

**INFRASTRUCTURE WESTERN AUSTRALIA BILL 2019**

*Second Reading*

Resumed from an earlier stage of the sitting.

**DR D.J. HONEY (Cottesloe)** [3.08 pm]: I note that the Labor government believes that it has significant private sector support for this proposal and, to be frank, I am not surprised. I suspect that many people in the private sector believe that they would have more success in swaying this body than a democratically elected government. I believe that the government should be adopting a much more cautious approach to establishing this function. A better approach may be a coordinating body that enhances the best of current government planning processes, as opposed to this very far-reaching statutory authority.

With your indulgence, Mr Acting Speaker, could I please recognise that today is international Pi Day—3.14, as in Pythagoras's theorem.

**DR M.D. NAHAN (Riverton — Leader of the Opposition)** [3.09 pm]: I note the Premier is not in the chamber. It is his bill.

**Mr D.A. Templeman:** He is coming.

**Dr M.D. NAHAN:** I just note that he is not in the chamber right now.

We are here to debate the Infrastructure Western Australia Bill 2019. I am the lead speaker for the Liberal Party. I want to say a couple of things. One is that the purpose for this is multifunctional. Firstly, as it was an election promise made by the Labor Party in the run-up to the last election, this bill is meeting an election commitment. Secondly, there is no doubt that there is a very strong push for this in industry, and has been for some time. It was also a recommendation of the special inquiry into government programs and projects. It has a great deal of support in the private sector and the advocacy sector, and it was a commitment made by the previous government.

This bill is not unique to Western Australia. There is Infrastructure Australia, which looks at and assesses large projects which have commonwealth funding in a similar manner to what is proposed in this bill. I go back to the commonwealth: it is different from us. There is also Infrastructure Victoria and Infrastructure New South Wales. I have compared the three state-based ones and there are a great deal of similarities here.

When this was first mooted by the Premier last year, before the legislation showed up, we expressed some concern about the proposed institution—that is, Infrastructure WA—because it appeared at that time that it would have a much more limited brief than that provided in Victoria or New South Wales—it appeared to be mainly just a collating body that looked at a 10 or 20-year, long-term strategy. Clearly, the government has expanded this role, so that it is not just a collating body with a long-term strategy, but also it will actually assess large projects as a flow-in to the government decision-making process. We appreciate that.

The second reading speech gives some of the rationale for this bill, and I would like to read this. I agree with some of this. There are plenty of examples that support this, for example —

Quality infrastructure planning and decision-making based on sound analysis should not be left solely to politics; indeed, it should be something that every member of this place, regardless of their political persuasion, should get behind.

I accept that. It continues —

It is clear that infrastructure decision-making in this state has at times been based on inadequate planning or information, resulting in poor outcomes and costly project delays or cancellations.

We saw an example of that this week in the Carnegie wave farm down in Albany. That project was hatched during the election campaign. No due diligence was done on that at all, or the government would have known that Carnegie, the proponent which had been identified during the campaign, had already ruled out wave energy in Albany and had moved on to Garden Island. Even subsequent to Labor winning the election and committing \$15 million to it, it was clear, firstly, that Carnegie did not have the financial capacity to take it up, but also that it was not a suitable project. We were told by the Minister for Energy—the minister and the Treasurer; he was both at that time—that there no business case was put together before the government committed to the project. In other words, Carnegie was an example of what the second reading speech indicates the government is trying to overcome: an infrastructure project to which \$15 million was committed and which was just a pure political sop with no preparation for it whatsoever.

The question is whether this infrastructure body will actually address the things that it proposes to do. The answer is in the detail of how it is implemented, who is on the board, and how the government deals with it. As

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with much of what the government does, this bill is surrounded by hype and hyperbole. We are going to support this legislation subject to a large range of questions being answered in consideration in detail, which I think will take quite some time.

My colleague the member for Cottesloe expressed scepticism about some of the aspects of this bill, but I am hopefully more optimistic in the sense that it has the potential to do some fundamentally good things. Firstly, it has the ability to pull together a statewide infrastructure project strategy. That is good. The argument that there is no long-term planning in government is simply false. I will go into that at length. All departments and government trading enterprises come under the Financial Management Act and are required to submit a strategic development plan or a statement of corporate intent to the minister on an annual basis. That is specifically set out. They are required to provide to the minister—therefore, to the Department of Treasury and to the government—a long-term strategic plan for the development of their industry, of their firm, and of their sector, including infrastructure. This already exists for Western Power, Synergy, Horizon Power and the Water Corporation. Individual line departments such as the Department of Education and the Department of Health have equal responsibility and undertake long-term planning for their respective sectors. In other words, these departments are already doing a great deal of work on planning in their individual areas.

There is a case of pulling it together. The question is: when it is pulled together, will there be overlap and duplication? What is the role of Infrastructure WA as opposed to the departments' own planning processes? I will go through some of the pitfalls that we are worried about in detail.

The member for Cottesloe raised the concern about experts not being actual experts. I will give an example: one could argue that the greatest piece of infrastructure in recent times in this state—we have done a lot of them in this state; a lot of hospitals, a lot of facilities—was the stadium. The new stadium had a long gestation period. It started out with the setting up of a stadium task force back in the 2000s led by John Langoulant, who I think at the time was the head of the Chamber of Commerce and Industry of Western Australia. He had a group of experts with him, he had access to the relevant bureaucrats, and they did a multi-year study into where the stadium should go, what it should be, how large it should be, and some ideas on funding. They got it totally wrong. They recommended a smaller, congested, transport-inhibited proposal in Subiaco rather than out at Burswood. In other words, experts are not necessarily the best. They make mistakes, too. There is no doubt that former Premier Colin Barnett's decision to move it to Burswood—supported by others, of course—was absolutely the saviour of that stadium. Of course, in the process of the next decade, it will regenerate that area significantly. So experts are not necessarily the best.

The second reading speech also states, rather strangely, that Infrastructure Western Australia is meant to create jobs. Also, one of the reasons for Infrastructure Western Australia is that we are operating in a constrained funding environment. I will take it from a positive perspective. What this means is that because we are operating in a constrained manner, we have to make sure that every dollar that we invest in infrastructure gets maximum bang for its buck. I support that. There is no doubt about that. But if infrastructure Western Australia is out there to promote a significant increase in infrastructure just to create jobs, it could be dangerous. It will depend upon how it operates. Throughout Western Australia, and indeed across the nation, there are plenty of examples of state governments having built infrastructure just to create jobs. I can remember—most members probably do not—Loy Yang B power station, I think of about 750 megawatts, being built early just to create jobs, and it was then mothballed for years. I do not think that is the government's intent with this bill, but that could be a concern.

