

PORTFOLIO COMMITTEE NO. 6 - TRANSPORT AND CUSTOMER SERVICE

Wednesday 11 March 2020

Examination of proposed expenditure for the portfolio area

TRANSPORT AND ROADS

UNCORRECTED

The Committee met at 09:30.

MEMBERS

The Hon. Abigail Boyd (Chair)
The Hon. Mark Banasiak (Deputy Chair)
The Hon. Sam Farroway
The Hon. John Graham
The Hon. Shayne Mallard
The Hon. Taylor Martin
The Hon. Daniel Mookhey

PRESENT

The Hon. Andrew Constance, *Minister for Transport and Roads*

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

The CHAIR: Welcome to the public hearing for the inquiry into the budget estimates for the 2019-2020 further hearings. Before I commence, I acknowledge that we meet on the lands of the Gadigal people, who are the traditional custodians of this land. I also pay respect to the Elders past and present of the Eora nation and extend that respect to other Aboriginals present. I welcome Minister Constance and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Transport and Roads. 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. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness can only answer if they had more time or certain documents to hand. In those 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 Constance, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web as soon as possible. Finally, could 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 Constance, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. As all witnesses for this hearing have previously been sworn at an earlier budget estimates hearing before the Committee, no witnesses will need to be sworn today. Today's hearing will be conducted from 9.30 a.m. to 12.30 p.m. and then from 2.00 p.m. to 5.30 p.m. Minister, we will advise you by the end of this morning's session if you are required to come back at 2.00 p.m. I declare the proposed expenditure for the portfolio of Transport and Roads open for examination.

HOWARD COLLINS, Chief Operations Officer, Transport for NSW, on former oath

RODD STAPLES, Secretary, Transport for NSW, on former oath

ELIZABETH MILDWATER, Deputy Secretary, Greater Sydney, Transport for NSW, on former affirmation

The CHAIR: As there is no provision for any witness to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. JOHN GRAHAM: Welcome, Minister, thank you for joining us. I want to start out talking about the bus services in Sydney. You have been a strong advocate for privatisation. Do you have any concerns, though, that privatisation is actually leading to fewer services for customers?

Mr ANDREW CONSTANCE: The experience in region 6 was we actually grew services, I think, from around 280. So, no, I do not. The key point that I make is that we have seen a 40 per cent increase in the number of patrons on buses in the past five years, which is quite substantial. For this reason, given that 80 per cent of buses in the city are already provided by the private sector, I do not.

The Hon. JOHN GRAHAM: One of the concerns that has been raised is that, while you say you have more services, bus stops are being removed. How many bus stops have been removed by your Government over the past three years?

Mr ANDREW CONSTANCE: Again, there has been an effort to put better distances between bus stops because there is no point having a bus stop 150 metres away from another bus stop. But that is separate to the operation of the services. The thing is that, ultimately, I would expect bus stops to be well placed across the city so that you can maximise the number of people getting to those stops. That does not correlate necessarily to the operators and how they are going to function the services moving forward. I know there has been a link attempted to be made, but, ultimately, we want to ensure that the space between bus stops is adequate to maximise the availability.

The Hon. JOHN GRAHAM: I guess the question is: Better services from whose point of view? The bus operator or the person trying to catch the bus? Is not that the distinction here? They might not have the same interest.

Mr ANDREW CONSTANCE: When you see 40 per cent increase in five years, I mean, it is on par with the trains patronage in terms of demand, which is good to see. Again, ultimately, across the board we want to make sure we provide the best services for the most people. Whenever you make changes to operations there is always a majority of people who will benefit. There will always be some people affected and I am not denying that.

The Hon. JOHN GRAHAM: This concern has been raised. The thing that is a worry, from our point of view, is the scale of this bus stop removal—133 bus stops have been removed so far; 22 to go. I am happy to provide you with a list of those that are being removed.

Mr ANDREW CONSTANCE: That is fine. Again, I would imagine there are thousands of bus stops across the city.

The Hon. JOHN GRAHAM: And getting smaller. I think that is the point.

Mr ANDREW CONSTANCE: Again, if the community is responding accordingly, obviously I would expect the agency to closely review that and, for that matter, local government as well, to make sure we get the best outcome for everyone.

The Hon. JOHN GRAHAM: I do not think they are aware of the scale of this bus stop removal program. I think it will be of real surprise to know that more than 150 bus stops have been removed. Who is that better for? What is the reason for those bus stops being removed?

Mr ANDREW CONSTANCE: Again, as I said, there is no point in having bus stops on top of bus stops. If there is a bus stop 100 metres away from the next bus stop, you are better trying to better space it out. But there is no intent to do anything other than maximise the number of people who can get to bus stops and at the same time maximise the number of patrons at bus stops. I want people out of cars, on buses and trains.

The Hon. JOHN GRAHAM: There is another intent and your Government's material is quite clear and up-front about that. It says one of the key things it is trying to do is, "Contribute to the New South Wales Government's target of 95 per cent on-time running bus services." This is actually about making the buses run on time. That is what your Government says.

Mr ANDREW CONSTANCE: Well, look, the reality is that if you have a 40 per cent increase in bus patronage over a five-year period, that would suggest the exact opposite to what you are saying. The data does not lie. We are seeing enormous growth. We do need to run more services and, as a Government, we announced an extra 14,000 new weekly services at the election. We have seen well in excess of 40,000 additional transport services on a weekly basis in the last—certainly, since we have come to government. We need to grow those services.

The Hon. JOHN GRAHAM: But what your own Government says about these significant changes—and I certainly was not aware of the scale of it until we went back and looked at how many had been removed—it is about on-time running. Remember, these are privatised services—now or soon to be. Isn't this just boosting on-time running for the private operator? Meanwhile, citizens have their bus stop taken away.

Mr ANDREW CONSTANCE: As I said, if the community has an adverse reaction to a bus stop being relocated, then, ultimately, we would respond accordingly and take on board that community viewpoint.

The Hon. JOHN GRAHAM: Well, that might be the case individually, although the Government direction is clearly the exact opposite. I do not think people know, though, how many bus stops have been removed.

Mr ANDREW CONSTANCE: I do not think people are also aware of the large number of people now riding buses. A 40 per cent increase—it is the backbone of the suburban transport network in Sydney.

The Hon. JOHN GRAHAM: Sure.

Mr ANDREW CONSTANCE: And we are also, of course, working hard to make sure that we run more express services. I have a vision for buses in this city, which is to electrify them for environmental and health reasons. I also have a vision in which, increasingly, we do not have the dependency on trains and where we run B-Line style services—we have seen that with the Bondi Link service and the B-Line service where the uptake has been phenomenal. We also getting a lot of people wanting feed-in services to those trunk routes and then a more streamlined express service into the city, for instance.

Again, ultimately, the opportunity is for us to work with the experts in the field. We do feel very much that the private bus operators across the State have that expertise. We would not be seeing the growth in patronage if, as you were saying, we were looking to cut the bus stops everywhere. I mean, that does not correlate with the numbers.

The Hon. JOHN GRAHAM: Well, there is a range of reasons why patronage might increase, Minister, including the fact that the roads are slowing to a crawl. We will come to that later. So there are push and pull factors here. Let me talk to you about some of those specific bus stops. One of those currently proposed to be removed is in Sylvania. It is right near to Rise & Shine Kindergarten—that is where parents might be jumping off the bus to drop their kids. There is another one at Menai, near the Holy Family Catholic Church. People going to church services are no longer able to get off there. Some of those people might be aged, of course, and might not have the mobility that others have.

In Padstow, a range of small businesses are right near the bus stop that is proposed to be ripped out. That, of course, has a massive economic impact on those small businesses that are under pressure at the moment. This might be good for on-time running, it might be good for what will be private services, but it is not necessarily good for bus customers, is it?

Mr ANDREW CONSTANCE: I am happy to go away and review the three that you have identified. This is the point: Ultimately I want to ensure that, if there is a relocation of the stop, it is done well, and if you have concerns we are happy to go away and review those. On the basis of what you have just presented, it would make sense not to move those bus stops, but again, let us look at that. Also, one of the great advantages of—

The Hon. JOHN GRAHAM: I appreciate that you are making that offer on those three and I will table the full list. I will seek leave to table that, but the principle here is that private bus operators are hitting their on-time running targets only because the bus stops are disappearing. It is, of course, going to be quicker to run the buses without passengers getting on. On-time running will be up, but that is no good from a passenger point of view. Is that not the principle here?

Mr ANDREW CONSTANCE: As I said, if we have bus stops that are 100 metres away from each other, you would relocate them. The premise to which you are referring—we are not removing bus stops to speed up buses.

The Hon. JOHN GRAHAM: I have tabled 150 bus stops that have been removed—

Mr ANDREW CONSTANCE: Yes, but how many bus stops—

The Hon. JOHN GRAHAM: And your Government is distributing material saying that it is to help your on-time running tables.

Mr ANDREW CONSTANCE: Can you tell me how many bus stops there are in the city?

The Hon. JOHN GRAHAM: You have suggested a couple of thousand.

Mr ANDREW CONSTANCE: I will find out the exact number before the end of the hearing.

The Hon. JOHN GRAHAM: I am happy for you to be more specific.

Mr ANDREW CONSTANCE: I will find out the exact number to contextualise what you are saying.

The Hon. JOHN GRAHAM: Sure, I think that is a valid point.

Mr ANDREW CONSTANCE: I have given an undertaking to you, as the Opposition, that if you have concerns about individual bus stops I am happy to look at those.

The Hon. JOHN GRAHAM: I am raising those individual ones and I am also raising the principle that buses without passengers will travel very quickly. It is no good from a bus passenger point of view, though.

Mr ANDREW CONSTANCE: As I said, patronage has increased by 40 per cent in the last five years. I am expecting to see similar growth in the years ahead. Public transport is an affordable way to get around and the numbers suggest that we are seeing astronomical growth.

The Hon. JOHN GRAHAM: Some of these bus stops have come in to the recently privatised region 6 area. I do not think you would dispute that. Under the new bus contract for region 6, it is true that the operator gets a taxpayer-funded bonus if they hit their on-time running key performance indicator [KPI]. That is correct, is it not, under the new contracts you have driven?

Mr ANDREW CONSTANCE: You are suggesting that we are removing bus stops to help the private sector hit their KPIs. I am suggesting to you that we do not. What we are trying to do is incentivise improved services for tens of thousands of people across this State. I saw a petition debate in the House the other day in relation to privatisation. Again I would reiterate that expertise is brought by the private operators, and a lot of the Labor Party members are very happy to strongly support local bus companies. They are delivering great services. Ultimately, with the growth that we are seeing, we do need to improve the operations of the bus network. That is not in dispute.

The Hon. JOHN GRAHAM: It is your material saying that it is to improve on-time running. I am simply asking what that means for region 6, and it means potentially that that private operator gets a bonus under the contract. That is not disputed, is it?

Mr ANDREW CONSTANCE: No, but at the same time the customers want on-time running as well. Everyone wants on-time buses.

The Hon. JOHN GRAHAM: Yes, but they also want to be able to get on and off the bus at a stop that is relevant to them.

Mr ANDREW CONSTANCE: Yes, and you have concerns about three bus stops.

The Hon. JOHN GRAHAM: I have concerns about 150.

Mr ANDREW CONSTANCE: Okay, and I am happy to go and review those.

The Hon. JOHN GRAHAM: I also have concerns about the principle. Will more be removed after this? Can you give us some sense of whether you are going to take more than 150 out—

Mr ANDREW CONSTANCE: I am happy to go and review those, I am absolutely happy, but I will also check the number of bus stops we might be putting in.

The Hon. JOHN GRAHAM: Sure, I am open to that.

Mr ANDREW CONSTANCE: So do not just suggest we are taking out 150 bus stops—

The Hon. JOHN GRAHAM: I am suggesting that.

Mr ANDREW CONSTANCE: But, at the same time, if we improve on-time running we are also able to grow more services. That is why we have 280 additional services now in the Inner West.

The Hon. JOHN GRAHAM: In region 6 the private operator may well receive a bonus if on-time running actually improves under your contract. That is correct, is it not?

Mr ANDREW CONSTANCE: That is a good thing for customers.

The Hon. JOHN GRAHAM: It is also a good thing for the bus operator, and that incentive scheme you are intending to roll out to the other Sydney bus contracts—

Mr ANDREW CONSTANCE: The observation I would make under the Inner West contract is that—

The Hon. JOHN GRAHAM: I think you have been clear about that.

Mr ANDREW CONSTANCE: Yes, but the other benefit of ensuring the resources are well placed and managed is that we have also been able to grow the number of staff in the inner west region by over 150, including over 130 new bus drivers, which is of course great for everybody, so I do not think you can in isolation say, "You are removing 150 bus stops." We might be putting 300 in. I will get the exact numbers for you.

The Hon. JOHN GRAHAM: I welcome you coming back on that.

Mr ANDREW CONSTANCE: Yes.

The Hon. JOHN GRAHAM: We have talked about region 6 on-time running previously and I will not re-prosecute that case, but they are not doing that well. Have they been penalised financially?

Mr ANDREW CONSTANCE: Interestingly, since the last budget estimates hearing we have seen on-time running met—

The Hon. JOHN GRAHAM: Some minor improvements.

Mr ANDREW CONSTANCE: Their on-time running performance actually met. I understand the philosophical position of people in relation to being anti the private sector involved in the bus network.

The Hon. JOHN GRAHAM: I am just asking have you enforced the contract; have they been financially penalised?

Mr ANDREW CONSTANCE: I can check with the secretary and take that on notice in terms of enforcement around one contract of literally hundreds that we operate.

The Hon. JOHN GRAHAM: Yes, but the model for what you might use elsewhere. Will you give us this guarantee then—I do not know if you want to give us any other information?

Mr ANDREW CONSTANCE: I am happy to update you and say that they have been abated, I have just been advised.

The Hon. JOHN GRAHAM: So they have been given a financial penalty.

Mr ANDREW CONSTANCE: Yes, that is what an abatement means.

The Hon. JOHN GRAHAM: I am just translating for the broader world. Will you guarantee there will be no special deals for the operator of region 6, that the penalty payment under their contract will not be varied from that, that there will be no variance? You have told us they have been fined, and I appreciate that update.

Mr ANDREW CONSTANCE: All contracts as they are managed by the private sector are done at arm's length from me, they are handled by the secretary, so I am happy to refer that question to the secretary, but a contract is a contract.

The Hon. JOHN GRAHAM: Understood. We might return to that with the agencies in the afternoon, if that is helpful. I will turn to the question of tolls. Where we left off was that inflation last year was under 2 per cent. Wages growth was similar. You have previously refused at estimates to rule out signing more toll contracts that increase tolls by 4 per cent or more than 4 per cent. Do you accept that some hardworking residents in Sydney, particularly in western Sydney, are just reaching peak toll. They cannot actually afford to pay more?

Mr ANDREW CONSTANCE: Yes, which is why the Government introduced a whole raft of cost-of-living pressure programs to alleviate household budgets in western Sydney particularly. One of the things that we have done is provide discounts on motor vehicle registration to help families. We also, of course, provide free road alternatives and I think, compared to the rest of the world, very affordable public transport. We taxpayer subsidise our transport in Sydney to the tune of 75 per cent, so we are doing everything we can to make it more affordable. In terms of tolls specifically, again I would reiterate the point that the reason we have tolls is to be able to facilitate the building of the infrastructure earlier than otherwise planned—generations ahead.

The Hon. JOHN GRAHAM: There is not always a free road alternative, though. One of the things you have done, a new policy innovation, is to fine trucks on the NorthConnex project, when it opens, for not paying a toll.

Mr ANDREW CONSTANCE: What we have done with the NorthConnex project is actually put a gantry on Pennant Hills Road to ensure that trucks are not at surface level and continuing to make Pennant Hills Road unworkable for local residents.

The Hon. JOHN GRAHAM: I understand that, but if they do not pay the toll they will pay a fine for driving on the surface road.

Mr ANDREW CONSTANCE: No, they pay a toll on the surface road. It is a gantry and they pay the same toll.

The Hon. JOHN GRAHAM: It has been reported as paying \$200 for driving on the surface road.

Mr ANDREW CONSTANCE: I will double-check what you are saying.

The Hon. JOHN GRAHAM: Yes, but the point is that there is not a free road alternative for those trucks for a policy objective you have advocated. Will you rule out that system, that is fines for not paying tolls, being extended to cars in Sydney?

Mr ANDREW CONSTANCE: Yes. The key point is that the reason a gantry is going to exist on Pennant Hills Road is to basically ensure that we do not see trucks, particularly interstate trucks, using Pennant Hills Road. We want them to use the tunnel that has been built.

The Hon. JOHN GRAHAM: So this tolling innovation, being fined for not paying the toll, you will not apply to cars in future?

Mr ANDREW CONSTANCE: Yes, absolutely. I mean, how can you police that? We have local residents.

The Hon. JOHN GRAHAM: I will have some questions about policing the truck toll. Do you think it has a future for other truck tolls across Sydney? Do you anticipate extending that?

Mr ANDREW CONSTANCE: It is only being applied in this instance.

The Hon. JOHN GRAHAM: I am asking about the future though. Do you anticipate it might be useful elsewhere?

Mr ANDREW CONSTANCE: No, I do not. Again, the aim is to get the trucks off Pennant Hills Road into the tunnel to give those communities a fair chance to have their road corridor back. Pennant Hills Road is not working. We are looking at very substantial travel times improvement in the peak for those residents who live around those communities which are serviced by Pennant Hills Road. There is no point in having a surface road which pretty much directly follows the same alignment as a tunnel and still facilitate trucks using it for free.

The Hon. JOHN GRAHAM: In your time as roads Minister have you ever signed off on a brief for the toll rate on the Harbour Bridge?

Mr ANDREW CONSTANCE: I will have to go back and check over the last five years in respect of the many briefs that I have signed. Again, we have seen, certainly in respect of the toll on the bridge, time of day, those types of things.

The Hon. JOHN GRAHAM: It might be helpful to recap on what the practice is, which is we have been informed previously that once a year Roads and Maritime Services [RMS] sends up a brief to the Minister indicating what the toll is and what the options are for increasing it. Then the Minister indicates a path forward. Does that ring any bells?

Mr ANDREW CONSTANCE: Yes. I am not quite sure where you are going with your question. The reality is that we want to put as much downward pressure on tolling as we can but we need the user pay approach around tolls to be able to build the infrastructure, get it in place and have concession deeds, which in many cases lasts for decades. So that we can pay off the infrastructure and have it built now.

The Hon. JOHN GRAHAM: I think this is the point, the escalation rate on the WestConnex is 4 per cent a year or higher. What is the escalation rate for the Sydney Harbour Bridge?

Mr ANDREW CONSTANCE: I will come back to you on the exact number. The point that I would make is that—

The Hon. JOHN GRAHAM: When is the last time the Sydney Harbour Bridge toll was increased?

Mr ANDREW CONSTANCE: I will come back to you with the exact number in respect of the escalation rate.

The Hon. JOHN GRAHAM: Has it ever been increased in the life of this Government?

Mr ANDREW CONSTANCE: I will get the exact numbers for you in respect of this Government over the last nine years and the escalation around tolls on the bridge. But the point that I would make—

The Hon. JOHN GRAHAM: I will put this to you, Minister—

Mr ANDREW CONSTANCE: Hang on.

The Hon. JOHN GRAHAM: —if it is helpful. It has never been increased.

Mr ANDREW CONSTANCE: As I said, I will double-check.

The Hon. JOHN GRAHAM: Each time that brief comes up from RMS a roads Minister has refused to increase the toll on the Harbour Bridge.

The Hon. SHAYNE MALLARD: Why did you ask the question if you knew the answer?

The Hon. JOHN GRAHAM: If that is helpful. Have you signed one of those briefs?

Mr ANDREW CONSTANCE: I just indicated to you that I will come back to you with what we have done around the bridge toll over the last nine years across three roads Ministers, including myself. To the point made by Mr Mallard, it seems that you already know your answer.

The Hon. JOHN GRAHAM: I was hoping you might know the answer too.

Mr ANDREW CONSTANCE: As I said, I am not going to give incorrect information before a budget estimates.

The Hon. JOHN GRAHAM: There is no use asking a question if you do not know at least some of the answer.

Mr ANDREW CONSTANCE: What you seem to be suggesting is that we have kept the tolls affordable on the bridge; which I think is a good thing. A lot of people from western Sydney use the bridge.

The Hon. MARK BANASIAK: Can we chat about Yarra Bay and the cruise ships and where we are at? Will you advise us in terms of what steps you have taken as port Minister to ensure—if it goes in Yarra Bay—what will happen to the recreational fishing haven?

Mr ANDREW CONSTANCE: We are nowhere near making any decisions about Yarra Bay. I understand and appreciate your pretty strong advocacy for the recreational fishing haven and the recreational fishing sector in Sydney in particular. I am very in tune with fishing issues around recreational fishing havens, as you can appreciate. One of the challenges that we do have though is that ultimately Sydney Harbour is full of cruise ships and the sector has come to us looking for a solution, given that there is not the availability of Garden Island, as everybody would like to see, for the sector in the way that everybody would like to see it happen. There has been advocacy undertaken by organisations to see what is possible in respect of Botany Bay being a cruise ship location. I dare say if this proposal was to get off the ground, we would have to look at how we could potentially offset that. But there is no decision made in this regard. I understand and I appreciate the concerns that have been made. I have been listening to those.

The Hon. MARK BANASIAK: Looking at the Peter Collins report, under a Government Information (Public Access) Act request it was released but heavily redacted. The reason the agriculture Minister stated was the cruise ship industry representatives had concerns about commercial-in-confidence information about their finances. Will you explain why a list of alternative sites was redacted, the benefits and drawbacks of each of those sites was redacted, the engineering considerations for each site was redacted and any site recommendation data was redacted? It seems as though it is not commercial information, but information has been purposely hidden.

Mr ANDREW CONSTANCE: For argument's sake, one of the things that we all need to be aware of is that there is a willingness from the private sector to make a contribution towards that passenger terminal if it should go ahead. Maybe that is on the basis the redaction was made. I can go away and check that for you.

The Hon. MARK BANASIAK: I respect the financial information of the cruise ship terminal. I do not respect this other data being redacted, which is clearly talking about the benefits versus the negatives of where we potentially put this terminal. It seems as though information is being deliberately—

Mr ANDREW CONSTANCE: Withheld.

The Hon. MARK BANASIAK: —withheld.

Mr ANDREW CONSTANCE: I can go away and have a look at that for you, but I do think on the basis of what you are saying, if it is engineering-style information and what have you, if it does flow through to the commercial contribution that the private sector might be willing to make, that might be the justification for it. But I can go away and check that for you.

The Hon. MARK BANASIAK: There was a seagrass monitoring report done in 2018 which showed that we have gone from 94,000 square metres of seagrass to less than 2,000 square metres in that area. In the research and feasibility process you are going through deciding where this terminal will go, has any work been done in assessing whether it is going to have an impact on the seagrass, given that we know what the seagrass is vital for in respect of fish and habitat?

Mr ANDREW CONSTANCE: Invariably it would have to. It would not matter if it was a marina or a cruise ship terminal in Botany Bay, all those factors have to be considered. It would be part of a review of environmental factors or an environmental impact statement.

The Hon. MARK BANASIAK: In 2014 there was a \$5 million Port Botany boating and fishing infrastructure program and part of it was to deliver some additional boating access in Botany Bay. Will you give us an update as to how much has been spent of that \$5 million?

Mr ANDREW CONSTANCE: I will take that on notice, as you can appreciate.

The Hon. MARK BANASIAK: You do not have it right now?

Mr ANDREW CONSTANCE: It is not on the top of my head, I am sorry. But we can go back and look at that 2014 announcement and see where that has landed. My expectation is, as with all these boating-style projects, we have seen good moneys put into the program across the State and there have been significant improvements but also take on board the concerns that a lot of the recreational fishers in particular have about the rollout of that. These cases are also very dependent on local government to be able to deliver those programs. I will check to see whether the council was involved in that 2014 initiative or not and also find out where the department is at.

The Hon. MARK BANASIAK: Will you also clarify under your portfolio with ports and maritime where that extends to? It is unclear in the Ports and Maritime Administration Act whether you have got control of the sea floor as opposed to Crown lands?

Mr ANDREW CONSTANCE: In many cases it is Crown land. This has been an area of significant conjecture because quite often you will find the two agencies at loggerheads in respect of the demarcation. We do need that to change because ultimately we are increasingly dependent on industry improvements across the board. It would not matter if you were in Newcastle or Eden or Port Botany, any demarcation disputes have been problematic. We have got a very significant can-do approach from the ports authority, whereas I have found that Crown lands have dragged the chain. The Minister is aware of that, having a Minister who is now in charge of Crown lands having been in the ports authority and maritime space. We are hoping to resolve some of those issues in the interests of the community.

The Hon. MARK BANASIAK: Will you give us an update on the Sydney speedway? There was an announcement around 18 December that you were about to announce a site and there were obviously some concerns from the owners of the speedway that that site possibly was not suitable.

Mr ANDREW CONSTANCE: Yes.

The Hon. MARK BANASIAK: Can you give us an update in terms of where you are up to with that?

Mr ANDREW CONSTANCE: Yes. First of all to reiterate the Government commitment that we will have a new speedway in place before we have to close the existing speedway—everyone knows the reason behind that. We needed State-owned facilities for the new Metro West project. The logical site for a new speedway to be permanently housed in Sydney—because over the decades we have seen speedways moved—would be Eastern Creek. That way you can create a cluster of suppliers and supply chains that assist all racing communities. Back in December I think there were three sites that were being examined at Eastern Creek in terms of this. As part of

that we wanted to make sure that we worked closely with the industry body as opposed to Valvoline racing, that as a business has a lease at Parramatta, and that is a separate issue that needed to be worked through.

Ultimately my expectation as Minister is that we crack on with this. The metro team have been put in charge of making sure that that development proceeds, with Minister Lee as the relevant Minister. Again ultimately resolving the site is important. Speedways in terms of their construction are not difficult to build. Not only will we do a like-for-like replacement but we do want to provide new facilities which enhance the sport moving forward and give all those race lovers a brand new home, given the disruption that we are causing to the Parramatta site. The first aim and the main aim—and the secretary and the department are well aware of this—is that there must be a continuance of the sport and at no point is it disrupted as a result of us building the metro.

The Hon. MARK BANASIAK: I asked this question of Mr Staples last time around and he got in trouble because you were not here. I will ask while you are here: What are the rough date figures around the schedule? When do you need the existing site for stabling compared to when you predict the new site to be operational?

Mr ANDREW CONSTANCE: First of all basically there is a scoping report for the new Sydney international speedway, which will be lodged with the Department of Planning, Industry, and Environment, as I understand it, this month. Obviously in terms of the construction we do not need a site next week but we do need to identify a site in the months ahead. As part of that there will be acquisition negotiations going on with the current operator and also, as part of that, looking at the option to transfer their lease to operate the new speedway at Eastern Creek, which has obviously been the concern of Valvoline racing as an individual business.

The Hon. MARK BANASIAK: Is there a date that you need them to be vacated for the stabling?

Mr ANDREW CONSTANCE: I can get you the exact dates but we can probably answer that by the end of the hearing, to be honest.

The CHAIR: Minister, how much revenue does the Government receive from advertising space sold on public transport assets?

Mr ANDREW CONSTANCE: I do not have that exact number in front of me but we can take it on notice.

The CHAIR: If you have got a general ballpark figure—

Mr ANDREW CONSTANCE: We will take it on notice.

Mr STAPLES: We will see if we can come back with that today.

The CHAIR: Would it be more or less than the fare revenue received by the Government?

Mr ANDREW CONSTANCE: I would say it would be significantly less.

Mr STAPLES: Less, yes.

The CHAIR: You may be aware that there were a number of complaints at least reported in the media in relation to the amount of advertising that was put on the light rail. In particular there were pictures of the light rail covered in McDonald's advertising from head to toe. There were concerns that basically there is a moving billboard going through the city. What assurance can you give people that—are there limits that you would place on the amount of advertising that would go on to the light rail?

Mr ANDREW CONSTANCE: You are making me smile because a couple of years ago The Greens got an ad stuck on the side of a Sydney train and I had to get it removed because it was political advertising. The thing about it is that ultimately all revenue generated from advertising on public transport goes back into revenue sources to help us grow the services. Again the key element of that is that I am also very conscious of the very nature of that advertising. I think the guidelines need to be constantly reviewed to be in line with community expectations and standards. I recently had to get involved with an issue up in Newcastle. Again ultimately, given the sensitivity around the issue, I think it is really important that we see guidelines put in place that do meet community expectations, particularly if the advertising is political in nature, health-related or those types of things.

The CHAIR: In relation to the light rail I have also seen alcohol being advertised.

Mr ANDREW CONSTANCE: I will have to check that with the operator.

The CHAIR: What are the current guidelines? What are you doing to ensure those guidelines are strict enough so that we do not have a McDonald's billboard snaking through the suburbs?

Mr ANDREW CONSTANCE: I have already shown you examples where I have personally got involved.

The CHAIR: We can disagree on how harmful a political slogan is versus alcohol and junk food being advertised.

The Hon. MARK BANASIAK: It depends on the party.

Mr ANDREW CONSTANCE: I am not going to going to the specific issue that I got involved in recently in the last 12 months. I think the key element out of this is that I am happy to provide the full set of guidelines to you through the Committee.

The CHAIR: Are you personally concerned that McDonald's advertising was completely covering a light rail as it snaked through the city?

Mr ANDREW CONSTANCE: Again without having seen that ad—I will go and have a look. But at the same time we also use advertising on public transport for a whole raft of community benefits in terms of important community messages too. I daresay particularly in the current climate with COVID-19 we will be certainly using public transport to obviously ensure that we use advertising space appropriately.

The CHAIR: Is Sky News an important method of communication with the public? We have Sky News blaring out on platforms now on our train stations as well. Do you think that is appropriate?

Mr ANDREW CONSTANCE: I do not have a problem with it.

The CHAIR: Is our public transport more about advertising revenue than it is about getting people to where they need to go?

Mr ANDREW CONSTANCE: As I said we generate revenue which goes back into growing services, so that makes sense.

The CHAIR: So we are reliant on the private sector?

Mr ANDREW CONSTANCE: I have seen The Greens advertise on a train.

The CHAIR: It is not about The Greens. It is about your performance as Minister.

Mr ANDREW CONSTANCE: The Greens did it and I had to get it pulled off the side of the train. It was terrible.

The CHAIR: It was a terrible thing for you to do that. That is correct.

Mr ANDREW CONSTANCE: I should have just advertised "Andrew Constance" on the side of the train.

The Hon. DANIEL MOOKHEY: The best decision you have made.

Mr ANDREW CONSTANCE: The best decision I have made?

The CHAIR: If we can move to privatisation, we have seen in the last little while an announcement that the remaining share of WestConnex is going to be sold off. Given what a bad deal it was when the 51 per cent was sold off—and by saying that I am talking about the \$23 billion-plus that has been invested in public funds into WestConnex being sold for a net value of what I understand to be \$4 billion—do you think that selling the 49 per cent stake is going to actually bring a good return for the public?

Mr ANDREW CONSTANCE: If it helps us build more infrastructure, absolutely.

The CHAIR: So that is the only way that you can build more infrastructure?

Mr ANDREW CONSTANCE: It is an important way to build infrastructure. I do not think the clouds and the sky fell in on us when the first tranche of that transaction happened. It raised a significant return to the taxpayers for us to go and build more infrastructure. I would point out that this is a holding entity that the Government set up in the first place to build Sydney's motorway network without actually affecting our ability to deliver health and education services to our community. This is one of the reasons we have off-balance-sheet holding entities, so that we are able to actually recycle the capital through various stages of building a motorway network. This is a very successful—absolutely. Incredibly successful.

The CHAIR: I struggle to understand why you would sell off something so successful, particularly if we are looking at \$250 billion worth of tolls?

Mr ANDREW CONSTANCE: Ms Boyd, the M4 East is an example of that success. No-one is arguing about the Government building the M4 East tunnel. No-one is arguing about us building the M5 East tunnel. The money has to come from somewhere. It does not just get printed.

