

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2016–17 BUDGET ESTIMATES HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 15 JUNE 2016**

**SESSION THREE
MAIN ROADS WESTERN AUSTRALIA**

Members

**Hon Ken Travers (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Alanna Clohesy
Hon Rick Mazza
Hon Helen Morton**

Hearing commenced at 3.15 pm

Hon JIM CHOWN

Parliamentary secretary representing the Minister for Transport, examined:

Mr REECE WALDOCK

Commissioner of Main Roads, examined:

Mr STEPHEN TROUGHTON

Managing Director, examined:

Mr PETER WORONZOW

Executive Director, Finance and Commercial Services, examined:

Mr DES SNOOK

Executive Director, Metropolitan and Southern Regions, examined:

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

The Witnesses: Yes.

The CHAIR: Thank you. 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. 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 answering the question. Agencies and departments have an important role and duty in assisting the committee to scrutinise the budget papers and the committee values your assistance with this.

Parliamentary secretary, I think you indicated earlier that you may have another statement to make.

Hon JIM CHOWN: Yes, I do.

The CHAIR: But I would ask you to indicate whether or not that is providing simply, as per your previous statement, material that is already contained in the budget papers or is it providing something new for the members' benefit?

Hon JIM CHOWN: I have an abridged version of my initial statement, Mr Chair, and I think it is worthy of presentation here, for five minutes, and I seek your leave to do so.

The CHAIR: All right. I will allow you to make it, but if I find that —

Hon JIM CHOWN: If you are going to time me, I will —

The CHAIR: I am not going to time you, but I am going to listen to the content, and if it is a repeat of what I think is already in the budget papers, then I will ask you to table it and we will move on to questions.

Hon JIM CHOWN: As I said, I think it is worthy of presentation, and whether or not it is a repeat —

The CHAIR: I am saying get going, and we will see how we go.

Hon JIM CHOWN: Yes; fine.

The Barnett government has budgeted \$2.43 billion for the Western Australian road system in the 2016–17 budget. This is worth repeating as well: in 2015–16, we budgeted \$2.238 billion. These are the biggest spends on roads this state has ever seen by any state government. Of the \$1.966 billion allocated to roads, \$1.245 billion will be spent on capital works, with the remaining \$721 million for maintenance and line works on assets, payments to local government for works on local roads, and works associated with operating the network. Of the \$170 million for state roads, the budget will be spent in 2016–17 on local government roads via the local government agreement, which is an increase from the budget of \$150 million in 2015–16. Overall funding for the maintenance and improvement of the road network in 2016–17 will continue to meet community demands for improved road transport services. As part of the government's commitment to road safety, \$32 million has been provided in 2016–17 for the safer roads and bridges program. Furthermore, the government is maintaining its commitment to improve road safety with the ongoing state black spot program, where \$22.5 million was allocated in the current financial year. There are five significant metropolitan and one regional road project with either significant expenditure or milestones scheduled during this particular time period. They are metro, of course, with the \$1.9 billion freight link, the \$837 million NorthLink WA project, the \$49 million Ellenbrook bus rapid transport project, the \$281 million NorthLink project —

The CHAIR: Parliamentary secretary, this is just repeating the material —

Hon JIM CHOWN: — and the \$236 million Mitchell Freeway extension. I have finished.

The CHAIR: I have to say that if your next session is the same, I am not going to allow it at all, because that is repeating what is already in the budget papers. I will go to questions, if members want to indicate if they have any questions. Thank you. I will start with Hon Stephen Dawson.

[3.20 pm]

Hon STEPHEN DAWSON: I refer to page 735, the page about the asset investment program and the line item that refers to works in progress and the traffic congestion management program in particular. I want to ask some questions about the new freeway line markings at freeway merges. Have all 45 on-ramps been completed; if not, which ones still need to be changed and when will that happen?

Mr Snook: The program for 2015–16 was to commence the program for those line markings at the on-ramps on the Kwinana and Mitchell Freeways and also the Graham Farmer Freeway. We have finished that program. We finished that and then going into 2016-17, we will be looking to do the major arterial highways such as Reid Highway, Roe Highway and Tonkin Highway.

Hon STEPHEN DAWSON: If I can just follow on through you parliamentary secretary to Mr Snook, did you do 45 on Kwinana, Mitchell and Graham Farmer?

Mr Snook: Yes, we did.

Hon STEPHEN DAWSON: So they are all completed. Can I ask—this may well need to be provided by supplementary information, but I will leave that up to the parliamentary secretary—can the department provide the date when each new line marking was introduced for each on-ramp—that is, the start date or when it happened?

Mr Snook: We will have to take that as supplementary information.

[*Supplementary Information No C1.*]

Hon STEPHEN DAWSON: Further, and you may want to make this part of the same supplementary information, but I will leave that up to the Chair, can I also by way of supplementary

information how many complaints the department has received about each location since the new system has come into place?

Mr Snook: Again, we will have to take that on notice.

Hon STEPHEN DAWSON: Chair, if you are happy, I am happy to include that in the same supplementary information.

The CHAIR: We will make that all part of C1.

Hon STEPHEN DAWSON: Mr Snook, you alluded to the next phase or where you might go next. What is the time frame for the introduction of the 32 on-ramps on Reid, Tonkin and Roe?

Mr Snook: At this stage, I cannot give you an exact timing for when that will occur, but we will do that during calendar year 2016-17. Normally with line marking, we tie that in with our asphalt resurfacing program, so clearly we would do any of those ramps that need re-asphalting, we will do all that work before we do the line marking.

Hon STEPHEN DAWSON: Just confirming, you plan to do all 32 of those in the next calendar year 2016-17. Do you have a priority list that you are working towards at this stage?

Mr Snook: At this stage, no we do not. From our point of view, we will do it from a rollout program—the most efficient and cheapest way we can do working the crews.

Hon STEPHEN DAWSON: I know the 32, but I do not where those 32 are. Can you provide that by way of supplementary information a list of those 32 intersections or ramps?

Mr Snook: Yes, happy to do that.

[Supplementary Information No C2.]

Mr Troughton: Did you also want the complements as well, the numbers of complements?

Hon STEPHEN DAWSON: I am always happy to have complements.

Mr Troughton: We have not had many of each, but they might balance each other out where there is one on one. I have the program for the whole item if you want me to quickly go through it.

Hon STEPHEN DAWSON: Absolutely, we will take the complements.

Mr Troughton: I have the congestion program for 2016-17 if you want to know what we are actually doing. It will take a minute.

Hon STEPHEN DAWSON: I am happy to have that.

Mr Troughton: This is committed, so merge lines on Reid Road and Tonkin Highway; we will do those as Des said as best rolls out and the cheapest way. We are looking at doing a dedicated exit lane at Judd Street, which is Kwinana southbound as you go over the Narrows. There is a big pinch point there. We should have the Graham Farmer–East Parade intersection finished by December this year.

Mr Snook: Correct.

Mr Troughton: The Tonkin–Kelvin intersection upgrade will be done by March 17. We are looking at two on Marmion Avenue, which is Hepburn and Whitfords, although I have just asked for a review of one of those to see how much a grade separation would cost, because one of them is getting quite expensive just to upgrade. We have a traffic signal timing improvement project at 400 sites. We will expand the incident response service and the VMS expansion at eight or nine sites of message boards, which is important. We are also trying to get travel times on VMSs, so if you are stuck in traffic on Kwinana Freeway it will say “City 15 minutes” just to try to give a bit more education to hopefully reduce people doing silly things. We are trying to get real-time traffic report information heavy vehicles, some network contingency plans. We are trying to get them to have what we call a playbook, so if say the water main goes on the freeway, rather than us have to

make up what we are going to do, we will have already anticipated that and will have a plan in place that we will implement, a bit like American football playbooks. That is the plan.

