

Chairman; Ms Alannah MacTiernan; Mr Bill Marmion; Mr Chris Tallentire; Mr Tony O'Gorman; Mr Joe Francis; Mr Peter Abetz; Dr Mike Nahan; Mr Paul Miles; Mr Ian Blayney

Division 33: Transport, \$96 161 000 —

Mr V.A. Catania, Chairman.

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

Mr M. Henneveld, Acting Director General.

Mr M. D'souza, Executive Director, Strategic Corporate Support.

Mr E. Lumsden, Director General, Department for Planning and Infrastructure.

Mr J. Fischer, Executive Director, Transport Industry.

Mr D. Harrod, General Manager, Marine Safety.

Mr A. Jamieson, Assistant Director, General Operations.

Mr P. Ryan, General Manager, Passenger Services.

Mr A. Bryant, General Manager, Licensing.

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

Mr D. Callachor, Principal Policy Adviser.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be published by 9.00 am tomorrow.

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. This is the prime focus of the committee. Although there is scope for members to examine many matters, questions need to be clearly related to a page number, item, program, or amount within the volumes. For example, members are free to pursue performance indicators that are included in the budget statements while there remains a clear link between the questions and the estimates. It is the intention of the Chairman 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 parliamentary secretary may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the parliamentary secretary to clearly indicate to the committee which supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the Committee Clerk by Friday, 5 June 2009, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers, and accordingly I ask the parliamentary secretary to cooperate with those requirements.

I caution members that if the parliamentary secretary asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information that the parliamentary secretary agrees to provide will be sought by Friday, 5 June 2009. It will also greatly assist Hansard if, when referring to the program statements volumes or the consolidated account estimates, members give the page number, item, program and amount in preface to their question.

I now ask the parliamentary secretary to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: Member for Armadale.

Ms A.J.G. MacTIERNAN: I refer the parliamentary secretary to references about the Perth parking levy on pages 407 and 415. One refers to the fee and the other to expenditure. I understand that there has been an increase in the Perth parking levy of something in the order of \$16.4 million per annum, as set out on the bottom of page 407. However, when we look at page 415, we cannot see on what this additional money will be spent. Obviously, we are very mindful of the fact that a piece of legislation governs this, but we want to know whether the parliamentary secretary can explain what the extra \$16.5 million will be spent on. What will be the total amount raised by the Perth parking levy this year, in the coming year and in the year after that, and what will that money be spent on?

Mr W.R. MARMION: I thank the member for Armadale for the question. I will make some preliminary comments on this before a more detailed answer is provided, perhaps by Mr Lumsden. That fund was set up for

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CAT services and free public transport. I understand that seven new CAT buses will be funded from that increase in fees.

Ms A.J.G. MacTIERNAN: To explore that: will these be additional buses or will they be replacement buses?

Mr W.R. MARMION: I understand that they will be an additional seven buses.

Ms A.J.G. MacTIERNAN: Could we perhaps have some descriptions? I point out that although the legislation requires the minister of the day to engage in dialogue with the Perth City Council on this matter, there has been absolutely zero discussion. What will these buses cost and when will they be purchased?

Mr W.R. MARMION: That is good question and I do not know those details. Perhaps I can ask Mr D'souza to answer that question.

Mr M. D'souza: The Perth parking levy is estimated to be \$16.4 million per annum. The calculation includes one additional dollar for every 365 days for 40 000 bays. I will answer the member's question about where the money is allocated in the *Budget Statements*. At this stage, no expenditure is allocated in the budget papers because that \$16.4 million allocation program is being worked out as we speak: how many CAT buses, what will they cost, what will be the additional expenditure? However, we do not have, as we did not have when the budget papers were prepared, a fixed additional expenditure approval. We are working through the plans.

Ms A.J.G. MacTIERNAN: But is this not putting the cart before the horse? Surely the department works out what is needed and then establishes a levy to cover what is needed?

Mr W.R. MARMION: I refer the question to Mr D'souza.

Mr M. D'souza: The expenditure limit in the budget estimates simply means that we have not been able to say exactly what is required. Although the estimates figure of \$16.4 million has been calculated, the money cannot be allocated without consulting with the respective agencies.

Ms A.J.G. MacTIERNAN: I am struggling to understand. Why would the department put that fee up unless it had a concise plan that it needed to fund?

Mr M. D'souza: As I have said, the department has worked out the cost but has not yet received formal approval of the expenditure because, as per the legislation, it has to be spent only on the CAT and FTZ. The approximate expenditure program has been allocated but not been formally signed off.

Mr W.R. MARMION: As Mr D'souza said, more planning needs to be done. Initially—albeit it may eventually be more—seven buses are scheduled to come on stream, but that expenditure item will fund further buses and transport initiatives that obviously have not been detailed at this stage.

Ms A.J.G. MacTIERNAN: I have two further questions on this topic. Firstly, can we have by way of supplementary information what it is that the department tentatively proposes to spend this money on? Also, money has been added into the budget on the income side, but the parliamentary secretary is saying there has been no expenditure.

[7.10 pm]

Mr M. D'souza: Yes.

Ms A.J.G. MacTIERNAN: There is therefore \$16 million of a cash injection in the budget but it is not balanced with any expenditure item. There will then have to be another \$16 million spent that is not actually in this budget; is that right?

The CHAIRMAN: Will the parliamentary secretary provide supplementary information on that question?

Mr W.R. MARMION: No, we will endeavour to answer it. I will let Mr D'souza answer it.

Mr M. D'souza: In the budget papers the \$16.4 million has not been allocated as a budget expenditure, but it has been added to the cash balance and it is added to the surplus. It is not a reduction and it is not added to any other expenditure.

Ms A.J.G. MacTIERNAN: Therefore, it is another \$16.4 million black hole because it is in the budget as cash and it has to be spent on something. That is incredible! The supplementary information I want is an outline of what the additional sum is proposed to be spent on.

The CHAIRMAN: Will the parliamentary secretary provide that answer as supplementary information?

Mr W.R. MARMION: Yes, we will provide a supplementary answer that details that.

[*Supplementary Information No A39.*]

Mr W.R. MARMION: Just to get it right, what is the member for Armadale chasing?

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Ms A.J.G. MacTIERNAN: An outline of what is proposed at this stage.

Mr W.R. MARMION: What is on the program at the moment?

Ms A.J.G. MacTIERNAN: No. I am talking about the additional amount; not what will be funded out of the current budget but, rather, on what the additional \$16.4 million will be spent.

Mr C.J. TALLENTIRE: Is the parliamentary secretary saying that the \$16.4 million represents 365 days multiplied by 44 000 —

Mr M. D'souza: It is 45 000.

Mr C.J. TALLENTIRE: It is 45 000 parking bays. Is it therefore assumed that the revenue stream is a consistent one in which each one of those parking bays will be fully allocated for 365 days a year?

Mr W.R. MARMION: I am happy for Mr D'souza to answer that question.

Mr M. D'souza: It is like a rent that has been charged; so whether it is occupied for two days or seven days, it is like a rent. It will be charged for all seven days. That is why it has been calculated at 365 days.

Mr A.P. O'GORMAN: I wish I could do business like that!

Mr J.M. FRANCIS: My question to the parliamentary secretary refers to page 410, "Services and Key Efficiency Indicators". The fourth dot point under the subheading "1: Transport System Planning and Regulation" reads —

encouraging sustainable choices through programs such as TravelSmart and cycling promotions.

Will the parliamentary secretary outline what the government is doing to promote cycling and to improve safety for cyclists? I ask that question with all sincerity because a number of constituents in the electorate of Jandakot have contacted me regarding cycle paths to and from the city.

Mr W.R. MARMION: I thank the member for Jandakot for the question. I have been briefed a little on this question and I am happy to provide the member with some answers, which perhaps can be elaborated on by people sitting behind me. In Western Australia the TravelSmart program has been a very good program that the government initiated. I acknowledge that the previous government cranked it up; therefore, all credit to the member for Armadale, who has just disappeared from the chamber. I have good figures on what has happened. The program has been a very cost-effective contribution to the efficient management of travel demands, particularly as a strategic response to the pressure of climate change, petrol prices and even obesity. The TravelSmart household program has been offered to a total of 418 500 residents of Western Australia, achieving travel behaviour changes that amount to annual savings of 30 million car trips, 300 million vehicle kilometres and 90 000 tonnes of greenhouse gas abatement. I point out that in 2008-09 the TravelSmart program was combined with initiatives to address carbon pollution and cost pressures on households. The demand management program was rebranded as LivingSmart and was delivered to communities in Mandurah and Joondalup. LivingSmart, a Western Australian world-first initiative, joins up important public policy aims to increase a fair revenue return to the government from its investment in public transport, increase passenger boardings and contribute to more sustainable urban reform through carbon reduction and health outcomes. The delivery of LivingSmart was enabled by across-portfolio partnerships, including planning, transport, environment and utilities supporting a whole-of-government approach to climate change. To date, 15 000 householders have been offered the LivingSmart service. Final results from the intervention will be available in early 2010; however, early indicators show that the initiative is on track to achieve carbon dioxide abatement of one tonne per household at average cost across the project population.