The CHAIR: If you could take a longer-term view of the economy and the budget and look at the amount of revenue, even if you were to look at the amount of tolls that would be raised from that project, would it still make sense to be selling it off for such a small amount?

Mr ANDREW CONSTANCE: One of the biggest factors affecting our economy is the economic loss associated with congestion—the amount of time that people such as yourself spend in traffic—

The CHAIR: Absolutely.

Mr ANDREW CONSTANCE: That is offset by a productivity uplift by us building new infrastructure.

The CHAIR: We are not talking about the building of the roads.

Mr ANDREW CONSTANCE: But you asked me about the long-term—

The CHAIR: We are talking about the way in which you are financing the building of the roads and the gifting to the private operators of what you have said to be a very successful project. Why would we do that?

Mr ANDREW CONSTANCE: I do not think people would dispute the M4 East is a very successful motorway. I think the point that I would make to you is that there are wider economic benefits at play in terms of delivering this infrastructure generations ahead of time.

The CHAIR: So back to the question: Is that just because you were looking at something in such a short-term way, within a certain period of time, rather than being able to take a longer-term vision of the benefits of infrastructure to the economy and society?

Mr ANDREW CONSTANCE: I can only point to the state of Parramatta Road before we opened the M4 East.

The CHAIR: Again, you are talking about road building, I am talking about the way in which it is financed. Why do you feel that private interests have to be involved in order to build a road?

Mr ANDREW CONSTANCE: First of all, it is done off balance sheets so we can continue to run our hospitals, schools, police stations—

The CHAIR: So again it is about the short-term budget?

Mr ANDREW CONSTANCE: The cost of the motorway is close to \$17 billion. If you actually study the State's finances, the recurrent capital expenditure, we do need private sector finance to be involved in the provision of major and very significant infrastructure projects. That is a fact. Everybody does it. If we did not, it would not get built. I know and I understand The Greens' very strong view in relation to these matters, but the point out of it is that we have to finance through debt instruments the ability to bring forward this infrastructure.

The CHAIR: That is not what you are doing though; you are actually gifting it into the ownership of private corporations.

Mr ANDREW CONSTANCE: No, we are actually gifting it to the community so they can get around the city quicker.

The CHAIR: We have to disagree on that, and maybe come back to it at another time.

Mr ANDREW CONSTANCE: That is okay.

The CHAIR: In relation to bus privatisation, where clearly the community is opposed to the privatisation of regions 7, 8 and 9, as we saw in the lower House just last week, are you reconsidering your plans for privatisation?

Mr ANDREW CONSTANCE: I got the impression with petition debate that it was driven by certain people in the union movement. That is not necessarily indicative of community views. To be honest with you, the community just wants better bus services. They do not really care who is operating the buses. Just to your point, and I have said this previously in this Committee, the community through the State Government will continue to own the buses and depots and regulate the timetables and the fares through Opal. It is the private sector management.

The Hon. DANIEL MOOKHEY: Minister, on 21 February you confirmed that the cost of the southwest metro has exceeded the project budget by \$3 billion. Is that still the best information available to you as to the likely cost overrun on that project?

Mr ANDREW CONSTANCE: Thank, Mr Mookhey, for your question. One thing I have done since then is had a closer look at what is happening nationwide in terms of cost escalations around projects. There is no doubt that the initial cost, the forecast estimate five years ago, has changed. I am not denying that, which is why I said in the media at that time that it was not an ideal situation.

The Hon. DANIEL MOOKHEY: And you apologised, which was welcome.

Mr ANDREW CONSTANCE: Yes, we have delivered a billion-dollar cost saving on the first stage of metro. The problem I have is that we are still only half way through the build of the project. We are still contracting for the project. I have always said that the final cost is never really truly known until you actually get the final contract signed.

The Hon. DANIEL MOOKHEY: I do accept that, and that is the position you have consistently maintained. I am just asking: Is the best information that is available to you to date still that the likely overrun from the original cost is circa \$3 billion, which is what you said on 21 February?

Mr ANDREW CONSTANCE: Hopefully. I think this is the point. As part of that there have been a number of changes to the project including Central Walk. You have also seen incorporated into that cost estimate the cost of running the temporary transport strategy. Governments are grappling with this problem everywhere in terms of cost pressures within the construction market. If you look at the projects in Melbourne and see the cost blowouts there, it is unbelievable.

The Hon. DANIEL MOOKHEY: We will unpack that, Minister; of course we will. Was the first time that you were aware that the project was going to exceed the cost by circa \$3 billion on 21 February, when you made your public statement?

Mr ANDREW CONSTANCE: No, I made it clear back then—and I know where you are going with this question—I found out about that significant cost change after the State election.

The Hon. DANIEL MOOKHEY: Was that in your incoming brief in April last year?

Mr ANDREW CONSTANCE: I will have to go back and see if it was incoming brief. That was the time I was advised of the numbers that you are alluding to.

The Hon. DANIEL MOOKHEY: I will pause you there, Minister. Was it prior to the State budget?

Mr ANDREW CONSTANCE: It would have been if it was April.

The Hon. DANIEL MOOKHEY: So it was circa that time?

Mr ANDREW CONSTANCE: Yes, it was around that April time frame. I can get the exact date.

The Hon. DANIEL MOOKHEY: Because there was not any revision to the budget to denote that at the time.

Mr ANDREW CONSTANCE: There was a pre-election budget update provided by the Treasury secretary.

The Hon. DANIEL MOOKHEY: Pre-election but post-election, and then after that there was the June budget—which is this estimates round, for what it's worth—but it was not actually noted in the budget papers.

Mr ANDREW CONSTANCE: No, the key point I would make in relation to those numbers is that there are other factors at play, such as the inclusion of the Central Walk project, the temporary transport strategy and the fact that we are still contracting. I think, in fairness, you have to acknowledge that we are still halfway through the build; we are still contracting the project. Ultimately, if you look at what has happened—particularly in Victoria—we have seen the market shift. One of the reasons the market has shifted is because there has been so much work put out that it has become a surprise market.

The Hon. DANIEL MOOKHEY: And we will get to that. If you did learn about it sometime between April to June last year why was it the first time the public had this confirmed by the Government February 21, which was approximately eight months after that point?

Mr ANDREW CONSTANCE: I am sorry, what is that?

The Hon. DANIEL MOOKHEY: I am asking why it was if you learnt circa April to June last year that the first time the Government confirmed this was on February 21?

Mr ANDREW CONSTANCE: Because we are still in the process of contracting the project, I daresay. That question has been put to the Treasurer.

The Hon. DANIEL MOOKHEY: We did put that questions to the Treasurer. When you learnt it, did you inform the Treasurer?

Mr ANDREW CONSTANCE: Obviously the internal processes of government appropriately deal with that.

The Hon. DANIEL MOOKHEY: You utilised those processes?

Mr ANDREW CONSTANCE: Of course I did, and that is appropriate.

The Hon. DANIEL MOOKHEY: So you did inform him. Yes, it is absolutely appropriate that you would. So you did inform the Treasurer?

Mr ANDREW CONSTANCE: Ultimately, Treasury and Transport work together on a daily basis in terms of infrastructure projects—you and I both know that.

The Hon. DANIEL MOOKHEY: Yes, they told me that the other day. They knew though?

Mr ANDREW CONSTANCE: Yes, but at the same time you have got to acknowledge that the escalation rate used by Treasury was not at the level that reflected the change in the market.

The Hon. DANIEL MOOKHEY: I agree with that.

Mr ANDREW CONSTANCE: We are talking about a project where the initial forecast estimates were put together five years ago, and there have been changes in the property market and, of course, the contractors' market.

The Hon. DANIEL MOOKHEY: And of course Transport is subject to the Treasury forecast escalators—that is why you guys have to do your budgets. There is no criticism in that respect. Do you recall when precisely you would have had that discussion with the Treasurer?

Mr ANDREW CONSTANCE: No. But, again, I made it clear that I was aware of the significant cost escalation after the election. I would have had a discussion back then. Of course, I would.

The Hon. JOHN GRAHAM: It would have been around April when you found out?

Mr ANDREW CONSTANCE: I will go back and have a look.

The Hon. DANIEL MOOKHEY: Did you by any chance manage to have a similar conversation with the Premier?

Mr ANDREW CONSTANCE: I am not going to get into this game of who spoke to who, and when. The point out of it is that we have acknowledged that there is obviously a change in the market conditions which have escalated infrastructure costs right across the board, not with just this project—I mean, the Melbourne metro has gone from \$11 billion to \$14 billion.

The Hon. DANIEL MOOKHEY: We will get to that.

Mr ANDREW CONSTANCE: There has to be a recognition from you. You can go and speak to the infrastructure experts in the field that there has been a change in the contractors market.

The Hon. DANIEL MOOKHEY: Yes, we are not disputing that.

Mr ANDREW CONSTANCE: One of those things is the amount of work that were put out to the contractors.

The Hon. DANIEL MOOKHEY: We are happy to say right now that we are not disputing that there have been changes in the contractor market. We will talk about that, I am sure. When you said earlier that you utilised the internal processes of Government to satisfy all the requirements that you are under, that would have included notifying the Premier and/or the Premier's department, would it not? It is not the case that the Premier cannot be told that one of the major projects has exceeded the cost by \$3 billion.

Mr ANDREW CONSTANCE: Yes, but I do not understand your point.

The Hon. DANIEL MOOKHEY: I am not trying to make a point, Minister. I am just trying to understand if the Premier was informed. Nothing turns on that. She must have known that the cost had risen by \$3 billion if you were told between April and June last year.

Mr ANDREW CONSTANCE: Yes, but again, I do not understand your point. Ultimately, Treasury and Transport notify their respective Ministers of their ongoing discussions, negotiations and assessments on the cost of projects. But this is one project of \$97-plus billion of infrastructure we are building. I think the point that I would make is that it is profiled over an eight- to nine-year period in terms of its build. The market pressures have changed.

The Hon. DANIEL MOOKHEY: Minister, at any point did you ever suggest to the Premier or Treasurer that this figure should be made public prior to 21 February?

Mr ANDREW CONSTANCE: One of the things and observations I make is that we are still contracting this project.

The Hon. DANIEL MOOKHEY: Of course. But my actual question is did you ever—

Mr ANDREW CONSTANCE: It was also in an environment where your side of politics announced the cancellation of it. Now, I dare say, by creating uncertainty in the market, which is what happened because your side of politics announced the cancellation of a major multibillion-dollar contract, added to the pressures.

The Hon. DANIEL MOOKHEY: Sure.

Mr ANDREW CONSTANCE: That is not sensible. I think everyone had agreed that this project is going to be an absolute benefit to the city.

The Hon. DANIEL MOOKHEY: But I am just asking, Minister, at any point did you suggest to the Premier and/or the Treasurer that the Government should publish the updated figure prior to 21 February?

Mr ANDREW CONSTANCE: Prior to 21 February?

The Hon. DANIEL MOOKHEY: Prior to your press conference, in which you announced it and you apologised. But did you ever suggest that perhaps the Government should be disclosing that information prior to that point?

Mr ANDREW CONSTANCE: Again, the point out of it is that I disclose to the community, when we have completed the contracting, the price tag. Guess what? We are still contracting.

The Hon. DANIEL MOOKHEY: Did you have any similar conversation with the Treasurer where you suggested to the Treasurer that perhaps the imperative was on you or him to disclose to the public that the cost had exceeded by \$3 billion?

Mr ANDREW CONSTANCE: Again, I just answered your question. The point is that we are still contracting. We are not going to go out and create uncertainty around this project. We will do anything other than have at-arm's-length commercial negotiations between Sydney Metro and the private sector in terms of this build. That is the appropriate thing to do.

The Hon. DANIEL MOOKHEY: Minister, it was reported that 18 months prior to your announcement on 21 February, Sydney Metro had prepared an internal budget review that said that the cost had increased, or is expected to increase, circa \$4 billion. Were you provided a copy of that internal budget review?

Mr ANDREW CONSTANCE: Again, I am just making the point. I did not find out about that number until after the election.

The Hon. DANIEL MOOKHEY: Sure, I am just asking you. Can I infer from that that you were not provided a copy of that review?

Mr ANDREW CONSTANCE: If I got it before the election, that would suggest I knew the number. I am telling you I did not know the number. Therefore, I did not have access to that document.

The Hon. DANIEL MOOKHEY: Then, why are you not provided—

Mr ANDREW CONSTANCE: You will need to obviously, in terms of the process, put the question to the agency because ultimately they do budget reviews on projects all the time.

The Hon. DANIEL MOOKHEY: We will pursue this with the agency, of course.

Mr ANDREW CONSTANCE: That is fine.

The Hon. DANIEL MOOKHEY: I am sure that is not going to be a surprise to you. Just to confirm, what you are saying is that you were not actually provided a copy of that even though it was prepared?

Mr ANDREW CONSTANCE: If I had been, I would have been made aware of the numbers.

The Hon. JOHN GRAHAM: We are not asking about the time; we are asking: Have you seen that document at any point?

The Hon. DANIEL MOOKHEY: Since.

Mr ANDREW CONSTANCE: In terms of it, I mean when you get to all those numbers—

The Hon. JOHN GRAHAM: Minister, sorry, have you seen the document?

Mr ANDREW CONSTANCE: When you receive—

The Hon. JOHN GRAHAM: I think you were nodding, that is why I am—

The Hon. SAM FARRAWAY: Point of order: You have asked the Minister a clear question. He is trying to answer and you keep interjecting.

The Hon. JOHN GRAHAM: To the point of order: I thought the Minister nodded. I was trying to clarify for Hansard whether or not he had agreed he had seen it.

The CHAIR: We can proceed with a little bit of—

Mr ANDREW CONSTANCE: Obviously—

The Hon. JOHN GRAHAM: You are disputing the timing, which is fine, but what is the—

The Hon. DANIEL MOOKHEY: Have you seen it since?

The Hon. JOHN GRAHAM: Have you seen it since?

The CHAIR: Order! If we could speak one at a time for Hansard and if we could allow the Minister to finish his sentence before another question, that would be fantastic.

Mr ANDREW CONSTANCE: Obviously, when you get provided the details, you actually try to drill down as to what might be changing the cost pressure. That would be an obvious answer to you. The thing about it is that—

The Hon. JOHN GRAHAM: So, is that a yes? This is pretty straightforward. This is not the hard bit.

The Hon. DANIEL MOOKHEY: Not "gotcha!" Have you seen the document?

The Hon. JOHN GRAHAM: Surely you have.

Mr ANDREW CONSTANCE: What do you guys reckon?

The Hon. DANIEL MOOKHEY: I reckon you have.

The Hon. JOHN GRAHAM: I reckon you are the Minister. Tell us if you have seen the document.

Mr ANDREW CONSTANCE: You just answered your own questions.

The Hon. DANIEL MOOKHEY: I am glad that we got there.

Mr ANDREW CONSTANCE: Yes.

The Hon. DANIEL MOOKHEY: Now that you have seen it, I am glad we can ask you some questions about it. That document says that part of the reasons why the cost has overrun, in addition to market pressures that you referred to, was that there were significant underestimates in the project's final business case for new trains and systems as well as the scope of works at Chatswood. A *Sydney Morning Herald* article says:

The cost of buying new trains and systems and then integrating them into the rail network is projected to nearly double by \$2.3 billion.

It also says—a release to the media says that it says—the following:

The budget review reveals that nearly \$220 million for temporary transport, which includes putting on replacement buses while the existing Bankstown rail line ... was "not anticipated" ...

I understand your argument.

Mr ANDREW CONSTANCE: Can I clarify? Can you table the document to ensure if there are not—

The Hon. DANIEL MOOKHEY: It is a media article, but I am more than happy to.

Mr ANDREW CONSTANCE: No. I just want to know very clearly whether it is the April 2019 document that you are referring to.

The Hon. DANIEL MOOKHEY: No, I am referring to the document that was prepared, apparently, by Sydney Metro 18 months prior to 4 February.

Mr ANDREW CONSTANCE: Let me be clear—

The Hon. JOHN GRAHAM: It is the integrated baseline review of Sydney Metro City and Southwest.

Mr ANDREW CONSTANCE: I have seen an April 2019 document. I need you guys to be clear as to what document you are now questioning me about.

The Hon. DANIEL MOOKHEY: I am questioning you about the integrated—

The Hon. JOHN GRAHAM: The integrated baseline review of Sydney Metro City and Southwest.

Mr ANDREW CONSTANCE: Hang on a second. Is this in a media report or do you guys have the document?

The Hon. DANIEL MOOKHEY: Actually, we were going to ask you for the document. Have you got the document here? That will make this a lot easier if you did, Minister.

Mr ANDREW CONSTANCE: Let me be crystal clear: I just checked, obviously, with my chief of staff. The April 29 document—is that the one you are referring to?

The Hon. DANIEL MOOKHEY: No. We are referring to the integrated baseline review, which *The Sydney Morning Herald* was handed a copy of, which it then published a newspaper article about on 4 February.

Mr ANDREW CONSTANCE: Does that have a date?

The Hon. DANIEL MOOKHEY: It is 4 February.

Mr ANDREW CONSTANCE: No, the document.

The Hon. DANIEL MOOKHEY: No, it said 18 months ago it was completed. I will ask you: What was the date of the document?

Mr ANDREW CONSTANCE: I am going to refer the question to the officials.

Mr STAPLES: We cannot correlate the date. For us to be able to answer these questions—

The Hon. DANIEL MOOKHEY: Sure. Perhaps on notice—

Mr STAPLES: Chair, can I finish? I have been asked a question.

Mr ANDREW CONSTANCE: I think this is important because we do not want to be confused and I want to answer your questions.

The Hon. JOHN GRAHAM: Yes, absolutely.

Mr ANDREW CONSTANCE: But we have to make sure that we are both dealing with the right document. I have seen an April 2019 document, but I am double-checking with you as to which document—

The Hon. DANIEL MOOKHEY: Let us talk about the April 2019 document. Did the April—

Mr ANDREW CONSTANCE: No, wait. I think this is really important because if you want to ask about the integrated baseline document, to which Mr Graham is referring, we would like to know the date.

The Hon. DANIEL MOOKHEY: Secretary, we did not want to cut you off.

Mr STAPLES: We have not been able to correlate that media article with our documents. If you want to ask us questions specifically about the documents, we actually need to know which documents you are referring to.

Mr ANDREW CONSTANCE: We are happy to answer these questions.

Mr STAPLES: We cannot correlate it with the article.

The Hon. DANIEL MOOKHEY: Perhaps what I will do is rather than ask you the question specific to the document, I will ask you the questions specific to the issues flagged in the article, which might—

Mr ANDREW CONSTANCE: That is fine, but I do not think it is helpful to be responding to a media article, which we cannot correlate documents to. I have told you I have seen an April 2019 document. But based on the Matt O'Sullivan article, we have not been able, as the secretary has just indicated, to do the correlation of it with documents. I think that is important.

The Hon. DANIEL MOOKHEY: I accept that. I hear you loud and clear.

Mr ANDREW CONSTANCE: Yes.

The Hon. DANIEL MOOKHEY: Perhaps what I will do is I will ask questions and you answer them the best you can.

Mr ANDREW CONSTANCE: Rodd Staples and I will do our best to answer you.

The Hon. DANIEL MOOKHEY: I thoroughly appreciate that as well. It has been flagged that in addition to the market pressures as the reason for the increase in the cost that you have mentioned, other reasons why the project has exceeded its budget is that the original planning for it did not include, for example, the inclusion of \$220 million for temporary transport, which includes replacement buses while the Bankstown rail line is closed. The final business case underestimated many of the costs for new train systems as well as the scope of works at Chatswood. It also underestimated the cost of buying new trains and systems and then integrating them into the rail network. Do you understand those reasons to be also a part of the reason why the cost exceeded the original business case?

Mr ANDREW CONSTANCE: Yes. This is, again, part of the point that I am making. Obviously the original forecast estimate from 2015 did not factor in a number of those costs and you are right to identify those. I do not know if Mr Staples wants to add to that.

The Hon. DANIEL MOOKHEY: To the best of your knowledge, to either yourself or to Mr Staples, are they the only costs which, in your view, were not factored in appropriately in the 2015 business case?

Mr STAPLES: I will have to take that on notice. This a very detailed, complex project. To give a sweeping response to a question like that I would not be able to do.

The Hon. DANIEL MOOKHEY: But it is the case that there might be other categories of costs that were not properly estimated at that time?

Mr STAPLES: At the time in April 2019 what we did was take advice to government the forecast looking forward for the project was certainly going to exceed the budget and we gave that advice. There are a number of underlying reasons around that: the market pressure that the Minister has referred to, some elements where there was an under-estimation, and some elements that were not included, such as the bussing that you referred to. So, yes, all of those factors were a part of a shift in the cost.

The Hon. JOHN GRAHAM: Minister, I might just come back to a couple of questions on this. Firstly, my colleague asked about advice about the cost today. You said hopefully it will still be the same. He was actually asking about the advice you received. As of today, have you received any advice that it might be different to the \$3 billion you have talked about?

Mr ANDREW CONSTANCE: No, as I said, we are still contracting it.

The Hon. JOHN GRAHAM: It is not about the project, it is about the advice you have received. Is it any higher?

Mr ANDREW CONSTANCE: What I have indicated is that we are hoping to obviously build this project over the next few years and have it open by 2023-24, as best we can in terms of the cost, recognising the escalation of that. I would point out that the number that is being bandied around, there have been, obviously, additional projects added into that, including—

The Hon. JOHN GRAHAM: It has not been bandied around, you have been really up-front about it. I am just asking, you are up-front about that number, have you received since any different number, any advice?

Mr ANDREW CONSTANCE: No. The thing at the moment is we are still contracting, and this is where I think the agency—

The Hon. JOHN GRAHAM: Okay, thank you. I think you said no.

Mr ANDREW CONSTANCE: Yes.

The Hon. JOHN GRAHAM: Understood. What I do not understand is, you have told us that you did receive this information in April 2019, there were discussions, you have been up-front about it subsequently, how did this not end up in the budget figures? What is your explanation for this?

Mr ANDREW CONSTANCE: Again, you guys questioned the Treasurer very clearly on this.

The Hon. JOHN GRAHAM: But you are the transport Minister. You are dealing with a large part of the infrastructure for the budget. How did this not end up in there? That must have come to your attention.

Mr ANDREW CONSTANCE: In fairness to me, if you are still contracting a project, ultimately you have got to get the final price tag together before we land on it. It is an initial cost estimate from five years ago to which you refer and it was a \$11.5 billion to \$12.5 billion range.

The Hon. MARK BANASIAK: Just looking at Maleny Point, which falls under your jurisdiction, the Recreational Anglers have funds to build a safe fishing platform, which would alleviate concerns about rock fishing in the area, but they are faced with rolls of barbed wire and there are hundreds of threatening signs from the Port Authority. Given that you supported recreational anglers by giving them access back in Batemans Bay Marine Park, would you consider giving them back access, which they originally had, in this area and allow them to build that safe—

Mr ANDREW CONSTANCE: I am happy to take it away and look at the access for the recreational fishers in this area. Again, as I said, if a decision has to be made in relation to it—and we are a long way away before any decision is made—but if a decision has to be made in terms of obviously the cruise ship industry in this area, you are going to obviously have to find ways to improve recreational fishing with an offset. I give you that undertaking if, and only if, we get to that point. But we have got a lot of water under the bridge to go yet.

The Hon. MARK BANASIAK: I appreciate you might have to take some of this on notice but it is only to the recreation boating fees and licences. What is the total State income derived from recreational boating fees and licences each year?

Mr ANDREW CONSTANCE: I mean—

The Hon. MARK BANASIAK: I know you do not have that in your head.

Mr ANDREW CONSTANCE: I can take that on notice.

The Hon. MARK BANASIAK: And can you give us a bit of a dissection how much of that income is actually being spent on projects, how many staff are employed, utilising those fees and licences and what are the total salaries taken from those boating fees and licences?

Mr ANDREW CONSTANCE: Yes.

The Hon. MARK BANASIAK: Has there been any assessment done to identify how many locations in New South Wales do not provide or do not comply with maritime guidelines which stipulate that you must cater for those disabled or less mobile to allow them to go boating?

Mr ANDREW CONSTANCE: Ultimately I can go and check with the agency in terms of disability access. The only thing I would observe is my observation particularly in terms of infrastructure that has been put in by local government. There are disability access committees, which are involved in some of those processes. I have seen that firsthand in the Bega Valley Shire Council with the wharf at Merimbula. I think it is important and, where possible, if we are able to engage with the transport agency's disability access committee plus disability access committees at a local level. I think that is important.

The Hon. MARK BANASIAK: Several years ago boat ramps were 100 per cent funded by Maritime. Why has this policy not flowed on to country and regional areas where they are now expected to pay fifty-fifty?

Mr ANDREW CONSTANCE: There have been contributions made by local government, but, again, that is about getting more infrastructure built more quickly. Again, the key challenge there is the ability for local government to be able to afford it and their priorities in terms of their local infrastructure. I acknowledge that. Again, ultimately, particularly in the current environment with what we have seen for the coastal communities affected by bushfires, this is an area in which we really do need to try very hard.

Obviously I am a member for one of the areas and at the moment one of the best things we can do to try and get people to visit our region during winter is have fishing comps. You have got to have the right fishing infrastructure to be able to do that in terms of boating and what have you. So there is an opportunity for us to drive

jobs opportunities through the boating infrastructure and Boating Now Program and, of course, also looking at what we can do to expedite a lot of that, recognising that fishing comps in particular are a great way to draw hundreds of people to a town on a weekend.

The Hon. MARK BANASIAK: Appreciating that you are showing support for your local area, particularly what it has been faced with, have you heard that the local council, Eurobodalla council, plans to close one of those boat ramps along the Clyde River?

Mr ANDREW CONSTANCE: Yes. So, again, there have a whole heap of challenges around the Clyde, you would appreciate, with the building of the Batemans Bay Bridge and what have you. I know certainly there is strong advocacy that is provided by a number of people—ex-councillor Adam Martin has been very good in this regard—and they have gone and done their own assessment to present to local government around what is required in terms of boat ramps. I think the thing is—and this is something I would like to see replicated across the board—allow the local anglers to come forward with the infrastructure assessments and priorities, engage with local government and, for that matter, Maritime, and get more stuff built. That is the type of approach we should be having in terms of this type of infrastructure. It is important.

The Hon. MARK BANASIAK: Will you be putting your two cents worth into the local council and encouraging them to not close the Clyde River boat ramp?

Mr ANDREW CONSTANCE: Again, as long as we are able to do that around that. But Batemans Bay Bridge development I am happy to obviously take that away. But, again, my expectation is that when you have an informal structure with these groups through local councils and the department, sometimes that informal process does not necessarily give it the best outcome. So maybe there is an opportunity to formalise things more importantly into the future.

The Hon. MARK BANASIAK: Do you think the system is working with the fifty-fifty split between Maritime and local councils and the fact that the local council then has to maintain the asset for the life of it? Because we constantly get reports to our office that it is not working and councils are reluctant to take up funding opportunities through the Boating Now Program because they know they are going to be saddled with the maintenance of this asset and do not want to add that to their asset list.

Mr ANDREW CONSTANCE: Again, it is a very real challenge and I accept what you are saying in terms of the capacity of councils to financially afford some of this infrastructure. But at the same time we have seen some really good projects as a result of having that fifty-fifty split and some great outcomes. To be honest with you, I think there are some very obvious challenges. One of these areas which is concerning me at the moment is dredging the bars, in particular, and how that benefits the recreational fishing sector. There are elements of that where the councils are not acting, not contributing at all for dredging. So, yes, I think there is a degree of contribution required. Local government also enjoys the benefit of increased economic activity that is brought by the recreational fishing sector in this State and it is an important sector, absolutely important. Ultimately, if there was a better way, I am sure we would have come up with it but at the moment I think it is obviously designed to be balanced against other competing priorities in the transport space, be it dredging or be it other activities.

The Hon. MARK BANASIAK: Given we are on a unity ticket about the importance of boat ramps and boat infrastructure—and especially the importance in your community, given the bushfires and what have you—would you be looking to review even temporarily the policy around getting some of this infrastructure up off the ground and in place, particularly in your area, to promote that tourism back into your community?

Mr ANDREW CONSTANCE: Absolutely. I think this cannot be business as usual in terms of responding to the fire crisis and we cannot be as hard and fast with some of these guidelines and be so restrictive. So if there is the ability and the knowledge that we are going to provide good jobs through construction, a significant benefit to recreational fishing tourism, we are not going to be black and white on this, to be honest, Mark. I think that the point out of it is that we have just got to get projects happening quickly because we are seeing small business folding and a lot of people being put out of work. The only way that I can see substantial job creation is infrastructure stimulus and that, I dare say, includes boat ramps as much as it includes hospitals and highways.

The Hon. MARK BANASIAK: Just one final question: You mentioned about the Batemans Bay Bridge. There is a bridge pylon being placed close to the Punt Road boat ramp in the intertidal zone. Has there been any work done around whether that will improve sand movement or make it worse? One of the problems with that boat ramp is it is continually sanding up.

Mr ANDREW CONSTANCE: Yes. We even saw a temporary boat ramp taken out by a storm surge. The surfside community there have had a lot to say in relation to the impact of infrastructure in and around the Clyde River area onto their community. It also flows through to the boating infrastructure, to be perfectly blunt. One of the things I am very sensitive to is making sure we have good engagement between Transport for NSW and our Wollongong office and in particular Sam Knight, who is now leading that engagement locally, to deal with sand movement and title impacts of the bridge pylons. We are taking a significant number of pylons out of the old bridge.

The Hon. MARK BANASIAK: We do not know yet whether it is going to have an impact.

Mr ANDREW CONSTANCE: There has been work done by GHD in this regard, but again there is a little bit of dispute among the community in relation to the findings of that review. There is going to be potentially a revetment wall that will be placed in that area, which will hopefully give more stability.

The CHAIR: Minister, the last six months or so have been harrowing for many across the State. As you say, we are not at business as usual and many have been rethinking. In the light of the new circumstances, economic and otherwise, following fires, floods, storms, storm surges, erosion, et cetera, taking a fresh look at things, what have you learnt relevant to your ministerial responsibilities from the last six months? How would you be changing your priorities or your focus looking forward, if at all?

Mr ANDREW CONSTANCE: I think there are a couple of things. I could not be more proud of the way in which Transport handled the bushfire crisis. Even just the informal engagement that went on between local agency staff with freight companies through to the reopening of the Kings Highway at speed. One observation I would make is in relation to our infrastructure: We do need to do more to safeguard and protect it from what we have seen. I think ultimately we cannot have this as business as usual. These fires have redefined our landscape, redefined our community, our priorities. I, through the course of that event with Mr Staples, saw some very tough decisions made to evacuate tens of thousands of people out of the region.

We were not going to be able to depend on just a single naval vessel lobbing up and getting 50,000-plus people out of the region. The staff were exceptional. We could have had people overrun by fire. We did not because of the way in which the Rural Fire Service and Transport for NSW worked together. So for me, I think there are some obvious opportunities ahead to better strengthen and support infrastructure more generally to be able to cater for these challenges in the future. We do it in a unified way. Our community does it and, you know, I think it is really important.

The CHAIR: We have spoken previously about the need to, I guess, make sure that infrastructure is climate ready in the future. In previous estimates I have asked departments about things like some of the rail lines being submerged during storm surges and the potential for them to actually go under as sea levels rise, also for bus shelters and more shade to be placed at stations, et cetera. Your department said that that is work in progress. Given now that scientists are saying that we could be looking at a 4 per cent increase in global temperatures impacting here in Australia at times, which is pretty scary, is there now consideration given to bringing forward some of those works and changing the focus on the urgency of getting that stuff done?

