

PORTFOLIO COMMITTEE NO. 5 – INDUSTRY AND TRANSPORT

Wednesday, 6 September 2017

Examination of proposed expenditure for the portfolio area

ROADS, MARITIME AND FREIGHT

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The Committee met at 2.00 p.m.

MEMBERS

The Hon. Robert Brown (Chair)

The Hon. Rick Colless

Dr Mehreen Faruqi

The Hon. Daniel Mookhey

The Hon. Greg Pearce

The Hon. Dr Peter Phelps

The Hon. Penny Sharpe

The Hon. Mick Veitch (Deputy Chair)

PRESENT

The Hon. M. Pavey, *Minister for Roads, Maritime and Freight*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

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The CHAIR: Welcome to the inquiry by Portfolio Committee No. 5 into the 2017-18 budget estimates. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay respect to elders, past and present, of the Eora nation, and extend that respect to other Aborigines present. I welcome Minister Pavey and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Roads, Maritime and Freight.

Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that witnesses could answer only if they had more time, or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers seated at the table behind you.

Transcripts of this hearing will be available on the web from tomorrow morning. Finally, would everyone please turn their mobile phones to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to office as a member of Parliament. Mr Reardon, Ms Gardiner-Barnes and Mr Kanofski do not need to be sworn because they have appeared at earlier budget estimates hearings.

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CLARE GARDINER-BARNES, Deputy Secretary, Freight, Strategy and Planning, Transport for NSW, on former oath

TIM REARDON, Secretary, Transport for NSW, on former oath

KEN KANOFSKI, Chief Executive, Roads and Maritime Services, on former affirmation

The CHAIR: I declare the proposed expenditure for the portfolio of Roads, Maritime and Freight open for examination. The hearing will run from 2.00 p.m. until 4.40 p.m. The Government has waived its right to questions so we will divide the questions between the crossbench and Opposition. Seeing as there is no provision for a Minister to make an opening statement before we begin with questions I will ask two questions of the Minister before handing over to the Opposition.

I have a question on behalf of the Hon. Paul Green. I am not sure whether it is in your portfolio but I will ask it anyway. Is it correct that only 15 fines were issued to motorists for breaking the one-metre rule in speed zones of 60 kilometres an hour or less or 1.5 metres in higher speed zones during the period? I assume that is in relation to bicycle riders. By contrast, more than \$1 million of the total amount that has poured into State Government coffers from cyclists was for failing to wear helmets. Secondly, it is a stated objective that the New South Wales Government will increase cycling rates. What will the Government do to increase bicycling?

Mrs MELINDA PAVEY: Cycling is a very important part of transport across New South Wales. I am a cyclist and I enjoy that activity very much. I acknowledge that it was our Government that brought in the one-metre rule. Off the top of my head, it has immediately had a very positive impact on fatality rates for cyclists. I will get Mr Reardon to pass me the figures but we have had a significant drop in cycling fatalities since that rule came in. In relation to the 15 penalties for breaking the one-metre rule, obviously at any time you bring in a new rule there is a transition during which people get comfortable with it and understand it. It could also be seen as a positive that people are treating cyclists in the way that they should be treated. I will refer to Tim Reardon and Clare Gardiner-Barnes because activities around cycling is under their jurisdiction. But I am very proud that our Government is improving cycling infrastructure across the State.

Just the other day I was near Sydney Airport where we were opening a new laneway to give better access to motorists in that part of the world. That coincides with the fact that you can now cycle from the city to Homebush on a cycleway. You have to sometimes get off the bike and cross the road at traffic lights, but there is a dedicated cyclepath now. For Sydney cyclists that is incredibly important. I have ridden a bike in Sydney. I can tell you I much prefer riding my bike in the country. I encourage my colleagues to further explore the active cycling options.

Mr REARDON: We brought in the minimum passing distance rule on 1 March 2016. It is part of the NSW Road Safety Strategy that we have had on foot for some time now and which we are updating as part of the Future Transport Strategy. Within the NSW Road Safety Strategy we have a Cycling Safety Action Plan. Part of that is looking at things such as new initiatives. The minimum passing distance road rule, as I said, started on 1 March last year. That has been in place in a few jurisdictions around the country now and we are all learning lessons as we go. It is one metre where the speed limit is less than 60 kilometres per hour and 1.5 metres where the speed limit is more than 60 kilometres per hour.

We will continue to evaluate the number of fines over a two-year period between 1 March 2016 and into 2018 but we are learning a lot of lessons as we go. It is a rule that has proved to be fairly popular with the cycling community. Certainly they brought forward the desire to have it. As I said, it is not just in New South Wales; other jurisdictions have it as well. The specific number of fines being low is part of the evaluation, but in some ways that can tell us whether it is working reasonably well. As I said, a lot of cyclists find it quite popular. We are learning more as we go about how motorists and cyclists are interacting with it. We will continue to examine that all the way through the two-year trial period.

The CHAIR: On behalf of Mr Green I thank you for that response.

Mrs MELINDA PAVEY: Just on the figures in 2013, 14 bicycle riders lost their lives on the State's roads. In 2016 that had dropped to five. So far this year three cyclists have lost their lives on our roads. Any number is never acceptable, but to see that pattern of decrease is encouraging and we are very focused on it. I acknowledge the work that Paul Green is doing in the community where he lives to encourage applications for cycling and pathway investment, which is really important.

The CHAIR: The second question I have concerns a representation that I made to you with a constituent regarding the tow truck regulation. Thank you for acting so quickly on that. Can you give the

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Committee an update on the progress of removing red tape from the tow truck regulation to enable manufacturers of camper trailers and other devices to use winches on lightweight delivery trucks that are used to transport and deliver their products without having to register a tow truck or get a tow truck licence?

Mrs MELINDA PAVEY: I thank you for your question and your representation to me with the constituent Robert Fagan. I can genuinely say it is because of your representation—I think it was in April—that we had the meeting. We now have a review underway into that issue, because it has created an anomaly. To further complicate things, the Department of Finance, Services and Innovation [DFSI] now has responsibility for the tow truck Act. Our officials have been in conversation with DFSI to ensure that this issue is resolved. I can confirm that it is currently under review.

Roads and Maritime Services has recommended an extended review of the regime which would enable those not involved in the traditional business of tow trucks to be able to transport vehicles without coming under the Act. Any such review could look at excluding persons transporting a range of trailers including caravans and camper trailers. We would also like it to be extended to other trailers such as horse floats which are locally manufactured. In my electorate I have an incredible horse float manufacturing company called Kara Kar just off the Pacific Highway. It employs a lot of people in the electorate of Oxley around the Nambucca shire. Often in regional towns across the State hire businesses deliver equipment, forklifts or cherry pickers to worksites. We cannot make those improvements unless we hear from constituents such as Mr Fagan. I thank you for bringing him to us. We are working through government processes to fix that anomaly with the review underway.

The Hon. DANIEL MOOKHEY: The other day I picked up the *Daily Telegraph* and had the opportunity to read your opinion piece in which you argued that western civilisation owes its origins to tolls.

Mrs MELINDA PAVEY: I did not actually say that.

The Hon. DANIEL MOOKHEY: That argument seems to have a lot of credence in your Government.

Mrs MELINDA PAVEY: And in your Labor Government, I might point out.

The Hon. DANIEL MOOKHEY: You have to let me finish the question.

Mrs MELINDA PAVEY: No, I am going to put some perspective in straightaway. You created five toll roads.

The Hon. PENNY SHARPE: Point of order: There are three issues here—the Minister does not get an opening statement; the Minister has given up her time to respond to questions on behalf of the Government in which she can provide any of this information if she chooses to; and the question was not finished before the Minister started trying to provide information.

The Hon. GREG PEARCE: The question had not even started. It was just a statement.

The CHAIR: That is even more to the point. I uphold the point of order. Questions should be succinct, to the point and delivered in a timely fashion. The Minister can answer in any way she sees fit.

The Hon. DANIEL MOOKHEY: Thank you.

The CHAIR: Please finish your question.

The Hon. DANIEL MOOKHEY: It appears that your argument received great traction because the Government has reintroduced the toll on the widened M4, is planning to extend the toll on the M5, is putting tolls on the new M5, is putting tolls on the rest of the WestConnex, and it is rumoured that it will be putting tolls on the F6, the Western Harbour and Beaches Link tunnels. My question is straightforward: Would you not agree with me that Sydney is being saturated with tolls because of your government?

Mrs MELINDA PAVEY: I thank the member for his question but I say to his statement that it is probably very unlikely that he and I will agree. It is important to highlight that during the term of the Labor administration the member was working for the Australian Workers Union from 1995 to—

The Hon. DANIEL MOOKHEY: Shame.

Mrs MELINDA PAVEY: Where were you working?

The Hon. DANIEL MOOKHEY: In 1995 I was in year six.

Mrs MELINDA PAVEY: What about—

The Hon. DANIEL MOOKHEY: But I have to say that I was doing a paper run.

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The Hon. PENNY SHARPE: Minister, we can see that you have done some research but it—

The CHAIR: Order! We have two hours and forty minutes for this hearing. I would like to get through it without a lot of banter. Questions will be directed one at a time to the Minister or her staff. If members wish to interrupt proceedings they will do so by taking a point of order.

Mrs MELINDA PAVEY: As I was pointing out, five roads were constructed under the Labor administration. There is no denying that the best and most efficient way to maximise the effort to improve transport solutions across Sydney is through toll roads. In Sydney we currently have an incredible amount of construction work underway, not only in roads with the WestConnex and NorthConnex but also in public transport. By having tolls we can maximise the State investment in public transport. I would be interested to know whether Mr Mookhey has an understanding of what the State tax contribution is to the mega projects currently being undertaken in Sydney.

The Hon. DANIEL MOOKHEY: Minister, in budget estimates I get to ask the questions.

The Hon. PENNY SHARPE: When you go into opposition you will be able to ask questions.

The Hon. Dr PETER PHELPS: It will be a long time before the Minister is asking questions.

The CHAIR: Order! I will give any directions that may be needed during this hearing. Minister, it is up to the members of the Committee to ask the questions.

The Hon. DANIEL MOOKHEY: In light of your answer, is there a single road in New South Wales that your Government deems unsuitable to be tolled?

Mrs MELINDA PAVEY: It is very clear, we are only allowing toll roads where the productivity of the network will be improved and we believe motorists will use them. It is also a matter of policy that where a new motorway is developed it is our desired outcome that there is an alternative toll-free route—as was the case with the five toll roads constructed when Labor was in government. By investing in these toll roads we are liberating 90 per cent of the State investment, taxpayer funds, into public transport. We have had a lot of catch-up work to do because a lot of the projects were messed up—mistakes were made and solutions not found—and as the roads Minister I am proud that currently 90 per cent of the taxpayer State contribution is going into public transport in this city. But, for example, the M1 Pacific Motorway, which we are only a couple of hundred kilometres off finishing, is not a toll road because there is no alternative route. We are also investing in the Princes and Newell highways. Toll roads are not an option for those regional areas. I was really proud to announce that in this year's budget we have \$1 billion available for Western Sydney to enhance the current road network.

The Hon. DANIEL MOOKHEY: Thank you, Minister.

Mrs MELINDA PAVEY: We have a commitment to new projects, new infrastructure, toll roads and to improving the road system across this State.

The Hon. DANIEL MOOKHEY: On 10 August the Premier said on Channel 7 News that, "It [Sydney Gateway] feeds into the project WestConnex but it is not part of it; it never was." Was that the day on which you first learnt that you were responsible for delivering the Sydney Gateway project?

Mrs MELINDA PAVEY: I thank the member very much for his question—

The Hon. DANIEL MOOKHEY: What was the date on which you first learnt that you were responsible for delivering the Sydney Gateway project?

Mrs MELINDA PAVEY: —and I will take the opportunity to answer it. I do so in the context of having watched your performance this morning, which we are able to do. I get the impression that you think our Government is like a Labor government where policy is done on the run, and that you have this conspiratorial view that at a press conference the Premier said something and the world changed. That is not the case.

The Hon. DANIEL MOOKHEY: When did it change?

Mrs MELINDA PAVEY: The Sydney Gateway was—

The Hon. DANIEL MOOKHEY: When did it change? It appeared in the strategic business case for the WestConnex 35 times.

Mrs MELINDA PAVEY: Excuse me, you have asked me a question and there is context to the answer.

The CHAIR: Order! The Minister will be allowed to answer the question.

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Mrs MELINDA PAVEY: It is important to realise that there is no conspiracy here; there is only a plan for our Government to improve public transport and the road network. I was not the Minister at the time but the Sydney Gateway and WestConnex were part of the overall plan to improve transport to that part of Sydney, including the airport. I am going to ask Mr Kanofski, who was in Roads and Maritime Services [RMS] at the time, to explain. When we started to do the homework it was very clear that the definition of WestConnex, and to the Sydney Motorway Corporation, was the 33 kilometres of tunnels that finished at St Peters interchange, but we had committed to the public that we were also going to improve access at Port Botany. We need to fix and improve the freight thoroughfare at Port Botany but we also need to improve the road network. I am genuinely answering your question but I am going to ask Mr Kanofski to contribute to that.

The Hon. DANIEL MOOKHEY: I accept that. I was about to ask Mr Kanofski some questions so to save time perhaps we can take those questions together.

Mrs MELINDA PAVEY: We have not finished answering the question relating to the Sydney Gateway. I am going to ask Mr Kanofski—

The Hon. DANIEL MOOKHEY: Minister, I am allowed to ask questions.

Mrs MELINDA PAVEY: You are. I am allowed to answer them, which I am doing in context.

The Hon. DANIEL MOOKHEY: My questions are not difficult. I am sure Mr Kanofski is more than capable of answering them. When Mr Kanofski came before a parliamentary inquiry on 22 May he said that the \$800 million for the Sydney Gateway, which the Treasurer has confirmed this morning is the only money that the Government has reserved, was included as a part of the WestConnex budget and handed over to the Sydney Motorway Corporation. I was going to ask Mr Kanofski: When was that decision made? Why did Roads and Maritime Services put money into a private corporation, which is not accountable to the Parliament? It is not a State-owned corporation—it cannot take questions, we cannot make applications under the Government Information (Public Access) Act [GIPAA], we cannot do anything. Why are you putting RMS projects into unaccountable corporate structures? I was going to ask that of Mr Kanofski but the Minister is also welcome to answer it.

Mr KANOFSKI: The short answer is we are not but—

The Hon. DANIEL MOOKHEY: Are you sure?

Mr KANOFSKI: You asked—

The Hon. DANIEL MOOKHEY: Because I asked you. I can repeat the dialogue again.

Mr KANOFSKI: Sorry, you asked me—

The CHAIR: Order! The witness will be allowed to answer the question.

Mr KANOFSKI: It is important to understand that the Sydney Gateway and WestConnex share one objective. One of the objectives of WestConnex, and there are many, is to connect St Peters interchange to Sydney Airport. Sydney Gateway has a number of objectives—improving freight rail to the airport and the port, relieving congestion around Sydney Airport and connecting St Peters interchange to the airport. It is natural that the WestConnex project should make a contribution to Sydney Gateway but Sydney Gateway is a much broader project. I do not think that anyone would argue that duplicating the freight line, for example, is part of WestConnex. What we have here is a single objective that crosses over between these two projects.