In 2008-09 TravelSmart programs were also maintained in local governments, schools and workplaces. The good news for the member for Jandakot is that the TravelSmart and LivingSmart programs will be continued in 2009-10 in conjunction with the project partners.

Mr C.J. TALLENTIRE: I have a further question.

Mr J.M. FRANCIS: I have a further question but I am happy for the member to go first.

Mr C.J. TALLENTIRE: Could the parliamentary secretary point to where in the *Budget Statements* the actual amounts allocated to TravelSmart and LivingSmart are written?

Mr W.R. MARMION: I will defer to Mr D'souza.

Mr M. D'souza: TravelSmart is not independently allocated here. It is part of the total cost of services. There is no individual line item for the TravelSmart program.

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Mr C.J. TALLENTIRE: So can I have an estimate of how much the allocation is? We have just heard how wonderful the program is, and it seems a bit odd that there is no clear allocation of funds.

Mr W.R. MARMION: Perhaps Mr D'souza can also point out in which line item it is embedded.

Mr M. D'souza: For the Perth bicycle network and country pathways, in 2009-10 a total of \$1.75 million has been allocated for grants to local governments and made available on a 50-50 basis for local cycling facilities. This includes \$1 million for metropolitan local governments and \$750 000 for non-metropolitan local governments.

Mr J.M. FRANCIS: I have a further question. I will start by saying how welcoming it is to hear that the government is building 560 car parking bays at Cockburn train station, as was committed to at the election. However, a number of constituents have asked me about being able to ride their pushbikes to the train station and chain them up there, which I hope will be part of the TravelSmart program. Is the department willing to consider providing additional spaces as part of the TravelSmart program for locking up pushbikes during the day?

Mr W.R. MARMION: I know that in station upgrades that I have worked on in a past life a lot of attention is paid to catering for cyclists. However, I do not know specifically about the number of cycle holders, or whatever they are called. They are put into a special cage; is that not right?

Mr J.M. FRANCIS: Yes.

Mr W.R. MARMION: I do not know about that specifically so perhaps I will defer to Mr Lumsden.

Mr E. Lumsden: I do not have that exact number, but there is an ongoing program for upgrading facilities for an extension of car parks, including cooperation with the Public Transport Authority and local governments, which has been agreed to by the government. I understand that has been undertaken with the PTA leading that process.

[7.20 pm]

Mr P. ABETZ: I refer to the dot point at the bottom of page 408 of the *Budget Statements*, which states —

Climate change impacts will increase as a focus of activity by the Commonwealth Government through the Council of Australian Governments (COAG). A Climate Change, Environment and Energy Working Group has been established under the Australian Transport Council (ATC) new National Transport Policy Framework, with the Department leading the group's work on behalf of the Western Australian Minister for Transport.

Can the parliamentary secretary outline for us some of the key initiatives being progressed by the Climate Change, Environment and Energy Working Group, which is being led by the University of Western Australia, and how these will align with the government's 2008 election commitment to work with the industry to establish a range of incentives to develop and use vehicles that operate on alternative fuels?

Mr W.R. MARMION: I thank the member for Southern River.

The CHAIRMAN: I remind the parliamentary secretary that we need to have short answers, not ministerial statements.

Mr W.R. MARMION: I will keep it brief, Mr Chairman. I will preface the answer by acknowledging the member for Armadale, because I understand that this working group was chaired by the member.

Ms A.J.G. MacTIERNAN: We made the move to have it established.

Mr W.R. MARMION: This is the working group that Western Australia was, I guess, leading the charge on. Indeed, in early 2008 the Australian Transport Council—which, for those people who do not know, comprises commonwealth, state and territory transport ministers—agreed to establish the Climate Change, Environment and Energy Working Group as part of the development of the national transport policy framework. The purpose of the working group is to encourage the protection of our environment and the improvement of our health through building and investing in transport that minimises emissions and the consumption of energy and resources, which is a very worthwhile purpose. Western Australia chairs that group. Issues being examined by the working group include assessing the potential of various alternative transport fuels and technologies, and electric vehicles for the future; travel behaviour changes, including planning a national eco-driving workshop in late 2009; and looking at improving the fuel efficiency of vehicles in Australia. Aligned with this work and consistent with the state government's election commitment to establish a range of incentives to develop and use vehicles that use alternative fuels, the new transport department is proposing to partner with academic institutions and the private sector in a three-year electric vehicle recharging project. This project will provide valuable information that will enable participants to more accurately gauge the overall infrastructure requirements likely to be associated with the future introduction of electric vehicles in Perth. The Department for

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Planning and Infrastructure will contribute \$100 000 in cash and in-kind support for the project subject to the project successfully receiving matching funding from the Australian Research Council's linkage grants program.

Ms A.J.G. MacTIERNAN: It seems a bit at odds with the decision to drop the Prius off the list of vehicles.

Dr M.D. NAHAN: I refer to the second dot point under the "Transport System Planning" heading on page 409, which refers to Westralia Airports Corporation and substantial future development at Perth Airport. Can the parliamentary secretary tell me how the government plans to improve access to and from Perth Airport?

Mr W.R. MARMION: I thank the member for Riverton for the question. One of the government's objectives is to provide improved access to and from Perth Airport. The commonwealth and state governments are jointly funding a Perth Airport transport master plan, which is due to be completed in 2010. The master plan will deal with transport modes requiring access to and from the airport or travel in the vicinity of the airport. More specifically, it will address the following points: the number and scale of road access points to the airport; the current severe road congestion, which is forecast for the next 10 to 15 years and will require upgrading of the current road links and intersections; analysis of how the growth of freight movements can be accommodated around the airport; identification of a preferred route for a rail link to the airport, including its costs and forecast patronage; and how Perth Airport will be served by bus, again with associated costs and forecast patronage. The state government is working very closely with Westralia Airports Corporation, which is, obviously, responsible for the land development and road construction within its boundaries. The director general might like to add to that.

Mr E. Lumsden: It has been well recognised that the transport system around Perth Airport needs to be reviewed because of interregional traffic, as well as local traffic on Great Eastern Highway and Tonkin Highway. I think that was identified by the member for Armadale and the previous government. The other issue, apart from the interregional traffic, is the proposed redevelopment of Perth Airport to centralise air terminal activities, as well as the ongoing development of non-aeronautical activities, which are putting increasing pressure on the road system. Apart from looking at rail access to the airport and beyond from the Midland line, the Perth transport plan has also identified a number of early potential upgrades of Tonkin Highway, as well as other key intersections, such as Tonkin and Roe Highways and Horrie Miller Drive and Leach Highway to name just two.

Ms A.J.G. MacTIERNAN: But the money has actually been taken out of the budget for those works.

Mr E. Lumsden: In terms of works.

Ms A.J.G. MacTIERNAN: The Commissioner of Main Roads is actually taking the money out—it is interesting.

My question relates to the second and fifth paragraphs on page 409 and the importance of interstate air service policies to achieve a balance between promoting sustainable competition and maintaining services. The minister has been sitting for some time on a series of recommendations about the continued regulation of what we call the turboprop routes. I understand that Skywest has been given a short-term extension, which expires in a month, and still no decision has been made on whether we will have those air services to Albany, Esperance, Geraldton, Kalbarri, Carnarvon et cetera continuing to be regulated or whether there will be an open skies policy. It seems to me quite extraordinary that we are only one month out and we have no decision from the government. What will be the transitional arrangement?

Mr W.R. MARMION: What I have been advised is that the government is not rushing into making a decision that could be the wrong decision. It is likely that the current situation will be rolled over while the issue is being considered, if it is required.

Ms A.J.G. MacTIERNAN: Can members imagine running an airline and selling tickets to people but not knowing what the situation will be in a month's time? It seems to be an extraordinary proposition that we have not yet made a decision, or at least have made a decision to provide an extension so that we have more time to make a decision. Already a six-month extension has been given and there is only one month to go. Passengers are ringing up to ask whether the airline will be able to provide these air services. Can we get some time frames around this? There is only a month to go.