Like the other infrastructure organisations, the board of Infrastructure Western Australia will comprise a large number of people outside government, which I think means heads of bureaucracies. In fact, the majority of board members will be people, including the chairman, from outside, selected by the Premier, I suppose. It will be dominated by people who do not have a statutory responsibility, other than through Infrastructure Western Australia, to meet the demands of the respective departments. This brings me to how it will operate. There are a lot of examples of this with Infrastructure Australia. Infrastructure Australia is different in that the commonwealth, other than Defence, does not build many things itself anymore. It gives money to states and territories. Infrastructure Australia was set up to ensure that the states' and territories' requests for commonwealth funding followed a process, met some sort of transparency requirements and met certain criteria, such as cost-benefit ratios. It did not necessarily involve a single department putting into it. But that is different. Like the organisations in all other states, the major functions of Infrastructure Western Australia, besides providing services, will be to build infrastructure. That is what we do. Western Australia has a history of doing this through government trading enterprises. I might add that Victoria and New South Wales have sold off most of their government trading enterprises. Victoria does not own any electricity or gas infrastructure at all but this state does. The government will be selling certain assets. I think it has sold four major generating assets already, but it still owns Synergy. It might sell that down the track—most probably; we do not know. This is what we do, so it is an important area to work at.

One of the key issues and driving forces of this establishment is transparency. We have to judge—we will go into consideration in detail—whether this body will enhance transparency to the public and the Parliament of the decisions the government of the day makes in identifying and choosing infrastructure priorities, and their timing.

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We on this side look at people on the opposite side, and their overwhelming commitment in this term of government is Metronet. We know that the government committed to a range of expenditure during the election campaign and, to a large extent, it has obtained funding through Infrastructure Australia or matching commonwealth funds for those projects. I have to tell members that I think most of the government's commitments for the Ellenbrook line were done without a business case. Indeed, I believe none of the three lines the government has committed to had a business case. I understand it now has a business case to provide to Infrastructure Australia, but we, as an opposition, do not have access to that case. The opposition is being forbidden access to the information provided by the government to Infrastructure Australia on the projects. Summary documents are available, but the detailed cost-benefit analysis of the business cases is not available to us as a record. One of the questions we will ask from Infrastructure WA, indeed demand—it will be contingent upon our support for it—is that the opposition have access to all information that is provided to Infrastructure Western Australia; otherwise, what is its purpose? There could be arguments of commercial or legal confidentiality. That is fair enough, but the issues Infrastructure Western Australia will deal with are pre-tenders, when the nature of the project is specified at a certain level. It will be before there are commercial or legal confidentiality aspects to it.

We will look at whether Infrastructure Western Australia will, in reality, with a high degree of assurance, increase transparency to the Parliament and the public of not just decisions made by the government but also recommendations to Infrastructure Western Australia, subsequent to submissions and information from Infrastructure WA.

I think Infrastructure WA's role will be to collate information—at least at a high level; I have no doubt about that. Western Power is probably the largest infrastructure investor in this state. It makes a substantial investment every year, and will do in the future, and it is owned by the state. Indeed, its major task is to operate transmission and distribution lines, but most of its cost is in the upkeep and expansion of the transmission and distribution line. Will Infrastructure Western Australia get involved in that; and, if so, why? After all, Western Power is regulated under its act—it is required to make regular, I think five-year, submissions to the Economic Regulation Authority on how much it can spend each year on infrastructure for each subsequent five years. That regulatory process is very extensive. Honestly, hundreds of millions of dollars are spent by experts in the ERA, consultants and Western Power in dealing with it. Will Infrastructure WA deal with Western Power? Will it have the ability to question, alter or come up with a different view from the ERA or Western Power on its capital decisions; and, if so, on what basis? That is a big issue. Admittedly, Victoria does not have a transmission and distribution line covered by Infrastructure Victoria, nor does New South Wales' infrastructure agency. It is a big issue. I think it needs to be exempted, because the regulatory system is already robust, extensive, costly and transparent. Those are some questions we can go through in consideration in detail.

Let us go to the Water Corporation. Water Corp has a long history of probably being one of the best infrastructure providers in the state. It has a great record of doing so in a timely and effective manner. It regularly puts out strategic documents to its minister, as it is required to, and to the public about future demand, supply constraints and the infrastructure requirements needed to meet those future demands. It has extensive expertise that I would say, outside consultants in the private sector, is unique. I cannot see any inadequacy in the Water Corporation's infrastructure planning process. It is a monopoly provider; there is nobody else—just like Western Power, which is a monopoly provider. There is no need to coordinate between numerous providers. Is Infrastructure Western Australia going to be involved in determining the capital works of the Water Corporation? If so, to what extent? Is it going to look over the shoulders of the Water Corporation infrastructure planners and question what they do? If so, on what basis? It has the potential to slow up and increase the cost of the planning process. By the way—and this is really important—both the Water Corporation and, more importantly, Western Power, have independent boards with statutory and legal responsibilities to oversee adequate investment in infrastructure for their respective departments. Board members are legally liable, in some cases and to some extent, for adequate decision-making on the boards on which they sit, under the Corporations Act.

The Economic Regulation Authority has oversight of Western Power, and that was dealt with legally—right from the start of Western Power, in this case, as a standalone transmission and distribution body. Water Corporation has that situation. What will Infrastructure Western Australia's involvement in that be? If it comes up with the view that, say, a desalination plant must be built at this time and in this place, and it is at odds with what the Water Corporation might think, how are we going to resolve that? The biggest one outside those two agencies would, I guess, be Synergy. It has a big asset base. It is a monopoly provider in the small business and residential markets for generation. I do not think it should remain, but it is the government's policy to retain it into the future. Is Infrastructure Western Australia going to look over the shoulder of Western Power's board in deciding where it builds and maintains generating facilities in the future? If so, why, and on what basis? Where is the skill base? I put it to the government that nobody in the private sector has the skill base of Western Power over its infrastructure—except maybe the ERA and a few consultants—or Water Corporation over its decisions, or indeed, Synergy over its decisions.

According to this bill, these government trading enterprises are going to be included in Infrastructure WA. Infrastructure WA is going to have responsibility for reporting on the planning of these enterprises and for collating the information and making recommendations to the Premier. What is the extent of that? Is Infrastructure WA going to just take what Western Power says needs to be done—by the way, that is the ERA—and submit it, or will it have powers to differentiate? If it is going to be able to differentiate from what Western Power decides to do, is it going to pay the fines that Western Power has to pay if it deviates from the regulatory regime that the ERA has imposed upon it?

This highlights that we, as a state, are a major infrastructure owner and provider. We have a rigorous regime of planning for infrastructure. We have oversight in the form of boards, which often come under the Corporations Act, and we have oversight bodies like the ERA. The argument that we do not plan adequately for those bodies is far-fetched; there is no evidence for that. If there is to be a new body with no skills base and no skin in the action reporting to the Premier, there is going to be a bureaucratic nightmare. That is one of the issues.

That can be resolved in many ways, including exempting Western Power—I do not know why it would be there—or Water Corporation in a kind of aggregate 20-year plan; just take Water Corporation's plan and put it in there. Fair enough; that is what I would do, and maybe also for Western Power. Another issue is that all these agencies have sustainability and transformation plans, or long-term plans, that they submit to the minister. Will Infrastructure Western Australia be required to take the STPs, which are legal documents that each agency has to put together under the Financial Management Act? The boards of those firms are responsible for delivering those to the minister on a regular basis. Will Infrastructure Western Australia be required to accept those as strategies and long-term plans, or will it be able to deviate from them? If it can deviate from them and the Premier is going to accept that deviation, how is that going to work? If there is a planning process that is detailed, legally based, and long-term and there is another planning process that can deviate from it, how will that work? That is a really big issue. This can be resolved very simply by cauterising or eliminating the ability of Infrastructure WA to go into some of these industries, but we will wait until we go into consideration in detail on some of these issues, because they are very important indeed.