To your point about RMS putting money into the Sydney Motorway Corporation, that is complete falsehood. The reality is that the \$16.8 billion includes an allocation of \$800 million. We will be expecting Sydney Motorway Corporation to contribute \$800 million towards Sydney Gateway when it is built. The Sydney Motorway Corporation has never had a commission to study Sydney Gateway. The Sydney Motorway Corporation took over the development of the delivery of the WestConnex project on 1 October 2015. At that stage Sydney Gateway was already an RMS project. It has never been a Sydney Motorway Corporation project.

The Hon. DANIEL MOOKHEY: We learned this morning that the Sydney Gateway is not going to be subject to the WestConnex toll cap. What is the maximum toll you are going to allow on the Sydney Gateway?

Mrs MELINDA PAVEY: I thank the member for his timely and important question relating to Sydney Gateway. We are in important conversations with the major stakeholders concerning the Sydney Gateway and, of course, that includes the Sydney Airport Corporation. We are also in constant dialogue with the NSW Ports Corporation in relation to improving the freight capacity because that forms part of the whole gateway process.

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The Hon. DANIEL MOOKHEY: Lendlease?

Mrs MELINDA PAVEY: I am not aware whether that is one of the stakeholders with whom we are engaging.

The Hon. DANIEL MOOKHEY: You have not had any conversations with them?

Mrs MELINDA PAVEY: No, I have not.

The Hon. DANIEL MOOKHEY: Has the leadership of RMS or the leadership of Transport for NSW had conversations with Lendlease?

Mr REARDON: I have conversations with most of the major constructors and contractors around the country and internationally on pretty much an ongoing basis. The most recent was this morning when we had an industry briefing for infrastructure and services for public transport projects. We have multiple conversations with all the constructors. Mr Kanofski would be the same.

Mrs MELINDA PAVEY: In order to ensure clarity, I have also been in the rooms at industry briefing functions, but I have not had a meeting with Lendlease.

The Hon. DANIEL MOOKHEY: Mr Reardon, you just stated that you have regular dialogues with a whole bunch of major contractors. Have you had any specific dialogue with Lend Lease about an unsolicited proposal to build the Sydney Gateway?

Mr REARDON: I have discussions with a multiple amount of contractors and the nature of those discussions are usually about the infrastructure projects that we have on foot at the moment or those in planning. The nature of those discussions I will not go into.

The Hon. DANIEL MOOKHEY: Minister, when will we see a strategic business case for the Sydney Gateway?

Mrs MELINDA PAVEY: It is important also to highlight—because I was cut off before being able to finish my answer—that no decision has been made on the tolling of Sydney Gateway or whether there will or will not be a toll. But we are in conversations with stakeholders at the moment. In regard to context, of course there will be strategic business cases, there will be EISs and there will be public consultation. We will be completing the road part of Sydney Gateway to coordinate the timing with the finishing of the St Peters interchange, which is part of WestConnex, and that is due in 2023. That is six years away, so we have time and we have started on our homework. We will continue to do our homework and we will continue to do the planning because it is important that we have proper access to Sydney's major gateway to the airport and also to Port Botany. We need better transport solutions, whether they are freight solutions, motorist solutions or public transport solutions. We are proud to be delivering that.

The Hon. DANIEL MOOKHEY: We know you are proud. What is the benefit-cost ratio you are expecting to get on Sydney Gateway, given it is no longer part of WestConnex? What is the funding model? If you say you are not yet sure you are committing to tolls, how are you going to pay for it?

Mrs MELINDA PAVEY: In relation to the financial aspects of that project, they are important considerations and we will be continuing to do that work. The benefit-cost ratio of all that type of work is certainly going to be part of that process. I might ask the CEO of RMS to further explore some of the detailed work that has already been done on that.

The Hon. DANIEL MOOKHEY: I was not wanting an explanation of the detail. It was a pretty straightforward question—we did this last year as well and we did it the year before. What is the benefit-cost ratio on the Sydney Gateway? We were all working on the assumption that was modelled as part of WestConnex and now it is not a part of it. In addition to that, how are you going to pay for it? Has RMS prepared a funding model? Has Transport for NSW prepared a funding model? Because from what we can tell, having read the budget papers, no reservations are in Restart NSW and no mention of it is made in Rebuilding NSW. You are telling us that \$800 million has been given to the Sydney Motorway Corporation, or at least reserved, but then you said that no funding has been transferred. It is a really straightforward question: How are you going to pay for this?

Mr KANOFSKI: As you would expect, when the business case is brought back to Government it will have a benefit-cost ratio in it; it will have a funding model in it; and it will have a set of recommendations and options for the Government to consider. That is what a business case does.

The Hon. DANIEL MOOKHEY: Yes, but we have Infrastructure NSW in 2011 and 2012 saying that the entire rationale for the whole WestConnex was the Sydney Gateway. We had Infrastructure NSW do that

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work six years ago and then we find out on 10 August that the Premier just willy nilly deletes it from the project and then, lo and behold, you now come here and tell us that you have not done any of this work. Has the RMS produced anything that resembles a benefit-cost ratio or a funding model to pay for the \$1.8 billion of this project in order to realise the vision of which the Minister is proud?

Mr KANOFSKI: When we have finished the work on Sydney Gateway, in the normal course of business we then take that information and report it to the Government. The Government then makes a decision.

The Hon. DANIEL MOOKHEY: When will you finish the work? When is it going to be done? There is no way that a major infrastructure project gets this far down the line—

The CHAIR: Order! I ask the member not to interrupt witnesses when they are answering; allow the witnesses to answer. These are public servants; they are not Ministers of the Crown. Allow them to answer the question. Mr Kanofski, proceed.

Mr KANOFSKI: The road will open in 2023—that is six years from now—which is more than enough time for the Government to consider a business case, to consider funding models, to get an EIS and to deliver the project.

The Hon. DANIEL MOOKHEY: Minister, have you put the RMS, Infrastructure NSW, Transport for NSW—anyone—on a deadline as to when they have to produce all this sometime in the next six years?

Mrs MELINDA PAVEY: In relation to a deadline, you are wanting to get a date out of me today. That obviously is your goal. Our deadline is 2023 and we are working towards that. We are doing our homework, we are doing the planning and we are proud of that work because it is going to have port and rail solutions and it is going to have motorist solutions. As the CEO pointed out, we have set aside \$800 million in WestConnex when that transaction happens to help with that gateway funding. So we are planning for the future. We are not ashamed of that and we are not embarrassed about that.

The Hon. DANIEL MOOKHEY: Minister, if you are not ashamed about it will you commit to releasing the strategic business case? Will you release the funding model? Will you release the benefit-cost ratio if you are so proud of the work that you are doing?

The Hon. GREG PEARCE: Point of order: Not more than one minute and five seconds ago you warned the member for the second time to stop interrupting and bullying the public servants. It applies equally to the Minister. The member is not in a Labor Party internal meeting at the moment.

The CHAIR: I have heard enough of the point of order. Ministers of the Crown are here under the same circumstances as they are in question time. They are quite capable of answering questions and handling interjections. But I ask members of this Committee to moderate any interjections following their own questions and to allow the Minister to answer.

The Hon. DANIEL MOOKHEY: Just with the limited time, it was a straightforward question. Will you commit to releasing the business case, the funding model, for the Sydney Gateway?

Mr REARDON: What we will commit to is continuing to develop that project. As we said, it is six years away from now. We will go through the normal steps we would go through for any major project with Infrastructure NSW—strategic business case, final business case, pre-procurement, commissioning, et cetera. That is what we will do.

The CHAIR: I remind members that they have 80 minutes for questioning today, or close to it. Dr Faruqi?

Dr MEHREEN FARUQI: Minister, I start by saying how delighted I am to see a woman in the role of Minister for Roads, Maritime and Freight. Congratulations.

Mrs MELINDA PAVEY: Thank you very much.

Dr MEHREEN FARUQI: This year in June the Auditor-General reported on Roads and Maritime Services' management of road maintenance contracts in Sydney's south and west. The report found that RMS management of the outsourced stewardship maintenance contract has not been effective; in particular, it fails to measure performance by contractors and it fails to verify financial data. That is a bit of a background to that. Minister, do you know how much these contracts are worth?

Mrs MELINDA PAVEY: The contracts are significant because there is a significant maintenance base to manage. But we have a record \$1.8 billion for the maintenance of Roads, Maritime and Freight assets.

Dr MEHREEN FARUQI: Is that for the work of these contracts?

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Mrs MELINDA PAVEY: No, that is not; that is our total maintenance budget across the State. In relation to the details of the contracts going in and the Auditor-General's report, we were part of the delivery of that report. I understand that Mr Kanofski had meetings with the Auditor-General—just to provide clarity. We are very proud of our maintenance record here in New South Wales under our Government. I will just refer to Mr Kanofski.

Dr MEHREEN FARUQI: Mr Kanofski, my specific question is the worth of these particular contracts that were referred to in the Auditor-General's report.

Mr KANOFSKI: I would have to take the specific number on notice. I am happy to provide that to you. I am very happy to talk about the Auditor-General's report though.

Dr MEHREEN FARUQI: No, I just have some very specific questions and I will go with that. Could you also take on notice, with the worth of the contract, the duration of those contracts?

Mr KANOFSKI: Yes, that will be fine.

Dr MEHREEN FARUQI: How is the performance of those contracts measured currently?

Mr KANOFSKI: We have a suite of key performance indicators [KPIs]. The contracts are quite innovative, in the sense that they are performance-based contracts.

The Hon. Dr PETER PHELPS: Hear, hear!

Mr KANOFSKI: We do not actually pay them to do work, we pay them to achieve a certain maintenance outcome. So there is a suite of KPIs—off the top of my head, there are 20 or 21 KPIs and the contract gets rewarded as to whether they meet those KPIs or not. We take on board the comments made by the Auditor-General that the contracts have delivered real savings.

Dr MEHREEN FARUQI: Have they delivered the maintenance outcomes, is my question.

Mr KANOFSKI: Yes, they have delivered that.

Dr MEHREEN FARUQI: On time?

Mr KANOFSKI: They have delivered the maintenance outcome and they have delivered savings.

Dr MEHREEN FARUQI: How do you know that?

Mr KANOFSKI: Because we measure the performance under the contract.

Dr MEHREEN FARUQI: But that is what the Auditor-General was saying was not being measured.

Mr KANOFSKI: No, the performance of those contracts is measured. We take on board the comments—

Dr MEHREEN FARUQI: How is that measured?

Mr KANOFSKI: It is measured against 21 KPIs.

Dr MEHREEN FARUQI: But how often is the measurement done?

Mr KANOFSKI: It is measured on an ongoing basis.

Dr MEHREEN FARUQI: So you know exactly, at any point in time, that the work has been done by the contractor—the work that they have been paid for has been done by the contractor?

Mr KANOFSKI: Absolutely.

Dr MEHREEN FARUQI: There are no particular intervals that you audit their performance and the execution of their work?

Mr KANOFSKI: There is—

Dr MEHREEN FARUQI: Give me one example of a KPI and how you measure that, if you do not mind.

Mr KANOFSKI: We measure the smoothness of the road and whether they are achieving the smoothness of the road. We measure the performance of drainage systems and the like to see whether they are maintaining drains properly. So every aspect of the performance of a road.

Dr MEHREEN FARUQI: So Roads and Maritime Services [RMS] audits that?

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Mr KANOFSKI: Yes, we measure that.

Dr MEHREEN FARUQI: At what intervals?

Mr KANOFSKI: We measure it on an ongoing basis. There is also—

Dr MEHREEN FARUQI: What is an "ongoing basis"?

The Hon. GREG PEARCE: Settle down, give him a moment.

The Hon. PENNY SHARPE: Point of order: That interjection from Mr Pearce was completely inappropriate.

The CHAIR: Order! Interjections are disorderly at all times. Dr Faruqi has asked a question; Mr Kanofski will answer the question as best he can. We do not need other members' opinions, thank you.

Mr KANOFSKI: An "ongoing basis" means precisely that. I have a team of people who manage that contract. We are getting performance data from the contractor all the time. The contract also allows for certain things that would be measured quarterly and certain things that would be measured annually, so there is a whole range of performance measures in place. It is a very robust system and interestingly, a number of other jurisdictions have come to visit us to look at that system because it has a reputation of being quite innovative and of delivering real savings, in terms of the maintenance of the road system.

Dr MEHREEN FARUQI: Have things changed since this report came out in June? The Auditor-General's report clearly states that, in the first three years, RMS did not conduct any audits of performance data. Have you started conducting audits of performance data?

Mr KANOFSKI: I think what we are talking about here is semantics.

Dr MEHREEN FARUQI: I do not think we are talking about semantics. I am not talking about semantics.

Mr KANOFSKI: If you will allow me to answer the question, I think we are talking about semantics. RMS does not audit the figures, RMS gets the figures from the contractor and we measure the performance of the contractor and we enforce the contract under that process.

Dr MEHREEN FARUQI: So how are you assured, other than just getting figures from the contractor, that the work is already being done? Do you go out and audit the roads?

Mr KANOFSKI: Yes, we go and conduct inspections, we collect data on a whole range of measures in order to assure ourselves that the contractor is performing. We take on board the comments of the Auditor-General and certainly, in any major contracting exercise when you put in place a new contracting system, there is always room for improvement. Of course there is room for improvement. We absolutely accept the recommendations of the Auditor-General. What I think is really important is to understand that the recommendations of the Auditor-General were really just to slightly tighten what we were already doing.

The CHAIR: Members, and others in the gallery, I acknowledge a visit from the Parliamentary and Democracy students from the University of Sydney, here today to witness proceedings. You will see a robust demonstration of how democracy works here today, albeit very well controlled by a nasty Chairman.

Dr MEHREEN FARUQI: Thank you, Mr Kanofski. Minister, I have some questions about the NorthConnex tunnel. What compensation will be paid to Transurban if trucks fail to use the NorthConnex tunnel?

Mrs MELINDA PAVEY: I am not being difficult but the NorthConnex project falls under the responsibility of the Minister for Infrastructure and Transport, the Hon. Andrew Constance. I am sure that the Chief Executive Officer [CEO] of RMS, Ken Kanofski, may be able to help you in some of your questions.

Dr MEHREEN FARUQI: I find it a little confusing, it is a road tunnel and it is used for freight purposes.

Mrs MELINDA PAVEY: It was a decision that the Premier made at the time, that NorthConnex would fall under the responsibility of the Hon. Andrew Constance. WestConnex is under the responsibility of the Hon. Stuart Ayres and I have other responsibilities across the Sydney road network and across the State in freight and maritime as well as roads. Mr Kanofski will be able to add some details to your question.

Dr MEHREEN FARUQI: Mr Kanofski, do you still work with the transport Minister on NorthConnex?

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Mr KANOFSKI: NorthConnex is an RMS project, so I am happy to talk about NorthConnex.

Dr MEHREEN FARUQI: I want to know if you know what compensation Transurban bid for when trucks fail to use NorthConnex?

Mr KANOFSKI: The important thing here is that one of the key objectives of the NorthConnex project is that it take 5,000 trucks a day off Pennant Hills Road. Anybody who has been on Pennant Hills Road would probably endorse that as a worthy objective. In order to do that, if a truck does not use that, then RMS will pay Transurban the toll for the truck, so they will be paid the toll.

Dr MEHREEN FARUQI: For any truck that does not—

Mr KANOFSKI: For any truck that it is deemed should have used the tunnel but did not use the tunnel, RMS will pay Transurban the toll.

