

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**2014–15 BUDGET ESTIMATES HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
THURSDAY, 12 JUNE 2014**

**SESSION FOUR  
MAIN ROADS WESTERN AUSTRALIA**

**Members**

**Hon Ken Travers (Chair)  
Hon Peter Katsambanis (Deputy Chair)  
Hon Martin Aldridge  
Hon Alanna Clohesy  
Hon Rick Mazza**

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**Hearing commenced at 5.00 pm**

**Hon JIM CHOWN**

**Parliamentary Secretary representing the Minister for Transport, examined:**

**Mr REECE WALDOCK**

**Commissioner, examined:**

**Mr STEPHEN TROUGHTON**

**Managing Director, examined:**

**Mr PETER WORONZOW**

**Executive Director, Finance and Commercial Services and Maintenance, examined:**

**Mr DESMOND SNOOK**

**Executive Director, Road Network Services, examined:**

**The DEPUTY CHAIR:** On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Firstly, if I can ask the witnesses if they have read, understood and signed a document headed "Information for Witnesses"?

**The Witnesses:** Yes.

**The DEPUTY CHAIR:** Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private, either of its own motion or at a witness's request. If, for some reason, you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values your assistance with this.

[Witnesses introduced.]

**Hon RICK MAZZA:** I refer to page 817 of budget paper No 2, "Works in Progress", "Coalfields Highway" "Wellington Dam Turn-off and Roelands Hill Dual Lanes. How far has the work on that progressed?

**Mr Snook:** The work on Coalfields highway is being done on the climbing lane section. Once that is completed the section that will remain to be upgraded will be a 10-kilometre section from west of the Wellington Dam turnoff to near Alison. That final 10-kilometre section of road is planned to commence work in May next year.

**Hon RICK MAZZA:** On page 818, you have got the "Bunbury Port Access Road Stage 2—Construct and Seal Including Bridges". What is the purpose for the upgrade of that stage 2?

**Mr Snook:** Can you explain that a bit more? I am not quite sure what you mean by it.

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**Hon RICK MAZZA:** Okay, it is page 818 “Bunbury Port Access Road Stage 2—Construct and Seal Including Bridges”. You have got \$43 million there and I just wanted to know what are those works to accommodate; what is the purpose of those works?

**Mr Snook:** The Bunbury port access road is a project that improves the access from the South Western Highway in to the port of Bunbury and this is the second stage of that project.

**Hon JIM CHOWN:** I thought it had be completed, stage 2.

**Hon RICK MAZZA:** It has been completed, has it?

**Mr Snook:** It has been completed.

**Mr Troughton:** Yes, there is still some work going on to the road train assembly area and some minor works to finish, which may be included in that going forward.

**Mr Snook:** That is correct; as part of that project there is a new road train assembly area that is being built now and that should be completed soon.

**Hon RICK MAZZA:** Considering that Bunge is estimated to transport about half a million tonnes of grain a year from the southern wheatbelt region into the Bunbury port, has there been any work or is there going to be any work done on that Darkan–Collie road where most of those trucks are actually going through to get to the port?

**Mr Snook:** At this stage the main works that we see occurring would be on the intersection of Albany Highway and the Collie–Lake King road. There will also be some improvements on the Collie–Lake King road east of Collie at Bowelling and Gibbs Siding. They will be the main pieces of work that we do. Also what we will be looking to do is some seal widening works as well along that eastern section of road, but the locations of those widening works have not been determined yet.

**Hon RICK MAZZA:** Have there been any studies done on the amount of heavy traffic that will be on that road with the grain? Are there assessments being done?

**Hon JIM CHOWN:** Assessments have been done and they have been reasonably comprehensive. One of the issues is that the grain that will be taken to the Bunge receivable area at the port side has a very, very broad footprint, and it will be seasonal of course—some areas have better seasons than others. The footprint, quite frankly, will run from probably Albany to north of Perth. Obviously the Lake King–Collie road will be a prime access or transport route and, as Mr Snook has stated, work is intended on that road. Probably the major piece of work, and I think there has been \$10 million allocated to it, is the Lake King–Collie road where it actually comes to the Albany Highway there. There are a couple of rises and falls as you turn north onto the Albany Highway, and in fact even in a motor vehicle—a light vehicle, a motor car—it can be challenging at times because vehicles actually disappear into a bit of a lip before they come over the rise at you at around 90 kilometres an hour. That line of sight problem is anticipated to be rectified, whether it will be a roundabout or a T-section. Let us not forget that heavy vehicles actually use that route regularly today as well.

**Hon RICK MAZZA:** So there is work on that. I suppose my main concern is the actual Darkan road itself from the Albany Highway, particular to Collie; it is a pretty treacherous road if you have been on it of late.

**Hon JIM CHOWN:** It is certainly the intention—let us bear in mind that anybody accessing the Bunbury port will have to be accredited transport operators. We are talking about professional transport operators carting the grain that you are mentioning to Bunge. Bunge have certainly been notified that any of their transporters need to stay on the main highways and certainly the upgraded roads that we anticipate upgrading to help them get there. A number of these upgrades, I might add, would not be happening if that Bunge development had not taken place in Bunbury.

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**Hon PAUL BROWN:** Supplementary to that, there has been quite a large concern in the Darkan–Williams area about the West Arthur to Collie portion of that road. Are there any plans going forward to have passing lanes, because it is quite treacherous; there is quite a narrow highway with quite a lot of trucks? There has been a number of truck-on-truck and truck-on-car traumas. Is there any plan, with the increase in traffic along the road, to be looking at passing lanes, particularly up and down—there are about six or eight very high gradient hills? Are we looking to do anything for there in the future?

**Hon JIM CHOWN:** Main Roads are doing more work in regard to that particular road and looking into the possibility of implementing passing lanes on the crests of some of the hills. That has yet to be developed.

**Hon PAUL BROWN:** That is not the advice they were given. The advice was that Main Roads were not looking at doing anything down there, certainly not in the short term.

**Hon JIM CHOWN:** I have just said that they are. In regard to the increased traffic, we are probably talking about 100 heavy vehicles a day. I actually had a meeting with the Collie shire—it would have been October last year—and Collie is obviously a focal point for heavy traffic, especially from Collie forward to Bunbury port. They do not believe that an extra 100 heavy vehicles would make any difference to them. They seem to be more concerned that those vehicles that were approaching from the west along the Lake King–Bunbury–Collie–coalfields highway participated in keeping to the speed limit through the town—that was their main concern. They obviously had some agreement, and so they should, that all heavy vehicles maintain at least the required speed through the town and I would hope that that particular issue is policed extensively by the local constabulary.

