

Division 34: Commissioner of Main Roads, \$916 401 000 —

Ms L.L. Baker, Chairman.

Mr W.R. Marmion, Parliamentary Secretary representing the Minister for Transport.

Mr M. Henneveld, Commissioner.

Mr M.G. Cosson, Manager, Project Programming.

Mr P. Ladner, Executive Director, Infrastructure Delivery.

Mr J.F. Marmion, Executive Director, Regional Services.

Mr R. Phillips, Manager, Budget and Program Management.

Mr D. Snook, Executive Director, Road Network Services.

Mr J.A. Taya, Executive Director, Organisational Development.

Mr P. Woronzow, Executive Director, Finance and Commercial Services.

Mr E. Curry, Chief of Staff, Office of the Minister for Transport.

[Witnesses introduced.]

The CHAIRMAN: I call the member for Armadale.

Ms A.J.G. MacTIERNAN: I know the commissioner is always under attack from the evil forces of Treasury; however, I refer to page 419 and I am looking at the capital appropriation that has been made. The actual for 2007-08 is \$342 million and the actual for 2008-09 is \$355 million. Then we see that figure go down to \$277 million in 2009-10 and trailing off to a mere \$31 million in 2012-13. Can the parliamentary secretary explain those very, very substantial cuts in capital appropriations?

Mr W.R. MARMION: I will let the commissioner elaborate in a bit more detail in a moment. These figures are skewed a bit by the new Perth-Bunbury highway project. That has actually enlarged the figures in the past few years. If we take that out, it actually shows a real increase in funding. I have got a graph that I can show the member. The graph shows a drop-off. The red bit is the new Perth-Bunbury highway.

Ms A.J.G. MacTIERNAN: What line item is that? What is that a graph of? Clearly it is not the capital appropriation, is it?

Mr W.R. MARMION: I think it is.

Ms A.J.G. MacTIERNAN: It could not be, because the graph would be going down—like that.

Mr W.R. MARMION: It is the total appropriations.

Ms A.J.G. MacTIERNAN: That includes the commonwealth funding, does it not?

Mr W.R. MARMION: Yes, it does.

Ms A.J.G. MacTIERNAN: I am not particularly interested in what the commonwealth is giving the government.

Mr W.R. MARMION: No; this is state—fully state appropriations.

Ms A.J.G. MacTIERNAN: Could the parliamentary secretary explain then what the capital appropriation figure means? It looks like it is dropping; it is going down. It has been “decimated” would be the word.

Mr W.R. MARMION: I thought I explained that but perhaps —

Ms A.J.G. MacTIERNAN: That graph does not reflect that. The parliamentary secretary is an engineer; he would be able to see that going from \$342 million to \$355 million down to \$31 million is not going to look anything like that. Can the parliamentary secretary explain to us what “capital appropriation” is here?

Mr W.R. MARMION: I ask Mr Phillips to answer.

Mr R. Phillips: I suppose to get a correct interpretation, the capital appropriation consists of two lines. If we look at 2008-09, we find \$355.889 million and \$112.487 million. That is the total capital appropriation for 2008-09. The member is correct in the sense that if we translate that to 2012-13, it is \$31.363 million and \$69.968 million. It does show, purely as capital, that there is a drop-off of state funding.

Ms A.J.G. MacTIERNAN: It is not a drop-off. That is sort of like plummeting over the cliff, is it not?

Mr R. Phillips: Yes; but one of the things that the member would be aware of —

The CHAIRMAN: Excuse me. Member for Armadale, you cannot ask direct questions except to the parliamentary secretary.

Ms A.J.G. MacTIERNAN: I was directing that question to the parliamentary secretary.

The CHAIRMAN: Sorry. I could not tell. You were looking down.

Mr W.R. MARMION: I think it was an interjection, Madam Chair.

Mr R. Phillips: There has been a drop-off in funding. However, over the past two years in particular, a considerable amount of funding has been allocated to the new Perth-Bunbury highway. Funding for that program, other than about \$22 million, finishes at 30 June 2009. Therefore, the drop-off is overemphasised because of the impact that the funding for the new Perth-Bunbury highway has had on the appropriations over the past couple of years.

Ms A.J.G. MacTIERNAN: I could understand it if it were a 10 per cent drop-off, but this is a drop-off from \$335 million to \$31 million.

Mr W.R. MARMION: It is evident.

Ms A.J.G. MacTIERNAN: It is evident. Can the parliamentary secretary tell us what the capital appropriation budget was in 2006-07?

Mr W.R. MARMION: Mr Phillips might be able to provide that information.

Mr R. Phillips: That information can be provided but I do not have it here at present.

Ms A.J.G. MacTIERNAN: The amount of capital that the state has provided has dropped dramatically. Where can we find the commonwealth funding in the budget?

Mr R. Phillips: The commonwealth capital funding is included in the asset investment program on page 430. A line item shows the commonwealth grants as a funding source of the asset investment program. The member will notice that in 2009-10, the commonwealth allocation is \$197.842 million and the amount slowly increases over the forward estimates.

Ms A.J.G. MacTIERNAN: Basically, the commonwealth contributions are accelerating but there is a very considerable drop-off in state funding. Can we draw the conclusion that the commonwealth is taking on a greater percentage of the funding for the state's roadworks?

Mr W.R. MARMION: It appears to me that that would be the answer, member for Armadale, but I will ask Mr Phillips to comment.

Mr R. Phillips: The memorandum of understanding that the states signed off on with the federal government covers the Nation Building program, which replaces the former AusLink 1 program, and applies from 2009-10 to 2014. That agreement funds a lot of projects that are jointly funded. The commonwealth's contribution to that program totals about \$1.841 billion and requires a state contribution of about \$783 million for those projects. A number of those projects that are being funded in the urban areas are generally a 50-50 contribution between the state and commonwealth governments, and in rural areas the commonwealth contributes 80 per cent and the state contributes 20 per cent. That is part of the reason why the state contribution is dropping away, but the total funding over the next couple of years will remain reasonably steady.

Ms A.J.G. MacTIERNAN: That is just for the national highway-type projects.

Mr R. Phillips: It is for access to ports. We have a \$200 million project at Port Hedland over the next five years.

Ms A.J.G. MacTIERNAN: I know it well. This reduction in road spending is absolutely unbelievable and would be completely unsustainable if the state government was not being propped up by the commonwealth government.

Mr C.J. TALLENTIRE: Page 419 shows that the Western Australian community crime prevention program antihoon initiatives have been allocated \$500 000. Does that program include mobile speed humps, and how does the Commissioner of Main Roads go about determining which projects are funded?

[9.00 pm]

Mr W.R. MARMION: I thank the member for the question. Yes, I understand that it includes mobile speed humps. However, I will ask Mr Snook to elaborate a bit more on that program.

[Mr M.W. Sutherland took the chair.]

Mr D. Snook: The program involves speed humps. They are what we call speed cushions. Whereas a speed hump is a full-width raised surface across the road, these speed cushions do not cover the full width of the lane.

They allow a truck or bus to pass over them without going over the bump. However, an ordinary car has to go over the bump, and that causes it to slow down.

The appropriation was recommended.