Mr W.R. MARMION: My understanding is that the minister is negotiating with industry, and that the industry is happy with the current process. I take the member's point that it is not ideal, but the process is being negotiated and hopefully there will be a resolution and an outcome in a very short space of time.

Mr A.P. O'GORMAN: So, on a wing and a prayer.

Ms A.J.G. MacTIERNAN: That is right—trust me! It is unbelievable.

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Mr C.J. TALLENTIRE: Returning to the TravelSmart program, page 415 has some figures on how much money will be put towards TravelSmart. Can the parliamentary secretary tell me how many full-time equivalent officers that is likely to employ, recognising that they are likely to be in local government? What selection criteria will be used to work out which local governments will be successful in having a TravelSmart officer?

[7.30 pm]

Mr M. D'souza: At this stage I am not able to tell the member the exact number of FTEs. We can take the question on notice to let the member know the exact number of FTEs working on that particular project. Referring back to a question the member asked earlier, on page 415 there is a breakdown of the grants for Country Pathways and the Perth Bicycle Network. It breaks down to \$1.75 million for the Perth Bicycle Network and \$780 000 for Country Pathways, which comes to a total amount of \$2 487 000.

Mr C.J. TALLENTIRE: What selection criteria were used to work out which local governments would be successful? Obviously, that amount will not stretch across the entire state or even across the metropolitan area.

Mr M. D'souza: As far as I have been told, there is a committee to determine how the grants are negotiated between local governments and Country Pathways.

Mr E. Lumsden: Certainly, there is a committee that oversees applications. The process is that TravelSmart departmental staff speak to relevant local governments to find out whether they are interested. Local governments then lodge an application outlining their program and evaluating how the program fits in with other modes of transport, such as cycling or pedestrian paths, and how it integrates with shopping centres, railway stations and the like. The grants are determined on the basis of ascertaining which applications add value to the TravelSmart program and to other programs that may be facilitated through government, such as the construction of bicycle trails and the like.

Mr C.J. TALLENTIRE: I think we need some indication of how far this very small amount of funding for what has been a very successful program will go, and we have not yet received that indication. Specifically, we need an estimation of the FTEs and an indication of what the projections are. If the minister has come up with a figure, presumably he must have a rough idea of how far the program will be able to spread. It would be good if the parliamentary secretary could present those rough calculations.

Mr W.R. MARMION: We are happy to provide supplementary information, but we should be clear on what we are being asked to provide.

The CHAIRMAN: Can the member for Gosnells please repeat the requested information?

Mr C.J. TALLENTIRE: Can the parliamentary secretary provide indicative information showing how far funding for the TravelSmart, Living Smart, Perth Bicycle Network and Country Pathways programs will be spread across the state?

Mr W.R. MARMION: The member is basically asking for an allocation of funding against those items over the next four years?

Mr C.J. TALLENTIRE: Across the state also.

Mr W.R. MARMION: Does the member want a breakdown of where the allocations are going across the state?

Mr C.J. TALLENTIRE: It is all very well to have a program that sounds good, but if only \$1 000 is going to each local government authority, it will not be very successful.

Mr W.R. MARMION: Does the member want a breakdown across the state by regional areas?

Mr C.J. TALLENTIRE: I ask for an initial breakdown of metropolitan area versus country, and a breakdown of allocations across the metropolitan area.

Mr W.R. MARMION: We can provide that information. I might add that it is not a compulsory program, and it requires the local government to sign up.

Mr C.J. TALLENTIRE: The existing applicants would be a good starting point.

[*Supplementary Information No A40.*]

Mr A.P. O'GORMAN: I refer to page 407, under "Economic Audit", the line item "Cessation of Liquefied Petroleum Gas (LPG) Subsidy Scheme". There are no figures of 2008-09, although I am sure something was spent. For the following year a figure of roughly \$12 million has been taken from the subsidy. Can the parliamentary secretary tell us what the rationale is behind that? We are trying to actually conserve fuel and use better types of fuel for the environment.

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Mr W.R. MARMION: The first part of the member's question refers to the fact that there is no money under the "Estimated Actual" column. It is my understanding that these are savings.

Mr A.P. O'GORMAN: For the current financial year, which started last July, there is no spending. I am sure that there was not a period of 10 months during which people did not apply for that subsidy.

Mr W.R. MARMION: This is just the reduction.

Mr A.P. O'GORMAN: Yes, but what is the rationale, if we are actually trying to encourage people to drive more environmentally friendly vehicles?

Mr W.R. MARMION: I will provide a little background. I was involved when this subsidy program was brought in. In 2000, the state government initially provided a \$500 subsidy. It then grew to \$1 000, and the commonwealth government contributed also. It has been a very successful program. I do not have the graphs, but my understanding is that it is starting to taper off and that the subsidy does not really need to progress any further because it has achieved its purpose.

Ms A.J.G. MacTIERNAN: The figures do not show that; the figures show it increasing. Look at 2007-08 compared with 2008-09—demand is actually going up.

Mr W.R. MARMION: Apparently, the cost is going up, but the demand is not.

Ms A.J.G. MacTIERNAN: It is a per capita rate! How can that be? It is a unit cost.

Mr A.P. O'GORMAN: It is also directly reflective of the price of petrol. As the price of petrol goes up, people tend to go back to LPG.

Mr W.R. MARMION: That is a very good point. When the LPG subsidy was first brought in, the differential between the price of petrol and LPG was not that great. Now there is quite a large differential, and the need to provide an incentive for people to go onto the LPG scheme is not seen to be as paramount as it was.

Ms A.J.G. MacTIERNAN: I think the member for Joondalup may wish to ask for some supplementary information on usage.

Mr A.P. O'GORMAN: It strikes me as absolutely stupid to abolish this subsidy. It is about not only providing an incentive to encourage people to use LPG, but also assisting people to curb some of their costs, which have gone up dramatically under this government. Why did the government not consider phasing it out over a period of time?

Mr W.R. MARMION: The amount that was budgeted in 2008-09 was \$13.5 million. The take-up to March is \$8.7 million, so the amount that has been budgeted —

Ms A.J.G. MacTIERNAN: That is not what the figures show. The parliamentary secretary needs to read page 415. The figures actually show the opposite to be the case. The budgeted amount is \$10 million, and the actual is about \$13 million.

Mr M. D'souza: The original published budget for the LPG subsidy was \$10.609 million for 2008-09. In the midyear review, we had additional funding from internal sources that added up to \$13.507 million. The number of applications was increasing, and we were required to find additional money from internal —

Ms A.J.G. MacTIERNAN: The parliamentary secretary said that it was going down.

[7.40 pm]

Mr M. D'souza: Again, the budget estimate for 2008-09 was \$10.609 million. If we look at 2007-08, we see that there has been a progressive increase. It was \$11.121 million. The published budgets do not absolutely predict the exact amount. There has been an intake. In 2008-09 there was a rumour that this LPG subsidy may be going off or diminishing over a period. In the past few months we have suddenly realised there has been a substantial intake in LPG applications.

Mr A.P. O'GORMAN: Can the parliamentary secretary advise what impact cutting the subsidy will have on the LPG conversion industry? Can he also tell us how many jobs will be lost in that industry as a result of this, at a time when we do not want to lose jobs?

Mr W.R. MARMION: I do not know those figures off the top of my head but I am sure someone has looked at them. The commonwealth subsidy is still going. There are multiple things playing on this.

Mr A.P. O'GORMAN: The LPG industry is saying that it will have a huge downturn and jobs will be lost. That should have been part of the parliamentary secretary's —

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Mr W.R. MARMION: I am sure it was. There was not a subsidy eight years ago. It has been a catalyst to the industry. I take the point —

Mr A.P. O'GORMAN: That is the point, exactly. It was a catalyst. The industry was built up and now the rug has been pulled out from under it when it was running at a good, steady pace.

Mr W.R. MARMION: I do not have the data.

Mr A.P. O'GORMAN: Can the parliamentary secretary provide that to us by way of supplementary information?

Mr W.R. MARMION: We can take it as supplementary information and see what we can provide.

Mr A.P. O'GORMAN: The parliamentary secretary will provide to me as supplementary information the impact on the LPG conversion industry of the abolition of this subsidy, and the number of jobs that he is predicting it will lose as a result of this decision.