[5.10 pm]

**Hon PAUL BROWN:** So there is work currently being undertaken by Main Roads WA to look at passing lanes along certainly the West Arthur to Collie —

**Hon JIM CHOWN:** Yes, there is.

**Hon KEN TRAVERS:** Question on notice 14 I put in is actually a reasonably good answer about the time line.

**Hon JIM CHOWN:** That will depend on the amount of heavy traffic or the amount of traffic in total.

**Hon KEN TRAVERS:** Can I follow on, on those issues?

**The DEPUTY CHAIR:** I was going to give you the call anyway, so you can choose to ask whatever questions take your fancy!

**Hon JIM CHOWN:** I thought you were having a rest.

**Hon KEN TRAVERS:** I do not need a rest; I was just letting my colleagues have a go—it is very different!

I want to go through a couple of areas. You mentioned the work west of Collie on the upgrade of the road—the Coalfields highway coming up the hill and the like. The written answer you have provided us indicates that you expect the work to start in March 2015—I think this is related to the section that goes across the top end of the Wellington Dam—but it is all part of that additional \$28 million that was committed to at the last election. You are saying there that it will start in March 2015 and be completed by June 2016, subject to the national park excision being completed. The budget papers actually show it all being spent in the 2014-15 year—the \$27 million—so why the discrepancy between what was in the budget and what was provided as the question on notice to the committee?

**Hon JIM CHOWN:** Mr Snook may have an answer to that.

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**Mr Snook:** The explanation that has been provided, with the timing from commencing in March 2015 and being completed by June 2016, subject to the excision from the national park, is correct. The funding has all been provided in 2014-15, as you said, but with the current planning we are doing for that next section I do not believe we will be able to do the full expenditure in 2014-15 because we will not be able to start the work until March.

**Hon KEN TRAVERS:** I understand that, but it struck me that clearly at the time the budget was struck there was an expectation you would be able to do it, so I am trying to understand what has occurred that would actually push that timing out. That \$27 million must have been based on your expectations that you could do it at the budget cut-off date. What has happened that has pushed it back is what I am trying to understand.

**Hon JIM CHOWN:** It has been pushed out because the excision for the required land from the national park has yet to be undertaken.

**Hon KEN TRAVERS:** Yet to be undertaken? I thought it was about to be in the Parliament.

**Hon JIM CHOWN:** The process has not taken place within the Parliamentary system.

**Hon KEN TRAVERS:** But the longstanding saga of the excision has been going on for probably three or four years; that is not something that has suddenly come to our attention. Is there a delay with that excision that was not known at the time of the budget cut-off date?

**Hon JIM CHOWN:** It is just process.

**Mr Troughton:** We had some problems with agreeing offsets, we had issues with landowners, we had to amend the alignment a number of times to meet DEC's requirements at the time. It was a long, drawn-out process. We have finalised the agreements with them for the offsets now, and it is going through that due process and hopefully it will get done as fast as possible.

**Hon KEN TRAVERS:** When do we expect the excision to be brought into the Parliament?

**Mr Troughton:** Tabled around now was where I understood; I believe it is with the Minister for Lands.

**Mr Snook:** I do not have the details on that; that is probably something we should take on notice, I think.

*[Supplementary Information No D1.]*

**Hon KEN TRAVERS:** Can I just make it clear, yet again, that the opposition is more than happy to sit down and work with the government to progress this matter, if there is anything we can do. I understand that you have to do the right thing by the environment, but we are more than happy to —

**The DEPUTY CHAIR:** That is a statement, and we can perhaps move on to the next question.

**Hon KEN TRAVERS:** A worthy statement, nonetheless.

**Hon JIM CHOWN:** I would like to respond to Hon Ken Travers's statement, as we are talking about a very serious matter. From a transport perspective, the government would like to have the work carried out as soon as possible.

**Hon KEN TRAVERS:** The parliamentary secretary will hear a very short speech from me when it comes into the chamber.

**Hon JIM CHOWN:** This is something we have tried to get carried out for at least three years. As we all know, process can be frustrating.

**Hon KEN TRAVERS:** I accept that the government has to do the right thing by the environment, but there is also just getting on with it.

**Hon JIM CHOWN:** I could not agree more.

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**Hon KEN TRAVERS:** A figure of \$10 million was talked about for the Albany–Collie–Lake King Road intersection. What road treatment was that based around?

**Mr Snook:** That was based on a generic design for a roundabout. The costing for that could be suitable for a roundabout or some other road type at that intersection.

**Hon KEN TRAVERS:** I know there was talk at one point about grade-separation, because the topography would lend itself to a cheaper than normal grade-separation, although I know that some heritage buildings there might make it complex. Is that option still being explored or has it been completely discounted?

**Mr Snook:** A design is going on for a number of options, and that will be one option that we will look at. We are still at the option stage, rather than having made the choice on treatment.

**Hon KEN TRAVERS:** I am glad to hear that.

**Mr Waldock:** From my experience, I have never known a grade-separation to be \$10 million.

**Hon KEN TRAVERS:** I am sure it will be more expensive, but people will get the shock of their lives if they are driving down Albany Highway and suddenly come to a roundabout.

**Hon JIM CHOWN:** As I stated earlier, that particular intersection will be quite challenging to correct due to the topography of the land, the line of sight variations, especially to the north, and in consideration of the proposed increase in traffic that will be accessing that road and turning left to Arthur River.

**Hon KEN TRAVERS:** I accept there are heritage issues as well, but the topography does lend itself potentially to grade-separation. Although I accept it will be more expensive, it is probably a better long-term solution, if we could get to that point and fit it in, with the heritage issues.

Are we able to get as supplementary information the cash flows each year for that money? I understand that \$10 million for the Bowelling and Gibbs curves section is cashflowed over the forward systems and is not all in one year. I am happy for it to be taken on notice to get the cash flow for it.

**Hon JIM CHOWN:** Yes, we will take that on notice.

*[Supplementary Information No D2.]*

**Hon JIM CHOWN:** In response to the member's cash flow question, \$6 million is currently unfunded for sealing shoulders and widening roads on sections of the Collie–Lake King Road.

**Hon KEN TRAVERS:** We have the two amounts of \$10 million and there is still another \$6 million of treatment for which there is no funding, even though the trucks will be rolling down there fairly soon, but now is not the time to have the debate why the government approved a port expansion without getting the roads fixed first. We need to get the cash flow.

The parliamentary secretary tells us elsewhere in these questions on notice that the Safer Roads program is an annual program, so I am a bit confused he is able to tell me that \$10 million is allocated over a range of years, but it is an annual program and we cannot be told what is in it yet because it is approved on an annual basis. Can the parliamentary secretary explain the contradiction in those two answers?