The CHAIR: Are you expecting more freeway water mains to burst?

Mr Troughton: I cannot speak for Water Corp. There will be 20 more pedestrian countdown sites. I think we will agree that they have worked really well. What is great about them is that they give us more time, which is good. We will also be doing flashing yellow caution lights and more yellow box junctions and right-turn filtering. That is what we are planning to do this year. Des will roll most of that out.

Hon STEPHEN DAWSON: Thank you, that was very helpful.

Hon PETER KATSAMBANIS: I want to follow up on one of those Marmion Avenue intersections in particular. Hepburn and Whitfords are the two that have been announced that you will be doing work on. Do you have a commencement time for that?

Mr Snook: Yes, we do. We will be advertising for tenders for both those contracts in the next couple of months with the idea that we will start the contract work. It will be as a single contract and the single contract will do both those intersections. We anticipate construction will commence in November of this year and the project will be completed by May 2017.

Hon PETER KATSAMBANIS: You said that you had called for a review of one of them. Which one?

Mr Snook: Hepburn.

Hon PETER KATSAMBANIS: Hepburn—with a view to a grade separation?

Mr Troughton: Yes, a bridge over.

Hon PETER KATSAMBANIS: I know what a grade separation is, but I would have thought that if we needed grade separation in the northern suburbs that would be significantly down the list.

Mr Troughton: A few were on there. It was really about timing and the fact that if we are going to invest considerable, you know, \$10 million or \$12 million on upgrade tweaking or upgrading traffic signals, the cost of bridges these days is actually a lot cheaper than we used to have. Let us say if we can get a bridge for \$15 million to \$20 million with an upgraded junction, clearly the benefits far outweigh having at least grade separation or through. All I have asked the guys to do is to see how much we really think a bridge will cost at this point. It may come in at \$35 million and there is too much earthworks and too many Water Corp mains we have to move. It is making sure that we have explored that it might be worth more investment to get a better outcome. That is all. It is a very early review.

Hon PETER KATSAMBANIS: Is that review in any way going to delay the time frame that Mr Snook talked about given that it is a joint contract and will be one contract for both intersections?

Mr Troughton: I do not think so.

Mr Snook: No, it will not, because we will run this contract. In contract language, it is two separate parts. Both intersections will be separate. The contractor will price both of them, which will give us plenty of time for the review that Steve was talking about.

Hon PETER KATSAMBANIS: In relation to the timing of the work in particular, has there been consultation with Whitfords City shopping centre in particular?

Mr Snook: I would hope so, but I cannot definitively tell you that right now.

Hon PETER KATSAMBANIS: Can you take that on notice please, because those works are likely to take place during the busiest period for that shopping centre. It is a place that has been under challenge and it has been discussed plenty of times over a number of years. You would not want to

have a situation where those shopkeepers are disadvantaged in what should be their busiest and most profitable time.

[3.30 pm]

Mr Snook: I understand that.

Hon PETER KATSAMBANIS: The nature of the works will impact very significantly on access and egress there, no matter what works are done, as you would know.

[Supplementary Information No C3.]

Hon STEPHEN DAWSON: Still on the same issue, I have been led to believe that \$8.5 million was set aside to pay for these changes. Does that also include the 32 planned for Tonkin and Roe Highways and wherever else, or is that a different amount?

Mr Snook: I would have to take that on notice. The \$8.5 million was an initial allocation and I do not believe we have spent all of that. I believe part of that will cover the Reid–Roe–Tonkin ones, but I cannot tell you right now whether it will cover all of them.

Hon STEPHEN DAWSON: If you can provide that by way of supplementary information, can you advise how much those 45 cost, out of the \$8.5 million, and what will the extra 32 cost as well, in total? Could you give me the 45 and the 32 separately?

Mr Troughton: We will provide, basically, a full breakdown of where the whole of that \$40 million congestion program is going to be spent as of now. The initial allocations were there. There has been a bit of movement in money—things have come in cheaper, some stuff is more expensive. We will provide a breakdown of what that budget allocation of \$40 million will be spent on as of the current plan.

Hon STEPHEN DAWSON: And what has been spent so far as well.

Mr Troughton: What has been spent to date and what will be spent going forward.

The CHAIR: And what the projects are.

Mr Troughton: And the projects, yes.

The CHAIR: And the unfunded projects as well—in terms of those that you have talked about, if they are unfunded at this stage.

Mr Waldock: Just in terms of 2016–17, which was the question, it does include the money from 2016–17 of \$3.5 million for the expansion as we discussed of Reid, Roe and Tonkin Highways; \$1 million expansion for the incident response, as Steve mentioned; \$5.4 million expansion in electronic messaging signs; and \$4 million allocated to traffic flow improvements on Marmion and Hepburn Avenues. That gives a sense of what we have allocated for that financial year.

[Supplementary Information No C4.]

Hon STEPHEN DAWSON: I have heard, and maybe you can confirm this for me, that the Canning Highway on-ramp may be reverting to the old merge lanes and rules; is that correct?

Mr Waldock: We have been living this. It is interesting to note that we have two senior executives who live in that grey area, and the minister, so it has been hotly contested. There is a lot of self-interest in this! I can put on the record that we have no intention of doing that. We have made an improvement of course since we first started it. We are monitoring that daily. Three of us are monitoring it even more than daily. Certainly under the new arrangements where we have extended the merge and taken it further, it looks like it is working extremely well. We are still checking it. But what it has done—this is the interesting part—if we can manage the people, and there were a number of complaints in that Canning Highway corridor, we have a substantial increased capacity flow on the freeway because cars are not cutting across. As I say, we are working the freeway

harder, there are a lot more people coming through the freeway, and on the on-ramp at Canning Highway we think we have managed it sufficiently. So that is the latest.

Hon STEPHEN DAWSON: I am relaxed, but just to be clear: there has not been a reversion; you have modified it?

Mr Waldock: Modified it, that is it.

Hon STEPHEN DAWSON: As a regional MP I do not get to drive the freeways very often, and I am pleased.

I will move to a different issue, on page 736—the Ellenbrook bus rapid transit. Excluding the bus lanes, will Lord Street be dual carriageway north of Marshall Road?

Mr Troughton: No, the intention is that the new Lord Street at this point in time will not be a dual carriageway.

Hon STEPHEN DAWSON: In relation to the bus rapid transit project, has all the land been purchased from private owners that needs to be purchased?

Mr Troughton: No.

Hon STEPHEN DAWSON: How many parcels of land still need to be acquired and what is the value of the land?

Mr Troughton: Now you have got me! I will take that on notice I think.

Mr Waldock: My understanding, though, is that there are not many parcels of land; clearly, most of it is in the metropolitan regional scheme, which we are making available. I do not think the quantum is large.

Hon JIM CHOWN: From memory, I think it was no more than two, but we will take that question on notice.

[Supplementary Information No C5.]

The CHAIR: Do you pay for that, or is it paid for out of the metropolitan region improvement fund by planning?

Mr Waldock: When it is a short-term project like that, we pay for it.

The CHAIR: Do you then recoup it?

Mr Waldock: No. MRS is generally for long-term corridor reservations as a rule.

Mr Woronzow: We will pay a historical amount plus 3.5 per cent interest.

Hon STEPHEN DAWSON: I refer to road efficiency improvements and road network maintenance on page 733 and 734. There is a bit of self-interest here. I want to ask about Redbank Bridge in Port Hedland. I understand that Main Roads may well be in discussions with BHP and potentially the local shire about the extension of the bridge or the duplication of a train line under the bridge. I would like to hear from Main Roads about what conversations they are having and who they have consulted with in relation to that project.

