

Division 41: Transport, \$84 233 000 —

Ms J.M. Freeman, Chair.

Ms R. Saffioti, Minister for Transport.

Mr R. Sellers, Director General.

Ms N. Lyhne, Managing Director, Transport Services.

Mr S. Beyer, Acting Managing Director, Policy, Planning and Investment.

Mr A. Kannis, Project Director, Metronet.

Mr R. Farrell, Principal Policy Adviser.

[Witnesses introduced.]

The CHAIR: I firstly acknowledge the traditional owners of this land on which we meet, the Noongar people, and their elders past and present.

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 only be examined 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 Friday, 29 September 2017. 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 North West Central.

Mr V.A. CATANIA: I refer to 599 of budget paper No 2 and the heading "Spending Changes". The third line item under "Election Commitments" is "Trial of Subsidised Perth–Derby Regular Public Transport Air Services". I also note, but I have not been able to find this in the budget papers, that the department has also gone out to tender for the Carnarvon–Monkey Mia and Mt Magnet–Meekatharra–Wiluna–Leinster–Leonora air transport routes. Given the Economics and Industry Standing Committee inquiry into regional airfares, how does this trial fit with the tender that has gone out for the Perth–Derby route and the Gascoyne and midwest routes? How does this fit with the committee's inquiry? Will the trial and tenders continue if the inquiry recommends otherwise? Is this not just jumping the gun?

Ms R. SAFFIOTI: As the member may be aware, at the time of the election we made a number of commitments. One commitment was to refer to a parliamentary committee the issue of the cost of air services. Another commitment was a \$1 million subsidy to trial the Perth–Derby route. Since the election, the committee has commenced and is undertaking its inquiry, and we look forward to the outcomes of that work. I must say it is doing a very, very good job. It has been consulting with the local communities. I understand it has received the most submissions of any committee in recent history. It is working through those submissions. We also made a commitment to a \$1 million subsidy and we will deliver on that. The time frame we are working towards is for that to be implemented in 2018–19.

Mr V.A. CATANIA: Why did the Department of Transport go out to tender for the Gascoyne and midwest routes after the inquiry had commenced? Is that not being presumptuous? What if the inquiry recommends something different from what is being put out there by the Department of Transport?

Ms R. SAFFIOTI: What was the line item?

Mr V.A. CATANIA: I could not find one. I am looking at the election commitment to hold an inquiry into the costs of those flights. There is a line item "Trial of Subsidised Perth–Derby Regular Public Transport Air Services".

Ms R. SAFFIOTI: I understand that the current air service is due to expire in the middle of next year, and we do not want to be in a situation of not having an air service, so we went forward with the request for tender. I will refer this to Steve to address some of the timing issues.

Mr S. Beyer: First, to differentiate, the parliamentary inquiry is dealing with the cost of airfares to regional WA; it is not delving into the matter of which routes are regulated and which are open for competition. They are two quite distinct matters. Regarding the Carnarvon–Monkey Mia–northern goldfields process, we have gone through tender periods every five years. We had a tender in 2011 that awarded a five-year contract to Skippers Aviation. We went back to the market for a five-year contract in 2015, and a decision was taken by the former government, given that Skippers was the only tenderer as part of that package, to provide only a temporary extension to that service. In the interests of both the operator and the community it is important we go back to the market and try to secure a longer-term arrangement rather than just short-term extensions.

Mr V.A. CATANIA: I understand the process that has led up to this and the extension given by the previous government. I would have thought that perhaps the Department of Transport would have extended the process to see what the outcomes of the inquiry would be.

The CHAIR: What is the question?

Mr V.A. CATANIA: I am getting to the question. Perhaps it would be prudent to wait until we get the outcomes, because the common rhetoric that comes out of the Department of Transport is that we are lucky that someone is flying there. I think in its hearings the committee has been able to debunk a lot of that, because there is always someone who will fly there, so I think that rhetoric is a myth. Why would the government not hold off and extend the current contract until the deliberations of the committee are handed down, to ensure we get the best possible parameters in the tender documents that reflect the committee's outcomes to try to reduce the cost of airfares? I would have thought that the Department of Transport would have extended the contract for perhaps another 12 months until the inquiry is finished.

Ms R. SAFFIOTI: The government has to govern, and that is what we are doing. I have already answered that question.

Mr V.A. CATANIA: No, the minister has not.

Ms R. SAFFIOTI: This is an opinion business and that is the member's opinion.

The CHAIR: I point out that we did say that questions and answers are to be short and to the point, and further questions are to be further questions. We have had three questions on the same thing, so I am going to move on.

Mrs L.M. HARVEY: I refer to page 559 and the heading "Spending Changes". The fourth line item under "Election Commitments" is "Local Projects Local Jobs". Would the minister please provide a breakdown of the projects that make up that allocation of \$2.3 million?

Ms R. SAFFIOTI: If the member puts a question on notice, we will be able to provide that information.

[2.10 pm]

Mrs L.M. HARVEY: Can the minister provide information on the projects for the 2016–17 year for which the money has already been expended?

Ms R. SAFFIOTI: I do not have that breakdown in front of me. I know that a couple of projects have been completed. I think I saw in the media a commitment to a footpath in Ballajura. It was a big issue that ran hot for a number of years. As I recall, it was to give people safe access to the Ballajura shops. I know it was raised, because we raised it with the former government. It was about trying to get some safe passage to the local shopping centre. I think the community really welcomed that project.

Mrs L.M. HARVEY: It is clear that the minister knows all about the job. I am asking for a list of the projects in the Local Projects, Local Jobs scheme. If she could provide it by way of supplementary information, we could save some time and move on.