**Hon JIM CHOWN:** I am sure Mr Snook can respond to that question.

**Mr Snook:** As the member said, the Safer Roads program receives an annual approval. However, that program has been in operation now since approximately 2005, so with that history and knowledge of the program year by year since then, we have a very good idea of the nominal allocations we will give to each region in future years. That is what we use to predict that funding will be provided to those in particular projects in the out years.

[5.20 pm]

**Hon KEN TRAVERS:** Can we get taken on notice what other projects are nominally allocated in future years of the Safer Roads program—as a question on notice?

**The DEPUTY CHAIR:** Is that information that would be available?

**Mr Waldock:** Yes, we can do that.

*[Supplementary Information No D3.]*

**The DEPUTY CHAIR:** Hon Ken Travers, do you want to continue or should we move on?

**Hon KEN TRAVERS:** Now, I am happy to keep going.

**The DEPUTY CHAIR:** You will keep going for a little while.

**Hon KEN TRAVERS:** Yes. I wanted to have a bit of a discussion about the projects that make up the Perth Freight Link. Are you able to give us a breakdown of the \$1.6 billion and how that is allocated to the different sections of that—so, what is called the Roe Highway to Stock Road upgrades and then the Leach Highway–High Street upgrades?

**Hon JIM CHOWN:** Look, it is a bit too early to give a breakdown. It is still under development in regard to the Perth Freight Link.

**Hon KEN TRAVERS:** There must be some figure on which the \$1.6 billion was generated, and the commonwealth was able to give it, but I am surprised you cannot, Mr Chown.

**Hon JIM CHOWN:** No. It is still being developed as a project.

**Mr Waldock:** I think we can certainly still talk about Roe Highway stage 8 as being the numbers that have been quoted, but I think, quite frankly, the others are still in design. I just think it would be dangerous to start putting details around those just yet. I would rather—again, a bit like the Perth–Forrestfield–airport project—actually get a decent set of costs and clear designs and understand the business case a little bit clearer before we start quoting figures that I do not think would do anybody any good.

**Hon KEN TRAVERS:** I was not the one who put these figures out there. What I would ask, then, is: as I understand it, 49 per cent of that \$1.6 billion is allocated for the Roe Highway stage 8 project. That is about \$750 million; is that correct?

**Mr Waldock:** In the order of \$740 million, yes.

**Hon KEN TRAVERS:** Then there are the treatments along Stock Road, which I believe is about 29 per cent of the total cost of that project, so about \$460 million-odd or something of that order. Is that about right?

**Mr Waldock:** I honestly—and I say this with the greatest sincerity—just think it is too early to talk about both Stock Road and High Street because we are still looking at some different design options.

**Hon KEN TRAVERS:** It might be a problem for you, but the problem is that it is out there. Your federal colleagues have made it clear about this project, and they are also suggesting that there is about, I think it is, 23 per cent, or \$360 million-odd, allocated for the High Street–Stirling Highway upgrades. That is significantly more than the \$118 million that was originally allocated for that intersection, and what that suggests to me is that the trench is back on the agenda, sort of basically going underground before you get to Marmion Street and sort of having a big trench in front of the golf course and merging out in the middle of Leach Highway on the other side of Carrington Street. Is the \$1.6 billion based on that sort of a road treatment through that area?

**Hon JIM CHOWN:** The commonwealth has a propensity to make these announcements, as you well know, but the reality is that the Main Roads department and this government will be implementing and designing the Roe 8 extension, and at this stage we have not actually got design plans that are worthy of public scrutiny, as the director has stated.

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**Hon KEN TRAVERS:** But why would the commonwealth government be suggesting that that area would be getting around \$360 million? They must have had some conversations with you, Hon Jim Chown.

**Hon JIM CHOWN:** Maybe that is a question you should be asking a commonwealth government representative.

**Hon KEN TRAVERS:** Those questions have been asked of the commonwealth government representatives, and they have said, “These matters, you need to ask the state government, because that’s where we got the figures from.” Never underestimate my ability to do a tag team match with Hon Alannah MacTiernan!

**Mr Woronzow:** What might help clarify the frustration at a lack of response: I think everybody has been aware that the commonwealth budget came out before the state budget. I have been in the CFO role at Main Roads for over 10 years and that is the first time that that has actually happened in my tenure. The commonwealth has made some statements. They have put some allocations in their budget, but the due process now is that Main Roads, in conjunction with the state government, develops some robust business plans and they are considered by the minister and cabinet. In the midyear review there will be an expectation about the state’s contribution in terms of funding but also recognition of some appropriate design. That commitment is made in the midyear review. I think a lot of the reason for the situation we are in is just the order of the commonwealth and state budgets.

**Hon KEN TRAVERS:** I agree with you. I would be fairly confident that the commonwealth would not have the capacity to work out pricing and all of that. They would have relied on information from yourselves. That is who I would rely on; not the commonwealth. I will put it one last way to give you the opportunity: can you rule out that the big trench is still an option on the table? Can you say it is definitely not being considered or is it one of the options that is being considered in regards to the design of that road treatment?

**Hon JIM CHOWN:** It would be absolutely irresponsible for a government or a department as good as the Main Roads in this state to take any option off the table. All options are on the table.

**Hon KEN TRAVERS:** So the big trench is there; all right.

**Hon JIM CHOWN:** That is your assumption. There are a number of options under —

**Hon KEN TRAVERS:** It is a pretty logical assumption when the commonwealth says that —

**The DEPUTY CHAIR:** I am not necessarily sure this is getting to the nub of what we have estimates for.

**Hon KEN TRAVERS:** If you can tell me another option through that area that could spend \$360-odd million on it, I am more than happy for you to suggest it to me. In terms of the Stock Road upgrades, what is required along there? Is it the major interchange at Leach Highway and Stock Road along with Winterfold Road and South Street? Or, in that \$460-odd million, are other treatments required?

**Mr Troughton:** You are there to make intersections that need treatment. Certainly there is a lot of local access that we need to review and look at—other treatments of businesses along that. We certainly need to go into a whole round of stakeholder engagement. You understand the big drivers in the community and locally. Really, that started the stage we will go into next and understand the drivers. You have certainly picked up the three major junctions.

**Hon KEN TRAVERS:** In that 740 that I think you referred to for Roe 8, does that include the full interchange between Roe Highway and Stock Road or would that be picked up out of some of the rest of the \$1.6 billion? Does the 740 include the full interchange at Stock Road?

**Mr Waldock:** Yes.

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**Hon KEN TRAVERS:** You are allowed to talk about that, I thought you said.

