QUESTION:	QoN 1
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: Thank you. How many people per day use the Sydenham to Bankstown portion of the line at peak times on a week day? Mr ANDREW CONSTANCE: I will hand that question over to the Chief Executive of Sydney Trains. I am sure he can take it on notice. Mr COLLINS: I will have to provide the figure on notice.

ANSWER:

I am advised:

Opal data is the best measure for indicating the numbers of people using a train line.

For a typical weekday (in August) there were 22,707 Opal tap-ons at train stations between (and including) Bankstown and Sydenham at morning peak times (5am – 10am). The Opal tap-offs for the same period at train stations between (and including) Bankstown and Sydenham were 7,513.

QUESTION:	QoN 2
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: Minister, I would like to ask about contracts. I ask the attendant to provide two copies of this document to the witnesses. For identification purposes it is contract award notice detail view 417193—provision of systems integration services, for the ERP and EAM programs and provision of and CoE services.

Document tabled.

Minister, you will agree that this contract was entered into by Transport NSW— Corporate, for the provision of systems integration services, including ERP, EAM and CoE and specifically provision of ERP program services; provision of EAM program services; and operational setup and Centre of Excellence services. The original contract duration was 9 December 2013 to 8 December 2016; the amended contract duration is 9 December to 30 June 2017. What occasioned the six-month extension of this contract?

Mr ANDREW CONSTANCE: You have just presented this material here. I will hand over to the secretary of the agency to answer your question.

Mr REARDON: The enterprise resource program, otherwise known as Transport Equip, is something that we have been rolling out across the transport cluster for the past few years. It is a program that is multidimensional; it covers all our operating agencies in Transport for NSW. In the last couple of years we have rolled it out successfully across Transport for NSW itself. It basically provides human resource services, financial services and the underpinning and bringing together of the transport cluster across 25,000 people and providing them with payroll services, human resources and financial services. In regard to the need for this, the Auditor-General made it clear that our cluster needed to upgrade its services across the board.

The Hon. DANIEL MOOKHEY: I am sorry to interrupt you, but I will come to the Auditor-General later.

Mr REARDON: I am coming to your question. In regard to the rollout, as I have said, we have gone through Transport for NSW and most recently we have rolled out to Roads and Maritime Services. We are now into the detail for the rollout to Sydney Trains and NSW Trains.

The Hon. DANIEL MOOKHEY: Just to bring you again to the question: Why was the original contract duration extended from 8 December 2016 to 30 June 2017?

ANSWER:

I am advised:

The original contract disclosed was for ERP. The inclusion of EAM and COE occasioned the six month extension.

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QUESTION:	QoN 3
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

Mr REARDON: I am responding to your question.

The Hon. DANIEL MOOKHEY: Can you specifically respond to that point? Mr REARDON: I am responding to your guestion. In regard to the rollout now to Sydney Trains and NSW Trains, Sydney Trains and NSW Trains have a range of ICT that they are rolling out right at this point in time, again, to modernise how they go about their work across the technology spectrum-that is, in enterprise asset management and the upgrade of their enterprise resource program as per the rest of the cluster. In us going through our detailed program design for the interdependence between those two functions, both the enterprise resource program [ERP] and the enterprise asset management [EAM] program, we have looked at that in a detailed program rollout. We have looked at the risks and the issues associated with that rollout and based on where we have got to in the success to date we are rolling that out over the next six to 12 months. We have a range of milestones that we have to hit. As I have said, on the ERP program we have successfully hit both Transport for NSW and RMS rollouts, and we are now moving to the trains. The EAM started its rollout in about March this year, it has continued to rollout and will do so through the second half of this calendar year. To ensure that we accurately reflect and ensure that it is delivered in detail, as per any other ICT program, we will run that through for the first half of 2017. So the interdependence of the ERP-

The Hon. DANIEL MOOKHEY: Thank you. I do have other questions about this. Mr REARDON: —and the EAM program are the reason for the time frames we have. In regard to the document you have raised—

The Hon. DANIEL MOOKHEY: Thank you. I appreciate your answer.

The CHAIR: Mr Reardon, the member wishes to proceed to other questions. Mr REARDON: Could I just clarify about this document? I do not know the form of this document so I will take it on notice and verify it.

The Hon. DANIEL MOOKHEY: Thank you. Feel free to do that. Minister, on the same document you will see that the original contract value was \$70,445,100 and the amended contract value is \$147,868,538.95. Why is it that the cost of this particular contract has gone up approximately 110 per cent since the integration of the contract?

Mr ANDREW CONSTANCE: Again, that is your claim based on the document you have just presented us.