Mr Troughton: I was in Port Hedland recently and talked to our regional manager there. Dualling really all the way into town is a project that will have to happen soon. It is reasonably expensive and certainly one of the issues as, you will know, is Redbank Bridge and the train line and the complexities around that. Our regional manager is currently having discussions with BHP and the town to try to work out how we may get a more effective and economic solution for the bridge and for the route into town. One of the concerns at the moment is that it is about \$100 million at P90 for that route, and that is quite a lot for a short length of road. If we can remove the cost of that, it makes that project more attractive to us. We may be able to secure federal funding because, obviously, it is going into Utah Point and it is a critical bit of infrastructure for us.

Early discussion is happening about how we could perhaps modify the current design and get an improved design. He has also been looking at phasing the project into three phases, so at least if we could start with the bridge as phase 1 and then work through towards Utah Point.

Hon STEPHEN DAWSON: By way of supplementary information, can you provide to the committee how much Main Roads has spent on this already? Have you spent money on the planning phase? I presume that you have.

Mr Troughton: We have, yes.

Hon STEPHEN DAWSON: Can you provide that information to the committee?

[Supplementary Information No C6.]

Hon STEPHEN DAWSON: It was my understanding that the long-term plan was to send heavy traffic or extra rail across to the other side of the port. I gather, though, that if Main Roads or the government are going to spend \$100 million on the duplication of the bridge, that is not the plan any more, and that more traffic will stay on the side of the port that it is going to now. What is the status of that?

Mr Waldock: Are you talking about the Lumsden Point or Utah side?

Hon STEPHEN DAWSON: Lumsden Point. Sorry, I am talking about the existing port. The plan was to send more to Utah Point.

Mr Troughton: I cannot talk about the port issues; that is probably better for Transport. I did have a look at the other side as well when I was up there and certainly there is growth on that side, with more and more conveyors going in with Roy Hill, so that has grown, and there is growth both sides. The port is going to grow considerably over time and has already, and I think that traffic will grow on both sides as we go forward. We have probably got some numbers on that somewhere. A lot of it does depend on ore shipments and the price of iron ore going forward. You are always going to see the Utah Point side as a highly important road and rail route. On the other side as it develops—I think Roy Hill are going on that side or they already are on that side.

[3.40 pm]

Hon STEPHEN DAWSON: Mr Troughton, you just referred to the fact that you might have some figures somewhere floating around in relation to planned or future proposed tonnage that is going to go through the port, or go along your roads or whatever. Can you provide that by way of supplementary information?

Mr Troughton: We can for our roads and certainly we will do for the Utah side. The other side at the moment I think is a private road, but I will check.

Mr Waldock: It is a private road.

Hon STEPHEN DAWSON: For your side, that would be great.

Mr Troughton: I will provide the forecast flow numbers on—what is the access road?

The CHAIR: I can show you a map later that shows where the port authority road starts and where Main Roads finishes. It is haunting me at the moment.

Mr Troughton: It is Port Hedland Road.

[Supplementary Information C7.]

The CHAIR: Just on that, is there any sort of push on to make sure that is all done before the sale of Utah Point goes ahead? Is it considered important to have that done before the sale proceeds, if it ever proceeds?

Mr Waldock: It was never raised with me that that was a significant bit of infrastructure to be done.

Hon ALANNA CLOHESY: Let us go to the beautiful Collie shire. There was \$137 million recently announced for the Coalfields highway to install a heavy vehicles bay. Why is the vehicle bay now needed on this section of the Coalfields highway?

Mr Snook: I did not hear the cost; is it \$137 million?

Hon ALANNA CLOHESY: It is \$1.37 million.

Mr Snook: Yes; thank you. That parking bay is the bay on top of Roelands Hill—the current bay that is already there. Because of the traffic that uses it now, there is insufficient space to hold all of the trucks that come at one time. When that happens it is a hazard, clearly.

Hon ALANNA CLOHESY: So there has been a dramatic increase in the number of trucks.

Mr Snook: No, not a dramatic increase. It is part of, I guess, the general increase in heavy vehicle traffic that has gone through there. Certainly, there has been some increase in the grain cartage through there.

Hon ALANNA CLOHESY: What is the expected tonnage of grain to be carted in 2016–17 along there?

Mr Snook: I am sorry, I cannot give you that figure.

Hon ALANNA CLOHESY: Can you give me the estimated truck movements?

Mr Snook: On the plan from a few years ago, the indication was approximately 100 extra truck movements per day. Through that part of the Coalfields highway there are approximately 4 000 or 5 000 vehicles per day, so percentage-wise it is not a big increase in the overall number of vehicles on the road at that point.

Hon ALANNA CLOHESY: Is it about 100 trucks a day?

Mr Snook: About 100 extra, but I would be happy to come back with some more accurate and up-to-date figures.

Hon ALANNA CLOHESY: If you had figures about the amount of grain that is transported as well, that would be useful.

Mr Snook: Yes.

[Supplementary Information C8.]

Hon ALANNA CLOHESY: On to the Donnybrook–Greenbushes South Western Highway roadworks. When will the \$25 million worth of works be completed? The budget only includes about \$11 million of that spend up until 2019–20.

Mr Snook: I assume this is in the budget papers.

Hon ALANNA CLOHESY: Yes, budget paper No 2, page 735.

Mr Troughton: As part of our corrective measures, this project and program got pushed out a little bit and the completion date is still for us to be advised; we are working through that.

Hon ALANNA CLOHESY: So because of the pressures on the budget, you had to extend the completion deadline. What aspects of the original works now will not be included in the final works? As well as pushing out the completion date, what parts of the original plans are now not included in the scope of works?

Mr Snook: The improvements to South Western Highway from Donnybrook to Greenbushes are part of an ongoing program of works that we have had over many years. Some of the works that we have done through that have been through the Safer Roads program and, as I have said, we started that over five or six years ago.

Hon ALANNA CLOHESY: Over \$4.4 million has been spent over those five years?

Mr Snook: No, not over five years. There has been a regular expenditure of \$3 million to \$5 million every year on South Western Highway, and it involves widening the shoulders of that road, so making it a wider bitumen surface to travel on, and that increases the safety. Although this particular line item has been extended out, we have a very good basis of work that we have done on the road, so we will still do some widening works; it just will not be as fast as what it could have been if more funding had been available.

Hon ALANNA CLOHESY: Have any of the planned works been dropped from the current program?

Mr Snook: No, it is not dropped from the program; the program has just been extended out.

Mr Troughton: If I can just clarify as well that \$9.8 million has been spent to date.

Hon ALANNA CLOHESY: From when?

Mr Waldock: Since 2012.

Hon ALANNA CLOHESY: The 2011–12 budget?

Mr Troughton: The 2012–13 budget.

The CHAIR: How much?

Mr Troughton: It was \$9.8 million.

The CHAIR: The budget papers say \$4.4 million is the expected expenditure up until the end of 2015–16.

Mr Waldock: That does not include the —

Mr Troughton: Safer Roads money.

Mr Waldock: It was \$3.4 million and \$1.5 million prior to that, which all adds up to \$9.8 million.

Hon ALANNA CLOHESY: I am a bit confused. Can I take on notice how much has been expended, how much is budgeted for, from which programs and in what years?

The CHAIR: Yes, where in the budget.

[Supplementary Information C9.]

The CHAIR: Before you move off that, the South Western Highway upgrade from Donnybrook to Greenbushes, I think, has been in the budget as a proposed project since before Mr Waldock became the director general of Transport. Why is it always the project that gets pushed back?

Mr Waldock: It is actually funded through Safer Roads and that is always a project with huge demand. You might want to make some other comments, Mr Snook or Peter.

Mr Woronzow: I do not mind commenting. Within the Main Roads capital investment program there are very few projects that are wholly state funded and where governments of both persuasions decide to make savings, it is one of the few projects we have got any ability to make changes on.

The CHAIR: Right; so it is because everything else is jointly funded.