**Mr Waldock:** That is on the public record. That project, as you would be aware, went to IA. We have already done a lot of planning on that part of the project. That is why we are freely able to talk about that.

**Hon KEN TRAVERS:** Has the state government done any modelling on the impacts of the Perth freight link on the number of heavy vehicles on roads in the Perth metropolitan area?

**Mr Waldock:** If I could answer that. We are doing an enormous amount of work on the whole business case for this particular project. Part of that will be looking at, certainly as we have, or will develop, a world-class freight network making sure of course that we, in various ways, drive behaviours, so freight takes that network, particularly heavy freight. If you are asking for modelling, we are doing modelling all the time in terms of usage now but how also we will continue to maintain great clarity in terms of policies and procedures and regulations and pricing to allow that to happen. It is too early to say. Whenever we say in this space other than “we are doing a lot of work” would be premature.

[5.30 pm]

**Hon KEN TRAVERS:** You may say it is too early, but the federal minister stood beside the state minister at a press conference and made the claim that 65 000 heavy vehicles will be taken off the roads. I did not hear the state minister say that that was wrong, and my understanding is that the commonwealth government has said that it is based on modelling done by the state government. Do you have any modelling that shows that the Perth freight link will take 65 000 period vehicles off Perth roads?

**Mr Waldock:** Our minister would be far more willing at this stage to be conservative and make sure that we do the work and to provide —

**Hon KEN TRAVERS:** I am not asking you —

**Mr Waldock:** What I am suggesting is that whatever my colleagues do in the federal arena, I would much prefer to come back with a detailed case and with all those questions having been answered properly, rather than moving from whatever has been said in other quarters and having to respond to them; that is not our agenda.

**Hon KEN TRAVERS:** So you are not in a position to provide any modelling to show that 65 000 heavy vehicles will be taken off Perth roads?

**Hon JIM CHOWN:** Not at this stage, and I think the director general has stated his reasoning very well.

**Hon KEN TRAVERS:** Hon Jim Chown has also indicated in answer to a parliamentary question that the government has undertaken network benefit modelling to determine the potential benefits, including vehicle operating cost savings, commercial time savings, private travel time savings, and accident savings. What is the nature of the work you have undertaken?

**Mr Waldock:** Mr Peter Woronzow might want to give you more detail, but like any of these, this is standard benefit–cost analysis, so all those particular variables you mentioned are part of standard formulas which have been applied for many years, both state and federally and in any other quarter I can think of, so that is the nature of what we will be doing analysis on, and that will help to form some of those ratios that I think have already been mentioned by the federal government. As well as that, we will be not only looking at benefit–cost ratios, but also perhaps the wider externality benefits that are not included in benefit–cost ratios. Again, we want to do so much work that the business case justification of this project is extremely clear in every respect, and we would like to be able to finish that.

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**Hon KEN TRAVERS:** Would be helpful, then, for the commonwealth minister to stop making claims that cannot be backed up and that you do not have the evidence to support?

**Hon JIM CHOWN:** The simple answer in the context of this conversation would be yes!

**Hon KEN TRAVERS:** I thought you might say that!

In terms of the benefit cost ratio for the Roe Highway extension, one of the things you always have to do is to allocate a value to the land, and effectively you often then return the value at the end of the period it is run out over. What value was allocated to the land for the Roe Highway extension?

**Mr Waldock:** Again, Peter Woronzow would be better placed, but I can assure you that whatever the land is, it would also include the very substantial offsets that would be required when we actually go forward on the project, so the land would certainly include very substantial offsets. Maybe Peter Woronzow can talk further on that.

**Mr Woronzow:** On page 819 of the budget papers, everybody can see that we have expended \$20 million on developing the Roe 8 project up to shuttle-ready status. In doing that, we produced a draft business case and we did the modelling around the benefit–cost ratio. In terms of the land, the total cost of the project is \$740 million. That \$740 million was based on a P90 estimate that was revised three months ago. It is current. We put that estimate under a lot of scrutiny at the start of this calendar year. Within that P90 estimate, an amount of \$50 million has been set aside for land. That includes a contingency value. The \$50 million does not represent the value of the land that we think we will need, including offsets, but it also includes a contingency.

In relation to the benefit cost ratio that we were talking about, Main Roads, I think you are aware, runs a rapid benefit cost–ratio model. On this particular project, the commonwealth set the BCR at 5.2.

**Hon KEN TRAVERS:** At what discount rate?

**Mr Woronzow:** It is seven per cent over 30 years. That is the standard process that we use for all our projects. It aligns with the IA guidelines. That is a very high BCR in relation to the other projects funded Australia-wide under the 2014–15 commonwealth budget. To my knowledge, this is the highest BCR project. Most of the projects that have been funded on the eastern seaboard have a BCR of less than two per cent.

**Hon KEN TRAVERS:** Are we able to request a copy of the detail of that BCR as supplementary information, not just the final figure but the figures that went into producing it?

**Mr Woronzow:** The raw model is quite a sophisticated model. If you are making some interpretations about how that BCR is made up —

**Hon JIM CHOWN:** I suggest that what you are asking can probably be made available once the program is established and the government has made a decision with regard to what format this particular road will take and how it will be engineered.

**Hon KEN TRAVERS:** I am asking about the Roe Highway extension.

**Hon JIM CHOWN:** And I am responding in regard to the Roe Highway.

**Hon KEN TRAVERS:** I thought the government had already done that. It just spent \$20 million doing it.

**The DEPUTY CHAIR:** Can I just clarify that? The initial request is for the BCR analysis for this particular project. Is that available? I think it is worthwhile placing that as a request for supplementary information. Then we will see what the agency can provide when it goes back and assesses what it has available to it and in what format. I do not necessarily think it is a request for the model itself.

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**Mr Woronzow:** On a point of clarification, IA and other organisations that have put our business case under scrutiny in the past have asked for the modelling that sits behind these BCRs and we never provided it because people who do not understand the model and are not qualified in interpreting the model can make some misrepresentations. IA has always accepted that. They have never been given a copy of an analysis that sits behind a BCR. We have given them a high level breakdown.

**Hon JIM CHOWN:** The department would be more than happy to provide what they believe would be appropriate in regard to somebody's interpretation of what has taken place.

**The DEPUTY CHAIR:** Sure, and the committee will be able to follow on from that.

*[Supplementary Information No D4.]*

**Hon JIM CHOWN:** It will not be the full detail.

**Hon KEN TRAVERS:** I assume there must be a range of assumptions that go into it. There are some basic costs, the \$740 million, the return cost, the discount rate, the travel time savings, on what basis that is, is it with or without the upgrade to Stock Road? There must have been a range of assumptions that you took to arrive at that.