[*Supplementary Information No 441.*]

Dr M.D. NAHAN: The commonwealth also provided a subsidy conversion and I think the Rudd government cut it recently; is that correct?

Mr A.P. O'GORMAN: What is the point? This is the state budget.

Dr M.D. NAHAN: That will have a material impact on the incentive to take it up. That would have to be taken into consideration.

The CHAIRMAN: Member for Riverton, is that a question to the parliamentary secretary?

Dr M.D. NAHAN: Yes, it is.

The CHAIRMAN: Can the member please refer to the page and line item regarding that.

Dr M.D. NAHAN: It is a further question to the previous one.

Mr W.R. MARMION: I am happy to take the question, Mr Chairman.

The CHAIRMAN: As far as I can see, it is not in the budget.

Dr M.D. NAHAN: It is a further question. The previous question related to what impact the decision would have on the LPG conversion industry. I asked, as a further question, whether the decision of the Rudd government to reduce its subsidy by 50 per cent will not also have an impact. Firstly, did that happen?

Mr A.P. O'GORMAN: Can I clarify what I asked? I asked: what will the impact be on the LPG conversion industry upon the removal of this particular subsidy? That is what I asked.

Dr M.D. NAHAN: That is right. That is what I am following up on.

Mr A.P. O'GORMAN: There is no need to talk about the federal subsidy because I have asked specifically about the removal of the —

The CHAIRMAN: The member for Joondalup has asked for supplementary information and the parliamentary secretary is happy with that. We are now moving on. The member for Riverton has put a question to the parliamentary secretary.

Mr W.R. MARMION: That is a good point and I can confirm —

Ms A.J.G. MacTIERNAN: What is the point?

Mr W.R. MARMION: The point is that I will provide additional information to —

Ms A.J.G. MacTIERNAN: What is the point to the member for Riverton's question?

The CHAIRMAN: Member for Armadale, the parliamentary secretary has the call.

Mr W.R. MARMION: The point is that a reduction in the LPG subsidy may have an impact on the current industry. If the commonwealth has reduced its subsidy, that will also have an impact. In terms of an analysis of what impact that will have on the industry, it would be only right that that impact of the commonwealth reduction be included in that analysis. I think that was the point that the member for Riverton was trying to get out of me.

Dr M.D. NAHAN: There are numerous changes. If we want to find aggregate change, we have to look at —

Ms A.J.G. MacTIERNAN: The difference is that we have cut our subsidy immediately; the commonwealth has said that it will reduce it by half, from \$2 000 to \$1 000, but that will be done over a four-year period to give the

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industry time to adjust. There is a very great difference between the approaches of the commonwealth and the state.

I refer now to transport planning on page 410 of the *Budget Statements*. I understand from the planning estimates that these tasks fall within the parliamentary secretary's brief. Under "Transport Planning" there is listed managing heavy vehicle freight movement to major industrial and intermodal sites and integration between and within transport modes. I know the department has responsibility for road planning work for Oakajee. Can the parliamentary secretary confirm whether that work is continuing and what work is being done on Oakajee in relation to the road infrastructure and, indeed, the port activity?

Mr W.R. MARMION: Does the question relate specifically to Oakajee or is it a general question?

Ms A.J.G. MacTIERNAN: It relates specifically to Oakajee. There is a reference to Oakajee in the budget. We have been told in other estimates hearings that the Minister for Transport, through his portfolio and through this division, has the responsibility for the Oakajee planning and for planning the road infrastructure into Oakajee. I want confirmation of that. Can the parliamentary secretary tell us what planning has been done for the necessary public roads in and out of Oakajee and the rail linkages to Narngulu, which is distinct from the rail line that will carry the ore? Where is the line item? What sums of money have been allocated for these works concerning both the Oakajee roads and the Oakajee port?

Mr W.R. MARMION: That is a good question, and an important question. John Fischer might be able to provide the answer.

Mr J. Fischer: The overall planning responsibility for Oakajee is now with the Department of State Development. It also has responsibility for the budget. In answer to the last question, funding for the overall planning is through the Department of State Development. In terms of the specific roles, the Department for Planning and Infrastructure is managing the planning for the Narngulu-Oakajee corridor. The funding for next year is with DSD, but the funding for this year is with DPI. DPI has completed the initial planning for the infrastructure corridor between Narngulu and Oakajee. That report is now being considered for the next phase in the planning process, but DPI has done the route alignment selection for both the rail —

Ms A.J.G. MacTIERNAN: Sorry, can the witness speak up? I cannot quite hear.

Mr J. Fischer: As part of the infrastructure corridor planning, DPI has completed the route alignment for transport, including road and rail, between Narngulu and Oakajee.

Ms A.J.G. MacTIERNAN: Has that work been completed?

Mr J. Fischer: The route alignment selection process has been completed, yes. That includes other infrastructure, such as power, water or any other alignments that are required. The next phase will be to go through the planning process to get that into a planning scheme. DPI will be proceeding with that next year. The port planning and the rail line planning will be led by the preferred proponent, Oakajee Port and Rail, and the state government agencies—the Public Transport Authority, DPI and the future Department of Transport—are working with it to confirm the planning it does is consistent with government requirements.

[7.50 pm]

Ms A.J.G. MacTIERNAN: I have two questions. What sum of money has the parliamentary secretary got for the role that his department is playing in Oakajee? If the route alignment selection process has been completed, the department must have some idea of what the cost of providing this supporting infrastructure is going to be. What estimations have been made of the cost of providing that corridor and the road and the rail et cetera from Narngulu to Oakajee?

Mr W.R. MARMION: I am happy for Mr Fischer to continue answering that question.

Mr J. Fischer: The first part, the funding, is still being developed with the Department of State Development because of the change in responsibility, so there is no allocation at this stage.

Ms A.J.G. MacTIERNAN: No allocation internally?

Mr J. Fischer: No allocation within the Department for Planning and Infrastructure budget for that planning. That will be funded, as I understand it, separately by DSD.

Ms A.J.G. MacTIERNAN: The department is doing the route alignment and the route selection process. Has the department made an assessment of the cost? It must have had some idea of what it will cost to build this infrastructure into Oakajee.

Mr J. Fischer: The first question is whether it is required at this stage for the Oakajee project, and the answer is that it probably is not in the short term.

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Ms A.J.G. MacTIERNAN: What is not?

Mr J. Fischer: That infrastructure corridor may not be required for the first phase of —

Ms A.J.G. MacTIERNAN: What about a road generally?

Mr J. Fischer: The road requirements within the Oakajee estate are part of the planning and are the responsibility of the port provider, Oakajee Port and Rail. It was always part of the government's requirements to have that as the proponent's responsibility. Therefore, there is no requirement at this stage on top of what OPR is providing.

Ms A.J.G. MacTIERNAN: Is there no requirement to provide any road into Oakajee?

Mr J. Fischer: That is correct. The same requirements as were previously established in the request for proposal still exist for OPR to provide the connections into the port estate.

Ms A.J.G. MacTIERNAN: What is the reason for the Narngulu-Oakajee route?

Mr J. Fischer: The requirement for that corridor will depend on the connection between the Geraldton port and the Oakajee port. The Oakajee port will be served by rail, probably from a line that is further to the north of the existing rail line, so the connection from Narngulu through to Oakajee is not required at this stage.

The CHAIRMAN: The member for Jandakot.

Mr J.M. FRANCIS: What a pleasure it is to be given the call twice in one hour by the Chairman.

The CHAIRMAN: The member should consider himself very lucky.

Mr J.M. FRANCIS: I do indeed. I should disclaim at the start of this question that I am a boat owner, albeit it is a very old and very cheap boat. I have recently gone through the process of obtaining a recreational skipper's ticket. As a qualified navy navigator —

Ms A.J.G. MacTIERNAN: Another great innovation of the Labor government.

Mr J.M. FRANCIS: — it was an excruciatingly painful process, member for Armadale. I refer the parliamentary secretary to page 409 of the budget papers and to the third last dot point under the heading "Significant Issues Impacting the Agency", which appears on page 408. I refer to the ongoing education of the boating public to maintain marine safety standards, compliance and competency, how it remains a priority and how welcoming I am of that, because, as someone who likes to think he knows what the rules are on the water, the number of people whom I see and who do not know when to turn to starboard is quite amazing. Will the parliamentary secretary please outline what safety education programs the government has in place to enhance marine safety.