Ms R. SAFFIOTI: I thought the member asked about 2016–17.

Mrs L.M. HARVEY: I did ask about 2016–17, but it appeared that the minister was not —

Ms R. SAFFIOTI: And I am telling the member about one of those projects that was delivered in 2016–17.

Mrs L.M. HARVEY: I asked for a list of the projects, not information about each individual one.

Ms R. SAFFIOTI: Okay. I ask the member to put that on notice.

Mrs L.M. HARVEY: So the minister does not want to provide it by way of supplementary information.

Ms R. SAFFIOTI: I wanted to talk about it, but the member cut me off.

The CHAIR: We will move on to the member for Belmont.

Ms C.M. ROWE: I refer to the line item for on-demand transport on page 600 of budget paper No 2. Will the minister outline what progress has been made on the reform of the taxi industry following the failure of the previous government to engage in any meaningful reform process?

Ms R. SAFFIOTI: Thank you very much.

Mr V.A. CATANIA: Surely we can have that conversation outside.

The CHAIR: This is the last day of the estimates hearings. There is a whole day to go. I can pull members up and waste time, but let us get on with it.

Ms R. SAFFIOTI: It is a very complex issue. Any market or industry reform is always a complex issue. Over the past couple of years, we have seen, essentially, the deregulation of the taxi industry. Of course, it affected a number of small business people and a number of taxi plate owners. I know that there are a number of taxi plate owners in, for example, the Belmont area. We made a commitment to review the industry and I asked Tony Buti, the member for Armadale, to conduct that review. In that process, he has consulted with a number of key participants in both the taxi industry and the on-demand industry. We have done a lot of consultation and we are now formulating our policy. Hopefully, we will be able to make announcements before Christmas about the future. It is about trying to get the right balance for the future of the taxi industry and the on-demand industry.

Mr V.A. CATANIA: I refer to the third dot point under the heading “Coastal Infrastructure” on page 605 of budget paper No 2, which refers to the provision of oceanographic, hydrographic, cartographic and geographic information. Is water quality—for example, oxygen content, hydrogen sulfide levels et cetera—wave direction and strength, and wind direction still being monitored at Jurien Bay marina?

Ms R. SAFFIOTI: The member asked specifically about water quality, wind strength and —

Mr V.A. CATANIA: Yes. Is the data still being collected at Jurien Bay marina?

Ms R. SAFFIOTI: I have been informed that yes, it is.

Mr V.A. CATANIA: What is the plan for improvement in water quality in the long term?

Ms R. SAFFIOTI: I refer to Nina Lyhne.

Ms N. Lyhne: At the moment, we are obviously monitoring the water quality and doing a number of studies of the area. Until we have finished that work, the long-term solution for Jurien Bay is unclear. I guess our experts need all the data before they can craft a final solution.

Mr V.A. CATANIA: What is the status of the Jurien Bay Boat Harbour steering committee, which has had no direction since the election?

Ms R. SAFFIOTI: I refer that to Nina Lyhne.

Ms N. Lyhne: We are consulting with the local community up there and involving a number of local people who have an interest. There is not really a formal steering committee currently.

Mr V.A. CATANIA: So there is no steering committee that was there prior to the election.

Ms R. SAFFIOTI: We will take that on notice and provide by way of supplementary information the status of the Jurien Bay coastal infrastructure steering committee.

[*Supplementary Information No B25.*]

Mrs L.M. HARVEY: I refer to page 158 of budget paper No 3. The line item for depreciation and maintenance expenditure goes from \$14.2 million in 2019–20 to \$37.3 million in 2020–21. Can the minister explain what the spending change in the depreciation and maintenance expenditure is linked to?

Ms R. SAFFIOTI: Is it in division 41? Can the member refer to the relevant page in the division?

Mrs L.M. HARVEY: I can refer to budget paper No 3.

The CHAIR: The member can refer to budget paper No 3. Can the member go through that again?

Mrs L.M. HARVEY: It is page 158 of budget paper No 3. At the base of the table under the heading “Other Spending”, the second line item is for depreciation and maintenance expenditure.

Ms R. SAFFIOTI: I have been informed that that is in the division on the Commissioner of Main Roads; it is not in this current division.

Mrs L.M. HARVEY: It is under Minister for Transport; Planning; Lands.

The CHAIR: No; it is actually under the Commissioner of Main Roads. Transport is at the top of the table and the Commissioner of Main Roads is next.

Mrs L.M. HARVEY: I will ask the question then.

Mr V.A. CATANIA: I refer to the table of election commitments outlined on page 599 of budget paper No 2. The fifth line item is for outer harbour planning. Given that the Westport scheme will direct the future of freight transport in Western Australia, will the review include regional ports?

Ms R. SAFFIOTI: As the member knows, we made a commitment to establish the outer harbour task force. Since that time, we have named it the Westport Taskforce and we announced it two weeks ago. The aim of the task force is to look at the freight challenge for Kwinana and Fremantle. We have also asked that it look at the future potential of Bunbury and how it interacts with Fremantle and Kwinana. That is part of what we are doing with the outer harbour. The member will also be aware that we are doing a post-amalgamation review of the Southern Ports Authority. That is being conducted by Hon Laurie Graham, a former CEO of the Geraldton port. We are looking at whether the outcomes of the amalgamation are being delivered.

On the outer harbour question, we are looking at Bunbury in particular and what role it can play in how we reconfigure our transport needs into the future. We are about to set up a stakeholder reference group for the Westport Taskforce, and that stakeholder reference group will talk to people who represent freight and logistics across the state—for example, the road transport industry and the Freight and Logistics Council of Western Australia. The chair of the task force, of course, is also undertaking a national freight and logistics strategy for the federal government. With all those relationships, we hope that the outer harbour task force can look at the entire freight transport challenge and, more particularly, at Bunbury.