**Hon JIM CHOWN:** The department will provide a breakdown of the modelling.

**Hon KEN TRAVERS:** To go back to where I started, which is the network benefit modelling, which was in relation to the whole of the Perth freight link, what have you identified as the vehicle operating cost savings, the commercial travel time savings, the private travel time savings and the accident savings?

[5.40 pm]

**Hon JIM CHOWN:** It is still being worked on. It has not been finalised.

**Hon KEN TRAVERS:** You said in an answer that you have undertaken network modelling to determine potential benefits including those things.

**Hon JIM CHOWN:** Yes, undertaken; they have not been finalised. It is all part of the process.

**Hon KEN TRAVERS:** You currently do not have any figure about what you expect —

**Hon JIM CHOWN:** Not available publicly. We are still working it through.

**The DEPUTY CHAIR:** Can we possibly refine the question to request when that modelling is likely to be finalised?

**Hon KEN TRAVERS:** I am still trying to find out whether I can find out or I have to go and search for it by another means. I am trying to avoid FOIs and a whole range of other things to get this modelling out. I am happy to ask when it is likely to be made public, but I cannot understand if the department has done the modelling why you cannot tell us; because, again, these figures are being thrown around by people in the media, particularly your federal friends, about what the operating savings will be and the time savings and the like and, I think, leaving you exposed if you then refuse to provide it.

**Hon JIM CHOWN:** You have had my response in regard to a previous question on this matter.

**Mr Waldock:** If I could just say that we are still running a great deal of workshops on this, both internally with the commonwealth government to try to better understand exactly what we have got, and I just think it is premature to give out anything. I would hope that the draft PPR would be finalised in three or four months. What would you suggest?

**Mr Woronzow:** Obviously it needs to be finalised before the midyear review.

**Mr Waldock:** That is in three or four months.

**Mr Woronzow:** That would be an appropriate time frame.

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**Hon KEN TRAVERS:** Is it the government's intention to release all of that detailed information at that time?

**Hon JIM CHOWN:** That will be a decision by the minister.

**The DEPUTY CHAIR:** If Hon Ken Travers does not mind, I might hand over to a few of the other members who have been waiting to ask some questions, and then we will come back to you.

**Hon KEN TRAVERS:** Yes.

**Hon MARTIN ALDRIDGE:** I have some questions that go to regional road safety. I have had some fairly concerning correspondence from local governments and other organisations in my electorate that the regional run-off road crash program funding will not continue beyond 30 June this financial year. I have been able to identify under "Completed Works" on page 818 where that program is, but I am having difficulty finding it in new works or any extension of funding to that program.

**Hon JIM CHOWN:** As a government we certainly understand the benefit of the regional run-off road crash programs and in this funding round there has been no allocation in the 2014–15 budget, obviously because of budget pressures. But on the flip side of that statement, the commonwealth has made a significant contribution to the black spot program of some \$7.5 million per annum for black spot issues moving forward for regional roads up until 2019. There is also a \$50.1 million allocation for local governments for roads for recovery financing from the commonwealth. In fact, in the 2015–16 year there will be two allocations of that amount; so there will be \$100 million available to local governments for local government roads, and that will go back to about \$51 million moving forward from 2015–16 to 2019.

**Hon MARTIN ALDRIDGE:** The regional run-off crash program is not just about local government roads; it is about state government roads as well, as I understand it.

**Hon JIM CHOWN:** Sure.

**Hon MARTIN ALDRIDGE:** When the program was funded in 2012, the Office of Road Safety suggested that somewhere in the order of \$90 million would be required this financial year to deliver on the tier 1 projects within that program. I understand the budget pressures, but I guess what I do not understand is the Office of Road Safety's clear concern about these tier 1 road issues and there seems to be adequate funding sitting in the road trauma trust account that could be used for this purpose.

**Hon JIM CHOWN:** Look, the Office of Road Safety is actually administered by the Minister for Police so we are actually trying to answer your questions on what have of that particular minister. I guess the answer I have already given.

**Hon MARTIN ALDRIDGE:** I am not asking you—I am quoting something that the Office of Road Safety has recommended, and your agency —

**Hon JIM CHOWN:** Road Safety is not —

**Hon MARTIN ALDRIDGE:** Excuse me, Chair; can I please finish my question?

**The DEPUTY CHAIR:** You can finish your question, yes.

**Hon MARTIN ALDRIDGE:** In my question I am asking you, using a reference to what the Office of Road Safety said, that they suggested that \$90 million would be required in this financial year to deal with regional road priorities and you are saying that there is no money in the budget and you are saying that because of budget pressures it could not be funded, yet at the end of this financial year there will be \$73 million sitting in the road trauma trust account.

**Hon JIM CHOWN:** I will repeat: the question should be referred to the Minister for Police.

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**Hon MARTIN ALDRIDGE:** Is the Minister for Police responsible for the run-off crash regional roads program? I did not realise the Minister for Police built roads.

**Hon JIM CHOWN:** They are responsible for the allocation of funds, yes.

**Hon MARTIN ALDRIDGE:** They are responsible for the allocation. So it was the intention of your ministry and Main Roads to continue funding to the program?

**Hon JIM CHOWN:** We put up bids like everybody else, but the allocation for that particular source of funding comes from the Minister for Police.

**Hon MARTIN ALDRIDGE:** Why would it be the case that a number of local governments in my electorate have been contacting me saying that they were approved funding under the 2014–15 allocation of the funding from Main Roads to later have it withdrawn?

**Mr Snook:** Some initial work was done over the last 12 months on the regional run-off crash program. Previously, since the inception of the regional road run-off program, all of that funding has been allocated to state roads. Some work was done over the past 12 months to scope out, with WALGA, to see if it was possible to come up with a small regional run-off crash program that could apply to local roads. However, that has not eventuated.

**Hon MARTIN ALDRIDGE:** So it still does not explain to me why local governments would have gone into a budget process for 2014–15 with a view to receiving funding from a program that did not eventuate.

**Mr Snook:** I beg your pardon; I missed that.

**Hon JIM CHOWN:** Mr Troughton can answer that.

**Mr Troughton:** The road trauma trust is an annual program. No commitments would have been made to local governments for funding until announced by the relevant minister.

**Hon MARTIN ALDRIDGE:** So my local governments have been misinformed then?

**Hon JIM CHOWN:** Or you have maybe.

**Hon MARTIN ALDRIDGE:** I have got correspondence in front of me that suggests that they were approved for funding and it was later withdrawn.