Coordination is a really big issue, but we have a process in government that already exists; I am sure the government has retained it. When we were in government we had the cabinet and we had a subcommittee of cabinet called the Economic and Expenditure Reform Committee. It was basically administered by Treasury. It stood all year round but it focused primarily on the run-up to the budget, and every year departments would come in and put forward their additional recurrent and capital expenditure commitments and proposals. It was Treasury's role—it did this well—to make sure that those capital requests met the long-term aims of the respective departments and were consistent with the STPs of those departments. If there was any deviation, the relevant director general had to explain why—for example, the difference between new projects and time-end projects.

We have a system that works and is democratically driven. There is a lack of transparency about it, but that is because it is in the decision-making of cabinet. How is Infrastructure Western Australia going to fit in with that? How is it going to fit into the system that we have now? It was assumed, too glibly, in the second reading speech that what we have now is grossly inadequate, almost non-existent and does not work. There are some weaknesses in the system; Carnegie got up and running, for example. I will come back to this, but Carnegie would not have been submitted to Infrastructure WA for a couple of reasons. Firstly, \$55 million does not meet the threshold; and secondly—we will ask the Premier about this during consideration in detail—things that are announced in elections are going to be exempted from this process. That is what the Premier has implied in statements; I might be wrong, but that is what has been implied today.

Another area of interest is the key features of the bill, which include providing advice on infrastructure priorities—that is what we discussed today—and the funding and financing of infrastructure. It appears that this body will also go into the area of advising governments on funding and finance, so the question we will ask during consideration in detail—ERA does this sometimes also—is: will the government respond, for instance, to suggestions by Infrastructure WA for the increased privatisation of assets? To pick something off the wall—the mooted chairman of Infrastructure WA, in a different life, has promoted this extensively—what happens if Infrastructure Western Australia recommends that the government sell Western Power or the assets of Synergy? He advocated that during the period he was CEO of the Chamber of Commerce and Industry of Western Australia. What if it recommends privatising other assets or contracting out services? John Langoulant—I am not criticising him here; I am just being direct—is a long-term advocate for the contracting-out of government services, particularly in health and education, to the private sector.

That is what the government is seeking to do. According to the government's briefing note, it will provide advice on infrastructure priorities, which I have gone through to some extent, and funding and finance. I do not have a problem with that because it is good that governments are open-minded about financing and funding arrangements. I think that some of the best arrangements during our term of government and in previous governments occurred when the private sector was involved in funding and financing builder-owned and operated

infrastructure. Midland Public Hospital is a perfect example of that. By the way, that was done on budget and on time without any complaints. The operator was first rate. We have seen plenty of examples of that. We also contracted out the building of a number of high schools. They were not just builder owned and maintained; we got them at a lower cost. We did some primary schools. The savings were not as great, but the real benefit was that the builder, owner and operator also maintained them. When they were built they took into consideration future maintenance. There was a whole bunch of innovations—I have no problem with that. However, I would like to get some idea about how open the Premier is to this, because during the election he made it really clear that the Labor Party was against privatisation of any profit-making asset, and most others. I note that he has a greater list of assets on the market now than any other government in recent times—in 25 years—so we cannot take him at his word when he says something during an election.

**Dr D.J. Honey:** He doesn't really dislike it.

**Dr M.D. NAHAN:** He does not really like it. In fact, he appeared to be crab-walking away from it in question time today. Is this provider of advice going to be an independent source of advice on funding and financing of infrastructure other than traditional means of government buying, borrowing and building? I would support that, but I look forward to the Premier's response, particularly given that he identified the chairman. By the way, the structure of this board includes public servants, whom we assume will take the view of their employer to the board—that is, the respective ministers—and three independent people. If there is a divide, the chairman will have a controlling vote. John Langoulant's views on this are quite clear, and they are, to a large extent, supported by many. We will examine that in great detail.

The proposal for this work program, in the first instance, is to put together a 20-year strategy. That is fine. I have to say that during our term of government the most controversial aspect of infrastructure planning was integrating rail and road transport. People were popping up with their pet projects all the time. There was no overall plan except the Stephenson–Hepburn plan, which had clearly been abandoned to some extent. We heard the opposition trashing the Stephenson plan. We needed a longer term plan, and that is what the member for Bateman came up with as the Minister for Transport. He put together, for the first time in a long time, a long-term integrated transport plan—rail, bus, road and bicycle. He had experts to do it, just like Infrastructure Western Australia is supposed to be doing. It was their plan and not the government's, although, of course, he had the PTA and other departments involved in it. It provided the government some flexibility, according to demand. The basic indicator of that was population growth. It was a really useful exercise. I do not know why the Department of Transport cannot do it, but to the extent that Infrastructure WA does that and acts as a catalyst for long-term planning and integrates transport with other aspects—great—it will be a good exercise.

That is the 20-year plan. Then there is the argument that it will update in 10-year cycles—fair enough—and every year there will be another report on a five-year cycle. By the way, all that duplicates what each department does in their strategic development plans. A rational government would just pull together the SDPs and give them to Infrastructure WA. Under statutory requirements, Infrastructure Western Australia would have to implement those SDPs and collate them. That is fair enough. By the way, if it does not do that, a new bureaucracy might spring up. That will cause mayhem. That is what I assume will be done.

Treasury, essentially, does a lot of this behind closed doors with the minister and the Premier already, so why have it? I say they should have it because the decisions that Treasury make are made behind closed doors; they are confidential to the ministers. It is serving the Treasurer and cabinet for the important role of making expenditure decisions in the budget for the long term, and that has to be confidential. The reason to have Infrastructure WA do that is that at least in the pre-decision-making period, those collated options are out there for the public to see, with Infrastructure Western Australia assessing their relative merits in terms of cost–benefit ratios, timing, trade-offs and a bunch of other things. Its information and expertise comes from the departments and the SDPs. That will be a useful process, but only if the government uses it. If the government does not and it just puts out a glossy statement, it will be a complete waste of time, energy and money.

I go back to Infrastructure Australia. All Metronet projects have now been vetted by Infrastructure Australia with a business plan finally given to them. We have no access to them—none whatsoever. What is the point if all we get is a dumbed down version of Infrastructure Australia? By the way, nowadays, especially with this government, almost all projects worth \$100 million have commonwealth money attached to them and they go to Infrastructure Australia, which begs the question: is this going to duplicate Infrastructure Australia? If all we get is a mere reflection of what happens in Infrastructure Australia, it will be a complete waste of time and money. Nevertheless, we can make it useful; it is what you do. That is the point we are making. It will depend on how this rolls out, how it is structured, what its role is, what information and power it has, and what criterion is going to be used. It will depend on how it operates. Therefore, our party supports the intent, but we will question in great detail how the government thinks it is going to be rolled out. How it rolls out will be the most important issue; in fact, that will be the key to its success.