[2.20 pm]

Mr V.A. CATANIA: Will the minister consult unions that have raised concern about the outer harbour, such as the Maritime Union of Australia and the Transport Workers' Union of Australia, which have raised concerns about logistically getting to the ports? Will the minister consult them, given that they oppose the outer harbour and say that Fremantle port has 25 years left —

The CHAIR: Member, you have asked the question.

Mr V.A. CATANIA: — and given that only 50 per cent is being used?

Ms R. SAFFIOTI: We are under no illusions that there are not a lot of different views out in the community. We are making sure that we have a stakeholder reference group that represents the entire community, including the unions, which play a key part in our freight and trade challenge. The unions will be part of the stakeholder reference group that we will establish and will be consulted through the process.

Mr V.A. CATANIA: Will the minister consult organisations such as the Pastoralists and Graziers Association and the Farmer's Federation to see what the best outcome is for live exports and perhaps to look at regional ports such as Geraldton playing a larger role in exports?

Ms R. SAFFIOTI: One of the reasons we have set up the task force, and, in particular, chosen the chair of the task force, is her knowledge of freight and logistics movements across the state. In everything we do, we attempt to leave no stone unturned to get an across-government outcome and look at things holistically, which means looking at all the different parts of the current trade through Fremantle to create better supply movements and efficiency for the state and to expand our economic opportunities, which will create further job opportunities. I think it is an exciting opportunity. It is a significant challenge but I think we have the structures right to deliver.

Mr V.A. CATANIA: Can the minister provide some indicative costs associated with the potential outer harbour move? Does the government have any rough estimates of the costs and how will it come up with funds?

Ms R. SAFFIOTI: Sure. That will be part of the work that the Westport Taskforce will be charged with. What is so exciting about this project is that it does not look at just the port. It will look at the road and rail infrastructure that leads to the port. It is incumbent on us to look at our trade opportunities for the next century with not only the port, but also road and rail. A lot of work needs to be done in the road costs and rail connections in particular. A lot of people are excited about the possibilities of intermodal transport both on the urban fringe and in close proximity to Kwinana and other routes. It is a big volume of work and there are a lot of opportunities. At a speaking engagement yesterday, I asked for a list of all the work that had been undertaken over the last 20 years on the new outer harbour. Hundreds of reports have been undertaken. First, it is an exercise of ascertaining what information is out there, where the information gaps are, and how we work with what we want in the future to get the model right.

Mr V.A. CATANIA: I accept that. I would love to have a brand-new airstrip in Carnarvon where I can land jets, but I know that that is not financially possible because we know what the costs would be. Surely the government

has some idea of the costs associated with moving from Fremantle to the outer harbour and the transport links. The government must have been working towards some sort of figure of how much it could potentially cost, whether it is \$5 billion, \$10 billion or \$20 billion. Does the minister have some sort of inkling of how much it could potentially cost?

Ms R. SAFFIOTI: No. That is why we are doing that plan.

Mrs J.M.C. STOJKOVSKI: I refer to page 600 of budget paper No 2, specifically the \$2.4 million allocated to improvement works at Two Rocks Marina. Can the minister explain the impact that this investment will have on safety and access to the marina?

Ms R. SAFFIOTI: I thank the member for that question. The Department of Transport assumed management of the Two Rocks Marina facility in November 2014 following a decision by the minister not to offer the lessee a new lease at the end of its 42-year term. As part of that agreement, the previous lessee returned some of the assets in a relatively poor condition. The Department of Transport assumed responsibility and inherited some assets that were not in the best of condition. A deed of settlement was agreed that resulted in the department obtaining \$6 million for those improvements. Since then, as part of the budget process, \$3.6 million in capital and \$2.4 million in recurrent spending has been allocated in 2017–18 to undertake urgent maintenance and operational requirements. I had the opportunity to go up there with the member for Butler, and the very big and strong Two Rocks community is very keen to see that marina better used and to engage more with the beach. A number of different projects are happening to facilitate that.

Mrs L.M. HARVEY: I refer to “2017–18 Tariffs, Fees and Charges” under “Other” in the table at the top of page 600 of the *Budget Statements*. The budget papers last year forecast reductions for 2017–18 of \$12.2 million and for 2018–19 of \$12.2 million. It seems to have turned around now with the budget estimate showing \$3.5 million in fees and charges in 2017–18 and \$1.7 million in 2018–19. Can the minister explain why that prediction has changed so significantly?

Ms R. SAFFIOTI: First of all, my reading of this is that marine safety revenue has increased. There are some transitional issues relating to the national model of marine safety; some funding issues have been through in relation to that. Revenue from driver and vehicle services has increase primarily due to an increase in fee revenue from the Insurance Commission of WA and the motor vehicle recording fee.

Mrs L.M. HARVEY: Is it possible for the minister to provide by supplementary information the table of the categories with the estimated fee predictions for the forward estimates for coastal infrastructure, driver and vehicle services, marine safety, and passenger services?

Ms R. SAFFIOTI: Yes. I can provide that table by way of supplementary information.

The CHAIR: Minister, can you outline what you understand you will provide.

Ms R. SAFFIOTI: I will provide a breakdown of the increase in fee revenue for coastal infrastructure, driver and vehicle services, and marine safety.

[*Supplementary Information No B26.*]

Mr Z.R.F. KIRKUP: I refer to the allocation of \$7.1 million to “On-demand Transport Business System Enhancement” under “Asset Investment Program” on page 607 of the *Budget Statements*. It states that the agency seeks to have —

... oversight of on-demand transport booking and dispatch services, vehicles, drivers and the ongoing education, enforcement and audit of all players in the safety chain of accountability

I am keen to understand what that oversight will look like.