Dr MEHREEN FARUQI: I know there is a strategy to put more freight on rail. What happens if the number of trucks starts reducing in the NorthConnex tunnel? Is there a deal with Transurban to compensate for that as well?

Mr KANOFSKI: No.

Dr MEHREEN FARUQI: So there is no compete clause for freight?

Mr KANOFSKI: No.

The Hon. Dr PETER PHELPS: That is very good.

Dr MEHREEN FARUQI: Yes, that is good.

Mrs MELINDA PAVEY: Just on that, I think our freight movements across the Sydney network and across regional New South Wales are particularly exciting. I can see that that is something that interests you, Dr Faruqi. Mr Reardon has some recent figures of the volumes that we are doing.

Mr REARDON: I think, Minister, it is fair to say that it is well documented that there will be a doubling of freight over the next 20 years and we continue to see improvements in rail freight in particular and particularly out of Port Botany. As Mr Kanofski pointed out though, there is not a compete clause in terms of NorthConnex but across the greater metropolitan area we want more freight on rail, without a doubt. Port Botany, as I said, over the last years has seen some encouraging increases in the amount of boxes and containers moving on that corridor and we will continue to work pretty hard on that through the Moorebank proposals, through Enfield and other works we look at, both in terms of augmenting the freight capacity on the rail network but also in the terminal strategy. We will look at that coming out in future transport strategy, but certainly it is something that we remain focused on. Increasing the amount of rail freight, particularly in urban areas, is pretty important to us.

Dr MEHREEN FARUQI: On that specifically, when you came into Government, Minister, the Coalition set a target of having 28 per cent of freight on rail by 2020. What part of that percentage has been achieved so far?

Mrs MELINDA PAVEY: Ms Gardiner-Barnes, how are we tracking on that specific goal?

Ms GARDINER-BARNES: There has been an enormous improvement in the proportion of freight going through to Port Botany on rail, particularly in the past 12 months. We reached a peak of 20.3 per cent in February this year, an average of 19.1 per cent, which is an increase from 16.3 per cent in 2015-16. The cargo movement coordinator has been working collaboratively with a range of industry partners to ensure that we improve the rail freight. On the long haul that comes through for exports through regional parts of New South Wales we have 90 per cent coming through on rail.

Dr MEHREEN FARUQI: It is 20.3 per cent that has been achieved?

Ms GARDINER-BARNES: Yes.

Dr MEHREEN FARUQI: Minister, do you expect to achieve the 28 per cent share in 2½ years to 2020? Are you on track for that?

Mrs MELINDA PAVEY: We are pleased with the volumes we are putting through. For the 12 months to the end of June 2017 rail volumes at Port Botany have increased by more than 80,000, 20-foot equivalent units. That is an increase of 22 per cent in 12 months.

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Dr MEHREEN FARUQI: My question was straightforward. Are you on track? Will you achieve the 28 per cent in the next 2½ years?

Mrs MELINDA PAVEY: We believe we are heading in the right direction, and increased the freight movement by 22 per cent last year.

Mr REARDON: In terms of the volume, we are trending in the right direction without a doubt. It is worth noting, as the Minister pointed out, there are more than 400,000, 20-foot equivalent units on rail in and out of Port Botany. In absolute terms the increase has been quite dramatic. The percentage is one thing, but the increase in absolute terms it quite dramatic. There is a range of augmentations we are doing around the network and network efficiency improvements. Last Friday in budget estimates with the Minister for Transport and Infrastructure we spoke about new train timetables. That will mean we need to work harder in terms of retaining freight access paths across the network.

We are doing all the things we can to trend in the same direction we are at the moment. Getting it back over 20 per cent from where it was is a significant achievement. We will continue to work towards the 28 per cent. There will be more work to do that will come out of the Future Transport Strategy, which is our refresh of the long-term Transport Master Plan. We will make it clear what our next round of planning will be and government can take that on board in terms of its next infrastructure investments.

Dr MEHREEN FARUQI: There has been a dramatic increase?

Mr REARDON: In absolute terms, yes.

Dr MEHREEN FARUQI: You said earlier it would double between 2011 and 2031?

Mr REARDON: For clarification, across Australia the doubling of freight will occur based purely on population projections.

Dr MEHREEN FARUQI: What is the strategy beyond 2020? What are your targets to ensure that the doubling of freight does go on rail or is there a plan to put more on the roads?

Mrs MELINDA PAVEY: It is a good question. A lot of planning and work being done for the Future Transport Strategy, which we are developing at this moment and hope to release early next year, looks at issues such as the type of investment, and the goals and objectives that we should work towards to meet that freight task, not just in New South Wales but nationally, as we are a through State. It is particularly exciting to see the commitment from the Federal Government on inland rail. Going forward that has the capacity to take 250,000 trucks off the Pacific Highway motorway. That type of investment is important.

Going back to the Gateway project, the duplication of the rail lines at Port Botany is an important project, thanks to the work of the former Federal Labor Minister Anthony Albanese looking into the Moorebank intermodal. A lot of work has gone on in terms of environmental impact statements, there have been several years of that process. We are coming to the end of that and seeing private sector investment in that intermodal. Recently I was at Port Kembla and I say genuinely that it was the best day I have had in the job because I officially opened a project that did not cost the taxpayers anything. It was an \$80 million grain terminal supporting the primary producers from the north-west and the south-west of this State with a proper grain terminal at Port Kembla. It is an \$80 million investment. We are committed to that.

As the Secretary of the Department of Transport pointed out, we do have issues within the Sydney network in terms of constraints. We are dealing directly with operators from regional New South Wales. We need to improve communication and efficiency both ways to ensure we do not waste the time of any train on the network and that we are reliable. We do have the passenger and freight connections and dual purpose on the Sydney train network.

Dr MEHREEN FARUQI: Thank you for that very long answer. How much has the Government invested in the past three years on upgrading, building and maintaining freight lines in New South Wales?

Mrs MELINDA PAVEY: We have had some exciting projects.

Dr MEHREEN FARUQI: How much money have you invested? Do you have a number? If not, take it on notice.

Mrs MELINDA PAVEY: We have announced the Fixing Country Rail program from the proceeds of the leasing of poles and wires.

Dr MEHREEN FARUQI: Any figures on how much money has been invested?

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Mr REARDON: The specifics we may have to come back to you with. It would be a combination of Fixing Country Rail—

Dr MEHREEN FARUQI: How much money? Do you have a figure?

Mr REARDON: Fixing Country Rail, in and of itself, is \$1.2 billion. That is a specific rebuild in the New South Wales program. It is a significantly larger figure when you take into account the maintenance of the country rail network. We have delivered the North Sydney freight corridor within the past few years. It has been a significant spend.

Dr MEHREEN FARUQI: Could you come back to me on that?

Mrs MELINDA PAVEY: We currently invest \$210 million annually on the maintenance and operation of the country regional network. We have, since coming into Government in 2011, invested more than \$1.35 billion in the operation and maintenance of regional rail. We genuinely recognise that it is a very important part of that process. We are dealing with communities on improving access to branch lines. We recently learnt that a farmer in Warialda created access from his branch line and put chickpeas on rail into the Port of Newcastle. Those type of initiatives are why we are working with country communities in particular, and looking at enhancing and improving the freight delivery into Sydney with the duplication of the Port Botany rail line.

Dr MEHREEN FARUQI: In an interview on 2GB radio in March this year—this is an issue close to my heart—you said the Chief Executive Officer of Wicked Campers had assured you, "that he is committed to removing the offensive slogans over the next few months". All of us know how offensive, abusive and sexist those slogans are. Later in that interview you committed to keeping a "vigil". How have you been monitoring the situation?

Mrs MELINDA PAVEY: You monitor by the representations you get on an issue. Since we did that interview on 2GB we have monitored the level of concern about the, as you quite rightly say, many offensive slogans. Living on the North Coast I see the vans. I cannot remember seeing an offensive sign in recent times. We are monitoring it that way, but also from feedback from the community. To this point I am not aware of concerns. We have taken the chief executive officer—

Dr MEHREEN FARUQI: Minister, is your not having seen one a rigorous way to monitor and evaluate?

Mrs MELINDA PAVEY: I also made the point that you are able to govern and take representations from members of the community.

Dr MEHREEN FARUQI: That is not a rigorous way to monitor either.

The CHAIR: Order!

Mrs MELINDA PAVEY: Listening to the community is an important way of monitoring.

The Hon. MICK VEITCH: I am told that administrators have been appointed to Ostwald Bros Pty Ltd. As I understand, principal contractors are obligated to ensure that any subcontractors are up to date with payments, including superannuation and long service leave. Subbies are now publicly demanding answers and want to know how the principal contractor for Glenugie to Tyndale was awarded the tender. How did they win the tender? What sort of financial diligence was conducted by Roads and Maritime Services?

Mrs MELINDA PAVEY: It is part of the process when you are building a major piece of infrastructure like the Pacific Highway, like the situation that has developed since August when Roads and Maritime Services [RMS] first became aware of that through representations from some of those subcontractors that they were having difficulty in payments. RMS has been dealing with those subcontractors. I also point out that a similar circumstance happened earlier in the year in my electorate of Oxley when KNF Construction was working on one of the sections of the highway. I think it is important to the context, given the massive investment that we are all very proud of. Currently, there is an 80 percent contribution from the Federal Government and 20 per cent from us. With the delivery model that we need to be able to engage with the private sector, this is a very unfortunate circumstance. But it has happened and we are trying to deal with those people who have been affected. I understand that Ken Kanofski was talking to Bob Higgins earlier today. He may have an update on some of the conversations that we have been having.

Mr KANOFSKI: To the first point, the normal financial due diligence was done before they awarded the tender. All the appropriate reports were sought and were in order at that time, so the contract was awarded.

The Hon. MICK VEITCH: Were there no signs?

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Mr KANOFSKI: No, the normal due diligence was undertaken in the reports. Generally, we get independent financial assessments as part of the process. We became aware about a week before—

Mrs MELINDA PAVEY: I think it was about 7 August when we got our first phone call.

Mr KANOFSKI: —we started getting some phone calls from subcontractors. That was when we became aware that the company had financial difficulties. In these circumstances we work really closely with our head contractors to make sure that all subcontractors on the contract are fully aware of their rights under the Building and Construction Industry Security of Payment Act. We are satisfied that in this case the head contractor did make all of those—

The Hon. MICK VEITCH: Was that Seymour Whyte?

Mr KANOFSKI: Yes, the head contractor was Seymour Whyte. Through Pacific Complete, which manages the project on our behalf, we are aware that all of the subcontractors were made aware that they could register their payments under the Building and Construction Industry Security of Payment Act. A particular part of our due diligence is making sure that our head contractors tell their subcontractors what they can do about this. What the subcontractors choose to do after that is, of course, their own business.

The Hon. MICK VEITCH: But can you appreciate that what they are saying to us is that all they want to know is that they are going to get paid?

Mr KANOFSKI: The matter of them being paid for the work that they are owed is obviously a matter for the administrator, and that is the same in all of these cases. But we do recognise that this is really challenging for subcontractors and employees who get caught in these circumstances. One of the things that we always do and that we have done in this case is work with the head contractors to make sure that there is an ongoing stream of work for those subcontractors while they are going through the process with the administrator to try to recover the money for the work they have done. The best thing our head contractors can do for them is give them ongoing work. In contact with the head contractor I think nine out of the 11 subcontractors have already been engaged for more work. There is an ongoing stream of work for those subcontractors and their employees. The recovery of the debts they are owed is clearly a matter for the administrator though.

The Hon. MICK VEITCH: Minister, you have to accept that it is unacceptable that subcontractors would do that work and then not be paid, particularly when it is government money that is paying for the construction. It is just not acceptable.

Mrs MELINDA PAVEY: It is an unacceptable situation, but it is one of those situations where we are relying on the private sector to be able to deliver these projects. As you pointed out, Seymour Whyte is the head contractor and as soon as we were made aware with the first phone call on 7 August—and then a few more phone calls came through in the week commencing 12 August—we have been part of a process to limit the impact on those subcontractors. It is not fair, it is not right, and it is un-Australian—all of those things.

The Hon. MICK VEITCH: Most subcontractors live in regional communities.

Mrs MELINDA PAVEY: A lot of them, and a lot of them have travelled from Queensland. I know one of the subcontractors is from Coffs Harbour. We are dealing with those issues as they have to with the administrators as well. It is important to note, as the chief executive has just pointed out, that seven of those subcontractors have moved on to other parts of the road's construction. And whilst it is no relief to the subcontractors that are suffering through the financial impact of this, the road is still on time and on track. It has not affected the delivery of that project, but it is certainly having an impact on people's businesses.

The Hon. MICK VEITCH: I refer to comments made by the member for Upper Hunter in June of this year when he referred to "\$1 billion worth of road funding projects in the Upper Hunter electorate since 2011". Does that \$1 billion worth of road funding projects include the Hunter Expressway?

Mrs MELINDA PAVEY: In terms of the \$1 billion worth of investments, I think it is more in relation to his electorate, because we are doing substantial planning for Muswellbrook, Scone and Singleton bypasses. The Hunter region obviously includes the M1 Pacific Motorway. From memory, we are looking at a huge improvement there with the Hunter Expressway. My understanding is that he was referring to the planned log of works for which we are doing the pre-planning, the route selection, the Environmental Impact Statements (EISs), and property acquisitions, for the bypasses around the community. There was also a significant pool of funding available for fixing some of the important tourist links to the wineries in the region. There has been an important injection of funding there. I would probably need to see the context and have a look at that media release.

The Hon. MICK VEITCH: How much of the \$1 billion is Federal money?

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Mrs MELINDA PAVEY: I am not in a position to be able to answer that at this point.

The Hon. MICK VEITCH: Would it be possible to get a list of the projects for the Upper Hunter electorate broken down by State and Federal funding?

Mrs MELINDA PAVEY: It is a matter of public record, but yes we can see what we can do.

The Hon. MICK VEITCH: That will be good. While we are talking about projects such as the Scone bypass, I would like to talk about the Muswellbrook bypass, which was promised by your predecessor, the Hon. Duncan Gay and the member for Upper Hunter in the 2015 election campaign when they said they would start the bypass. Where is the bypass for Muswellbrook up to?

Mrs MELINDA PAVEY: We have reserved \$68 million for the Muswellbrook bypass as part of the Rebuilding NSW initiative. Roads and Maritime Services continues planning to identify economically viable options that meet the funding requirements. The preferred option for the New England Highway bypass at Muswellbrook has been identified and reserved in the Muswellbrook Shire Council's local environment plan. The proposed bypass is a two lane single carriageway to the east of Muswellbrook. In 2017-18, \$2.805 million has been allocated to continue planning for the bypass. The planning includes investigating options for a bypass of Muswellbrook, including a review of the existing preserved corridor and other shorter alignments to improve the safety and efficiency of the New England Highway. This is important work that we must do to ensure that we are planning appropriately for important projects like that. Muswellbrook is not alone and is among many communities in regional New South Wales that need these types of bypasses.

The Hon. MICK VEITCH: I have a few of them here that I will talk to you about as we progress. Has a benefit-cost ratio been put forward with regard to the Muswellbrook bypass, and, if so, where did it land and what was its number?

Mrs MELINDA PAVEY: I understand that the bypass is still subject to a final business case and that the identification of options and funding from the Federal Government is ongoing.