Mr Woronzow: Jointly funded with the commonwealth.

The CHAIR: In terms of capital appropriations as opposed to Road Traffic Act money, I note that this year and next year there is no state capital appropriation for roads. Can you advise me of the last time that ever occurred in Western Australia when there was no capital appropriation for road funding as opposed to money through the Road Traffic Act?

Mr Waldock: Perhaps never, but we will take it on notice.

The CHAIR: I have never seen it before, which is why I felt that greater minds than mine might be able to tell me when it last occurred, if it has ever occurred.

[*Supplementary Information C10.*]

[3.50 pm]

Mr Woronzow: Just as a general comment—we will provide a more fuller answer—but funding for Main Roads in terms of our capital program basically comes from two sources: hypothecated motor vehicle licence fees and the commonwealth. As for funding for our billion-dollar plus capital investment program, there is sufficient funding from the commonwealth and motor vehicle licence fees to fully fund that billion-dollar program.

The CHAIR: Except for the South Western Highway, of course! I am not going to take the argument up now, but I have tracked your expenditure, and you have had lots of capital works money—up to \$300 million or \$400 million—as a contribution from the state government, rather than just hypothecated money, so it is a fairly exceptional circumstance where we get to a point where we have no money going into Main Roads. I think that is a very sad day really, but I will move back to the member's questions.

Mr Waldock: It is perhaps sad, if I could, but it actually does mean that budgetary cuts do not affect Main Roads as much as other agencies. That is the positive.

The CHAIR: We could discuss the impacts on the GST share, when it comes from the commonwealth, but that is for another day.

Hon ALANNA CLOHESY: Bunbury outer ring road, stage 1—what is the status of the remaining stages, and when will they be built, given that there is no funding allocation for the remaining stages until 2019–20 in this budget? I refer to budget paper No 2, page 736.

Hon JIM CHOWN: Number one of the outer ring road has been finalised. It was finalised in May 2013, and stage 2, the southern section, and stage 3, the northern section, are in progress. The land requirements for the sections are included and are probably protected under the greater Bunbury region scheme.

Hon ALANNA CLOHESY: Are you currently at land acquisition stage?

Mr Troughton: What is important to understand is that the Department of Planning requested a review and redesign of the alignment for the northern end. This is to facilitate proposed changes to land use planning and a future railway station at Eaton. We are now working with local governments and working through discussions on potential for revised alignments.

Hon ALANNA CLOHESY: Why was that review requested, and when was it requested?

Mr Troughton: I do not know the date of the review, but certainly it was because the Department of Planning had proposed changes to its land use in the northern Bunbury area.

Hon ALANNA CLOHESY: Can the committee get a copy of that review that you mentioned?

Mr Troughton: The planning review?

Mr Waldock: It will be the greater Bunbury region scheme, which is proceeding this year.

Hon ALANNA CLOHESY: What was presented to you in order for you to change the remaining stages? What documentation or evidence was presented to you?

Mr Troughton: I can only assume it would have been a discussion with the Department of Planning over possible scenarios they were looking at and options. We work very closely with Planning in all the planning work we do for transport and as part of the negotiations. We are still working through our bits, and I am sure we are still working with Planning. Reece, what was the date of the plan they produced?

Mr Waldock: It was 2016—this year.

Mr Woronzow: I suppose, on a positive note, we submitted to Infrastructure Australia in the 2013–14 budget cycle. We asked them to assess stage 2 under their guidelines, and they assessed it as

having real potential. That information was taken on board by the commonwealth department, DURD. Unfortunately they did not fund it under what would have been then the Nation Building 2 funding, but it is a project that is being considered by DURD for future funding. Some things are actually happening.

Hon ALANNA CLOHESY: That is good news. Is there some documentation to help us understand how the remaining stages have altered and what the current scope of works is?

Mr Troughton: I am happy to search for that. I actually had a briefing only about a month ago, and I know that some of the interchanges have not been finalised. There were still further discussions taking place, and a lot of it is about timing of land development and what gets taken up when, whether we can get any developer contributions, et cetera, et cetera. I know our work is not finalised, but I am happy to provide a supplementary response on where it is at, what the implications are and where we should be going in the future, and the future presentation of greater regional plans, and also the finalisation of our plans to help you understand better. I am happy to do that.

Hon ALANNA CLOHESY: Yes, and the budget allocation for the remaining stages.

Mr Waldock: There is no budget allocation; it is unfunded.

Hon ALANNA CLOHESY: It is unfunded, with an idea that it might be funded in 2019.

Mr Waldock: That is exactly right.

The CHAIR: Was there some information to be taken on notice there or not?

Hon ALANNA CLOHESY: Yes.

The CHAIR: What is the member asking for on notice?

Hon ALANNA CLOHESY: Supplementary information about the remaining stages, the local planning impacts, and future timing.

[Supplementary Information No C11.]

Hon ALANNA CLOHESY: If all those stages remain unfunded, why was the Margaret River perimeter road project given priority of \$58 million compared to the Bunbury outer ring road of nothing for five years?

Hon JIM CHOWN: I think that was a RFR project, and it was initiated under Tourism, for tourism reasons.

Hon ALANNA CLOHESY: So the money came from royalties for regions. Can we get that clarified?

Mr Troughton: That is correct.

Hon ALANNA CLOHESY: It is correct? Okay.

Moving on to Treendale–Millbridge bridge—page 735, if you are looking for it. What is the status of that, when will works begin, and where in the budget and the forward estimates is the allocation?

Hon JIM CHOWN: Construction was anticipated to start this year, with completion in 2018.

Hon ALANNA CLOHESY: It will be later this year? Have you got a start date?

Hon JIM CHOWN: I am not sure if it has started yet. Has it started, Des, or not?

Mr Snook: The idea is that we would be advertising in the next couple of months.

Mr Troughton: I think we have done some initial work to make some ground improvements on that, prior to tender for a bridge.

Hon ALANNA CLOHESY: So people are seeing a little bit of turnover and they are getting excited that it is happening.

Mr Troughton: A bit of forward works.

Hon JIM CHOWN: Tenders will be asked for in July, with the commencement of works probably in November this year.

Hon ALANNA CLOHESY: What is the budget for that?

Hon JIM CHOWN: It is \$24 million—the state, \$18 million, and the shires of Dardanup and Harvey, \$6 million.

Hon ALANNA CLOHESY: What is the expected completion date, and the scope of works for that project?

Hon JIM CHOWN: It is anticipated to be 2018.

Hon ALANNA CLOHESY: Some time in 2018?

Hon JIM CHOWN: Yes, it is pretty hard to name a month or a day. A lot of these works are weather dependent, as you would understand, as it is a bridge, and there is construction of approach roads across the Collie River between Treendale —

Hon ALANNA CLOHESY: Sorry, I cannot hear.

Hon JIM CHOWN: I will start again. It is bridge construction and approach roads across the Collie River between Treendale and Eaton. The scope of the works is preliminary design, including waterways assessment and detailed geotechnical modelling in regard to this construction of that particular bridge. As in all these infrastructure projects, there has been Indigenous heritage consultation, which has been concluded, and there has obviously been some consultation with the shires involved as well.

[4.00 pm]

Hon ALANNA CLOHESY: I refer to page 728 and the section about increases to regional freight movements. Collie–Preston road and Preston Road: What classification of vehicles are not permitted to use these roads? Which classification of vehicles are permitted to use these roads? What conditions or requirements must permitted road users —

Hon JIM CHOWN: Do you want to know what the restricted vehicle access is?

Hon ALANNA CLOHESY: Yes, I am happy to take that on notice.

Mr Snook: I do not have that information. I will have to take that on notice.

[*Supplementary Information No C12.*]

Hon ALANNA CLOHESY: Can I add to that: what upgrades or improvements are scheduled for that stretch of road and is Main Roads aware of the concerns of local residents about the lack of width and the impact that is having on heavy haulage trucks?