Mr W.R. MARMION: I thank the member for Jandakot for this question. I have a bit of knowledge of this. My daughter picked up a skipper's ticket at school. I do not have one, but she does, so she is obviously more competent than I. The government has a strong and ongoing commitment to marine safety in Western Australian waters. The uptake of the RST has continued at a high rate. To date, more than 121 000 recreational skippers' tickets have been issued. This has contributed to a high level of safety awareness amongst the WA boating public. More importantly, the marine safety education program has increasingly focused on schools, and developed a range of courses and materials designed to encourage school initiatives. Two of these programs, Seatrek and the schools RST, have been endorsed by the WA Curriculum Council and can be used as credits towards the Western Australian Certificate of Education for high school graduation. I think that is how my daughter used it. To date, 25 schools have adopted the RST program. After the Keys for Life program, the Drive Safe program for pre-driver education is the most popularly endorsed program offered by the Curriculum Council. A program called Junior Crew is currently under development and will be trialled this year. This program will be aimed at primary schools. Youth awareness programs such as these are of great importance in promoting boating competency and safe behaviour on the water, and give our youth some interesting insights into proper behaviour on the water. I thank the member for Jandakot for his question.

Mr C.J. TALLENTIRE: I refer to page 407. Under the heading "3% Efficiency Dividend", there is a line item "Salary Cost Reduction through Reducing Non-Core Activities and Natural Attrition". There is a very substantial amount for that item. An amount of \$3.8 million will be saved through reducing non-core activities. Can the parliamentary secretary outline what those non-core activities are to achieve that level of saving?

Mr W.R. MARMION: Certainly. Mr D'souza will outline the savings in this area.

Mr M. D'souza: When the three per cent efficiency dividend came out and was announced, the department, for the immediate moment, had a freeze on all permanent recruitment. As we speak, we are reconciling to see what other positions are vacant within the organisation and whether we need to fill them, and what will be the real

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impact on the community. We have initially identified some regional training full-time equivalents, which were earlier allocated for next year, but we are not filling those positions. There is about \$600 000 for that. We had some positions for operations managers in the regions. Five of those positions will not be filled. That is another \$600 000. The number of consultants and contractors will be reduced drastically. At this stage the impact on the community service that will be affected is being looked at in terms of what efficiencies we could gain and what the least impact on the community service would be.

Mr C.J. TALLENTIRE: I think we have \$1.2 million detailed there. That is well short of the \$3.8 million.

Mr M. D'souza: Consultants and contractors have been identified for another \$1.2 million. I can give the member an example of what it means. We are taking advantage also of the situation that the economy is going through presently. We had a lot of contractors in the IT industry and business analysts to whom we used to pay quite high amounts. During the boom time it was very difficult for us to fill some of those positions. Now we are taking advantage of the situation and are cutting out the contractors. In some instances we had a large number of people to whom we paid a high salary rate, and we have abolished those positions.

Mr C.J. TALLENTIRE: We are up to \$2.4 million. That is still a long way short of \$3.8 million.

Mr M. D'souza: There is another \$862 000. I can give the member the list of positions that we have abolished: business management and administrative support officer, a level 6 position, \$87 000; business management and administrative support officer, level 1, \$46 000; passenger services business unit business analyst, \$64 000; policy and projects officer, level 7, \$98 000; licensing and subsidies administration officer, level 1, \$46 000; and planning and policy research officer, \$74 000. All that adds up to about \$800 000 or \$900 000 in positions that we feel will not have an impact. We have also looked at some of the vacant positions. At no time can we have 100 per cent occupancy, so there will always be a vacant position rate.

Mr C.J. TALLENTIRE: Can we receive a copy of those figures, please, parliamentary secretary?

Mr W.R. MARMION: Does the member want the amounts to bring the total up to \$3.8 million?

Mr C.J. TALLENTIRE: Yes.

Mr M. D'souza: I will give the member the list. We have it in bits and pieces.

Mr W.R. MARMION: I think I am clear on the supplementary information that is required. Will the Chairman allocate a supplementary information number to that?

The CHAIRMAN: It can be provided as supplementary information or the document can be passed over to the member.

Mr W.R. MARMION: I think it needs to be put together in a concise form.

The CHAIRMAN: I will take it as supplementary information. Can the parliamentary secretary please make clear what the supplementary information is?

[8.00 pm]

Mr W.R. MARMION: If the member will repeat that, I will paraphrase it back.

Mr C.J. TALLENTIRE: Could I have the details of the \$3.8 million cost cut?

[*Supplementary Information No A42.*]

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

Mr P. ABETZ: I refer to page 407. Under the section headed "Royalties For Regions Initiatives" is the regional airports development scheme, which will have a fairly healthy sum of money spent in the coming years. Would the parliamentary secretary please outline what measures have been taken to develop airport infrastructure for regional areas?

Mr W.R. MARMION: I will make some introductory remarks, but then I will allow Mr Fischer to elaborate on my comments. The objective of the regional airports development scheme, which everyone knows as RADS, is to ensure that the regional aviation and infrastructure and airport services are developed and maintained to facilitate air access to regional communities and enhance economic growth in Western Australia.

Mr V.A. CATANIA interjected.

Mr W.R. MARMION: The government recognises that air services are essential to the development of regional Australia, particularly in the Pilbara. In order to support the development of safe and adequate infrastructure to stimulate the growth of air services in the regions, the following initiatives have been taken. Firstly, a total of \$17 million has been allocated to RADS through the royalties for regions scheme for funding rounds 2008-09

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through to 2012-13. Thanks to this, the scope of funding has been increased in circumstances in which special needs are identified. RADS can now fund up to 100 per cent of proposed projects and can assist with terminal development. Seven million dollars has been made available in the 2009-10 funding round to support airport infrastructure projects, and 42 applications have been received by the Department for Planning and Infrastructure, with a total cost amounting to over \$19.5 million. Applicants are currently being assessed by the Department for Planning and Infrastructure and recommendations will be forwarded to the minister by the end of this month for his consideration. Seven million dollars will be made available each year for another three years. With the additional injection of funds from the royalties for regions initiative for the 2008-09 round, over \$2 million has been allocated to Geraldton and Esperance airports to upgrade their facilities to accommodate jet operations.

Ms A.J.G. MacTIERNAN: Are you giving the Brethren a jet strip?

Mr W.R. MARMION: It is Geraldton, in the first instance, member for Armadale, and with a view to attracting jet services to Esperance in the future. Would Mr Fischer like to add to that?

Mr J. Fischer: It has been pretty well covered.

Ms A.J.G. MacTIERNAN: I go back to page 410, "Transport System Planning and Regulation". We understand from other estimates divisions that the minister has responsibility for administering the James Price Point operating agreement? Is that true?

Mr W.R. MARMION: We can endeavour to answer any questions the member might put to us.

Ms A.J.G. MacTIERNAN: I understand from what we have been told previously that the James Price Point project stage 1 has now got environmental and planning approval, and Parliament has been told that that project is on the verge of proceeding—I think that was the term used. That operating agreement also has within it an obligation for the state to build specified road access, and that road access is set out in considerable detail.

Mr W.R. MARMION: Yes, carry on; I am listening, member.

Ms A.J.G. MacTIERNAN: The henchman is getting at them! I was saying that the operating agreement also requires the state to build rail access. Given that we now know, on the basis of various ministerial statements, that stage 1 of James Point port is now verging on ready to go ahead, will the parliamentary secretary tell us what work has been done to estimate the cost of providing that very specific road and rail infrastructure for stage 1?

Mr W.R. MARMION: I am not across exactly what stage this project is at, but I know that a fair bit of work has been done by the Minister for Planning and the Minister for Transport. I will refer the question to Mr Fischer to update the member on what stage it is at, at present.

Mr J. Fischer: I am not up to speed with the final approval process, and I am not sure that it has had final approval.

Ms A.J.G. MacTIERNAN: It has had environmental approval, and according to an announcement made in Parliament last week it has had planning approval, and a statement has been made that the project is virtually ready to go. I would like some information on the further processes it has to go through, because the Department for Planning and Infrastructure appears to be the department that is administering it. Given that the project is now in a very advanced stage, what calculations have been made for the cost of the road and rail infrastructure that the state is contractually bound to provide to the private operator?

Mr W.R. MARMION: That is a fair enough question, member for Armadale. We should be able to at least provide information about where we are at.

Mr E. Lumsden: I have not got the actual costs with me at the moment, and I know they are still being discussed through the offices of the Minister for Planning and the Minister for Transport.

Ms A.J.G. MacTIERNAN: I want to know whether any calculations have been done to date, not whether the final calculations have been signed off on. Surely some work must have been done on what the potential costs will be.