The Hon. MICK VEITCH: You were talking about the money that has been set aside in this year's budget for planning for the Muswellbrook bypass. How much was set aside last year and how much of that was actually expended?

Mrs MELINDA PAVEY: I will take that question on notice, but, as I said, we have reserved \$68 million for it and \$2.8 million has been allocated this financial year. I am not sure about last year's budget estimates.

The Hon. MICK VEITCH: The reason I ask is I think there was about \$1 million set aside for planning last year. It is good about this year's money, but I think last year you spent about \$100,000. I know we are putting aside the money for planning but I do not know if we are actually spending it. If you take that on notice I would really appreciate getting the full financial year impact. The Government Information (Public Access) Act [GIPAA] information that I got back said that is what was spent. If you could take that on notice for the last year that would be good.

Mrs MELINDA PAVEY: As I said, there is \$2.8 million this year and we have also reserved \$68 million for the project.

The Hon. MICK VEITCH: Is that reservation dependent on Federal money or does it not matter and that money is there for the Muswellbrook bypass whether the Federal Government kicks the can or not?

Mrs MELINDA PAVEY: Yes, from the New South Wales Government. We will continue discussions with the Federal Government. The planning process and property acquisitions do cost significant amounts of money, which that money is set aside for.

The Hon. MICK VEITCH: I think most of us in regional New South Wales at some stage have had meetings with Dungog Shire Council about the fact that it has no State roads. Therefore, there is a real issue about the road maintenance backlog for Dungog Shire Council. Has there been any dialogue with the State Government how it can be assisted to address its road maintenance backlog? It is difficult for Dungog Shire Council. It is an unusual case.

Mrs MELINDA PAVEY: Bland Shire Council is a similar council.

The Hon. MICK VEITCH: Yes, the Hon. Greg Pearce and I spoke to members of that council a couple of weeks ago. We were in Bland and having a nice trip around West Wyalong.

Mrs MELINDA PAVEY: They told me they enjoyed your visit.

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The Hon. GREG PEARCE: We are entertaining people.

The Hon. MICK VEITCH: What is happening with Dungog?

Mrs MELINDA PAVEY: When did you meet with the council?

The Hon. MICK VEITCH: I have met with Dungog council about five times in the past six months.

Mrs MELINDA PAVEY: Did it let you know whether it had put an application in to Fixing Country Roads?

The Hon. MICK VEITCH: My understanding is that it is looking for everything wherever it can.

Mrs MELINDA PAVEY: We have a Regional Road Block grants program. Through liberating the capital from leasing the poles and wires in the city, we also have \$500 million set aside in Fixing Country Roads. That is specifically designed to help councils like Dungog and Bland and many others around regional New South Wales. It is important that those projects meet the criteria too, that they are projects that will deliver benefits to the State. Given that Dungog is an important community in regional New South Wales, I am sure it will have applications in, which will be considered on their merits.

The Hon. MICK VEITCH: The benefit to the State is really important. You have articulated the funding programs to the Committee. If Dungog was to put in an application, does it have to meet BCR?

Mrs MELINDA PAVEY: Yes. There has to be a good economic case for it. That is important, because we must ensure that we put taxpayer funds in areas that derive good economic benefits for the people across the State. In addition to Fixing Country Roads, \$300 million is set aside for fixing country bridges and the Fixing Country Rail program. It is a big State and there will be a lot of applications, but Dungog will be considered as part of that.

Mr KANOFSKI: In respect of those applications, we have developed an economic appraisal calculator for councils. We recognise that councils sometimes struggle to do the work to justify the projects. We have developed a toolkit, if you like, to help councils get their applications in. The other point the Minister alluded to, obviously Dungog received a block grant to help with the maintenance of its roads along with all councils in New South Wales. They are also entitled to apply for repair grants, which is a separate category of grants which are not subject to a BCR process. Fixing Country Roads, fixing country bridges, the Restart NSW projects are subject to BCR calculations, but we have tried to create a toolkit to make it easy for councils to apply.

Mrs MELINDA PAVEY: We have sent officers from our agencies to some of those councils in recent weeks. I have received feedback from a couple that they had given up and were not even going to apply.

The Hon. MICK VEITCH: That is right. That is where I am going.

Mrs MELINDA PAVEY: That worries me because these programs are designed to help.

The Hon. MICK VEITCH: It is a genuine concern.

Mrs MELINDA PAVEY: I share that concern.

The Hon. MICK VEITCH: Other members of this Committee have also heard this as we have travelled the State.

The Hon. GREG PEARCE: Mr Veitch has been obsessed with it, but it is a good obsession.

The Hon. MICK VEITCH: Regional councils have said to us that they are getting knocked over because they do not meet Treasury's BCR. They are now at a point where they do not bother. That cannot be a good thing for regional New South Wales. I would be happy if you can provide us with whatever you are doing to assist councils to address the BCR. It is stopping councils from putting in applications. They have had enough.

Mrs MELINDA PAVEY: I accept that. On top of the block grants and the repair grants and the work the Federal Government does in this space to help local councils, in totality, the roads budget has increased by 105 per cent since we came to office, and 65 per cent of that is going into the regions. There are big projects, but it is important that we support local councils in a lot of areas, which is why we have a \$50 million allocation to sealing country roads, knowing there are communities in far western New South Wales. It was allocated in this year's budget. It is an unquenchable thirst, but we are trying to quench that thirst and we are trying to help councils determine the projects that have the best economic impact for the greater good of the State. That is not an unreasonable proposition. We have sent officers to the councils. We have said, "Please come back to us

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because the grant round is finishing." Applications need to be in, but we want to assist. Yes, we hear that message. We are in country and regional communities all the time, which is why we established this program. Again, we are proud of it. We are proud we have been able to put money towards it, but we need to help the local councils in many cases.

The CHAIR: I will interject and ask for a clarification. You mentioned that the Government tries to steer grants towards areas where they have the greatest impact. Does human safety and safety of property form part of the BCR calculation?

Mrs MELINDA PAVEY: Absolutely.

The CHAIR: I can tell you that some of those roads, particularly around Dungog, are dangerous.

Mrs MELINDA PAVEY: That is very much a part of it. At the moment, we are spending \$70 million across the State identifying areas that have unacceptable crash statistics.

The CHAIR: Is that what you call blackspots?

Mrs MELINDA PAVEY: Absolutely—blackspots. Some of those projects can be as simple as putting in noise works on the road to alert drivers if they go off the road, or better signage around curves. It does not always have to be a massive spend. Two-thirds of road fatalities occur in regional New South Wales. We all have a responsibility to do what we can to make those roads safer and better, but it is subject to the BCR.

Mr REARDON: In connection with your comment about blackspots, Fixing Country Roads is a \$500 million program, as the Minister pointed out. Its funds come out of Rebuilding NSW. It is specific. Several rounds have occurred already.

The CHAIR: Does it have to go through a BCR process?

Mr REARDON: The comment was made that it does need to go through a BCR process.

The CHAIR: It does?

Mr REARDON: Yes, it does. I want to make it clear that we have a Community Road Safety Fund under the NSW Road Safety Strategy.

The CHAIR: How much?

Mr REARDON: It is about \$280 million for the 2017-18 year. It has a blackspot program as well. I want to make it clear that they are two separate programs.

The Hon. MICK VEITCH: I move on to your comments about bringing grain into Port Kembla. The Maldon to Dombarton rail line is an important piece of infrastructure. Can you provide us with information to show us where that is up to?

Mrs MELINDA PAVEY: Certainly. It is an important part of the railway link. I point out that Labor announced the Maldon to Dombarton rail line, with construction commencing in 1983. Labor told us it would be completed in 1986. That is not an unreasonable point to make. It has one of the most engaged and forthright group of people fighting for it. The Government will not forget it.

The Hon. Dr PETER PHELPS: Is Mr Veitch not the president of the society?

The Hon. MICK VEITCH: Thank you, Dr Phelps. It is important.

Mrs MELINDA PAVEY: It is important.

The Hon. MICK VEITCH: What is the time frame?

Mrs MELINDA PAVEY: It is important.

The Hon. MICK VEITCH: It will be constructed and when?

Mrs MELINDA PAVEY: Transport for NSW, in conjunction with the Federal Government, developed a business case for the Maldon to Dombarton rail line. It states that existing infrastructure for the time being is currently managing the short-term and medium-term rail needs of the Illawarra region. In February 2017, Infrastructure Australia concluded a review of the Maldon to Dombarton business case, noting that the project costs currently outweighed the economic benefits.

The Hon. MICK VEITCH: The BCR?

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Mrs MELINDA PAVEY: Yes. The Maldon to Dombarton railway is a proposed 35 kilometre single track dedicated freight line in the Illawarra region between the main south line. I am sure the people who have been agitating and fighting for that railway line wished that the BCR was not as low as it is. There was some hope earlier that a mine was going to come on line to potentially boost that BCR. That has not happened.

The Hon. MICK VEITCH: Does the BCR coming in so low mean that the project is not going to go ahead?

Mrs MELINDA PAVEY: It does not mean that at all. It just means that in the short term we do not have the financial capacity to support it, but it is an important rail link. As part of our Future Transport Strategy that we will be releasing early next year it is highlighted as one of those roads into the future that we will continue to monitor and support. When the economic benefits are realised from that investment I am sure it will be a focus of any government in the future.

Dr MEHREEN FARUQI: How are you proactively measuring the presence of Wicked Campers? I do not think it is good enough to say that anecdotally you have not heard anything or seen any of them. Can you assure the community that there are no Wicked Campers with abusive slogans driving on New South Wales roads?

Mrs MELINDA PAVEY: The process in relation to Wicked Campers is difficult in that there are currently no registered Wicked Campers in New South Wales. The New South Wales Government notes the recent legislative developments in Queensland in respect to its State's company. It is a Queensland company in essence and those campervans are registered there. Because they are not registered in New South Wales our capacity to make changes or tell them what to do is very limited. We took a proactive stance. My chief of staff at the time took the opportunity to ring the chief executive officer of Wicked Campers. He made a commitment that those offensive signs would be taken off. We took that approach. It is important that we take representations and comments from the community. I have been assured that a lot of that offensive signage was going to be dealt with. I also point out that we were told in February that there were no registered Wicked vans in New South Wales. It may be different now.

Dr MEHREEN FARUQI: Have you checked since?

Mrs MELINDA PAVEY: We have not but we will check on that.

Dr MEHREEN FARUQI: Could you provide me that answer on notice?

Mrs MELINDA PAVEY: Yes.

Dr MEHREEN FARUQI: You are not really measuring it, in a sense. Has your department called the chief executive officer again to see if that is what they have done?

Mrs MELINDA PAVEY: I think the measurement is in the community concern. There was a lot of community concern, which is why we acted in the way we did.

Dr MEHREEN FARUQI: Have you set up a website where the community can complain about Wicked Campers?

Mrs MELINDA PAVEY: We have phone numbers and people can make contact through their local members, RMS or Service NSW.

Dr MEHREEN FARUQI: That is not good enough. You have seen those slogans.

Mrs MELINDA PAVEY: You want a website, do you?

Dr MEHREEN FARUQI: No, I want you to assure us that there are no longer Wicked vans going around with abusive slogans. I will move on to my next question. We know that Queensland, the Northern Territory and the Australian Capital Territory have banned them. Why is New South Wales not taking a legislative approach to stopping them? It is not just about one company. Another company could start up tomorrow and begin registering vans in New South Wales.

Mrs MELINDA PAVEY: I think we have taken the commonsense approach. We are open to taking representations from anybody who has concerns if they feel that things have not improved and we will continue to monitor the situation.

Dr MEHREEN FARUQI: You are not going to entertain a legislative approach to removing these offensive slogans?

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Mrs MELINDA PAVEY: We are going to continue to take a commonsense approach and continue to take our soundings from the community on this.

Dr MEHREEN FARUQI: You think the approach of Queensland, the Northern Territory and the Australian Capital Territory is nonsensical?

Mrs MELINDA PAVEY: You are putting words in my mouth. That is a statement.

Dr MEHREEN FARUQI: You do not think that is a commonsense approach?

Mrs MELINDA PAVEY: I think New South Wales is taking an appropriate response to it. We will keep monitoring the situation. If there is genuine community concern and if campervans are seen with inappropriate wordings and slogans we will act.

Dr MEHREEN FARUQI: What will you do?

Mrs MELINDA PAVEY: We will continue to have commonsense conversations with the owner of the business and ensure that an approach is taken that does not require putting unnecessary burdens on RMS inspectors or the police. We will monitor the situation in an appropriate way. I get a real sense from you that this is causing you concern and I respect that.

Dr MEHREEN FARUQI: It is causing the community a lot of concern as well.

Mrs MELINDA PAVEY: Yes. If you have representations along those lines since we have spoken to the general manager of that company please give me that evidence.

Dr MEHREEN FARUQI: In response to my question on notice about the Maldon to Dumbarton line earlier this year the department said that the latest business case for the Maldon to Dumbarton line was done in June 2014. Is that still the case? Was the last business case done in June 2014?

Ms GARDINER-BARNES: That is correct.

Dr MEHREEN FARUQI: There is no other business case after that?

Ms GARDINER-BARNES: That is right. We are continuing to monitor the increases in freight and passenger demand to determine whether it is appropriate to update any business case, but at this point in time that is the latest information we have.

Dr MEHREEN FARUQI: When you say that you are continuing to monitor, what does that mean?

Ms GARDINER-BARNES: We are monitoring passenger numbers on those lines to determine whether or not demand requires we have another look at that case. In looking at those numbers recently we have determined that at this point in time there is not a requirement to invest.

The Hon. Dr PETER PHELPS: I do not mean to interrupt, but who did the BCR? If they did not do a business case in early 2017 how could you do a BCR? Was it Infrastructure Australia that did the business case earlier this year?

Dr MEHREEN FARUQI: Did they use the 2014 business case?

Mrs MELINDA PAVEY: Infrastructure Australia said that they concluded a review of the business case.

Dr MEHREEN FARUQI: Did they use the 2014 business case?

Mrs MELINDA PAVEY: Yes.

Dr MEHREEN FARUQI: Did you provide them with those new numbers at all?

Ms GARDINER-BARNES: I do not know.

Dr MEHREEN FARUQI: Calculating a cost-benefit analysis on three-year-old data is not good practice, is it?

Mrs MELINDA PAVEY: If there had been a significant uplift from 2014 to the current day we would review that and that would give us an opportunity to do another business case. But we know what the rail figures are. If there was a significant uplift that would be an appropriate time to do that.

Dr MEHREEN FARUQI: Did the 2014 business case consider the benefits of building a Maldon to Dumbarton link for the passengers on the South Coast and Illawarra lines? Most of the freight would be taken

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off that line and that would have a benefit for the passengers. Was that included as a benefit in that business case?

Mr REARDON: The specifics of your question I will take on notice. The comment I was going to raise previously was simply about Infrastructure Australia and their update. I cannot speak for them in terms of what they would do but what you would normally do is as per the Minister's comments. From the 2014 report, which was probably based on some data for the couple of years prior to that, you would naturally look to update and refresh that information to bring a 2017 position to it. Whether they did that or not is a matter for Infrastructure Australia but we are happy to furnish you with anything we can.

Dr MEHREEN FARUQI: Who would they get that data from? Would they not approach you?

Mr REARDON: I think they would probably take some from us. I do not know if they did.