[2.30 pm]

Ms R. SAFFIOTI: Of course, this is about the entire reform program. A key aspect of the reform program will be a changed regulatory structure, which we are working through. We will not be able to provide detail on that until we have the firm final announcement. A whole new regulatory system will be set up as part of that reform process. That will involve significant investment by the department in its information technology systems and will look at how we regulate the three components—that is, the drivers, the vehicles and the dispatch services.

Mr Z.R.F. KIRKUP: To clarify, does that mean that the agency will seek to access the on-demand service providers’ dispatch system data? Is that correct?

Ms R. SAFFIOTI: We are going through the reform process. In order to regulate, we need some level of information, and that is what we are working through now. The level of information that the Department of Transport can and will have access to is part of the considerations we are looking at at the moment.

Mr Z.R.F. KIRKUP: When we talk about on-demand transport, does that include charter buses, ferries and things like that, or are we just talking about individual motor vehicles?

Ms R. SAFFIOTI: We are looking at the motor vehicle industry and charters as well. It is basically any fee-for-service type product.

Mr Z.R.F. KIRKUP: I want to understand the breakdown over the out years. There is \$3.3 million in this financial year, then \$1.7 million and then \$2 million. Why does that allocation go down and then ascend to \$2 million across the out years? Why is it inconsistent? Is there a reason for that dip next year and the increase the year after?

Ms R. SAFFIOTI: It is the current expected funding profile. As part of the budget process, we had to try to secure funds to upgrade the administration and IT systems of the department to facilitate reform. There is still a bit of work to do on funding profiles, but at the time of printing the *Budget Statements*, these were the most accurate numbers we could present.

Mr Z.R.F. KIRKUP: As part of the answer, the minister indicated that there is an upgrade to the information technology infrastructure, I suppose. Yet the item above the page we are on now headed “Asset Investment Program” shows that \$22.5 million has also been spent on information and communications infrastructure. Why is there a breakout specifically on that ICT spend versus the ICT spend on on-demand transport and system enhancement?

Ms R. SAFFIOTI: We will just find the \$22 million that the member referred to. My reading of it is that the \$22 million is a program for ongoing maintenance of information and communications infrastructure. Why is it a breakout and why do we have specific funds for on-demand transport? That is because we asked for specific funds to reflect the specific program—that is, on-demand transport reform. That is how we did it.

Mr V.A. CATANIA: I refer to the details of controlled grants and subsidies on page 611 of the *Budget Statements* and the line item “Recreational Boat Facilities”, which is seven from the bottom of the table. I note there is a significant reduction in expenditure over the forward estimates. Can the minister outline the reason for this? The allocation goes from \$6 million in 2018–19 to \$1.5 million in 2019–20; it is a significant drop.

Ms R. SAFFIOTI: My reading of this is that the 2017–18 and 2018–19 budget allocations—anyone behind me can correct me if I am wrong—include the Broome election commitments. Is my reading correct? Yes. There is normally a program spend of \$1.5 million; that is the normal grant program.

Mr V.A. CATANIA: There was an average of just over \$4 million in the past.

Ms R. SAFFIOTI: The normal grants program runs, and I understand it has been running with the same funding for all the years.

Mr V.A. CATANIA: So, there is no change to the \$1.5 million for grants?

Ms R. SAFFIOTI: The \$1.5 million program runs normally. In the past and particularly in 2017–18 and 2018–19, the government—our government in particular—committed to some specific projects for Broome that will be funded through that allocation.

Mr V.A. CATANIA: If one looks at 2015–16, there is still a \$4 million drop in those years.

Ms R. SAFFIOTI: I understand that some specific projects have been allocated in the past; for example, the \$4 million would have funded other specific projects. By way of supplementary information, we can show the member some of the past specific projects. Would that satisfy the member?

Mr V.A. CATANIA: That is fine. I just want to know why there is a significant drop in funding and whether the government is going to run the same process, because \$1.5 million would not give us half a boat ramp in my patch; the funding does not spread very far.

Ms R. SAFFIOTI: I think there is a normal grants program, but specific projects might come along the way that will be built into this funding, too. That could potentially happen; there always seems to be a proposed marina or a jetty in trouble or something else happening.

Mr V.A. CATANIA: In 2017–18, \$7.355 million is allocated. In 2018–19, \$6 million is allocated. Could the minister give me a breakdown of the funds allocated to those specific projects, such as Broome, which the minister mentioned?

Ms R. SAFFIOTI: I can give the member that information now. Included in those figures is \$5.2 million allocated to the Entrance Point project in 2017–18, and \$4.5 million to the coastal protection wall at Town Beach boat launching facility in 2018–19.

Mrs L.M. HARVEY: At the time of the last budget, the round 21 grants for this Recreational Boating Facilities Scheme were in the process of being determined. Can the minister advise whether the round 21 grants were commenced and whether they have been completed?

Ms R. SAFFIOTI: Yes, I approved nine projects to share the \$1.5 million. That approval has been completed, but I would not be able to give the member the status of every project, because I think that is all subject to what occurs with local government. It was round 22 that I approved.

Mrs L.M. HARVEY: Is it possible by way of supplementary information to get the list of approvals for rounds 21 and 22?

Ms R. SAFFIOTI: I can commit to providing round 21 approvals, because they have all been finalised. I understand that we may still be in negotiations with some local governments, so I am unable to give the minister round 22 approvals, unfortunately. I will provide a list of the Recreational Boating Facilities Scheme grants that were funded as part of round 21.