Hon JIM CHOWN: We are not sure whether that is a local government road.

Mr Troughton: We will take that on notice.

The CHAIR: We will make that all part of C12.

Hon RICK MAZZA: At page 735, under “Works in Progress” is a line item about three-quarters of the way down the page, “Heavy Vehicle User Charge”. I see a very sharp increase in the forward estimates in 2017–18 from \$15 million to \$47 million. Is that because you plan to introduce tolls for heavy vehicles?

Hon JIM CHOWN: No. Is your question answered?

Hon RICK MAZZA: For user charges, why is there such a sharp increase envisaged for that year?

The CHAIR: If it is not tolls, what are your secret charges?

Mr Waldock: This is the heavy vehicle section that is very much working on more of a commercial basis. Certainly, industry would argue and support that it is the best in the country, especially given that all the other jurisdictions have a national scheme that seems to be still floundering, whereas ours is going very well. We have a good system. We do charge for it, but I was not aware that the revenue increase was so great. I think Mr Woronzow is the best person to answer that.

Hon RICK MAZZA: It is about a 300 per cent increase, so there must be an explanation for it.

Mr Waldock: That is very significant, yes.

Hon JIM CHOWN: Do you have an explanation, Peter, or do you want to take it on notice?

Mr Woronzow: The \$67 million relates to the Perth Freight Link project. It has an element in introducing a mechanism to capture the heavy vehicle charge for the Perth Freight Link. We have been working towards putting that —

Hon RICK MAZZA: Sorry to interrupt, how are you planning on capturing that extra charge?

Mr Waldock: It is a budget allocation at this stage to do some work. It is on the public record. We are working with the heavy vehicle industry. When we do the Perth Freight Link, that will be the trigger for introducing a heavy vehicle charge, which will be time, location, mass and distance based and we will be running a heavy vehicle charge for heavy vehicles.

Hon RICK MAZZA: That is for using that freight link. Is it not a toll then if you are charging extra for using that freight link?

Mr Waldock: Call it what you will. We are calling it road pricing, but it is a toll. I guess to answer your question, you asked about the \$67 million. That is an allocation to do work and it has just been recognised in the papers to sit there; is that right, Peter?

Mr Woronzow: That is correct. For the purposes of the asset investment program, Perth Freight Link is a \$1.901 billion project, and part of that is an allocation of \$67 million to do the work we need to do to put the mechanism in place to be able to deliver a heavy vehicle charge for when the project is constructed.

Mr Waldock: I would make the point, if I could: yes, one could say that it is a toll or a road user charge, but this is a charge on which we have worked very closely with the heavy vehicle industry and because of the significant improvements, they are our friends in this space. They have been very positive. They want to see the developments. They see enormous productivity and competition benefits by being able to travel without any stopping in terms of not only time but also fuel and maintenance and all the rest of it.

Hon JIM CHOWN: There are environmental advantages as well.

Mr Waldock: Sure.

Hon RICK MAZZA: My question has been answered, so it is okay.

The CHAIR: I am still not clear. The member's question was about revenue and then you started talking about expenditure. How much of that additional revenue, though, is linked for the heavy vehicle toll?

Mr Waldock: There is nothing in the budget papers. It must be an accounting invention that is showing up there. Can you describe that, Peter?

Mr Woronzow: The construction of the Perth Freight Link is not planned to be complete until 2021–22. Revenue cannot be generated on sections of road that have not been constructed. The forward estimates only go to 2019–20, so there is no revenue to be shown. To avoid any confusion, the \$67 million is an allocation that has been given to Main Roads to develop how we do the heavy vehicle charging, GPS or otherwise, and the mechanisms to do it.

The CHAIR: Who has given it to you so that it is recorded as revenue?

Mr Woronzow: This is not revenue. This is in our asset investment program; it is expenditure.

Mr Waldock: That is where there was some confusion.

The CHAIR: Does that mean that there is no likelihood of starting to charge revenue on any other parts of the Perth Freight Link until the section into Fremantle is complete—is that correct—if it ever is?

Mr Woronzow: That will be a decision of cabinet when and if the heavy vehicle charge is ever implemented.

Hon LYNN MacLAREN: I am concerned because the honourable member asked why that \$47 million is in the 2017–18 forward estimate. There is clearly an allocation for each year in this budget that we are looking at for that \$67 million that is in there. There is then \$5 million for one year, \$3 million for the next year, \$15 million for this year and then \$47 million. I thought it was an excellent question why that had been allocated in that sense and why that \$47 million is just lumped in that year and not spread out over the forward estimates in 2018–19 and 2019–20. There is an implication in this that something is being done in 2017–18 and then nothing is being done in 2018–19 and 2019–20. It is a fair enough question to ask why it is being done that way.

Mr Woronzow: I can hopefully answer that if I may. As I said, the total project allocation of \$67 million is to develop the heavy vehicle charge and the infrastructure required to implement that. Obviously the infrastructure, be it GPS, gantries or any other systems, which has not been determined yet, is subject to the \$15 million in 2016–17. That will need to be embedded in the road infrastructure when it is constructed. Subject to environmental approval, we are currently working towards starting construction and doing a significant amount of construction for section 2, which is the Roe Highway section, in 2017–18. The \$47 million is the infrastructure required to capture the heavy vehicle charge that needs to be embedded in the road infrastructure when we actually build it.

Hon LYNN MacLAREN: That is an answer. So the entire expenditure is going to be made in that year to put the infrastructure in to charge a toll, is that what you are saying?

Mr Waldock: That is our current plan.

Hon LYNN MacLAREN: I have got it.

Hon JIM CHOWN: For heavy vehicles.

The CHAIR: Do you have the legal power to charge the heavy vehicle charge at the moment?

Mr Waldock: No.

The CHAIR: Why are you putting in infrastructure when you do not currently have the power to use it?

Mr Waldock: We are not putting in any infrastructure.

The CHAIR: You just said that you were going to put it in.

Mr Waldock: I understand from what Peter just said is that is what is planned it will do. Clearly, what we are doing at the present moment is a significant amount of planning and it is on consultancy and planning where the dollars are going at the present moment.

The CHAIR: Why are you spending money on something that you do not currently have Parliament's approval to do? Is that not a waste until you get Parliament's approval to allow you to actually collect a heavy user charge?

Mr Waldock: Cabinet has asked us to come back to it with a detailed business case on heavy vehicle charges. To do that, we need to collect a certain amount of information and do a certain amount of work to be able to justify why this business case stacks up. That is what we are doing. The funding we are spending and will be spending in the next year or so will be very much to feed

into that proposal to go back to government for their consideration. At the same time, and in parallel, a bill will be going through Parliament to give Main Roads additional powers.

[4.10 pm]

The CHAIR: It has been sitting in Parliament for a long time and the government has not brought it on, which suggests to me that it does not have the numbers to get it through yet. Can I get a breakdown of how much of the \$67 million is for planning work and how much is for implementing physical infrastructure?

Mr Waldock: Certainly.

Hon LYNN MacLAREN: It might be worthwhile to specifically ask, as it is here, the estimated expenditure to 30 June this year, which is a few days from now—\$5 million.

The CHAIR: What is that being spent on?

Hon LYNN MacLAREN: Yes; what has that \$5 million in the estimated expenditure to 30 June been spent on?

The CHAIR: Make that all part of C13.

[*Supplementary Information No C13.*]

Hon RICK MAZZA: On page 735 you have run-off crashes on regional roads of \$117 million, but there is no allocation in the forward estimates and I wonder why.

Mr Woronzow: That particular program is funded from the road trauma trust fund and the mechanism for allocation for funds from the road trauma trust fund is on an annual basis. That explains why in the outer years of the forward estimate there is no allocation.