When I was Treasurer, I was responsible for overlooking some major strategic projects. I had responsibility for all capital works over \$100 million except for those in transport—those were done by Main Roads and the Public Transport Authority. But for Optus Stadium we had excellent people there. Richard Mann was first rate, I have to say. What he did to deliver those projects on budget and on time during the biggest boom in this nation's history, when BHP, Rio Tinto and Chevron projects were blowing out, saved us billions. He was fired, by the way; he has gone on to better things. That structure worked. We do not need more transparency on these issues; we need more public debate. I give the example of Metro Area Express light rail, which goes to my concern about the role of the private sector. There is a whole range of types of transport we could use and each has its advocates—some are ideological, some are because it would go through their area, some like the project and some want to get contracts because they specialise in building rail. Those are the typical interest groups out there. The question we had was whether there was demand for enhanced infrastructure. At the time, Professor Peter Newman was on the board of Infrastructure Australia and advocating for and pushing us strongly towards light rail. We had that advocacy from him and the Public Transport Authority was advocating the same thing. We committed to MAX light rail before the 2013 election. It was an error. We did not have a long-term plan with alternatives and costings attached to it. We did not have all the information needed for a rigorous, wide-ranging debate, and we made a mistake. We paid for it electorally, but we did the right thing by walking away from it. I have to give credit to the member for Bateman for taking that lead. We took hits on it, but it was the wrong decision to make. When you make a wrong decision, the right decision is to walk away from it. I might add that politically that is very difficult to do. We have seen this government specialise in walking away from decisions; we saw one today and we will see many more.

The member for Bateman developed that wide-reaching transport plan to make sure that we had a thoughtful long-term vision of priorities over time and for population growth. Of course, we had to bring funding into those issues. That plan was very good. One of our problems when we were delivering the transport plan was that powerful, well-funded advocates would identify, or condemn, a project and work to undermine it, if we had flagged it well in advance, or promote it. As I indicated, the private sector does not have a repository of all the information and it has a commercial interest to get the state government to spend money where it wants it to go, and will lobby very heavily for that. I suggest that one of the reasons the department does not put out all that information is that once it makes a decision, or even just a recommendation, that a transport link is needed somewhere, the lobbyists sweep on it. Governments make commitments, but governments do not like to walk away from commitments. The government has to stiffen its backbone and be very careful about its decision-making process, because if it does not, it will be pushed down routes that will waste money. Again, it depends how the agency will operate, who is on the board and the decisions of the Premier.

If we look at Infrastructure Australia, we see that a number of this government's decisions were made when the Labor Party was in opposition. That raises the questions: How will this agency will work? Will it be worthwhile or just a toothless tiger? One of the government's major commitments is to build the Ellenbrook rail line. The government has committed to the project and has quite a bit of money from the commonwealth for it. I know there is a business case for the project in Infrastructure Australia and the commonwealth is funding at least 50 per cent of the project. The government said that it will start the project this term, but I think it is unlikely that any rail will be built until next term, if the Labor Party is still in government. I think the government plans to have the design completed and the contract let by the end of its term in two years. Infrastructure Australia says that it is a long-term, 10-to-15-year requirement. It has looked at the material the government provided, assessed it over time, had extensive discussions with the government, taken money from the commonwealth for the project under the government's timing, but says that the rail line is not needed for another 10 to 15 years. By the way, that does not surprise anyone, because that is what the plan the member for Bateman put together all those years ago said.

Under known technology and the demands of population growth, an Ellenbrook rail line will be required; we all accept that. That is what we know, but according to the information the government provided to the independent body, which Infrastructure Western Australia will put a tick on, we do not need the rail line for 10 years. The questions I have are: How does the government respond to that? Does the government say, "Bugger it; we committed in the election campaign to building this rail line to two marginal seats"? It is three, actually, including the federal seat. How will the government explain this? Does the government have to say that it is going to do it and that is it? That is the government's typical approach to date. If the government has a different view on a specific project of a substantial nature that will cost over \$100 million, will the Premier of the day have to explain why? That is a very important example.

In the same assessment, we see that the Swan River crossing capacity—I assume that is the bridge in Fremantle—is a near-term project. It is a very important piece of infrastructure, but it is not anywhere in the government's plans. The issue that comes up is that the government is committed to expending a large amount of resources on a billion-dollar rail line to Ellenbrook in the next few years, but according to the government's experts—again, I am using this as an example of what Infrastructure Western Australia will recommend to the government—it is not needed for 10 to 15 years. At the same time, the government has no plans or activity on a near-term and urgent

project. How does the government respond to that? What will be the requirement for government to respond to those questions?

The Labor Party is the elected government. It was elected on its commitment to the Ellenbrook rail line. At that time, we all knew that the project was not needed, but the Labor Party got votes for it. This is the member for Cottesloe's point. In the end, the government will have to make decisions, as it should as an elected government, and be held accountable for those decisions, whether the projects are delivered on time and on budget or not. But the government is setting up this body that in many, many cases will make recommendations on projects that will differ from the government. How will the government deal with that?

Another really controversial project last election was Roe 8. We would like some information on how this process will ensure that does not happen again. The government might want Roe 8 to go away but it will not. I assure members it will be a major issue in the next election, particularly in the seat of Jandakot. Roe 8 was part of the Stephenson plan. Preparations had been made for decades to continue Roe Highway stages 4 to 8. The Roe 8 project had commonwealth funding and environmental assessments—it had everything—and had been agreed to. The government pulled the plug on it and redirected the money elsewhere on the basis that Fremantle port would be full and an outer harbour would be built in the near term to take the growth. Infrastructure Australia basically accepts the Westport study, but says that we do not need to replace the port of Fremantle for decades. The port of Fremantle has been operating for over 100 years. We had a debate on this and the Treasurer said that he would resign if the government does not get the outer harbour built. We will ask him to commit to that—we have not forgotten that, Treasurer.

**Dr D.J. Honey** interjected.

**Dr M.D. NAHAN:** Yes, there could be a by-election. No, he promised to quit only as Treasurer. We will hold him to that. He is not going to commit. Maybe he will be the Premier—who knows? The important point is this is a really important asset. One of the most important transport assets is our container port. What Infrastructure Australia states quite clearly, and is supported by the first Westport study, surprise, surprise, is that the port of Fremantle is not full. It can easily double in capacity, and more, over the near term. Growth in the number of containers is actually increasing. Even if one assumes growth, as it did, at 2.8 per cent per year, there will be 15 more years before capacity is reached at the port of Fremantle. That is without any remodelling of the port. There is no need for the outer harbour. The study says the problem is transport constraints. In other words, the government ripped up the plan that had existed for decades and took the money elsewhere on the basis that the port of Fremantle is congested, which turned out to be rubbish. The government's own report says that. What will the government do about this?

All this stuff that Infrastructure Australia highlights, which I just quoted, is really good for the opposition in holding the government to account. It exposes the government and forces it to justify political decisions that it makes about billions of dollars that affect the productivity and growth of this state. That is good stuff. That is why we support it. We will ask the Premier how he is going to rationalise this and expand these things. A really good question is: now that the government has made a mess of Roe 8 and access to the port of Fremantle, and it is not going to build the Kwinana outer harbour, what is it going to do? Is it going to ask Infrastructure Western Australia to look at this mess and come up with some ideas about how to address it? We know what Main Roads WA will say "Build the bloody road!" It has always said "Build the road."