[Supplementary Information No B27.]

[2.40 pm]

Mrs L.M. HARVEY: Is the minister also able to provide the dates on which the recreational boating facilities assessment panel has met over the past 12 months to determine grants?

Ms R. SAFFIOTI: We would have to provide that notice. I understand it may be hard to get that information together in the required time.

The CHAIR: The minister requests that the question be put on notice. Member for Scarborough, it is your question next.

Mrs L.M. HARVEY: Terrific. I refer to the road trauma trust account funding for enhanced speed enforcement administration costs on page 600 of budget paper No 2. The Department of Transport's administrative costs in processing speed infringement penalties show that last year, \$1.65 million was allocated for processing these infringements. However, there is a jump in the funding from \$1.65 million last year to \$2.41 million this year and \$2.5 million in 2018–19. Could the minister advise why so much more money is required for the next two years?

Ms R. SAFFIOTI: I understand that it reflects our election commitments of having the regional enforcement unit and putting a great emphasis on speeding enforcement penalties throughout regional Western Australia. I suspect that is the reason.

Mrs L.M. HARVEY: Last night the Minister for Police said it was because of an increase in infringement penalties but she could not account for \$584 000 in 2017–18 by either a predicted increase in infringement or in another program. She seemed to think there was some sort of program that the Department of Transport was running with Police. I am trying to work out why we have \$2.4 million next year and \$2.5 million in the following year. Is it due to an expected increase in the volume of penalties because of the expanded camera fleet or if an IT upgrade occurs between the Department of Transport and Police? What else might it be?

Ms R. SAFFIOTI: I am not sure what the Minister for Police said last night and I am not sure what the question is.

Mrs L.M. HARVEY: That is what I am trying to determine. Why has there been such a jump from \$1.65 million last year for processing and administration charges and this year it is \$2.41 million and next year it is \$2.5 million? It is either an expected increase in infringements or something else is being funded as part of the administration costs. Estimates is about trying to determine what that is.

Ms R. SAFFIOTI: My understanding is that the department's role in the enhanced speed enforcement initiative includes the daily collection, counting and distribution of speed and red-light cameras and certain on-the-spot speed infringements; daily and ongoing management of sanction and demerit point data; maintaining the status of a person's eligibility to hold or to be granted a driver's licence or learner's permit; and a fines collection network, together with administrative support to account for and distribute amounts collected; provide an accurate status of a person's eligibility to hold or obtain a driver's licence or learner's permit; an accurate and reliable driver's licence and learner's permit status maintained and recorded to assist WA Police; and on-road traffic law enforcement. That is what I understand the functions are there to fund.

Mrs L.M. HARVEY: Can the minister not explain why such a difference is anticipated?

Ms R. SAFFIOTI: As I said, I understand it reflects more activity and our commitment to having a greater focus on speed and red-light camera enforcement.

Mrs L.M. HARVEY: Is it possible to get a prediction of the number of infringements expected to be processed through this administration expense?

Ms R. SAFFIOTI: I am not sure whether we can get a prediction.

Mr L.M. HARVEY: There is an allocation; so there is a prediction linked to it.

Ms R. SAFFIOTI: Is there a prediction? I do not think we work on predictions.

Mr Z.R.F. KIRKUP: The forward estimates.

Mr V.A. CATANIA: It must be forecast.

Ms R. SAFFIOTI: Does the member mean an estimate?

Mr L.M. HARVEY: I am sorry, but for the forward estimates, last year \$1.65 million was allocated for the processing of these fines and infringements. Next year, \$2.4 million is allocated. The expectation is that an estimate is linked to an expected turnover of some sort.

Ms R. SAFFIOTI: Does the member want an estimate for 2017–18?

Mrs L.M. HARVEY: If possible.

Ms R. SAFFIOTI: Okay.

Mrs L.M. HARVEY: If I could just get what the estimated —

Ms R. SAFFIOTI: I will get an estimate by way of supplementary information —

The CHAIR: Can the minister clarify what she is giving to the member for Scarborough?

Ms R. SAFFIOTI: It is an estimate of the level of activity in this unit for 2017–18.

Mrs L.M. HARVEY: Can the minister also provide figures for 2018–19, because there is an estimate in there as well?

Ms R. SAFFIOTI: And 2018–19.

[*Supplementary Information No B28.*]

Mr D.R. MICHAEL: I refer to the Fremantle container rail service subsidy increase on page 599 of budget paper No 2. There is obviously an increase from previous years and into the forward estimates. What effect will the subsidy have on improving the competitiveness of moving containers by rail and reducing congestion on port-linked roads?

Ms R. SAFFIOTI: Again, this was one of our election commitments and, of course, it is part of our package to deliver our election commitments to boost jobs and reduce congestion in the area.

Mr V.A. CATANIA: That is completely not true; there is a whole range of —

The CHAIR: Member!

Ms R. SAFFIOTI: We are looking at increasing the subsidy to get freight on rail. We were running at approximately 14.5 per cent of freight on rail in the budget and the target is to reach 20 per cent of freight on rail. We are working with and through the Freight and Logistics Council Western Australia. We are also talking to the intermodal operators and industry to see how we can make sure we get more freight on rail. Increasing the subsidy is part of that. There is no silver bullet but we are really keen to see how we can increase the amount of freight on rail. This is part of the overall package to reduce congestion in that area.

Mr Z.R.F. KIRKUP: I refer to the election commitments for transport on page 160 of budget paper No 3. The Western Australian bicycle network grants program is allocated \$4.6 million under the state road funds. Can the minister provide a breakdown by council as to where these funds will be spent?