Mr ANDREW CONSTANCE: Yes. For instance, Transport has built one of the biggest solar farms in Australian history to offset the emissions from the metro train. That is not widely known in the community but that is fact. One of the reasons why I want to improve people's health and improve the environment is the reduction in nitrous oxide gases—gases from diesel-powered buses. The diesel fuel impact and the oxides of nitrogen [NOx] max that we are seeing produced by Transport for London and European cities, well, we are going to have to change our approach in terms of the electrification of vehicles. But it has got to be done in a way in which we allow our manufacturers to adapt and obviously the operators to adapt. That is why I have said very clearly to the agency that we do need to phase out diesel and replace it with electric.

That is what we are planning on doing but, as we are seeing in places like Amsterdam and Transport for London, we do need to set some very significant targets to the phase-out but at the same time we actually have to allow manufacturers to adapt so that they can move from producing diesel buses to electric buses. We are also going to be the beneficiaries of changes in battery technology, which is obviously part of this. Ultimately getting people onto public transport is better for the environment. We all know that. Again, ultimately, more electrification and more autonomy are part of that step forward.

The CHAIR: I want to ask you about the electric vehicle stuff. I just want to cover off though on that question I just asked. Are there any plans to bring forward the infrastructure improvements to make them more climate resilient?

Mr ANDREW CONSTANCE: Yes. That is where I am certainly moving with the bus sector. In terms of the existing infrastructure we are going to have to be very sensible about the approach and we are going to have to work through not only a more strategic ability and capability than we have before. One of the challenges we have had with our existing highways is the amount of vegetation that is alongside the roadsides. We saw that in a very stark sense with what happened at Christmas. So for me making sure that we do look very closely at how we are adapting as a transport network is important. I agree with that approach. We also do need to work in with other areas of government. There was a planning requirement in relation to the offsets as it relates to the metro train in terms of that solar farm. And there will be more of it.

The CHAIR: If we can talk about emissions and electric vehicles, I was a little alarmed at an estimates hearing on Monday to hear that Treasury had been considering ways to make electric vehicles cost more by being taxed more and there was some talk about the concessions being given to electric vehicles being somehow unfair because they do not then pay as much towards the roads, even though of course they are taking a lot of the pollution out of the air. What do you feel about those suggestions?

Mr ANDREW CONSTANCE: Having observed what is happening in countries like Norway, they are incentivising. So they are actually providing free parking and free charge points. The most prominent manufactured car in the electric space in Norway is the Volkswagen Golf. So it is not a Tesla or a Mercedes Benz—it is a Golf. My encouragement to those philosophical viewpoints amongst people would be to look at what is going on in Europe. We went and had a look firsthand. One of the key concerns that I have in relation to emissions is the impact—the health studies that we are seeing and the impact on infants and particularly the population impacts.

The CHAIR: Because there is consideration overlap between health impacts and climate impacts.

Mr ANDREW CONSTANCE: Yes, but also, I mean, London produces a nitrous oxide map because they actually have the appropriately located air monitoring stations themselves. This is something which we have not been doing traditionally. So what is to say that there is a transport corridor out west of Parramatta somewhere which is actually poisoning our community because we are running too many diesel powered buses on it. I think these are the questions we need to ask ourselves.

The CHAIR: Absolutely. And there have been a lot of calls for air pollution monitoring to be rolled out across the State. At the moment it is quite patchy. Is that something you will be calling on?

Mr ANDREW CONSTANCE: Yes, I am obviously trying to work with Mr Staples. Based on what we saw, particularly with Transport for London, it is very telling what the conservative government is doing there.

The Hon. DANIEL MOOKHEY: The mayor of London.

Mr ANDREW CONSTANCE: Yes, and the London mayor. But they are all signed up over there. They are at one.

The CHAIR: And have been for a decade.

Mr ANDREW CONSTANCE: Yes.

The CHAIR: What about the electric-powered ferries that they are using in Europe? Is there any progress?

Mr ANDREW CONSTANCE: We saw one of those in Norway.

The CHAIR: Are there any plans to—

Mr ANDREW CONSTANCE: The observation I would make is that it services the fjords around Oslo. It is probably the first in the world, I think, from memory. Again there is a lot of infrastructure that has to sit in alongside it. But again it is the type of innovations we are seeing. With all of this we are all looking in the wrong direction. We just have to make sure we look at the innovation piece.

The Hon. DANIEL MOOKHEY: Minister, I want to resume the questions we were up to.

Mr ANDREW CONSTANCE: The April 2019 document, yes.

The Hon. DANIEL MOOKHEY: Yes. It is helpful that I am fortunate to be able to ask these questions also of a former Treasurer as well. To recap, in April you understand that this cost test exceeded the forecast. In the course of the ordinary processes of government that is shared with Treasury. But it is, is it not, Treasury's responsibility to publish the budget papers and to decide what is in the budget papers? That is correct?

Mr ANDREW CONSTANCE: That is what Treasury does.

The Hon. DANIEL MOOKHEY: You would describe it as a core function, perhaps, of Treasury?

Mr ANDREW CONSTANCE: I would certainly describe it as a core function.

The Hon. DANIEL MOOKHEY: And when you were Treasurer I presume you understood that was your core function?

Mr ANDREW CONSTANCE: I undertook that core function as Treasurer, yes.

The Hon. DANIEL MOOKHEY: With that in mind, to the extent to which Transport disclosed to Treasury in the ordinary course of its day-to-day interactions that the cost had risen, it is not unfair to say that the reason for it not being flagged in last year's budget papers was a choice of the Treasury. Is that an unfair statement?

Mr ANDREW CONSTANCE: I am going to defer to the Secretary of Transport, who deals with the Secretary of Treasury every day of the week, I daresay.

Mr STAPLES: When we gave advice forward around budget it was also in the context that we were looking at a series of mitigations around that cost as well.

The Hon. DANIEL MOOKHEY: Yes, of course.

Mr STAPLES: That sort of speaks to the point about the Minister not confirming a final figure at this point in time because not only have we got the contract still in flight, we did not just do a rebaseline and say, "Well, it is what it is." We have obviously been actively working. Jon Lamonte is here this afternoon. He can talk in more detail in relation to that and the series of mitigations. So at the time of the advice of April it was really foreshadowing to government that we have a problem that we are outside of the budget envelope and we are forecasting that. We then actually went through some review and we had the independent reviews done. There was a Cabinet process behind this as well to go through. I will have to come back with the specifics on timing on that but it was done over a number of months from April.

The Hon. DANIEL MOOKHEY: Mr Staples, when you say that there were budget reviews taken circa that period of time, presumably they were the reviews that must have been undertaken under the Infrastructure Investor Assurance Framework?

Mr STAPLES: What I said was that we obviously provided advice that we are outside of the budget envelope and are now forecasting to deliver this project outside of the funding envelope, with a number of different figures to float around there depending on the different assumptions and variables. But we subsequently on that then moved into an Infrastructure NSW [INSW] review to look at the factors behind that. That is what I am saying.

The Hon. DANIEL MOOKHEY: The INSW review that you would have undertaken would also have been provided to transport, obviously Infrastructure NSW, because it is undertaken by their supervision, presumably the Premier's department because that is what they are invited to say, but also the Treasury as well. All agencies would have been involved in that process.

Mr STAPLES: And yes, that process went over a number of months from April.

The Hon. DANIEL MOOKHEY: When did it finish, by the way?

Mr STAPLES: I would have to go back and look at the specifics on that but it was a number of months before we finalised a view on the budget adjustment that could be considered by government. Obviously the difficulty for me here is that a number of these things are in a Cabinet process as well.

The Hon. DANIEL MOOKHEY: Of course. I understand that. I do not want you to breach anything that you cannot. Therefore it is not just the case that you, Minister, would have been informed purely by the advice of your secretary and your department. For that matter, it is not exclusively the case that the Treasurer would have been relying only on your information. They would have had other sources of information too. Ultimately because it is the Treasurer's responsibility to publish the budget statement, we can only infer that somehow Treasury made a decision not to publish it. That is correct?

Mr ANDREW CONSTANCE: Again, as just indicated by the secretary, we not only have the deliberations between Treasury and Transport informing our processes, Infrastructure NSW runs an investment insurance process to examine ways to mitigate against any cost escalations. But that was also happening around that very time. I want to impress upon you the importance of this in that we have a process to work against cost escalation through a mitigation process. We have ongoing contracting and ongoing building of the project because it is the biggest project that the nation has ever seen in terms of transport. Again, ultimately, particularly as you

contract and, ultimately, being in the market for operating in train systems, these are not small components of the contract and we were working through that. The other thing is that we have also incorporated a significant change in scope to the project, such as the concourse between the suburban trains and the metro trains at Central. Ultimately, as I said publicly, it is not an ideal outcome but we are still working to resolve it. Even today, we are still working to resolve it.

The Hon. DANIEL MOOKHEY: Which is encouraging and we look forward to whether or not it will be updated in this year's budget papers. Did you actually ever tell the Treasurer that it should be disclosed in last year's budget?

Mr ANDREW CONSTANCE: Again, the point out of this is that we have a process in terms of budget setting, which is a Cabinet process. We also at that time had engagement with Infrastructure NSW, and I welcomed that independent assurance function. It is important—

The Hon. DANIEL MOOKHEY: Just to be sure, at that point in time, under the machinery of government, Infrastructure NSW moved out of the transport department into the Premier's department. That took place in April last year.

Mr ANDREW CONSTANCE: That is correct but in terms of the assurance functions, one of the things that Infrastructure NSW does from time to time is to engage independent experts to do this assurance. That is an important discipline of government. Prior to the last term I was infrastructure Minister and had oversight of Infrastructure NSW.

The Hon. DANIEL MOOKHEY: You oversaw it all, yes.

Mr ANDREW CONSTANCE: I actually welcome that because it does bring a degree of discipline to agencies in terms of their management of infrastructure building and giving assurance to the Executive arm of the Government what is being undertaken across a very extensive, in our case \$97 billion four-year programs—

The Hon. JOHN GRAHAM: Minister, one of the things that we are grappling with here is, in the end, your instinct has been to be up-front. I think that is commendable. You have said, "This is where this project is." That is also quite late, given the timing you are talking about, so April to February. Was that your instinct earlier? Was there any barrier to you being up-front, as you have been? In the end, it is pretty fundamental for the public to trust that these projects are on track.

Mr ANDREW CONSTANCE: One of the things about all of this, as I have said before, is that the final price tag will be when the final contract is signed and there are 16 or 17 projects.

The Hon. JOHN GRAHAM: Sure. You have been up-front. What is the view inside Government? Have you said to others, "Why are we—

Mr ANDREW CONSTANCE: To Mr Staples' point, we have a 2019 document which indicated very significant challenges. My expectation is we mitigate as hard as we can. We are still working in a commercial environment and we do not want to allow the market to escalate prices even more.

The Hon. JOHN GRAHAM: But if you want to keep trust with the public you have to engage them in a dialogue about the costs. You have done that.

Mr ANDREW CONSTANCE: That is right but I am also a Minister who with the Premier delivered a billion dollars under budget. We did not disclose that at any point until we were 100 per cent satisfied that it was right. In terms of that consistency, we are not disclosing the fact that every State jurisdiction is having major problems with cost escalation around its projects, even the internationals. There are a number of factors at play with the construction market which need to be factored in. This is why Transport and Treasury can actually work against those factors.

The Hon. JOHN GRAHAM: You have talked about those two changes in scope. How much are those changes in scope contributing to the budget increase? What is the price of those two changes in scope?

Mr ANDREW CONSTANCE: I can get you the exact price tags of both.

The Hon. JOHN GRAHAM: Okay, on notice.

Mr ANDREW CONSTANCE: But we are in the hundreds of millions. It is not chickenfeed. It is not \$5 million or \$10 million; it is in the hundreds of millions.

The Hon. JOHN GRAHAM: There are two numbers in the public realm, the \$3 billion you have talked about and the \$4.5 billion that is in—

Mr ANDREW CONSTANCE: I actually talked about a range between—

The Hon. JOHN GRAHAM: What is the difference?

Mr ANDREW CONSTANCE: In fairness to me, I said in the two to three range. I am hoping that we can try and land it there.

The Hon. JOHN GRAHAM: There is a high number out there. What is that gap?

Mr ANDREW CONSTANCE: We are still only halfway through the building of a nine-year project.

The Hon. JOHN GRAHAM: You have made that point a number of times.

Mr ANDREW CONSTANCE: It is relevant and that is why I keep making it. Again, one of the challenges in all of this is that five years ago no-one would have predicted the escalations across projects right across Australia. I would like to point out that the Victoria Government is having major problems with this and I have spoken to Jacinta Allan about it.

The Hon. DANIEL MOOKHEY: Minister, I want to move to another subject altogether. There is news currently breaking about a collision between a vehicle and a tram on the CBD light rail. Firstly, what has happened and, equally, what is the impact on the network? Secondly, what are the safety implications?

Mr ANDREW CONSTANCE: To be honest with you, it would be inappropriate for us to appear before a budget estimates committee and respond to a real-time incident without, firstly, going out of here and making some appropriate phone calls to the people on the ground and the operator. I would prefer—

The Hon. DANIEL MOOKHEY: Okay. Mr Collins does seem to be in a position to provide us with some information but it is your choice, Minister.

Mr ANDREW CONSTANCE: As a matter of course, I think it would be inappropriate. Absolutely Mr Collins can give a response once it is checked, because without knowing the circumstances—what has caused it, whether it is driver error, whether it is the tram's fault, whatever—I would prefer that we did this properly.

The Hon. DANIEL MOOKHEY: Sure, and I would welcome any information you can provide later in the session, if it is possible, once you have had the opportunity to verify that. I understand where you are coming from, Minister, and I do not want to dwell on it. In the circa 57 days since it was opened, do we have a figure for the number of these sorts of incidents that have taken place?

Mr ANDREW CONSTANCE: Yes, we can get you the data for the incidents. One thing I will say is I do want to thank the city for responding to the campaigns we have had in place. No-one wants to see any incident on public transport. We have as much of a challenge with pedestrians on their mobile phones walking in front of buses as we do with the light rail in the city. I think that is an important point that needs to be made: The behaviour of us all with mobile phones is a major challenge across the city.

The Hon. DANIEL MOOKHEY: Of course, Minister, if we could just have the figures.

Mr ANDREW CONSTANCE: Specifically in relation to light rail and the number of incidents, we can provide an update to the Committee in terms of the latest data in this regard. We have worked over time to prepare the city in relation to the dangers with light rail.

The Hon. DANIEL MOOKHEY: Yes, and we will explore that with the agency this afternoon, as you would expect us to do. Do you have any immediate figures with you to hand right now?

Mr STAPLES: No.

Mr ANDREW CONSTANCE: No.

The Hon. DANIEL MOOKHEY: On the subject of the light rail, we are told that the Kensington section of it is due to open in March. Is that still our target?

Mr ANDREW CONSTANCE: We get to announce the final date in terms of the Kensington leg. I would indicate to you, we are roughly seeing 40,000 patrons on that.

The Hon. JOHN GRAHAM: That is not true, Minister. You told us March last time at estimates.

Mr ANDREW CONSTANCE: Yes, I understand.

The Hon. JOHN GRAHAM: So you have not answered. Is it any different?

The Hon. DANIEL MOOKHEY: Yes, that is why we are asking.

Mr ANDREW CONSTANCE: I have just said to you we have not finalised the exact date yet but I will be announcing that very soon. It is weeks, not months in terms of its opening.

The Hon. DANIEL MOOKHEY: I do understand that you will be providing information to the public before, but the reason I am asking is that it has been a matter of conjecture in this Committee and it has been a matter of conjecture in the inquiry that we undertook.

Mr ANDREW CONSTANCE: Guys, I cannot give you an exact date right now because there is still some testing going on. I am awaiting the advice from the project team as to what the exact date will be. I am hopeful that it will be in March but we are still yet to finalise the exact day. It is not going to be months and months and months. We are talking a matter of weeks.

The Hon. DANIEL MOOKHEY: That is helpful. But Acciona came before the Parliament prior to the last election and said that it had issued multiple points of advice to the department and that they thought that this would be finished by May. I am asking you, given that those are the ranges of time that are on the public record—

Mr ANDREW CONSTANCE: I am pretty confident it will be open before May.

The Hon. DANIEL MOOKHEY: I am glad to hear that. Are we looking at a date that is closer to May than March?

Mr ANDREW CONSTANCE: I do not think so. That date that we are all trying to work to is around 30 March.

The Hon. DANIEL MOOKHEY: The second last day of March.

Mr ANDREW CONSTANCE: If it is a week or two on either side of that, so be it. At the moment I am just waiting on the final date on which the operator is ready to go. That is as open and as honest as I can be in relation to that.

The Hon. DANIEL MOOKHEY: In the 57 days that the light rail has operated, how many trips on the existing route that is operating have been completed within 37 to 38 minutes?

Mr ANDREW CONSTANCE: The average time at the moment is around 40 minutes. I said when we first started the testing and then having passengers on it that it was around 50 minutes. I said that over a six-month period we would start to see improvements. This has been the ongoing subject of an industrial matter between the Rail, Tram and Bus Union and Transport. You are aware of that, I know.

The Hon. DANIEL MOOKHEY: I am not sure that I heard about that one. Sorry, I do not keep up with them all.

Mr ANDREW CONSTANCE: That is fine. But again the point out of that is that we are seeing more drivers recruited, we are seeing a drop down in time. Not everybody catches the light rail end to end. I am not sure that Jodi McKay, who did a social media appeal—

The Hon. DANIEL MOOKHEY: I have got to confess I breached your ban on me using it once.

Mr ANDREW CONSTANCE: I am going to allow you to ride it.

The Hon. DANIEL MOOKHEY: I am happy to pay you a fine. You just tell me when and how. I will do that. But when you say that the average is 40 minutes, just to unpack that a little further, what period of time are we talking about—that average—and what is the longest trip time that it can take?

Mr ANDREW CONSTANCE: I will let Mr Collins respond to that.

The Hon. DANIEL MOOKHEY: I am happy to hear from Mr Collins.

Mr COLLINS: Yes, sure. Certainly we have seen some improvements in runtime. We are seeing 40 minutes being regularly achieved. It does depend on a number of factors. As the Minister says, as we start to bed in these services, we are starting to see improvements.

The Hon. DANIEL MOOKHEY: Mr Collins, my time is limited and we will have extensive time this afternoon to unpack this, but I am just asking about the longest time that the tram has taken.

Mr COLLINS: The answer to that is if there are other factors—where services stop, obviously—it is a very long time, but, on average, when the service is operating we have seen performance around the 40-minute mark.

The Hon. DANIEL MOOKHEY: We were told that the project would cost \$1.5 billion and deliver trip times of 37 minutes. When will we be having trip times of 37 minutes? That was the original business case that was repeated multiple times by various Transport officials at multiple hearings and in public forums. I remember having this conversation with the coordinator general in Sydney at great length, and the insistence was that we will have a trip time of 37 minutes. In fact, we were told that we were paying \$1.5 billion for 37-minute trips. When are we going to get our 37-minute trip time?

Mr ANDREW CONSTANCE: Again, Daniel, as I indicated publicly, we are bedding the system down. We are getting people used to catching it. I have had 15 letters of complaint to my office—15 in relation to the speed of that.

The Hon. DANIEL MOOKHEY: You clearly did not get mine.

Mr ANDREW CONSTANCE: No, because you have not been on it yet.

The Hon. DANIEL MOOKHEY: No, I have once.

Mr ANDREW CONSTANCE: Oh you did get on it? I hope you paid.

The Hon. DANIEL MOOKHEY: It was quicker to walk at one stage.

Mr ANDREW CONSTANCE: The interesting element of the project is that we are seeing a lot of people not doing end-to-end journeys.

The Hon. DANIEL MOOKHEY: You never forecast that lots of people would do end-to-end journeys.

Mr ANDREW CONSTANCE: The fact that there is 40,000 people riding it every day and we have not fully opened it yet is proof positive that people are using it. I know that is a little bit inconvenient.

The Hon. DANIEL MOOKHEY: Minister, I was going to get to that. If it is 40,000 every day—it has a maximum utilisation rate of 324,000 every day—that does not strike me as being particularly good news.

The Hon. JOHN GRAHAM: I thought it was going to be full.

Mr ANDREW CONSTANCE: Let me put some context around it. The Northern Road out in western Sydney has 40,000 cars on it every day. The Pacific Highway in North Sydney has 40,000 cars on it every day. Guess what? The light rail from Randwick has 40,000 people on it every day.

The Hon. DANIEL MOOKHEY: If your point is that we all like public transport, I would agree with you. The only question I am asking, really, which I want to give you the opportunity to answer, is: Are we going to get our 37-minute trip time this year?

Mr ANDREW CONSTANCE: As I indicated—I mean, look, let us just give light rail a bit of a chance to bed down. Again, we have seen it drop from around 50 minutes to 40 minutes already, so that is not too bad in the first three months of operation.

The Hon. DANIEL MOOKHEY: Minister, at various points you have said in relation to other projects that the final cost will be known when it is finished. Given that we have pretty much finished, what is the final cost?

Mr ANDREW CONSTANCE: Again, as you know, I have had two months away from the role, so I am not sure we can answer that right now but I can get you the—

The Hon. DANIEL MOOKHEY: I think the last figure that you said publicly was—

Mr ANDREW CONSTANCE: One of the things, Daniel, in fairness, we have not even opened the Kingsford leg yet so, ultimately, we need to do that first.

The Hon. DANIEL MOOKHEY: Well, I would encourage you to open the leg, but the last figure that you said publicly was \$2.9 billion. Is it still \$2.9 billion?

Mr ANDREW CONSTANCE: I have not received any other advice to suggest otherwise.

Mr STAPLES: Yes, there is no change at this point in time to what we have said previously.

The Hon. DANIEL MOOKHEY: But you are confident that once the Kensington line is open you will know the final cost?

Mr ANDREW CONSTANCE: Yes.

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: And presumably you will make that public?

Mr ANDREW CONSTANCE: Yes.

The Hon. DANIEL MOOKHEY: Good, because otherwise I will have to ask you at the next estimates.

Mr ANDREW CONSTANCE: See you in six months.

The Hon. MARK BANASIAK: I have a final boating question. You made an announcement in October last year about \$28 million of funding to the NSW Boating Now program. Can you clarify whether that money has been drawn from the boating fee revenue or is that an additional set of funding that is coming from somewhere else?

Mr ANDREW CONSTANCE: We get Treasury sign-off to release those funds. I would have to go and take that away in terms of where the dollars tracked from.

The Hon. MARK BANASIAK: Sure. I will shift the focus to taxis and Uber. Former Premier Mike Baird declared Uber legal on 17 December 2015 but the legislation did not pass the House until June the following year.

Mr ANDREW CONSTANCE: Yes.

The Hon. MARK BANASIAK: What gave the Premier the authority to declare Uber legal, essentially, six months before legislation passed declaring it legal?

Mr ANDREW CONSTANCE: I think you will find in a pure legal sense that it was not until the legislation was actually enacted that Uber were no longer in breach of the passenger transport legislation. There had been a significant number of trips already taken by customers in Uber well before the change in the legislation. It had been something that had been continuing, I think, from memory, around the 2012, 2013 period, and that obviously had a major impact in terms of the confidence in the taxi industry at that time.

Now, it is without doubt the very nature of the innovation has forced the taxi industry into some very significant challenges, and they still continue today, particularly in the regions. It is for this reason that, in response to the council, in particular, that we are now moving to undertake a further review of where the industry stands and the best way to have structural adjustment for the sector moving forward, Mark. It is something that is very important for a lot of people.

The council itself is looking for a change in asset ownership in the sector altogether because of the very nature of the innovation of technologies that we are going to see over the next 10 to 15 years. It would not matter if it was in the way in which the software platforms work too in autonomous vehicles. There is going to be very big change in the taxi industry moving forward, and it is for that reason that they are looking for the establishment of the industry to be on a long-term footing and that is something which we, as a government, are very keen to support and work through with them.

The Hon. MARK BANASIAK: And you are solely relying on the NSW Taxi Council for guidance in that, given that the NSW Taxi Council has a dwindling membership and a lot of the taxi drivers are actually losing confidence in the Taxi Council's ability to represent them?

Mr ANDREW CONSTANCE: I talk to individual operators at the same time. I am very well aware of a strong group based out of the Hunter but I think everyone would have to agree that, in order to have survival of the industry, for it to be innovative—one of the key things that we have seen is, like every other transport service, there has been growth. I have had organisations within the industry demand that I put an extra 500 licences out when I gave an undertaking to hold back on the issuance of licences to, obviously, try to retain some value in those licences, given the impact that ridesharing has had.

The Hon. MARK BANASIAK: That embargo on releasing licences is soon to end—

Mr ANDREW CONSTANCE: It is up soon.

The Hon. MARK BANASIAK: —in June 2020.

Mr ANDREW CONSTANCE: Yes, it is up soon.

The Hon. MARK BANASIAK: Can you give us a preview of your intent in terms of what you will release?

Mr ANDREW CONSTANCE: No, one of the reasons I am not going to pre-empt a review into the industry is because this is where we will engage more than the NSW Taxi Council through the review process. I do not want to do anything that is going to harm the industry. It is an important industry for our economy. I am very well aware where we have seen enshrined a property right through the licence system by government over a very long period of time, which is why there is a \$250 million—a quarter of a billion—levy raised to go back into the pockets of licence plate owners who had, in essence, their lease revenue affected by the structural change that we had to put in place, courtesy of the innovation.

The Hon. MARK BANASIAK: Essentially, they had their property right—

Mr ANDREW CONSTANCE: Yes, that is why we did it.

The Hon. MARK BANASIAK: —reduced to almost nothing in some cases.

Mr ANDREW CONSTANCE: Yes, that is one of the reasons we had to, basically, put that levy in place. That has come out of the pockets of users, in fairness, so that we did not draw down on the consolidated fund of government and affect hospitals and schools and everything else. But the point out of it is that we do need to get a longer term assessment and viewpoint of industry. One of the key areas that will be a significant term of reference for that review is going to be the regional operations of taxis because they provide a social and community benefit that is different to what is provided in the city. That's fact—taxis in the bush do the additional contribution to our community not seen in the city. I am very well aware. We have tried to strip out red tape in the sector and, according to the assessments at the time, that was around \$30 million of red tape stripped out of the taxi industry when we did the reforms. I dare say that with the advent of innovation there might be more red tape we can strip out. Again, we have a very significant calling by plate owners to see a change in the asset ownership in the industry to allow it to restructure and survive. That will be examined as part of the review.

The Hon. MARK BANASIAK: Will the review consider unfreezing the taxi fares that have been frozen since 2014, given that the cost of operating those taxis has continually risen—

Mr ANDREW CONSTANCE: Well, we deregulated—

The Hon. MARK BANASIAK: But they have essentially—

Mr ANDREW CONSTANCE: In the booking market we deregulated the fares—we deregulated the booking market altogether. We protected the rank and hail market very clearly—well, we have not allowed Uber to use rank and hail.

The Hon. MARK BANASIAK: That is debatable and I will show you some images later.

Mr ANDREW CONSTANCE: The point out of it is, coming back to first principles, ultimately, it is in the hands of customers. We are there to provide safety and overview from a regulatory sense to make sure that people are safe, first and foremost. In terms of the taxi industry itself, there are significant efforts to try to innovate and develop Uber-style products. I am also very keen to see what the point to point market can do in the on-demand space as we see a merge of those sectors courtesy of the innovation in the future. Again, we are going to see shocks to the industry because of innovation and we want to make sure that our regulatory environment helps them survive.

The Hon. MARK BANASIAK: Going back to the \$250 million assistance package, it was quoted that it was to compensate owners but, in the end, they ended up being taxed. You have been vocal about your disappointment in that.

Mr ANDREW CONSTANCE: Yes, and other State jurisdictions have been, as well. The Feds have done the wrong thing.

The Hon. MARK BANASIAK: Yes, but we cannot completely blame the Feds for this because our Government labelled it as an assistance package, not a compensation package. Given that it was labelled as an assistance package, that opens itself up to taxation, so we are partly to blame as a—

Mr ANDREW CONSTANCE: Again, it depends on the individual's asset ownership. This is, again, part of the challenge. One of the things we are looking at in particular, in terms of hardship around this, is that we have to recognise that there were people who bought at the peak of the market who have been so badly stung by the changes. Some might argue that that is a decision that they made at that time and that was always a risk. But, we put in place a hardship. I do not agree with that assessment. When people are getting an enshrined property right because of a legacy issue around the structural arrangements of the taxi industry, we have to find a way to restructure out of that.

The Hon. MARK BANASIAK: Why was the process different for hire cars compared to taxis? They were exempt from the social security—they were not taxed on their compensation and the taxi owners were.

Mr ANDREW CONSTANCE: I will have to take that one on notice in terms of their treatment, specifically around their payments. Again, the hire car industry went through a process of deregulation back in 2002, from memory. There is no doubt that we are seeing a merge of all of these product offerings because of innovation, and because of the smartphone applications and the way in which data is being managed and used. That will continue.

The Hon. MARK BANASIAK: Will the review include a look into whether re-regulation is needed to bring them all under the same level playing field? We have other players coming in to the market. Despite what the Point to Point Transport Commissioner says, there is a disparity in the requirements of Uber and other rideshare compared to taxis.

Mr ANDREW CONSTANCE: I do not believe you can just—and we were the only jurisdiction in the world to do this—we did not just legalise ridesharing, we actually reformed the entire point to point market and that is still my viewpoint. We cannot do a review in isolation relative to the rest of the point to point market. We will have to look at elements of the overall point to point market.

The CHAIR: Minister, I want to ask a few questions about the Western Harbour Tunnel and Beaches Link. Picking up on our previous discussion in relation to air quality and the benefit of electric vehicles in reducing pollution, another common way around the world to reduce air pollution is through the filtering process, particularly within tunnels. Is your department committing to filtering the air stacks to the best possible worldwide standard in relation to that project?

Mr ANDREW CONSTANCE: Again, what we saw—and it was an important process to give the community comfort with this engagement with their chief scientist around air quality and, of course, also stacks. The point is that we have to defer to the chief scientist's expertise in this regard. One of the great advents of electric vehicles is that we will not need stacks, hopefully sooner rather than later. At the same time, my expectation through any assessment and independent oversight that has been provided through the work of the chief scientist is that it does guide us. I am happy to provide further information to you specifically around that, unless Mr Staples has anything further to add at this stage.

Mr STAPLES: No. Obviously, the environmental impact statement is on exhibition at the moment. Mr Regan will be here this afternoon and he can talk a bit more about the detail of the project and where we are up to in relation to that.

The CHAIR: But you acknowledge that it is a live issue and something that needs to be addressed?

Mr ANDREW CONSTANCE: It is with every tunnel.

Mr STAPLES: We do understand that.

Mr ANDREW CONSTANCE: Yes, we appreciate that.

The CHAIR: Are you aware of the high risk that the dredging of the 142,500 cubic metres of contaminated sediment as part of the project will have on the marine environment in our harbour?

Mr ANDREW CONSTANCE: Again, we are going to be subject to the environmental impact statement process, which will tease out issues around that. Again, I defer you to Mr Regan this afternoon, unless Mr Staples wants to add to it.

Mr STAPLES: As part of the environmental impact statement the impacts around that have been assessed in the statement we have put out on exhibition. The Department of Planning will ultimately assess whether our treatments, commitments and mitigations are appropriate for that. We understand the significance of the issue. I can certainly assure the Committee that we do not want environmental impact in this area, but the nature of the construction of this project does require us to go in and essentially put an immersed tube into the floor of the harbour to be able make that connection. We have obviously done this previously, back in the 1980s, for the existing road harbour tunnel, so there is precedent on how that has been done. We will work very closely through the finalisation of the planning process and then into construction we have contractors to mitigate that impact.

The CHAIR: My understanding is that because the current proposal is not to construct it as a usual sort of tunnel, but instead to dig a trench and then submerge tubes into the harbour—and that is different to what was done before—that that is why this creates a particular risk in relation to kicking up that toxic sediment.

Mr STAPLES: Can I just clarify the reference to the "usual sort of tunnel"?

The CHAIR: Sure.