**Hon JIM CHOWN:** There is a high level of doubt in regard to that statement.

**Hon MARTIN ALDRIDGE:** I am not quite sure what doubt there is. According to the WA Local Government Association, local governments made 32 applications totalling \$7.07 million for 2014–15 allocations. This is only the local road component not the state road component. Given there is nearly 10 times that amount in the road trauma trust account and 80 per cent of all road deaths occur in single vehicle run-off road crashes, will the parliamentary secretary or the Commissioner of Main Roads confirm that they will be seeking funding for the program for the midyear review?

[5.50 pm]

**Hon JIM CHOWN:** Once again that is a question for the Minister for Police. As I have already stated, the Minister for Police makes the allocation for funding.

**Hon MARTIN ALDRIDGE:** I did not ask whether the Minister for Police would approve your request. My question was, and I will say it again: WA local governments have requested \$7.07 million for 32 projects through the regional run-off road crash program for 2014–15 and given that 10 times that amount is available in the Road Trauma Trust Account, will the commissioner for Main Roads or the parliamentary secretary seek through the midyear review process funding for that program?

**Hon JIM CHOWN:** Mr Snook.

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**Mr Snook:** The way that—well, the process that is there for seeking additional funding or seeking funding through the Road Trauma Trust Account is that Main Roads would make, if Main Roads sought extra money, Main Roads would make an application through Road Safety Council as part of the midyear review process. Then that application, if endorsed by the Road Safety Council, would go up to the Minister for Road Safety. If the Minister for Road Safety was supportive of that, it would go through to cabinet for endorsement, and from then on through the budgetary process.

**Hon MARTIN ALDRIDGE:** So the answer is yes, Main Roads will seek support for funding of the program through the midyear review?

**Mr Snook:** It is—I sit on the Road Safety Council, so at this stage I cannot pre-empt what that decision will be through Main Roads. We have to work that up internally first.

**Hon RICK MAZZA:** I would like to ask a question on this. It might be slightly off. On page 824, you have expenses there, which is “Grants To Charitable And Other Public Bodies”, some \$8 million a year. What is that in relation to?

**Hon JIM CHOWN:** Peter, can you answer that please.

**Mr Woronzow:** The \$8.4 million on 824, they are receipts for our heavy vehicle charges.

**Hon RICK MAZZA:** Receipts for heavy vehicle charges? Why does it say then “Grants To Charitable And Other Public Bodies”?

**Mr Woronzow:** It is just the format that Treasury uses. I think the more important fact is that there are receipts paid into the consolidated account. That is our heavy vehicle charge.

**Hon RICK MAZZA:** Because the “Grants To Charitable And Other Public Bodies” has no relationship at all to that amount then?

**Mr Waldock:** It is a classification issue.

**Mr Woronzow:** No, the member is quite right.

**Hon RICK MAZZA:** I am sorry. I missed that. It is a?

**Mr Waldock:** I am just saying that you are dead right. It is a classification issue. It is very poorly described.

**Hon JIM CHOWN:** I agree with the member.

**Mr Woronzow:** It is a generic Treasury template, and it is the only appropriate place within the generic template with the Treasury information system where we can record our heavy vehicle charges.

**The DEPUTY CHAIR:** Hon Martin Aldridge had the call. Are there any other issues you want to explore?

**Hon MARTIN ALDRIDGE:** Not at this stage. I will seek some further advice from local governments who seem to be misinformed about their 2014–15 funding.

**The DEPUTY CHAIR:** I will then give the call to Hon Lynn MacLaren.

**Hon LYNN MacLAREN:** On page 819 there is currently no funding for the Queen Victoria Street Fremantle Traffic Bridge replacement planning design and preliminary works. How far did you get before the funding stopped? What state is the bridge in now?

**Hon JIM CHOWN:** Mr Waldock.

**Mr Waldock:** I will, if I could, perhaps pass over to Mr Troughton in due course. We have certainly done a great deal of work on assessing the state of the bridge. We realised that in the medium term, it will need to be replaced. But we have done enormous investigations both with our bridge, the Fremantle Traffic Bridge, but also the rail bridge, because they are both, for different reasons, subject to risk. We have actually not just done risk investigations, but we have actually

combined them together to try to get a really good feel about the risk profiles of both and of what needs to be done in terms of short to medium-term fixes. It is still being finally developed, but we hope to go to the market very soon for fixes for both projects. As I say, in the case of the rail bridge, it will be a longer term fix; that will be a major protection piling works. In relation to the Fremantle Traffic Bridge, it will be improved fendering systems in a risk management environment. So we are looking at probably \$12 million or \$16 million—it is still being firmed up—in terms of the Fremantle Traffic Bridge. We are looking for a similar quantum for the rail bridge. They are quite different works but similar dollars in terms of remediation and repair. I might ask Mr Troughton to perhaps give you a little bit more detail on that.

**Mr Troughton:** I can give a little bit more. Certainly, the design is progressing. We have had some issues with impact on the bridge recently, as you would be aware; I think it was one of the questions on notice. We are currently doing some repairs to that. We are just finalising our preparation to go to tender for the strengthening of the fender system and that should start this year, or is it next year, Des?

**Mr Snook:** As far as the improvements to the fendering system, we will be putting that out to tender in October, and works on the project to stiffen up the existing fendering system should commence in January 2015.

**Hon LYNN MacLAREN:** So where is that in the budget?

**Mr Snook:** There is no specific line item in there for the funding for those repairs and strengthenings for the fendering system. At Main Roads, we are going through at the moment the funds that we have in the program. We have made some previous savings through 2013–14 as well, and we will be funding those improvement works from within the existing program.

**Hon LYNN MacLAREN:** So when you say “medium term”, what is the medium term?

**Mr Snook:** We expect that we should get 10 to 15 years’ life out of those repairs, so that will provide us with a buffer to look at the designs for a replacement bridge in the future.

**Hon KEN TRAVERS:** Before you go off that, could I just ask for, as supplementary information, a breakdown of exactly how much has been spent on the Fremantle Traffic Bridge and how much is expected to be spent over the forward estimates on a year-by-year basis—so, how much you have spent since you started the strengthening work and how much is planned to be spent?

*[Supplementary Information No D5.]*

**Hon LYNN MacLAREN:** On the same page, gentlemen, down further are the allocations for Leach Highway from Carrington Street to Stirling Highway of \$3.8 million in 2014–15 and then quite considerable amounts over the forward estimates. Can you tell me when works are planned to begin?

**Mr Troughton:** That is the High Street project where we have been doing a lot of work over a number of years, starting with the DOT and now Main Roads. We recently got to a position where we were trying to finalise agreement with the Fremantle council and unfortunately were not able to do that. But since that date, this project certainly has been overtaken by the Perth freight link project.