Ms R. SAFFIOTI: I do not think we would have that information because it will be part of the discussions we are having on a range of issues with local governments. I do not think that breakdown will be there yet.

Mr V.A. CATANIA: I refer to the regional airport development scheme on page 611 of budget paper No 2. A common theme is developing with this government reducing funds for regional Western Australia. There is a significant reduction in expenditure over the forward estimates. Can the minister outline the reason for this?

Ms R. SAFFIOTI: Again, what I think skews these figures a little—as in, what may skew the member's interpretation of these figures—is that a number of one-off projects are going through this grant program. There is the normal grant program and then there is funding for specific projects. For example, there was some funding for Busselton–Margaret River Regional Airport in these numbers and we have, of course, allocated some funds to Geraldton Airport to upgrade the runway pavement. Again —

[2.50 pm]

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 21 September 2017]

p494b-506a

Mr Vincent Catania; Ms Rita Saffioti; Mrs Jessica Stojkovski; Mrs Liza Harvey; Mr Zak Kirkup; Mr David Michael

Mr V.A. CATANIA: Sorry, through the Chair. While the minister is answering that, there is another line item on page 600, “Geraldton Airport Runway Pavement Renewal”. Is that what the minister is referring to? It shows \$4.9 million and \$1.6 million. Are those the same funds?

Ms R. SAFFIOTI: Page 600?

Mr V.A. CATANIA: Page 600, the table headed “Other”. I am just wondering if they are the same.

Ms R. SAFFIOTI: Correct me if I am wrong, but my understanding is that that table shows total expenditure, whereas this table shows grants and subsidies, so this would include those specific projects for Geraldton.

Mr V.A. CATANIA: Okay. Further to that question, I am glad the minister brought that up. My understanding is that Geraldton wants to be able to have international capacity. There was a commitment made by the former Liberal–National government before the election for the state to put in \$10 million. Has the minister had any discussions with the federal government? I think the federal government has refused to put money into the project, but the City of Geraldton is willing to put money into the upgrade. Has the minister had discussions with the federal government on this issue?

Ms R. SAFFIOTI: I visited Geraldton about a month ago in relation to this issue and met with the City of Geraldton. Prior to that, I think the City of Geraldton had expected some funds through the federal government program. I think the total cost of the program it wanted was, off the top of my head, between \$10 million and \$13 million. That was one proposal. We had expected or were hoping for some support from the federal government on this and we left no stone unturned. We approached the federal government and sent a letter of support for the City of Geraldton project. Unfortunately —

Mr V.A. CATANIA: As the minister?

Ms R. SAFFIOTI: Yes. Unfortunately, there seemed to be a lot of projects that missed out on that federal government funding round, as I recall; there was also one in Albany. As a result, we have committed to following up with the federal government on this, but to be honest it was something that the City of Geraldton welcomed. We made the commitment and, given the tough budgetary circumstances, getting that commitment—which was not a specific election commitment from us—was tough, but I was very happy to secure the funding to make sure the runway could continue to operate in a safe way.

Mr V.A. CATANIA: My understanding is that the City of Geraldton is still willing to commit and put money on the table. Will the government match the funding that the City of Geraldton is prepared to put on the table to upgrade Geraldton Airport?

Ms R. SAFFIOTI: I think the federal government has a role to play. As I said, we secured funds in a very tough budgetary situation. I note that those funds had not been secured over the previous eight and a half years. We were able to secure funds. I know the City of Geraldton is very keen to develop a bigger proposal, and if the federal government were to come on board, it would be very welcome.

Mrs L.M. HARVEY: I refer to the \$10 million allocation for the Busselton airport upgrade, which has been pushed out to the —

Ms R. SAFFIOTI: Sorry, what line item and what page?

Mrs L.M. HARVEY: This is on the same item. I am assuming that the \$10 million allocated for the Busselton airport upgrade is sitting there in the 2017–18 allocation of \$17.2 million. Can the minister advise whether planning has commenced for that, and when construction is expected to start?

Ms R. SAFFIOTI: I thank the member. I have visited the site and there are two components. I understand there is the landside and the airport terminal itself—two key parts. The landside project—the runway and all those components—is well underway; I think the tarmac and the runway is nearly finished, from where I saw it. Of course, there is also the actual building itself and all the associated landscaping, driveways and roads. So, yes, that funding has been pushed out to reflect the construction timetable. As for the project, as I said, the landside—the runway—is, as I saw it, well underway.

Mrs L.M. HARVEY: Further to that, for the 2017–18 and 2018–19 estimates, could the minister please provide by way of supplementary information the list of projects that have been funded?

Ms R. SAFFIOTI: Is that for 2017–18 and 2018–19?

Mrs L.M. HARVEY: For example, there was a list provided in the last budget. Exmouth had animal exclusion fencing and Leonora had some repairs to the runway. Is it possible for the minister to provide the list of regional airport upgrades that have been catered for across those two out years?

Ms R. SAFFIOTI: I would have to check whether they have actually been allocated yet. I suspect that 2018–19 would not have been allocated because that is next year. They are annual grants processes. So, by way of supplementary information, where there has been a firm commitment and it has been allocated, we will provide that information for 2017–18.

The CHAIR: Minister, can you just outline again, for the purposes of *Hansard*, what you understand you are providing?

Ms R. SAFFIOTI: The announcements so far for allocations from this program for 2017–18.

[*Supplementary Information No B29.*]

Mrs L.M. HARVEY: It is my understanding that because airports and these sorts of projects take some time to come together and generally there is local government involvement, there are usually allocations over two years. Did the minister say she would provide information for 2018–19 as well?

Ms R. SAFFIOTI: No.

