

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

2018–19 BUDGET ESTIMATES



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
TUESDAY, 19 JUNE 2018**

**SESSION THREE
MAIN ROADS WESTERN AUSTRALIA**

Members

**Hon Alanna Clohesy (Chair)
Hon Tjorn Sibma (Deputy Chair)
Hon Diane Evers
Hon Aaron Stonehouse
Hon Colin Tincknell**

Hearing commenced at 1.45 pm

HON STEPHEN DAWSON

Minister representing the Minister for Transport, examined:

Ms NINA LYHNE

Acting Commissioner, Department of Transport, examined:

Mr PETER WORONZOW

Acting Managing Director, examined:

Mr PHILIP D'SOUZA

Acting Executive Director, Finance and Commercial Services, examined:

Mr MAURICE CAMMACK

Director, Budget and Investment Planning, examined:

Mr DESMOND SNOOK

Executive Director, Metropolitan and Southern Regions, examined:

Mr RICHARD FARRELL

Chief of Staff, Minister for Transport, examined:

The CHAIR: Good afternoon, everyone. On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearings. Can the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

The WITNESSES: Yes.

The CHAIR: It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. The hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. 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 you answer the question. Agencies have an important role and duty in assisting the committee to scrutinise the budget papers. The committee values your assistance with this.

Minister, do you have a brief opening statement of no more than two minutes?

Hon STEPHEN DAWSON: I do not.

The CHAIR: You do not. Let us open the questions, starting with the Honourable Diane Evers.

Hon DIANE EVERS: The first question I have is really in relation to the introductions we went through. I notice there is a number of acting positions, and that has been in the previous cases too. Is there a reason? Is this related to the voluntary redundancy scheme? Why are there so many acting positions currently?

Hon STEPHEN DAWSON: Thank you, Madam Chair. I will ask Ms Lyhne if she can reply to that one, please.

Ms LYHNE: You will probably notice that I have been acting in all of the sessions. The current Director General of Transport, Commissioner of Main Roads and PTA is currently in another director general's role in government, just for a very short period of time—about three months—and that has resulted in me acting in this role, so it is definitely a short-term acting arrangement.

The CHAIR: I might take this opportunity to congratulate the former Commissioner of Main Roads, Mr Waldock, on being awarded an Order of Australia in the recent honours.

Members: Hear, hear!

Hon DIANE EVERS: This is in relation to one of the answers to the questions prior to the hearings with regards to the benefit–cost ratios that were supplied. I was wondering if you could tell me what the major parameters used are for determining these benefits from the roads being constructed and how the amounts are determined.

Hon STEPHEN DAWSON: Member, can I ask—there was a bit of noise in the chamber at the time—do you mind asking that again, please?

Hon DIANE EVERS: Yes, sure. With reference to the benefit–cost ratio supplied in response to question 1 prior to hearings, what are the major parameters used for determining the benefits of the roads being constructed and how are these amounts determined?

Hon STEPHEN DAWSON: Madam Chair, I will ask Mr Cammack if he can reply to that one, please.

Mr CAMMACK: The major parameter used in determining the benefit–cost ratio obviously is the cost of the project, but the predominant benefits that are used are vehicle operating costs, travel time, road safety benefits and maintenance benefits, and there are also environmental benefits through reduction in CO₂ omissions that are also built into the benefit–cost ratio. The guidelines that are used are the Australian Transport Assessment and Planning Guidelines that are used across Australia in terms of how you apply the particular parameters.

Hon DIANE EVERS: Thank you. I refer to page 510 of budget paper 2. The third dot point is in relation to the data that Main Roads has available, and I am just asking: how will the service providing this data to people who are interested be available to the public, and what is the content of that data? So, how would the service be administered or delivered and what data is it that people are asking for?

Hon STEPHEN DAWSON: Madam Chair, I will ask Mr Woronzow to respond to this one, please.

Mr WORONZOW: As that dot point highlights, the community is expressing a greater desire to get data on all aspects of our operation. I suppose of particular interest is travel times; travel destinations; information in terms of helping them gauge congestion; benefits of projects, as Mr Cammack highlighted. I am pleased to say we have actually, on our website, if people care to look, what we call an “open data” portal, so all data that is collected within Main Roads, we actually put that up on that data portal, which can be accessed by anyone in the community.

Hon DIANE EVERS: That sounds good. The next one I have is in reference to the income statement on page 521. The “Other revenue” income has increased, and I am comparing this to last year's budget, the 2017–18 budget. What they show as “Other revenue” is showing an increase of an extra \$24 million in the year 2018–19 and an extra \$43 million in the year 2019–20. So, my questions are: what makes up “Other revenue”, and what were the increases for for the outlying years?

[1.50 pm]

Hon STEPHEN DAWSON: I will ask Mr D'Souza to reply to that one.

Mr D'SOUZA: Thank you for the question. In terms of the "Other revenue", the increases across 2018–19 and 2019–20 relate to funds relating to the road trauma trust account as a revenue source. There are other grants received in terms of funding for Western Australian natural disaster relief recovery arrangements. It is not necessarily a program-based approach; it could be on an annual-type basis.

Hon DIANE EVERS: So they are separate from the other grants and subsidies because they have more of an ongoing and specific nature?

Mr D'SOUZA: Correct; different.

Hon DIANE EVERS: Okay. That makes sense.

The CHAIR: And when a disaster has occurred or some sort of weather event, that is required.

Mr D'SOUZA: Correct. That is right; as and when these actually occur. But there may be a base program that is actually funded.

Hon DIANE EVERS: I refer to the controlled grants on page 521. What are "Road Assets Transferred", noting that the estimated actual in 2016–17—this was in the 2017–18 budget—showed an expected amount of \$46 million, whereas the actual turned out to be nearly \$71 million in the current budget for the 2017–18 year?

Hon STEPHEN DAWSON: We are still finding our place. Just to be clear, that is on page 521 under "Details of Controlled Grants and Subsidies." Halfway to three-quarters of the way down is the item "Road Assets Transferred", with the amount of \$70.995 million.

Hon DIANE EVERS: I refer to the figure there of nearly \$71 million for the actual for 2016–17. In last year's budget it was expected to be only \$46 million and then it turned out to be \$70 million. Last year's budget was done probably in June last year, so why is there a big difference from what you expected? There must have been something in there. Also, in general, what does "Road Assets Transferred" refer to?

Hon STEPHEN DAWSON: I will ask Mr D'Souza to reply, but I note, member, that last year's budget was in fact a late one due to the election, so it was not in May or June but was later in the year. I will ask Mr D'Souza if he can respond to that question.

Mr D'SOUZA: Thank you for the question. In terms of road transfers and retirements, these actually relate to two elements. In terms of particular road transfers, it is where a road is transferring from the ownership of the state to the ownership of local government. You can have situations where there is a gazettal of a road which is transferring from being a state-based road—a main road or a highway—to a local road. The other element to retirements is where you have a road project and you might be building a bypass, for instance. The existing road arrangement, when the bypass is built, may actually be retired and not in service. It is actually retiring road assets that are not in service.

Hon DIANE EVERS: And the \$24 million jump for the 2016–17 year? Why did that occur so late in the year that it was not expected when the last budget was created?

Mr D'SOUZA: That is probably a situation where we do a lot of work with local government to determine whether a road is fit for transfer in terms of whether it is up to a necessary standard. There is a negotiation process with local government. That would more than likely explain the reasoning for the difference.

Hon DIANE EVERS: Thank you. Referring to page 510 and the first dot point, could you provide an update on the funding agreement with the Western Australian Local Government Association?

Hon STEPHEN DAWSON: That is page 510 and the first dot point, which states —

Main Roads continues to work with the Western Australian Local Government Association on the establishment of the next five year funding agreement.

You are looking for an update on that. I might ask Mr Woronzow to reply to that.

Mr WORONZOW: The current agreement expires at the end of July. We have had a number of positive meetings and discussions with the local government association to negotiate the parameters of a new agreement. Those discussions have taken the process to where the local government executive will take a recommendation to the state council on 4 July to recommend a new agreement. I am particularly pleased that government has been able to offer local government a new four-year agreement. One of the great things about people coming to WA is that they often comment that there is not much distinction between highways, main roads and local government roads. Part of that has been the ability for government, for the last 20-odd years, to pass on a share of motor vehicle licence fees to local government in the form of this agreement. I suppose the last thing I can add is that in real dollar terms, the amount of motor vehicle licence fees under that agreement, if ratified at state council, will increase each year over the four years.