**Mr A. Krsticevic:** The community wants it, too.

**Dr M.D. NAHAN:** The community wants it. This is a major issue. Infrastructure Australia and Westport have highlighted it. The study cost \$20 million. Infrastructure Western Australia will necessarily look at this. It will say that the government has a problem because it has made a mess of it. How will the government fix it? Will the Premier allow it to look at that? Will the Premier allow it free rein to look at a range of issues? Will he allow it to duplicate what Infrastructure Australia has done, and what Westport is doing, which is highlighting these problems? It may be a good idea; the government could put a person from the Maritime Union of Australia on the board of Infrastructure WA. That would make sure it is done! They would definitely look at this. They have a lot of interest and skill in this. Those are some of the problems the government is exposing. For us, as the opposition holding these guys to account, it is good stuff. If this operates successfully, hopefully it will inhibit governments from making dumb decisions in the future, like ripping up Roe 8. If, however, Infrastructure Western Australia just treats it as a public relations exercise, as happens so much with this government, it is a complete waste of time. If it is all about putting a bunch of people on the board who basically go to the Premier's people and ask, "What do you want?", it is a waste of time. If it starts duplicating all the machinery-of-government processes and planning that government departments do, it will be a waste of time. But it has some potential.

There are a couple of other areas that we would like to explore. What is the methodology for assessing what Infrastructure WA is going to do? We know what the commonwealth does; there is a lot of material on this—cost-benefit ratio and whatnot. What are they going to do? The government has implemented a triple bottom line:

economic, social, and environment. I am not criticising the triple bottom line so much, but the government will have to come up with some weighting. It might just leave that to Infrastructure Western Australia to come up with. It will have to come up with statements.

We are now experiencing a real threat to our future growth. The Premier, quite rightly, has forced the Environmental Protection Authority to walk away from its decision. It came up with a brain dead policy of capping emissions to zero on large projects over a certain amount of emissions. That was a fault. The Premier has told the EPA to think about it again, to stop that. That is good. He should have done that two weeks ago but he has done it. What happens if these agencies come up with similar reasons? How do we deal with them? How do we report them? These agencies get a power of their own. They get respect. They get experts—that is why they are put there. They have access to all the information. These are some of the decisions we have to look at. It will assess projects under criteria that it comes up with. Unless the government comes up with its own detailed criteria, it will cook it up itself. We have to ensure it is consistent with what the government of the day wants those assessments to be. I see nothing in here to give any sort of guidance whatsoever. It is a bit of a worry. Knowing John Langoulant, he will sit down in the first year and specify at great length his methodologies. He will also, I hope—because he was the author of the Langoulant report—put into recommendations processes of transparency, business planning and communication.

[Quorum formed.]

**Dr M.D. NAHAN:** There is not much interest in this from the government side.

Let me sum up. Infrastructure Western Australia was a Labor Party election commitment. We accept that. It is good to see it meeting the commitment. It has been promoted by industry for a long time. It has been successfully implemented in other states. It has the potential to improve the decision-making process and the transparency of infrastructure decisions in this state by governments and, importantly, give investors and governments a long-term strategy and a good rational process to walk down that strategy over time. We support it in principle. However, it raises a whole range of questions. The material provided to us does not come close to answering our questions; therefore, we will ask extensive questions during consideration in detail.

I have some concerns about the bill's range because it will bring in departments that do not need to be brought in. I am referring to Western Power, Water Corp, Synergy and others. They already have legislative legal requirements to plan. Oversight already exists both in their boards and independent assessors. The Premier can respond to that.

Infrastructure Australia operates most of these projects. We seek advice about how it relates to that. Importantly, judging how Infrastructure Australia is planned, we will see how the Premier and the government will respond to clearly upcoming statements by Infrastructure WA that do not concur with its decisions. This will be a core part of our support: we expect greater transparency from Infrastructure WA to the Parliament—to us—than is provided by Infrastructure Australia. We expect that Infrastructure WA's detailed assessment of projects, the priority of projects and the reason for projects is provided in full—not just as a tick-and-flick—to the public, through the opposition, for our assessment. That is not done now by Infrastructure Australia. We will expect that to be done by Infrastructure WA. We are also interested in the composition of the board of Infrastructure WA.

**MR W.R. MARMION (Nedlands)** [4.10 pm]: I also wish to speak on the Infrastructure Western Australia Bill 2019. This is a very important bill for Western Australia. I will start with the question: what is the problem that we are trying to solve with this bill? The problem we are trying to solve is how to achieve better coordination of infrastructure planning and implementation in WA. That is an objective that we would all support. All governments in every country grapple with this objective all the time. I have a background and history—that goes back some decades, unfortunately—in Western Australian statutory authorities. It is interesting to see how things have changed. When I worked for Main Roads as a young engineer, the political landscape was a bit different. Main Roads had a section called advanced planning. That section was certainly not over-staffed. It was headed by Russell Kasehagen. He was a fairly senior engineer and he was well regarded. In fact, he was so well regarded that the World Bank used him on projects in Africa and South-East Asia because it recognised his expertise in transport planning and also in the net present value of projects. This particular gentleman headed our advance planning section. I think he had one employee, and access to drafting staff.

At that time, Main Roads had a plan for a road that would go direct from Perth to South Australia through Hyden and Norseman, and cut out the current Great Northern Highway from Kalgoorlie to Norseman. Main Roads believed that was a good route, because it would reduce the travelling distance for trucks by at least 200 kilometres. It was interesting. Main Roads also had a 10-year plan for metropolitan road projects in Western Australia. In costing those projects, it was careful to provide a fairly general figure, because it knew that if a project had been in the 10-year plan for five or six years and had been put into the budget at that cost, due to inflation it might be stuck with a cost that was much higher than that. In the 1980s, there was a period of inflation, so Main Roads had to make sure that it updated its figures. At that time, all government departments based their plans on what they believed would best meet the needs of Perth and Western Australia.

**Mr J.E. McGrath:** Don't they still do that?

**Mr W.R. MARMION:** Yes, they still do. There was not much political overlay at that time. In fact, Main Roads used to follow the Minister for Transport around, and if the minister made an announcement about a road somewhere, it would manage to squeeze that into its plan, usually with a small announcement. That changed when Brian Burke became the Premier of Western Australia. He happened to have contacts in the office of the then Minister for Transport. I know that because his chief of staff did his Masters of Business Administration with me. He said the government was going to change the way in which Main Roads did its planning and the ministerial office would work out what the planning should be for Main Roads. The point I am making is that that was the start of a bit more political overlay in Main Roads.