The Hon. DANIEL MOOKHEY: Are you suggesting that this document is fraudulent, Minister?

Mr ANDREW CONSTANCE: That is not what I said.

The Hon. DANIEL MOOKHEY: In the event that you are questioning the veracity of the document, Minister, has the contract award entitled "Provision of systems integration services"— Mr ANDREW CONSTANCE: I am happy to answer your questions one at a time.

ANSWER:

I am advised:

The original contract was for Enterprise Resource Planning (ERP). The contract value increased to reflect the additional services for Enterprise Asset Management (EAM) and the Transport Centre of Excellence (COE).

QUESTION:	QoN 4
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: —has that increased from \$70 million to \$147 million?

Mr ANDREW CONSTANCE: Again, I am happy to take your questions. As indicated by the secretary of the agency, he is happy to look at this contract and will no doubt need to come back to take your questions on notice and give you an answer, given that you have just bowled it up willy-nilly in a Committee hearing this afternoon.

The Hon. DANIEL MOOKHEY: I appreciate that, Minister.

ANSWER:

I am advised:

I refer to my answer to the previous question.

QUESTION:	QoN 5
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: Minister, either to you or through you to Mr Betts, has this contract, which has increased by approximately \$77 million through its duration, ever been subject to a major assurance review?

Mr REARDON: Firstly, I want to clarify that-

The Hon. DANIEL MOOKHEY: Sorry, Minister, are you referring this to Mr Reardon or Mr Betts, because I was asking you whether you would take it yourself or refer it to Mr Betts?

Mr ANDREW CONSTANCE: You asked a series of questions about this and the secretary answered the questions.

The Hon. DANIEL MOOKHEY: The reason I am asking about Mr Betts is because Mr Betts, as we went through yesterday, is the chair of the Infrastructure NSW Investment Assurance Framework Committee, which has a responsibility to review contracts, particularly those which are over \$10 million. So I am asking whether or not a \$77 million increase in the size of a contract prompts a review according to the investor insurance framework, which I understand you, as Treasurer, put in place.

Mr REARDON: As the person accountable for those programs I will respond to it first and then you can ask Mr Betts a question. But to your second point first, Infrastructure NSW is not accountable for assuring deeds ; it is the Department of Finance, Services and Innovation and you could seek to ask them.

The Hon. DANIEL MOOKHEY: Thank you, that was my question. I am grateful for the answer.

The Hon. BRONNIE TAYLOR: Let him answer the question.

The Hon. DANIEL MOOKHEY: The question has been answered. Thank you. You have said to me that Infrastructure NSW is not responsible for assurance. I appreciate the answer.

Mr REARDON: But DFSI is and assures these projects, as they do for ICT projects. To your first point, the clarification and the question on notice that was taken about this contract and your claim about variations to it, and I responded with the interdependence between an enterprise resource program and an enterprise management program, I will come back to you; they are two separate projects with two separate budgets.

The Hon. DANIEL MOOKHEY: I appreciate the answer. I look forward to seeing it in 21 days.

ANSWER:

I am advised:

Contracts are not assured, projects and programs are.

QUESTION:	QoN 6
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

Can I please present to the witnesses two further contracts? I table them and, for the purposes of Hansard, I will read them. This one is titled "Data Migration Services for ERP and EAM Programs".

Documents tabled.

Again, for the purposes of Hansard, I will commence reading what exactly this contract is for: "The goods and services provided under this contract include provision of data migration services (1) data migration services for ERP program, (2) data migration services for EAM program". Minister, if you wish to take 30 seconds to review the document you are welcome to.

Mr ANDREW CONSTANCE: I am not going to take 30 seconds to review the document.

The Hon. DANIEL MOOKHEY: You will see that the original contract value is listed as \$12,863,873 and the amended contract value is listed as \$29,853,823, which constitutes an increase of approximately 270 per cent in the course of this contract. Can you explain why that contract has increased by 270 per cent?

Mr ANDREW CONSTANCE: The secretary of the agency just gave you an answer to a question, which you acknowledged and you thanked him for.

The Hon. DANIEL MOOKHEY: I am asking now about a different contract.

Mr ANDREW CONSTANCE: You asked about the interaction between ERP and EAM, you have asked about the interaction between those IT functions, and we are happy to take the specific questions on notice and get back to the Committee.

The Hon. DANIEL MOOKHEY: Just to be clear, the question that you are taking on notice is my question about why the contract value on this contract—and this is a different contract to the one I provided you before—has gone from \$12,863,873 to \$29,853,823.

Mr ANDREW CONSTANCE: Yes. You are asking questions about ERP and EAM.