[2.00 pm]

Hon TJORN SIBMA: I refer to page 518, which is works in progress consistent with Main Roads' asset investment plan, and I note the works on the Mitchell Freeway being undertaken, specifically the Cedric Street to Vincent Street widening project. Is that all state government money or is there a federal contribution in that?

Hon STEPHEN DAWSON: Is that in relation to Mitchell Freeway from Cedric Street to Vincent Street?

Hon TJORN SIBMA: Yes, in relation to that widening project.

Hon STEPHEN DAWSON: I am advised it is actually 20 per cent state and 80 per cent federal.

Hon TJORN SIBMA: Okay. Before we met, in a question submitted prior to hearings, Main Roads was very helpful, along with the PTA, in providing benefit–cost ratios for these projects, my recollection is that the benefit–cost ratio ascribed to this specific widening project was within the vicinity of nine or \$9.3 —

Hon STEPHEN DAWSON: It was \$9.13.

Hon TJORN SIBMA: It was \$9.13—my memory is not that bad. Does that BCR apply specifically just to that element of widening itself or was it also reflective—I understand that the project had an earlier genesis, which included widening the southbound lanes on the Mitchell Freeway between Hodges to Hepburn and between Reid and Erindale. I wonder whether the BCR of \$9.13 reflects that whole project as originally envisaged, or just this particular component.

Hon STEPHEN DAWSON: I am advised it is just that section.

Hon TJORN SIBMA: It is just that component. Might I ask whether the widening subprojects—I will call them that—between Hodges to Hepburn and Reid to Erindale are on Main Roads' radar for potential future works? I do not see them in the budget papers.

Hon STEPHEN DAWSON: I will ask Mr Woronzow whether he can provide an answer, please.

Mr WORONZOW: The section the member was talking about is currently not funded. It will be subject to a future funding request.

Hon TJORN SIBMA: Thank you for that answer. Might I just clarify the minister's earlier answer to the question on funding proportionality for the Cedric to Vincent Street? The project quantum is

\$40 million and the breakdown is that 80 per cent of that \$40 million is federal money and the residual is state, so it is \$32 million federal and \$8 million state. Is that correct?

Hon STEPHEN DAWSON: That is correct.

Hon TJORN SIBMA: I refer to the sixth dot point on page 509, under “Significant Issues Impacting the Agency”. Perhaps we will get to a point at which we number these issues instead of dot pointing them, but that is an aside. I do not know the genesis of this, but the remark is made that in 2015 the cost of congestion is estimated to be \$2 billion. Is it possible to provide a more up-to-date figure on the cost of traffic congestion to the Western Australian economy?

Hon STEPHEN DAWSON: I am advised that that information was part of an Infrastructure Australia audit of roads. It was done by them nationally, but obviously we are using their figures in this document.

Hon TJORN SIBMA: Thank you for providing that clarification. I assume, therefore, though, that Main Roads is not disputing that finding. My leading question is: what continued focus will Main Roads have on remediating or alleviating congestion on the Mitchell Freeway over the estimates and where can I find that indicated by project work?

Hon STEPHEN DAWSON: Let me start and then we might get some supplementary information, member. Infrastructure Australia publicised that Mitchell Freeway would become the number one congested road corridor in Australia by 2031, requiring near-term, zero to five years action. In 2016, Main Roads commenced the development of an overall strategy and plan to transform Perth’s freeways in line with the Perth and Peel@3.5 million transport plan. The overall plan is now complete and includes the rollout of smart freeway technology and widening of key bottlenecks to maximise the productivity of moving people and goods throughout Perth’s principal road corridor. The plan is a phased program of freeway upgrades in five stages. Stages 1 and 2 are designed to address today’s traffic congestion challenges and stages 3 to 5 will enable Perth’s freeways to keep up with population and economic growth.

Supplementing the plan is the completion of gaps in the principal shared path—PSP—network adjacent to the freeways to alleviate traffic congestion by promoting a shift to sustainable modes, like cycling and walking, through improved infrastructure. The plan also includes the upgrade two existing bus–rail interchanges in Canning and Stirling, improving the capacity of the public transport system at these locations. Mr Woronzow can add to that.

Mr WORONZOW: In addition to what the minister said, what is in our asset investment plan is our first managed freeways, or smart freeways, project with \$49 million for between Canning Bridge and the city. That particular project is a model that has been used successfully in the UK for 20 years and for over 10 years in the eastern states, particularly in Melbourne. We expect that that project by using technology, such as ramp movement, will allow us to get greater capacity out of the freeways. So, in addition to the four or five projects that are in our asset investment program currently to do work on the Mitchell and Kwinana Freeways, we realise we cannot continue to build late kilometres and we need to use technology now. We think that that project will deliver benefits of BCR in the order of 10, and for people travelling from the southern suburbs into the city it will save in morning peak hour in the order of 12 minutes travel time. If that business case and that modelling is proved to be correct, we see that as a model for going forward to do future work on the Mitchell and Kwinana Freeways.

Hon TJORN SIBMA: That is a really helpful answer and I obviously endorse the utilisation of technology to provide multi-nodal solutions—I think that is the preferred terminology—to alleviating congestion. What I would like to know, not so much only as member of this committee,

but also as a member of the North Metropolitan Region, is whether there is any plan in place to deliver the same kinds of commuter time savings as are anticipated for people coming up the Kwinana Freeway into the CBD and replicate that for the people coming down from Joondalup or Kingsley into the CBD as well?

[2.10 pm]

Mr WORONZOW: We are currently working on future follow-on projects for that managed freeways trial in five stages on Mitchell Freeway. We are currently putting together the business cases that are required by Infrastructure Australia to consider more fully projects on the Mitchell Freeway to help people in the future travelling from the northern suburbs into the city.

Hon TJORN SIBMA: The alleviation of congestion woes from the Mitchell Freeway southbound lanes coming into the CBD—those five projects you referred to are all, to some degree, going to require a federal contribution. Is it possible—perhaps not now but supplementary to this—to table what those five projects are and the indicative timeframes you will be working to to provide a submission to Infrastructure Australia?

Mr WORONZOW: In relation to the commonwealth–federal split, they are all funded 80 per cent commonwealth, 20 per cent state. The five projects that I alluded to—they are in the asset investment program—are the Kwinana Freeway northbound widening from Russell to Roe Highway; that is \$49 million. There is the Mitchell Freeway southbound widening of Cedric to Vincent Street that we have talked about—\$40 million. There is the \$15 million Mitchell Freeway–Hutton to Cedric Street, the \$35 million project to construct the new on-ramp connecting Manning Road to Kwinana Freeway, and I have talked about the smart freeway project for \$47 million. That is the five.

Hon TJORN SIBMA: There is no future five, I suppose. That was where I was leading. There is not another five projects?

Hon STEPHEN DAWSON: Not at this stage.

Hon AARON STONEHOUSE: Just a quick question almost on the same line of inquiry—page 517 and the asset investment program. I note the Kwinana Freeway between Russell Road and Roe Highway widening. I noticed that the wording in there is exactly the same as the 2017–18 budget. It looks like it was copy-pasted. Could you give us a quick snapshot of that project—if it is on schedule to be completed this financial year and how it is tracking.

Hon STEPHEN DAWSON: Sure. Perhaps I can start with a project status update.

Hon AARON STONEHOUSE: Just a brief overview would be fine.

Hon STEPHEN DAWSON: I am advised that for cost and delivery efficiencies, the project is being delivered through two contracts. The freight rail to Roe Highway section contract has been awarded, with the second contract scheduled for award in May 2018.

Peter, have you got further information you want to add?

Mr WORONZOW: That particular contract—I have recommended it to the minister and my understanding is that she is about to make an announcement on the award of that particular contract, so it is imminent.

Hon AARON STONEHOUSE: The appropriations show a figure of \$46 321 000 in this financial year—2018–19—with a couple of million in the previous year for a total of \$49 million. If the contract is awarded shortly, what is the project completion estimated timeframe?

Mr WORONZOW: Typically, a contract of that order would take 15 to 18 months to complete, so we estimate that it will be completed by the end of 2019. In relation to the question about the

\$2.679 million in 2017–18—before we go to the market and put a contract in place, Main Roads is required to do state environmental approvals, seek those and get those, do heritage investigations, do those, seek those, acquire any land, and develop the contract documentation. The \$2.679 million in 2017–18 relates to that pre-development work before we can go to the market.