As I have said, someone came up with the bright idea of improving the efficiency of the road network to South Australia by suggesting a direct road route Hyden to Norseman, and they wanted Main Roads to investigate that. Interestingly, Main Roads had already done that work, so Russell Kasehagen pulled the plan out of the bottom drawer and sent it to the Minister's for Transport's office, and it thought it would implement that plan. The net present value of that plan would have been phenomenal, because it would have cut 200 kilometres off the journey to Adelaide and reduce the cost of goods to consumers. However, word got out to some of the towns. Some members in our party room might be interested in this. The Shires of Merredin, Kellerberrin and Coolgardie were not very impressed about this possibility —

**Mr J.E. McGrath:** And Southern Cross.

**Mr W.R. MARMION:** Southern Cross as well, yes. They were not very impressed about this plan, and all of a sudden the proposal to build this very efficient road from Hyden through to Norseman was dumped by the Burke government. I highlight that to strengthen my point that government departments are already doing this sort of planning and responding to proposals that are put forward. I have confidence that without the political overlay, they will come up with what is best for Western Australia. However, the conundrum is how to coordinate all the different infrastructure projects. Even in my day at Main Roads, there was always a clash between Main Roads and the planning department. The planning department believed that it should dictate where the population centres would be, and Main Roads should then build the roads to meet that population growth. However, Main Roads built the roads according to the Stephenson plan and the then metropolitan region scheme, and that is where people went to live. The conundrum is: what comes first—roads and rail, or planning where the population centres should be? That is even a problem for the Department of Planning. The MRS may outline future land use plans, but whether that land is developed is dependent on who owns that land. Land may be zoned R80, but the person who owns that land may not want to develop it. There are plenty of examples of that around Perth. There is a large property in Scarborough that is owned by a particular family. It is a terrific property and ripe for development, but the family does not have an interest in developing that land. As the population grows, residential developers look for the cheapest land they can get. Therefore, development of population centres is random and not easy to predict.

My next point is that infrastructure should be designed around supporting populations. Therefore, we need to be very good at predicting the future. I note that that is recognised in spades in the way in which this bill has been constructed. The trick is that government agencies such as Main Roads, the Water Corporation and the Department of Education and Training are already doing this work. The Education Department has a particularly difficult job. Three or four primary schools need to be built every year, and a high school every five years or so, just to meet natural population growth. Therefore, the planning section of the education department has to guess where the population will be located in the future. When I was in the private sector for six years, we did an exercise for the then Department of Planning on its population predictions, and they did not coincide with those of the Department of Education. Straightaway, this is the conundrum we are trying to solve. Each department is doing its own planning on the best information it thinks it has, but things change. Things can change in 12 months. A new development can be very successful, and suddenly a lot of people are living in Baldivis, for instance. I note the local member is in the house. That is a very successful residential development. The land was a lot cheaper than at Scarborough, so it took off. Who would have predicted that Baldivis would become this massive metropolis? Only the local member would have predicted that, 10 years ago.

I am making a few points here about the importance of planning. When setting up another organisation, we have to be careful not to set up an unnecessary bureaucracy that takes over what we are already doing. That will slow things down. Coordinating committees have already been set up. When we came into office in 2008, I was advised that there was a CEO committee for infrastructure planning. It met, but guess what. The CEOs did not attend. When it was first set up—I am not sure when that was—the CEOs did attend, but gradually it was delegated down and became a managerial level committee, so it lost its drive. It was an attempt years ago to get CEOs together to achieve the same thing we are trying to achieve with Infrastructure Western Australia. One could argue that that has not worked, and hence we are looking at this bill.

Other successful committees have been established in the past. A capital city development unit was set up by Richard Court, purely around the City of Perth. I know a bit about it, because I was the person from Richard Court's

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office who had to support it. It was really successful, and the reason for its success, I think, gets back to leadership. The leadership of that committee was from the Premier himself and the Lord Mayor. They coordinated the meetings. They had regular, monthly meetings, and the CEO of the City of Perth and the directors general of the major government departments would meet on a fortnightly basis. The leadership from the top meant that that was successful. Admittedly, it looked only at the area of the City of Perth, whereas this bill looks at the whole state, which provides a very big challenge.

Another very successful committee that I chaired when I came in as the Parliamentary Secretary to the Minister for Transport was the Logistics Council, and I am pretty sure it still exists. The Logistics Council had significant people on it. It had a member from the Chamber of Commerce and Industry of Western Australia, someone representing ports and a member representing roads, so it picked up a lot of the transport infrastructure, and included transport economists from the private sector. It worked well, because the minister was involved, and took an interest in it. A lot of success depends on the leadership from the top. It is a hard job getting things to happen in government, and it requires the leadership of the government ministers.

I know firsthand about one body that was not successful. I was on a ministerial committee that was trying to do something very simple. All we wanted to do was create an approvals process that was linked between all the departments, so that the proponent of a project could just phone up or log on to a computer to find out where their project was in the approvals process and whose desk it was sitting on. We had many meetings over the course of a year, and one would think that, with the Premier and lots of ministers involved, we would have had some success, but, unfortunately, each department said that the computer approval process that it drove was better than that of the others, and so they did not talk to each other. I am hoping that that problem will be solved.

I will get back to the bill, and the proposal to set up another department, which we support. Coordinating infrastructure planning and implementation in Western Australia is a good objective. It will have a budget, and one of the questions we will ask is how the budget is determined. We will go through this during consideration in detail, but the bill sets out what Infrastructure Western Australia will do, and the process by which it will go about doing its duties. Clause 8(2) of the bill states —

When performing its functions, Infrastructure WA must —

Not “may”, but “must” —

consider the following —

These are onerous tasks for an agency, let alone one body looking at the whole of Western Australia. This is what it has to consider, under clause 8(2) —

When performing its functions, Infrastructure WA must consider the following —

- (a) current relevant Government strategies, plans, policies, priorities and forecasts, including —
  - (i) population, economic, financial and environmental forecasts;
  - (ii) land use plans;
  - (iii) strategies, plans and policies relating to the various infrastructure sectors;
  - (iv) any other social, economic or environmental policies;

That is only paragraph (a). It goes on to paragraphs (b), (c), (d), (e), (f), (g), (h) and (i). Just the requirements under paragraph (a) alone are massive.

[Member’s time extended.]

**Mr W.R. MARMION:** It is a massive task. The available full-time equivalents and the dollars will put a constraint on what can be done, but it could easily grow and get out of hand, and indeed take over some of the responsibilities of a CEO, a director general or even the board of an agency such as the Water Corporation. The responsibilities of board members of the Water Corporation come under the corporations legislation, and could be taken over by any directions coming via advice from Infrastructure Western Australia.

Given that I have only 13 minutes left, I might talk about some of my concerns. It is hard enough already to do an economic assessment comparing projects. Do we evaluate a project based on its net present value, its internal rate of return or its cost–benefit ratio? With particular types of infrastructure, such as roads, we can evaluate different roads, but if we go to another sector, such as a water project or a rail project with different cost–benefit ratios, how do we evaluate those different projects? Do we compare the rail project that has a cost–benefit ratio of less than 1—it might be the Ellenbrook line, which would be well below 1—with the widening of the Kwinana and Mitchell Freeways, which might have a cost–benefit ratio of 4, 5 or 6? The benefit under an economic ratio is that the road project would take preference over the rail project. How do we compare then a water project, a desalination plant, against a road or rail project? Even more confusion is thrown in because the environmental and social aspects will be looked at. How do we quantify the social and environmental aspects of a project? It is possible; that can be done,

but to do that, someone will be making a subjective assessment on the quantitative factor that is put on that social or environmental value. Therein lies another problem because a project could be manipulated.

That leads me to the governance of Infrastructure WA. If the outcome of the evaluation of a project can be influenced, that is of great concern, particularly if the Premier of the day has control over the body. I notice that the Infrastructure Western Australia Bill provides that the Premier can, I think in writing, direct Infrastructure WA. I hope that if Infrastructure WA is directed by the Premier, it will have to be written into the agency's annual report or everyone will know through some mechanism that some direction has been given to Infrastructure WA.