ANSWER:

I am advised:

The original contract was for Enterprise Resource Planning (ERP). The contract was varied to reflect the addition of the Enterprise Asset Management (EAM) Program.

QUESTION:	QoN 7
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: Can I again present to the Minister and the person he so wishes—and I table this—another contract? Document tabled.

Again, for the purposes of Hansard, I will read this. This is a contract award notice ID—I will not read that one, it is too big a number—for the basis professional services and the contractor is a company by the name of Craicon Pty Ltd. This was a contract entered into on 10 February 2016 and it runs to 10 February 2017. Its contract value is \$266,062.50. Minister, the valuation criteria here was the ability to provide architectural solution design and execution in relation to a complex SAP ERP deployment. Why was it necessary to pay \$266,000 to a contractor to provide architectural solution design and execution in relation to a complex SAP ERP program? Is there a problem in that program that requires the introduction of a specialist contractor?

Mr ANDREW CONSTANCE: Again, let us be clear: the Auditor-General highlighted that transport

agencies were being held back by outdated systems and technical limitations. The Hon. DANIEL MOOKHEY: I will be getting to the Auditor-General, so if you wish to hold this answer for that—

Mr ANDREW CONSTANCE: We have a massive task ahead of us in terms of upgrading and consolidating separate IT networks across 25,000 staff working at hundreds of locations around the State. We are happy to come back to the Committee on notice to answer your specific and technical questions in relation to three contracts.

The Hon. DANIEL MOOKHEY: I appreciate that. I look forward to reading your reply in 21 days.

I table these two as well and present these two to the witness.

ANSWER:

I am advised:

The Honourable Member referred to contract award notice ID 4000006239 having been awarded to a company by the name of Craicon Pty Ltd. This is incorrect. The contract was awarded to Greythorn Pty Ltd.

QoN 8
The Hon Daniel Mookhey MLC
2 September 2016
23 September 2016

QUESTION:

Documents tabled.

Minister, this is a contract of Transport NSW–Corporate and it says the particulars of the goods or services to be provided under this contract are integration of RMS systems to transport equips, and that goes precisely to the point that the secretary was making before. The contract value on this one is \$18,031,978.45. This was a contract that was given to Deloitte, as was the contract that went up in price from \$70 million to \$147 million. In turn, Deloitte has subcontracted this to a firm called Incumbent Integrator. Why was subcontracting required and why, incidentally, was this work not provided for in the contract that went up by \$70 million and had an extension of the period of time available? Was this a need that was foreseen after the original design?

Mr ANDREW CONSTANCE: As I indicated before, we are busily upgrading the IT system across 25,000 staff across hundreds of locations in the State. We are very busy. But I am happy to take on board your allegations this afternoon—

The Hon. DANIEL MOOKHEY: No allegations have been made, Minister; I am asking questions.

Mr ANDREW CONSTANCE: —and we will come back to the Committee with the specifics in relation to your questions on notice.

ANSWER:

I am advised:

Subcontracting is a matter for our Vendors. It is a regulatory requirement that subcontractors are disclosed.

The contract (8000008583) for \$18 million is not related to the Enterprise Resource Planning (ERP) Program.

QUESTION:	QoN 9
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: Thank you. Can I table this one too? Mr ANDREW CONSTANCE: It looks like he has downloaded the entire e-tendering website, from what I can see this afternoon.

The Hon. PENNY SHARPE: Except that it is part of the e-tendering website and it is an official government document, even though you are pretending you have got no knowledge.

The Hon. Dr PETER PHELPS: It is great that we are so open in our Government, is it not? All these contracts are available. Openness and transparency are a feature of our Government.

The Hon. DANIEL MOOKHEY: This one was published yesterday on the contract website and it was entered into on 1 March 2016 and it goes to 31 May 2016, so it is a three-month contract. This one has a total contract value of \$497,200. It has been given, again, to Deloitte. It is for the "install and config of Oracle IAM Suite on AWS infrastructure, knowledge transfer to BAU team", and this is listed as "EIAM Release 2 (ERP W1.2)". So it is part of the ERP program. Are you able to explain why this \$500,000 was not included in the \$147 million that was being paid for by Deloitte earlier?

Mr ANDREW CONSTANCE: The Transport cluster has a budget of more than \$20 billion in the next 12 months. If you are going to ask specific questions about the hundreds of contracts that we have running, then we are happy to come back with the specifics to you but, as I said, it is a big budget. If you are going to ask about a \$497,000 contract issued yesterday, then we will take that on notice.