Hon RICK MAZZA: All right, so you have to wait for the funding

Mr Woronzow: Yes.

Hon RICK MAZZA: Is the Road Safety Commission wheatbelt highway safety review a similar circumstance? The estimated total cost is \$5 million, but there is nothing in the forward estimates.

Hon JIM CHOWN: Yes, that is the same.

Hon RICK MAZZA: It is the same type of arrangement?

Hon JIM CHOWN: Yes.

Hon RICK MAZZA: On page 732 under “Road Safety” you have got efficiency indicators, percentage of projects completed on time, and percentage of projects completed on budget, which in 2015–16 was 90 per cent. What were the 10 per cent of projects that were not on time or on budget?

Hon JIM CHOWN: We will take that on notice.

Mr Troughton: It is that specifically for road safety.

Hon RICK MAZZA: Yes.

[*Supplementary Information No C14.*]

Hon HELEN MORTON: Can the brief statement given to us at the beginning of this be tabled after the session today so we have a copy of it?

The CHAIR: Yes.

Hon HELEN MORTON: Earlier on, you talked about the interchange at Kelvin Road and Tonkin Highway. That was in the very early stage of discussion. Can you tell me what is being planned for the upgrade to the interchange?

Mr Snook: The proposal to upgrade that intersection will involve lengthening the right-turning pockets. Currently traffic queues back onto Tonkin Highway. Lengthening those pockets will make

sure that all the turning traffic is in the turning pocket, not in the through lanes, and that will improve the traffic congestion.

Hon HELEN MORTON: One of the questions I have is around the Ellenbrook bus rapid transport project. I know we have touched on that also today. From my point of view, I have heard criticism about that project regarding the rapid transport link being basically between Reid Highway and Gngangara Road. I have even heard the comment that it is a rapid bus transit project to nowhere because it does not lead specifically to Bassendean station or to the City of Swan or wherever else. Can you explain how that rapid transit project will interact with transport systems on Reid Highway?

Mr Waldock: Perhaps I will kick it off and maybe Steve or Des will take up the details. We do know that in the morning peak I think there are in the order of five-minute delays getting down to Marshall Road. That is where all the pain is experienced as people try to move through that intersection to Marshall Road and Lord Street. This BRT will not just give buses priority in dedicated two-way lanes but will also sort out the intersection at Marshall Road. If you look at where we go in Ellenbrook, it can go to a number of destinations, particularly Bassendean and Morley but also Midland. We are putting some services up for Midland. We can do a lot more. There will be further stages of the BRT, but in terms of benefit costs—this has a benefit cost of about three—the benefits mainly are in time and congestion savings, and they will be enormous. In terms of the public transport case, it is very strong. We very rarely get a benefit cost of three in public transport. Generally, you are lucky to get much over 1.2. It is a very strong case for public transport. As I say, we could go further and you might argue that we should do other bits, but this \$48 million has enormous benefit for that particular corridor, and that is the corridor that has most congestion at the present moment.

Hon HELEN MORTON: The people who get on the rapid bus and get off at Reid Highway, if they are moving out of Ellenbrook and down towards the city; whichever way they go, then they have to get on another —

Mr Waldock: Yes, but most do not. In fact, our analysis shows that most of them stay on the bus and move, as I say, to Bassendean station or to Morley. From a customer point of view, I think this will be fantastic. We have three stations and we have Park ‘n’ Ride, and what is happening with the grade separations—there are three of those—is value for money. We did sort of an exercise on this. You may be aware that it was abandoned or certainly delayed in terms of a \$120 million project. We think this gives pretty much all those benefits and for a lot less money.

Hon HELEN MORTON: Thank you for that. The next point I want to touch on is the Perth Freight Link, which we have discussed a little bit today. I am interested in the funding allocated for the current financial year; that is, 2015–16 of which there are only two weeks and the new financial year 2016–17. Will any contracts be signed in the next fortnight?

Mr Waldock: In the next fortnight?

Hon HELEN MORTON: Yes.

Mr Waldock: I can unequivocally say no contracts in the next fortnight.

Hon HELEN MORTON: I know that people are calling for nothing to be signed until the beginning of July obviously. Is the federal funding for that project already loaded into the budget?

Mr Waldock: Yes, it is.

Hon HELEN MORTON: I do not understand the mechanism for this, so I am interested. Can federal funding be withdrawn from the project once it has been loaded into the project?

Mr Waldock: We have signed an agreement, but that is always a possibility—change of government and those sorts of things.

Hon HELEN MORTON: The signed agreement is an agreement between the federal government and the state government around the loading of that budget with that funding?

Mr Waldock: Yes.

Hon HELEN MORTON: Do you need any federal intervention? When the next stage, whatever that stage is and whatever that timing is and the tenders are let, do you need the federal government to agree to any of the tendering process you are handling?

Mr Waldock: We have a steering group that they sit on and I chair. Certainly, all the processes and the decision points are very well understood by all parties, so nothing is done unless it is a joint approach to the decision.

Hon HELEN MORTON: Thank you. The next area of interest is around Armadale Road and the Armadale bridge. Do you have the full cost of both aspects of that project, like the road widening et cetera plus the bridge?

Mr Waldock: The road widening is happening anyway. I will get Mr Woronzow or Mr Troughton to talk to that. Certainly, there are two issues with the bridge—whether we widen the existing bridge, which will certainly be a lot cheaper, or whether we look at a bridge at North Lake Road. That is the issue that we have been under constant discussion and negotiation with the City of Cockburn about. Even if we do a North Lake Road bridge, the question then is whether it can be just a bridge or whether it has to have CD roads and all the other roads that assist traffic to get in and out. That is where we are still working through what might be appropriate and what are the costings. There are a lot of aspects to this. Certainly, from our point of view, we are doing the Armadale Road project. That project is in the budget, albeit it is a few years in the future. But in terms of the North Lake Road bridge, there has been no funding committed at all, and that is an issue that we continue to work on with the City of Cockburn. Did you want to make a comment, Peter or Steve?

[4.20 pm]

Mr Troughton: Perhaps the only comment I would make is that North Lake Road is a local government road at the moment, so the bridge there is a local government matter. We have been working really closely with Cockburn and Armadale to get a new structure plan for that area, which I believe Cockburn has taken through WAPC. I think that is going to be gazetted soon, which is great. It includes a change of alignment for Armadale Road as it comes through onto a new bridge. We are just finalising the details of that at the moment, as Reece said, with distributor roads and north-facing ramps as well. The new traffic modelling that we have done is good. We are supportive of the project and we will continue to work with all parties to hopefully take forward all the proposals that we have got there—the Beeliar Drive bridge needs widening as well—for future funding.

Hon HELEN MORTON: The reason that this is of interest is because I have heard various discussions suggesting that the cost required to construct that bridge might be \$80 million.

Mr Waldock: How many?

Hon HELEN MORTON: I have heard that it might be \$80 million. Then I have heard in other conversations, when I think they might have been referring to the road widening, that the cost of the bridge is in the vicinity of \$300 million. I do not know in my mind as to which of these is closer to the reality. I am wondering if you could point me —

Mr Waldock: We could probably give you a sense of the quantum. As I said before, the bridge itself is perhaps not the expensive part; it is actually the distributor systems. Do you want to make comment on that, Stephen?

Mr Troughton: Our estimate of the bridge alone, P90, is \$61 million. I believe the estimate with all the distributor roads is something like \$160 million. But the new works with the new connection

from the bridge now down to Tapper Road, again, is not funded in that part and nor is the widening of the Beeliar Drive bridge, which is, I believe, about \$34 million. When you add it all up, it is a considerable amount of money. I think the first thing for us to do is to work closely with local government in getting a program of work.

Mr Waldock: It is a scoping issue.