Dr MEHREEN FARUQI: If you could take that on notice that would be great.

Mr REARDON: I am happy to do so.

Dr MEHREEN FARUQI: Minister, is there a business case for the F6 extension?

Mrs MELINDA PAVEY: There is current work under way by our Government. I think around \$30 million has been invested to look at the F6 into the future. As you may know, there was a route defined as early as 1951 and an expectation from that region for that particular road.

Dr MEHREEN FARUQI: We have moved on from 1951. We are in 2017 and there are new ways of looking at transport. Are any alternatives to the F6 being considered in that business case?

Mrs MELINDA PAVEY: There are always alternatives to roads being considered by this Government.

Dr MEHREEN FARUQI: We have seen no alternatives for WestConnex, NorthConnex or the Northern Beaches Link so it is inaccurate to say that alternatives are always being considered. However, I return to the question: Are alternatives being considered for the F6 extension?

Mrs MELINDA PAVEY: As the Minister for Roads, Maritime and Freight, it is important that we look at that project and how it may be delivered. We have given a commitment and we are already consulting with the community. We are letting them know that we are doing the planning for that road network.

Dr MEHREEN FARUQI: What alternatives are you considering for the F6?

Mrs MELINDA PAVEY: I will refer the question of other alternatives or modes of transport to Mr Reardon. Even though this is budget estimates for roads did you ask these questions of Minister Constance last Friday?

Dr MEHREEN FARUQI: I have asked questions of Minister Constance but we are also hoping to get some answers from you. Obviously this is interlinked; you cannot separate out Transport and Roads. I am hoping that you two work together on these issues?

Mr REARDON: I will come back to your question. As head of the cluster we look at alternatives.

Mrs MELINDA PAVEY: Could I just say that genuinely as a cluster we work well together.

Dr MEHREEN FARUQI: You have to.

Mrs MELINDA PAVEY: That is why 90 per cent of the State taxpayer investment in the current mega projects being built in Sydney as we speak is being contributed to public transport and 5 per cent to road projects. That figure speaks volumes about our absolute commitment to improved public transport in Sydney.

Dr MEHREEN FARUQI: It does not mean that if you have better alternatives to motorways you should not go with them?

Mr REARDON: In regard to the question around the southern corridor, in railways that is called the T4 line—Bondi Junction to Waterfall. That line is the same as the T1 line. It is very popular with customers so it has capacity constraints in the peaks at times. We are looking at major upgrades to that line, as we do for every line across the network—it is not an either/or though. In the NSW Long Term Transport Master Plan of 2012, the refresh of the future transport strategy, we will need significant amounts of capacity and other measures to deal with the growth of this city from five million to eight million people by the middle of this century. We will need lots of capacity across all modes. We are agnostic when we go about those things.

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On the T4 line in particular, we are looking at a significant amount of work. I indicated previously that we had an industry briefing on our public transport infrastructure and services area just this morning. That covered all of the major public transport projects that we are looking at. Sydney Trains and New South Wales Trains attended. We went across all of our infrastructure pipeline for public transport. We have put out a brochure—and I am happy to furnish you with a copy—and within that there is commentary about where we are doing our work on the T4 line upgrades.

Dr MEHREEN FARUQI: Minister, is the option to build the F6 extension through the Royal National Park still on the table?

Mrs MELINDA PAVEY: As I have pointed out, and I have just confirmed it, the existing F6 corridor road reservation is a longstanding corridor, first identified in 1951. We have not made any decisions in relation to the project and the route definition of the F6. I point out that there is a lot of support for the project. The member for Rockdale said recently, "We live in a modern society. We should have a modern road coming through the electorate."

Dr MEHREEN FARUQI: What is a modern road?

The CHAIR: Eight lanes each way.

Dr MEHREEN FARUQI: With all due respect, that is not really a modern road.

Mrs MELINDA PAVEY: Can I just say—

Dr MEHREEN FARUQI: My question was very straightforward.

Mrs MELINDA PAVEY: What is a modern road? Do you want me to answer that question?

Dr MEHREEN FARUQI: It was a rhetorical question. However, I would like you to answer my other question: Is the option of building the F6 extension through the Royal National Park still on the table? A yes or no will be sufficient, then we can move on.

Mrs MELINDA PAVEY: The benefit of sitting on this side of the table is that I can answer a question in the way that I want to, not in the way that you would like me to.

Dr MEHREEN FARUQI: Will you answer the question?

Mrs MELINDA PAVEY: It is important to understand that we have not made any decision in relation to the F6, where a road corridor has been standing since 1951. I will take this opportunity to point out, quite appropriately, that in improving the road network throughout New South Wales on six occasions the Labor Government made amendments to areas of national park—many of those were made under the premiership of Bob Carr. We need to have good, reasonable conversations and not black and white answers. We need to provide the road and public transport infrastructure that the people of this State need. It is also important to acknowledge that if any decision is made to do that environmental offsets will be made—for example, the incredible work that we are going to be able to do along the M1 Pacific Motorway because of the biodiversity offsets. It will be very exciting in improving environmental outcomes along that corridor.

The Hon. PENNY SHARPE: Killing a koala colony.

Mrs MELINDA PAVEY: I note a sense of sarcasm, which is unfortunate. We are doing incredible work around Wardell on that front but I suppose that issue is—

Dr MEHREEN FARUQI: I will come to the koala issue a little later. In an engagement and communication plan that was seen by the ABC and Fairfax on the F6 and Royal National Park issue, it was said that the messaging on the national park will need to be carefully managed.

Mrs MELINDA PAVEY: Sorry, I did not hear the beginning of the question.

Dr MEHREEN FARUQI: There was an engagement and communication plan for the F6, which was seen by the ABC and Fairfax. They both reported that the plan said that messaging on the national park will need to be carefully managed.

The Hon. PENNY SHARPE: A leaked one.

Dr MEHREEN FARUQI: It was leaked. What does "carefully managed" mean?

The Hon. GREG PEARCE: Another one made up by the ABC and the *Herald*.

Dr MEHREEN FARUQI: Excuse me. It is my time for asking questions.

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The CHAIR: Order! The member will ask her question.

Dr MEHREEN FARUQI: What does "carefully managed" mean? Is that because you know the community is up in arms about this proposal? The community is not at all supportive of the F6 ever going through the Royal National Park.

Mrs MELINDA PAVEY: I am not aware of that document. Mr Reardon may have something to say.

Mr REARDON: The same comments as we raised last week in the Transport and Infrastructure budget estimates. We take the confidentiality of our information seriously. If there are any leaked documents that you are referring to, we are happy to hand them over to those who are investigating the leak or leaks and we are happy to take on notice any comments that you might have on them.

Dr MEHREEN FARUQI: Minister, have you or your department ever instructed Transport for NSW to not look at rail alternatives when considering the F6 extension?

Mrs MELINDA PAVEY: Never.

Dr MEHREEN FARUQI: Nor has your department? There was also a story that the Government had asked Transport for NSW not to consider real alternatives. Do you refute that?

The Hon. GREG PEARCE: This is the roads Minister, not the transport Minister.

Mrs MELINDA PAVEY: I have answered your question and I reiterate that currently 90 per cent of taxpayer contributions—

Dr MEHREEN FARUQI: We have heard that a few times.

Mrs MELINDA PAVEY: It is significant.

Dr MEHREEN FARUQI: That is fine but it has nothing to do with my question.

Mrs MELINDA PAVEY: It has everything to do with your question.

Dr MEHREEN FARUQI: It does not.

Mrs MELINDA PAVEY: It is your commentary that we are not doing anything about public transport and we are too focused on roads.

Dr MEHREEN FARUQI: When did I say that?

Mrs MELINDA PAVEY: Constantly. It is the theme of your commentary.

Dr MEHREEN FARUQI: You should look at the transcript of your evidence when it is published. You say that you or your department has never instructed Transport for NSW to not look at rail alternatives? You have said no, but do you know anyone in the Government who has?

Mrs MELINDA PAVEY: Has what?

Dr MEHREEN FARUQI: Instructed Transport for NSW to not look at rail alternatives for the F6? Do you know who in government did that?

Mrs MELINDA PAVEY: What are you saying? I do not understand.

Dr MEHREEN FARUQI: A recent media story, based on leaked documents, said the Government had instructed Transport for NSW not to look at rail alternatives when considering the F6 extension.

The Hon. GREG PEARCE: You believed it, did you?

The Hon. Dr PETER PHELPS: Point of order: The Minister has indicated that she has not given such a direction. It would be impossible for her to know whether someone else has given such a direction. Given that the only other person who could have given that direction, if it was made at all, would be the other Minister in the department, the question should be directed to that Minister.

Mrs MELINDA PAVEY: Can I say—

Dr MEHREEN FARUQI: Mr Chair, I am happy to move on.

The Hon. GREG PEARCE: You have pushed it so far; at least wait for the ruling.

The CHAIR: Order! I uphold the point of order.

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Mrs MELINDA PAVEY: Excuse me. Mr Reardon has some other information that he would like to add.

Mr REARDON: I think it is reasonable because the question has been asked. As head of the cluster we have not received any such direction to consider road, rail or any other mode over another.

Dr MEHREEN FARUQI: Minister, you said earlier that you much prefer riding a bike in the country than in the city. Is that because you think it is not safe to ride a bike in Sydney?

Mrs MELINDA PAVEY: In the country the air is fresher and the roads are less busy. I love living in the country and that is why I like to be able to ride my bike in the country. I also enjoy it in the city. I am pleased about this Government's initiative to invest in cyclepaths so we can have more separation between cyclists and vehicles. I am also pleased that we brought in the one-metre rule.

Dr MEHREEN FARUQI: Why do you think then that cycling has fallen in New South Wales by about 5 per cent since 2015?

Mrs MELINDA PAVEY: I am not sure what document or what fact you are referring to.

Dr MEHREEN FARUQI: It is a report done by Austroads; it is a cycling survey.

The Hon. Dr PETER PHELPS: Cycling Australia did it. It is helicopter parents not letting their kids ride their bikes.

Dr MEHREEN FARUQI: The question was not to you, Dr Phelps.

The Hon. Dr PETER PHELPS: I was just trying to assist you.

Mrs MELINDA PAVEY: Clare Gardiner-Barnes has something to add.

The Hon. PENNY SHARPE: The time is up.

The Hon. GREG PEARCE: It is a killer question.

The CHAIR: I will rule on what is and what is not a correct question; nobody else. I will also direct time. I interceded on a couple of Dr Faruqi's questions. Dr Faruqi has asked a question but I understand Ms Gardiner-Barnes wants to make a clarification.

Ms GARDINER-BARNES: Just in relation to that survey, it is taken once a year and I think we need to be careful about making assumptions about the number of people and the percentage of people that cycle on a general basis from a once-a-year survey.

Dr MEHREEN FARUQI: Do you know any different? Have you calculated what the cycling percentages are?

Ms GARDINER-BARNES: What I do know is that there is still enormous support for cycling across New South Wales and the Government has invested significant infrastructure—\$80 million over the next four years—to encourage cycling, not just in Sydney but also across New South Wales. It is an important agenda; we want to make sure that families and individuals and people cycling to work have a safe environment, and that will continue to be a priority.

The CHAIR: Ms Sharpe, I understand you are leading for the Opposition.

The Hon. PENNY SHARPE: Minister, I listened carefully to your answer regarding the proposed F6 toll road through the Royal National Park. Are you prepared to rule out putting the toll road through the park?

Mrs MELINDA PAVEY: I highlight that the existing F6 corridor road reservation is a longstanding corridor—

The Hon. PENNY SHARPE: Yes, I heard that answer too. This is a really simple question. If you are not prepared to rule it out just say so and then we can move on.

Mrs MELINDA PAVEY: I thank the member for her statement. I would also like to point out that the Government has made no decisions on any planned time frame, construction or investment in the F6. We are doing our homework. I note that the member for Rockdale recently said on television—

The Hon. PENNY SHARPE: I was very clear about that. We will move on. Have you or has your department—Mr Kanofski or Mr Reardon may be able to answer this—done any preparation around the F6 that would look at biological offsets that would allow the road to go through the Royal National Park?

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Mrs MELINDA PAVEY: I might ask Mr Kanofski to go into the details of our responsibilities under EISs if any decision is made to proceed with the F6. We are doing our homework, as I have pointed out, and no decisions have been made. But Mr Kanofski might be able to assist you with some of our legislative requirements.

The Hon. PENNY SHARPE: Have you done any work on biological offsets? That is what I want to know, not the whole EIS process; I am familiar with that.

Mr KANOFSKI: As the Minister said, we are at a stage of looking at what the route should be for the F6.

The Hon. PENNY SHARPE: When considering the route, if you are looking at going through the Royal National Park you would be considering how you would offset that. I am asking whether you have done that or not.

Mr KANOFSKI: I think in regard to not having selected a route yet it would be premature to be looking at how you might go through an EIS process.

The Hon. PENNY SHARPE: Thank you. In the budget there is a provision for \$20 million for the geotechnical testing for the F6. Has that begun?

Mrs MELINDA PAVEY: Yes.

The Hon. PENNY SHARPE: Is it occurring in the Royal National Park?

Mrs MELINDA PAVEY: It is occurring more around the Rockdale area.

The Hon. PENNY SHARPE: So there is no intention to do geotechnical testing in the national park?

Mrs MELINDA PAVEY: No.

The Hon. PENNY SHARPE: Minister, are you able to tell the Committee what the total cost for this proposal is at this stage?

Mrs MELINDA PAVEY: No, I am not in a position to be able to do that.

The Hon. PENNY SHARPE: Obviously there have been the leaks and there has been some suggestion in the *Sydney Morning Herald* that the costs for the program might be about \$18 billion. Are you saying that that is incorrect?

Mrs MELINDA PAVEY: I am not saying anything other than we have not done our costing so we are not in a position to be able to give a costing.

The Hon. PENNY SHARPE: There seems to be a leaked document that suggests there has been some costing done. There has been other reporting that suggested the cost of the project could be between \$3 billion and \$12 billion. Are you not able to shed any light on that either?

Mrs MELINDA PAVEY: Mr Riordan might be able to comment on some of those documents that you are referring to.

Mr REARDON: It is the same comment I made previously, Minister, which is if there are any such documents I am happy to take on notice that if they are part of anything that has been leaked we would like to see them so we can put them to the investigators.

The Hon. PENNY SHARPE: Sure, but what I am asking you, Minister, is whether you are prepared to provide to the community—this Committee is not just what is happening in here—the cost of this proposed project? That sounds like a no.

Mrs MELINDA PAVEY: You are absolutely right—this Committee is not just about us sitting in the room; it is about important information to the rest of New South Wales.

The Hon. PENNY SHARPE: Which you are not prepared to provide.

Mrs MELINDA PAVEY: Because we have not finished the work and we have not made a decision. At such time when the work has been done and decisions are made we will communicate fully and effectively with the community.

The Hon. PENNY SHARPE: And will you provide to the community how much of the costing of that project relies on toll revenue?

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Mrs MELINDA PAVEY: Of course we will. At the time when a decision is made, if there is a decision to go ahead with it, we will, of course, as we have said and as the Premier said with the Western Harbour Tunnel and Beaches Link. We do not shy away from the fact that we can spend more money on public transport—

The Hon. PENNY SHARPE: You are the Minister for Roads though and I want to ask you a specific question. Earlier this year asbestos-contaminated fill was used on the Windsor Bridge project. What action has been taken to ensure that no asbestos-contaminated material is used in any road project in New South Wales?