Mr STAPLES: I think you need to distinguish road and rail tunnels quite substantially. The rail tunnel, which is being completed at the moment, is essentially in a cylindrical tube, which is really good for a tunnel boring machine, and that is what we have been using for that construction. For roads, a circle is not a particularly helpful configurations for putting in three or four or six lanes of road. More widely around the world, we would see immersed tube, which is essentially a concrete shell that is manufactured and then lowered in. That was similar to what was done for the existing harbour tunnel, where there was a trench dug out, the segments were made down in Wollongong and transported up by barge, they were progressively lowered and then there is a protection zone placed over the top of them. That type of construction we are talking about, in a crude sense, is the same as what we are talking about for the Western Harbour Tunnel.

The CHAIR: So basically we are going to wait and see what the environmental impact statement [EIS] comes up with.

Mr STAPLES: We have a proposal to do this. We think we can do this in a feasible way and mitigate the environmental impact. That is what is in the statement. The planning department is obviously entitled to reject that or to condition that in some way in terms of what is required of our contractors. We have clearly engaged with the contracting market already about the construction methods and so forth and the sensitivities around this. We have a level of confidence that we can manage this construction.

The CHAIR: Can I ask about transport accessibility? This is something that I have asked at previous budget estimates as well. I think where we got to last time was that not only do we not have a plan of work for how to make our transport system accessible but that the actual audit was only just being done when we last spoke. My question is: Where are we at with the process of working out what needs to be done to our network to make it fully accessible and to meet those 2022 and 2032 guidelines, and when will we be able to have, as the Auditor-General recommended, a schedule published that will let us know when stations and wharves are due to be upgraded?

Mr STAPLES: At the last Committee hearing we certainly acknowledged and supported the recommendations of the Auditor-General's report around conducting that audit. I cannot recall the exact conversation, and I am not sure that we had commenced the audit at that stage, to be honest, but I can certainly confirm that we have got that audit underway now. I do not have a specific timeframe on when that will be completed at this stage. I know the Auditor-General indicated more quickly than we thought that we could do because it is quite a complex task given the scale of the network that we have and to go through. So it is going to take some months to complete that audit.

The CHAIR: Minister, we are talking about guidelines from 2002. We are 18 years down the track and we still do not have an audit of what needs to be done to meet those deadlines on time. I know we talked about this last year and you said that you were not going to meet the 2020 target. I do not see any particular rush in the department to meet those targets. What are you doing to expedite that process?

Mr ANDREW CONSTANCE: I am proudly part of a Government that has invested \$2 billion in the Transport Access Program. I am part of a Government that is rolling out a new train network that does give full access. To your point, there are very real and very significant challenges with the legacy issues across the network. When we came to Government not even a station on the City Circle had lifts. We have had to play a significant amount of catch-up here. Ideally, if I could make the entire network accessible right now, I would absolutely do it, having been the disability Minister, because it is a human rights barrier. It is a very serious challenge. We have seen a significant increase in the number of people across the network who now have access to accessible stations in particular. In regard to bus stops, I think more work does need to be done with councils, ourselves and the operators. Every State is struggling with it and I think, to be honest with you, what we have not seen across the board from every government is a significant enough investment in this space to speed it up.

The CHAIR: No-one is saying that work has not been done and no-one is saying that it is not getting better but we still have only 44 per cent of New South Wales train stations being physically accessible. What I am hearing from the sector is that they would like some certainty so that when they are working out where they are going to work, where they are going to live, they would like to know when their relevant station is going to be upgraded, and they do not have transparency.

Mr ANDREW CONSTANCE: Yes. In fairness though, I think you will find that 90 per cent of the patronage now has access through a station. So where the work now has to be absolutely targeted is the bundling

of those smaller stations into models of work where the private sector is brought in to actually construct the access. That is important because the challenge very much lies in how we deal with those smaller stations, and typically those smaller stations are intercity-type stations, country stations, where there are smaller populations but nonetheless that still has a major impact in terms of people with disability, and I think that is the point.

The CHAIR: When will we have, as the Auditor-General recommended, a schedule of stations and wharves and when they will be upgraded?

Mr ANDREW CONSTANCE: Again, the element in this is that, for instance, to Mr Graham's point earlier in the day, we have 27,558 bus stops. Mr Graham has identified 150 of those.

The Hon. JOHN GRAHAM: Is that before or after the 150?

Mr ANDREW CONSTANCE: But of 27,000, that is pretty good.

The Hon. JOHN GRAHAM: Yes.

Mr ANDREW CONSTANCE: You have asked about 150 bus stops of 27,000. I think the key element of this is to give the disability sector, in particular, confidence moving forward that we do need to do better in terms of the comms and the likely outcomes here. But as I said, we are rolling out all the time access upgrades to stations and we update the sector as we go. I think what the Auditor-General is after, by the sounds of it, is a much longer-term view—

The CHAIR: A plan.

Mr ANDREW CONSTANCE: Yes, which I am absolutely happy to work to because I think it is the right thing to do to bring accountability, not just to me as Minister but future Ministers, and of course the department.

The Hon. JOHN GRAHAM: Chair, with your permission, I might turn to those infrastructure costs again.

The CHAIR: Yes.

The Hon. JOHN GRAHAM: I want to come back to that \$3 billion or \$4.5 billion blowout, really just to ask some questions about what it means for the rest of the infrastructure budget. There is a big blowout in this project. You say market conditions are fundamental to that.

Mr ANDREW CONSTANCE: Yes.

The Hon. JOHN GRAHAM: But this is just 12.5 per cent of what is a \$55.6 billion transport budget. What does it mean for the rest of the transport budget if this is 25 per cent, or maybe it is 34 per cent if it is the higher figure. Is that for the rest of the budget? Aren't all these other projects going to be affected by the market conditions?

Mr ANDREW CONSTANCE: We do not just make the one payment in one financial year.

The Hon. JOHN GRAHAM: Sure.

Mr ANDREW CONSTANCE: It is profiled in this case over an eight- or nine-year period.

The Hon. JOHN GRAHAM: Yes.

Mr ANDREW CONSTANCE: The bottom line is that budgets are set annually over a four-year forward estimate period. We have a 10-year capital works program to which we work and obviously, as part of that, we assess ongoing the property cycles, construction and so on. So I do not think it is going to have—

The Hon. JOHN GRAHAM: Yes, but market conditions hit this one substantially; they must be a risk to other projects. That just makes common sense, does it not?

Mr ANDREW CONSTANCE: No, because one of the things that we are trying to do is make New South Wales an incredibly attractive environment for these construction companies—

The Hon. JOHN GRAHAM: Minister, I will stop you there. Are you seriously saying that this is the only project affected by market conditions?

Mr ANDREW CONSTANCE: I did not say that. I never said that.

The Hon. JOHN GRAHAM: No. So is it a problem for other projects? It must be.

Mr ANDREW CONSTANCE: Let me give you some examples. Melbourne metro has gone from \$11 billion to \$14 billion; West Gate Tunnel in Melbourne from \$5.5 billion to \$6.7 billion—

The Hon. JOHN GRAHAM: Anywhere closer to home?

Mr ANDREW CONSTANCE: North East Link in Melbourne, \$10 billion to \$15.8 billion.

The Hon. JOHN GRAHAM: Yes, that goes to your point. To my question though, other New South Wales projects must be affected by those market conditions.

Mr ANDREW CONSTANCE: The infrastructure market across the nation is being affected.

The Hon. JOHN GRAHAM: Yes, that is just common sense. What does it mean though for that \$55 billion infrastructure budget? Will that be similarly affected? Will it be subject to the same cost increases?

Mr ANDREW CONSTANCE: Naturally. This is why we have teams of people working to mitigate against that escalation. I mean what drives cost—

The Hon. JOHN GRAHAM: That did not work for this project. Is it a concern elsewhere?

Mr ANDREW CONSTANCE: Of course it is because one of the changes that have been happening in the market is we have put out that much work we have made it a suppliers' market. That naturally would drive up the cost. We also have challenges in terms of capacity constraints, in terms of workforce, project managers, cost inputs. Look at what is happening at the moment in terms of the reliance on inputs into Australian business from China. The same goes for government.

The Hon. JOHN GRAHAM: This is my concern when I hear you say that. Does that not mean we are going to get a quarter or a third less bang for our buck out of that \$55 billion project? Are we not going to get a quarter or a third less infrastructure, given the market conditions you are describing?

Mr ANDREW CONSTANCE: Yes, but there are things that Government can do to assist. For instance, one of the cost pressures we have seen on infrastructure—and it is in the hundreds of millions of dollars—is amongst the bid teams, bid costs. We have actually been covering the bid costs through this process to try and make it attractive for people to be in competitive tenders.

The Hon. DANIEL MOOKHEY: I do recall the budget estimates hearing when you explained that. In respect of this argument about market conditions, have you received advice about any other transport project that has also had the cost overruns because of market conditions?

Mr ANDREW CONSTANCE: We did have in and around the election obviously a slowdown in issuing of contracts from the Government.

The Hon. DANIEL MOOKHEY: Have you been advised about the remaining aspects for WestConnex for instance, if they are going to come in above? Have you been advised particularly about Metro West that the market conditions argument that you have identified rightly as a national problem is going to lead to a higher forecast of cost?

Mr ANDREW CONSTANCE: We are obviously keeping a very close eye on it. This is why we had a roundtable with the Federal Government on this. It is why I am constantly talking to Jacinta Allan about these challenges. Ultimately if the market conditions change, it puts pressure on everything.

The Hon. JOHN GRAHAM: Minister, the State Infrastructure Plan [SIS], which is required under the Infrastructure NSW Act 2011, as you know, to be published each year. That is then made public, including the advice from the Government. It was not published last year as part of the budget for the first time since that requirement has been part of law. It was indicated it would be published later about the half-yearly review. That has not happened either. Are you concerned as the person spending the bulk of the infrastructure budget—

Mr ANDREW CONSTANCE: It is about 60 per cent.

The Hon. JOHN GRAHAM: Exactly. You are the key Minister spending the money. Are you concerned that the State Infrastructure Plan is not out in public? Where is it?

Mr ANDREW CONSTANCE: Again, my agency is not the appropriate one to ask about that.

The Hon. JOHN GRAHAM: Understood, but I am asking you as the transport Minister.

Mr ANDREW CONSTANCE: Infrastructure NSW has responsibility for that, Simon Draper and his agency.

The Hon. JOHN GRAHAM: Understood. You are the key Minister spending 60 per cent of the money. Does it worry you that this obligation in law has not been met, that there is no State Infrastructure Plan, no five-year plan?

Mr ANDREW CONSTANCE: As you indicated, the agency responsible can answer your questions at the appropriate estimates forum.

The Hon. JOHN GRAHAM: I am asking you as Minister are you concerned by it? You must be worried about where the money is coming from. There is not a five-year State Infrastructure Plan for the first time in the life of this Government.

Mr ANDREW CONSTANCE: We have announced—

The Hon. JOHN GRAHAM: You published it, you did the right thing.

The Hon. SHAYNE MALLARD: Let him answer the question.

Mr ANDREW CONSTANCE: One of the things that gives me confidence is our \$97 billion project, of which around 55 is transport and roads. We are just getting on with it, to be honest. We are driving jobs and we are very focused. I think it is fair to say our project managers are very aware of market conditions. We have had three different changes to the property market since we started the metro project. That affects the return.

The Hon. JOHN GRAHAM: Exactly why I am asking.

Mr ANDREW CONSTANCE: I think ultimately, in fairness to us, we are working to a four-year program as per the budget. We have indicated we are going to continue to build the mega projects which matter to the State.

The Hon. JOHN GRAHAM: Minister, you clearly must be worried about where the money is coming from. That has got to be your concern. You have been up-front about that in some forums about finding that money for the extra transport programs.

Mr ANDREW CONSTANCE: This is why the Treasurer announced—

The Hon. JOHN GRAHAM: There is literally no plan at the moment for this Government.

Mr ANDREW CONSTANCE: You are wrong because—

The Hon. JOHN GRAHAM: There is literally no five-year State Infrastructure Plan required under law.

Mr ANDREW CONSTANCE: The SIS does not drive—

The Hon. JOHN GRAHAM: It has disappeared.

Mr ANDREW CONSTANCE: The SIS does not—

The Hon. JOHN GRAHAM: That has got to be of concern to you as transport Minister?

The Hon. TAYLOR MARTIN: He is trying to answer.

Mr ANDREW CONSTANCE: No, because the SIS process does not drive the business case development and the investment decisions that are made by government. That has always been the case. We delivered a project a billion dollars under budget because of our own discipline.

The Hon. JOHN GRAHAM: There is literally no infrastructure plan.

Mr ANDREW CONSTANCE: The point that I would make is that we are back in the market, we are contracting. The Treasurer the other day even announced another fantastic recycling of capital initiative, which I know you will oppose.

The Hon. JOHN GRAHAM: We will come to that.

The Hon. DANIEL MOOKHEY: Funny you mention that, Minister.

Mr ANDREW CONSTANCE: Obviously the point is, recycling capital, we grow our asset base, we deliver the infrastructure generations ahead of time and we are going to continue to build and drive jobs.

The Hon. DANIEL MOOKHEY: On that, the Restart NSW is the fund that is meant to hold the proceeds of the asset recycling, as you describe it, as well.

Mr ANDREW CONSTANCE: Yes.

The Hon. DANIEL MOOKHEY: It is also meant to be the source of the money that will be then used to build the projects. In the last budget the—

Mr ANDREW CONSTANCE: It is not the sole source of infrastructure funding in the State.

The Hon. DANIEL MOOKHEY: I do accept that. You have had \$33.3 billion in, that is how much money has come into it since its existence, and \$24.8 billion of that has already been committed. Of that, \$8.3 billion has already been reserved, which means there is only \$200 million left to be able to pay for the infrastructure program.

Mr ANDREW CONSTANCE: You are implying that the restart fund is the sole source of funds for infrastructure. It is not.

The Hon. DANIEL MOOKHEY: Let me finish the question because I was about to give you the opportunity—

Mr ANDREW CONSTANCE: I am not the infrastructure Minister or the Treasurer.

The Hon. DANIEL MOOKHEY: I understand that.

Mr ANDREW CONSTANCE: Why are you asking me the questions?

The Hon. DANIEL MOOKHEY: There is only \$200 million left unreserved to pay for the higher project costs caused by market conditions, amongst other factors. The only other place that you know the funds could come from is the transport capital budget, which is your budget, but you get to move outside that fund.

Mr ANDREW CONSTANCE: No, that is not right.

The Hon. DANIEL MOOKHEY: What is the additional source of money that we can point to which will pay for the higher costs on the metro, as well as Metro West, as well as the northern beaches link, as well as the Western Harbour Tunnel, and for the rest of the projects that you have promised? Where is the money coming from?

Mr ANDREW CONSTANCE: It is no secret that this has been one of the most successful governments in the history of the State with infrastructure and finance. It is no secret. I am sorry, but you are now cherrypicking a source of revenue and making out that it is the sole source of financing infrastructure. For instance, have you heard of debt? Have you heard of capital raising through holding entities? Have you heard of recycling capital? Have you heard of straight out taxation?

The Hon. DANIEL MOOKHEY: Can I work through them?

Mr ANDREW CONSTANCE: These revenue sources, and the Commonwealth—it goes on and on. There are various sources in which the State Government's finances, its infrastructure, including your favourite, which is tolling—

The Hon. DANIEL MOOKHEY: You have made the point—

Mr ANDREW CONSTANCE: Please—

The Hon. DANIEL MOOKHEY: —about asset recycling. You just made the point about taxation. You have just made the point about debt, as you have identified as the key sources, which is how governments finance projects.

Mr ANDREW CONSTANCE: Private sector financing, such as tollways.

The Hon. DANIEL MOOKHEY: Yes, private sector financing as well. I am free to put that on the list. Which of these sources of finance are you planning to utilise in addition to what is already in the budget to pay for the projects? Are you going to be incurring more debt? Are you going to be looking at taxation such as value capture, which we have spoken about before? Are you intending on more asset recycling to be able to fund this? You are right in saying they are the sources of infrastructure funding. Which are the ones the transport department is recommending should be used to deliver the program?

Mr ANDREW CONSTANCE: I am sorry to burst your bubble but I am not the Treasurer and I am not the Treasury. The reality is that we proceed with business cases to Treasury. Then we get on with the contract and we build. That is my job. That is Mr Staples' job. Ultimately we have got some incredible projects we are going

to continue to build. To sit here and ask me about restart fund balances when I am no longer the Treasurer, to sit here and ask me how you might finance infrastructure—it is pretty straightforward.

The Hon. DANIEL MOOKHEY: It is a question people want answered. If you promised these projects by this point in time, where is the actual money coming from? That is the question. The best way to handle it is to, in the spirit of candour which you show and we welcome, just say, "We are planning to build the Metro West and this is where we will get the money from. We are planning to build the northern beaches link and Western Harbour Tunnel and this is where we will get the money from." They are the questions which people want answered.

Mr ANDREW CONSTANCE: We get the money from Treasury and their decisions around financing.

The Hon. JOHN GRAHAM: Let me return to a brief that comes to you that you sign off, that every roads Minister signs off once a year.

Mr ANDREW CONSTANCE: This is the bridge tolling?

The Hon. JOHN GRAHAM: Yes, the bridge toll. I do not know if you have had any chance to get some more information.

Mr ANDREW CONSTANCE: I will see if my staff has a piece of paper for me.

The Hon. JOHN GRAHAM: The reason I am asking about it is because it is a requirement of the Roads Act that RMS or Transport for NSW look at this. They have got to take into account the consumer price index [CPI]. Ultimately though, it is the Minister's call. Can you give us any information to say you have signed off at keeping this at zero? It has never gone up in your Government's lifetime.

Mr ANDREW CONSTANCE: Actually I am happy to inform the Committee that the last group of people to increase the toll on the bridge was the Labor Party in 2009.

The Hon. JOHN GRAHAM: So you are confirming that you have kept the toll increase at zero on the Harbour Bridge while it is going up 4 per cent for western Sydney motorists on WestConnex?

Mr ANDREW CONSTANCE: Oh, so that is where you are going. You are going to car space politics—west versus east. I hate to tell you this but there are a lot of people from western Sydney who use the Harbour Bridge every day to get to the city and the Central Coast.

The Hon. JOHN GRAHAM: Understood. But why has every roads Minister intervened to keep that at zero? That is what has happened over the life of this Government. You have just confirmed that it has not increased whereas tolls are going up so much in every other bit of Sydney.

Mr ANDREW CONSTANCE: I think most people would be grateful for keeping a toll under control. What we are seeing, particularly with the WestConnex project, is a move to distance-based tolling across the road network. I would remind you that it was Labor that introduced tolls for five of seven motorways in Sydney. You guys love them.

The Hon. JOHN GRAHAM: Minister, are you confirming you have signed off on one of those?

Mr ANDREW CONSTANCE: You are obsessed about tolls.

The Hon. JOHN GRAHAM: Have you signed off on one of those Transport for NSW briefs?

Mr ANDREW CONSTANCE: I wanted to go back and check what I have done in the last couple of years as the Minister. I have only just become the roads Minister since the election, okay?

The Hon. JOHN GRAHAM: I understand, yes.

Mr ANDREW CONSTANCE: So I just wanted to check that. I have been the roads Minister now for 12 months of a nine-year period. I just wanted to go back and check with my colleagues if we have done that. I can confirm for you, so hold the presses. But there has been no increase in the Sydney Harbour Bridge toll for nine years and the last people who did that was Labor.

The Hon. MARK BANASIAK: Just going back to the assistance package for the taxi industry, there was a panel set up to actually approve who got assistance. Can you explain why the panel includes a member of the NSW Taxi Council given what I have just described—that they have got a dwindling membership, that they have lost the confidence of the majority of the industry, and that the chairman confessed in a previous annual general meeting to having a conflict of interest in actually employing Uber drivers and is on the record as warning

those who do not wish to continue their membership that it would be more difficult for them when the panel was assessing their hardship?

Mr ANDREW CONSTANCE: I do not think you can dispute that the Taxi Council has been the peak body for the taxi industry over many generations and that was certainly the case when we did the reform. I am not privy to the state of play amongst participants in the industry and their views on the Taxi Council. It is not appropriate for me to comment in that regard. But back at that time there was not a complete riot over us engaging the Taxi Council to work through, in a broad, sweeping way, how we might roll out hardship. It involved Treasury, it involved Transport and it involved that peak body. If the make-up of the industry has now subsequently changed according to you, I am happy to take that on board.

The Hon. MARK BANASIAK: Considering that the chairman declared a conflict of interest in employing Uber drivers and has made those statements—

Mr ANDREW CONSTANCE: I am not privy to that meeting.

The Hon. MARK BANASIAK: It has been relayed to me. I am relaying it to you. Would you now go and review decisions made on that panel by the Taxi Council to see whether they have favoured or not favoured members or non-members of their peak association?

Mr ANDREW CONSTANCE: The hardship was designed to target licence plate owners across the board. It would not matter if you were a plate owner in, for argument's sake, Bega versus a plate owner in Sydney. It was designed to help the plate owners, not the Taxi Council. One thing that I would observe is that with the review it is ultimately designed to help the industry as a whole, including the asset owners, the operators and obviously drivers. But we cannot lose sight also that our main aim here is to deliver the best outcome for customers. We are not going to be doing anything other than trying to, as I have indicated before, have a very real focus particularly on regional areas. I think the point out of it is that I cannot deal with the machinations of the industry and who's who in the zoo. We have a Taxi Council that has existed forever and a day, and that is the peak body.

The Hon. MARK BANASIAK: Can we talk about the process for actually making the application? Why did it take 31 pages of advice material, a 26-page information kit and a set of control conditions comprising 46 requirements, including personal information of not only the taxi owner but also the household members?

Mr ANDREW CONSTANCE: That sounds like bureaucracy gone mad, actually, and I am experiencing it with bushfires.

The Hon. MARK BANASIAK: It is. So what was the delay in getting this conversation out to the people? Was it because of this? Was it because of poor design or incompetence?

Mr ANDREW CONSTANCE: I cannot give you the exact dates of the conversation but I do recall having discussions with the deputy secretary at the time about the very point that you are raising. It is absurd. Again the point out of this is that the review is going to look at the state of play and at the level of hardship that does exist across the industry. But we also must remember that we are dealing with people who have made a contribution out of their own pocket towards industry players through the levy. It is in essence a user pays levy.

The Hon. MARK BANASIAK: Do you plan on keeping the levy?

Mr ANDREW CONSTANCE: It is interesting; the industry wants me to keep the levy and raise \$1 billion plus.

The Hon. MARK BANASIAK: How much has been raised so far? The point to point commissioner could not give me a straight answer last time.

Mr ANDREW CONSTANCE: That is alright. I can get you the most up-to-date numbers in terms of what has been raised and what has gone out, if that is what you are after.

The Hon. MARK BANASIAK: Was there any money there in 2017? There was a meeting with taxi owners with Commissioner Barbara Wise and she stated that no-one was actually ever going to be paid on time because there was no money being allocated in the budget for it.

Mr ANDREW CONSTANCE: I am not privy to that meeting.

The Hon. MARK BANASIAK: Well, neither was I. Was there money allocated in the budget and then the levy would come underneath and replace that money that was expended?

Mr ANDREW CONSTANCE: Look, put it this way—do not quote me on this. If I remember correctly we actually put tens of millions of dollars out in the first place as we were collecting the levy. We made a first instalment of around \$20,000 per plate up to a maximum of two plates and I think from memory it was around that \$91 million to \$96 million amount. I can get you all of that breakdown but the point out of it is that we ultimately are trying to help the industry get through this. That is the end aim. No system is perfect in this regard but we want to try and help people. That is why we put up the hardship panel separate to that initial instalment that was made.

The CHAIR: Minister, are you aware that workers employed by Redflex, which is a contractor to the New South Wales RMS, have been terminated after refusing to sign an agreement that would transfer their employment from permanent to a day-by-day casual basis?

Mr ANDREW CONSTANCE: I am not aware of that individual circumstance. It does not mean my office or the department is not, but I will ask Mr Staples.

The CHAIR: Is the department aware, Mr Staples?

Mr STAPLES: I am happy to have a look at what that is. You said Redflex?

The CHAIR: This is Redflex.

Mr STAPLES: Have you got any more details on that contract, just to help?

The CHAIR: It is in relation to mobile speed camera operators. I understand there are 140 of them and they were asked to—basically although they had three years still to run on their employment contracts they were asked to sign new agreements to say that they would become casual, or they would lose their jobs.

Mr STAPLES: Just to clarify, these are not employees of Transport for NSW?

The CHAIR: These were employees of Redflex, which is a contractor to the New South Wales RMS.

Mr STAPLES: We can have a look at that, but that is not a matter for Transport as such because we have got a contract with them to deliver a service.

The CHAIR: Sure, but if one of RMS's contractors is breaching legally binding agreements with employees, is that something that you would consider and take issue with?

Mr STAPLES: Our expectation is that all of our suppliers meet their legal obligations in terms of employment arrangements.

The CHAIR: And what would be the consequence if they were found not to have been?

Mr STAPLES: It would depend on the particular circumstance. I would not want to speculate on that. If there is a position here that you think that they are breaching the law, we would certainly have a look at that. That is not something I am going to be able to respond to you within a matter of hours on, but I am certainly happy to undertake and see whether or not we can see anything in it.

Mr ANDREW CONSTANCE: I am happy to at any time in a private circumstance facilitate that if you have those concerns, in fairness to the employees, the company and even the agency. I think ultimately my door is open for those things to be looked at rather than in a public hearing.

The CHAIR: Now that you are on notice of it, given your commitment to have a look, that would be great.

Mr ANDREW CONSTANCE: Yes.

The CHAIR: How often does the Newcastle Light Rail service break down?

Mr ANDREW CONSTANCE: Who is best to answer that?

Mr STAPLES: It is me, but I do not have the details on the number of incidents. I am happy to take it on notice and provide you a summary of the incidents we have had.

The CHAIR: That would be good. Are there any plans to extend that service, for example, to Callaghan?

Mr ANDREW CONSTANCE: Not at this stage. One of the things that we gave an undertaking to do is to look at how you would grow the network in Newcastle. But I would remind everybody that it was the local member there who spent his entire life trying to stop the project. Now he is spending his entire life trying to get it expanded, so I am very confused about Tim.

The Hon. SHAYNE MALLARD: The Greens opposed it too.

The CHAIR: I am just asking questions, Mr Mallard, not making judgements.

The Hon. SHAYNE MALLARD: Earlier you opposed it, the Australian Labor Party opposed it and now you want to expand it.

The CHAIR: I am asking questions.

Mr ANDREW CONSTANCE: That is okay. In fairness, the point is that into the future it is a project that has the capacity and ability to expand because the community loves light rail in Newcastle. We have seen that. We have seen an extraordinary usage of it. It has come at a time where the city has got its mojo. It is very pleasing to see.

The CHAIR: Minister, will you also take on notice the patronage numbers for the light rail service monthly since opening?

Mr ANDREW CONSTANCE: Yes. It is pretty good I think.

Mr STAPLES: I can confirm that up until the end of January we have carried 1.197 million passengers since opening in February 2019.

Mr ANDREW CONSTANCE: There you go. That's not bad. I will take that.

The CHAIR: I actually engaged in a light rail pub crawl in Newcastle and it was very interesting.

Mr ANDREW CONSTANCE: I hope you tapped on and tapped off at every station.

The CHAIR: That is exactly what we did.

Mr ANDREW CONSTANCE: You would have had to finish your beers pretty quickly, within the hour. Mind you, it is good value for money I feel.

The Hon. SHAYNE MALLARD: Not for the light rail.

Mr ANDREW CONSTANCE: Because of the transfer discounts.

The CHAIR: Back onto more serious things.

Mr ANDREW CONSTANCE: I glad you had a plan B—as advertised on the transport network.

The CHAIR: On a more serious matter, looking at some reports from January this year in relation to positions being advertised by Transport for NSW in relation to public relations and communications staffers, it was reported that those positions were worth around \$1.8 million. What will the new communications and PR staff do?

Mr STAPLES: The recruitment you refer to is part of a broader transformation program that we have been running through in Transport for NSW, known internally as Evolving Transport. So the genesis of this goes back to April last year when the Government announced that within the Transport cluster we would be bringing Transport for NSW and Roads and Maritime together, and moving forward with a new operating model. That whole operating model is premised around really shifting the overall customer focus within the organisation with a real balance between Sydney and regional New South Wales and moving away from a road-based approach to much more end-to-end journey approach.

Within all of that, we have done a major review and engagement with our workforce over a period of nine months looking at the way that we should organise ourselves at a strategic level and then getting down to the next level in terms of being organised to manage that new delivery. Within that, a component is public affairs. But I can move across the organisation into safety, environment, regulatory areas, transport planning—

The CHAIR: But why the increase in those positions, in particular?

Mr STAPLES: It is not an increase.

The CHAIR: Were these re-hires?

Mr STAPLES: There has been a substantial restructure in the organisation to align with instead of having a mode-based approach to delivery of service but end-to-end journey based approach. So instead of having one of those roles for roads, one of those roles for buses, we are talking about having an integrated approach to the delivery of our services going forward. So I think characterising it specifically to the public affairs, I think the

point I am trying to make is that this is part of much broader change program. I think to single that out confuses the fact—

The Hon. JOHN GRAHAM: Mr Staples, we might come back to that with the agency this afternoon.

The CHAIR: Yes, I think we will.

The Hon. DANIEL MOOKHEY: Minister, I want to talk about the decision to demolish the cycling and pedestrian overpass over Victoria Road. That is one of busiest, if not the busiest, cycling routes into the city. The demolition is taking place so I want to talk about the diversions. Why are safe diversions of pedestrians and cyclists not being put in place before the demolition of the cycling overpass and closure of the shared path onto the Anzac Bridge?

Mr ANDREW CONSTANCE: This is to do with the Rozelle Interchange?

The Hon. DANIEL MOOKHEY: Yes.

Mr ANDREW CONSTANCE: Importantly, just with full disclosure for the Committee's benefit, my younger brother lives in one of the streets adjoining the Rozelle interchange so I made that declaration to the Department of Premier and Cabinet and have ensured that I am at arm's length from the Rozelle Interchange, which means that Minister Toole responds to questions in that regard. That said though, Mr Staples and the agency can respond to your questions specifically in relation to that. I just wanted to disclose that to the Committee.

Mr STAPLES: This—

The Hon. DANIEL MOOKHEY: Sorry, before you do, Mr Staples—Minister, you say that you made that declaration and responsibility transferred to Minister Toole. When did that happen?

Mr ANDREW CONSTANCE: Last year, I think.

The Hon. DANIEL MOOKHEY: Towards the end of last year?

Mr ANDREW CONSTANCE: No, no. I can find out the dates when I sought that advice.

The Hon. DANIEL MOOKHEY: Minister Toole has been responsible for stage 3B of WestConnex since that point in time—the entirety of the stage?

Mr ANDREW CONSTANCE: Yes. Obviously, as with any pecuniary interest or declaration, I have done the right thing.

The Hon. JOHN GRAHAM: Yes, we just want to understand the gap. I do not think that has been publicly known until you have just told us now.

Mr ANDREW CONSTANCE: Yes. I obviously have not been involved in meetings, doing the right thing. But the agency was made aware of that.

The Hon. JOHN GRAHAM: Nor has Minister Toole been involved in meetings.

Mr ANDREW CONSTANCE: I cannot speak to that.

The Hon. JOHN GRAHAM: I can tell you he has not been seen around Rozelle.

Mr ANDREW CONSTANCE: It is a big project. I am happy to take questions, or through the agency, in relation to it.

The Hon. DANIEL MOOKHEY: Mr Staples, why were safe diversions for pedestrians and cyclists not put in place before the demolition of the overpass and the closure of the path onto the Anzac Bridge?

Mr STAPLES: We have been actively engaged with the community. I will ask Ms Mildwater to talk specifically about where we are up to in that engagement. We certainly recognise the importance of cycling generally, and specifically in this area. It is a high-use area. We are very sensitive to that so we have been working pretty closely about what we can do for the duration of the construction before we move into, obviously, the long-term end state. I will ask Ms Mildwater to talk to that.

The Hon. DANIEL MOOKHEY: Just very quickly, we will have the time to explore this matter in the afternoon as well.