Mr E. Lumsden: I am aware that there have been some preliminary costings, but I do not have those with me.

Ms A.J.G. MacTIERNAN: When would they have been done?

Mr W.R. MARMION: Can I just make a comment? Perhaps the costings are fluid and they have not actually been finalised yet. When are they likely to be close to finalisation?

Mr E. Lumsden: I believe over the next few months, parliamentary secretary, all being well and subject to other investigations; a number of route options are still being investigated.

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Ms A.J.G. MacTIERNAN: I am talking about stage 1, about which there are quite specific obligations in the operating agreement on what exactly is to be provided.

Mr W.R. MARMION: That is still subject to discussion. Perhaps Mr Fischer can elaborate.

Mr J. Fischer: The arrangements for stage 1 allow for some negotiation about the access, and there have not yet been detailed negotiations between James Point Pty Ltd and the department. Whilst a specific alignment is provided in the operating agreement, there is an opportunity to consider other access arrangements using existing roads. The discussion to date has been that the existing roads will provide the capacity for the initial phases of stage 1, so there may be the opportunity to consider that arrangement. We have not met with James Point and had that discussion about whether it is prepared to negotiate that access at this stage.

Ms A.J.G. MacTIERNAN: Is the adviser saying that, in the past nine months, there have not been negotiations on this road and rail access with James Point?

The CHAIRMAN: Mr Fischer.

Mr J. Fischer: Not as far as I am aware.

Ms A.J.G. MacTIERNAN: No negotiations in the last nine months?

The CHAIRMAN: I think we have had the answer.

Mr W.R. MARMION: Sorry, someone was talking in my ear; I missed the answer given.

[8.10 pm]

Ms A.J.G. MacTIERNAN: Since this government has come into office, have there not been any negotiations with James Point on the road and rail access?

Mr W.R. MARMION: I will refer that to Mr Fischer.

Mr J. Fischer: There have certainly not been negotiations at officer level to discuss the variation that would be required for an operating agreement to allow that to happen, no.

Ms A.J.G. MacTIERNAN: Have there been some preliminary costings of the road and rail?

Mr J. Fischer: I am not aware of preliminary costings, no—not in the past nine months. There have been previous costings but not for this access, no.

Ms A.J.G. MacTIERNAN: Can I get confirmation? I thought the director general said some preliminary costings had been done.

Mr E. Lumsden: Some were done some time ago. It is very fluid. The other issue that needs to be brought into the equation here is that the minister has commissioned an out-of-port study, which is looking at not only a potential stage 1 option through James Point, but other options that include port of Fremantle options so that we can make not only a reasonably short-term decision but also a longer-term decision in a broad strategic context in terms of the overall development of the outer port. There has been some conjecture on what is the best option having regard for not only transport infrastructure issues but also other environmental issues, notwithstanding that stage 1 of James Point has been given environmental clearance.

Ms A.J.G. MacTIERNAN: It does not add up. An announcement was made the other day that planning approval had been given for stage 1. That did not indicate a hold-up pending this larger study that has supposedly been done, duplicating all the previous large studies that have been done. I am seeking clarification on where stage 1 is at. Various further statutory approvals are required. I want to know exactly where stage 1 is with the Department of Transport. I want to know, since this government has taken office, whether James Point Pty Ltd has lodged a new stage 2 proposal.

Mr W.R. MARMION: That is a good question. I would like to be clear on what is defined as planning approval. I think Mr Lumsden will be able to explain that.

Ms A.J.G. MacTIERNAN: It is the MRS, but certain statutory processes are needed that are administered by the parliamentary secretary's department. We have been told that the government is pressing ahead with this; now I am getting from the bureaucracy that nothing is being done.

Mr W.R. MARMION: I do not think that is quite correct, is it, Mr Lumsden?

Mr E. Lumsden: That is certainly not what I said. In terms of the planning approval being granted, there is approval initially for the environmental clearance.

Ms A.J.G. MacTIERNAN: We know the stuff that has been announced publicly. We are asking, not for the things within the director general's department, but the things his agency does under this minister.

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Mr E. Lumsden: Approval has been given for the amendment to the region scheme. James Point has yet to provide us with amended plans for stage 1 from a development approval context. They have not provided any amended plans, which are required by the department for stage 1 to be considered for development approval, notwithstanding the amendment to the region scheme is proceeding.

Ms A.J.G. MacTIERNAN: Does the department have any understanding from the company as to when it is likely to do this?

Mr E. Lumsden: I have no knowledge of any definite proposal by the company at this time.

Mr C.J. TALLENTIRE: I refer to "Other Grants and Subsidies" on page 415 of the budget papers. It shows a dramatic increase from \$756 000 to \$5.023 million. Can the parliamentary secretary outline what the other grants and subsidies are that will benefit from that increase in funding?

Mr W.R. MARMION: I will handball that to Mr D'souza.

Mr M. D'souza: When the Department for Planning and Infrastructure was split into the Department of Transport and the Department of Planning, there used to be a lot of inter cash transfers from trust funds that were balanced into the books. We had department inter-balances that tallied out. Of that, \$4.5 million is basically the cash transfers. It has been shown under "Other Grants and Subsidies" to reflect that within the books from the Department of Transport to the Department of Planning. That refers to \$4.46 million, to be precise, of cash transfers.

Mr A.P. O'GORMAN: Will the parliamentary secretary tell us the cost of setting up the new department?

Mr W.R. MARMION: I will ask Mr D'souza.

Mr M. D'souza: The machinery of government plan for providing the new services is basically cost neutral. There is no additional cost in formulating the new department.

Ms A.J.G. MacTIERNAN: I refer to page 415 and to the Country Age Pension Fuel Card. Are we to presume from the fact that these sums of money are allocated here that the department is responsible for administering the fuel card contract?

Mr W.R. MARMION: I understand that is correct.

Ms A.J.G. MacTIERNAN: When a claim comes in for payment, what verification is required? Could the parliamentary secretary explain how a claim is paid under this system?

Mr W.R. MARMION: When the person uses the card and it goes through?

Ms A.J.G. MacTIERNAN: Yes.

Mr M. D'souza: I do not have the exact criteria of who is entitled.

Ms A.J.G. MacTIERNAN: I know who is entitled to a card. I want to know what accountability mechanisms are in place so that when a slip comes through from a service station requiring payment, the department knows whether it is valid. What needs to be done to establish whether it is a valid payment?

Mr M. D'souza: The normal channels are that we issue a card, which goes through whatever pump people want to fill up their vehicle from. We have a certain point, I think on a weekly basis, when whatever the amounts that come through will be disbursed by the department to the company that is providing the fuel card.

Ms A.J.G. MacTIERNAN: The department pays Retail Solutions weekly?

Mr M. D'souza: Retail Solutions, yes.

Ms A.J.G. MacTIERNAN: What accountability does the department require? We do not want another Wilson Parking-type situation. What are they required to show to establish that those payments that they have paid out, for which they are claiming reimbursement, are legitimate?

Mr W.R. MARMION: As a former employee of the Auditor General I think this is a very important question to get to the bottom of and answer.

Mr M. D'souza: Just to give a little bit of background, the Department for Planning and Infrastructure, now the Department of Transport, is basically administering this for the Department of Local Government and Regional Development. The reason for that was basically that the Department for Planning and Infrastructure had a full, better network. The applications are done to Australia Post. Australia Post sends them back to us. We link it with Centrelink to verify the person.

Ms A.J.G. MacTIERNAN: The adviser is talking about the wrong thing. I am not talking about the issuing of the cards. I am talking about the money that is subsequently paid over.

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Mr W.R. MARMION: The member is asking how we can be sure that there is no fraud involved in the payment.

Ms A.J.G. MacTIERNAN: Yes, the payment, not the issuing of the cards; that is not the issue.

Mr W.R. MARMION: May I ask Mr Jamieson to answer this.

Mr A. Jamieson: It is a credit card equivalent, so all the identification protocols are established up front.

Ms A.J.G. MacTIERNAN: Will the adviser tell us what they are?

Mr A. Jamieson: It would be standard identification, similar to obtaining a driver's licence, proving who they are—passports and senior citizens cards.

Ms A.J.G. MacTIERNAN: I think we are talking about the wrong end of the transaction.

Mr A. Jamieson: I am just about to explain what actually happens at the service station. A credit card equivalent device is processed at the service station. An age pensioner can use it, a spouse can use it, a member of the family can use it and a carer can use it.