Mrs MELINDA PAVEY: Obviously that is an appropriate position to have and I will have Mr Kanofski—

The Hon. PENNY SHARPE: But it has happened on one of the projects.

Mr KANOFSKI: We have processes in place and we require our contractors to have processes in place. There is a legal regime around assurance that asbestos-contaminated material is not used, and that goes right back through the—

The Hon. PENNY SHARPE: What happened to the contractor who delivered asbestos-contaminated fill to Windsor Bridge?

Mr KANOFSKI: In regard to regulatory action, that is a matter for the EPA. When someone is found to have breached the law because there is a law that prohibits that—

The Hon. PENNY SHARPE: Yes, I am quite familiar with it.

Mr KANOFSKI: When someone is found to have breached the law the EPA is the appropriate agency to pursue it.

The Hon. PENNY SHARPE: What action has your agency taken in relation to your contractors? I understand that there is action around what happened, but it is a big concern, is it not, that this happened on a public project where your contracting process is supposed to be pretty rigid. This is not a laughing matter; there were people in hazmat suits having to clear the area.

Mr KANOFSKI: I assure you I am not laughing.

The Hon. PENNY SHARPE: Are you just leaving it to the EPA for any action?

Mr KANOFSKI: The EPA is the environmental regulator.

The Hon. PENNY SHARPE: Yes, I know that.

Mr KANOFSKI: We have processes in place and we require our contractors to have processes in place. Where our contractors do not perform we certainly take action regarding the contractual relationship and we also have a contractor assessment process which assesses the performance of contractors and impacts on their ability to be awarded future work. Compliance with the law is critical in contractor performance.

The Hon. PENNY SHARPE: I am happy for you to take this on notice: What actions have been taken with the contractor who delivered to that site post this event?

Mr KANOFSKI: I am happy to take it on notice.

The Hon. DANIEL MOOKHEY: Minister, just a technical question. When a major project categorises—I think the term is—integration works, interface works or enabling works, are the budgets for that work included as a part of the project budget or is separate funding required?

Mrs MELINDA PAVEY: Can you repeat that question?

The Hon. DANIEL MOOKHEY: When a major project—for example, WestConnex—triggers associated roadworks there is, of course, what you variously described as integration works required, interface works required or enabling works required; various terms that have been used over the past couple of years. Is the funding for those works considered as part of the project budget or is it separate from the project budget?

Mrs MELINDA PAVEY: As I understand it, there is not any set policy on this issue but you are referring to network enhancements that we will be doing in alignment with the delivery of WestConnex. We have a billion dollars worth of work going on in Western Sydney this year alone, important bits of work that we need to be doing. When you are changing the interface, when you are changing the nature of the road network with a major piece of infrastructure to help travel times and efficiencies, there are going to be other parts of the network that need to be improved as part of that.

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The Hon. DANIEL MOOKHEY: Of course, I understand that. When you say that there is no set policy, why not?

Mr KANOFSKI: There is an attribution issue and I think we have discussed this a couple of times in the past, that when you do an upgrade to a road system it serves a number of objectives. One of the objectives of a particular road project might be that it works with the changed traffic flows that are coming out of the major project, be that a light rail project, a WestConnex project or any other project. But those projects will also have a range of other objectives as well. I do not think anyone would argue that, for example, fixing the intersection of Parramatta Road, Leicester Avenue and Concord Road is an unnecessary work, with or without WestConnex.

The Hon. DANIEL MOOKHEY: No, I am not suggesting that. I am just wondering about the policy, that is all.

Mr KANOFSKI: And that is really the issue here, that a road project does not just serve one objective, it serves a number of objectives.

The Hon. DANIEL MOOKHEY: I understand that. I was not asking just about road projects, I was asking about integration of major projects, but I understand your point. Has the RMS Transport cluster, in general, started preparing or modelling what integration works, or "network enhancements"—I think we are going with that one—are required for the Northern Beaches Tunnel, the Western Harbour Tunnel, the F6 or MetroWest? Do you know? Have you started the work?

Mrs MELINDA PAVEY: We have not made a decision formally on Western Harbour Tunnel and the beaches link; it is going to be a significant project. When we get to the stage where we have done our homework and funding is allocated to that project, there will be enhancements required across the network and the beaches link itself is going to improve that network in the region. But, of course, that type of work will be done in collaboration with our planning for it.

The Hon. DANIEL MOOKHEY: I think I appreciate that. You are saying it is going to happen in the planning process; I get that.

Mr REARDON: I think it is reasonable to say that. You asked about a multitude of major projects there, all of which are in the early stages. But as Mr Kanofski pointed out, a major piece of infrastructure coming into an existing network will clearly have a range of interface.

The Hon. DANIEL MOOKHEY: Yes, we understand, we have gone through that before. We have had that conversation multiple times. I ask this question because the other Minister wanted me to ask it of you, Minister: Has the RMS Transport Cluster prepared the network enhancements that are required for the CBD light rail and what will they cost. In addition to that, what will the enhancements for the Parramatta Light Rail cost?

Mrs MELINDA PAVEY: I will refer that question to Mr Reardon but the light rail project is going to significantly improve the ability for people from the eastern suburbs to travel into the CBD. There has been close collaboration with RMS officials and transport officials to ensure that connectivity and the delivery of that project.

Mr REARDON: There has been ongoing governance of the CBD and South East Light Rail project. I will deal with it in a couple of parts.

The Hon. DANIEL MOOKHEY: Relatively succinctly, of course.

Mr REARDON: Of course. The first is that light rail does cross intersections, therefore those intersections would naturally be in the scope of that project.

The Hon. DANIEL MOOKHEY: On notice, can you provide us with the intersections for the CBD light rail?

Mr REARDON: I think I would refer you to what is on the public record. I think it is pretty clear where they cross. Secondly, there was a document several years ago called the Sydney City Centre Access Strategy and if you recall several years ago we implemented the bus changes within the CBD. That Sydney City Centre Access Strategy had a whole range of changes in it, beyond just the Sydney CBD and South East Light Rail project. That meant a whole range of enhancements in the CBD. Mr Kanofski can talk to the individual intersections in the broader scope of the CBD. There is also the lowering of the speed limit to 40 kilometres in a certain precinct within the CBD. The third component is, as we discussed last Friday briefly, there are broader priorities for Roads and Maritime Services to get on with as the background network continues to grow.

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The Hon. DANIEL MOOKHEY: Before we leave you, Mr Reardon and Mr Kanofski, the question the Minister referred to you was: What is the estimated cost of the integration works for the CBD light rail that you just outlined and in addition to that, Parramatta Light Rail?

Mr REARDON: Firstly, just for the CBD and the CBD itself, the access strategy, I will refer to Mr Kanofski for the CBD roadworks.

Mr KANOFSKI: The integration works are actually part of the City Centre Access Strategy.

The Hon. DANIEL MOOKHEY: What is the costing for that?

Mr KANOFSKI: There was \$300 million allowed for works associated with the CBD access strategy. Some of those works were associated with improved bus access to the CBD. For example, the Moore Park to Alexandria connectivity—

The Hon. DANIEL MOOKHEY: As a traveller on the 422, I am happy you did that.

Mr KANOFSKI: So the right construction of this is, we had a CBD access strategy, it included the light rail and it included a whole range of road network enhancements, some of which are close to the light rail and some of which are, in fact, quite a long way from the light rail.

The Hon. DANIEL MOOKHEY: Has the \$300 million allocation been exhausted or is there still money set aside in that?

Mr KANOFSKI: The \$300 million has been allocated.

The Hon. DANIEL MOOKHEY: Has it been spent?

Mr KANOFSKI: It is in the process of being spent, so the \$300 million has all been allocated. Some of that work has been completed. As I said, we completed—

The Hon. DANIEL MOOKHEY: What proportion of it has been spent?

Mr KANOFSKI: I would have to take that on notice but the CBD works associated with the bus plan, for example, I think were of the order of about \$50 million and those have all been completed.

The Hon. DANIEL MOOKHEY: What about the Parramatta Light Rail? Is there an allocation for the Parramatta Light Rail which is akin to the one you just described for the CBD light rail?

Mr KANOFSKI: We are working very closely with the Parramatta Light Rail project, in order to identify both, A, works that they should be accounting for in their project, because they are directly attributable to the light rail and as part of that process, if there are other works, we would—

The Hon. DANIEL MOOKHEY: You are in the identification stage?

Mr KANOFSKI: We are in the identification stage.

The Hon. DANIEL MOOKHEY: And presumably, at some point after you have identified your costs, is that correct?

Mr KANOFSKI: Correct, yes.

The Hon. DANIEL MOOKHEY: Minister, turning to a different matter now, we had some discussion earlier about NorthConnex and the way trucks are treated on it. I understand that trucks are fined \$630 for using local roads that are not NorthConnex. I derive that from an answer that your predecessor gave to the House. He gave it enthusiastically. What is the legislation or regulation from which the legal authority to impose that fine is derived?

Mrs MELINDA PAVEY: The Road Transport Act is the legislation that that would fall under.

The Hon. DANIEL MOOKHEY: And is that by way of regulation or is it a specific part of the Act?

Mrs MELINDA PAVEY: I will refer the question to Mr Kanofski.

The Hon. DANIEL MOOKHEY: Take that on notice, if you need to.

Mr KANOFSKI: The specific regulatory option to deal with trucks using Pennant Hills Road when they could be using NorthConnex has not been determined as yet. As you would be aware, the project opens at the end of 2019. The contract requires us—and I think this is a matter of public record—us to pay a toll and then the Government has announced its intention to use a regulatory process, but has not selected which regulatory process it would use.

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The Hon. DANIEL MOOKHEY: The then Minister then said that should a truck driver challenge the penalty notice, the fine can be increased up to \$6,000 per offence. Is that still government policy?

Mrs MELINDA PAVEY: We have not actually set that rule in place at the moment.

The Hon. DANIEL MOOKHEY: He said that in the House. He said truck drivers are:

...instantly issued with a \$630 penalty notice. Furthermore, if Roads and Maritime Services decide to take the matter to court, for instance, and the truck driver continues to run off route, then a fine of up to \$6,000 ... can apply.

Is that still policy?

Mrs MELINDA PAVEY: Just in terms of comments made by my predecessor, I was not—

The Hon. DANIEL MOOKHEY: To the House, Minister.

Mrs MELINDA PAVEY: I think there is a context that you are missing which I will refer to Mr Kanofski to answer.

Mr KANOFSKI: My understanding of those comments is that they refer to general offences and are absolutely correct. What I said in my previous part of the answer is, the Government has not selected the regulatory process for NorthConnex and has not yet set the fine.

The Hon. DANIEL MOOKHEY: Is NorthConnex the only project that imposes fines on truck drivers if they decide to use local roads?

Mr KANOFSKI: Yes.

The Hon. DANIEL MOOKHEY: Is a similar scheme being contemplated for the Sydney Gateway.

Mrs MELINDA PAVEY: As we indicated, we are still in the design stage and having conversations with the important and appropriate stakeholders around Gateway. No decision has been made on the form it will take or heavy vehicle penalties.

The Hon. DANIEL MOOKHEY: Did the requirement to issue the fine and the fine to escalate if it was challenged originate from the unsolicited proposal that led to NorthConnex and was at the behest of Transurban?

Mr KANOFSKI: The Government committed in the contract to pay a toll effectively for a truck that uses Pennant Hills Road. Transurban does not determine what regulation—

The Hon. DANIEL MOOKHEY: Did that originate from their proposal or is that your idea?

Mr KANOFSKI: The New South Wales Government will set that regulation.

The Hon. DANIEL MOOKHEY: Can you describe the methodology that led your Government to decide that the multiplier for trucks and heavy vehicles on the NorthConnex should be three times? Why not double, why not four,? Why three? What is the reason?

Mrs MELINDA PAVEY: As I pointed out earlier to Dr Faruqi, the responsibility of NorthConnex and the details of NorthConnex are the responsibility of Minister Constance. That question is relevant to Minister Constance. Mr Kanofski is here and may be able to assist you.

Mr KANOFSKI: I am happy to talk generally in that the three times multiplier has been used a number of times recently. When you look across all of the jurisdictions there is a variety of methodologies in place, but generally there is a trend to 2½ to three times. Part of that is about the economic benefit that trucks get.

The Hon. DANIEL MOOKHEY: Not cost recovery?

Mr KANOFSKI: No. It is expensive for trucks. The important thing to note with trucks is that trucks really do use toll roads. They do not avoid toll roads and the reason they do that, even though the toll is higher for a truck, is the economic benefit. It costs about \$200 an hour to run a heavy vehicle. When you get a travel time saving that has a high value. That is the economics of the issue.

The Hon. DANIEL MOOKHEY: I understand that.

Dr MEHREEN FARUQI: Minister, Ms Gardiner-Barnes earlier rejected the Austroads cycling participation survey as an inaccurate representation of cycling across New South Wales, do you agree with that view?

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Mrs MELINDA PAVEY: I do not believe she said it was inaccurate, she said it was a picture in time that may not be the most appropriate way to measure it.

Dr MEHREEN FARUQI: What is the most appropriate way to measure it?

Mrs MELINDA PAVEY: Because we do not ask for bike registrations it is difficult for a government to analyse how many bikes are out there. If you go by the number of new bike shops across New South Wales, many in regional areas and many in the city, it is a sport that is gaining momentum and support. I acknowledge the work that former Premier Nathan Rees is doing representing one of the bicycle groups in New South Wales. We met with him in recent months. There is more focus from the community on a fitter and healthier lifestyle and cycling is a part of that. You only have to look at the number of bikes on the roads on weekends. Whether it is the city or the country, it is a sport and activity that is gaining momentum.

Dr MEHREEN FARUQI: There is no way for the Government to measure whether cycling is increasing or decreasing, but you are not willing to accept the results of a survey that says cycling in Sydney is decreasing?

Mrs MELINDA PAVEY: We only have to look at some of the memberships of the cycling organisations.

Dr MEHREEN FARUQI: That is not a good representation of whether people are cycling more or less.

Mrs MELINDA PAVEY: I think it is, actually.

Dr MEHREEN FARUQI: The survey at least is a measurement of a snapshot in time that shows that cycling in New South Wales is going down. You might be aware of these numbers, but in New South Wales we spend \$8 per person on cycling and pedestrian infrastructure, while in cities like London \$30 per person is spent. That is why its rate of cycling has doubled in the past 20 years or so. Why will the Government not commit to spending more money to improve cycling infrastructure and pedestrian infrastructure?

Mrs MELINDA PAVEY: We have spent more money.

Dr MEHREEN FARUQI: That is \$62 million in one year compared to billions spent on other modes of transport.

Mrs MELINDA PAVEY: Is that a question or a statement?

Dr MEHREEN FARUQI: That was a statement.

Mrs MELINDA PAVEY: We are increasing the amount of expenditure and investment in cycling. Ms Gardiner-Barnes may have further information to assist you in understanding our Government's focus on this important activity.

Dr MEHREEN FARUQI: Does the Government have a specific number or a name for a certain mode-share percentage for cycling?

Mrs MELINDA PAVEY: What was that?

Dr MEHREEN FARUQI: Do you have a specific mode-share percentage for cycling that you want to achieve? For instance, you want 28 per cent of the freight to go on rail. Do you have a specific percentage of cycling that you want to see? For example, by 2020 so much of the travel or commute in Sydney should be on cycles? Most modern cities have that.