I refer now to some current projects that Infrastructure WA might look at. The Leader of the Opposition mentioned Roe 8, so I might mention it as well. How do we assess a project such as Roe 8? We know Main Roads and Infrastructure Australia assessed it as critical infrastructure for Western Australia. It was identified in 1958–60 by the Stephenson plan as an important road link for Western Australia. In fact, it would complete our only circle route in the metropolitan area. If we completed Roe 8 and Roe 9, for the first time in many, many years, we would have a circle road route in Western Australia. Beijing has, I think, seven—or five, and two being built. We have a long way to go to get to the size of Beijing, but it is probably a good idea to have one road circle route in Western Australia that is a controlled access highway.

I will give a bit of history on why Roe 8 has not been built. Leach Highway, which was never designed as a controlled access highway, is an accidental highway that Main Roads built many decades ago to alleviate traffic congestion. Unfortunately, it was so successful it grew longer and it grew wider. The problem with Leach Highway, apart from all its intersections, is that it is not a controlled access highway. Properties about Leach Highway. People who live on Leach Highway might have voted for the Labor Party. That is unbelievable, but they must have.

**Dr D.J. Honey** interjected.

**Mr W.R. MARMION:** Member, they must be getting the message with all the trucks that use it. Unfortunately, I had to drive on Leach Highway a year ago to a funeral in Fremantle, and I could not believe how many trucks were on the road.

Several members interjected.

**Mr W.R. MARMION:** It was not in a peak period. That is when the number of trucks is really noticeable. There are many more cars in the peak period, but in an off-peak period it seems that every second vehicle is a truck. I wonder what would happen to Roe 8 and 9 under this Infrastructure WA Bill? How will Infrastructure WA deal with that as a project in terms of its priority in the scheme? What influence will the government have? Indeed, will the projects be excluded simply because they are an election commitment?

**Dr A.D. Buti:** How is the density building in Nedlands?

**Mr W.R. MARMION:** Exactly! If a project is an election commitment, why would the government or the opposition not have 15 or 16 election commitment projects so that they are not assessed by Infrastructure WA? That is a question for the Premier. Will projects that are election commitments be looked at by Infrastructure WA or will they be excluded? If major infrastructure projects are excluded because of that, there will be no proper infrastructure plans. One of the benefits of Infrastructure Western Australia should be to have a comprehensive plan that does not exclude things. Everything should be evaluated in the big plan, which I have to say would be a massive challenge. To think that with a small agency and a budget of \$19.8 million to start with—growing to \$5 million I note—the government can come up with a comprehensive plan for infrastructure development in Western Australia that looks not only at the economic benefits of projects but also assesses the social and environmental aspects of each project. The other issue will be whether it will conflict with Main Roads' plans and justifications. What will happen if a road is overridden by Infrastructure WA? I can tell members what will happen. According to this bill, the Main Roads plan will have to tie in with what Infrastructure WA says. We will go through that with the advisers at the consideration in detail stage, probably next week. Given the time, I will see what other comments I wanted to make. I can cover most of the points in consideration in detail.

My main point, which has been made by all speakers on this side, is that we do not want to duplicate work already done by agencies. We recognise the need to coordinate projects so that there is a proper coordinated plan. We agree with that. However, we have to be careful that we do not tread on the toes of directors general. They know what they are doing; they are the experts. The last thing we want is for someone to say that they are the experts, telling the director general and all the staff who have spent all their lives designing water, or roads or rail, what the priorities should be for Western Australians.

**MR D.C. NALDER (Bateman)** [4.36 pm]: I rise to make my contribution to the Infrastructure Western Australia Bill 2019. At the outset, I acknowledge that this is a government election commitment and the opposition supports the passage of the bill through the Parliament.

That said, I would like to raise some of the concerns I have because I believe that the devil will be in the detail of this bill. Like some of the speakers before me, I have some concerns about its implementation and how it will

work specifically in relation to the expectations of where the expertise may lay within departments. I want to touch on that briefly because when I became a minister in 2014, the one thing I found within the transport department was that it was focused very much on the Stephenson plan that had been developed through the 1950s and 1960s. I requested that the department reconsider renewing that for the future. Historically, we have often looked at a time frame for building infrastructure projects. I was of the view that time itself should not be the dictator of when appropriate infrastructure is done but, rather, population growth should be the primary driver of expectations around the completion of the appropriate infrastructure. Hence, we initiated the creation of the Perth and Peel transport plan through to three and a half million people and beyond. Part of that was to take a long-term view of the city and to work with the Department of Planning on how the city should grow and what type of transport infrastructure would be required in a city approaching a population of three and a half million, increasing towards five million people. Interestingly, the expectations and growth forecast at that time were that we would attain a Perth population of about three and a half million by around the 2050s and towards five million people by the late 2060s, early 2070s. That was the basis of creating the transport plan. One of the things I took to the Premier in discussing this initiative was that I did not believe that it should be driven by a political party or, necessarily, the government of the day. We should ensure that we put the expertise, the appropriate planners and the respective industries around the table to determine what this should look like. We were overseeing that process as a government, rather than defining the type of infrastructure the state should undertake. I was also of the view that that left enough flexibility for future governments or oppositions to determine what their priorities would be, within certain time frames, that they could make election commitments on. Therefore, the debate for elections in the future would be around the prioritisation of specific projects as opposed to the creation of the projects themselves.

I was worried, just from our own experience coming from opposition, about making assumptions without the appropriate professional support and the expertise to determine whether projects will stack up from economic, social or environmental perspectives. Oppositions do not necessarily have the expertise to undertake that level of work. On that basis, I believe that past oppositions have made election commitments to the electorate on infrastructure projects that at times have been, at best, questionable. I want to avoid that in future, for everyone.

I will be interested to see how this will play out with Infrastructure Western Australia. As Minister for Transport, I was advised categorically by the department that it would be inappropriate to fast-track a rail solution for the people of Ellenbrook and that it would not be required before 2030. This was not me making the decision or applying a political aspect over the top; it was more sitting back and asking what the city's requirements were and where Western Australia's infrastructure priority requirements were. In respect of Perth and Peel@3.5 million, it was left to the department to work with industry and put it back to the government. I will say that there are elements of the Perth and Peel transport plan that I do not necessarily agree with or like; but at the same time, I believed it was important that we remained independent of that process to ensure that it was a proper, professional approach to transport planning in Western Australia.

In defence of the former opposition, it did not necessarily have the resources available to it that we had as the then government to determine whether Ellenbrook was appropriate, but the advice I was getting was that it would be premature, that there were other infrastructure requirements in Western Australia that were of far higher priority that should be done well in advance of a rail line to Ellenbrook, and that alternative public transport solutions should be defined as an interim step to eventually building a railway line out to Ellenbrook. I am not standing here bollocking the then opposition for defining that, because I acknowledge it did not have the resources to support it in making a determination. But now the Labor Party is in government and it is talking about establishing an independent process, Infrastructure Western Australia, to undertake investigations into infrastructure projects, I want to understand how it will go about assessing its election commitment to a railway line to Ellenbrook and justifying it on the basis of the information I was provided as the then Minister for Transport when we were in government.