Ms MILDWATER: Sorry?

The Hon. DANIEL MOOKHEY: I do not want to shorten your time unduly—

The Hon. JOHN GRAHAM: Given the Minister's answer, we might be better coming back in the agency session.

The Hon. DANIEL MOOKHEY: Is it the case that, in respect of the diversions which are currently in place for cyclists, trucks are able to use those routes too?

Ms MILDWATER: I think you are referring to the area around James Craig Road and Sommerville Road?

The Hon. DANIEL MOOKHEY: Yes.

Ms MILDWATER: While there are trucks there, we have put in place widened cycle paths for the cyclists to stay separated and also traffic control to keep the trucks and cyclists separated.

The Hon. DANIEL MOOKHEY: Can I quickly ask: How is that being enforced? Because I am looking at pictures of those shared pathways and certainly the one-metre passing rule is not being observed and cyclists are within centimetres of these trucks. If we allow trucks to pass through how are we enforcing the one-metre passing rule and all the other safety measures to ensure that cyclists are being protected?

Ms MILDWATER: Several of us, including me, have been down on site a couple of times over the past week, and my staff, looking at this route to try to increase the safety measures. We had people there yesterday and today. I will take that feedback now and get some immediate people looking at it, but we have been, as I say, very focused on this in the lead-up.

The Hon. JOHN GRAHAM: We might come back on that point. If you can give us any more information later and we will have a couple more questions for you on that. Minister, I turn to another issue for which you are responsible in relation to charges by stevedores at Port Botany. Last December, on 12 December, you said publicly, "It will be completely unacceptable for stevedores to increase their infrastructure levies any time soon." But they pressed ahead and did it anyway.

Mr ANDREW CONSTANCE: This is very disappointing.

The Hon. JOHN GRAHAM: On 1 January 43 per cent up—DP World. Patrick has increased its charges.

Mr ANDREW CONSTANCE: Yes.

The Hon. JOHN GRAHAM: It could be 54 per cent—47 per cent. They did that at the start of this week. That has been described as a snub to you. What are you going to do about it?

Mr ANDREW CONSTANCE: Who described it as a snub?

The Hon. JOHN GRAHAM: It has been described in a number of newspaper articles as a snub. You said this and they have just gone ahead.

The Hon. DANIEL MOOKHEY: If it helps, I will say it is a snub.

The Hon. JOHN GRAHAM: What are you going to do about it?

Mr ANDREW CONSTANCE: What is interesting about this is that the Victorian Government is wrestling with the same problem. What angers me the most about it is that it is a levy that is designed to be for infrastructure. The worst thing about it is that it flows through the supply chain almost to the farm gate. We have had substantial drought.

The Hon. JOHN GRAHAM: It does flow to the farm gate.

Mr ANDREW CONSTANCE: These people need to back off. These people do need to back off. Now that I am back as Minister after the fires, I am going to go back and have a long and hard look at what these people are doing because it is unfair. An infrastructure levy should be absolutely hypothecated directly into the infrastructure and there should be accountability around it. I can actually look at—

The Hon. JOHN GRAHAM: Minister, I agree with where you are heading. But you—

Mr ANDREW CONSTANCE: No, this is an important point. I have asked the Productivity Commissioner to have a look at this. If I can—

The Hon. JOHN GRAHAM: But you did that before they increased the charges. They knew that.

Mr ANDREW CONSTANCE: That is right, but there is also—as I said, we are not only just looking at it here but we are also looking at what the Victorian Government is doing in this regard.

The Hon. JOHN GRAHAM: But unlike the Victorians, you have powers to intervene here. We are saying to you: Why not use those powers?

Mr ANDREW CONSTANCE: They have just invited me to consider using them.

The Hon. JOHN GRAHAM: You could intervene directly.

Mr ANDREW CONSTANCE: In fairness to me—

The Hon. JOHN GRAHAM: Will you do that?

Mr ANDREW CONSTANCE: I am not going to give a direct answer to that right now but I do have that ability and I will be looking at it.

The Hon. JOHN GRAHAM: I would encourage you to do that.

Mr ANDREW CONSTANCE: As I said, this is a live issue right now. But thank you for raising the concern because I share it with you.

The Hon. JOHN GRAHAM: I agree.

The Hon. DANIEL MOOKHEY: Minister, I think the last time we had the opportunity to have a discussion about stage two of Parramatta Light Rail—

Mr ANDREW CONSTANCE: You love this project.

The Hon. DANIEL MOOKHEY: I do—I am a Parramatta boy.

Mr ANDREW CONSTANCE: I will have to ban you from it.

The Hon. DANIEL MOOKHEY: You said you would go away and study the options that were available. I think you implied that you would personally do that in the last estimates round.

Mr ANDREW CONSTANCE: Personally study it.

The Hon. DANIEL MOOKHEY: I presume you will; you are a man of your word. Where are we up to in the decision to proceed to Parramatta Light Rail stage two? When can we expect the construction on that stage to commence?

Mr ANDREW CONSTANCE: One of the first things that is important is obviously a river crossing between Wentworth Point and the northern side of the river. The other thing that I indicated that I am going to take a very serious look at is actually the use of trackless trams. It might sound crazy but even Liverpool City Council is now looking very closely at this technology.

The Hon. DANIEL MOOKHEY: I do not think it is crazy, Minister.

Mr ANDREW CONSTANCE: That is good.

The Hon. DANIEL MOOKHEY: Do you think it is crazy? Well, okay.

Mr ANDREW CONSTANCE: No, I said you might think it is crazy.

The Hon. DANIEL MOOKHEY: No I do not, for what it is worth, think it is crazy. But you said the last time we had this conversation that you are going to go off and look at the trackless tram option. Do we have any further news about where you are up to in your deliberations on that? Can you confirm that stage two will be built?

Mr ANDREW CONSTANCE: As I indicated to you, we are going to look at an innovative way to deal with this project. We are building stage one right now. It is under construction.

The Hon. DANIEL MOOKHEY: I know.

Mr ANDREW CONSTANCE: One of the key elements to this is that you will have the tunnel boring machines for Metro West back on the ground before the next election. We have Metro West. We have a bridge that we are going to get on and build. We have a close look at a mass transit solution, which might require a much better way to build it, as opposed to obviously the intensive intrusion of utilities by not laying rail tracks but looking at trackless trams.

The Hon. DANIEL MOOKHEY: You went to the last election saying that Parramatta will get stage two of the light rail.

Mr ANDREW CONSTANCE: My answers have not changed since the last budget estimates hearing in this regard.

The Hon. DANIEL MOOKHEY: At the last budget estimates round, you are not in a position to confirm that stage two light rail would proceed. That took place six months after the election. I want to give you the opportunity now to confirm that that election commitment stands and that Parramatta Light Rail stage two as described in the election will proceed.

Mr ANDREW CONSTANCE: What I have indicated since the election and at the last budget estimates hearing, I am confirming again today. We are going to go and have a look at the innovation. Either way, there needs to be a mass transit solution found along the corridor from stage one through to the Olympics site. That is exactly what we are going to go and do. I cannot be any more up-front.

The Hon. JOHN GRAHAM: Minister, I will turn to one other issue. People driving caravans over summer got a surprise, particularly on the M2 and the M7, expecting to be charged \$16 on the toll and instead being charged something like \$47 or \$48.

Mr ANDREW CONSTANCE: Same as a B-double.

The Hon. JOHN GRAHAM: Same as a B-double. This is a real concern to those caravaners. What are you doing about this?

Mr ANDREW CONSTANCE: First of all, I have asked for an assessment as to how many caravans we are talking about. We can look at classifications of those vehicles. It is very disappointing that Transurban went down this path. I think now obviously they have changed the technology to be able to toll vehicles. I do not believe a 12.5-metre caravan should be treated like a B-double, quite frankly.

The Hon. JOHN GRAHAM: Again, I agree with that.

Mr ANDREW CONSTANCE: They very quickly put this charge on and then they backed out of it, getting a reprieve at my very strong urging. My expectation is that we have to find a way around this because I do not believe we are talking about a large number of vehicles. But I tell you what, it has had an almighty kick amongst particularly our seniors community.

The Hon. JOHN GRAHAM: Yes, they are very concerned.

Mr ANDREW CONSTANCE: Yes.

The Hon. JOHN GRAHAM: I thank you for that response.

Mr ANDREW CONSTANCE: There is no solution to it just yet but I am working on it.

The Hon. JOHN GRAHAM: Thanks for that response. I was interested in your comments about air quality before. I thought there were some thoughtful responses. I can think of one road project that is causing a whole lot of air quality problems and that is Parramatta Road running without the public transport options that were a planning condition requirement. When is that going to happen? Where is Parramatta Road up to?

Mr ANDREW CONSTANCE: One of the things that we need to look at is, I think, one of the most successful projects we have had in the city's history: the B-Line Bus service through the northern beaches. The reason is that it has standalone B-Line bus stops with all the innovation and information; it is an express service, so it does not stop at every bus stop; and you have feed-in services. I dare say that for Parramatta Road and Victoria Road, these types of options need to be factored into our development. It is being worked on. There is no doubt—

The Hon. JOHN GRAHAM: When are you thinking about it? That M4 tunnel environmental impact statement—if you are worried about air quality—

Mr ANDREW CONSTANCE: That is also a planning condition for WestConnex.

The Hon. JOHN GRAHAM: Yes, it is a planning condition, but that EIS assumed public transport. There is no public transport. When will it happen?

Mr ANDREW CONSTANCE: First of all, as part of this—and we still are building WestConnex and the M4 and M5 link is now well and truly underway—

The Hon. JOHN GRAHAM: Yes, but I am talking about that first stage. The EIS said air quality will be better because there will be public transport.

Mr ANDREW CONSTANCE: That is right.

The Hon. JOHN GRAHAM: There is no public transport. When will it be there?

Mr ANDREW CONSTANCE: As I said, part of the planning conditions is for us to provide a mass transit solution down Parramatta Road. When the road capacity, particularly, becomes available with the opening of the M4-M5 Link, I dare say that will make it easier. As I indicated to you, one of the best ways we can do that is through bus rapid transit B-Line-style services. That is what is part of that process. Do not get me wrong: I share the concerns about air quality.

The Hon. MARK BANASIAK: Going back to the levy, you said you would take some of these details on notice. Can you also take on notice how many tips have been taken since the levy was introduced?

Mr ANDREW CONSTANCE: Sure, if we have access to that information. It depends on it.

The Hon. MARK BANASIAK: If you do, and if you could do a breakdown in terms of how much of it is coming from taxes and how much of it is coming from rideshare.

Mr ANDREW CONSTANCE: Yes, but I would need to check in with the Point to Point Transport Commissioner as to what available information we have in that regard before—

The Hon. MARK BANASIAK: Revenue NSW gave evidence in the budget estimates that you would hit the \$250 million by June 2021. Do you endeavour to make a decision about the continuation before that?

Mr ANDREW CONSTANCE: Again, Mr Banasiak, this is why we are doing the review process. We need to have a look at what the state is like.

The Hon. MARK BANASIAK: We spoke about rank and hail and you said that rank and hail is protected. You have got Bondi Junction shopping centre setting up rank and hail for Uber. You have got the Sydney Airport doing the same. The taxi industry was on the verge of striking at the airport the other week.

Mr ANDREW CONSTANCE: That is pick-up and drop-off stops. One thing you have to remember is that rank and hail—

The Hon. MARK BANASIAK: That looks like—

Mr ANDREW CONSTANCE: Sorry, Mr Banasiak, I just want to be clear: If that is a rank and hail, that is against the law.

The Hon. MARK BANASIAK: I think we are playing semantics. Pick-up and drop-off, essentially that is what rank and hail is—you sit there and you wait for someone to come in. I think we are playing semantics with rank and hail and pick-up and drop-off.

Mr ANDREW CONSTANCE: No, because one of the requirements under the legislation is that the technology provides security for customers. Rank and hail is, in essence, an anonymous pick-up in a clearly identified taxi at a rank. One of the things about ridesharing is that the information caught in ordering the service is the driver, the passenger, the method of payment, and that gives security and surety if something were to go wrong that the authorities can get real-time information and identify problems.

The Hon. MARK BANASIAK: Will you investigate—

Mr ANDREW CONSTANCE: Yes, I am happy to go and have a look at that because very clearly, and it was stipulated at the time by me, rank and hail is the purview of the taxi industry because it is critical, absolutely critical, that we protect the community, and that is where ultimately the smart phone application comes in and the requirements to make sure that their drivers have the appropriate accreditation, particularly when it comes to criminal record checks and the like.

The Hon. MARK BANASIAK: Will you investigate Manly council, who have set up rank and hail ranks, and it specifically says rideshare—I have seen it with my own eyes when I have been down there; it says "rideshare ramp"?

Mr STAPLES: These are matters that can be referred to the Point to Point Commissioner. He is here this afternoon. So I think if you want to explore the means by which we are looking to enforce those things I think he can give you some more information on what we are doing, and any items that you have got for him to look at he will be able to take on and look at.

The Hon. MARK BANASIAK: Sure. Minister, you announced earlier on this year that Transport for NSW is partnering with Uber. There is a lovely photo of you there.

Mr ANDREW CONSTANCE: Someone has used my photo, obviously. I do not know what that document is. This is what happens when you are a Minister, your photo gets used.

The Hon. MARK BANASIAK: It is just an article that you are essentially partnering with Uber and you are incorporating Uber into, I guess, your app.

Mr ANDREW CONSTANCE: That is quite interesting. What Uber were doing is they were promoting the fact that it might be quicker to catch public transport as opposed to using an Uber, and that excites me because more people using public transport is good and the more people that can get across the city quickly the better. Here was a ridesharing app actually promoting the use of public transport, so naturally I would back it. I do not think there is any other point to oppose doing that at this stage. If the taxi industry says go to public transport I am going to partner with them too.

The Hon. MARK BANASIAK: That is what I was going to ask. Has the taxi industry made that approach?

Mr ANDREW CONSTANCE: Not that I am aware of.

The Hon. MARK BANASIAK: Why is there no taxi information on the Trip Planner website? There is a lot about ferries and trains. It just seems that taxis are the missing link.

Mr ANDREW CONSTANCE: I think there is.

The Hon. MARK BANASIAK: I just had a quick look and I could not see it. It might have been a bit of a man-scan by me.

Mr ANDREW CONSTANCE: We will double-check that and come back to you, but I think there might be.

The Hon. MARK BANASIAK: No worries. The blood alcohol limit for public transport licence holders is 0.02, correct? Bus drivers, ferry drivers, taxi drivers et cetera?

Mr STAPLES: I believe so. You are talking about motor vehicles now, not trains?

The Hon. MARK BANASIAK: Trains as well.

Mr ANDREW CONSTANCE: Zero.

The Hon. MARK BANASIAK: Trains are zero?

Mr STAPLES: Yes.

The Hon. MARK BANASIAK: Why are Uber allowed to operate on 0.05 then?

Mr ANDREW CONSTANCE: You might have found an anomaly in the Act, which we can go and have a look at. But, again, the point that I would make in relation to this and the very nature of the innovation and the shared economy is that there is a merging of private citizen being a sole operator relying on a software platform to provide a service. To your point, level playing fields incorporate everything. So I am happy to go and have a look at that one.

Mr STAPLES: We will clarify that this afternoon.

The Hon. MARK BANASIAK: Industry prefers a level working environment.

The CHAIR: In the remaining time I have got a couple of questions. The first one is in relation to the Sydney Metro. Once it begins operation will there be cuts to the train services at St Peters or Erskineville train stations?

Mr ANDREW CONSTANCE: No. We are growing services across the board. We are expending well in excess of \$4 billion on the existing train network to build up its resilience and deliver more services. We are procuring another 17 Waratah trains to drive more services.

The CHAIR: So no cuts. Will the services be altered?

Mr STAPLES: Necessarily they will be because currently those stations are serviced by trains that run from the Bankstown line and they will be replaced. The Bankstown line services will be replaced by metro. So what we will look to do is utilise other services that pass through St Peters and Erskineville to service those

stations. We have certainly been on the record around continuing to service those stations, but the details of those will be subject to detailed timetables that are much closer to the opening in 2024.

The CHAIR: So residents will be notified about those changes closer to the time?

Mr STAPLES: Yes, but to be clear, those stations will continue to be serviced by Sydney train services.

The CHAIR: That is guaranteed? There is not going to be a cut of the train services?

Mr STAPLES: No. The detail of what you refer to as a cut, I think we will work through the detail of the timetable. Mr Collins could potentially expand a bit more on that, but we have got to work through the detail of what the timetable looks like. But absolutely those stations will continue to be serviced.

The CHAIR: Can I ask you about the Glebe ferry service? There has been some concern that the Government has not been doing enough to promote that service and ensure that the community is taking it up. Why has the service not been timetabled?

Mr STAPLES: I might ask Ms Mildwater to give you a bit of information on that.

Ms MILDWATER: I think you are referring to the on-demand service.

The CHAIR: I think at the moment there is an on-demand service and the question is why is it not a timetabled service?

Ms MILDWATER: The reason we run on-demand to start with is to see what the demand is and to see how the service runs. It is quite possible that whatever service has a very high demand during an on-demand trial we might move to a timetable, but we are still in the trial of the on-demand phase and seeing what demand looks like from the different wharves.

The CHAIR: When will that trial end?

Ms MILDWATER: It was originally a six-month trial. We are up to about four months now and we are reviewing it and considering what to do because we might make some changes to the wharves or extend the period or make other changes. So we are at that review point now, but it was originally six months and we are just considering that now.

The CHAIR: And is the intention to integrate that service with the Opal network?

Ms MILDWATER: That is one of the things that we are also looking at with the on-demand trials because we have found a difference between whether they are properly integrated or not. So that is something we are actively looking at at the moment, it is to do with the technology.

The CHAIR: And are you able to release the targets that you have set internally for whether you would keep the service operational?

Ms MILDWATER: I do not know that we have. Like with all of our on-demand services, there is not necessarily hard targets. There is a whole lot of different things we experiment with—patronage is obviously important—but there are other things that we experiment with along the way, such as the Opal service, the fares, the interchanges, which wharves. I do not think we actually have individual hard targets for that, but having said that, we are reviewing it at the moment, and what we do is we look at whether if we have adjusted any of those factors it might actually improve patronage or whether we should use additional wharves, that sort of thing, journey times, all of that.

The CHAIR: Is the intention to extend it to Rozelle Bay?

Ms MILDWATER: That is one of the things we are looking at as well. We are quite actively looking at whether that wharf should be added.

The CHAIR: Just finally, Minister, I wanted to give you a chance to clarify something which keeps coming into my inbox.

Mr ANDREW CONSTANCE: I am not in your inbox.

The CHAIR: In relation to the southwest metro, there has been a lot of speculation, particularly during our inquiry into the conversion, in relation to this video that was produced for the locals for southwest metro and some implication that you were denying that you were in the video. Could you clarify for us today whether or not you were involved in making a video for locals for the metro southwest?

Mr ANDREW CONSTANCE: I was just checking with my chief of staff. Apparently I got invited to some meeting I could not attend and the video went though. I am happy to go back and have a look at it. I do not understand why you are asking me about a video though.

The CHAIR: I am giving you the chance to clarify.

Mr ANDREW CONSTANCE: To be honest with you, I am involved in a lot of stuff in this role and I will go back and have a look at it. So put it on notice and I will clarify it through that.

The CHAIR: Because your office has previously claimed that the video did not exist.

Mr ANDREW CONSTANCE: That is why I am just asking you. I do not even know which video. It is like the documents the guys were asking me about before.

The CHAIR: Yes. There are also emails from your office showing—

Mr ANDREW CONSTANCE: Are they in your inbox? How did my emails get to your inbox?

The Hon. DANIEL MOOKHEY: Russia.

Mr ANDREW CONSTANCE: Russia? Well, it is The Greens.

The CHAIR: —emails in relation to a request from metro southwest asking you for a video.

Mr ANDREW CONSTANCE: Let me go and check it.

The CHAIR: If you could take on notice whether you were involved.

Mr ANDREW CONSTANCE: Yes, I will take it on notice. I do not even know what you are talking about but I will go and have a look at it and come back to you.

The CHAIR: Also whether your office expended any money in relation to the production of the video as well.

Mr ANDREW CONSTANCE: So you want to know if I was paid to produce a video?

The CHAIR: Whether you were paid for it or whether you actually incurred a cost in producing it.

Mr ANDREW CONSTANCE: Okay. I have no idea.

The Hon. JOHN GRAHAM: Were you paid to be in the video?

The Hon. MARK BANASIAK: Are you running ads on the metro light rail?

Mr ANDREW CONSTANCE: I might have just done a selfie for all I know.

The CHAIR: Well, if we can clarify that, that will be a nice ending to the morning session.

Mr ANDREW CONSTANCE: Am I able to give an updated answer, just to help?

The CHAIR: Yes.

Mr ANDREW CONSTANCE: I may be able to give an updated answer, if that is possible. This is in relation to the Sydney Harbour Bridge. I was asked about a briefing note that I might or might not have signed. Under section 215 of the Roads Act the agency has the power to fix the amount of road tolls on the Sydney Harbour Bridge. It is the power of the agency, not the Minister. I am advised by Transport for NSW that no briefing notes appear to have been submitted to my office since I became the roads Minister requesting me to sign a minute to Executive Council to endorse an order regarding the fixing of the road tolls for the Sydney Harbour Bridge. The gazette does make it clear that this is a matter for the agency, not the Minister. So I hope that helps you, John.

The Hon. JOHN GRAHAM: It does. Just to be clear though, I was not asking about a brief that would go to the Executive Council. I was asking about a brief—

Mr ANDREW CONSTANCE: Brief to me?

The Hon. JOHN GRAHAM: Yes.

Mr ANDREW CONSTANCE: I am not aware of one.

The Hon. JOHN GRAHAM: I accept precisely your answer, although I just want to make the point it is not precisely to the point.

Mr ANDREW CONSTANCE: I can triple check but I am not aware of any briefing notes and neither is my office at this stage.

The Hon. JOHN GRAHAM: Thank you.

The CHAIR: That brings us the end of this morning's session. Thank you, Minister, for attending the hearing. The Committee is now finished with your questioning.

Mr ANDREW CONSTANCE: Thanks.

The CHAIR: We will break for lunch and return at 2.00 p.m. for further questioning.

(The Minister for Transport and Roads withdrew.)

(Luncheon adjournment)

The CHAIR: Good afternoon, welcome back to the public hearing to the inquiry into the budget estimates 2019-2020 further hearings. Today the Committee is examining the proposed expenditure for the portfolio areas of Transport and Roads. I welcome the additional witnesses we have here this afternoon. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. I remind the following witnesses that they do not need to be sworn as they have already been sworn at an earlier budget estimates hearing before this Committee: Mr Regan, Mr Lamonte, Mr Holliday and Mr Wing. All other witnesses will have to swear an oath or affirmation.

STEVEN ISSA, Deputy Director, Services, Transport for NSW, sworn and examined

STEWART MILLS, Acting Chief Executive, Sydney Trains, sworn and examined

TONY EID, Chief Executive, State Transit Authority, sworn and examined

PETER REGAN, Deputy Secretary, Infrastructure and Place, Transport for NSW, on former oath

JON LAMONTE, Chief Executive, Sydney Metro, on former oath

PHILIP HOLLIDAY, Chief Executive Officer and Director, Port Authority of NSW, on former oath

ANTHONY WING, Commissioner, Point to Point Transport, on former oath

The CHAIR: There is no provision for any witness to make an opening statement before the Committee commences questioning. We will begin with questions from the Opposition.

Mr STAPLES: I do have some responses to some of the questions that we took on notice.

The CHAIR: Let us do it now.

Mr STAPLES: There was a question around advertising revenue, which we said we would endeavour to come back with. In terms of revenue, and sometimes it is revenue that is offset by payment of some sort but you can assume these numbers essentially as quasi revenue number. In the 2017 financial year the revenue was \$63.4 million for advertising on public transport. In 2018, it was \$67 million. In 2019, it was \$69.1 million. Just a couple of other points to clarify around this. There is a new policy coming in shortly around advertising and health and wellbeing, which will come into effect from 1 July, which does provide some new restrictions around the advertising of unhealthy food, for example, in the vicinity of schools, as well as providing some provision for essentially free advertising for the promotion of health and other things that organisations can make use of. Transport will comply with those new policies when they come into effect on 1 July. I also reiterate that we obviously use our advertising platforms for a lot of public information as well. Recently we are ramping up information about health in partnership with NSW Health in relation to the pandemic possibilities coming up at the moment. So it is used quite widely for other features as well. Ms Mildwater has a bit of an update on the Boating Now process that was asked by one of the members.

Ms MILDWATER: Before the question was asked about how much could be funded under the NSW Boating Now program. You asked a question about the 50/50 sort of thing and would the Minister consider that. The NSW Boating Now program that is open at the moment has three different ways of applying. I suspect what you were thinking of was the regular boating infrastructure payment mechanism, but there are two others. One is you can apply to be classified as a destination ramp, and that gets regular maintenance funding each year of up to \$20,000. Then there is also a process where you can apply for emergency repairs to boat ramps and that would bring 100 per cent of funding if it qualifies under that. They are all part of the NSW Boating Now program funded out of the Waterways Fund. If you want, the application and those rules are on the website.

The Hon. MARK BANASIAK: No, I was more asking about where it came from. The Waterways Fund?

Ms MILDWATER: The Waterways Fund.

Mr STAPLES: You had a question about advertising of, you referred to them as "power roles" in Transport and I gave you some background around evolving transport. I am just checking in on that particular newspaper article, which I believe was on 17 January. I want to clarify that that refers to a number of roles. One was Executive Director, Public Affairs and Marketing; the second was Executive Director, Community and Place, which I would not regard as a public affairs role—it is actually in another part of the organisation much more around community engagement; a third role of a Transport Management Centre spokesperson; a communications manager and an internal communications manager. I want to clarify that the large majority of these roles are existing roles.

A number of them were advertised as backfilled because we had people being seconded to other roles, one of them was someone who had gone on maternity leave so were backfilling and so forth. Just to clarify that these are not five- or 10-year roles. Certainly the executive director roles I referred to are a direct result of the commentary I gave you on the new evolving transport, all the others are really associated with business as usual activities that we have been undertaking within the business. The last one I wanted to clarify around was Minister Toole's role in relation to Roselle. We had some discussion around that. For Minister Toole, he has responsibility for essentially Executive Council signoff and particularly in relation to property acquisition notifications and so forth. Under normal circumstances we would send those to Minister Constance but because of his personal

associations in that area he has removed himself from that, so we put all of that process through Minister Toole as a sort of separation.

The Hon. DANIEL MOOKHEY: Do you know when that happened?

Mr STAPLES: I will see if I can find out the specific dates of when that was but that was certainly last year. We have been operating under that in terms of property acquisition notification processes and so forth from pretty early on in the allocation. We will see if we can find the specifics on that. I think that covers off on all of the ones we have got at the moment. We have got a couple of others we are still looking to see whether we can get at this stage. This group is largely the same as we had when we attended last year, although we are a little bit further through our change process. Obviously Roads and Maritime Services as an agency does not exist anymore. It does still get referenced quite a bit. Legally when you reference that it essentially means Transport for NSW, so no issue with interchanging on that.

Probably the biggest difference is that we now have more integrated models for our transport service offer. So what Howard Collins does now in this room relative to what he did last time—he was running trains. He has actually stepped into a role that brings together all of the modes on a day-to-day transport operations level. The nature of questions he may take today will be different than they were before. He is working with Elizabeth Mildwater in the Greater Sydney area. Tony Eid has stepped in because he is the new chief executive of State Transit. Most of the other functions are essentially the same, except for Steve Issa, who is also here. He is working with Howard on a lot of the day of operations coordination delivery functions overall. I am happy to take questions.

The Hon. JOHN GRAHAM: Thanks officials, including those who have joined us. I just want to indicate up-front, firstly, that from an Opposition point of view we are very comfortable with the arrangement this time where we are not taking up a lot of time in the morning with the officials but having you join us later. That has certainly worked well today. We would like to continue that into the future with whatever amendments people think are useful. We have found that a useful way to proceed. Firstly, to acknowledge that. Secondly, we will begin questioning on this issue about the blowout, the timing of the blowout and what was known in public—that is the \$3 billion or the \$4.3 billion blowout.

I want to indicate up-front, Mr Staples, that—I am not sure this is going to help you with the Government—but we regard you as a very good public servant. We do have real concerns about this issue though. The timing that the Minister has put in front of the Committee leaves you and the agency with a real problem compared to what is on the public record about the first time this might have appeared. He is saying he did not find out until April of last year whereas there is at least one public reference to an internal review as early as August 2018. I might start by just asking you, in your own words, on behalf of the agency, to take us through the timeline from your point of view as the secretary, how did this unfold? What was the process of this becoming known, becoming formally documented and being transmitted to the Government?

Mr STAPLES: Thanks for the opportunity to outline the time line. The pivot point for this would be Sydney Metro. I stepped out of Sydney Metro in 2017. We had an acting program director who then became acting chief executive, Tom Gellibrand, until late 2018. Mr Lamonte, who was a witness here today, joined the Transport cluster as chief executive in late 2018. One of the things that we agreed with the board was that it would be a good time to conduct a review of projects, in particular the Sydney Metro City and Southwest project.

The Hon. DANIEL MOOKHEY: Just to be clear, which board?

Mr STAPLES: The board for the Sydney Metro authority. That review—and Mr Lamonte can probably talk to some of the detail of that—was conducted over a number of months, from late 2018, and brought to a position of being able to give advice to government in April 2019, which aligns with the conversation that we are having. I am aware of media reports. I am not aware of the particular document that is referenced in that; it does not correlate for me in terms of dates. Obviously I am open to being shown different material on that but I do not have a document, which you referred to, with an August 2018 date as far as I am concerned. I am happy for you to ask Mr Lamonte as well.

We went through—and it was led largely by Sydney Metro—in those first three or four months of Mr Lamonte arriving, a review of the cost of Sydney Metro City and Southwest projects. Once it became evident that we were looking at forecasts well outside of the budget we then moved into a process of engagement across government and to Ministers and obviously into the Cabinet process, which is one of the challenges I have in terms of the detail I can get into around that, but also an independent assurance review from April which took some months to undertake.

I understand your interest around the budget process in April, May, June 2019 period but, as far as I am concerned and Mr Lamonte can potentially comment on this as well, we were into an engagement with government about the cost risk at that point, not in a position where we confirmed because we needed to have some independent review done. At that point in time it was an internal estimate from Sydney Metro. When you have those sorts of issues arise you always give an external interrogation. That is the time line that I, as Secretary of Transport for NSW, understand how things unfolded. I am happy to ask Mr Lamonte if you want him to give any more overlay to that.

The Hon. DANIEL MOOKHEY: Just before you do, so we can just put some time around what you just described, the budget review was commenced when Mr Lamonte was appointed at the end of 2018. The Infrastructure NSW review was triggered after April?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: And completed when?

Mr STAPLES: I would say it would have been in the third quarter of 2019.

The Hon. DANIEL MOOKHEY: Mr Lamonte, did you want to set out your view

The Hon. JOHN GRAHAM: Mr Lamonte, it would be helpful if you could take us through your views.

Mr LAMONTE: Certainly. As the secretary said, I was appointed at the end of 2018 and on doing so I, with my board's support, instigated a review which started with independent support. That came to a conclusion in April and then reported to Transport, the secretary, to the board and also to the Minister. To pick up a point from this morning, my records show that that was on 11 April.

The Hon. DANIEL MOOKHEY: What was on 11 April?

Mr LAMONTE: That is when I met with the Minister.

The Hon. DANIEL MOOKHEY: You met with him directly?

Mr LAMONTE: Yes, I did.

The Hon. DANIEL MOOKHEY: At his office? At your office?

Mr LAMONTE: That would have been at his office.

The Hon. DANIEL MOOKHEY: And the purpose of that meeting was to brief him on the outcomes of the budget review?

Mr LAMONTE: I routinely meet with the Minister. That was one of them, but that was the occasion when I was able to talk about the results of that review.