Mrs MELINDA PAVEY: There is support for that mode of transport. You will be pleased when we release the Future Transport Strategy in the early part of next year where we speak of this as part of a modern day society.

Dr MEHREEN FARUQI: More than talk; action please.

Mrs MELINDA PAVEY: We have action and more financial commitment than the State has had previously. That is something that our Government is proud of. It will feature very much in our Future Transport Strategy going forward.

Dr MEHREEN FARUQI: You are proud that the number of cyclists is dropping? That is not something to be proud of.

Mrs MELINDA PAVEY: That is a figure you are proud to grab onto. It is not something that we see in the communities that we represent.

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Dr MEHREEN FARUQI: Could you give me a figure to suggest otherwise?

Mrs MELINDA PAVEY: I will refer you to Ms Gardiner-Barnes to speak to Government strategy.

Ms GARDINER-BARNES: In 2016-17 there were 300 cycling and walking projects funded by the New South Wales Government from a \$39 million commitment. In the 2017-18 budget \$62 million has been allocated for more than 150 projects.

Dr MEHREEN FARUQI: I gave you that number.

Ms GARDINER-BARNES: As part of the Restart project \$80 million over four years has been allocated and the Government has delivered more than \$180 million worth of cycleways and walkways over the past five years. There is clearly a commitment to improve the cycle future and the regional transport action plans through increased infrastructure investment. There is a lot happening in this space through the consultations for Future Transport. It is a big issue for the community and we will continue to ensure investment.

Dr MEHREEN FARUQI: Minister, can you tell me what percentage of the transport budget is allocated to cycling?

Mrs MELINDA PAVEY: I am not able to provide an accurate figure off the top of my head.

Dr MEHREEN FARUQI: If I say it is less than ½ a per cent, would you believe that?

Mrs MELINDA PAVEY: I will take that question on notice.

Dr MEHREEN FARUQI: How many kilometres of new cycleways does the Government plan to install in 2017-18?

Mrs MELINDA PAVEY: We are currently going through a process of analysing grants and applications through local councils and communities, and a lot of timing of the delivery of that will depend on when local councils contract that work out. It is a difficult thing for us to give you an exact answer on that. We are not in control of a lot of that work; it is the local councils.

Dr MEHREEN FARUQI: How many kilometres of cycleways were delivered in 2016?

Mrs MELINDA PAVEY: I will take that question on notice unless Ms Gardiner-Barnes would like to add to that?

Ms GARDINER-BARNES: I do have a range of projects I can list for you.

Dr MEHREEN FARUQI: I do not need projects, I need kilometres. I am an engineer, I work in numbers. What has been laid on the ground?

The Hon. GREG PEARCE: You work in numbers?

Dr MEHREEN FARUQI: Yes, as do you.

The CHAIR: Order!

Dr MEHREEN FARUQI: Do you have some metres or kilometres for me? Maybe take it on notice.

Mr REARDON: I think we will take it on notice, but we have had the cycling strategy as part of the Long Term Transport Master Plan since 2012 and we continue to deliver against that. Ms Gardiner-Barnes has a range of projects underway at the moment.

Dr MEHREEN FARUQI: It is a very unambitious strategy though, without even having a mode share. That is a statement. Moving on to local roads, a recent NRMA report said that there was a staggering backlog of about \$2 billion for statewide maintenance of roads. Minister, I think you announced earlier, or there was some report, that Roads and Maritime Services [RMS] had \$48.5 billion for statewide road programs this year. How much of that is going to go into clearing this backlog?

Mrs MELINDA PAVEY: I acknowledge that the financial contribution that our Government is able to make to local councils is better than what it has been for a long time, given our decisions to double the proportion of the roads budget going to regional communities across the State. We are aware of the concerns of many of the communities, as we heard earlier in our discussion with the Hon. Mick Veitch. The NRMA confirms many of the issues that we are dealing with. But we are at least attempting to deal with it with a record roads budget. The budget includes \$252 million in grants and subsidies to local councils, in addition to contributing \$1.8 billion for the maintenance of Roads, Maritime and Freight assets across the State. There is good support going through to local councils. I again reiterate the funding contribution that we have been able to

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find to go towards fixing country roads, bridges, and truck stops. They are important transport and freight improvements in regional New South Wales.

Thanks to us liberating and being able to spend the proceeds of the leasing of the poles and wires in Sydney, we are able to invest significantly in and support local councils. It is an issue that causes great concern. We also have road safety initiatives, as I outlined earlier, where we are helping local roads. A significant contribution to the road toll unfortunately happens on local roads. The safer and more efficient we can make those roads, the better it is for the general community. We are working towards that. Many of the findings in the NRMA report are known to us as country members. It is a challenge for us to be able to meet that unquenchable thirst that is out there, but we are attempting to do it with record funding.

Dr MEHREEN FARUQI: When do you think that backlog will be cleared? Do you have a program to clear that backlog? I know that a lot of it is in regional areas, but it is also in areas like Blacktown and Bankstown. Is there a plan to clear that backlog in, let us say, the next few years?

Mrs MELINDA PAVEY: We will continue to work with local communities to assist them through this. We acknowledge that the NRMA report confirms a lot of the issues that we know about. I am proud that this Government is giving record levels of funding to communities that have never received the likes of it before, because we have been able to manage the State's economy well. We understand that infrastructure such as roads is really important, as well as public transport, of course. Many of the local roads that we dealing with are primarily the responsibility of local councils. But we are genuine in our partnership and our collaboration to help assist with that backlog and with the works that are deemed priorities for communities. Keeping a budget landscape with a triple-A credit rating and keeping our economy moving are all considerations as we move forward with these types of initiatives.

Dr MEHREEN FARUQI: One of the recommendations in the NRMA report is to rebuild the engineering capacity of regional local councils. Having worked in a regional local council not far from where you live, I understand that that hinders the capacity of councils. Have you or your department been talking to local councils on that issue, because that would be really helpful?

Mrs MELINDA PAVEY: That is good point regarding capacity. Port Macquarie-Hastings Council is probably not one of the areas that has an engineering constraint within the makeup of local government because it is a regional centre. But as is occurring in my local community, good conversations are going on regarding neighbouring councils supporting each other. I am aware of the role of our RMS regional offices and I have had conversations recently while I was in the electorates of Cootamundra and Murray. I talked to some of our new councils there about their capacity and these very issues. I think that collaboration and cooperation support more engineers. It does not matter what boundary you work in or where you live if we can improve that capacity. One of the challenges we have at a State level with this infrastructure spend and investment that we have got going is that we are going to need many engineers coming out of universities. It is important that we encourage our children through science, technology, engineering and mathematics [STEM] programs in our high schools that engineering is an important career. Some of our finest people are engineers.

Dr MEHREEN FARUQI: Thank you for that. I take that as a compliment.

Mrs MELINDA PAVEY: That is an important point, as well as engineers and project deliverers.

Mr KANOFSKI: We work really closely with local government. I am not sure whether you are aware that local government delivers—particularly in regional New South Wales—quite a bit of our State road maintenance. That is an important source of income for those councils, but it also helps build critical mass in their operations. The other thing we do, particularly when the State funds work on local government roads, is that we have different models of working with councils depending on their level of capability. If we know a council has good engineering capability it can deliver the road and we can pretty much take a back seat and let it deliver. If we know the council has less capability some of our engineers will work with it. We have a model of working with local government in trying to enhance that local capability.

Mrs MELINDA PAVEY: One of the things that I am proud has been instituted since I became Minister is regional briefings. We have had briefings in Kiama and Dubbo and we have more coming along. We can get local government there and we can have the private sector there so that they have an idea of the construction timetable we are working on, not just in Sydney but also in the regions. We have an annual Sydney briefing, but we are also taking those briefings to the regions so that there can be better collaboration. Offline, I would also potentially like to talk to you, Dr Faruqi, in relation to your complimentary comments to me at the start of the hearing about being the first female roads Minister in this State. I know that the officials I have with me today are very committed to improving the gender balance within our agencies. We also need to do that in

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the general construction and transport workforces in New South Wales. That is an issue that keeps recurring. Mr Reardon might like to add to that as well.

Mr REARDON: Because we have so many projects underway at the moment across the State, it gives us an opportunity to do a few things. We are approaching different ways of looking at more training—whether that is more Aboriginal people. As the Minister pointed out, it is worth noting that we have some fairly significant stretch targets for senior female leadership in a cluster. In the last couple of years we brought 170 additional senior female leaders into the transport cluster across all our agencies. We are very proud of that. We have a long way to go to achieve full gender balance, but it is significant. We are going about industry briefings and we are getting people ready, whether it is about how we go out and assist with guidelines for the Fixing Country Roads project. We are assisting people in local councils. We fund road safety offices in a whole range of councils across the State and we fund road safety audit training programs as well. It is a grassroots program. We are trying to do that across a whole range of areas.

Dr MEHREEN FARUQI: Thank you for updating me on that. As you know I am passionate about that and I am happy to help in any way that I can, including for the gender balance. Minister, I have questions about some issues that residents have had for some time on the North Coast. There have been complaints from residents and businesses about noise and other issues when upgrading the Pacific Highway around that area. Will there be an independent evaluation done on the impact on local homes and businesses once the Pacific Highway upgrade has been completed in certain parts?

Mrs MELINDA PAVEY: Yes, there is, Dr Faruqi. As well as being roads Minister, I am proudly the member for Oxley. We are dealing with some of those issues currently, such as the magnificent improvements that the Pacific Highway and motorways are delivering. If I am wrong, Ms Gardiner-Barnes will correct me, but the last figures I saw showed that we are 14 fatalities down on the Pacific Highway for the same period last year. Those improvements are having a significant—

Dr MEHREEN FARUQI: That project has been a long time coming.

Mrs MELINDA PAVEY: As part of our planning approvals and those processes, noise work must be done post the completion of a project. We do that with independent noise consultants. Those results are acted upon, but we also continue to have conversations. We had one in my electorate office the other day with people from around the Valla community. Whilst the results showed that the noise did not go above acceptable levels, it is clearly having an impact on them. We are prepared and able to deal with people on a case-by-case basis and that is appropriate, but a process does take place. When we finish a major project, we assess the noise impact. Mr Kanofski do you have something to add?

Dr MEHREEN FARUQI: Before Mr Kanofski answers, there has been a level of frustration. As I said earlier, a number of residents have said that they have repeatedly emailed the RMS and sent many reminders. They have been waiting for six or 12 months for a response to their complaints. My colleague the member for Ballina has also made representations on behalf of the community. After six months, she is still waiting to hear from the RMS about her representations. I would appreciate it if you could get the ball rolling.

Mrs MELINDA PAVEY: Okay.

The CHAIR: I am extremely interested in the subject matter that Dr Faruqi introduced about engineering traineeships. Am I wrong in suggesting that the RMS, together with the cluster of contractors who are supporting you, would be one of the largest employers of civil and structural engineers in the State?

Mrs MELINDA PAVEY: I will refer to Mr Kanofski for some further detail on that. I recently had the pleasure of visiting many of our RMS offices to meet some of the trainees who are going through the system.

The CHAIR: That was my next question.

Mrs MELINDA PAVEY: Those who are going to university and working part-time at RMS are alive and well. I have seen them.

The CHAIR: This is the nub of my question: You have the capacity for traineeships, as do some of the major contractors who work for you. You also raised the issue that RMS and local government share resources because they do some of your work. You obviously are aware and understand that certain industry sectors have their own training organisations, admittedly for certificate and trade levels. It allows an industry sector to share the traineeships when an industry might be up or down, as with the road building industry. Would you consider RMS, local government groups and large contractors having a similar training scheme to

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try to increase the overall number of trainees working in major infrastructure? I am talking specifically about engineers.

Mrs MELINDA PAVEY: I can certainly see scope for local government and potentially RMS in a regional perspective but, on first looking at it, a joint traineeship between private sector and government could be problematic. Improving coordination, cooperation and those opportunities with council to deliver better road infrastructure and maintenance outcomes is certainly worthy of consideration because many of the local councils, as you know, do not have the financial capacity to employ trainees.

The CHAIR: Next year I am sure you will still be the Minister, and Mr Kanofski may still be in his role. I will ask you if you have had any further thoughts on that.

Mr KANOFSKI: I might pick up on a couple of things that are happening. We have a range of forums with industry to cover off things we think ought not be competitive issues, but issues on which the industry works together.

The CHAIR: Collegiate issues.

Mr KANOFSKI: Safety is one of those. We have instigated a strong safety forum. If there is a rising tide, it lifts all boats. We have to lift the safety performance of the industry. Similarly, although we are probably not at the same level of discussion about training, we are having discussions about training. Interestingly, as part of a number of our projects, we are now starting to see major industry respond to that. A training academy is part of the NorthConnex project and people are being trained. A trainee hub is part of the tender for the Northern Road project in the Western Sydney infrastructure program. It is not as well organised as the safety side but we are working with industry on that. To your point on Aboriginal trainees, the Pacific Highway, in my view, is an exemplar—

The CHAIR: No, I did not say anything about Aboriginal training. I just said training.

Mr KANOFSKI: That is fine.

Mr REARDON: You spoke about RMS. It is part of the transport cluster. Across the board we have a significant amount of graduates, scholars, trainees and cadets that come into the cluster across a range of areas. All the disciplines of engineering are strongly represented. To Dr Faruqi's comments about gender, the balance is far more fifty-fifty these days than it has been before. There are probably more opportunities across a whole range of areas linked with engineering as well, whether it is digital or information communications technology. New opportunities are available for people. The NorthConnex or the Western Sydney infrastructure program is the same as Sydney Metro. There is also a training program on that major project.

The CHAIR: All of those projects are time-constrained. They will start; they will finish. The object is that over the next decades, obviously New South Wales will continue to spend big money on infrastructure, whether it is roads, bridges, or railways. Whatever it is, it would seem to me to be a worthwhile consideration.

Mr REARDON: Certainly to your point, that is where I was going. To be more codified in what we do, I agree with you. We are working with a lot of the civil constructors and a whole range of industry associations to talk about where we might have capacity constraints and skill shortages across the board.

The Hon. MICK VEITCH: Appin Road is commonly referred to as Sydney's deadliest road. When will the Government upgrade Appin Road into a dual carriageway?

Mrs MELINDA PAVEY: It is fair to say that when we came to office there was a backlog across all of New South Wales, including Sydney. With our record roads budget, we are doing our level best to improve roads such as Appin Road and Picton Road. I highlight that the Government has invested \$20 million since 2011 on a range of safety improvements, including \$6.35 million for curve realignment works approximately four kilometres west of the Princes motorway junction at Bulli Tops. The Federal Government has committed \$50 million for a further package of work to improve road safety and accelerate housing affordability supply.

The Hon. MICK VEITCH: How much was committed to this year's budget?

Mrs MELINDA PAVEY: I will take that question on notice.

The Hon. MICK VEITCH: Would it be \$10 million from the Housing Acceleration Fund?

Mrs MELINDA PAVEY: That is right, \$10 million from the Housing Acceleration Fund will assist in the delivery of the Appin Road widening.

The Hon. MICK VEITCH: This is a deadly road and one of our busiest as well.

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Mrs MELINDA PAVEY: And one of our most geographically challenging, given the location.

The Hon. MICK VEITCH: That is right. With this notorious safety record, what is the time frame for the upgrading of Appin Road?