**Hon KEN TRAVERS:** So they have hit the snake and gone back down the game of snakes and ladders a fair way!

**Mr Troughton:** Yes. Essentially, that project has now been folded into the Perth freight link project, and you will see all the finances for that have been moved across into that new project.

**Hon LYNN MacLAREN:** So the amounts quoted in the budget will no longer be needed. This expenditure is now going back into what—Main Roads’ budget or general revenue? What happens to the amount that you have allocated?

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**Mr Woronzow:** Just on a point of clarification, in the commonwealth budget, the commonwealth committed \$925 million to the Perth freight link project. The existing High Street project was 50-50 funded between the state and the commonwealth. The commonwealth's \$59 million contribution to that existing project has been rolled into their contribution to the Perth freight link project. The \$925 million includes their existing commitment of \$59 million for the High Street project.

[6.00 pm]

**Hon LYNN MacLAREN:** I have different figures here. The Perth freight link, according to the Infrastructure Australia web site, which I understand, apparently, was not your plan —

**Mr Woronzow:** No; it is a commonwealth site.

**Hon LYNN MacLAREN:** According to them it is \$1.6 billion. What part is the \$925 million?

**Mr Woronzow:** It is the commonwealth contribution. It is \$925 million minus the \$59 million. In the commonwealth's 2014–15 budget papers they have a contribution of I think \$888 million. I cannot do the maths. It is \$925 million minus \$59 million. They will have a contribution in the order of \$888 million in their 2014–15 budget.

**Hon KEN TRAVERS:** The state has to try to find \$230-odd minus \$59 and then a toll road at \$495.

**Hon LYNN MacLAREN:** Going back to that, Hon Ken Travers commented about the toll road but what is the private sector involvement being sought according to the minister?

**Mr Woronzow:** The way the commonwealth has costed its project in its 2014–15 budget was an overall budget estimated cost of \$1.575 billion. The commonwealth, as I said, is contributing \$925 million. They have assumed that the state will put in \$216.5 million, which is based on the premise that there will be a private sector contribution of \$374.5 million. On this particular project, the commonwealth has, I think, been reasonably generous. It is funding at 80–20, but it is on the premise that the state will put in a certain amount and on the premise there will be a heavy vehicle charge. As we discussed earlier, that has to be developed further. There still need to be business cases developed and it has to be considered by cabinet before a contribution, if any, is made by the state in the midyear review.

**Hon LYNN MacLAREN:** Yet we do not have anything in this budget allocated for the Roe 8 extension. We do have these amounts allocated in the Leach Highway–Carrington–Stirling Highway widening. You have allocated that funding; are you going to proceed with that and how soon will you proceed with the widening at Leach Highway or is the whole thing on hold until you get the golden egg from the commonwealth?

**Hon JIM CHOWN:** The whole thing is probably on hold until a decision is made in regard to Roe 8 and the scope of the project will change.

**Hon LYNN MacLAREN:** I was keen to hear about this in the Senate estimates hearings and it was clear from Infrastructure Australia that their plan at least, which apparently did not come from you, does not have any stop lights on that section, including the Marmion Street–Stirling Highway intersection. Do you have those plans and how was that costed?

**Hon JIM CHOWN:** It is still under development. The ideal project would have no stop lights and grade variations. It is still being scrutinised and it will be three to four months before we have something we can talk about.

**Hon KEN TRAVERS:** A tunnel or a trench is underground, not under development!

**Hon JIM CHOWN:** Thank you for that clarification!

**Hon LYNN MacLAREN:** Is there anything at all you can provide to me which, clearly, someone has seen that shows the route without the stop light.

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**Hon JIM CHOWN:** All I am asking is that you be patient. In three or four months you will have plenty of information, one would hope, to discuss. The answer is no.

**Hon LYNN MacLAREN:** I appreciate that. Does that mean that no works will begin until at least three to four months' time in either Roe Highway or the Leach Highway widening?

**Hon JIM CHOWN:** Absolutely; how can works commence without any sort of project definition, plan or engineering drawings et cetera?

**Hon LYNN MacLAREN:** One last question.

**The DEPUTY CHAIR:** I know Hon Ken Travers is under threat of significant physical injury if this does not finish at 6.15 pm.

**Hon LYNN MacLAREN:** Yes, and he took a considerable amount of time; I only have one more question, which is on page 817 and it is regarding the asset investment program that relates to the road improvements aimed at increasing the efficiency of the road network including cyclists and pedestrians facilities. I was wondering whether you could provide us any more detail about any plans for cyclists' facilities and upgrades to road to accommodate them for this year.

**Hon JIM CHOWN:** There is a comprehensive addendum to a question on notice from the committee regarding cycling. I think at this stage at least 12 per cent of commuters cycle in the metro and elsewhere, and I think that is increasing on an annual basis. The director general may have a bit more to add in regard to possible funding in the future.

**Mr Waldock:** I think we have seen a very substantial investment in cycling. This is a Transport issue, so it is not within these papers, but we have over \$40 million in terms of the program, but on top of the \$40 million, principal shared paths from local government, both metropolitan and regional. What we have done is within the transport budget we have got, as I say, \$40 million over the next four years. A lot of it is going to be in 2014–15, but on top of that we actually have a lot of work that is done by Main Roads as part of their projects as well, so when Main Roads do any significant project, particularly within the metropolitan area, it is factored in as a matter of course and they actually do provide very substantial PSPs, again, for cyclists. I actually do not have a feel of the total number; maybe Des might want to give a bit more, please.

**Hon JIM CHOWN:** Just as a bit of background, in the last three years some \$13 million has been spent on cycling paths around the metro area.

**Mr Snook:** For 2014–15 with the principal shared path network, there will be a total of \$8.9 million spent on four projects. They will be along the Kwinana freeway, the Perth–Midland railway line and Mitchell Freeway.

**Hon LYNN MacLAREN:** Can I get the details as a supplementary?

**The DEPUTY CHAIR:** The supplementary information will be a breakdown of those figures.

*[Supplementary Information No D6.]*

**Hon PAUL BROWN:** I notice on page 821, "Local Road Grants and Subsidies", in this year's budget there is \$176 million and on page 810 there is a reduction over three years of \$70 million going to the local governments through those grants and subsidies. Can the parliamentary secretary explain why there is a reduction of \$70 million going through that grant subsidy to local governments?