ANSWER:

I am advised:

The project is not related to the earlier Deloitte contract (417193) for the Enterprise Resource Planning (ERP) Program. This contract (4000005574) is for Identity and Access Management. It is a separately funded project within Transport for NSW.

QUESTION:	QoN 10
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: What is the estimated total cost for the business system improvements program? It is not listed in the budget paper. Mr ANDREW CONSTANCE: In terms of the 2016-17 allocation, the advice before

me is----

The Hon. DANIEL MOOKHEY: No, I am not asking you about the 2016— The CHAIR: The Minister has been asked a question. Please proceed, Minister. Mr ANDREW CONSTANCE: As I indicated, the 2016-17 allocation towards the business system improvements is \$22,780,000.

The Hon. DANIEL MOOKHEY: And what is the estimated total cost, not the allocation for 2016-17, what is the estimated total cost? Because it is listed here as—

Mr REARDON: I am happy to take that on notice. All I can say is that the program remains on time and on budget.

The Hon. DANIEL MOOKHEY: Thank you, I appreciate that. Minister, in the 2012 budget papers, the estimated total cost of the business systems improvement program was listed as \$151,000,300, listed in budget paper page 451 of Infrastructure Statement 2012-13. In budget paper 2016-17, page 546,

infrastructure statement 2016-17, estimated expenditure to 30 June 2016—the June just past—was \$163,000,213 with the additional \$22 million that you have just referred to. Why is it that the amount of expenditure that has occurred to date that is reported in the budget paper exceeds the total estimated cost of the program that was contained in Budget Paper No. 2 in 2012?

Mr REARDON: They are your figures. You are referring to figures in front of you. The Hon. DANIEL MOOKHEY: I am referring to your budget papers. These are your budget papers.

Mr REARDON: I can tell you, you have just outlined three different numbers. The Hon. DANIEL MOOKHEY: Would you like me to repeat them? Mr REARDON: No. you don't need to.

The CHAIR: Order! Please let Mr Reardon answer the question.

Mr REARDON: I have made the comment to you that the roll-out of that program remains on budget. That is my response. If you have any other specifics, including these contracts, we will take them on notice.

The Hon. DANIEL MOOKHEY: Thank you.

ANSWER:

I am advised:

The total estimated cost of the program is \$196.3 million.

The amount listed in the 2012-13 Budget paper did not include a contingency of \$45 million which was funded by Transport for NSW.

QUESTION:	QoN 11
ASKED BY:	The Hon Paul Green MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. PAUL GREEN: Minister, in terms of other stations, I understand that Rooty Hill is after a lift. There is a lift program. Can you give us an update for Rooty Hill?

Mr ANDREW CONSTANCE: In terms of the transport access program we are currently investing \$890 million in that project. We are dealing with legacy issues but we are looking to invest as quickly as we can across the whole network. I will have to take on notice the question about the specific lift.

ANSWER:

I am advised:

This project is currently in the planning and detailed design stage. A delivery schedule for the proposed project will be announced at the completion of the design process.

QUESTION:	QoN 12
ASKED BY:	The Hon Paul Green MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

QoN 12. The Hon. PAUL GREEN: I would like an update on that one specifically. Would you update the committee on the Maldon to Dombarton line. Is there any movement on that?

Mr ANDREW CONSTANCE: The question is probably better directed to the Minister for Roads, Maritime and Freight. I am happy to hand over to the secretary on that.

Mr REARDON: We looked at an expression of interest process for the Maldon to Dombarton rail line recently. It is a question for the Minister for Roads, Maritime and Freight. I am happy to take the question on notice and provide you with more detail.

ANSWER:

I am advised:

While this is primarily a matter for the Minister for Roads, Maritime and Freight, the NSW Government conducted a Registration of Interest between October 2014 and November 2015 to identify interested and capable proponents who could construct, operate and maintain the proposed railway on a commercially sustainable basis, without NSW Government funding.

Two responses were received and evaluated by Transport for NSW, but it was found that neither proponent was evaluated as able to meet the Evaluation Criteria.

Transport for NSW is investigating alternative options for delivering the Maldon to Dombarton Railway and discussing this matter with the Federal Government. Existing infrastructure is considered sufficient to manage the short to medium-term rail capacity requirements for the Illawarra. However, the Maldon to Dombarton Railway will need to be considered in the longer term.

QUESTION:	QoN 13
ASKED BY:	The Hon Daniel Mookhey MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. DANIEL MOOKHEY: Who from Transport for NSW provided the assurance to the Auditor-General that the single SAP solution program is on budget and will be completed on time? Mr ANDREW CONSTANCE: I will hand over to the secretary. Mr REARDON: We will take that on notice.