Hon AARON STONEHOUSE: You can probably answer this one quickly for me. The widening projects southbound on Kwinana Freeway around that same area—those projects are all completed now for the foreseeable future, are they?

Mr WORONZOW: They are.

Hon AARON STONEHOUSE: Looking at page 509 and the comments on road congestion in the sixth bullet point down. The Department of Transport reported a three per cent drop in the number of cyclists using shared cycle routes in the CBD. They attributed that to the slowing down of the WA economy. We heard from the PTA that there was about a three per cent drop as well in the patronage of public transport—again, blaming that on the downturn of the WA economy. Is it presumptuous of me to wonder if we have seen a three per cent reduction in road congestion over that same time?

Mr WORONZOW: As a general comment, over the same period we monitor 18 key links of the network. We have the network built up into 18 key segments. The aggregated information is showing over the last 12 months there have been more vehicles go through the network over the same period of time than the previous 12 months. It is also showing an increase in overall travel time in the order of 1.7 or 1.8 per cent. Those figures are showing, in effect, less congestion, if I can express it that way.

Hon AARON STONEHOUSE: Sorry, is that more vehicles over that same period of time through those areas that you monitor? Would it be fair to suggest then that rather than the economy having an impact on those other modes of transport, that perhaps people are voting with their feet and switching from cycle and public transport and instead opting to drive?

Hon STEPHEN DAWSON: Member, it is not for Main Roads to question the evidence given by the Department of Transport or, indeed, the Public Transport Authority. Obviously, they have to give appropriate and reliable answers to this committee. Certainly, as Mr Woronzow has detailed, there are more cars on the freeway at the moment—and travelling quicker.

Hon AARON STONEHOUSE: Okay. Good to know.

Hon COLIN TINCKNELL: My questions are on the employment of Indigenous people. I note a lack of Indigenous employment in the construction industry. Everything is on page 509. I would like the minister to clarify the KPI benchmark for Indigenous employment at Main Roads. I have some follow-up questions to that.

[2.20 pm]

Hon STEPHEN DAWSON: Member, I can give you some of that information. Let me start off, and it might need to be supplemented. From 1 July this year, the state government's Aboriginal procurement policy will require government agencies to award a percentage of contracts each year to registered Aboriginal businesses. Initially, this will be one per cent for 2018–19. Main Roads will meet this requirement, but given the stringent prequalification requirements for major projects, it is unlikely that the lead contract for a major project will be awarded to an Aboriginal business at this stage. I am pleased to say that Main Roads has developed its own requirements for incorporating real opportunities for Aboriginal participation. Main Roads is including Aboriginal employment and business opportunities into the design and construct contract procurement process for major projects and also new, long-term maintenance contracts. For future major infrastructure projects,

contract requirements will stipulate at least 10 per cent of the contractor's total work hours must be undertaken by Aboriginal people, and an Aboriginal business procurement rate of at least two per cent. Key achievements so far include a contractual commitment to employ 49 Aboriginal people and four trainees on the \$56 million upgrade of Great Northern Highway from Maggie's Jump Up to the Wyndham Spur. This is equivalent to about 45 per cent of the labour hours worked on the project by Aboriginal people. We have also got a target of 58 per cent of total labour hours worked by Aboriginal people on the Bow River Bridge upgrade on Great Northern Highway, with 38 per cent of these hours provided through local Aboriginal communities. The employment of 20 Aboriginal people on the Broome–Cape Leveque Road upgrade is happening, and also at least 20 per cent of subcontract works will be undertaken by Aboriginal businesses. This project is worth about \$66 million. In terms of the new five-year midwest–Gascoyne maintenance contract, which is worth \$88 million, that will have a permanent workforce of 13 Aboriginal people, and Aboriginal people have performed about 37 per cent of the total hours worked to date. Similarly, the \$92 million wheatbelt maintenance contract, also over five years, will have five Aboriginal people on the permanent workforce, and so far 11 per cent of the total hours worked have been by Aboriginal people. Overall, the opportunities for Aboriginal employment in the state's road building industry will increase significantly as future road projects get underway. Can I say on behalf of the minister that she is particularly pleased that Main Roads has been leading in this area, certainly in progressing Aboriginal employment and engagement initiatives. From Main Roads' perspective, these opportunities will not be restricted to regional Western Australia. A great deal of work is being undertaken in the metropolitan area to ensure Aboriginal participation in road contracts down here, including two upcoming projects—the widening of Kwinana Freeway northbound and the widening of Mitchell Freeway southbound. They will cost \$89 million in total. For major road infrastructure projects in the future, contract requirements will stipulate that at least 10 per cent of the contractor's total work hours must be undertaken by Aboriginal people, with an Aboriginal business procurement of two per cent or more. Major road maintenance contracts will have similar provisions. It is good news in this space. As someone who represents the Mining and Pastoral Region in this place, I am particularly pleased with the engagement and procurement in the north west of the state in particular. Main Roads should get a pat on the back for the good work they are doing there.

Hon COLIN TINCKNELL: Thank you for that detailed answer. That has answered all the questions I had in that area. Obviously, this is on the back of previously we had a significant issue in employing Aboriginal people in the road building construction side. That is a really good result.

Moving on to something completely different, blackspot locations and budget: the RAC noted back on 3 May that there is no planned extra funding to fix many of the top 10 blackspots in WA. Is there funding allocated specifically for blackspot resolution; and, if that is so, how much funding has been set aside for this financial year?

Hon STEPHEN DAWSON: There is a project being undertaken at the moment. It is a kind of minor works project, but it also includes blackspot and urgent minor works, over this year. I am advised that there is some money in there for the state blackspot program, which are on state roads. Perhaps I will ask one of my advisers. Mr Snook is probably the right person to give you a bit more detail about that.

Mr SNOOK: The state blackspot funding program is worth \$20 million per year. It is \$10 million on state roads and \$10 million on local roads. For the projects on state roads, those projects are selected through the Main Roads process. We have two ways of doing it. We work on either a benefit–cost ratio, and what that means is for the crash record of that particular location to address the issues causing those crashes, what is the cost of the treatment that we have to do? So you can

work out a benefit–cost ratio out of that. If it is a high enough benefit–cost ratio, we will fund it. If it is a road where there is not a crash record at the moment, but it is pretty obvious that there is the potential for a crash to occur, then we can address it through a road safety audit, and the road safety audit will identify if a treatment is available. With the local roads being funded through that \$10 million component for the local roads part of the blackspot, those projects are nominated by the particular local governments. A condition of that is that for every \$2 provided by the state, the local government provides \$1, and so provided that the local government is happy to meet that funding commitment that they make to the project, they will nominate projects and, again, it can either be through a benefit–cost ratio or a road safety audit. All those projects are submitted through the regional road group, and from that it comes in and we do a tally of the projects and the highest benefit–cost ratios or road safety audit scores are the successful projects. In that way we make sure that we are addressing the particular road safety issues and addressing the worst crash locations.

Hon STEPHEN DAWSON: If I can just add, half the funds will be spent in regional Western Australia and half in the metropolitan area as well, on top of what Mr Snook said.

Hon COLIN TINCKNELL: I refer to page 507. I note that Western Australia has the worst motor vehicle fatality rate per capita in Australia, with regional roads in WA now eight times over the average fatality rate per 100 000 people and more dangerous than the metropolitan area. My question is: how much of the road safety trauma account is being spent on regional roads and can the government confirm whether a portion of the road trauma trust account is being expended on the replacement of booze buses and the replacement of a police helicopter, which are principally used in metropolitan area?

Hon STEPHEN DAWSON: Member, if I can just point out, you mentioned page 507, but it is page 509 in our document because page 507 is the Department of Transport.

Hon COLIN TINCKNELL: Sorry about that.

Hon STEPHEN DAWSON: We are all looking a bit confused over here as we tried to find the spot.

In relation to the road trauma trust account, the Minister for Road Safety has responsibility for that. We can talk about the money that is spent in our area from that fund account, but later in the day we have the session on police and road safety. If you have broader questions, you might hold off your questions until that session, unless you want particular information about where the funding we are getting from that account is being spent.

[2.30 pm]

Hon COLIN TINCKNELL: I am happy to hold that off.

Hon STEPHEN DAWSON: Okay, it is probably better.