Ms A.J.G. MacTIERNAN: With a credit card, people either have to give a pin number or sign for it. In the case of the fuel card, is there any way of recording which person actually purchases the fuel? Is there any way of tracking the vehicle for which the fuel is provided and the person who has used the fuel card?

[8.20 pm]

Mr W.R. MARMION: My understanding from the briefing that I received from the Minister for Regional Development is that the fuel card is allocated to an individual. The aged person may be a passenger in a vehicle that is being driven by a carer who is taking that person from A to B, so in that case the carer may use the card. The accountability is a bit grey there, because the person who is actually using the card is the person who is taking the aged person to where he or she wants to go.

Ms A.J.G. MacTIERNAN: We understand that that is not actually the requirement. The card may belong to granny, who is in a nursing home and does not need to be taken anywhere, and her grandson may decide that he wants to go to Perth for the weekend, and he may go to granny and say, "Can I borrow your card?"

Mr W.R. MARMION: My understanding from the briefing that I received from the minister responsible for the policy implementation is that that is certainly not what the card is to be used for, and that that breaches the intent of the card.

Ms A.J.G. MacTIERNAN: It may breach the intent, but it does not breach the —

Mr W.R. MARMION: I will hand over to Mr Jamieson to explain in more detail if there are any accountability measures around that.

Mr A. Jamieson: It is my understanding that at the point of purchase, not only is the fuel card processed but also the pensioner card must be produced. From there on, there is no check on who actually used the fuel card and for what purpose, or whether the pensioner was involved. That level of detailed checking and compliance is not part of this scheme.

Ms A.J.G. MacTIERNAN: When we use our government fuel card to fill our cars with fuel, at the very least the vehicle registration is recorded. Is the vehicle registration recorded in this instance?

Mr W.R. MARMION: I am happy for Mr Jamieson to continue.

Mr A. Jamieson: No, it is not. The issue is that it is about supporting the elderly person's movement. It does not relate to any particular vehicle. It is about the elderly person.

Mr A.P. O'GORMAN: So it is open to roting!

Mr W.R. MARMION: If I can make a comment here, it is not the Minister for Transport's policy. The Minister for Transport is just the provider of the service. He is implementing what the minister responsible for the policy has asked him to do.

Ms A.J.G. MacTIERNAN: But it will be the Minister for Transport's records. We do need to have some line of accountability. Perhaps the parliamentary secretary, as a person who understands the principles of auditing, will be able to tell me this, but how will it ever be possible to audit this program?

Mr W.R. MARMION: It is very interesting. This sort of process opens a lot of issues. One of those issues is the cost of compliance. I was not involved in this, but we sometimes need to weigh up the cost of 100 per cent compliance versus sample compliance. There are instances—I will not bore the member by giving specific

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examples—in which we can do a 100 per cent audit of claims and find that we get only one per cent or two per cent fraud.

Ms A.J.G. MacTIERNAN: But we cannot even do a random audit here, because there is nothing to audit, is there?

Mr W.R. MARMION: But in terms of compliance, obviously that is something to consider. Is it worth putting in an extra level of —

Mr A.P. O'GORMAN: There are no controls whatsoever!

Mr W.R. MARMION: There is a responsibility on the person who has the card to ensure that it is his or her card.

Ms A.J.G. MacTIERNAN: Therefore, if granny is in a high-dependency unit in an aged-care facility and her grandson comes in and says, “Granny, can I have your card?”, is she going to say no? Really!

Mr W.R. MARMION: I might let someone else elaborate, but if a 17-year-old or an 18-year-old drives into a garage and there is no elderly person in the car, then there is obviously a —

Ms A.J.G. MacTIERNAN: But there is not. This is what I am saying: although the parliamentary secretary says “obviously”, there is no requirement! There is no checking; there is no signing for this. I understand that the government would not want to audit everyone, but it would want to at least have some capacity to do some checks on the vehicles—who is the owner—and the person using the card and what the relationship is to the cardholder.

The CHAIRMAN: Member, was that a question or a statement?

Ms A.J.G. MacTIERNAN: I can see that absolutely no auditing will be possible, given that the department is administering the contract. Is it also making the payments to this company, and on which line item do the payments to Retail Solutions occur?

Mr W.R. MARMION: Mr D'souza will answer this question.

Mr M. D'souza: The payments are in the Country Age Pension Fuel Card line item on page 415. The amount for this year is \$6.593 million and for next year is \$10.228 million. These figures have been estimated on the basis of about 35 000 Country Age Pension Fuel Cards per annum at \$500 each. For this year we anticipated \$6.6 million because the scheme was introduced in, probably, the first week of May; therefore, we have not anticipated costs for a full year.

Ms A.J.G. MacTIERNAN: I am asking what part of this constitutes the payment to the company that is running the scheme. How does the payment to the company work? Does it get a price per fuel card or a price per transaction?

Mr M. D'souza: There will be a cost associated with the cost per fuel card. Therefore, that will be paid up front. If the company tells us the number of cards it has produced, say 5 000 cards, it will be paid for 5 000 times the dollar amount for the production of the card, which will be in the signed contract. That money will be paid to the company as the cost of the card, plus it will be separately paid on the amount of the drawdown on the fuel.

Ms A.J.G. MacTIERNAN: Therefore, the company gets a percentage of the cost —

Mr M. D'souza: It will not get a percentage. It is a fixed amount for the manufacturing cost of the card, which includes the company's overheads and the call centre—that includes the fixed amount for a cost for a card. I will have to confirm it, but it is approximately \$40 or \$43 a card.

Ms A.J.G. MacTIERNAN: Okay, so there is not an extra charge for —

Mr M. D'souza: No.

Ms A.J.G. MacTIERNAN: Therefore, does the company pay the service station proprietors first?

Mr M. D'souza: Yes.

Ms A.J.G. MacTIERNAN: So, it does not charge the department for that?

Mr M. D'souza: We reimburse it.

The CHAIRMAN: I remind the member that she needs to address her questions to the parliamentary secretary.

Mr M. D'souza: Yes, we reimburse the company. Every week it will send us an invoice showing how much fuel has been drawn down and also the new cards that it has produced and disbursed. We have a control on that because we process the applications and send the company the file. Therefore, we can crosscheck and verify

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exactly how many applications we have received and how many we have sent for the company to produce. Based on that, we will make payments to the company for two elements—that is, for the fuel and for the card.

Mr C.J. TALLENTIRE: How can the parliamentary secretary be sure that the fuel was ever sold in the first place? Will there be some sort of statement of fuel consumed presented to the elderly person, who will then be asked to sign off that he or she did use that amount of fuel?

Mr W.R. MARMION: That is a very good auditing question that I will pass to Mr Jamieson.

Mr A. Jamieson: It is my understanding that the only transaction that can be processed on the card is for fuel taken from the bowser.

Mr C.J. TALLENTIRE: That does not answer the question. I am asking how it will be checked.

[8.30 pm]

Mr W.R. MARMION: I think what Mr Jamieson is saying is that it is a card with \$500 embedded in it, so the card is like a credit card and is therefore an identifiable card with the person's number on it. If \$57 has been charged at the bowser by the service station, presumably it will be linked to a card with a number on it that identifies who the card was issued to. Is that the purpose of the member's question?

Mr C.J. TALLENTIRE: When we receive our credit card statements, we can check the transactions. Who will check the transactions here? Will the elderly person be asked to check through the transactions? Will they be receiving some sort of statement?

Mr W.R. MARMION: The transaction will come through to the Department for Planning and Infrastructure, which will see the transaction, like a credit card. I will just get Mr Jamieson to confirm what I have just said, or otherwise.

Mr P.T. MILES: Are those cards replaced annually or do they have an unlimited life?

Mr M. D'souza: The cards are issued for a period of 12 months from the date of issue. It is necessary to reapply for the next 12 months.

Mr A.P. O'GORMAN: If the amount on the card is not used, is it cumulative? Does it collect?

Mr W.R. MARMION: That is a good question; I was wondering about that myself.

Mr M. D'souza: The amounts are not cumulative. If the amount is not used within the year, it lapses. Sometimes pensioners may not exist for the whole year.

Ms A.J.G. MacTIERNAN: Can we just confirm that there is no requirement for the service station operator to record the number of the vehicle, or obtain a signature from the person purchasing the fuel?

Mr W.R. MARMION: That is my understanding so far. If I am incorrect, Mr Jamieson will tell me.

Mr A.P. O'GORMAN: We should just let everybody take Seniors Cards and ride on the trains in the metropolitan area.