The Hon. DANIEL MOOKHEY: What did you say to him?

Mr LAMONTE: I do not have direct records of that, but I was able to talk to him about the—

The Hon. DANIEL MOOKHEY: To the best of your recollection.

Mr LAMONTE: My best recollections would be what the general findings were, and that was the initiation of further discussions over subsequent months, which the secretary alluded to.

Mr STAPLES: I think the important thing there is that the challenge for us would have been very obvious, that we need to start a Cabinet process quite quickly from there in relation to the review. We are trying to give you as much understanding of the time line, but you will appreciate some of the detail that is a bit challenging to go too far into.

The Hon. DANIEL MOOKHEY: Mr Lamonte, when you say that you provided the Minister with an oversight of the general findings, does that encompass the reasons why the costs had increased?

Mr LAMONTE: Certainly, I was able to talk about the general trends and the reflections of the market—the fact that we had seen from 2015 to 2018 some 45 per cent increase in infrastructure in New South Wales. Certainly, I always talk about some of the market pressures.

The Hon. DANIEL MOOKHEY: You covered the market pressures.

Mr LAMONTE: Indeed, I did.

The Hon. DANIEL MOOKHEY: Did you cover what is the exclusion of the costs involved in the Bankstown rail line closures?

Mr LAMONTE: I think you are referring, probably, there to temporary transport plans and what was—having looked at the program, what was in scope and what was not in scope and was able to identify that.

The Hon. DANIEL MOOKHEY: You did confirm that that was not in scope in the original budget, and then in the budget review you established that and you relayed it back to the Minister?

Mr LAMONTE: I was able to talk about, on the 11th, what those general headlines were. Over subsequent meetings we were able to expand on that.

The Hon. DANIEL MOOKHEY: What else did the budget review identify as the reasons why the cost had increased? We have got market conditions. We have got the temporary transport. What else was covered by it?

Mr LAMONTE: As the Minister explained this morning, we had seen three changes in—

The Hon. DANIEL MOOKHEY: Scope?

Mr LAMONTE: Big changes in the property market. That property market—because, of course, we had had to do substantial amounts of acquisition and were looking at revenues, this was again a change over the period. But if you looked at what the biggest single cause was, this was the change in the market, which was vastly different from when the initial consideration was there in 2015.

The Hon. DANIEL MOOKHEY: We have covered the change in scope, which the Minister described and nominated as being Central Station, predominantly. We have covered the exclusion of the temporary transport. We have covered the market conditions. Did the budget review pick up any other reason why the project has increased in size?

Mr LAMONTE: Those were the predominant reasons for the change in estimates at that point in time.

The Hon. DANIEL MOOKHEY: What did the Minister say to you in reply?

Mr LAMONTE: That was the start of a budget process—sorry, start of a Cabinet process and Cabinet discussion which, as the secretary said, it would be hard to talk about in detail.

The Hon. DANIEL MOOKHEY: Mr Staples, were you at that meeting with Mr Lamonte and explained all this?

Mr STAPLES: I would have to check my records. I do not recall having been at that particular meeting. I think on the point of what is in and out, the important thing at that point was that we made sure that it went through an independent assessment.

The Hon. DANIEL MOOKHEY: When was that triggered?

Mr STAPLES: Pretty soon thereafter.

The Hon. DANIEL MOOKHEY: Did you ask for that to be triggered?

Mr STAPLES: Yes, we wanted Infrastructure NSW to conduct a review.

The Hon. DANIEL MOOKHEY: So you wrote to Mr Draper?

Mr STAPLES: I cannot remember the formality of how we went about it, but certainly we asked. On the expectation that we would take these matters to Cabinet, we felt it prudent that we have an independent assessment done. Infrastructure NSW is the appropriate body for that.

The Hon. DANIEL MOOKHEY: On notice, is it possible that you can get the date on which you triggered the INSW review?

Mr STAPLES: I think you will appreciate that I am now getting into the Cabinet process.

The Hon. DANIEL MOOKHEY: That is fine.

Mr STAPLES: I will take it on notice and see what we can provide around that, but I am just putting the caveat that I need to get advice on what is and is not appropriate to share in regard to that.

The Hon. DANIEL MOOKHEY: How many reviews of this project has INSW done?

Mr STAPLES: There would have been a number of reviews undertaken, given the project was initiated in 2014. There would have been a Gate 1 strategic business case assessment, Gate 2—

The Hon. DANIEL MOOKHEY: I am talking about the ones after the investment decision is made.

Mr STAPLES: And then subsequently for each of the—Gate 2 is the major investment decision business case review. After that, there would have been a series of Gate 3 ones because of the scale and complexity of this project. It is not one contract; there are a number of different contracts, so there would have been a series of subsequent Gate 3 pre-tender assessments for each of the major contracts that were going out to market. Each of those would have been subject to advice to Cabinet in going into those contracts.

The Hon. DANIEL MOOKHEY: Were any spot checks undertaken by Infrastructure NSW?

Mr STAPLES: There are also health checks undertaken, as we outlined in the Infrastructure NSW guidelines.

The Hon. DANIEL MOOKHEY: Did INSW undertake any health checks in 2017 or 2018?

Mr STAPLES: Those health checks were referred to Cabinet.

The Hon. DANIEL MOOKHEY: Is there anything else that is currently underway in terms of any review processes on this project?

Mr STAPLES: Ongoing review in relation to the INSW framework and the advice to Cabinet.

The Hon. DANIEL MOOKHEY: Mr Lamonte, does your board have an audit and risk committee of any form?

Mr LAMONTE: Yes, it does.

The Hon. DANIEL MOOKHEY: Who is in your board—on notice, perhaps?

Mr LAMONTE: I can certainly, on notice, give you all the names. It is chaired currently by John Arthur. At the time you were talking about, it was Kerry Schott.

The Hon. DANIEL MOOKHEY: Did the budget review identify when these price pressures were accelerating in time?

Mr LAMONTE: I think the market pressures, as I have alluded to, were building especially between 2015 and 2018, and certainly recognised that.

The Hon. DANIEL MOOKHEY: Did the audit and risk committee pick this up at any point prior to the budget review? Or did the board pick this up anywhere prior to the budget review? I am trying to understand why your arrival was the catalyst for this budget review. Absent your arrival, would we ever have undertaken it? I thought the purpose of the audit and risk committee was to detect these issues.

Mr STAPLES: I think one other context around this is that the oversight of the Metro project shifted from being a delivery office within Transport and on 1 July 2018, after legislation was passed in Parliament, became a separate statutory authority within the Transport cluster. So the board shifted from being an advisory board into a governance board and, really, we were in the process of recruiting the chief executive in the lead-up to that as well. By the time that was completed and Mr Lamonte came on board, the board would have been just getting itself established at the same time. So there was just some transition in governance that was occurring at the same time.

The Hon. DANIEL MOOKHEY: That probably covers the answer about the audit and risk committee, because presumably it did not exist.

Mr STAPLES: It would have just been coming into effect in that sort of governance. It highlights the fact that we saw a real benefit in getting a stronger governance, given that we were ramping up from being a single project delivery office into the City and Southwest project and also, as you know, now Metro Greater West, which is still under development. So having a stronger governance oversight was seen as a positive.

The Hon. DANIEL MOOKHEY: Does the Sydney Metro project produce monthly reports to the audit and risk committee or the Transport for NSW leadership board? Do you produce monthly updates on the project?

Mr LAMONTE: We do produce monthly reports, which go to the board, and we share all our information with Transport.

The Hon. DANIEL MOOKHEY: Does that monthly project report contain either the estimated total cost or the forecast final cost numbers?

Mr LAMONTE: We would report generally on a—our monthly reports are for the particular financial year, but the information on what the total costs would be and our expectation around continuing, et cetera, are provided to Transport on a regular basis.

The Hon. JOHN GRAHAM: Of that information provided to Transport, is any of that information also provided to Treasury?

Mr LAMONTE: We have regular meetings with Treasury and we obviously discuss what the state of the finances are.

The Hon. DANIEL MOOKHEY: We will unpick that a bit. When was the first monthly report in which it was flagged that the forecast final cost was above the project budget and, incidentally, the month that the first forecast final cost showed the \$3 billion rise?

Mr LAMONTE: I would have to check my records on that.

The Hon. DANIEL MOOKHEY: Mr Staples, do you recall ever seeing a monthly report that would have shown you the forecast final cost before the budget review?

Mr STAPLES: The pathway for the monthly reporting obviously flows through to a Cabinet sub-committee, which contains the advice to them about the progress.

The Hon. DANIEL MOOKHEY: Your committees get that well before any Cabinet process

Mr STAPLES: Yes but it is—

The Hon. DANIEL MOOKHEY: My question is only about your committees, not any Cabinet process. When did your committees or your leadership group first get a report that showed the budget was above?

Mr STAPLES: The information in terms of putting to government an updated cost or the fact that we had exceeded the budget would have been in April 2019.

The Hon. DANIEL MOOKHEY: That was the first time that your leadership group was informed?

The Hon. JOHN GRAHAM: In terms of putting it to government, the question was a different one. It was actually about what when was your leadership group first presented with the information?

Mr STAPLES: I do not know whether we would characterise it as a leadership group, but in terms of briefing to Transport from Sydney Metro, so we just think about the two entities, it would have been in April 2019.

The Hon. DANIEL MOOKHEY: Right, so it was not detected by any other structure that Transport for NSW had other than this budget review?

Mr STAPLES: Not to my knowledge. I am happy to take on notice and see whether we have got any more information.

The Hon. JOHN GRAHAM: And it was not contained in any of these monthly reports that were flowing between transport?

Mr STAPLES: Not to my knowledge.

The Hon. DANIEL MOOKHEY: But you might check?

Mr STAPLES: I am happy to take it on notice. I am not trying to be evasive. I will take it on notice and see what is available.

The Hon. DANIEL MOOKHEY: We are not implying that you are. After you get the report in April, you make the point that you trigger the INSW review. But presumably you would have sat down with Treasury as well, Mr Staples. Is that an unreasonable presumption?

Mr STAPLES: My recollection was that Mr Lamonte briefed Treasury in relation to—

The Hon. DANIEL MOOKHEY: When did you do that, Mr Lamonte?

Mr LAMONTE: After we got the results of the review, which was part of the briefing more widely, we included Treasury within that.

The Hon. JOHN GRAHAM: Was that before after the briefing with Minister Constance?

Mr LAMONTE: That was after.

The Hon. DANIEL MOOKHEY: When you say you briefed them amongst a group more widely, who else was in the group that you briefed?

Mr LAMONTE: As I said, that was Transport. Treasury were in that and INSW became part of that as well.

The Hon. DANIEL MOOKHEY: INSW was there. Was anybody else from the Premier's department or Premier's cluster there?

Mr LAMONTE: Not that I recall.

The Hon. DANIEL MOOKHEY: The meeting was at what level? Was it you and the secretaries of these respective agencies or you and the deputy secretaries of these respective agencies? In what format were you providing this briefing?

Mr LAMONTE: I would have to check my records on precisely who I spoke to and at what stage but by and large as the secretary has already indicated we had a process to make sure that INSW was appropriately briefed before they came in and did their own external review, which was called for. At Treasury, we would have talked to the appropriate level of my equivalent within the Treasury about what the outcomes were.

The Hon. DANIEL MOOKHEY: Was it a special purpose meeting that was called or was it a regular update meeting that you do with them?

Mr LAMONTE: I would have to check the records to see that.

Mr STAPLES: To be really clear, in April, once it became obvious about the potential outcomes—and I emphasise potential—on the budget shift on this, it was very much my instigation advice to Minister Constance that we would need to go through a review of this independently and take the matter to a Cabinet committee for consideration. In doing so we engaged across government as we do in preparing advice to Cabinet. You are starting to dig into the preparation of advice to Cabinet when we get into the specifics of individual meetings and what was said around what. It was very much from the start when that advice came that we knew that we needed to go to Cabinet.

The Hon. DANIEL MOOKHEY: Have you had any direct discussions with the Treasury secretary about this?

Mr STAPLES: In what regard, sorry?

The Hon. DANIEL MOOKHEY: In any regard.

Mr STAPLES: I am trying to understand, when you say have you had discussion with the Treasury secretary—

The Hon. DANIEL MOOKHEY: Outside the processes that Mr Lamonte described, did you have any other contact with the secretary of the Treasury?

Mr STAPLES: I was engaged with the Treasury secretary regularly and in this instance it would have been in discussing the options going into Cabinet.

The Hon. DANIEL MOOKHEY: To resolve effectively what should happen next?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: Is that fair rendering?

Mr STAPLES: Yes, but bear in mind that the starting point for this was that we needed to conduct a review. It was not that we had a change in cost or a determined position on the cost in April 2019. We identified that we had a forecast from Sydney Metro and then given the scale as you have well communicated today it required some pretty extensive review work which took some months. We were not in a position in April to know what the forecast costs would be that we could put forward.

The Hon. MARK BANASIAK: Mr Holliday, we heard evidence from Minister Constance that the cruise ship terminal is a long way away from being decided in terms of its location. Would you agree with that characterisation of where you are out in terms of finalising the process?

Mr HOLLIDAY: At the previous hearing that I attended I indicated that the detailed business case would be complete towards the middle of this year—that has drifted slightly towards the third quarter of this year. Then obviously it goes up to Cabinet to make the decision as to where it goes next.

The Hon. MARK BANASIAK: And by detailed do you mean the final business case?

Mr HOLLIDAY: Yes. The process is that we did the strategic business case that led onto the detailed business case. If it gets through Cabinet and it is approved to go to the next stage it will go to the full planning and environmental impact assessment.

The Hon. MARK BANASIAK: What do you attribute to the delay or the pushback?

Mr HOLLIDAY: As I am sure you will understand, this is a complicated process with lots of technical studies, so it is just making sure we get it as good as it can be.

The Hon. MARK BANASIAK: Switching back to taxis and rideshares, can you give us some details about what repercussions are available under the Act for either taxidriviers or rideshares for breaching the Act in terms of their requirements? What is the scale of repercussions?

Mr WING: If there was a breach we could start with a warning. Above a warning we can issue improvement notices to providers or to drivers requiring to take steps to improve their services, usually within a specific time frame. We can issue prohibition notices, which require them to take immediate steps. I think a good example of a prohibition notice might be, for example, where my staff detected a taxi which has a non-working duress alarm. That is a safety problem for the driver and so we would tell the provider or the owner of the vehicle that they must immediately fix that before putting the taxi back out on the road for the safety of the driver.

Above that we would have penalties, that is on-the-spot penalties and infringement notices, which both we and police issue under this Act. I think there have been a total of 4,700 roughly infringement notices issued under this Act which can go to various parties. We can also cancel licences. Recently in fact we have cancelled a number of wheelchair accessible taxi licences where people have been using a licence and not carrying out wheelchair accessible taxi trips. As part of the trade-off for having such a licence they are required to give preference to people who need those taxis and we have cancelled a couple of those recently and a few others a few months ago for not doing that.

We can also prosecute people under the Act. We prosecuted five cases. I was going to say we had five cases in court, but we have prosecuted five people recently. Three of them were found guilty in February for touting and soliciting at the airport, which is of course both dangerous and unfair to those taxidriviers who are sitting on the rank. They were both convicted and given fines by the magistrate and the two more who have pled not guilty will be decided in April. We can also put conditions on people's authorisations or we could remove or cancel an authorisation.

The Hon. MARK BANASIAK: I have a few for questions around that to dig a bit deeper. How do you distinguish between a warning and an improvement notice? What is the distinction there because it is essentially a warning. You are obviously telling someone that they are doing something wrong and they need to stop it. How does it differ from an improvement notice?

Mr WING: An improvement notice is a formal requirement that they do something, so there could be sanctions if they did not do it. A warning essentially says to a person, "Look, don't do that again." An improvement notice says, "You must make a change within a certain time frame, otherwise you would be open to sanctions if you did not." Improvement notices are used for a lot of things, but they might be used, for example, where my auditors go into a company and look at it and say, "We don't see any urgent safety breaches that would require a prohibition notice, but we do see things that you need to improve. For example, you need to better document some of your safety systems so it is more clear how they are working."

The Hon. MARK BANASIAK: Is there a cap on penalty notices in terms of the amount? What is the maximum penalty you can issue?

Mr WING: The amount for an on-the-spot penalty is set out in the Act for each different offence. For example, the on-the-spot penalty for a person who is caught touting or soliciting at the airport is \$850. Obviously, as I said, we prosecuted those people recently so the magistrate can issue more than that. The amount for, say, a hire vehicle driver who does not have a retroreflective sign in the back—I think it is in the order of \$200 to \$300.

The Hon. MARK BANASIAK: You have listed a few examples of stuff that you have done recently in this space. Would you be able to give us a more detailed breakdown going back a few years? Say, let's go back to when Uber and rideshare are declared legal in 2016. Would you be able to give us a breakdown of what has

been issued and also a breakdown of who have you issued more to, taxis versus rideshare, in terms of those things? I imagine you might not have the warnings because they are probably a more informal conversation, but the more formal stuff: the improvement notices, the prohibitions, the penalty notices and, obviously, the court sanctions.

Mr WING: The commission commenced on 1 November 2017, so I can give you total numbers since then.

The Hon. MARK BANASIAK: Let's go from there.

Mr WING: I can give you total numbers, but I will have to take on notice some of those breakdowns that you are asking for.

The Hon. MARK BANASIAK: Whatever you can provide would be great.

Mr WING: We have issued a total of 559 improvement notices over that period. We have issued a total of 31 prohibition notices. We and police, between us, have issued a total of—I am going to have to do some maths here—approximately 4,700 penalty infringements. I will have to take on notice the actual amounts, but the most common ones there are, one, to hire vehicle drivers, which includes rideshare, for not having a retroreflective sign in the back of the vehicle; secondly, to taxi drivers who do not have their driver ID displayed; and the third most common is, in fact, issued by police to persons who have tried to evade their fare—so, passengers who have evaded their fare. For example, they have jumped out of a taxi and tried to not pay.

The Hon. MARK BANASIAK: Yes, that is another element. Okay.

Mr WING: We have commenced five prosecutions and we have cancelled seven wheelchair accessible taxi licences and we have conducted a large number of audits and advisory visits. We have conducted 710 advisory visits to service providers over that period, 209 safety audits to service providers and 69 levy audits. As I say, those are total numbers so I will have to take on notice the breakdowns.

The Hon. MARK BANASIAK: I indicated to Minister Constance that I had some examples of potential breaches of the rank and hail. I might pass that information to you and you can perhaps take it on notice, go away and have a look at it and come back to us.

Mr WING: Yes, please. That would be good.

The Hon. MARK BANASIAK: There is Bondi Junction shopping centre—setting up signage for Uber to sit there and wait. Also, Manly council have signs on the street indicating stopping bays for rideshare, clearly labelled rideshare.

Mr WING: Yes, we will definitely look at those. If it is a drop-off/pick-up zone that is obviously for people who have got bookings, then that is allowed. What we do not want to see is people sitting there, waiting for passengers to walk up to them and just catch them as though they were a rank and hail taxi. We will have a look.

The Hon. MARK BANASIAK: Thank you.

The CHAIR: In relation to electric buses—we touched on this earlier today a little bit—what is the time line currently in place to replace the entire stock with electric buses?

Mr STAPLES: I will hand to Ms Mildwater to talk a bit about the procurement process. We have obviously got some electric buses running in region 6 already and plans for some others to commence out in the eastern suburbs. I will ask Ms Mildwater to give you an update on our bus procurement.

Ms MILDWATER: There are several parts to the answer in terms of how we are rolling out the plan. We have announced 10 electric buses, for a start, in region 9, and that will be rolled into the contract that we hope to let for that in the next year or so. At the same time we are already trialling some in region 6, so we have got four there. We are undertaking two major processes as well. One is the tendering of 13 out of the 14 bus regions across Sydney over the next few years, and in that process we will be incorporating the uplift of the fleet both in terms of age and moving to zero-emission buses. To start that process, probably within the next week we will be launching a request for expressions of interest as well.

We undertook some market soundings last year and market engagement with various parts of industry to understand what was available in terms of zero-emission buses, so that is both electric and hydrogen. We spoke with operators and with various people interested in infrastructure and that sort of thing to get some background, and so we are about to launch a request for expressions of interest. We are hoping that will bring opportunities to actually start rolling out zero-emission buses in the regions that are already contracted out before they go into the

re-franchising process. Although we have not set a date but we hope to come up with a broader strategy to say what is possible, we have got a series of things underway to start rolling the fleet. We are also about to roll out a new bus panel, which will include a zero-emission option so that as routine bus replacements happen we can start pushing towards zero emission.

We would hope through these market engagement processes in the next few months to have an idea, then, of what is possible in terms of changing over the whole fleet over time. But there are a lot of factors to take into account in Sydney, including the geography that suits different types of buses, the capacity of the grid and population growth. One of the things we are doing is looking at where we can build new depots, perhaps further out west, that could start off as electric, because the ones closer in will have to be converted. All of these things we are going to be looking at over the coming months but with a view to moving to zero-emission buses overall.

The CHAIR: You talk about how the zero-emissions buses will be included within these tenders for 13 of the 14 regions. Those buses will still be owned by the Government, though, as assets?

Ms MILDWATER: What we have absolutely committed to do is the existing buses will stay with the Government, with us. What we are about to do is to start looking at what we would do with new buses, and it depends on what the right models are in terms of going forward. But the current plan is that ownership stays with us—well, ownership will stay with us for all the existing buses and we are trying to look at what is the right model after that.

The CHAIR: It is possible, then, going forward that those assets under those franchising contracts will not rest with the Government anymore?

Ms MILDWATER: We have not made a decision absolutely. What we have strongly signalled to the market is we believe the longer-term strategic outcome should be that all the depots are owned by us. A lot of the depots at the moment are not owned by the Government. Some of the ones in regions other than the State Transit Authority regions are not government-owned, whereas we believe that probably longer-term they should be, because that would then allow us to convert them to zero emissions, for example. We use them for other things. We are looking at the strategy but it is not necessarily that buses will be owned one way or the other.

The CHAIR: Does that mean that you will be actively trying to purchase those depots in places where you do not currently own them?

Ms MILDWATER: I guess this is a question we have to wrestle with. Those depots are not, obviously, in the regions that we are starting with franchising this year. They will come up next year and in the years beyond. What we have got to do in the meantime is look at what is the right strategy for buses in that region and where the depots should be best located, can they be converted, that sort of thing. These are all open questions that we do have to think about over the coming years.

The CHAIR: Thank you. That answers something that has been bothering me for some time: the connection of the announcement of electric buses alongside the announcement of the privatisation and franchising of regions 7, 8 and 9. I could not see the link there because I assumed that the electric buses would be owned by the Government in the same way that the current stock of buses are.

Ms MILDWATER: Potentially they will. We just have not landed on that yet.

Mr STAPLES: Whatever arrangement we enter into, we would expect to see an ongoing use of those vehicles. I do not think it should just be interpreted by what Ms Mildwater is saying that the franchisee would own the buses and then be able to take them away at the end of a franchise. It will not be that.

The CHAIR: But that option is certainly open with this new franchising?

Mr STAPLES: No.

Ms MILDWATER: No.

Mr STAPLES: I think the reality is that we want a competitive level playing field for operators to come in and operate our bus network here in Sydney and in New South Wales, particularly in Sydney. What we have got is a series of legacy contracts in the way that the system was set up—as Ms Mildwater was saying, some of them where we own depots and some where we do not. That is actually one of the limiting factors for us, so we are looking to progressively migrate to a model where we can continue to roll the operators with franchise contracts over time. There is a range of different ways that you can own buses through that.

The CHAIR: Last year we were told very clearly that this was not a privatisation; it was a franchising, because the assets would stay with the Government.

Mr STAPLES: That remains the case.

The CHAIR: Right, because we are talking about existing assets, whereas what we are talking about in the future is new buses and new assets. They may not be owned by the Government. Is that right?

Mr STAPLES: We will look at a range of different options. But whatever it is, it will be retained within some level of government control.

Ms MILDWATER: It is still possible, also, to allow in the contracts that the buses transfer with the contract.

The CHAIR: I understand it is possible. I am talking about the assurances that were given last year in relation to the buses and the depots both continuing to be owned. Perhaps, if I look back at that wording, it becomes clear that they were only talking about existing buses rather than replacement buses or new buses, but I think that is a very different understanding to what the community has in relation to the proposed franchising or privatisation of those bus regions. I will clarify again, then, Mr Staples, that there is no assurance that when those contracts go out for regions 7, 8 and 9, the Government will continue to own the buses on those routes.

Mr STAPLES: I think you need to be careful with the way you are interpreting what we are saying. If I was to characterise into rail, the range of different fleet arrangements we have where some are fully government owned and some are in public-private partnership [PPP] types of contracts, but they are still fully in the control and oversight of government. I think when you hear Ms Mildwater and I talk about different arrangements for bus ownership, it will not be losing control of the buses. It is just that we will look at all of the range of what we think is going to be the best value for taxpayers.

The CHAIR: But there is no assurance at this point that those buses will continue to be owned by the Government?

The Hon. TAYLOR MARTIN: With all due respect, Chair—

The CHAIR: Is this a point of order?

The Hon. TAYLOR MARTIN: Yes, it is. With all due respect, budget estimates is for the 2019-2020 budget year. You are asking about future hypotheticals that may or may not happen.

The Hon. DANIEL MOOKHEY: To the point of order: I do not think that is a fair rendering of the Chair's question. I think the Chair is asking to clarify evidence provided by the witness.

The CHAIR: It also touches on something that we were discussing in the last budget estimates, so it is important to get right. I rule that the question is in order.

Mr STAPLES: The context of this question was around the procurement of electric buses. All we are saying is that we are keeping an open mind on what is the best way for government to have an electric bus fleet operate in Sydney.

The CHAIR: But you understand that by keeping an open mind, that is not the same as guaranteeing that the buses will continue to be held in government hands?

The Hon. SHAYNE MALLARD: Point of order: My point of order is that the future in terms of buses is government policy and it is not for the senior public servants to be speculating on what future government policy would be. I think the question is not appropriate. I know that Mr Staples can answer it however he sees fit. My view would be that you are asking him to talk about government policy, which is not their area.

The Hon. DANIEL MOOKHEY: To the point of order: There is a fine line to be drawn between that which is directed to the Government. I make the point that the Chair is asking the witness to clarify his evidence, not necessarily put out an explanation of government policy. It is to clarify what the witness has said.

The CHAIR: To the point of order: I believe that having given the evidence which gives the clear implications that I have laid out, it was appropriate to get that clarification to really understand what was going on. We will now pass to the Opposition.

The Hon. JOHN GRAHAM: Mr Staples, thanks to you and the team for clarifying, particularly, some of that later period that we are asking about—from 11 April 2019 on in particular. I want to return to the start of this issue. When did this become a problem? We asked in the Minister's session about this *Sydney Morning Herald* report that originally caused the concern. You said, "We're not sure about this document." What do you think this document is that the Herald has referred to as an internal budget review in mid-2018?

Mr STAPLES: I do not know.

The Hon. JOHN GRAHAM: Was there an internal budget review in mid-2018?

Mr STAPLES: Not that I have seen.

The Hon. JOHN GRAHAM: Was there one that you are aware of?

Mr STAPLES: No.

The Hon. JOHN GRAHAM: Mr Lamonte, can you shed any light on whether there was an internal budget review in mid-2018?

Mr LAMONTE: No, there was not.

The Hon. JOHN GRAHAM: Mr Staples, you are saying you cannot track down this specific document. Is there any similar document that you are aware of?

Mr STAPLES: No, not that I am aware of.

The Hon. JOHN GRAHAM: Presumably there would have been some sort of mid-year budget review as part of the normal operations of this project?

Mr STAPLES: I understand what you are asking in relation to that. All I can say is that the most critical piece of information that I received in relation to the City and Southwest budget was in April 2019, at the time of which Mr Lamonte, with the Sydney Metro board, had gone through and reviewed costs internally and provided advice. They thought that they were forecasting it would be outside of the envelope. We took it from there and went into a Cabinet process to review that and the appropriateness of that with independent oversight.

The Hon. JOHN GRAHAM: You have given that evidence very clearly. I am not asking about the most critical piece of information. I am asking about when this first started to become clear that it is a problem.

Mr STAPLES: You are asking if I sighted other documents or other costs in advance of that? No, I did not.

The Hon. JOHN GRAHAM: You have lived and breathed these projects. I think that is fair. You have really immersed yourselves in these. Put the paperwork aside. When is the first time you personally became aware that there might be a problem with the costings on this project?

Mr STAPLES: In April 2019, when I had a detailed review in front of me.

The Hon. JOHN GRAHAM: You had no clue up until April 2019 that this project might be billions of dollars over budget? Is that the evidence you are giving?

Mr STAPLES: Certainly is, in the context of I run a portfolio in a very wide cluster, so I do not spend a lot of time on individual projects in relation to this.

The Hon. JOHN GRAHAM: The Minister has already said this is the biggest project.

Mr STAPLES: Yes.

The Hon. JOHN GRAHAM: You have lived and breathed these metros. Is this the first time you had a clue? I find that very hard to believe.

Mr STAPLES: Let me be really clear that I took advice from Sydney Metro in April 2019 in relation to this project. That is the first briefing I received in which the forecast was going to be outside of the funding envelope. We took that very seriously and we took that into a Cabinet process with an independent review.

The Hon. JOHN GRAHAM: I am not asking about the first document you received. I am asking: When did you first become aware that this project—

The Hon. SHAYNE MALLARD: Point of order: Mr Staples has answered it unambiguously and clearly three times now. I think it is being disrespectful to Mr Staples to question his answers to the hearing. He has made it very clear when he became aware.

The Hon. JOHN GRAHAM: To the point of order: There is a distinction here. There is a paperwork process, which the agency has been very helpful stepping us through. That does not capture discussions that might have occurred or meetings that might have occurred, and that is the issue I am going to. They are two quite distinct processes, both of which we are entitled to ask about.

The CHAIR: In relation to the point of order: I will allow for questioning to continue, but please do be careful not to repeat the same question and also to allow witnesses sufficient time to respond.

The Hon. JOHN GRAHAM: I might put that specifically. I accept the evidence you put on the record about documents. Given your involvement in these sorts of projects, did you have any discussions prior to receiving that document?

Mr STAPLES: I have discussions around projects all the time and difficulties and challenges that they confront, without a doubt. I do not deny that I would have had conversations around Sydney Metro Northwest, City and Southwest, the development of Greater West, WestConnex, NorthConnex and those sorts of projects. There are always ups and downs. The times when we draw a line in the sand and say that we need to update the budget is when we get detailed pieces of work done. I will go back to what I said, the first time when I was in a position to be able to do anything in terms of advice to Government around cost was in April 2019.

The Hon. JOHN GRAHAM: Do any of those many discussions turn to the question of the overrun on this project?

Mr STAPLES: Not of the nature of what is now being described, no.

The Hon. JOHN GRAHAM: You mean that it might look like a smaller problem when it was brought you?

Mr STAPLES: No, what I am talking about is we would have been updating on overall capital program pressures and oversight in that context, but I would not have been drilling into the individual projects and events though.

The Hon. DANIEL MOOKHEY: Mr Staples, through this time you had a senior leadership group, that is correct? The Transport for NSW executive of some form?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: And as part of that executive, it included the leadership of the Sydney Metro project, that is correct?

Mr STAPLES: Yes, there were two levels of governance in Transport for NSW in 2018. There was a Transport for NSW agency executive and then there is the broader cluster. So in the second half of 2018 Sydney Metro was an agency with a chief executive, so they were part of a broader cluster leadership group.

The Hon. DANIEL MOOKHEY: That was circa six months after you left the leadership?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: Then you were appointed Transport secretary and on 18 July the current structure comes in to existence and that includes their membership, that is correct?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: In terms of other layers of governance in Transport for NSW, you have a risk committee?

Mr STAPLES: We have an audit and risk committee in Transport for NSW, yes.

The Hon. DANIEL MOOKHEY: And who is on that audit and risk committee?