Hon COLIN TINCKNELL: I hope I have the right page number—page 511. I note there has been a four per cent increase in funds granted from state government and local governments under the state government road funding agreement. Can the government confirm the actual increase or decrease in real terms of the funding levels compared with the levels prior to 2011? This is allowing for the nine per cent increase in car registrations and monetary inflation.

Hon STEPHEN DAWSON: Thanks, member, for that question. Mr Woronzow did, I guess, talk to some of this earlier, but perhaps I can ask him to supplement that information now.

Mr WORONZOW: Thank you. As I previously mentioned, the level of funding in real terms under the agreement will start off at \$188 million in 2019–20 and then it will rise in real terms each year over the forward estimates. Importantly, over the forward estimates there is the equivalent of an

additional, from memory, 6.5 per cent of funding that is being spent on local government roads outside the agreement. If you could bear with me, I can detail those key roads. The amount of funding, that 6.5 per cent, is the equivalent of, in dollars, \$262 million. The Armadale Road bridge—that is a local government road—\$237 million will be spent on that bridge. The Stephenson Avenue extension, \$60 million; Erindale Road intersection with Boya road is \$750 000; Nicholson Road, Yale Road and Garden Street roundabout improvements of \$500 000; intersection of Wellington and Walter Roads, \$1 million; Scarborough Beach Road, the intersection upgrade at Main Street, \$3 million; Bassendean Road improvements, \$100 000; intersection upgrades at Paget and South Street, Hampton Road, Scott Street, South Terrace, and Little Lefroy Lane, \$650 000; Hepburn Avenue noise walls, \$500 000; access to Lightning Park is \$3 million; the Karel Avenue dual carriageway, which is being done as part of the Armadale Road works is \$15 million; intersection upgrade on Hale Road and Woolworths Drive, \$600 000; Marmion Avenue, the duplication, Butler to Yanchep, \$23 million; pedestrian light crossings at Vincent Street, Fitzgerald Street, Charles Street, \$1 million; and bicycle boulevards, \$12 million, on various local government roads. They are the metropolitan part of the expenditure.

In terms of the rural part of the state, the sealing of the Bidyadanga Road is \$4 million; Outback Way, the part of the sealing from Laverton to the WA border is \$33 million; Karratha–Tom Price stage 3, \$50 million; Collie–Preston road improvements, \$15 million; and the Square Kilometre Array roads, \$35 million. Over the forward estimates, as I said, that comes to \$262 million, as another equivalent of 6.5 per cent to the percentage of the local government agreement.

Hon TIM CLIFFORD: I refer to budget paper No 2, volume 2, page 518. I know that the government is using the Perth Freight Link as a business case for the MDC. I would question the validity of this given the previous criticism of the Barnett government's flawed business plan. Having said that, can you confirm the costs for the Perth Freight Link business case are the same as for this project, in relation to the Murdoch link?

Hon STEPHEN DAWSON: I cannot confirm that, because we do not have access to the business case that was undertaken by the last government. We cannot confirm if the costing is the same, because it is cabinet-in-confidence, essentially. We do not get access to that.

Hon TIM CLIFFORD: What is the rationale for the overspend? I think it is about \$18 million to date in the figures. That is in relation to the activity centre, estimated expenditure to 30 June, 2018.

Hon STEPHEN DAWSON: Are you able to point to a line item?

Hon TIM CLIFFORD: Yes—"Works in Progress", "Kwinana Freeway", "Access to Murdoch Activity Centre".

Hon STEPHEN DAWSON: Thank you, member, for your patience. I will ask Mr Woronzow if he can provide an answer to that one, please.

Mr WORONZOW: Thank you. The difference in the anticipated expenditure this year and in the budget estimates relates to the desire of the government to progress that project as quickly as possible. The funding for that project came from the cancellation of Perth Freight Link. There were 16 priority projects that were funded out of the cancellation of that project and the government was very keen that those projects actually start construction as quickly as possible to stimulate the economy, to create jobs and, more importantly, so those workmen who were working on the Roe 8 section of Perth Freight Link had another job to move to. This particular project has provided that employment. We are doing it quicker than we had planned.

Hon TIM CLIFFORD: It is just fast-tracking aspects of the project, really.

Mr WORONZOW: Yes.

Hon TIM CLIFFORD: How much has been spent on community consultation for the Murdoch Drive connection to date?

Hon STEPHEN DAWSON: Member, we would have to take that question on notice. I am not sure whether it is as simple as going to a document and finding a line item, but perhaps we can go away and find out what community consultation has been undertaken in relation to this project. I might ask Mr Woronzow to see what he can do.

[Supplementary Information No C1.]

Hon TIM CLIFFORD: Moving on to the NorthLink project, how much has been spent on community consultation for the NorthLink project to date?

Hon STEPHEN DAWSON: Again, I am not sure that we can provide that information now. I will let Mr Woronzow indicate what the course of action might be.

[2.40 pm]

Mr WORONZOW: Thank you for the question. The NorthLink project is the largest project that Main Roads has ever undertaken. There are four sections that form part of it. The grade separation is on Tonkin Highway, which is effectively complete. As you can imagine, the three main grade separations, including the one at Morley Drive, are in close proximity to the community. On this particular section, we did extensive consultation with the community to make sure their needs were being met in terms of noise mitigation, how the project looked. From memory, on that section, the costs of the community consultation were over \$1 million. I will have to take that on notice to give you the exact figure. The second stage of NorthLink is from Reid Highway up to Ellenbrook and the third stage is from Ellenbrook up to Muchea. Both those sections have a current live contract in place. We hope to have them completed by the end of 2019. Both of those sections had less community consultation than the Tonkin Highway section. The stage 3 from Ellenbrook up to Muchea is, in our terminology, a rural project. We have consulted with the community, but not to the same extent. So, for stage 2 and 3, I will have to take both of those projects on notice to give you the exact figure.

[Supplementary Information No C2.]

Hon TIM CLIFFORD: Has there been an estimated expenditure on noise reduction mechanisms? Was there an estimate in the budget and has that been exceeded?

Mr WORONZOW: The budget did include provision for noise mitigation, including noise walls. Now, again, to provide you the exact figure, I will have to take that on notice. But it was provided in the budget. It was part of the community consultation. We consulted with the community. We did noise readings and as part of that process, where it was required, we modified the noise walls and noise mitigation that was required. But I will have to take that on notice. I have some other information. In terms of NorthLink, stage 2, part of the project included work along Hepburn Avenue in Ballajura, so that was included as part of the project. That was included at a cost of \$1.5 million. In terms of the other noise mitigation costs, I will take that on notice.

[Supplementary Information No C3.]

Hon SIMON O'BRIEN: I want to go, first of all, to page 508 of the budget paper. The very bottom line in the table on that page, the spending changes, says "Road Maintenance Expenditure". Can you explain to me what that line means?

Hon STEPHEN DAWSON: On our document it is actually at the top of page 509, but that is all right. We have it—"Road Maintenance Expenditure".

Hon SIMON O'BRIEN: What does that line and the figures with it actually mean, please?

Hon STEPHEN DAWSON: If you give us one moment, Mr Woronzow will find that exact information and provide it to you, member.

Hon SIMON O'BRIEN: It is a \$300 million question.

Mr WORONZOW: Member, as you would remember, motor vehicle licence fees are hypothecated to Main Roads and a proportion of those motor vehicle licence fees go to maintenance. Previous budget papers used that maintenance line to balance out where the balance of motor vehicle licence fees go to. It is basically saying that road maintenance expenditure over the four years has been set by this government at \$440 million for this year; \$442 million for next year; 2020–21, \$444 million; 2021–22, \$446 million. That provides an increase of \$365 million over the previous four years.

Hon SIMON O'BRIEN: This line shows there is an increase of expenditure in this area of those amounts; is that right?

Mr WORONZOW: No. Main Roads is receiving over the forward estimates an increase of \$365 million. What this particular entry is saying, based on the previous budget papers and the estimate for maintenance, is there is a reduction of those amounts.

Hon SIMON O'BRIEN: So they are cuts. Is that what you are saying? Because that is where any reading of it—this budget is very hard to comprehend in some ways, like most budgets, and I congratulate you on that as a former member of the EERC. Well done. But that road maintenance expenditure indicates to me that in this year for this budget it is going to be \$12.3 million less than it was otherwise going to be; it was going to be spent on road maintenance. Next year is going to be \$71.1 million less. The next year is going to be \$123.445 million less; and in 2021–22, a cut of \$121.445 million to road maintenance. Is that basically what it says?