Mrs L.M. HARVEY: Why would the minister not provide that information if there has been money allocated from the regional airports development scheme?

Ms R. SAFFIOTI: I will provide the list of announcements in relation to allocations for the 2017–18 program.

Mr V.A. CATANIA: Further to that, I understand what the minister is saying, but for 2017–18 it goes from \$17.185 million down to \$3.904 million, and then it is consistent—\$1.937 million and \$1.935 million. Clearly, for 2018–19, the government has already earmarked projects, given the fact that that dollar figure is much higher than 2019–20 and 2020–21. Surely there is something that the government has earmarked in 2018–19 that the minister can perhaps provide supplementary information on.

Ms R. SAFFIOTI: In relation to 2018–19, it is the Geraldton funding.

Mrs L.M. HARVEY: I think the minister has made it clear she is not prepared to give us the allocations, just the announcements.

The CHAIR: Member, the questions are to the minister. Your commentary is not necessary. Member for Scarborough, you have the next question.

Mrs L.M. HARVEY: Terrific. I refer to page 158, budget paper No 3 and the major spending changes heading. Our expectation was to see an allocation of \$30 million over three years to tier grain lines. Premier McGowan made a commitment. There is no indication in the forward estimates of the \$30 million allocated to this. Is that in another line item for planning?

Ms R. SAFFIOTI: Sorry, which line item is the member referring to?

Mrs L.M. HARVEY: I am referring to the major spending changes since the *2016–17 Pre-election Financial Projections Statement*. There was a commitment made during the campaign for \$30 million over three years to tier grain lines.

Ms R. SAFFIOTI: Where is that commitment?

Mrs L.M. HARVEY: I do not see it there.

Ms R. SAFFIOTI: What is the member reading? Where was the commitment made?

Mrs L.M. HARVEY: Premier Mark McGowan made an election promise to allocate \$30 million over three years to tier grain lines.

Ms R. SAFFIOTI: When was that?

Mrs L.M. HARVEY: It was made during the campaign, but it is not in the budget. I am just wondering if there is planning money allocated to that somewhere else?

Ms R. SAFFIOTI: Sorry, what is the member referring to as an election commitment?

Mrs L.M. HARVEY: I refer to an allocation of \$30 million over three years to tier grain lines.

Ms R. SAFFIOTI: I know what the member said, but what page, what document, and what is she referring to?

[3.00 pm]

Mrs L.M. HARVEY: I am saying that the election commitment is not here, unless it is sitting under a different heading.

Ms R. SAFFIOTI: I know what the member is saying.

Mrs L.M. HARVEY: I am wondering whether there is planning money somewhere else to achieve that commitment.

Ms R. SAFFIOTI: The member is quoting an election commitment. I am just asking for the source of that commitment.

Mrs L.M. HARVEY: It was a media release.

The CHAIR: Member, you do need to identify the relevant section of the budget.

Mrs L.M. HARVEY: I think it is pretty clear that it is not there.

Ms R. SAFFIOTI: Can the member quote exactly the media statement to which she refers?

Mr V.A. CATANIA: It was before the election.

Ms R. SAFFIOTI: Yes, but what is it? What date?

Mrs L.M. HARVEY: It is a commitment made by Premier McGowan. I will provide it to Hansard when I get the full copy of it. I have a quotation from it.

The CHAIR: Minister, it is not actually your role to ask questions.

Ms R. SAFFIOTI: But the member was quoting a document. I was trying to endeavour to answer her question, even though it was not related to a specific line item. I need to know what the reference is.

Mrs L.M. HARVEY: I was quoting a commitment made by Mark McGowan during the campaign.

Ms R. SAFFIOTI: And I need to know where and when.

Mrs L.M. HARVEY: I am trying to get the actual date of the commitment and I will provide that to Hansard.

Mr V.A. CATANIA: So no commitment was made to three-tier rail by this government?

Ms R. SAFFIOTI: I am just asking for the reference.

Mr V.A. CATANIA: I am just asking the question.

Ms R. SAFFIOTI: And I am asking for a reference.

The CHAIR: There is no follow-up question because there is actually no question.

Mrs L.M. HARVEY: I will have to get this source document and provide it to Hansard.

The CHAIR: Thank you. I give the call to the member for Dawesville.

Mr Z.R.F. KIRKUP: Page 599 refers to election commitments under “Spending Changes”. It appears that circa \$48.2 million is being spent in various allocations to invest in the bicycle network across Western Australia. Given that the minister’s own agency recognises that there has been a significant decline in bicycle use across Perth and Western Australia, how is the nearly \$50 million expected to boost participation in the bicycle network?

Ms R. SAFFIOTI: One of the issues that was highlighted by the Auditor General’s report when he assessed the principal shared path network in, I think, 2016—it could have been earlier—was the investment in the network and the aim to try to reduce those gaps. The feedback we get a lot, particularly from people in the northern suburbs in relation to the PSP heading north, is that there are significant gaps which create significant problems in relation to congestion on the paths and also further access. Other issues have been raised with me by the cycle industry groups—I will not call them lobby groups—relating to North Fremantle, for example, and I know that there are also issues around connectivity in Midland. The big push, and one of the reasons we made the commitment in opposition and why I am glad that we have been able to secure the funding, even though it is a tight budget process, was to try to identify and remove those gaps. That is what we have endeavoured to do as part of our commitment. That, together with some other significant programs that are being rolled out across other Main Roads projects across the suburbs, is all about trying to encourage greater usage and getting more people riding to work and to key destinations. Every time we can get someone on a bike, we are really saving a lot in congestion because they are not in a car on a road. It is not rocket science: we just want more people to be able to cycle and cycle safely.