Mr STAPLES: I will get you the names.

The Hon. DANIEL MOOKHEY: Is external people or is it internal people?

Mr STAPLES: It is a number of externals.

The Hon. DANIEL MOOKHEY: And they meet how often?

Mr STAPLES: Quarterly.

The Hon. DANIEL MOOKHEY: And they were meeting quarterly in this period of time, I presume?

Mr STAPLES: Yes, but I think you also need to realise that from 1 July 2018 with Sydney Metro as a separate agency we would see the detailed oversight of cost and so forth being something that was the responsibility of that agency more so.

The Hon. DANIEL MOOKHEY: It would have been the responsibility of the Sydney Metro audit and risk committee and/or board to supervise purely audit and risk of that project for Transport for NSW and the broader cluster, that is a fair rendering?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: So there are these governance structures in place. How often were you meeting with your executive leadership group at that time, the agency executives? Was it a weekly meeting? Was it a monthly meeting?

Mr STAPLES: There were various levels of meetings. We would have had weekly meetings at an operational level, which would not have included agency chief executives and probably at that time it would have been monthly meetings going on with chief executives.

The Hon. DANIEL MOOKHEY: There were monthly meetings going on with chief executives including Mr Lamonte's predecessor?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: And were you having monthly bilateral meetings or direct meetings with Mr Lamonte's predecessor during this period of time?

Mr STAPLES: I would have said we will have been having regular interactions with Mr Gellibrand, yes.

The Hon. DANIEL MOOKHEY: In the course of those meetings with Mr Gellibrand at a direct level, Mr Gellibrand never said to you that he had any concerns about where the budget was up to?

Mr STAPLES: Not to the extent of what we are talking about now, no.

The Hon. DANIEL MOOKHEY: To what extent did he disclose such concerns?

Mr STAPLES: That we have got budget pressures as we do across all of our programs, but nothing of a significance that we are talking about now.

The Hon. DANIEL MOOKHEY: And he never suggested to you that the project was billions over budget in any of those meetings that you had with him bilaterally?

Mr STAPLES: Not anything in the order of what was talked about or presented in the April 2019 report.

The Hon. JOHN GRAHAM: How big a problem was he talking about?

Mr STAPLES: I do not have a recollection of specific numbers being talked around on that so I would go back to the characterisation that the overall capital program is always been discussed and the potential cost pressures around that. There would have been times in the history of the Sydney Metro Northwest where we were talking about the project potentially being under pressure from a budget point of view. In the end, as Minister Constance highlighted this morning, that project ended up being \$1 billion under. It is very important not to get distracted by the day-to-day conversations but to rely on the deep dive analysis that was completed by Sydney Metro.

The Hon. DANIEL MOOKHEY: No-one disputes your judgement in these matters because you are a person who has built a lot of these programs, but it is striking though, is it not, that it takes the departure of Mr Gellibrand for a review process to be triggered? Effectively the evidence you were giving beforehand is Mr Gellibrand never told you that there was this problem and Mr Lamonte comes in and figures it out. I am trying to understand. I accept your evidence that the first you knew about it was April 2019, but this question is: Why did it take you so long to find out, because clearly there were various other failures in the transport cluster if that was the first time you found out?

Mr STAPLES: I do not accept any premise that Mr Gellibrand has done anything wrong here.

The Hon. DANIEL MOOKHEY: That is what I am trying to get to because if he did not tell you, you had to commission it, the board never told you and the risk committee never picked up then someone has failed in this regard because the whole purpose of the structures was to provide early warning to you that there is a multibillion-dollar project on a signature project. I am trying to understand why all of these fail-safes that over repeated years we have been told are there to stop blowouts like this did not work?

Mr STAPLES: I actually do not accept that because I think the process has worked. I do not accept that at all. The process has worked because we have identified the cost pressure, we have brought that through, we

have put it through an independent assessment. You can argue about the timing of that, but we have actually gone through and that is the governance process working.

The Hon. JOHN GRAHAM: Accepting your answer, can I just turn to one of those key steps? This is one of my biggest concerns. This does not appear in the 2019 pre-election budget update. Just to briefly recap on what that should capture, this is the declaration that the Treasury secretary signs off on. I confirm that this pre-election budget update takes into account to the fullest extent possible all New South Wales Government decisions I was aware of up until the commencement of the caretaker period. It runs through a discussion of possible fiscal risks which could alter estimates. It should capture any significant variations that have emerged since the half-year review. It also should include any revised estimated financial statements. It is quite extensive what is been signed off by the Treasury secretary. I do not understand why an error in this scale, a blowout of the scale is not in the pre-election budget update, how did that not happen?

Mr STAPLES: Sorry, which one will you refer to? Can you table that just so that I can be really clear what it is that you are actually referring to.

The Hon. JOHN GRAHAM: I will table it. I am referring to the 2019 pre-election budget update, which occurs, just so the timetable is clear, on 5 March 2019.

The Hon. DANIEL MOOKHEY: Which is when caretaker starts.

The Hon. JOHN GRAHAM: Just before. It is a fundamental document for the election, 5 March 2019, no reference to these billions of dollars. How is that possible?

Mr STAPLES: Because we gave the advice to Government in April 2019. I think that highlights the timeline.

The Hon. JOHN GRAHAM: This document is about risks and variations. It is not just about final bottom lines, that should be in there too. This is about risks to the budget. You are coming forward on 11 April with a multibillion dollar risk to the budget bottom line and it does not even cop a mention. I find that very hard to believe. I just cannot understand how that is.

Mr STAPLES: I cannot speak to the process that the Treasury secretary goes through in signing off on that. I think that is something I cannot comment on. All I can do is give you the timeline on which we conducted the review of this project cost and the process we went through subsequent to that.

The Hon. JOHN GRAHAM: I am not asking about the Treasury process, I am asking about your agency's responsibilities, that is probably a fairer way to do it, to inform that process so that the Treasury secretary can sign that piece of paper. You turn up on 11 April with a major budget blowout, a risk well before that, and it is not in this document. Why didn't your agency transmit this on the evidence you are giving to us?

Mr STAPLES: Because at that stage we did not understand the scale of the significant cost at that point in time.

The Hon. DANIEL MOOKHEY: Could we clarify that 11 April was the date on which the Minister was informed? What was the actual date that the budget review was completed?

Mr LAMONTE: Literally just before that. That was within a day—

The Hon. DANIEL MOOKHEY: What is "literally" before? Is it 10 April?

Mr LAMONTE: Within a day or two before that, literally.

The Hon. DANIEL MOOKHEY: So 10 April, therefore. It was commissioned in December 2018, is that correct?

Mr LAMONTE: It is.

The Hon. DANIEL MOOKHEY: When in December 2018 was it commissioned? Was it commissioned by the board or was it commissioned by the secretary? Or both?

Mr LAMONTE: I would have done that in conjunction with the board. I can come back to you and provide you with more detail on precisely when.

The Hon. DANIEL MOOKHEY: When you commissioned it, when was the end date for the budget review set at?

Mr LAMONTE: It was a process that was going to take as long as it would take. This is a very complicated program. It has got a lot of packages as part of it and it necessarily needs to be done properly. It was one of those tasks that was going to take as long as it needed.

The Hon. DANIEL MOOKHEY: Was it included in the incoming brief for government that the department was required to prepare for both the Coalition and the Opposition? Was this listed as a risk in either of those two documents?

Mr STAPLES: I am not sure that we are able to advise on that. I am happy to go and find out if we can—I certainly will—but I am not sure whether we are in a position to provide that.

The Hon. JOHN GRAHAM: It is appreciated.

The Hon. DANIEL MOOKHEY: The implication seems to be that the timetable was set to avoid disclosure in the pre-budget update that was certified by 5 March. It is just that all of a sudden after 11 April, which is effectively two weeks after the election and the end of the caretaker period is when this budget review finishes. I want to understand why it was that you did not schedule it to be completed by the pre-budget review so it could have been disclosed. It does not seem like—

The Hon. JOHN GRAHAM: Either as a variation or as a risk.

The Hon. DANIEL MOOKHEY: Why was the date set as April? Why was this not ready by the pre-election budget update?

Mr LAMONTE: To be very clear, it was not set as April. It was a process that was allowed to take its course to come out with the right answers at the end of it.

The Hon. JOHN GRAHAM: We are being asked to believe that this is a change in the cost driven by three waves in the property cycle, but it does not turn up until 11 April. Those waves rolled out over years. That is what we are being told is driving this cost increase, but it does not come into the Government processes until weeks after the election. It is very hard to take on face value.

Mr STAPLES: We have not said it is just about property. There is a range of factors. Certainly the second half—

The Hon. JOHN GRAHAM: I understand that, but—

Mr STAPLES: The second half of 2018 was a time when the market—I can get Mr Regan to talk to this as well, because he is involved in the broader capital program—was starting to show real signs of high pricing. That was certainly a factor when Mr Lamonte arrived, around needing to reconsider the position on his project in conducting a review in light of the more recent market pricing that was coming in at that stage. I think that is—

The Hon. JOHN GRAHAM: That has been referred to as certainly not the main factor but one of the key factors.

Mr STAPLES: But it is a really critical factor in the timing of the review.

The Hon. JOHN GRAHAM: You have talked about taking some time because there might have been ways of mitigating this. Really the key method of mitigation here is changing the scope. It would have required a major change to the scope of this project to deal with a \$3 billion blowout, would it not? To give you some context, the Parliamentary Budget Office costed cutting the entire Sydney to Bankstown element of this line at \$1.6 billion. To deal with mitigating a \$3 billion blowout we are talking about chopping the project significantly, are we not?

Mr STAPLES: There is a range of—

The Hon. JOHN GRAHAM: That is the scale that we are talking about.

Mr STAPLES: There is a range of different ways of mitigating the cost. One of them is to take scope out of a project. Others are to look at different contracting approaches, which is actually part of what Sydney Metro and Mr Lamonte embarked to do. Because of the scale of intensity in the market at the time, breaking them into smaller packages would give the market more opportunity to actually bid on more manageable-sized contracts and so forth, which takes some of the risk out of the contracts for them, which then takes some of the need for similar contingency out of the project. There is a whole range of different mitigating strategies. The scope is certainly one of them.

The Hon. JOHN GRAHAM: Mr Staples, I just want to clarify one bit of evidence you have given. I do not want you to speak about the Cabinet process, but you have given evidence about when that process started—

that is, after 11 April. You are not talking about what got fed into that; you are talking about that process. But in the evidence you have put you have really said, "Look, this then tipped into a Cabinet process". Is that the start of the Cabinet process? Was there any Cabinet or Expenditure Review Committee consideration of these costs in 2018?

Mr STAPLES: The only considerations in the Cabinet on Sydney Metro City and Southwest would have been contract awards. I could not talk to the specifics of that but there potentially would have been individual contracts being awarded at that stage. Infrastructure NSW would have been providing advice to the Cabinet committees on the status of projects as an overall program—so not specifically for Sydney Metro City and Southwest but the overall program of which Sydney Metro City and Southwest would have been one of the projects. But it is for Infrastructure NSW to provide that advice.

The Hon. MARK BANASIAK: For the benefit of the witnesses who were not here this morning, we were talking with the Minister about the differences between assistance offered to taxis versus hire cars. I am just wondering who decided that there needed to be a differentiation in how that assistance was delivered—the taxi assistance was subject to taxation; the hire car assistance was not—and the differentiation in terms of the payout figures. Country hire car plates were worth around 30 grand, whereas regular taxis were only capped at 20 grand per plate. Who was involved in—

Mr STAPLES: I might just clarify that the Point to Point Transport Commissioner's role is not to deal with this industry assistance process. It is really to regulate the industry that is actually in operation. You may recall I have put on record before some level of conflict of interest that I personally have because of my mother owning a taxi plate. However, I have not got an answer as to the differential between the hire car and the taxi and why. I will see if we can find out some more information on that this afternoon and come back to you. I understand the question you are asking but I am not sure—I will try and get an answer for you this afternoon.

The Hon. MARK BANASIAK: In the Minister's evidence about, I guess, the process of applying for the assistance he essentially agreed that it was bureaucracy gone mad, that it was ludicrous in terms of the requirements. You can extrapolate from that evidence that he was at arm's length from designing what the process looked like. Who within Transport for NSW designed that process?

Mr STAPLES: There was a panel, and it had the NSW Taxi Council as you referred to this morning, but it had representatives from Transport for NSW and NSW Treasury as well. I think it is important that we characterise that there was a level of different organisations involved. Yes, the Minister relied on them doing the independent assessment. Just to confirm: representatives of Transport for NSW, Department of Premier and Cabinet, Treasury and the NSW Taxi Council.

The Hon. MARK BANASIAK: Just to be clear: I know they ran the assessment. Did they also design the application process in terms of 31 pages of advice material, a 26-page information kit and the 46 requirements?

Mr STAPLES: They would have signed off on what they believed they needed to undertake the assessment. I think what you heard from the Minister this morning in relation to why you undertake a review is a recognition that that has not potentially delivered the outcomes that he expected. As an agency that was involved in this process, we will participate in the review and if there are outcomes in that review to recommend to do things differently—whether it be to make it simpler, whether to do the assessment differently—then we will take action on that. But that is ultimately going to be a policy change for government.

The Hon. MARK BANASIAK: We discovered in the Customer Service budget estimates that the Customer Service Commissioner essentially has really no power to compel any government agency to improve its customer service. Mr Wing, what are your powers in terms of your role as commissioner? When do you get involved in matters, exactly? What does your power extend to?

Mr WING: Our focus is on safety especially. The majority of the Act is about safety, although there are other provisions in there about things such as fare transparency. If we have any—

The Hon. MARK BANASIAK: But you have auditors, you talked about the auditors that go and inspect. You do not get involved at that level. At what level do you get involved in the point to point?

Mr WING: Do you mean me personally?

The Hon. MARK BANASIAK: Yes. As the Commissioner, at what level do you get involved?

Mr WING: I would make any decisions that need a high-level decision maker. I certainly would approve any decisions to initiate action in court. But I am also involved on a day-to-day basis with the general strategy and the overall direction of the Commission. I did not hear what the Customer Service Commissioner said but certainly

I have powers within the Commission to make changes. If we get feedback that says, our processes could be easier to deal with then certainly I would be involved with any large scale changes required, especially if a budget was required.

The Hon. MARK BANASIAK: Are you involved in the decision around whether to hand back or rerelease taxi plate licences? Are you involved in that?

Mr WING: The decision around how many to issue is made by Transport for NSW. Once they make that decision, then I as Commissioner and the Commission run the operational process of running a tender.

The Hon. MARK BANASIAK: Looking at the figures on passenger transport [PT] licences, it seems from November 2017 we were hovering around the 73,000 mark and now we are sitting around 121,500. These are figures grabbed from your website. Is there any deeper level of data in terms of the breakdown of those licences in terms of who they are? I would imagine it includes a range—I imagine it includes the bus drivers, would that be correct Mr Staples? These PT licences, does it include—

Mr STAPLES: So you are talking public transport? What licence are you referring to?

The Hon. MARK BANASIAK: Passenger transport licences.

Mr STAPLES: Are you referring to a number from the Transport for NSW website?

The Hon. MARK BANASIAK: Yes.

Mr STAPLES: Can you give me a reference for that as that way I can clarify exactly what is in it?

The Hon. MARK BANASIAK: No.

Mr STAPLES: I will see if I can get the team to search that number down. Could you repeat it please?

The Hon. MARK BANASIAK: February 2020 it was reading at 121,568.

Mr STAPLES: Okay. We will see if we can find out specifically what that is. It does remind me that we had one more point of clarification around the alcohol limits.

The Hon. MARK BANASIAK: Yes.

Mr STAPLES: Mr Wing can give you a summary of that from a point-to-point point of view.

Mr WING: The limit for anyone in this industry who is providing a passenger service, whether it is a taxi or a hire vehicle including rideshare, is 0.02. That is set out in the Road Transport Act. As soon as they are providing a passenger transport act, whether they are rideshare or taxi, it is a 0.02 blood alcohol limit.

The Hon. MARK BANASIAK: Thank you. We heard recently on the news that we have another potential rideshare applicant into the market in the Chinese DiDi corporation. Has there been any work done to investigate the impact of their entry into the market in terms of the number of licences and the impact potentially on the competitive nature of the market and how that will impact, I guess, the issuing of and rereleasing of taxi licences because under the Act you need to consider various things about passenger demand and, I guess, the viability and sustainability of the industry? Has any work been done about how they could impact?

Mr STAPLES: I will ask Mr Wing about whether he has any information on that otherwise we will take it on notice.

Mr WING: DiDi has been in New South Wales for a little while, operating in Newcastle. As you say, they are entering Sydney at the moment. As long as they comply with the law, they are able to do that. The broader policy question you were asking about, which is what is the impact that has on the release of additional taxi licences, that is one of the considerations that Transport for NSW would need to take into account in making a determination about how many taxi licences are to be released.

The Hon. MARK BANASIAK: Is there ever going to be a cap or a limit on the number of licences issued for rideshare like there is for taxis?

Mr WING: The Act does not provide for that at present. The cap on the number of taxi licences—obviously there is a current freeze—and that is a decision that will need to be taken in future but that is a policy decision.

The Hon. MARK BANASIAK: I will pass now to Ms Boyd.

The CHAIR: Just coming back to these electric buses if we could, Ms Mildwater. I am looking at the transcript from our previous budget estimate hearing on 28 October where the Hon. John Graham asked Mr Constance why the Premier said no to privatisation ahead of the election and now you are privatising? To which Minister Constance responded:

Thank you. To help you out, the community, the taxpayers, the people of New South Wales, the Crown continue to own the buses and the depots. They will remain in public hands. We regulate the timetables. I saw one journalist get this wrong last week. We actually still regulate the fares under the Opal structure so none of that changes. Given that, this is a process called franchising.

He went on:

I know you do not understand the subtle differences of this but if the buses and the depots still belong to the community, they are not being sold off. They are actually not been privatised. They still remain in public hands. We go out to a contractor and then we get the private sector to manage those assets and do it well.

The Hon. SHAYNE MALLARD: Question?

The CHAIR: On the basis of what I have just read to you from Minister Constance, are you now saying that actually under this proposed franchising of regions 7, 8 and 9 that those buses will not necessarily be held in public hands?

Ms MILDWATER: I do not think there has been any change from that. The depots will stay in public hands and the buses we have will not be transferred. The policy has not changed.

The CHAIR: He is not referring there though is he to just the buses currently. He says that the assets will remain in public hands and that the buses will continue to be in public hands. That implies very clearly, I would say, that the buses would be owned by the Government. Can I just again clarify that what you are saying is that under the tendering process, we could end up with buses in our network not being owned by the Government?

Ms MILDWATER: No. In the tendering process we are putting out, the buses that are there will stay in the public hands—

The CHAIR: Not the ones that are there now, the new electric buses.

Ms MILDWATER: It depends on what we decide to do with electric buses in the first place.

The CHAIR: So it is not guaranteed that we will end up with those buses being in public hands depending on what happens under the negotiations with those contracts.

Mr STAPLES: Just to be clear. The Government has made no change to its policy position from what you just read out. There has been no change. What you are hearing is that the department will always explore options but the Government has not asked us to look at any different policy position. They have not decided on anything. We are always entitled to give advice to Government on different options and they can choose to do that but there is no change. No change from the policy position that was put out last year.

The CHAIR: So at that—

The Hon. SHAYNE MALLARD: Point of order: These questions are again about Government policy, not about the operational side of the delivery services and are best directed to the Minister to interrogate the issue of what you called privatisation or franchising and his quotes earlier, not ask the senior officials to comment on the Minister's comments.

The Hon. DANIEL MOOKHEY: To the point of order—

The Hon. SHAYNE MALLARD: You are running the defence for the Chair, are you?

The Hon. DANIEL MOOKHEY: I am making sure I am expressing the rights for all members, including the Government's members. It is well within the bounds of an estimates hearing to explore the interaction between Government policy commitments and agency behaviour and how the two are related and interact. That is well within the scope of an estimates question and I understand your questions Ms Chair to really go to the point about how the department's activities are interacting with the Minister's commitment.

The Hon. SHAYNE MALLARD: My view stands that it is a policy area of the Government and is best directed to the Minister.

The CHAIR: Thank you. If only we could call him back.

The Hon. SHAYNE MALLARD: Go ahead.

The CHAIR: I will rule that the question is in order. I am giving the witnesses a chance to clarify because at the moment it looks like a very big difference and I understand you have just said to me that actually the policy is the same. What was stated in estimates last time was a very clear statement that those buses would stay in public hands and that buses in the future under those contracts would stay in public hands. What you are now saying to me is that the idea that those buses are actually going to be provided by the private sector and owned by the private sector is consistent with that statement. I put it to you it is not. Can you explain to me how that is consistent?

Mr STAPLES: What I am saying is that the Government has made no change in the policy position that you just read out. But the department will always consider options and give advice to government on whether or not it continues with that policy or looks at other sub-options around that. That is a role that we provide on a regular basis. But we have not been asked by government to change the policy. There is no change to the policy at the moment.

The CHAIR: So in order to go ahead with those potential contracts and negotiations, are you saying you would need a change in policy from the Government?

Mr STAPLES: Yes. I think also what I was trying to highlight before by comparing to trains, to really make it clear, and Mr Collins or Mr Mills could help with this as well because they have looked after the railway, the Waratah trains are under a PPP contract but the day-to-day operation and management of those still is under New South Wales Government control. So there is a range of different ownership mechanisms under there that still deliver the service outcomes that we are trying to achieve. I think there is always an onus on us as the public service to consider options through procurement for those things. If that requires a government policy change in due course then the Government can assess whether it wants to make that change or not. At the moment it has not made any policy change.

The CHAIR: My concern here is around transparency and accountability, not about the particular policy. I am not asking you to second-guess the government policy. What I am interested in is, as Mr Mookhey said before, the disconnect between what the apparent policy is and the very clear statements made that this is not a privatisation as the public would understand it because the assets stay in our hands and yet here we are hearing that actually there is a possibility—

The Hon. SHAYNE MALLARD: I am going to raise my point of order again, Madam Chair. I now refer you to the procedural fairness resolution of the House which applies to you as the Chair and to us as members of this Committee. Item 10 states:

Questions to public officials

Public officials will not be asked to give opinions on matters of policy, and will be given reasonable opportunity to refer questions to more senior officials or to a minister.

I put it to you that you are asking him to comment on government policy.

The CHAIR: I just very clearly stated that I was not asking for a comment—

The Hon. SHAYNE MALLARD: You stating it does not mean you are not though. The interpretation I am seeing is you are asking him to comment on the Government's policy. Mr Staples already replied, saying the Government would need to change policy. You are asking him now to express an opinion on policy.

The Hon. SCOTT FARLOW: You did say that, Madam Chair.

The Hon. SHAYNE MALLARD: Item 10 states you are not to ask them "to give opinions on matters of policy". So I ask you to change the questioning.

The CHAIR: I will clarify and I will rule on that by saying that I will ask myself to clarify to the witnesses that I am not asking for an opinion on policy. Again, as I stated before, what I am interested in is the apparent disconnect between the stated government policy and what we hear operationally is going on.

The Hon. SHAYNE MALLARD: Thereby asking for an opinion on government policies.

The CHAIR: No, it is not the same thing.

The Hon. SHAYNE MALLARD: The "disconnect" is an opinion that you are expressing and you are asking him to comment on it.

The CHAIR: I am not asking him to comment on the disconnect. I am asking them to explain what they are doing on an operational basis so that we can assess the disconnect.

Mr STAPLES: So in simple terms we are delivering on government policy in terms of bus replacement but we retain an open mind that if there is a better value for money proposition for the taxpayer in the long run that comes forward with the private sector in terms of ownership arrangements, we will put those policy options to government for it to consider.

The CHAIR: I think we will leave it there on that particular issue and take it up with the Minister. I am sure the media will take it up with him anyway. If we can turn to something a bit more simple, how much does the Opal ticketing system cost to operate and manage annually? Can you give me at least a ballpark figure?

Mr STAPLES: I think I am going to have to take that on notice. We will see if we can find out in essence what the—

The CHAIR: Thank you.

Mr STAPLES: Bear in mind that the Opal system is delivered by Cubic under a long-term contract. So we can see whether we have got some indication of that.

The CHAIR: I am particularly interested in the total costs involved with the ongoing management operation of the Opal system as a proportion of fare revenue. It would be very useful if you could give that indication. What is the Government doing to address light rail overcrowding on the Dulwich Hill line?

Mr STAPLES: I might ask Ms Mildwater to give you a summary of what we are doing managing what is the L1 line.

Ms MILDWATER: I think we did talk about this in the Revenue as well. We do recognise that the inner west light rail is at capacity and beyond. As well as injecting extra services over recent years responding to the patronage growth, we have also been exploring ordering some extra vehicles and I would anticipate that we have placed the order for those by the middle of this year. We have been comparing different types of vehicles for that line and looking at infrastructure upgrades as well but we would anticipate placing the order for the extra vehicles by the middle of the year.

The CHAIR: If you are placing the order by mid this year, when do you expect to receive those new vehicles?

Ms MILDWATER: I would say that depends on how long the delivery time takes. I would think it would take more than a year so it will probably be into next year but we will confirm it when we have placed the order.

The CHAIR: Thank you.

The Hon. DANIEL MOOKHEY: I want to turn to the budget review. To you, Mr Secretary, or Mr Lamonte, whoever you feel is best to answer the question, did the budget review identify as reasons for the cost overruns new trains and new systems?

Mr STAPLES: Sorry, can you just clarify: Are you talking about Sydney Metro City and Southwest?

The Hon. DANIEL MOOKHEY: Yes.

Mr STAPLES: I am happy to ask Mr Lamonte to comment around that. We just need to be cognisant of what that document might be and its Cabinet status as well because this was used for advice to Cabinet.

The Hon. DANIEL MOOKHEY: I will ask you and whichever questions you feel you cannot answer, I am sure you will tell me. Did it identify a reason for the cluster overrun of new trains and systems?

Mr LAMONTE: Without the document in front of me I am not sure I can precisely answer that question. If you were able to table that, I might be able to get a bit more just to understand the context of that quote.

The Hon. DANIEL MOOKHEY: I am sure we will be able to get you a copy of it but I am sorry I have had to ask my questions on the basis of this document first. It might be the case that I will ask you and then table it and you might be able to reflect on it and come back later in the session, if that is necessary.

Mr LAMONTE: Okay. Thank you.

The Hon. DANIEL MOOKHEY: Did it identify the excavations of tunnels and sites for underground stations such as Martin Place and Barangaroo as the reason for the cost increase?

Mr LAMONTE: Certainly those are big components of the project. As I say, it is a very complicated project. One of the things that the report did talk about was the market just would not deliver it in the original way

that it was envisaged, so we had moved from five packages to 13 large packages. The complexity of that was part of the review and what that meant.

The Hon. DANIEL MOOKHEY: And that included Martin Place and Barangaroo?

Mr LAMONTE: It did.

The Hon. DANIEL MOOKHEY: We have covered off Central station. Did it mention as a reason for an increase in cost the extensive works at Sydenham station?

Mr LAMONTE: Again, without the document it is hard to know what the context of that was. Clearly there is an awful lot of work involved at Sydenham, which we have just gone through in this last Christmas to New Year period to alter the alignment of the tracks at Sydenham so that we can allow for the south-west component to be developed.

The Hon. DANIEL MOOKHEY: I am talking about the review that you did. That is the document that I am referring to, which I do not have a copy of. That is why I am asking you the questions. Did it identify as reasons for the cost increase the scope of works at Chatswood station?

Mr LAMONTE: Again, without the document it is very hard to know what the context of this is.

The Hon. DANIEL MOOKHEY: I am just asking you: Did the budget review identify as a reason for the cost increase anything to do with Chatswood station?

Mr LAMONTE: So, again, without seeing the document, these are components of the overall project—Chatswood, Sydenham and all the rest of them. But without that document it is a bit hard to comment.

The Hon. DANIEL MOOKHEY: Did it identify that the cost of buying new trains and systems and then integrating them into the rail network is projected to nearly double the \$2.3 billion?

Mr LAMONTE: Again, without the document I cannot comment on that.

The Hon. DANIEL MOOKHEY: Mr Secretary, has there been any other project in the cluster infrastructure spend for which you have ordered a budget review?

Mr STAPLES: We undertake reviews on projects all the time.

The Hon. DANIEL MOOKHEY: So which ones have you ordered a review on in the last six months?

Mr STAPLES: I would have to take on notice what we have done around that. I think it is not just for me. Cabinet can choose to do that. Mr Regan as overseer of the broader capital program can ask to do that.

The Hon. DANIEL MOOKHEY: Has Mr Regan ordered a review?

Mr STAPLES: They are regularly reviewed, the major projects. The T1 projects, as I referred to in the INSW process, are regularly reviewed through health checks and so forth. It does not require me to call it for those reviews to happen.

The Hon. DANIEL MOOKHEY: I understand that, and those health checks are undertaken by INSW?

Mr STAPLES: Yes.

The Hon. DANIEL MOOKHEY: But I am asking whether you, under your authority to order such a review, have ordered any in the last six months.

Mr STAPLES: Personally no.

The Hon. DANIEL MOOKHEY: Has Mr Regan?

Mr REGAN: As the secretary just referred to, there are conditions to the INSW process, internal processes that we undertake across our entire portfolio, which generally involve every project in the portfolio. At least on an annual basis we are looking at its cash flow profile in that year and in forward years, and a re-profiling of the range of likely costs and risks. It is not a matter of needing to order a review at different levels. We do constantly review progress of all projects in the portfolio.

The Hon. DANIEL MOOKHEY: Did that—

Mr REGAN: To finish the answer, in certain circumstances we might then seek to do a further deep-dive review or have a further review in addition to that. But it is not something that is done only when a project is in difficulty. It is something that we do across the portfolio.

The Hon. DANIEL MOOKHEY: Those processes that you have just described never detected any problem with the Sydney Metro project?

Mr REGAN: I am referring to the overall portfolio. I was not referring specifically—

The Hon. DANIEL MOOKHEY: Yes, but now I am asking you specifically—

Mr REGAN: Yes, that is fine. As Mr Lamonte and Mr Staples have described, those review processes within Sydney Metro did kick in. However, as the secretary pointed out, the process there is slightly different for Sydney Metro in that from the middle of 2018—

The Hon. DANIEL MOOKHEY: Got it, yes.

Mr REGAN: —it moved into a different structure with different governance.

The Hon. DANIEL MOOKHEY: Mr Regan, putting aside Metro that we have been discussing, in the process you have just described about profiling and re-profiling and the cash flow analysis, have you detected any other project that is on track to exceed its project budget?

Mr REGAN: To really answer that, I think what I can say is what we detected, particularly in early 2018 and through 2018, was significant cost pressure in certain parts of the construction industry. That cost pressure became increasingly evident on major projects that were being tendered during 2018, particularly those that involved heavy civil construction, tunnelling and electrical systems. Particularly the combination of railway work and tunnelling and electrical systems underground were areas where it was quite clear across the industry that were coming under the pressure. When I say severe pressure, I can give a few examples of that. One, through the tendering processes a reduction in the number of tenderers. Secondly, a reduction in the level of risk tenderers were prepared to take and therefore a higher price to take risk compared to what they were taking previously. Thirdly, a greater demand in order to bid for projects for the reimbursement of bid costs. Fourthly, a greater push from industry for disaggregation of what they were previously prepared to bid for as large-scale packages into smaller packages. We were seeing that on WestConnex stage three particularly—

The Hon. DANIEL MOOKHEY: Just to be clear, stage 3A or B?

Mr REGAN: Both, which were both tendered during 2018. We saw it on Parramatta Light Rail. As Mr Lamonte was pointing out, during 2018 significant packages on Sydney Metro were being tendered in that environment and so there was a lot of cost pressure. Government had to take note of that. Infrastructure NSW, Treasury and key procuring agencies in government have been doing a lot of work since then. You will notice evidence of that through the Government's 10-point plan around dealing differently with the construction industry as a way of trying to look at different ways to share a risk, because the industry was under pressure. It was not just New South Wales; it was across the board. We saw it through Victoria; we saw it in Queensland.