Mr WORONZOW: It is saying that in terms of motor vehicle licence fees in the previous budget that were predicted to go to road maintenance, there would be those amounts that would be less going to road maintenance, but I would like to make two points. Over the forward estimates, the amount of money going to road maintenance is an increase of \$365 million and those figures that you read out—those amounts are not lost to the Main Roads budget. They are reserved in a special purpose account for future road projects. So, I suppose, to sum up, road maintenance has increased in this budget.

Hon SIMON O'BRIEN: So there is money that has been raised ostensibly for the purposes of road maintenance, but the government is not going to spend it in those years. It is going to stash it away somewhere; is that what you are saying to me?

Mr WORONZOW: No.

Hon SIMON O'BRIEN: I think the answer might be yes, is it not?

Mr WORONZOW: No, I am not saying that.

Hon SIMON O'BRIEN: You are enjoying this, are you not?

Mr WORONZOW: No.

The CHAIR: Thanks, member. Ease up a bit, please, instead of haranguing.

Hon SIMON O'BRIEN: I just want a straight answer. It is a pretty simple question.

The CHAIR: Thanks, member. I know.

Hon SIMON O'BRIEN: Does that line there mean that has been cut?

The CHAIR: Order! Thank you. We do not harass witnesses in estimates and in addition to that, I think the witness has been providing an answer. Now, if you could give him some clear air to continue.

[2.50 pm]

Mr WORONZOW: Thank you. That money has been raised by motor vehicle licence fees. It is still within the Main Roads budget but it has been reserved for future road projects.

Hon STEPHEN DAWSON: Madam Chair, I am happy —

Hon SIMON O'BRIEN: Right; I am trying to understand what “spending changes” means. It is a simple question.

The CHAIR: Order! The minister wants to complete the answer.

Hon SIMON O'BRIEN: I am sure he does not need your protection, either.

Hon STEPHEN DAWSON: I am happy, by way of supplementary information, to provide a history of road maintenance funding over the past few years if that would be helpful to the Council.

[*Supplementary Information No C4.*]

Hon SIMON O'BRIEN: I have another question, which relates to page 518 under “Works in Progress.” About a third of the way down the page under “Election Commitments”, reference is made to Leach Highway, Carrington Street to Stirling Highway. These are works, as I understand it, to help alleviate the traffic congestion problems on Leach Highway in that vicinity. What are we doing with similar problems on Leach Highway east of Carrington Street? Is there anything being done there at all?

Hon STEPHEN DAWSON: Perhaps, member, I might touch on this first thing first, which is the High Street upgrade Carrington Street to Stirling Highway. That is a \$118 million project. It is approximately 37.6 per cent state funded, so about \$44 million of state money and about 62 per cent federal money, which is about \$73.6 million. The start date for that construction is this year and it is estimated to be completed in 2020. The planned works are for an upgrade of High Street between Carrington Street and Stirling Highway to a four-lane dual carriageway standard with a wide median and a single-lane service road to the north of High Street. Construction of a roundabout at the intersection of High Street and Stirling Highway is also part of this funding. The rationale for it is essentially to reduce delays for freight vehicles and to improve safety and network amenity along a section of this important urban arterial road. Another part of the rationale is that improved design will also reduce crash risk at the intersection of High Street and Stirling Highway, and provide more reliable access to the Fremantle inner harbour. In relation to the road east of that, I might see if Mr Woronzow has any comments to make.

Mr WORONZOW: In relation to this particular project, no work is in the scope of the project east of Carrington Street.

Hon SIMON O'BRIEN: That is a massive amount of works that you have described, minister, for Carrington Street down to Stirling Highway and I presume that is necessary but my question is, why is it not necessary heading back east along Leach Highway? Just by way of one example, there are heaps and heaps of residences with their own driveways along Leach Highway just east of Stock Road. Why are we spending so much money in the Freo bit and nothing in the other bit?

Hon STEPHEN DAWSON: Given that I am not the minister with responsibility for this area and it is an election commitment, I will have to take that question on notice and provide an answer by way of supplementary information.

Hon SIMON O'BRIEN: If it is any comfort to you, I know where you have a few hundred million dollars stashed away. You could build Roe 8 with that if you wanted to.

The CHAIR: Thank you. I will take that as a statement.

[Supplementary Information No C5.]

Hon LAURIE GRAHAM: I refer to page 518 of budget paper No 2 and the “Regional Road Safety Program.” The major concern of people attending local government, other than meetings, as always been roads and road safety issues, and the lack of safe run-offs is one issue that is regularly raised with me. People are accepting the rumble strips being imposed now on roads, which they think is a great initiative and are being well received and appreciated, particularly with the number of accidents that have occurred. I would like some information on what the government is doing to improve road safety on our regional roads in this particular program.

Hon STEPHEN DAWSON: There is a funded regional road safety program as part of this budget. It is approximately \$55 million of spending over the forward estimates. Essentially, the roads that are to be tackled as part of this include planned works in 2018–19 on Indian Ocean Drive. There is \$3.5 million being spent for the construction of two passing lanes south of Lancelin on the Northam–Cranbrook Road. There is \$2.5 million for 5.7 kilometres of widening and sealing shoulders south of Katanning on the South Western Highway. There is \$2 million for three kilometres of widening and sealing shoulders south of Waroona on Boyanup–Capel Road. There is \$2.1 million for 6.8 kilometres of widening and sealing shoulders west of Boyanup on Great Northern Highway. There is \$1.5 million for four kilometres of widening and sealing shoulders north of Cue on the Goldfields Highway. There is \$1.5 million for six kilometres of widening and sealing shoulders south of Kambalda on the Goldfields Highway. There is also another \$4.6 million for seven kilometres of widening and sealing shoulders south of Leonora on the Coolgardie–Esperance Highway. There is a further \$2.5 million for construction of a passing lane south of Widgiemooltha on the York–Merredin Road. There is \$3.9 million for reconstruction and widening east of York on the North West Coastal Highway and another \$2 million for 6.3 kilometres of widening and sealing shoulders south of Fortescue roadhouse. The final part of the planned works for 2018–19 is \$2.15 million for construction of a passing lane west of Roebourne on the North West Coastal Highway. That project has commenced. The estimated completion date is 2019–20, so that significant work will happen. Why are we doing it? Essentially, a high number of people are killed or seriously injured in road crashes in regional Western Australia. These projects that combine the regional road safety program were determined jointly between our Minister for Transport and the commonwealth Minister for Infrastructure and Transport based on advice from their agencies. Member, as a representative of the Agricultural Region, you will recognise that some of those roads in particular have been death traps. I have spoken to you previously, particularly about Indian Ocean Drive and you have had some conversations with the community over the past few weeks and ministers have visited up there. These road upgrades will save lives and are very important to fund in regional Western Australia.

Hon KYLE McGINN: Minister, you mentioned a couple of roads there. Page 518 of budget paper No 2 mentions the Coolgardie–Esperance Highway widening. It is a big issue in my electorate, that road. There are thousands of truck movements and it is very important to the electorate. I am just wondering if you can outline the progress of this project and how we are tracking on it?

Hon STEPHEN DAWSON: Member, I share your interest in this road given it is also in my electorate. As you would be aware, the government is progressing on our election commitment made some time ago in relation to the reconstruction, overlay and widening of about a 22.3 kilometres section of the Coolgardie–Esperance Highway, which is known as Emu Rocks South. Obviously, there has been some media up in the goldfields about that. We have committed \$8 million towards this

project as part of our election commitment and we are seeking federal funding from the commonwealth for their share. The rationale behind this project is that it is a priority as the section of the main east–west freight route on the National Highway and it has poor geometry and a narrow seal width. You would have driven this road numerous times. The WA regional transport network plan proposes this route as a future high-load route, so upgrading this section will fulfil the requirements for oversize and over-mass vehicles. Mr Cammack may have further information to add.

[3.00 pm]

Mr CAMMACK: Thank you, minister. Main Roads is currently seeking environmental approval and heritage clearances for the project, and we are preparing a business case to seek the additional funding from the federal government to fulfil the full scope that the minister has outlined. If funding is not available then we will work on the priority sections within the current allocation to make sure that the priority sections of the road are upgraded, if we are not successful in securing the additional federal funding.

Hon STEPHEN DAWSON: Member, if I may, any opportunity with your federal colleagues out in the Goldfields, particularly in O'Connor, if you get an opportunity I would encourage you to have conversations with them and encourage them to put their hand in their pocket.