That leads to a second question: if we are to establish Infrastructure Western Australia, is it a political decision to create this body, or will it genuinely provide the right advice to the government of the day about what is in the best interests of Western Australia moving forward? How transparent will that advice be? In respect of the Ellenbrook line, I believe the government has a dilemma. When I was in government, the advice I got was that it would be premature to build it at this time, but the Labor Party still went ahead with that election commitment. During the election campaign, this government promised gold-plated transparency, so I will be interested to see the transparency around the decision-making processes of Infrastructure Western Australia, and how the government will apply the advice from that department, because there seem to be relatively large gaps.

To take that a step further, I will make an observation about an example within my own electorate. It poses a challenge for future generations and governments that I have not got my head around. I refer to the planning and development of our city and the associated infrastructure requirements to support that. There are a couple of precincts within my electorate, and the Canning Bridge activity centre plan relates to one of them. Under that plan, high-density development is underway. As we move towards a population of 3.5 million and five million people,

we need to understand where those people are going to be located. We understand that it makes sense for them to be around transport corridors. The City of Perth would be my number one priority for creating a high-density population, but, nonetheless, the Canning Bridge precinct is within my electorate and work is underway right now for high densification. Interestingly, through the consultation process, my community was advised that the maximum height of the buildings going in would be 15 storeys. Right now, there are towers being built to 30 storeys. On one development block alone in Applecross I have seen three towers—two of 26 storeys and one of 30—that will have 457 apartments, which will alone increase the number of dwellings within Applecross by 14 per cent.

I therefore started to question the process. We are going for high densification; what sort of work has been undertaken around the infrastructure that is required to support it? That is where I started to find some gaps. I found that the assessments of transport requirements were restricted to looking at individual developments and their impact on neighbouring roads. Everything is being looked at in isolation. There is an integrated transport strategy document to accompany the Canning Bridge activity centre plan, but although that strategy has been developed, there is nothing happening. It prefaced the high-density developments by saying that this is what would be required for transport infrastructure if we are to move to high density. The document sets out time frames for when certain things have to be done. We have moved ahead to all of a sudden allowing 30-storey towers—they are coming out of the ground now—but there has been no action or activity around the transport strategy and, therefore, the infrastructure required to support the high-density developments. For me, that poses concerns.

I know you are going to complain about Mirrabooka and light rail, Madam Acting Speaker (Ms J.M. Freeman), but we will come back to that another time. You were looking at me funny!

My point is that if we are not careful, we are going to follow the exact same path that other congested, poorly planned cities have actually created. If we are creating higher density areas, they need to be well considered, well thought through and dynamic places for the broader community. There is an opportunity to do that. But in doing that, the infrastructure requirements within those areas must be integrated with their development. There is a gap. I look forward to finding out how that will apply during consideration in detail. I believe that if we are committed to going down this path, we must be committed to the associated infrastructure that needs to support it. I think that there has been a gap for some time. I am not laying blame on either side of the house, I believe that that has been a long-term issue for the city. We tend to find ourselves crisis planning infrastructure requirements on an ad hoc basis in hindsight.

**Mr D.A. Templeman:** What is your view of the area around the Canning Bridge in your electorate where the high level is coming?

**Mr D.C. NALDER:** I am happy to take the interjection.

**Mr D.A. Templeman:** I must declare an interest. My sister lives there!

**Mr D.C. NALDER:** It is a beautiful area to live in, but it is difficult to get to the train station. It is difficult to get to the primary intersection. East-bound buses must stop on Canning Highway itself and school kids sit on the edge of the highway. There is no Kiss 'n' Ride, drop-off area or bus station. Buses west-bound have a bus separation from the traffic, but people must walk across Canning Bridge through to the train station. It is not adequate. It is quite a long way. It lacks some fundamental things to support a high density area with access to major transport. There is a view that because there is a train station nearby that it should be considered, but because of where the river is and how that all traffic flows, it does not necessarily work well.

**Mr D.A. Templeman:** Your concern is with the higher density?

**Mr D.C. NALDER:** I am concerned about the height, but a commitment about what it would look like was made to the community and it is not meeting expectations. It is totally different. I am not so concerned about specific heights, but if greater density than the planned maximum density is being created, then there should be other offsets. What we are not seeing is consideration of additional green or open public space. There is very little public open space within that precinct. Although we have the river, there is not a lot of room there. There is a road, a cyclepath and then three or four feet before the water. When we create high density areas, we need to create more open public space. I have raised other issues recently with the Minister for Planning about the Canning Bridge precinct plan. Potential flaws will need to be addressed so we will not have to fix up a lot of infrastructure in hindsight in these precincts. I cannot speak for other precincts; I am looking at the specific issues in Mt Pleasant and Applecross.

If we create this body called Infrastructure Western Australia, how will it operate across multiple departments? That is what I am interested in. It is one thing assessing a specific infrastructure project, but we need to understand how the different policies and different departments will interact with each other as to whether it will work. I have observed that often the issues are not within an individual department; they occur when we try to look at things

**Extract from Hansard**

[ASSEMBLY — Thursday, 14 March 2019]

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Dr David Honey; Dr Mike Nahan; Mr Bill Marmion; Mr Dean Nalder

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across government. Planning of our city's growth is one of the major things that Parliament needs to consider because it is about the legacy we leave behind so that this continues to be the greatest city in the world in which to live, raise a family, and work and play. I believe we have that. I think we are blessed to live in Western Australia and Perth. The onus is on us to make sure we maintain that. But to do that, we have to make sure that the planning department looks at the higher density.

[Member's time extended.]

**Mr D.C. NALDER:** When we are looking at establishing higher density areas, the associated infrastructure must support it. We need to be considering requirements for primary schools, transport, water, sewerage or electricity, all those additional requirements, and a master plan needs to be sitting beside that. To ensure that it is done effectively we need to know what infrastructure is required at what point of growth. At the same time a decision needs to be made about whether we establish developer contributions as part of that process to help facilitate any infrastructure that is lacking in hindsight so that taxpayers and future ratepayers are not left to foot the bill. That is what I am talking about when I look at this bill and its creation of Infrastructure WA. I am not talking about whether a rail project, a road project or a bridge in isolation is the right or wrong thing to do. It is about being able to sit back and understand in globo how this city is growing, how these elements tie into each other and what needs to be done at what point in time and with what. That is one area in which this government has been lacking. Historically, we have not done as well as we could have. I want to make sure that in considering the establishment of this body, we do not allow it to become a bureaucratic process. We need to make sure processes are in place to deliver a better outcome for Western Australia.

On that note, I will wrap up. I am conscious that I have left the member for Central Wheatbelt only five minutes. I am sorry.

**Ms M.J. Davies** interjected.

**Mr D.C. NALDER:** The member is sorted? I look forward to understanding how the government will retrospectively use, take and give credibility and legitimacy to this body and substantiate projects that during my time as minister I found were very difficult to justify. I really look forward to seeing how the government tries to explain that if it does, or if it tries to avoid it. If it tries to avoid it, I am going to be highly critical. At the same time, it is about how this body will apply the focus of infrastructure across government to ensure that things are well coordinated, well planned and that we continue to have the best city in the world.

Debate adjourned, on motion by **Mr D.A. Templeman (Leader of the House)**.

*House adjourned at 4.57 pm*

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