Hon HELEN MORTON: It sounds to me like it is closer to \$300 million than it is to \$80 million when you take all those bits and pieces into account.

Mr Troughton: This is a ballpark estimate at the moment. The ultimate solution for what Main Roads needs at that point—I do not know what point in time that will be—is the distributor roads and the bridge, which is \$160 million. You need the widening of Berrigan or Beeliar Drive and Armadale Road, which is about \$40 million, let us say, so that is \$200 million, and then you probably need another \$50 million to \$60 million to do the connection between Tapper Road and North Lake Road. You are looking at \$250 million for the whole project.

Hon MARTIN PRITCHARD: I have just a couple of questions. I want to make sure that I am clear on the answers you are giving. The first question is: does Main Roads have any concerns about the congestion around the intersection of Beeliar Drive and the freeway?

Mr Waldock: I think—while Steve is looking—yes, is the answer.

Hon MARTIN PRITCHARD: Do you want to expand upon that?

Mr Waldock: I think that whole area of Cockburn Central is a particularly hostile environment. I do not think it has been as well serviced as it could have been in terms of transport and work is required—there is no doubt about that. That is partly because, clearly, it has grown so quickly. There has been enormous growth in the area in terms of retail but also residential and unit development. Steve has probably got some metrics on the congestion.

Mr Troughton: I am just trying to read this—even with my glasses I cannot pick it up. We rank our most congested junctions on an annual basis. This does need upgrading, because a lot of those projects have been completed or have been committed to. That one is certainly within—apologies; I am just trying to find the number—the top 20 worst junctions that we have in the state for congestion.

Hon MARTIN PRITCHARD: I notice that you are reading from a paper there. Would you mind tabling the paper?

Mr Troughton: We can provide this. You probably do not want this one because it has got my scribbles on it.

The CHAIR: We probably do then, but I consider you might not want to give it to us!

Mr Troughton: What I would suggest is that this needs to be updated and we are due to update it soon. What I would prefer to do—I have to update the old one because a lot of this stuff has been done—is probably update it.

The CHAIR: I assume it is the list of the most congested junctions that you are talking about. Maybe what you could do is give us the updated list and then a historical list and what congestion impact has changed from the old list and the new list.

[Supplementary Information No C15.]

Mr Waldock: I could make the point that in the short term there will be some relief. Part of the difficulty of that intersection is, of course, that it is a major Park ‘n’ Ride for Transperth. That is going to be there, but the Aubin Grove station, which is going to be finished by next March, will bring another 2 000 car bays into the system. I think we can expect some relief in the short term.

Hon MARTIN PRITCHARD: I was listening to a number of the figures you were talking about, but I have a specific question: what is the latest costing for the completion of the freeway bridge between Beeliar Drive and North Lake Road? Is that the \$61 million plus the \$160 million?

The CHAIR: What is the costing of the bridge between Beeliar Drive and North Lake Road? Of those figures, what is the cost of the bridge between Beeliar and North Lake?

Mr Waldock: There are two bridges. There is the Beeliar Drive bridge, which we are going to expand, and there is North Lake bridge. Which bridge would you have in mind?

The CHAIR: The North Lake bridge.

Mr Troughton: The North Lake bridge is \$61 million, as I said earlier, honourable member, and the widening of Beeliar at P90, for the record, is \$41 million.

The CHAIR: Is the reason for doing them together that it is cheaper to do them together? Why do you need to do both at the same time?

Mr Waldock: No, it is providing a separate and a different service.

Mr Troughton: Main Roads' priority at the moment is to widen the Beeliar Drive bridge. The reason for that is that the connection to North Lake Road is not built, the funding for that is not there at the moment and the current pressures are really on the Beeliar Drive bridge, particularly with the shopping centre there and the Armadale Road access. Our priority has been to widen that bridge first.

Mr Waldock: I would make the point that in terms of the scope, that is why we need to continue to look at this. If we did have a short-term assurance of North Lake Road, we might have to revisit that whole thing as well.

The CHAIR: How much of all those costs you talk about are the responsibility of the state and how much will be local government's responsibility? If they are the ones calling for it, I assume they have to pick up some of the cost of the ancillary roads that are not state roads.

Mr Waldock: They generally make a contribution, but, as we all know, if you look at the history of bridges and contributions, whether it is the Lloyd Street grade separation we have finished or maybe the Mandurah bridge, you will find that certainly the state and the commonwealth pick up the lion's share.

Hon MARTIN PRITCHARD: What is the expected time frame for the start of the duplication of the Armadale Road development?

Mr Troughton: Construction commencement is planned for February 2018.

Hon MARTIN PRITCHARD: I have a question on a couple of other bypasses, but —

The CHAIR: Is that funded or is it your desired?

Mr Waldock: It is funded. As I say, February 2018 is the construction commencement and it will be finished in June 2020. They are the indicative dates.

The CHAIR: Is that for the widening?

Mr Troughton: It is for the dualling.

The CHAIR: It is for the dualling of Armadale Road, but what about the actual bridge?

Mr Troughton: The bridge is unfunded.

[4.30 pm]

Hon PETER KATSAMBANIS: Thank you. Obviously first on my list of questions, we have already discussed Marmion Avenue and the works along there. But there are a couple of other issues that I want to address. The first is the extension of Mitchell Freeway. What is the current scheduled completion date for that?

Mr Troughton: It will be February next year.

Mr Waldock: The completion date is 17 June at this stage.

Mr Troughton: The official one is 17 June, but we are anticipating it will be complete before that.

Mr Waldock: It is going well.

Hon PETER KATSAMBANIS: That was my next question. Is it going well?

Mr Troughton: It is going well, and we would like to think it will be early next year. A lot depends on how wet the rest of this winter is, and other things, but certainly we believe it will be completed ahead of 17 June.

Hon PETER KATSAMBANIS: Okay. In order for it to be completed, there are some works that require road and rail closures at particular times, especially at Burns Beach Road, I think. Are the indicative time frames that were set out earlier being brought forward to assist in that earlier completion?

Mr Troughton: I would assume so. There is ongoing negotiation and discussion with the PTA throughout the project, and as that program changes, it is the contractor's responsibility to manage his program, so he has a responsibility to work with them, as it is a D&C, to meet his program. So he will have had those conversations to see whether it will happen. I could confirm, if you wanted to, whether that conversation has happened, but I would assume it would have done.

Mr Waldock: My feedback is that it is working very well, and the coordination amongst the two agencies and the contractor is pretty good.

Hon PETER KATSAMBANIS: That is what I am looking for, really. It is a tripartite thing between Main Roads and the PTA—both government—and the contractor. So, in that tripartite relationship, there are not any issues at the moment?

Mr Waldock: We have had some good experience previously with Reid Highway et cetera, so we are working well in this space.

Hon PETER KATSAMBANIS: Excellent. In the forward estimates, on page 735, for "Works in Progress" there is a figure of \$28-odd million committed for 2017–18. If the project is due to finish in financial year 2017, why are funds allocated in the next financial year?

Mr Waldock: Sometimes when you are planning these things—Mr Woronzow would know better than myself—the invoices come in late and there is clean-up and you hold back some funds. I think that is just a general commercial arrangement. But if it does finish early, and I think it will finish early, that is quite right—those funds will come in. But, generally, Treasury is not too upset about this, as long as we manage within the four years.

Hon PETER KATSAMBANIS: Okay. That was my next question. You said initially that it was scheduled to finish in June, so you can understand why a payment might come in in July, August or September. But if it finishes in February or March, how will it be managed?

Mr Waldock: Treasury is quite comfortable with this. What we are seeing generally, of course, is contracts coming in a little bit cheaper, which is good news, but also, because people are chasing work, projects are generally finishing before time. It is not a bad place to be if you are in our business.

Hon PETER KATSAMBANIS: Yes; I understand that. Have any savings been identified in this particular project?