Hon KYLE MCGINN: Yes, I will be doing that for sure. Also around the same area, we have a lot of trucking movements, as we have new minerals coming out with lithium et cetera, I am just wondering, again, page 518 of budget paper No 2 mentions the Great Eastern Highway. I am hoping that you can provide an update on the status of the road improvements along the Great Eastern Highway, which is another critical issue in my electorate.

Hon STEPHEN DAWSON: Thank you, Madam Chair. I might ask Mr Snook if he can provide an answer to this one, please.

Mr SNOOK: Thank you very much. The section on Great Eastern Highway, especially from Walgoolan to Southern Cross, was the section that we had some problems with due to a rain that occurred. We have done work on that through 2017–18. In particular we did 4.9 kilometres of pavement reconstruction and 20 kilometres of new reseal. That is very important for us, because on older sections of road it is very important to keep the bitumen surfacing up to date, because that waterproofs the road.

In 2018–19, between Walgoolan and Southern Cross we are planning to do additional work on that. There will be seven kilometres of pavement repairs done and there will be over 40 kilometres of reseal work done, so we are really putting the work in to maintain the road surface through there. In addition, we are putting together proposals to go to Infrastructure Australia to seek funding for large projects along three sections of road through there, so that will be totalling \$200 million, but at this stage we are still putting those submissions together.

Hon STEPHEN DAWSON: Madam Chair, if I may, I understand all the environmental and heritage approvals have been given for that section of the road, and there is consultation that is underway with key stakeholders regarding the relocation of underground services. It is anticipated, depending on when we get the money, that that construction will start around October this year.

Hon KEN BASTON: I am interested in what the minister said with regards to greater employment opportunities for Aboriginal people when we build these roads. I think it is extremely important. The classic road is Meekatharra to Gascoyne Junction, because it is getting built slowly by local people for some time, but I was also pleased to see that the Marble Bar Road with the Coongan Gorge realignment is back on the books. About 10 years ago, when I went through there,

it was extremely dangerous, and still remains as such. But I am extremely disappointed to not find—unless it is in here somewhere in fine print and I have gone straight over the top of it—the Wiluna–Meekatharra Road; has that dropped off? I believe there was some \$60 million in that, or has that gone to the Tom Price Road? I just ask you, minister.

Hon STEPHEN DAWSON: Good question, member. My advice is that the funding of that road was caught up in royalties for regions reprioritisation, so you may well need to ask further questions about that in the royalties for regions session. The Minister for Regional Development session is later this week. Certainly, in relation to the roads that are there, some of them were election commitments, others were not. The budget reads for itself in terms of those are the roads that you mentioned in the north-west, but the information is that the Wiluna Road was actually tied up in some of the reprioritisation of RforR dollars.

Hon KEN BASTON: Interesting, thank you.

Hon TJORN SIBMA: I just draw your attention to the statement financial position on page 522 of my budget. I do not know whether you are running a second budget, minister, but that is the page it appears on in mine. I am more interested in cash management within the commission, because there are some interesting figures. It is a question in some parts, but I would like to understand, please, how and why Main Roads arrives at a cash asset base of \$355 million in 2021–22. How do you get to that point? It is a significant increase on where we started in 2017–18. I am interested to understand the deviations from forecast between the last budget and this one when it comes to the utilisation of restricted cash. Restricted cash seems to be expended quickly. I just wonder what is happening there.

Hon STEPHEN DAWSON: I might ask Mr D’Souza if he can provide at least an initial answer to that, then we will see. We may have to get you some more.

Mr D’SOUZA: I thank the member for the question. In terms of cash assets, the increase in end of year balances for cash assets in the main relates to a couple of elements: one, our particular cash flow profile at the end of a financial year, given we are in construction and maintenance, always has a situation where you have a lag between when contract construction claims are made versus actually when they are paid. So that is one particular element why you might see an increase in the particular balance at the end of a financial year.

The other element relates to some of the prior responses around the placement of funds for future road-based projects, which was discussed in an earlier question, which can link to this. In terms of restricted cash, the majority of moneys received in relation to restricted cash relate to GST equivalent payments that have been received at the end of I believe 2015–16 as well as in 2017–18, and it depends on the timing of the particular projects that receive those GST moneys in terms of where they are in terms of their delivery time lines as to when cash is actually spent over the forward estimates, and hence the reasoning for some of the differences in the variance.

[3.10 pm]

Hon TJORN SIBMA: Okay. Minister, through you, I just want to note that there is a significant quantum difference between the estimated cash assets—I will call that a war chest—for the 2021–22 financial year of \$355 million compared to the forecast we were provided seven months ago or so which, for the same financial year, indicated cash assets of \$241 million.

I make the obvious observation that a \$110 million difference is quite a significant difference. Following on from the conversation we had earlier about what I will charitably call the change in accounting treatment for your road maintenance expenditure, which saw \$328 million taken out of that service line, what I would like to understand is: for accounting purposes, has money been

moved out of that allocation and basically put into the kitty for Main Roads? I want to take up the point that there was an observation made that the department has received \$365 million or thereabouts over the forward estimates for road maintenance. Where in the budget, then, if not under the road maintenance expenditure line, is that recorded? I am trying to get a sense of where the accountability for the expenditure of funds appropriated for a certain purpose ends up, because I am confused.

Hon STEPHEN DAWSON: I will ask Mr D'Souza to respond to that.

Mr D'SOUZA: I thank the member for the question. In terms of the transparency of the line item for road maintenance as a service, you would see from the spending changes table that maintenance is at a particular level and there has been that change. The corresponding entry has gone into the cash assets of the business for future road projects.

Hon TJORN SIBMA: This is a point of accounting; it is not an issue of policy, then. Can I be satisfied, as a member of this Council, that the spending change indicated on page 508 as it relates to the change in road maintenance expenditure of a quantum of \$328 million or thereabouts has found itself re-entered into your asset base and recorded in a different way? What I am trying to get a sense of is that the quantum of money still remains, but it is not necessarily tied to road maintenance expenditure.

Hon STEPHEN DAWSON: Essentially, we are increasing road maintenance less than was projected in the last budget, so that is what has happened. It is increasing but it is not increasing to the same level as it was previously.

Hon TJORN SIBMA: Okay. Bearing in mind the time available, so we avoid this kind of exchange at next year's estimates, it would be very clear if it was transparent precisely how service lines are funded and managed. If you are going to present an item as obvious as this one and indicate, for all intents and purposes, that it is being defunded by a significant amount and you cannot show us clearly where the money has been put in and whether it has been put in and is going to be utilised for the intended purpose, we will obviously have this kind of exchange. What I would like to know, then, is: as a consequence of the change in treatment—I still do not understand why; nevertheless, it has been made—has there been any change to Main Roads' maintenance plan over the estimates period?

Hon STEPHEN DAWSON: I will ask Mr Woronzow to answer.

Mr WORONZOW: The answer is no. As I mentioned before, there is additional funding over the forward estimates in the order of \$300 million than was available to us over the previous four years. We have been in the process, and we are finalising the process, of putting in place new statewide road maintenance contracts. Those statewide maintenance contracts are different to the previous generation of contracts in that Main Roads has greater control over asset management. Previously, we were in a relationship with contractors where we mutually agreed what was done on the road network in terms of asset management. These new contracts have been put in place on the basis of the expenditure that was previously in place over the forward estimates. In effect, with our new maintenance contracts, we are fortunate to be in the position over the forward estimates to have \$300 million that we can spend that we were not planning when we went to the market with those contracts.

Hon AARON STONEHOUSE: I am looking at page 509. At the top is an item on the road trauma trust account speed monitoring project. I was wondering if you could advise the committee what that project is.

Hon STEPHEN DAWSON: The road trauma trust account speed monitoring project consists of conducting statewide speed monitoring surveys to measure vehicle speeds and compliance with speed limits at a range of sites on rural and metropolitan roads zoned 60 kilometres per hour and above. There is a separate biennial survey for 50-kilometre-per-hour roads. The surveys are scheduled to be conducted during the March to June period. Mr Snook can probably give us a bit more information about that.

Mr SNOOK: The speed monitoring project is one of the long-term projects that Main Roads has been doing for the Road Safety Commission and, before that, the Office of Road Safety. There are a number of sites located around Perth and country locations. Every year, Main Roads goes back and does a period of speed monitoring on each of those sites and compares it to the speeds that have been recorded in previous years. It is a way of providing real long-term data to the Road Safety Commission on the success of speed monitoring and speed compliance by drivers on the network.