**Hon JIM CHOWN:** This is the licence fee contributions you are talking about?

**Hon PAUL BROWN:** The state government licence fee, yes.

**Hon JIM CHOWN:** I think 27 per cent of all motor vehicle licence contributions go to local government entities.

**Hon PAUL BROWN:** Traditionally, it was 27 per cent!

[6.10 pm]

**Hon JIM CHOWN:** Yes, I think there has been a reduction. The \$70 million you are actually alluding to is about the increase of actual licensed vehicles that are currently on our roads; there are some figures that there are well over one million motor vehicles to date throughout Western Australia that are registered. I think the 2013 midyear review decided not to attribute that increase to the local governments, and that is the \$70.1 million, due to the fact that a number of road projects that were being carried out under the scheme had significant carryovers on an annual base. That is why the \$70 million has not been part of the program.

**Hon PAUL BROWN:** Can you allude to why there was a carryover in that budgeted allocation?

**Hon JIM CHOWN:** Because for the local governments involved—I cannot designate what actual local governments they were—the carryover was increasing, and these moneys were made available to them to be spent in the current financial year on definite projects.

**Hon PAUL BROWN:** Surely if there was a significant carryover there would be no harm in leaving that figure where it was at 27 per cent of current funds into the accounts. That way, if the local governments were able to spend that money, it would certainly benefit local roads and also state roads. I would not expect that the Main Roads commissioner or the ministry would be happy to hand back funds to the commonwealth from allocations they have made to the state if the state had not expended that money.

**Hon KEN TRAVERS:** There are still roads to be funded out there.

**Hon JIM CHOWN:** There is no doubt you are right, Hon Ken Travers, but it is a bit unusual for the government to allow significant amounts of money that was issued for specific projects to be carried over on a yearly basis. That is quite unusual.

**Hon PAUL BROWN:** Is there any indication of why there is a significant carryover? Is that because of the guidelines and the regulation that you have in place in regard to that expenditure?

**Hon JIM CHOWN:** I was present at a meeting with the Western Australian Local Government Association at the ministry for transport and this issue was brought up, and they acknowledged that they had fallen down in regard to their processes for the allocation of these funds to local governments. The commissioner will add a bit more to that.

**Mr Waldock:** This is systemic—they never spend the money. This is not unknown, because clearly there are a lot of projects that come up that take longer, particularly in the planning phase, so the actual delivery phase extends out. There has certainly been that. I think on top of that it is fair to say that they certainly are still getting more money than the original agreement ever assumed. So when they signed the agreement back in 2011, there were indicative quantum for each year. What has happened, of course, with the licensing is there have been significantly more revenues than what was anticipated when that agreement was signed. As an example, the original agreement for 2014-15 was \$167.9 million; the fact of the matter is that they will be getting \$176.3 million. So there was certainly more money, there was a significant backlog, and on top of that it is interesting to note—I think this is noteworthy—that they are actually, because of the commonwealth funding, getting over that period of time when the \$70 million has been reduced in the order of \$62.18 million from the commonwealth. I suppose it is disappointing for local government, but in times when we are all cutting our budgets and certainly capital works across the government, I think local government is taking a small reduction.

**Hon PAUL BROWN:** So is it a budgetary reason or is it because they are not expending the money?

**Mr Waldock:** There are budget pressures all across, and this is part of, I guess, those considerations.

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**Hon DARREN WEST:** I have struck an arrangement with Hon Ken Travers, who was going to incorporate my question into his next question, so if I refer the mic, given that he is the one who is at risk of injury if we go over time.

**Hon KEN TRAVERS:** I am sure we will not be getting hurt too much.

The issue about road funding cuts is a nice segue into the issue I wanted to raise. The budget papers are predicated on \$250 million of excess cash held in agency bank accounts being returned to the consolidated account, and Treasury has provided us a list of those agencies that have cash in excess of five per cent. Congratulations, Main Roads, you are at top of the list with \$33 million. It strikes me that one of the reasons Main Roads would have that amount of money is that it has fairly lumpy expenditures and significant road projects going on. Although that money may be held in excess cash, it is allocated to roads. I recall that earlier Mr Snook made reference to the fact that Main Roads planned to build roads from savings it had made on earlier projects. If that money is taken off Main Roads on 30 June, what impact will that have and what roads will not now be funded because that \$33 million will be taken from its account?

**Hon JIM CHOWN:** I refer that question to the finance director.

**Mr Woronzow:** For the last two or three years Treasury has made those estimations and calculations; but, in effect they have never been put into practice. As the member will understand, Main Roads' monthly expenditure to contracted suppliers and others is well in excess of \$33 million. Just on the Gateway project alone, we spend \$35 million a month. All I can say is that Treasury may do those calculations, but at the end of the financial year we have discussions at officer level that in the past have come to the conclusion that Main Roads needed that money to pay our suppliers.

**Hon KEN TRAVERS:** But if it was taken, it would have an impact on the roads that Main Roads has factored into its construction program?

**Mr Woronzow:** In the unlikely event it was taken, and history has shown over the last two or three years that we have had similar situations and it has not been taken, we would have an issue. But the history has been that it has never been taken and we have been allowed to maintain the required cash balance to pay our contractors and suppliers.

**Hon KEN TRAVERS:** Why has there been a \$9 million increase in the oversize over-mass unit? Why is there such a massive jump in the cost of that unit?

**Mr T.K. WALDRON:** This is a cost recovery, so whatever is in the expenditure we are winning back in the revenue side. There is no doubt this is a great case study. We thought we would win the Premier's award last year on this—we were finalists. It is an example of working with the mining industry, the resource industry and certainly the trucking industry to provide far better one-stop services, which means more and better resourcing. We are coordinating escorts now and not the police and we are bringing in Western Power in terms of lifting lines. It is purely revenue neutral; it is cost recovery. What is on the expenditure side is also recovered.

**Hon KEN TRAVERS:** So there is no increase in fees for people using that service?

**Mr T.K. WALDRON:** Yes, certainly an increase in fees because it is cost recovery through higher fees, but industry is working with us on that and they are very satisfied with the product.

**Hon KEN TRAVERS:** Can we get a breakdown of the fees—what they were under the old model, what they started at and what you expect them to go to as a result of those funds?

*[Supplementary Information No D7.]*

**The DEPUTY CHAIR:** That is an appropriate place for us to end this session. Thank you for coming in. The committee will forward any additional questions it has to you via the parliamentary secretary and the minister in writing in the next couple of days together with a transcript of the

evidence, which includes the questions that you have taken on notice. Responses to these questions will be requested within 10 working days of receipt. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of the hearing. On behalf of the committee I would like to thank you for your attendance today. That concludes today's sittings. We will see everyone else tomorrow morning.

**Hearing concluded 6.18 pm**

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