Mr Z.R.F. KIRKUP: Just to reiterate, how is fixing those gaps expected to increase participation?

Ms R. SAFFIOTI: Because it is less congested and safer. I find that when we make things less congested and safer, people will undertake that activity. I will admit that I am not a big cyclist —

Mr V.A. CATANIA: No!

Ms R. SAFFIOTI: Can you believe that? I need to get into it more, but my children do cycle—very short distances. The feedback I get from cycling enthusiasts is that when you reduce congestion on the paths and increase safety, more people will cycle.

Mr Z.R.F. KIRKUP: Just to clarify, is that based on any advice given to you by your agency or just these groups?

Ms R. SAFFIOTI: My understanding is that the Department of Transport has a lot of very strong policy people in the cycling field. I meet them and they are very passionate about cycling, as we want our policy advisers in the department to be. They put forward some suggestions to me; in particular, in delivering our election commitment, what is the key policy priority that the department has been working on and pushing for many years and also what the cycling community is pushing. Based on advice to the department, it put forward an option to reduce the gaps, identifying the key areas of concern, and that is what we have done.

Mr Z.R.F. KIRKUP: Is the minister confident then that if she spends this nearly \$50 million and invests in those cycle paths, participation will go up?

Ms R. SAFFIOTI: I am confident that it will make it safer and that more people will want to use them, yes.

Mr V.A. CATANIA: Page 608 refers to the driver and vehicle services reform program. I do not know whether I am on the right path here—I cannot find it anywhere else. As the minister would be aware, particularly in regional WA and in community resource centres such as in Meekatharra, Transport has been utilising those community resource centres to provide services such as licensing and other functions. Given that community resources funding is to be cut and many will close, will any Transport services in any of those community resource centres go under this government?

Ms R. SAFFIOTI: Can I ask you to repeat the last part of that question?

Mr V.A. CATANIA: Given that funding has been cut to the CRCs and many will close, for those that do have the Transport services, what will the government do in those towns? Meekatharra, for example, is a long way from Geraldton and trying to do licensing and what have you will be very difficult. Do you have any plans for vehicle registration and licensing that is able to be done through community resource centres at the moment?

Ms R. SAFFIOTI: I think we are engaging with the Department of Regional Development and that will make sure that as part of the review of the CRCs we feed those issues into that review.

Mr V.A. CATANIA: So a review is being done of the CRCs but the funding has been cut in the budget, so we will see automatic closures of the community resource centres. Does the minister have any specific plans to be able to deliver driver and vehicle licensing services that are currently performed in the community resource centres?

Ms R. SAFFIOTI: As I said, we are feeding into the Department of Regional Development. I have no further information to add at this time. I take the member's concerns on board and I will make sure that we feed those into that review.

Mr V.A. CATANIA: I appreciate that, but will the minister commit to the Transport services being delivered throughout regional WA as they currently exist?

Ms R. SAFFIOTI: As I said, we will feed that back into the review and I am sure that we will continue to provide services in regional WA.

Ms C.M. ROWE: I refer to “Transforming Bunbury’s Waterfront” on page 607. Will the minister provide an update of the progress of the waterfront and when construction is due to commence?

Ms R. SAFFIOTI: I thank the member for that question. I have had the opportunity to visit Bunbury a couple of times since the election to see the significant work. I acknowledge that a lot of work has been undertaken as part of stages 1 and 2 of the waterfront initiative. They include upgrades to the Jetty Road causeway and other works that are being undertaken as part of the project. Koombana Bay and the waterfront project are part of a very exciting tourism precinct. I had the opportunity to stay at a Discovery Parks caravan park with my children earlier this year. It was a very good experience. The whole area is great for families and it is great for tourism. Part of the ongoing work is what we do with the waterfront. We are working with the Bunbury Port Authority. There are a number of elements to it and a lot of agencies have been involved, including the port authority, the South West Development Commission and LandCorp, which are all working on associated projects. We are pulling them altogether so that we have a business case for the entire development with all the agencies working under the one governance. This project is exciting for the future of Bunbury and, again, it has created a lot of local jobs and a massive tourism precinct. It is on its way because, as I said, there is a caravan park and land adjacent to the caravan park and the entire waterfront further development. It will be a very exciting place to visit.

[3.10 pm]

Mrs L.M. HARVEY: What are the plans for the Iluka Resources plant and the Hexion methanol storage facility at Bunbury port?

Ms R. SAFFIOTI: We are engaging with the two key users to work out a plan going forward. We are very keen to work with them to negotiate and secure their future. Those negotiations are underway.

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 21 September 2017]

p494b-506a

Mr Vincent Catania; Ms Rita Saffioti; Mrs Jessica Stojkovski; Mrs Liza Harvey; Mr Zak Kirkup; Mr David Michael

Mrs L.M. HARVEY: I believe that Hexion's lease is due to expire next year. Moving a methanol storage facility is obviously a pretty big project and will probably cost in the vicinity of \$15 million. In what time frame is the facility expected to be moved?

Ms R. SAFFIOTI: I have been advised that this is a discussion we can have under the Southern Port Authority division because it relates specially to the operations of that body. More generally, these are all the components that we are putting into the business case. LandCorp, for example, is involved. Like all things in government, there is no simple solution but everyone in Bunbury wants to go on the waterfront. There are a number of key elements and that is why we are pulling together all the key players, including industry users, the ports, LandCorp, the South West Development Commission and the City of Bunbury. Having had discussions with the City of Bunbury, it is very keen to be a part of the overall process to ensure that we keep jobs in Bunbury and grow jobs in Bunbury and that is what we are keen to do.

The appropriation was recommended.