Mrs MELINDA PAVEY: We will continue to upgrade this as an important road as part of the greater Sydney network. It is an important freight corridor. We acknowledge that. We will continue within our budget constraints—even though we have a record roads budget—to ensure delivery of that. That is one of the reasons that we are investing in the way we are with motorways to improve the road network by having a contribution from tolls.

The Hon. MICK VEITCH: Would you look at matching the Federal money at the very least?

Mrs MELINDA PAVEY: We will continue to look at our priorities on that road and the representations that we have, but I take your point. We have a draft strategy for Appin Road which is identifying priorities and future potential improvements along the Picton and Appin Road network because it is an important route. We will continue to deliberate on that and work with communities to develop a strategy so that there can be some more certainty in the community that things are going to continue to happen on that road.

The Hon. MICK VEITCH: What is the time frame for that planning?

Mrs MELINDA PAVEY: The strategy is currently progressing through the review process. I would say in the next six months or so.

Mr KANOFSKI: We have a draft strategy and it is progressing through the normal consultation processes. Without putting a fine-grain time frame on it—

The Hon. MICK VEITCH: That is being funded by the \$10 million from the Housing Acceleration Fund?

Mr KANOFSKI: No, it is funded in our normal corridor strategy budget. The first step in upgrading any of these corridors is to do a proper corridor and network strategy piece of work. That is funded through our normal budget process, so none of the housing acceleration funds are going towards that.

The Hon. MICK VEITCH: The real issue is that a number of people have died on this road in a short period. When can we expedite the process? It does not matter where the money comes from. People just want to know whether the State will match the \$50 million from the Federal Government. More people are using that road all the time, coal trucks are using that road and there are major housing development there. At some point it must be elevated to a status where it has to be done. When?

Mrs MELINDA PAVEY: There is no end of important roads in this State that we have a focus on. Having that draft strategy done and going through that review process is an indication that our Government knows it is an important road that deserves the attention and support of Roads and Maritime Services. We will continue to work through that.

The Hon. MICK VEITCH: Is the Government still committed to upgrading the Pacific Highway through Wyong?

Mrs MELINDA PAVEY: We are committed to improving roads around the Central Coast. We have made significant ongoing road infrastructure investment in that part of the world and that will continue in the future. I will take some advice on the Wyong project from Mr Kanofski.

Mr KANOFSKI: There is a project to upgrade the Pacific Highway through Wyong.

The Hon. MICK VEITCH: Is the project optimisation report involved in that?

Mr KANOFSKI: No, there is a project to upgrade the Pacific Highway through Wyong. Part of our normal process for roads projects is to come up with a design and a concept and then go through what we call an optimisation process, which is really to ask whether the project we have come up with is really solving the problems and whether it is the most cost-effective way of solving the problems. That is a normal part of our project process.

The Hon. MICK VEITCH: Have you conducted one of those for the Wyong town centre on the Pacific Highway?

Mr KANOFSKI: I would have to take that on notice, but that is part of our normal process. There is a Wyong town centre project. I do not have the specific details of time frames.

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The Hon. MICK VEITCH: The basic question is: Are we going to upgrade the Pacific Highway through Wyong?

Mrs MELINDA PAVEY: We will take that on notice until we have the appropriate information before us to answer that question.

The Hon. DANIEL MOOKHEY: In respect to the Western Harbour Tunnel and Northern Beaches Link, have you ever been advised by Transport for NSW or RMS whether a Federal contribution is needed to complete it? Has the New South Wales Government requested a Federal contribution, or have there at least been formal or informal discussions with the Commonwealth and what has the Commonwealth said?

Mrs MELINDA PAVEY: As you know, we are still putting together the appropriate planning, design and route definition of the Western Harbour Tunnel and Northern Beaches Link. Government is yet to make a decision on that, but of course we will take any opportunity to seek Federal support for any project that we are delivering in Sydney. We have a \$405 million contribution to NorthConnex from the Federal Government. We also have a significant contribution to WestConnex from the Federal Government of \$1.5 billion.

The Hon. DANIEL MOOKHEY: It is \$1.8 billion.

Mrs MELINDA PAVEY: It is \$1.8 billion from the New South Wales Government.

The Hon. DANIEL MOOKHEY: Will the planning process you just described comply with the Infrastructure Australia guidelines for applications? Is it being prepared in order to comply?

Mrs MELINDA PAVEY: We will comply with our State guidelines through Infrastructure NSW and through Treasury assessments. We are supporting projects that deliver benefits to the community as a whole and they will go through those appropriate channels. Where appropriate we will seek support from the Federal jurisdiction, as we will for other projects across Sydney. We are happy to work in collaboration. Because of our very purposeful and positive relationship with the Commonwealth Government we are getting an 80 per cent contribution now to the Pacific Highway upgrade. We are really pleased that is now going to deliver that project by 2020. We are happy to have conversations, do our homework and work with the Federal Government—unlike the Labor administration that forgot to put applications in. We missed out because nothing was ready to go to assessment. Other States received support for public transport and road infrastructure and New South Wales missed out because you guys could not get your act together. That will not happen under us.

The Hon. MICK VEITCH: Have you progressed work to flood-proof essential roads in Parkes and Forbes, particularly those that were subject to flooding last year?

Mrs MELINDA PAVEY: That is a really good question that has taken up a lot of energy and time of not only the RMS but also the local communities and councils that were impacted by that flooding. It is a challenge for us. We have \$500 million allocated already to improve the Newell Highway with heavy vehicle bypasses for Dubbo and planning is going on for a Parkes bypass. That half a billion dollars was announced, the appropriate projects were identified and then we had this rain. I say to you very genuinely that we will continue to have good meetings and conversations. I met with Bland council the other day. I have met with people from the Narrandera community in meetings organised by former member Katrina Hodgkinson.

We also have to be realistic about where that floodplain is. It is some of the flattest country in the State, and that creates challenges. Whilst some farmers have put up really good suggestions, we have to work through those suggestions because we cannot invest and then have another problem created by work that may be done. It is as flat as a pancake there, which creates the problem. It is a challenge for us and we will work through those challenges. It is not a challenge that we have just inherited; it has been ongoing for decades. If there was a simple solution it would have been done. There is not a silver bullet, but where engineering solutions can be put forward that are not going to have a detrimental impact and that are affordable we will work with those communities in doing that.

The Hon. MICK VEITCH: Is there a time frame for this?

Mrs MELINDA PAVEY: We will be there in the next few weeks and we will continue that work. In regard to a time frame for the \$500 million Newell Highway investment, that is out there. We will continue to work on that with our record roads funding in New South Wales along with all the hundreds of other priority projects that we have across the State. We accept that it caused great inconvenience, particularly to heavy vehicle operators that had to add thousands of kilometres to their weekly transport routes. I have met some of them. I met one of the Chair's members in a pub at Orange.

The Hon. MICK VEITCH: Was his name Philip Donato?

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Mrs MELINDA PAVEY: No.

The CHAIR: He was a truck driver, not a police officer.

Mrs MELINDA PAVEY: We had a long conversation. He was passionate about how it impacted his business. We understand that and we are in a position to have some good conversations. As I said, there is no silver bullet because it is as flat as a pancake. We will do what we can, where we can.

The Hon. MICK VEITCH: Over the next two years are any new overtaking lanes planned for the Monaro Highway? If so, where are they going to be located?

Mrs MELINDA PAVEY: We have done some significant upgrades on the Monaro Highway. Are you aware of how many overtaking lanes we have put in over the past couple of years?

The Hon. MICK VEITCH: What overtaking lanes are planned over the next two years?

Mrs MELINDA PAVEY: I know there is a record spend going on in the Monaro electorate along the Kings Highway.

The Hon. MICK VEITCH: I do not know why that would be. You can take that question on notice.

Mrs MELINDA PAVEY: We will take the question on notice.

Dr MEHREEN FARUQI: Minister, you may be aware that community members are concerned about the impact of the Ballina Pacific Highway upgrade on wildlife. Australians for Animals have described the devices that are being used along that stretch of the highway as deathtraps for Ballina koalas. The devices include collars on trees, escape hutches and wide grids. Can you tell me whether any of those are currently in place?

Mrs MELINDA PAVEY: I drove up there the other day and met with Bob Higgins. He took me around the communities of Wardell, Broadwater and Coolgardie to have a look at the very positive work that we are doing, which is sadly not reflected in your comments or the comments of the organisation that you represent. The work that we are doing is world-class, and it worked off a lot of representations from the community, which were passionately brought to our House, and to former Minister Duncan Gay, by the likes of the Hon. Catherine Cusack and the Hon. Ben Franklin representing their constituencies on the far North Coast.

Dr MEHREEN FARUQI: We are talking about these devices that have been put in place.

Mrs MELINDA PAVEY: I am talking about general care and compassion towards those koala communities.

Dr MEHREEN FARUQI: Sure.

Mrs MELINDA PAVEY: I take it from your question that you have representations from a group—

Dr MEHREEN FARUQI: Yes.

Mrs MELINDA PAVEY: —which does not think we are doing anything.

Dr MEHREEN FARUQI: It is saying that the devices being used have not been used anywhere else. It is questioning the science they are based on. Where have they been used? Do you know if they work? Do they harm or help animals?

Mrs MELINDA PAVEY: Just because we use something once does not mean that it is going to fail. We do things in genuine collaboration. We have been working with some of Australia's best environmental experts in relation to koalas. Mr Kanofski has some important information about the work with the Chief Scientist on this issue. We are committed to improving this situation. We know we have a responsibility. We are proud of the work that we are doing such as seeing the tens of kilometres of fence line going in and the opportunities that will come from our koala work there. I will go into that a little further.

Dr MEHREEN FARUQI: Do you know whether these devices will work?

Mr KANOFSKI: The koala management plan for the Pacific Highway has been developed under the guidance of the independent koala committee chaired by the Chief Scientist. From our perspective one of the important things about this is to get independent scientific advice.

Dr MEHREEN FARUQI: On those devices?

Mr KANOFSKI: On everything—the whole of the plan.

Dr MEHREEN FARUQI: The Chief Scientist is the independent person?

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Mr KANOFSKI: There are other independents on the committee as well but the committee is chaired by the Chief Scientist. It is important to us that there is independent scientific verification of the full plan. That includes all of the aspects of the plan—whether devices or things like fencing, which we are clearly doing. We have taken a lot of independent scientific advice in the development of the plan.

Dr MEHREEN FARUQI: Is there a monitoring plan attached to this as well?

Mr KANOFSKI: Absolutely.

Dr MEHREEN FARUQI: Will you be reporting publicly?

Mr KANOFSKI: The plan includes public reporting. I have to say that it is probably one of the most sophisticated pieces of work ever done in wildlife protection in a major infrastructure project. It really is quite an extensive piece of work.

Mrs MELINDA PAVEY: We are happy to show you some of that work.

Dr MEHREEN FARUQI: I would love to see it.

Mrs MELINDA PAVEY: Some long-term job opportunities are also being developed there and we are working with the local Indigenous community because we need to manage that land in the future. We have all learnt a lot through this process. We are absolutely committed to it and it is important. Just before you go on, I want to correct the record on a question you asked me earlier about fatalities on the Pacific Highway. I think I said there were 14 fatalities. Road deaths on the Pacific Highway to 31 August 2016 were—it is 11 in 2017 so we are down by nine.

Dr MEHREEN FARUQI: That is good. Hopefully we will get to zero.

Mrs MELINDA PAVEY: That is the goal.

Dr MEHREEN FARUQI: Minister, you might also know of reports that more than 10 koalas were killed in and around the Southern Highlands during August—six in one week.

Mrs MELINDA PAVEY: That was in the Southern Highlands and Campbelltown?

Dr MEHREEN FARUQI: Southern Highlands and south-west Sydney. Are there any plans for more protection for koalas in those areas?

Mrs MELINDA PAVEY: We will have a look at that situation. Spring is the mating time for koalas; they are very agile and very noisy. That leads me to another issue—namely, I am very proud of the work that the Department of Primary Industries is doing in counting koalas through noise because they are incredibly noisy during the mating season.

Dr MEHREEN FARUQI: That is fine. My time is limited.

Mrs MELINDA PAVEY: We are happy to look at that situation.

Dr MEHREEN FARUQI: People have suggested that some fencing and more signage might be helpful.

Mrs MELINDA PAVEY: We will work with Wollondilly council.

The Hon. GREG PEARCE: Signs for the koalas to read?

Dr MEHREEN FARUQI: Not for the koalas, for the drivers to read.

Mrs MELINDA PAVEY: We will work with Wollondilly council, as is appropriate, to come up with some strategies to deal with that spike.

Dr MEHREEN FARUQI: Minister, I wrote to you in May this year about an article published in the *Biological Conservation* journal titled, "The anatomy of a failed offset". That research found that the sudden Hume Highway duplication offset strategy was pretty much a complete failure, with the 324 nest boxes constructed to offset the loss of 587 hollow-bearing trees being used nine times in four years by threatened species. I received a reply from the Parliamentary Secretary for Regional Roads, Maritime and Transport, Mr Kevin Anderson. In his letter he noted that the RMS plans to carry out wider discussion within the scientific community on the value of nest boxes. Can you give us an update on that? What did those discussions lead to, if anything?

Mrs MELINDA PAVEY: I will take that question on notice.

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Dr MEHREEN FARUQI: I will also put another question on notice. Finally, I want to talk about the driver licence disqualification reforms. You may know that I have been questioning the Government on this area and I thank the Government for finally moving on this. I am sure that you had some part to play in that as well.

Mrs MELINDA PAVEY: I would also like to thank the parliamentary committee. It showed what we can do when we all work together. The work of the parliamentary committee was the foundation stone for the legislation. It is a positive improvement.

Dr MEHREEN FARUQI: It has taken some time to do this. Can you quickly run us through the changes because they really impact on people's lives?

Mrs MELINDA PAVEY: It allows people who have had their driver licence disqualified, as long as they have not been in a police chase or in a stolen car, to reassess, come back to RMS and reapply for their licence. It is important that we look at issues on a case-by-case basis. In country New South Wales it is very difficult to get around without a car. We had taken any hope or any aspect of rehabilitation for lives away and people were making decisions on the basis that they had given up. What we want to do is ensure that members of the community who may have made a mistake by driving unlicensed have the opportunity to show that they are capable of making better decisions so that they can be full and functioning members of the community.

Dr MEHREEN FARUQI: It is a really positive step forward and, like I said, I had been contacted by many people and this is a really positive change. So I thank you for taking this on.

Mrs MELINDA PAVEY: We would just like to confirm another issue.

Mr REARDON: Just to be very clear, there was a question about Sydney light rail and we went through that intersections within the scope of that project are there. There is a \$2.1 billion project budget for that project and that remains the case. Those intersections within that scope are clearly within that \$2.1 billion. Anything that is outside of that, whether it is related to the CBD Access Strategy or broader works that Mr Kanofski noted, is a separate budget allocation to the \$2.1 billion for the project, that is the CBD and South East Light Rail.

The CHAIR: Thank you, Mr Reardon, and thank you Minister. Unfortunately, our time has come to an end. Minister, that was a marathon performance. Thank you very much and thank you to your staff for answering the questions in the manner they did. Minister, there will be some questions on notice. Could we have the answers back within 21 days of your receiving notice of those?

(The witnesses withdrew)

The Committee proceeded to deliberate.