Mr I.C. BLAYNEY: On page 408 of the *Budget Statements*, under the heading "Significant Issues Impacting the Agency", the first dot point begins —

Climate change impacts will increase as a focus of activity by the Commonwealth Government through the Council of Australian Governments (COAG).

On page 410, under the heading "Services and Key Efficiency Indicators, the fourth dot point states —

encouraging sustainable choices through programs such as TravelSmart and cycling promotions.

Will the parliamentary secretary outline what the government is doing to address the impact of climate change from rising car use and other household consumption behaviours?

Ms A.J.G. MacTIERNAN: That question has already been asked.

Mr W.R. MARMION: I think the question is very similar to a question that was asked earlier today. I think the member was not present at the time. Perhaps he could read the *Hansard*.

Mr A.P. O'GORMAN: I would like to go back to the subject of the new Department of Transport. Can we just be clear that the separation is completely cost neutral—we will not pay any more for a new chief executive officer, no office space will be leased, we will not develop new logos, uniforms, letterheads, cards or anything like that. Is it completely cost neutral?

Mr W.R. MARMION: Not only can I answer that, but maybe we can also provide the member with some information about the new department.

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The CHAIRMAN: Bearing in mind the time, member, a bit of brevity would be good.

Mr E. Lumsden: There is no additional funding for a departmental split. The member needs to understand that the departmental split is in two stages. The first stage will be completed by 30 June this year, which involves the split of certain functions in the current Department for Planning and Infrastructure resulting in a new first-stage department of transport—if we can call it that—and department of planning. The second stage, which runs from 1 July through to, I understand, the end of September, is for the acting director general of the new department of transport, which is the Commissioner of Main Roads, Mr Henneveld, to review. He will review the areas of transport that will be constituted in the new department of transport, develop a number of models and structures on how that department can be formed and make recommendations to government on the new departmental structure, having regard to the fact that no additional funding is available. That will then be assessed through the government processes and will result in a final department of transport configuration, if I can use that expression. That will be determined after September this year.

Mr A.P. O'GORMAN: I have a further question to the parliamentary secretary. The office space that the department has, therefore, is all configured exactly how it would be if there were new departments; is that right?

Mr W.R. MARMION: I am happy for Mr Lumsden to continue.

Mr E. Lumsden: The member needs to understand that a number of areas of the current Department for Planning and Infrastructure are already located in areas that will not change. For instance, the licensing business unit is located in the East Perth building occupied by the Public Transport Authority; it will remain there, and so will other facilities, such as passenger services. Other areas in the department, such as marine safety, will remain in their locations. A remaining area, such as transport industry policy, will remain at the Murray Street offices, so there will be no change.

Mr A.P. O'GORMAN: Not even for logos, letterheads or anything else like that?

Mr W.R. MARMION: Mr D'souza may be able to answer this more detailed question on finance.

Mr M. D'souza: At this stage we have not planned to change any of the naming in all the buildings. There certainly would be some cost there to rename, but I do not think we are planning to rename all the buildings and change the departmental names across the organisation. Also, all the stationery for all practical purposes nowadays is already electronic. There is very limited printed stationery, so we will run out of the stationery before we have to order for new departments.

Mr P.T. MILES: My question is to the parliamentary secretary. I refer to page 411 and to driver licensing services and registration. There is a company in Wangara that makes licence plates for the state. A couple of residents have asked me about the department's policy on vehicle numberplates. What is the security for numberplates that are returned? Are they purged out of the system? How are they shredded or whatever? There were some concerns about those issues from residents in my electorate near Wangara where the plates are made. Can the parliamentary secretary tell me the policy and processes of the department?

Mr W.R. MARMION: Can I confirm whether the question is about the production and security of new licence plates or old ones?

Mr P.T. MILES: It is about the integrity of the whole process. When people need a new set of plates, what happens to the old plates they return? What is the policy all up?

Mr A.P. O'GORMAN: Can the member tell us which dot point he is at?

Mr P.T. MILES: I am speaking about the dot points on maintaining a database, enforcements and collection of revenue at page 411 under "Motor Vehicle Registration and Driver Licensing Services".

Mr W.R. MARMION: I will refer the answer to this question to Mr D'souza.

Mr M. D'souza: The old concept has always been that a returned numberplate has to be stored within the department. With the recent technology with the police in the past couple of years, it really does not make any sense for security of the numberplate, because the police—the enforcement agency—can ascertain at any point in time whether a numberplate is a valid, cancelled or stolen numberplate. The department is evaluating whether there is a need to store those numberplates. We have a stocktake every year and reconcile it with what we should physically have. A lot of storage space is occupied at the licensing centres and the department is working through a process of identifying the real necessity for maintaining numberplates and determining whether there should be self-retention of numberplates to place the onus of responsibility on the owner of the vehicle. From an enforceability point of view and given the technology now available to police, whether the numberplates are stored with us, the police or another agency does not make much difference to the community.

[8.40 pm]

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Ms A.J.G. MacTIERNAN: I have two quick questions. I refer to page 414. Under “Income from State Government”, there is a line item on royalties for regions from the infrastructure and headworks fund. What is that money being spent on?

Mr W.R. MARMION: I will refer the question to Mr Fischer.

Mr J. Fischer: Those funds are the ones that are identified for the regional airports development scheme —

Ms A.J.G. MacTIERNAN: Is it RADS? Okay. That is fine. I am happy to get the answer to my second question by way of supplementary information. In answer to an earlier question on James Point Pty Ltd, the parliamentary secretary said that he was thinking of not building the road and rail infrastructure that is required under the operating agreement, and instead using existing road networks. By way of supplementary information, can I have some advice about the existing road networks that are proposed to be used?

Mr W.R. MARMION: Does the member want the names of the roads or the route?

Ms A.J.G. MacTIERNAN: The statement was made that, instead of building the road and rail infrastructure required under the operating agreement, there was a plan to use existing road infrastructure.

Mr W.R. MARMION: I know the roads well; does the member want us to identify the existing road?

Ms A.J.G. MacTIERNAN: I want to know which roads they are, and how they can replace the roads and rail that were required under the operating agreement—how they can possibly get the freight into —

Mr W.R. MARMION: How they can meet the needs of the port.

Ms A.J.G. MacTIERNAN: Yes.

Mr J. Fischer: The point I was making is that there may be alternative means of access to the port. There could be the option of looking at existing routes to provide that access. To do that, we would need to negotiate with James Point, and the point that was made at that stage is that we have not yet had those negotiations. There are alternative options, depending on the initial start-up volumes going into the port. We can provide that detail.

Ms A.J.G. MacTIERNAN: I find it absolutely extraordinary for Mr Fischer to say that there have been no negotiations, when every statement that has been made —

The CHAIRMAN: Member, the supplementary information, please.

Ms A.J.G. MacTIERNAN: The alternate road and rail access into the James Point port stage 1.

[Supplementary Information No A43.]

Mr P. ABETZ: Most Western Australians have had some kind of interaction with the licensing branch of the Department for Planning and Infrastructure, whether to transfer a vehicle, take a vehicle over the pits, renew numberplates or obtain a driver’s licence, and so on. Last year the licensing branch was subject to some pretty adverse publicity for releasing data to private providers, and some vehicle examiners came under the spotlight of the Corruption and Crime Commission. We would like to think these events were isolated or indicative of a business in need of significant reform. In the light of these things, would the parliamentary secretary give us some insight into what we might describe as the health or otherwise of the licensing business? What steps have been taken to improve customer service? Would the parliamentary secretary indicate the key risks? What is being done to improve things for the future?

The CHAIRMAN: While I accept the parliamentary secretary’s right to answer the question, we have two divisions to deal with before 9 o’clock. I encourage him to be brief.

Mr W.R. MARMION: I have an extensive briefing note, which I will not refer to. Perhaps the director general might give a brief position on that question.

Mr E. Lumsden: Yes, a major concern was raised through the Corruption and Crime Commission and, subject to that report, I initiated a review of the areas of concern. That review was carried out and resulted in approximately a 100-page report containing 34 recommendations. I directed that those reforms be carried out through Mr Athol Jamieson and Mr Michael D’souza, who were put into that area. I understand that all the reforms have been implemented. Parallel to that, the report on reforms required was also vetted by the Ombudsman and the Auditor General, who were satisfied with the findings and recommendations of the report. They have been kept informed of the progress in implementing those reforms throughout the department, which included a number of areas from operational to management practices.

The appropriation was recommended.

[8.50 pm]