Hon AARON STONEHOUSE: Just a quick follow-up on that: is it a recent event that funding has come out of the road trauma trust account for this speed monitoring? I imagine that Main Roads conducts speed monitoring almost on a regular basis, whereas the funding here is only starting this financial year and running through the forward estimates. It shows no spending in 2017–18.

Mr SNOOK: The speed monitoring has been going on for a number of years and it has always been paid for by the Road Safety Commission or the Office of Road Safety. It is a project done by Main Roads specifically for the Road Safety Commission.

Hon AARON STONEHOUSE: It has always been paid for by the Road Safety Commission, but it is only just in this financial year that the money is being appropriated through the road trauma trust account; is that right?

Hon STEPHEN DAWSON: You might have to ask the Road Safety Commission when they are in later in the day, because it refers to how they pay it.

Hon AARON STONEHOUSE: It is just that it appears under the Commissioner of Main Roads as a line item.

Hon STEPHEN DAWSON: Previously, they paid for it. We are just not clear how they paid for it. That is the bit I think you might have to ask them later in the day.

[3.20 pm]

Hon AARON STONEHOUSE: Just to be clear, I have a few more questions around the road trauma trust account but they would be best directed towards the Office of Road Safety later in the day?

Hon STEPHEN DAWSON: Later in the day, we have WA Police and the Office of Road Safety, so you can ask those questions then.

Hon COLIN TINCKNELL: I want to continue on with regional roads. The agriculture industry is relying on heavier vehicles these days to transport grain and farm inputs across the state. We have a lime route, which was budgeted in 2019–20 for \$10 million, yet it is suggested from the experts—WA farmers, people like the RAV network through the CBH bins—who have quoted that the invested needed would be \$22 million or up to \$58 million. A \$10 million investment for the lime route seems a little low, so my question is: what does the state government have in investing in sustainable transport routes with upgrades to facilitate the growth of the state's agricultural sector? There just seems to be a lack of investment in that agricultural region.

Hon STEPHEN DAWSON: I can give the member a bit of background in relation to this issue. Since 1997, \$12.7 million of state initiatives funding has been provided, in addition to \$14.5 million through the regional road group under several funding categories. In 2002, a review of aglime routes

identified six routes and recommended route 2 as the highest priority, and aglime funding has therefore been allocated to focus on route 2. In June 2015, the Shire of Gingin was the recipient of the royalties for regions regional grants scheme 2014–15 for the wheatbelt loam strategy project, which was to conduct a study and a review of the aglime industry. The project was led by the Shire of Gingin and involved cross-departmental collaboration with DPaW, the department of mines, the department agriculture, the Wheatbelt Development Commission, Main Roads and other LGAs and industry representatives. Following that, in December 2015, a business case was submitted for the aglime routes upgrade project, seeking \$60 million through RforR. The business case was developed by Main Roads in consultation with the Wheatbelt Development Commission. The business case was not successful, but a second business case submission seeking \$15 million of RforR funding to upgrade part of aglime route 2 from Lancelin to Goomalling was completed in mid-March 2016.

In January 2017, the Liberal–National government announced a \$50 million allocation from RforR for the project, but having reassessed the funding priorities for all projects that were being funded by the RforR scheme this government adjusted that funding allocation down to \$10 million—that was \$8 million in 2018–19 and \$2 million for 2019–20. The total project will facilitate the safe and efficient cartage of aglime from coastal areas where it is sourced to inland agricultural areas of Western Australia. It has been identified that soil acidity could cost the Western Australian agricultural sector in excess of \$1.6 billion per year, so if properly addressed, it could increase the value of the sector by over \$500 million per year.

Sections of local government roads and intersections with main roads will be improved between Lancelin and Goomalling. To bring all six routes to the desired standard will require a further \$50 million of investment, based on the current \$10 million being allocated in this year's budget. A further review will be undertaken to ascertain priorities for additional funding if required and to determine a future potential funding source. The money had not been spent, but the member would be aware of that given we have had debates in this place about royalties for regions and reprioritisation of funding. The \$10 million is there moment and there is further work that needs to be undertaken in years to come to see what else may be funded and where the appropriate funding source is.

Hon COLIN TINCKNELL: Would the government like to detail what percentage of how much state-funded investment into road maintenance and new investment is into the metropolitan region. I suppose it is a follow-up to the question I asked before regarding the differences between—I will go back to the first question. If the government could explain how it justifies giving local governments in the metro region the capacity to spend up to nearly double what is needed to preserve their road quality, whilst in the wheatbelt, which is obviously experiencing far greater fatalities, there is an unsustainable deficit of around about 43 per cent. I am trying to get a bit of detail behind why it is so different.

Hon STEPHEN DAWSON: Member, let us see what information we can find, but I can tell you that local government authorities in metropolitan Western Australia would not be saying that they are getting too much money, and in fact they will be saying they want more money.

Hon COLIN TINCKNELL: I am sure they are.

Hon STEPHEN DAWSON: I do not think it is an overspend.

Hon COLIN TINCKNELL: But certainly in the regional areas they are struggling.

Hon STEPHEN DAWSON: I am advised that we are spending more regional roads in terms of safety than we are in the metropolitan area, but the detail that is required we do not have in front of us. If we could take that on notice, we will provide it by way of supplementary information.

[*Supplementary Information No C6.*]

Hon TJORN SIBMA: Minister, I might take you up on the offer that you gave me during the PTA hearing to seek a bit of information about the Matagarup footbridge. I would like to get a sense of what the new price, or the cost, of that bridge is and how it compares with the original tender price. As well as the additional design features, what additional costs are borne by that and what maintenance requirements will be needed to keep that bridge in pristine condition?

Hon STEPHEN DAWSON: Let me start off, member, and then I will ask my advisers to supplement. Obviously we have come a long way in relation to this bridge and where it was. Under the previous government it was supposed to be built in Malaysia in 2016. The original contract for the bridge was awarded by the previous government in May 2015. Obviously, two years later not one piece of the arc or the deck had arrived and so in August last year we entered into a new contract for the steel to be fabricated locally. Thankfully within a year the bridge is nearly ready, which is obviously testament to the skill and determination of the local workers that we have in Western Australia. I am advised that it is one of the most technically difficult constructions ever undertaken in WA, and the local workforce has done an outstanding job to get the project this far in less than a year. We inherited a difficult design, but the local workers have embraced the challenge, and the end is finally in sight I am told. We expect to have a completion date very soon. I want to place on the record that both Fremantle Steel and Cimtec did an excellent job to complete the fabrication, while the crew onsite continue to work hard towards completion. We want to also acknowledge the Transperth staff who have taken the extra load while we have been waiting for the bridge. In terms of the costs associated with the bridge, I might ask Mr Woronzow to talk about that.

Mr WORONZOW: The current budget for the bridge is \$83 million. That budget took account of the work that had previously been done under the existing design-and-construct contract and it takes account of bringing the work back to WA and completing the bridge. In relation to the question regarding maintenance, when we negotiated the new contract to build the bridge, we took the Teflon skin off the bridge, which over 25 years we think will have reduced maintenance costs in the order of \$10 million. If we had left that Teflon skin on the bridge, its cost to replace to clean was in the order of an additional \$10 million over 25 years.

[3.30 pm]

Hon TJORN SIBMA: Just to follow up quickly, the process for reallocating the tender for this work has obviously been in the public domain, but I do want to try to understand—because there is a cost impact here—what the process of reallocating or re-tendering that work was and whether the state government followed State Supply Commission policies in allocating the work or not. In the process of the government determining to reallocate the contract, did it receive any advice which it did not take into account or acted to the contrary of?

Hon STEPHEN DAWSON: There is a big load of question in there, member. I am not sure —

Hon TJORN SIBMA: I do not have much time.

Hon STEPHEN DAWSON: Let us see what we can provide now, but if we have to come back to you with more, we can look at that. I will ask Mr Woronzow to comment.

Mr WORONZOW: In relation to the procurement of the steel fabrication locally, Main Roads has a total exemption from the State Supply Commission, but even though that is in place, in terms of good practice we follow those State Supply Commission policies and procedures. In relation to the steel fabrication, all the local fabricators that were capable of fabricating the bridge in the time frame that was required were requested to submit tender prices, which they did.