Mr Waldock: I think that was identified right from the start, because in fact it came in substantially cheaper than we had budgeted, so that was a significant saving.

Hon PETER KATSAMBANIS: And then after the contract was signed, any savings would just go to the head contractor?

Mr Waldock: You can do that in alliances, but in just design and construct, if there are any savings, that is in the contractor's bailiwick.

Hon PETER KATSAMBANIS: I understand that. But it works both ways, too. You can sometimes take a risk if you try to share in the savings.

Mr Waldock: Yes.

Hon PETER KATSAMBANIS: The thing that I guess concerns us in the long term is the last dot point identified under "Significant Issues Impacting the Agency" at page 728, where you talk about road assets constructed 60 or 70 years ago reaching the end of their design life. We do not have a lot of time available. Really what I am looking for is what sort of process do you undertake to work out whether design life and use life marry up? Is there a project or program to systematically make sure that these assets are either replaced or updated; and, if so, what are the costs over a three-year, five-year or 10-year horizon?

Mr Waldock: I think that is an excellent question. One of the big issues facing all road authorities in Australia, and certainly ours, is the issue of asset maintenance and management. It is fair to say that, first, we all could do it better, and, second, we are all facing significant backlogs of maintenance, hence the fact we have been working with the Auditor General's office more recently in just working through where we are up to, how we go forward and how we can sensibly plan for that and be far more strategic in our approach. I am going to pass over to Stephen Troughton, and particularly Peter Woronzow, because he has been doing this in the last three months, to make comment on just what is happening.

Mr Troughton: The future work we need to do is to get far more strategic in how we manage our pavements, and the ability to collect data far more cheaply and more quickly than we used to is really helping us. We are about to go into discussions to start to get more high-speed deflectometer-type information on our pavements throughout the country. We used to do this on an annual basis but it was —

Hon PETER KATSAMBANIS: Sorry. What is that word you used—high-speed —

Mr Troughton: Deflectometer.

Hon PETER KATSAMBANIS: Okay.

Mr Troughton: Which basically at reasonably high speed sends a pulse or a wave through the pavement to see how it reacts to it. We have been doing this stuff for years. It used to be that an old truck would move up and drop a lump of weight, stay there for five minutes while it worked out what it was doing, and then move 10 metres up the road. They can do that stuff a lot quicker. Through Austroads, which is sort of the board of all the Australian state road users, we are also trying to get consistency across the asset data that we collect for the future, and some work is being done in that space. What we are trying to do is get all the states to collect the same data so that all the analysis on pavements is being made equal. Where we go forward from here is that we need to collect better data and make better decisions on how we do stuff. One of the other issues that has come up, and it is quite interesting, is that over history, there were quite significant periods of road construction in WA, and a lot of those pavements that were built, say, 40 years ago, particularly in the northern parts, suddenly come onto end-of-lifetime assets, and that is what this is trying to say: that suddenly as we build more and more roads, as we have done, we start to get to that point where you have got to put more maintenance into them than you would do for smaller pavements. Let us say, Great Northern Highway from Newman to Hedland suddenly comes on to being 40 years old and it is a big bit of maintenance and it needs more care and attention.

Hon PETER KATSAMBANIS: That is actually what motivated my question. We understand that over long periods of time, roads do not get built in some sort of linear progression; they get built in clumps. The last decade has been one very, very good example of that, where enormous investment has been made, and there have been decades in the past where that has happened. However, the risk

at the other end is that the big clump of major reinvestment is all going to come at once, too. Out of all this work we are doing, do we have anything concrete? Do we have a program or a strategy or anything to address what is coming in the future?

Mr Woronzow: I can add to what Steve has said. In the last few years, we have developed a financial model where all of our road asset is mapped. We know when it was built. We have got a detailed financial model that indicates, from that modelling point of view, when a road should fail. We have compared that with actuals so that we have a good idea within the model of our predicted versus actuals, and, based on that work, Treasury provided us with \$60 million as a recent recapitalisation program last financial year. If you look at page 735 of the budget papers, based on the work that we have done, and to address some of the things that you are talking about, that funding has actually been carried through and indexed, so what you see is the original \$60 million provided on a yearly basis with indexation. In 2019–20, it becomes \$68 million a year.

[4.40 pm]

Hon PETER KATSAMBANIS: So that is the reseal capitalisation program.

Mr Woronzow: That is correct, yes.

Hon PETER KATSAMBANIS: You are doing a lot of work around traffic light synchronisation. As the director general mentioned earlier, is there a targeted figure of time saving per amount of investment in this work or is it more a case of best endeavours?

Mr Waldock: It is a function of flow rate through the lights and how much capacity we gain. I think that everything is different, but on the Canning Highway one between Riseley Street and Canning Bridge, we picked up, I think, an eight per cent gain in capacity. Is that right?

Mr Troughton: Yes, there is no target. It is one of those things that we do every year. We review it and continuously improve, because it changes.

Hon MARTIN PRITCHARD: I refer to page 735, the asset investment program, and the need to reduce congestion in the northern suburbs. What is the expected time frame for the removal of traffic lights and the development overpasses at the intersections of Wanneroo Road and Ocean Reef Drive and Wanneroo Road and Joondalup Drive? What is the expected cost of the overpasses? Is the department still of the view that they can wait until 2031?

Hon JIM CHOWN: We will take that on notice.

[*Supplementary Information No C16.*]

Hon LYNN MacLAREN: I have a series of questions, Mr Chair, but I think I would prefer to submit them to be answered on notice, because there is no way I will get my questions in in the time remaining.

Hon SAMANTHA ROWE: Parliamentary secretary, I refer to the estimated expenditure costs around the Gateway project, particularly around the Perth Airport area. By way of background, substantial damage, including structural damage, has occurred at a number of properties in the Belmont area due the construction of Gateway. What is the estimated amount that will be spent on assessing claims in relation to that property damage?

Mr Waldock: I will kick off and then go to Mr Woronzow who is very close to this. Certainly what we do in any of these major projects is pre-inspection. We have people contacting and working with householders and, of course, all these things are raised with us. We work through them sensibly. I think we still have a tail, but I think we have responded and compensated most people. Do you have more details, Mr Woronzow?

Mr Woronzow: The only thing I can add to what Reece said is that when those property inspections are done to determine if there is any damage, it is done by a third party outside of the alliance; it is done by a damage assessor. For all those properties that people have requested that we

go back to do a follow-up inspection, we have an estimate by that third party and that money is held in part of the budget that has been quarantined until we work through a final settlement with the residents.

Hon SAMANTHA ROWE: How much do you think has been spent on those assessments?

Mr Waldock: I think we should go back and get the detail.

Mr Woronzow: That requires detail; we will have to take that on notice.

[Supplementary Information No C17.]

Hon SAMANTHA ROWE: Has an amount been set aside for assessments in future years?

Mr Waldock: On this particular project?

Hon SAMANTHA ROWE: Yes, on this particular project.

Mr Waldock: I think when the tail of a project runs out, it runs out, but Mains Roads has a pretty good history of responding to people's concerns.

Hon SAMANTHA ROWE: What is the total amount likely to be compensated for the properties?

Mr Waldock: That will be part of the last question. We can provide those estimates.

The CHAIR: We will make that part of C17.

I will bring the hearing to a close. If members are happy, I will make the opening statement tabled.

On behalf of the committee, I thank you for your attendance today. The committee will forward any additional questions it has to you in writing after Monday, 20 June, together with the transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript. Responses to the questions will be requested within 10 working days of receipt of the question. Should you be unable to meet the 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. Once again, I thank you for your attendance today.

I wish you all the very best, Mr Troughton. I think this is your last estimates. My apologies to Hon Lynn MacLaren for not giving her more time for questions today.

Hearing concluded at 4.46 pm