ANSWER:

I am advised:

This information was provided by Transport for NSW's Group Chief Information Officer.

QUESTION:	QoN 14
ASKED BY:	The Hon. PENNY SHARPE
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

QoN 14. The Hon. PENNY SHARPE: Minister, can you confirm whether the University of New South Wales has signed the development agreement regarding the light rail project?

Mr ANDREW CONSTANCE: I will hand over to the secretary.

Mr REARDON: We have a number of agreements with third parties as part of the CBD and South East Light Rail project. The University of New South Wales is one of them. We are having detailed discussions with the university on a couple of items at this point in time.

The Hon. PENNY SHARPE: So they have not signed it yet?

Mr REARDON: I will take it on notice to provide an answer on where we are up to. We are in the final stages on a couple of items.

The Hon. PENNY SHARPE: Are you able to tell us what the unresolved issues are?

Mr REARDON: I will take that on notice.

ANSWER:

I am advised:

The Development Agreement with the University of NSW has not been signed as at 30 August 2016.

The development agreement will reflect the finalisation of the Electromagnetic Interference Management Plan and Construction and Operational Noise and Vibration Plans as required by the Department of Planning Conditions of Approval.

QUESTION:	QoN 15
ASKED BY:	The Hon Penny Sharpe MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

The Hon. PENNY SHARPE: Yes, I understand that, and I am trying to get to that. But the initial claim was "buses entering the city"—I am not saying from the southeast, necessarily. A lot of the figures that have been used are the figures for capacity both in and out of the city. Referring exactly to those coming from Kensington, Kingsford, Randwick and Coogee—say for the hour of 8.00 a.m. to 9.00 a.m.—is the one-way capacity of the light rail inbound anticipated to be 6,750 passengers per hour?.

Ms PRENDERGAST: Yes, it is—on light rail alone. But the full capacity is light rail plus bus, and the express bus services will still operate.

The Hon. PENNY SHARPE: At this point, what do you believe the capacity of the buses will be during that period?

Ms PRENDERGAST: The south-east is, obviously, an origin and destination. When we describe capacity, we talk about "inbound" and "outbound"—light rail plus bus. The Hon. PENNY SHARPE: Yes, and I am talking about inbound to the city.

Ms PRENDERGAST: Inbound to the city, the capacity currently is probably about 8,500 per hour. With light rail—

The Hon. PENNY SHARPE: I am sorry—is that 8,500 currently on the entire bus network into the city from there?

Ms PRENDERGAST: From the south-east, from Kingsford and Randwick specifically, yes.

The Hon. PENNY SHARPE: Are you able to provide a breakdown—you do not have to do it now, obviously—to the Committee of the routes and the capacity on each of those routes?

Ms PRENDERGAST: We will take that on notice.

ANSWER:

I am advised:

I refer you to the response to supplementary question 50.

QUESTION:	QoN 16
ASKED BY:	Dr Mehreen Faruqi MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

Dr MEHREEN FARUQI: In Budget Paper No. 2 on page 1-5, it allocates \$1.9 billion for the CSELR project over the forward estimates, which is the next four years, and it also notes that that does not include the \$332.9 million subject to public-private partnership arrangements. Page 5-4 also indicates that \$360 million has already been spent. This seems to add up to more than \$2.1 billion. Could you answer that? It adds up to more than \$2.1 billion—about \$2.26 billion. Could you account for that discrepancy or could you take that on notice? Mr ANDREW CONSTANCE: I will have to take it on notice.

ANSWER:

I am advised:

The \$1.9B forward estimates figure provided in Budget Paper No. 2 erroneously included \$332.9m of financing and transactional costs. The overall project forecast remains at \$2.1 billion and has not changed. Information on project financing is found in the Sydney Light Rail Contract Summary available online.

QUESTION:	QoN 17
ASKED BY:	Dr Mehreen Faruqi MLC
NOTICE GIVEN:	2 September 2016
DUE TO PARLIAMENT:	23 September 2016

QUESTION:

Dr MEHREEN FARUQI: I understand that there is also a company, Arcadis, that has been contracted by government as an independent verifier for the North West Rail Link. Is that correct?

Mr STAPLES: For all of our contracts, including the Skytrain contract, we have an independent certifier that provides independent assurance about the quality of the works. Arcadis is the independent certifier on the Skytrain contract, yes. Dr MEHREEN FARUQI: How much is its contract worth? Mr STAPLES: I will have to take that question on notice.

Dr MEHREEN FARUQI: Thank you.

ANSWER:

I am advised:

The value of the contract with Arcadis (formerly Hyder Consulting Pty Ltd) is available on the NSW Government e-tendering website.