Hon TJORN SIBMA: My understanding from that is that while Main Roads is not obliged to follow State Supply Commission guidelines for a procurement of this cost, nevertheless it did so. But did it do so in whole or in part?

Mr WORONZOW: Sorry, I missed that last bit.

Hon TJORN SIBMA: Did Main Roads follow, precisely, State Supply Commission guidelines for the procurement of this footbridge, notwithstanding the fact that you are not obliged to do so, or did you deviate from that in any way?

Mr WORONZOW: In relation to getting the tender prices?

Hon TJORN SIBMA: Yes.

Mr WORONZOW: We would have followed State Supply Commission policies in that we asked all local fabricators that were capable of fabricating the bridge to put in a tender price.

Hon LAURIE GRAHAM: I refer to budget paper No 2, page 518, the Bunbury Outer Ring Road project. Perhaps a brief comment to it is that there is obviously a lot of concern regarding these major projects in regional areas. Some of them have been dragging on for many years. It would be great to understand the process for Bunbury that has allowed that project to get up the way it has, and I would like the minister to provide some update on the planning.

Hon STEPHEN DAWSON: There are a few things I can say in relation to this project. Obviously, the state government was successful in securing federal funding to go towards the Bunbury Outer Ring Road earlier this year. A funding application for stages 2 and 3 of the project was recently provided to Infrastructure Australia, which, again, delivers on one of our election commitments from last year. I might ask Mr Woronzow to give a bit more detail in relation to the answer to the question that you asked.

Mr WORONZOW: Sorry, I just missed the specific question.

Hon LAURIE GRAHAM: The Bunbury Outer Ring Road funding and the planning going forward.

Mr WORONZOW: To receive total funding for the project, we have submitted a stage 1 and stage 2 IA business case to Infrastructure Australia and to the Department of Infrastructure, Regional Development and Cities. In the latest budget, the commonwealth government have committed \$85 million, which is 80 per cent of the money which is required to progress the project development, do land acquisition and start the project. Based on that business case that we have submitted, the current Australian government has just committed \$560 million and they have given a commitment. Based on final assessment of that business case, we are confident that whole project will be funded and delivered over the forward estimates.

Hon COLIN HOLT: Madam Chair, I wonder if I can ask a follow-up question specifically to do with that.

The CHAIR: Do you mind, member?

Hon LAURIE GRAHAM: I just have one follow-up. In relation to other major roads that are needed of a similar nature, is there any activity happening in relation to, perhaps, the Dongara–Northampton bypass or whatever it is there? Some people have been waiting for 20 years with lines on their maps. I know it is not a related question directly to this.

The CHAIR: There is a bit of distance.

Hon STEPHEN DAWSON: I am happy to provide something brief to that. I will just go back to Hon Colin Holt.

The CHAIR: You want to go back to Bunbury, then.

Hon COLIN HOLT: I appreciate that. I was just wondering what prompted a review of the Bunbury bypass route to go look at a new way of doing the bypass—and consultation with the community, especially around Harvey and Gelorup, as a response to the new route and what are the plans for continuing consultation?

Hon STEPHEN DAWSON: I will ask Mr Snook to comment initially and then we will see where we go to from there.

Mr SNOOK: The reason to choose the realignment on the northern section where we are looking at a revised route further to the east was a way of getting a cheaper project. The original route went through the proposed Wanju housing development. By moving that northern alignment to the east, it will go along the boundary of Wanju. It means that we do not have to build large grade-separated interchanges along that alignment because we are not in the built-up area. Although it is a slightly longer route to take it to the east, we believe cost-wise it is a lower cost and a better alternative.

The CHAIR: Okay. Can we have —

Hon COLIN HOLT: And consultation?

The CHAIR: Sorry, member; you have already gazumped the previous member's question.

Hon COLIN HOLT: I did ask about consultation too, though.

The CHAIR: Okay, particularly as you indicated you did not have any questions right at the start.

Hon COLIN HOLT: Not on that particular subject. We are in control of the house.

The CHAIR: If you will be quiet, maybe he can answer.

Mr SNOOK: As far as consultation goes, we have a project team that has been set up. It has been doing consultation over a number of months now. It has talked to the local governments and to residents who are affected. At the moment the only local government that has issues with the alignment is the Shire of Harvey. But with the consultation that has been done, we believe that the most recent alignment that is being looked at by the project team will address most of the issues that Harvey has.

[3.40 pm]

The CHAIR: Minister, can we have the answer to the question about Dongara, please?

Hon STEPHEN DAWSON: Sure; but beforehand I will provide more information on that one. On 31 May 2018, Main Roads provided a submission to the WA Planning Commission seeking support for the preferred eastern alignment. Main Roads has now been advised that WAPC supports selection of the eastern alignment as the preferred route in order to undertake further detailed planning activities based in this corridor. With this preferred corridor now confirmed, Main Roads has contacted all directly affected landowners, LGAs, to inform them of the decision, explain the project's next steps and invite them to meet individually to discuss any specific concerns. That hopefully answers that.

In relation to Hon Laurie Graham's question about Dongara to North Hampton and the fact that people have been waiting 20 years to get some funding for that, member, I cannot comment on governments and their actions over the last 20 years. We have been in government for the last year. But certainly I am advised that Main Roads recognises that delays and assessments regarding ONIC and "dgn"—maybe Mr Woronzow has even more up-to-date information, so perhaps he might want to give that.

Hon LAURIE GRAHAM: Before the answer is given, I was not really seeking information about the money; I was seeking the alignment and the impact it has on people's property. It was not the issue

of when it would be funded or anything. People just want certainty as to where the line is going to be and over which group of properties so that those are not affected can get the line off their properties.

Mr WORONZOW: Currently, we are undertaking the alignment selection planning study for the Dongara–Geraldton–Northampton bypass route. As part of that, we continually consult with all the stakeholders to ensure that study aligns with the key stakeholders' wishes. We are planning to have that study completed over the next six months to give certainty to the stakeholders and the community. It is an ongoing study. We are currently doing it. The regional manager and other senior people in Main Roads are very aware of the angst that a number of people have held regarding this.

Hon STEPHEN DAWSON: Member, if I can just add to that, I am very happy to bring your frustrations on behalf of your local community to the minister's attention to ensure that she is aware of those.

Hon SIMON O'BRIEN: I do not think it has been alluded to before, but I understand in relation to stage 3 of Tonkin Highway—I cannot find any reference to that in the budget and perhaps you can help me—that a business case was completed in 2016. I am just wondering where are we up to with that project. Has it been shelved or is it going ahead? What can you tell me, please?

Hon STEPHEN DAWSON: I will ask Mr Woronzow to reply to that one.

Mr WORONZOW: A strategic business case for that project was completed in 2016. My recollection at the time is that that was not a priority for the previous government, so we have not progressed submission of that project for funding. We did complete a strategic business case.

Hon SIMON O'BRIEN: Perhaps the minister could tell me, then, if it is a priority for the current government.

Hon STEPHEN DAWSON: This is a priority for the current government, but it is subject to matching commonwealth funding for roads, which they have provided. They have announced some funding for it. We are committed to building it. We are in further conversations with the commonwealth to increase the contribution that they are making to the road; those conversations continue at this time. Certainly, it is a commitment of the government to do it. Given our unfair GST share, the commonwealth has previously, for a number of other roads, upped the contribution that they have been making to some road projects. In our conversations with the commonwealth at the moment, we are suggesting that perhaps, given the importance of this road, they may well seek to mend the error of their ways in terms of the GST deal in this state by giving us more money for this road. I should point out that the state is actually talking to both sides of politics federally to see how we might increase the commonwealth contribution.

Hon SIMON O'BRIEN: So you are only wasting half of your time at worst.

Hon STEPHEN DAWSON: Not at all, member. This is a priority. We are ensuring that we are having conversations with both sides of politics in the hope that one of them comes to their senses, particularly given we may well have a federal election over the coming months.

The CHAIR: Thank you minister; thank you members. That concludes the hearings with Main Roads today.

On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript, within seven days of the hearing. If members have any unasked questions, I ask them to submit these via the electronic lodgement system on the POWAnet site by 5.00 pm on Wednesday, 27 June. Responses to these questions and any questions taken on notice are due by 12 noon on Friday, 13 July 2018. 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. Once again, I thank you for your attendance and participation today. Members, we will reconvene at four o'clock with the Western Australia Police Force.

Hearing concluded at 3.46 pm
