We also partnered in that. I think there are a number of stages of EastLink. There is EastLink stage 1. It is not represented in my notes, but, as I recall, EastLink stage 1 is the grade separations on Reid Highway, so that is Reid Highway and Altone Road, Drumpellier Drive and Daviot Road, and then Reid Highway and West Swan Road. In a sense, that is the first stage of EastLink, so it is sort of the urban front. Those have been funded. We have, in a sense, deferred some of those by six to 12 months because of the smoothing-out process, but they are the first three.

As I understand it, the planning and development of the proposed route will be undertaken over the next three years. We have sent letters of investigation to landowners to say that we will be on site undertaking different surveys, such as spring survey investigations, so in the next three years we will be defining the exact route. I think this will be a complex project. I look at projects that have a high level of complexity and I believe this is a big one. I know that it is very well supported by industry, and the commonwealth government is supportive. As I said, EastLink stage 1 is funded, and then the planning and development process will have to happen post those grade separations towards the east. I suspect some of the environmental challenges through that area will be significant.

Mr R.S. LOVE: Given that there is \$20 million for the planning of the project, is the expectation that that will be somewhat more than just a route selection? Will that include some design as well? How far will it go?

Ms R. SAFFIOTI: Yes, I think we will have a detailed design—15 per cent design—by the end of that time. I do not think we will have environmental approvals, but we will have an environmental database to help support a future approvals process. That will include things like spring surveys in particular and understanding all the environmental issues, so that when we go for approvals, all that work has been undertaken.

Mr R.S. LOVE: Given the environmental concerns in that area, that will be a very difficult process.

I refer to page 613 and the Toodyay Road upgrade. There is \$80 million set aside for that upgrade, and a lot of that money is pushed well out, of course, because there is a process to go through. I have been contacted by a number of constituents. I am going to put their views to the minister and take the opportunity to ask the minister directly, with Main Roads here, to answer the questions that they are seeking to have answered.

These constituents have seen the development of Toodyay Road on the metropolitan side of the road. The minister will understand that the road is half metro and half wheatbelt. Recent work has been done on Toodyay Road to the east of Jingaling Brook Road, and it is a very high standard road. The finished product is reminiscent of Great Northern Highway. The constituents are concerned that that confirms that there is an underlying agenda for Toodyay Road to be a heavy haulage route into the future. They ask three questions. The first question they ask the minister is: if the major stated intention of improvements to Toodyay Road is road safety, which could be achieved through sealing the shoulders and placing rumble strips, why is the engineering that has already been completed for the Jingaling Brook Road section and is planned for other sections of a similar standard to that of major highways, at a much greater cost and with minimal improvement to road safety when compared with sealed shoulders and rumble strips? That is the first of the three questions they would like to put to the minister.

Ms R. SAFFIOTI: I remember going to the Shire of Toodyay to a meeting in the council offices, and maybe someone can recall what year it was—2019—at which it was forcefully put to me that we needed to get more money for Toodyay Road, and why had we not asked the commonwealth for enough. I took that away and I thought that the community and the Shire of Toodyay wanted a significant investment in Toodyay Road. The other issue is the real safety concerns. Again, Mr Snook, Mr Woronzow and Mr Cameron, who is not here, and the Road Safety Commission have talked to me about the safety concerns on Toodyay Road. A *Wheatbelt highway safety review* in 2015 identified Toodyay Road as having a significant “killed and seriously injured” crash density. I have to say that since being elected, a number of people have put to me that Indian Ocean Drive and Toodyay Road both have significant ongoing safety issues. We invested a lot into Indian Ocean Drive and continue to do that. Toodyay Road was put to me as a road that has a number of issues. It is not only the seal issue—the seal has a narrow width and is substandard—but also the road geometry and the curves. Those issues cannot be adequately addressed by just resealing the road. When driving on that road, we can see the bit that has been done, and it is beautiful. That part of the road feels very safe. Other parts of that road do not feel as safe. That is why we put this forward as a priority. I think it was part of the federal member for Pearce’s former state electorate, or on the border—I cannot remember—but I think Hon Christian Porter was keen, as well as another federal member whom I cannot remember. Honestly, it was quite an aggressive discussion with the Shire of Toodyay, which said, “Why aren’t you doing more for our road?” That is why I went in to bat for this road, because I felt—what is the word—that we had not done enough to improve the safety, and I wanted to try to do that. That is why we secured the money. We know that the volume of commuter traffic will continue to grow in this area, and also that Toodyay and the whole area continues to have wider aspirations for further tourism and other development, and that is why we put it forward. Also, I think the Road Safety Commission identified Toodyay Road in a number of its analyses as a major priority. As I said, we have tried to improve the safety where we can, and we have realigned some parts, but to really help address the longer term safety issues, it is also about the geometry and, as I understand, some of the curves.

Mr R.S. LOVE: I thank the minister. The second question from these constituents is: if the intention is to turn Toodyay Road into a major highway, what is the plan when the traffic gets to the outskirts of Toodyay? There is no real alternative to travelling through the middle of town, where there are many pedestrians, on a 40-kilometre speed route, and there is no major heavy haulage route to speak of through Toodyay.

[4.40 pm]

Ms R. SAFFIOTI: I think the preface of the member's question was about whether we want to make it into a major freight route. We are saying that it was identified as a major safety issue. The Shire of Toodyay said that it was a massive priority and that we needed to get more funding, and I worked with the commonwealth government to get more funding. I was surprised by some of the commentary. Very rarely do shires say, "You have to get more funding because the community wants more funding" and then when I get more funding, they say, "We don't want that much funding because it looks like you're taking this road too seriously." I do not quite understand that. It is to address the safety issues and to make the road a better road to travel on and to make the connections into Toodyay better. I think it is a good project. I do not know; do people not want us to spend that money? That would be an odd thing to do, because this is about making the road safer. I think I saw it in media commentary or in the member's commentary. People are criticising us because we are going to do too good a job of upgrading the road! I do not quite get it.

Mr R.S. LOVE: As an alternative to heavy traffic coming in so close to Toodyay and given that alternative routes are being considered, like EastLink WA et cetera, are there other ways to funnel that sort of traffic onto Great Eastern Highway rather than on the local roads?

Ms R. SAFFIOTI: I am not sure. I do not think so. I have been advised that Toodyay Road is a 27.5 metre route and it will never go higher than that. The thrust of our improvements is to improve the safety of the road because it was earmarked as a major safety concern. I think I met with the Road Safety Commissioner and the Shire of Toodyay and it was impressed upon me that the amount of money we had allocated was not enough and that more money needed to be allocated to Toodyay Road, and that is why we sought further funding. Currently, about 12 per cent of the daily traffic is heavy vehicles. There are further developments across the whole area, so we want to make sure that the road is equipped for that.

Mr R.S. LOVE: Can the minister outline whether the funding source is 80 per cent federal and 20 per cent state?

Ms R. SAFFIOTI: It would be, yes.

The appropriation was recommended.

Meeting suspended from 4.42 to 4.49 pm