The Hon. JOHN GRAHAM: You are describing those pressures coming on in early 2018 and in mid-2018 and these mitigating measures that have been taken by a series of agencies were being undertaken in 2018 as well.

Mr REGAN: I think it was becoming increasingly acute during 2018 that these pressures were not only affecting—as you would appreciate, these are long-run economics. If you look back six or seven years ago, you could see at the start of a major program of works that you would have five or six consortia looking to bid. By the time you are into 2018 you had two consortia or in some cases only one consortium. It was a real tightening of the market. That was putting pressure across the portfolio. It has required us to change the approach, the way we tender. It also requires us to look at different ways of contracting so that the risks are shared. The challenge in that is that rather than getting a fixed price from industry to deliver a large package of work, what we are getting are smaller packages and a greater risk share, which inherently forces up the level of funds that the Government might need to have available because of the level of risk share.

When you talk about forecasting through to final cost to completion, it is much harder to forecast if you do not have a fixed price compared to a world where you have a fixed price and a risk has been passed. When we talk about increased cost or increased cost forecasts, I think it is important that the Committee understands that there is a big distinction between a cost forecast from a long way out, where you are allowing considerable levels of contingency and risk for items that you have not been able to pass to the other side in a contractual sense as compared to a world where you have a fixed price, fixed time and provided the Government is managing that contract tightly that risk is being taken by someone else.

The Hon. JOHN GRAHAM: Mr Regan, what I do not understand is, where does that risk framework sit in what you are describing? How is it that the sorts of risks that you are describing—I accept these have not

been passed through yet, these are not final bottom lines, which is what we were talking about before—have not been passed from Transport to Treasury and identified in Treasury's processes? They normally would be.

Mr REGAN: I think they have and increasingly they have. The level of contingencies that we hold within the different projects in our portfolio and then at the portfolio level have been adapted over time to take that into account.

The Hon. DANIEL MOOKHEY: Mr Regan, those pressures that you described and said came on in 2018, I think the consensus position seems to be that they have not really dissipated. Do you agree?

Mr REGAN: I think, as I said, they were particularly acute at that time because of the level of projects in procurement of a similar nature across the eastern seaboard.

The Hon. DANIEL MOOKHEY: The eastern seaboard, which is an acknowledged point by all the commentators.

Mr REGAN: The pressures are still there, yes. What is perhaps a little different now compared to 2018 is the approach that we have been able to take to working with industry to try to better manage the pressures and the way that industry can price and deal with those. For example, we have put a lot of effort now into really trying to give industry as clear an indication as possible up-front as to the likely timing of projects and when they are going to come to market, so that they can also give us feedback—

The Hon. JOHN GRAHAM: Which are sensible measures, yes.

Mr REGAN: —on whether or not things are too bunched in order to bid on them or construct them in a more ordered fashion. The challenge that became very apparent through 2018 and 2019 was that there are limits within the market to deliver certain parts of projects and that scarce resources, with the level of stretch across multiple jurisdictions, pushed up price. We are working to dissipate some of that pressure by having a much more measured and engaged approach with industry as to when things come and in what order. Projects that have similar characteristics, like tunnelling or those with significant electrical systems and interfaces in tunnels, we are trying to bring in a really ordered and staggered approach to market to try to avoid elements of the market coming under pressure or becoming overheated.

The Hon. DANIEL MOOKHEY: I imply from your answer that that is the approach you are adopting on, for example, stage 3B of WestConnex. Is that correct?

Mr REGAN: Yes, stage 3B of WestConnex was procured in 2018 and under a different model to the earlier parts of WestConnex in that there was a much more iterative and collaborative front end to that procurement process.

The Hon. DANIEL MOOKHEY: On the second version of its procurement.

Mr REGAN: Correct.

The Hon. DANIEL MOOKHEY: Therefore, when you are describing those cost pressures, where does that leave us with stage 3B of WestConnex as of today?

Mr REGAN: Stage 3B of WestConnex is procured and under construction and proceeding well. It is within the budget and part of that is because of the way it was procured. There was a—

The Hon. DANIEL MOOKHEY: When you say within the budget—

Mr REGAN: Yes.

The Hon. DANIEL MOOKHEY: —just because there have been various changes to the WestConnex project scope, what is in, what is out—

Mr REGAN: Yes.

The Hon. DANIEL MOOKHEY: —are you saying it is within the budget at the time it was procured?

Mr REGAN: Yes.

The Hon. DANIEL MOOKHEY: When will it be opening?

Mr REGAN: WestConnex stage three?

The Hon. DANIEL MOOKHEY: Yes.

Mr REGAN: Stage three, as you will be aware, is in two parts.

The Hon. DANIEL MOOKHEY: Stage 3B.

Mr REGAN: In 2023 is the total.

The Hon. DANIEL MOOKHEY: Is that still on track?

Mr REGAN: Yes.

The Hon. DANIEL MOOKHEY: As of today it is still on track?

Mr REGAN: Yes, that is right.

The Hon. JOHN GRAHAM: In relation to either stage three of WestConnex, given the pressures you have just talked about, are you aware of any major variations within the WestConnex project that are possibly yet to be resolved?

Mr REGAN: Obviously, working through WestConnex, stage one is complete, stage two is under construction at the moment and I am not aware of any major variations at this point that are unresolved. Stage 3A, construction is proceeding at a pretty advanced rate, and stage 3B is into the heavy construction at the moment. To answer your question—no, I am not aware of any significant unresolved variations.

The Hon. JOHN GRAHAM: So there are no variations lodged, possibly in the order of over \$1 billion, that are yet to be worked through?

Mr REGAN: No, not that I—no, there is not.

The Hon. DANIEL MOOKHEY: What about Parramatta Light Rail stage one? Is that within budget?

Mr REGAN: Parramatta Light Rail stage one, let last year and into heavy construction towards the end of last year and continuing. There are no material variation or cost pressures on stage one. It is early days in that construction and there certainly was pressure on the costs during that bidding process, particularly around the disaggregation of packages, which was required in order to meet those market pressures. So we are watching it very closely but at this stage it is proceeding to plan.

The Hon. JOHN GRAHAM: Thank you. I might turn back just to finish off the questions around the cost blowout and reviews. I think we are coming to a close on some of these questions for now. First, I think I just want to ask Mr Lamonte, the review you conducted, just so we are all clear, between December until 10 April—what is the title of that review? How would you describe it? What is that called?

Mr LAMONTE: We call that an integrated baseline review and that represented part of the advice to Cabinet.

The Hon. JOHN GRAHAM: Yes, okay. Thank you. That is helpful, just so we are all clear on what we are talking about. Secondly, I would like to come back to ask you, Mr Staples—you have given clear evidence about the documents you have provided to government.

Mr STAPLES: Yes.

The Hon. JOHN GRAHAM: Are you comfortable, though, that the—that is about the bottom-line result here and I accept that is what you have focused in on but there is a financial risk issue here that starts somewhere at the start of 2018 and exists for a long time before 10 April or 11 April 2019. Can you give us any sense of how that financial risk issue has been dealt with, transmitted to Treasury, or dealt with through the processes of the agency? Because that final bottom-line is separate to that risk issue that should normally be identified and processed.

Mr STAPLES: The way that that is reported on all projects—the ones that Mr Regan has talked about and the ones that Mr Lamonte has reported about, particularly the tier one large-scale projects, is through an independent review undertaken by INSW, which I value greatly because they will be doing the health checks and they will be doing the pre-procurement reviews and so forth, and they will be assessing overall costs and time risks at that point in time and that will be advice to Cabinet. That response is what we do for the program as a whole so I think, just building on the narrative that Mr Regan talked around, in 2018 there was a general understanding that there was significant heat in the market. In fact, the leader of Infrastructure NSW at that time, Jim Betts, was very proactive in the way he responded to that in terms of developing engagement within industry and the 10-point plan as a means to strategically mitigate against all of that. So there was oversight from a program point of view about where we saw the risks at that point in time, and that would have been reported through 2018, 2019.

The Hon. JOHN GRAHAM: So I will leave that there. I just want to ask you this then. I want to contrast the Minister's evidence and yours, and make sure I do it fairly, and then just ask you one other question. The Minister today said he was first aware on what we now understand was 11 April. You have made a slightly different point. You have said, look, the first time you have put a document to government with this bottom line is on the—you finished on the tenth and transmitted to the Minister after that. Understood. They are two slightly different things. The Minister says "first aware". You say, "Well, we've got something solid we can give to government." Can I just ask you to tell us: Prior to that document, did you raise with the Minister in conversations, in briefings, in passing, concerns about the cost of this project?

Mr STAPLES: No, only in the context of the broader capital program and the Infrastructure NSW reporting through to Cabinet around overall cost pressures.

The Hon. JOHN GRAHAM: But never about this project?

Mr STAPLES: No.

The Hon. JOHN GRAHAM: Okay, thank you.

The Hon. DANIEL MOOKHEY: Just a final follow-up on that line: In terms of the Minister's decision to announce this publicly on 21 February, did the department advise him at any stage that this should be released earlier?

Mr STAPLES: Not to my knowledge but I am happy to take that on notice and see whether we have got any information around that.

The Hon. DANIEL MOOKHEY: Was the decision to review it on 21 February—did that arise out of a recommendation from the department or was that the Minister who has made that decision?

Mr STAPLES: Normally announcements around major project changes, milestones and so forth would be a decision for the Minister or the Government.

The Hon. DANIEL MOOKHEY: When did he notify you that he was intending to make that announcement?

Mr STAPLES: I do not recall.

The CHAIR: Before we move to the crossbench questions, I will allow a five-minute break.

(Short adjournment)

The Hon. MARK BANASIAK: I was talking to you before about passenger transport numbers and, just for your clarification, what I was referring to was the passenger transport licence codes.

Mr STAPLES: Yes, so I got somebody to look at those numbers. You are talking about the 121,568?

The Hon. MARK BANASIAK: Yes.

Mr STAPLES: So that refers to point to point taxi and hire-car vehicle licences. That is the number of licences. Basically, that is—

The Hon. MARK BANASIAK: Basically, that includes rideshare as well?

Mr STAPLES: Essentially. When you say "rideshare"—point to point?

The Hon. MARK BANASIAK: Yes.

Mr STAPLES: Yes. What it means is that you have gone through the vetting process to be a driver, so you have a different code on your licence, and when you drive as a—it gives you the permission to drive as an Uber driver, as a point to point driver or as a taxi driver.

The Hon. MARK BANASIAK: Do you have any further breakdown in terms of how many are taxis, how many are rideshare? My understanding is that the taxi figure was around 20,000 but maybe Mr Wing can provide some more clarity on that. And does that mean that they are active?

Mr STAPLES: No, I think that is one thing that is really important.

The Hon. MARK BANASIAK: Yeah.

Mr STAPLES: So once you have got that—so if you become a driver with a point to point provider, and you do it for three months and then you stop doing it, there is no—you do not go back and take that code

away. So you may be an inactive driver there, so I would not take that number as being the number of people who are out on the road actively driving.

The Hon. MARK BANASIAK: Yes. There might be one more question about that inactiveness but I will come back.

Mr STAPLES: Sure.

The Hon. MARK BANASIAK: Have you got any clarity on these?

Mr WING: Yes, so once you need to become a—in order to drive in this industry, you need to pass the commercial medical standards so you get your driver licence endorsed with a PT code. That would allow you to drive any point to point vehicle and, in fact, it is quite clear that there are people who drive sometimes taxis, sometimes hire vehicles and, also, as Mr Staples said, there could be a large number of people who have driven in the past and have decided not to continue. There is no way to break down from those figures how many are currently active or whether they are driving one or the other or both.

The Hon. MARK BANASIAK: When they do become do inactive, can you determine whether they become inactive at all in anyway? Is there a time frame? Say they have been inactive for 12 months, do they then have to reapply and prove that they still meet the standard?

Mr WING: They would need to maintain their licence from time to time, in the same way that everyone does. And when they do they would need to make sure that they still met the standard.

The Hon. MARK BANASIAK: Outside of the rideshare companies that we currently have operating in New South Wales, how many applications for other rideshare companies do we have in the wings potentially to be approved?

Mr STAPLES: I might ask Mr Wing whether he has an answer to that.

Mr WING: Firstly, I should say that rideshare itself is not defined in the Act, we get applications for booking service providers. I am not aware of any applications currently waiting with us at the moment. I will take that on notice and check that number.

The Hon. MARK BANASIAK: What about the booking service provider called Lyft? Is that on your radar?

Mr WING: I do not believe it has applied to us and certainly I am not aware of it.

The Hon. MARK BANASIAK: Given that you say that there is currently no cap on new entrants, are you concerned about the potential to, essentially, supersaturate the market, given that there is no cap or no restriction on how many different companies can enter?

Mr WING: At the moment, the Act allows people to enter as long as they comply with the law. Really, they then have to win customers. So, at the end of the day, there is plenty of competition for customers and those, if they cannot win customers, will simply not continue.

The Hon. MARK BANASIAK: Agreed, but given that there are reports globally about the entrance of numerous—for want of a better word—rideshare companies, there are reports that they have been negatively impacting on things like traffic congestion and travel times. I am wondering, Mr Staples, do you see the influx of these new market entrants as a risk to the department and the Government's commitment to reducing traffic congestion and travel times? I know you are pushing everyone to be on public transport but, then, at the same time, you are potentially having all of these booking service providers floating around, buzzing around the cities and towns, chasing customers.

Mr STAPLES: I understand the premise of the question. The first thing I would say is that the point to point reform and the overall opening up of the market, we believe, from a customer outcome point of view, has delivered more choice and an overall better customer experience in terms of the way that they go about getting services and the range of services that are on offer. We think that is a really good outcome for the people of New South Wales and visitors who come to this State. Obviously, and you can see there is commentary in Future Transport 2056, we are really looking to that long term about some of the global trends here around car ownership. You can see shifts where people may choose to rely completely on public transport and forms of point to point in the years ahead.

But we are in a transition at the moment, where there are still very high levels of car ownership in Australia and Sydney and New South Wales. We will watch that and watch it very closely from an overall

transport network management point of view. One of the advantages of bringing the roads agency and Transport for NSW together is that we are looking at this much more holistically than perhaps we have in the past. There is nothing at the moment that would suggest that we need to change our policy settings, that I am aware of. But we will always monitor what is going on and these sorts of things to see whether it is having unintended impacts.

The Hon. MARK BANASIAK: Are you also following how this has been handled in other jurisdictions? I note that the European Court of Justice recently declared rideshare services to be no different than taxis. I am wondering whether you are looking at how other jurisdictions are dealing with it and whether that will inform the review that Minister Constance was talking about.

Mr STAPLES: I cannot speak specifically to the review. Those terms of reference we made available as an independent chair—we will participate in that and it is not for me to direct what should be in or out of that review. We welcome any sort of step back and look at particular elements of the industry that the Minister wishes to examine. In terms of other jurisdictions, we are always open-minded about what is happening elsewhere. What I would say about point to point as a general conversation is that we are finding more people coming to us looking at our model and seeing it as having been a large success in the way that it has transitioned. I accept that there are issues in the transition that you have raised, but in terms of the customer outcome, there is a high regard for what we have been able to achieve here in New South Wales from a transition point of view. We have had a lot of jurisdictions come and ask us about the model.

The Hon. MARK BANASIAK: Do those jurisdictions include places such as New York, which does have a cap on the number of entrants?

Mr STAPLES: I do not know whether New York has come—I would have to go and check that. Would you like me to take it on notice to see whether we have had conversations with New York?

The Hon. MARK BANASIAK: Yes, thank you.

The CHAIR: I have a couple of questions about the proposed Sydney Metro West and the planned stop at White Bay. Do we know yet exactly where that stop is going to be located?

Mr STAPLES: Obviously, that project is in detailed development phase at the moment. Mr Lamonte is most closely involved in that so I will happily get him to give you an update on the station location.

Mr LAMONTE: It is part of the Bays Precinct and that is being worked up with all of the stakeholders involved right now.

The CHAIR: Has there been consideration of additional stops in the Balmain area?

Mr LAMONTE: As the Government's announcement was made last year, it is looking at strategic review for a stop at Rydalmere and also one at Pymont.

The CHAIR: Right, so not between Rydalmere and—I am trying to get my geography right. There will not be any additional ones closer to White Bay? Because there is quite a gap, isn't there, between White Bay and the nearest—

Mr LAMONTE: The announcement included the consideration of those two additional stops on top of the ones that have already been announced.

The CHAIR: What plans—and perhaps this is not a question for you but more for the planning Minister, but if you have any insight that would be great—are there for the development of that region, of White Bay, particularly in regard to the heritage listed White Bay Power Station? Is that something within your remit?

Mr LAMONTE: That is something that is probably best for the Department of Planning.

The CHAIR: Do you know if the Government plans to keep the cruise ship terminal at White Bay?

Mr STAPLES: I am happy to get Mr Holliday to talk about the current operation around that. There is no change in government policy on it at this point in time, though.

Mr HOLLIDAY: At this point in time the operation of the White Bay Cruise Terminal is set to continue.

The CHAIR: Are there any plans to install the ship-to-shore power?

Mr HOLLIDAY: We did a review of the ship-to-shore power in 2017. We recently announced that we would be refreshing and revisiting that review, so that process is underway. I am anticipating the results of that review will be available later this year, and then we will take it from there.

The CHAIR: When you say later this year, do you mean within the second half or are we talking about much later in the year?

Mr HOLLIDAY: No, within the second half.

The CHAIR: Do we know yet where in White Bay the fresh air ventilation facility will be located as part of the project?

Mr LAMONTE: Every station will require access to fresh air but further detail on that is still being worked through.

The CHAIR: I have a couple of questions in relation to the proposed sale of WestConnex. Please just answer to the extent that it is possible—I understand that some of that will go to policy and I am not asking for policy. We have had some questions from stakeholders about how that will impact on the current procedures in place for people to seek compensation. For example, will the Government selling off the remaining share of WestConnex impact on the payment of compensation to home owners where property is damaged by the construction?

Mr STAPLES: I am happy to get Mr Regan to talk a bit more specifically around that. But just to really clarify in terms of the sale, there is a scoping study going out for a review of the sale. It is not a policy decision to sell the smaller stake—just wanting to be absolutely clear. But Mr Regan can talk about it; he is familiar with the governance and the arrangements. I think you will find that there is no change for property owners but I will let him explain that.

Mr REGAN: Thank you, Mr Staples. I do not envisage there would be any change to those arrangements, the reason being that the potential sale, in the same way as the previous sale of an interest WestConnex, relates to the equity in the entities that are set up to own the concessions for the road. That is different and distinct from the fact that concessions are granted by Transport to those entities and there are other arrangements Transport and other parts of government are utilising in terms of property acquisition and property compensation. The owner of the concession and the owner of the road does not impact at all the party who is working around the compensation or the assessment of those, so I would not think there would be any change to those processes at all.

The CHAIR: Thank you, that is very useful. Just quickly on those electric buses again and on a different topic without going backwards, I was interested in relation to that region 6 trial. How long has that trial been going for and how long do you expect it to continue?

Ms MILDWATER: In region 6 the trial has been taking place in two parts. Four electric buses with BYD chassis started I think in June last year and then they also moved in a fifth bus from another region. This is an example where they own the buses and they are moving them around. I am actually not completely sure. The feedback on those buses is absolutely fantastic; customers love them and they are having some great results. But I might just look at Mr Issa and see whether he knows how long the trials are going to last.

Mr ISSA: Thank you, Ms Mildwater. The four-bus trial started in July last year and the fifth bus, Yutong, was in August, so we have five buses now operating in region 6 for approximately two years. Customer satisfaction is great. The drivers love them and we are getting some really good results from them. As the trial has progressed, we have got some more confidence with the vehicles and understand the driving conditions. They started initially on what I would say would be smaller trips to test the technology, understand the battery life and understand the charging and as that has progressed they are now progressing on longer trips. And so we are getting to really understand how the new technology works in Sydney conditions, Sydney traffic and the heat, which drives air conditioning. So we are getting a lot of good information from that trial and it is progressing better than we expected. The customers are really enjoying them and the drivers are really enjoying driving them.

The CHAIR: Yes. That is very positive and good to hear. So when does it stop being a trial? When does it just become part of the operation?

Mr ISSA: This particular component is for two years but, as Ms Mildwater has indicated, we are looking at streamlining and mainlining electric buses more generally. But the lessons from this trial is feeding Transport for NSW's strategic plan around that transition and what the things are that we need to consider as we transition from a diesel bus operation to an electric or zero emission—it could be hydrogen—type of fleet. That involves a number of different considerations around trip planning, route planning, the way we manage the assets, and more specifically the different types of buses we operate but also the different types of charging and how that works. So there are a number of different elements and the reason why we say "trial" is because we are still learning through that process.

Ms MILDWATER: I think probably the broader answer too is although those four buses might only be for two years, what we would ideally do is learn enough during that to then mainstream it into the contract after that.

The CHAIR: Thank you. Sounds very positive.

Mr STAPLES: I was just going to say what has become really evident through the trials and looking at some other jurisdictions is that it is not just "move a diesel bus out and drop an electric bus in". The logistics that sit behind an electric bus is far more complex. We are really excited and we think it is going to be a great change for Sydney and New South Wales. But it is a bit more akin to a railway in terms of having a depot like a substation, needing to have power supply there, thinking about much more of a cyclical approach to things and so forth. We are really keen but we also want to get this right. So it might seem that we are a bit slow on the start of this but I think it is because we are really thinking through what is going to be the best way to make this a success.

The CHAIR: Yes. I am certainly hearing good feedback from the community and they are keen for it to be rolled out because they are having a good experience. So it is great to hear and be informed on what the overall plan is. Can we now turn to the Redfern station? Looking at the different plans—and I know that it has been a little bit controversial as to which plan ended up being selected. I understand that under the current plan we will see thousands of commuters being directed into quite small residential streets—Little Eveleigh Street and Marian Street—via that proposed new concourse. Has there been any attempt to address those concerns or change the proposal in any way? Do you have any concerns in relation to the number of people using that concourse?

Mr STAPLES: I will get Mr Regan to talk to this because his team is responsible for the development and delivery of that project. It would be fair to say that Redfern is just a very difficult station. I do not mean that in a negative way. It is just that the physical constraints around it both at the platform level as well as at the surface level and the streets that you talk about are really complex. It is probably one of the reasons why it has been so difficult to actually turn it into a project that we can see through to delivery. But just to give assurance, certainly between Ms Mildwater and Mr Regan there is a very strong leadership focus to find the right solution and get it into a delivery phase. I will ask Mr Regan to talk a bit more about the specifics in terms of community engagement.

Mr REGAN: Thank you. It is, as Mr Staples says, quite challenging at Redfern due to the constraints of the existing station. There are on average about 70,000 people going through the station every day. We have been really keen to try and come up with a solution that not only addresses connectivity to each of the above-ground platforms and provide accessibility upgrades to disability access but also cognisant of the flow of people in and out of the station, particularly into the streets Marian and Little Eveleigh. I will come to talk a little bit more about that but also around the precinct more generally and the flows between the university and the station and the Australian Technology Park and other parts of Redfern.

We have consulted quite heavily with the community and we had four early concept plans that we went through—different combinations of grid structures as to where they connected on the eastern side, including ones that did not necessarily go all the way across in the first instance. We did get a really significant response, over 400 responses from different types of stakeholders, and that is customers, community groups, residents, landowners, City of Sydney Council and local organisations. We were really pleased with that level of response and we did try to really engage quite broadly to try and find a solution because we know it has been a very long time.

Following that consultation and the review of the feedback—and we had extensive discussions with different elements of the community and the city as well—the design that we are proceeding with to go through the planning processes is that connection between Marian and Little Eveleigh. It does have lifts and stairs to each of platforms one to 10. There are pros and cons of each of the designs but the advantage is that it is the shortest and most direct journey across from the two streets, which makes it easier for commuters but also makes it easier particularly for people with disabilities or access constraints to actually get in and out of the station as quickly as possible. We have lodged a State significant infrastructure application with the Department of Planning and we are awaiting the secretary's environmental assessment requirements for the station. We will be undertaking an environmental impact statement and all of the studies and we expect that will go onto exhibition quarter three this year. There will then be another opportunity for full feedback from the community as we work that through.

The CHAIR: Thank you. I will stop you there because my time is up, but I will come back after the Opposition's questions.

Mr REGAN: No problem.

The Hon. JOHN GRAHAM: Mr Staples, I want to turn one more time to the issue of the timing. I am referring to the blowout and the process which was followed. This was a result of market pressures in 2018, but it is not in the midyear budget review in December 2018. It is not in the pre-election budget update on 5 March 2019. It is known to government on 11 April 2019. It is not in the budget in June 2019. That is all ground we have covered; feel free to comment on that.

Mr STAPLES: I might just characterise it slightly differently. I understand the interpretation you have taken, but I think Mr Regan outlined the cost pressures over 2018 and 2019.

The Hon. JOHN GRAHAM: I might just make the final point, and then feel free to answer it any way you choose. It is also not referred to in the annual report of the agency in 2018-19, which was finalised by 26 September 2019. That underlines our concerns just how long this is not disclosed. Did you want to put any context around that?

Mr STAPLES: Certainly. I think in terms of the catalyst for the review, 2018-19 is the time that we have had the significant industry cost pressure. It is over that duration. I think Mr Regan covered that, so I will not expand more. The notification to government was certainly in April 2019 and I stand by that, but that really commenced a process of review. I can understand—without describing what process the Treasury would have gone through, at that point the cost was not determined. It is understandable they would have known about the cost risk at that point and been clear about the potential scale of it, but we were in a process and reviewing and seeing what we could do to mitigate that cost, and that took some months—I earlier indicated to you to the third quarter. As to the annual report, that would have also been at that stage we would not have determined and had a decision from government around what to do with that cost.

The Hon. JOHN GRAHAM: As late as 26 September 2019?

Mr STAPLES: The annual reports for the reporting period 2018-19.

The Hon. JOHN GRAHAM: Yes, but it was finalised at that point.

Mr STAPLES: Yes, but it is for the 2018-19 annual financial year.

The Hon. DANIEL MOOKHEY: Can I take you forward in time beyond the annual report to the Audit Office's release of its review of your 2019 accounts? In terms of project management, this is what the Audit Office says:

The capital budget for the Transport cluster was \$14.7 billion ...

She goes on to say:

The Transport cluster is involved in several significant infrastructure projects. The Audit Office reviewed information on three significant ongoing capital projects in the Transport cluster - CBD and South East Light Rail, WestConnex and NorthConnex. These three projects were selected for review due to their size and significant public interest. The common factors emerging from the review of these projects include:

- a lack of transparency in reporting of project status and costs
- cost overruns and revisions to budgets
- time delays in the delivery of the project.

The Auditor-General, Ms Crawford, does not make any mention of the blowout on this project. Did you draw that to the Audit Office's attention? This was released in 28 November 2019, and it does not cover this either. Was the Auditor-General provided a copy of this review?

Mr STAPLES: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Did the Audit Office make any inquiries in the course of them preparing their report last year in respect to this project?

Mr STAPLES: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Was any disclosure made to the Audit Office prior to this report? Any other disclosure or in the course of any other Audit Office—

Mr STAPLES: I will take it on notice. I think the thing you need to understand is the sequencing of time events here and when government would have made decisions around the project. We had a Cabinet process running from April.

The Hon. DANIEL MOOKHEY: I agree.

Mr STAPLES: I have to get that process concluded before we can engage with the Audit Office around something like that.

The Hon. DANIEL MOOKHEY: But the Audit Office has a standing power and an obligation to report and to inspect. It is one of the key resilience project things, including Infrastructure NSW.

Mr STAPLES: I acknowledge that.

The Hon. DANIEL MOOKHEY: Should not the Audit Office have had its attention drawn to this issue? This was as of 28 November 2019. Why was the Audit Office not alerted?

Mr STAPLES: You are asking us in relation to our accounts now? I think that is a different matter.

The Hon. DANIEL MOOKHEY: The responsibility of the Audit Office is to report risk, amongst many other things. In fact, in her report last year she lists a whole bunch of risks, including some new ones that were not in her predecessor's reports. But this one is not listed there. It is pretty significant; it is a \$3 billion variation. But the Audit Office does not mention it, which means that either they concluded that it was not worth mentioning—that is one conclusion which is open—or they were not told. I am trying to understand, did Transport for NSW draw it to the attention of the Audit Office when the Auditor-General was auditing you for the last financial year? You knew by this point in time.

Mr STAPLES: As I indicated to you, I will take that on notice in terms of the specifics but also be clear around the fact that we had a Cabinet process in flight around about that same time, and that may have affected whether we could or could not give advice to the Audit Office at that stage.

The Hon. DANIEL MOOKHEY: Okay. Active transport—let's get back to cycling.

Mr STAPLES: Active transport, yes.

The Hon. DANIEL MOOKHEY: Ms Mildwater, we were talking this morning about the diversions that have been put in place pending the demolition of the cycling overpass onto the Anzac Bridge. Do you have any further information you can report to us in that respect?

Ms MILDWATER: In relation to what is happening on the ground today?

The Hon. DANIEL MOOKHEY: I am asking specifically about whether safe diversions for pedestrians and cyclists are being put in place prior to the demolition of the cycling overpass and the closure of the shared path onto the bridge.

Ms MILDWATER: The Victoria Road overhead bridge was closed on the 8 March, which was Sunday. The diversion work was completed before that, on Saturday afternoon. I rode it myself, just to check it. There was a great deal of attention paid to putting in a safe diversion, including widening paths and signage. Yesterday and today we have had people out helping direct people, with the usual red shirts when there is a transport change. We have also had traffic management on site, so a great deal of attention has been put to making that a safe diversion. Having said that, we did take your feedback this morning and have had another look at a couple of things. The speed limit has been lowered for trucks in that area of 20 kilometres an hour.

The Hon. DANIEL MOOKHEY: But you can confirm that trucks are allowed?

Ms MILDWATER: Trucks are allowed on the road, yes, but we have a separated cycle path built for cyclists. Having said that, though, we are getting more police down there to help with enforcement of the trucks and to enforce the one-metre rule that you raised before.

The Hon. DANIEL MOOKHEY: Is there real-time video surveillance of this? I am being sent a flood of photos of trucks and vans riding on the shared path.

Ms MILDWATER: I would have to check whether there is video surveillance, but we actually have people on the ground at the moment.

The Hon. JOHN GRAHAM: We would like to table those photos, if that is helpful.

The Hon. DANIEL MOOKHEY: Yes, we are happy to table them for you, if that is helpful. How long will the in-person supervision of this diversion remain?

Ms MILDWATER: Traffic management is a condition of the diversion, so there will be people there directing the traffic and stopping them mingling the whole time. In terms of the actual people helping direct people, we will leave them there for as long as needed. But I will also take the question of cameras on notice.

The Hon. DANIEL MOOKHEY: Is the New South Wales Government liable in any way if there is any accident or fatality on that diversion?

Mr STAPLES: I think that is a legal question that we would not be drawn in on around this.

The Hon. DANIEL MOOKHEY: Does the safe systems approach of the hazard evaluation standards that Transport for NSW requires for contractors working on road projects apply?

Mr STAPLES: I am happy to go back to Ms Mildwater on the process that she has gone through and the department has gone through to get to this outcome.

The Hon. DANIEL MOOKHEY: I just want to know whether that approach—it is a well-known system. Does it apply?

Ms MILDWATER: As in construction?

The Hon. DANIEL MOOKHEY: Yes, the safe systems approach to hazard evaluation, particularly in construction phases—does it apply to that diversion?

Ms MILDWATER: I would be happy to ask Mr Regan whether he knows. Certainly, we have had road safety audits and we have had our own people out on the ground looking at it.

Mr REGAN: I would have to check and I can revert on whether that specific requirement—

The Hon. DANIEL MOOKHEY: Can you take it on notice?

Mr REGAN: But we have undertaken, and our contractors will have undertaken, the requirements both of our contract with them and the safety requirements that they are to perform in assessing not just the performance of the works that they have done, but the safety of the people who do it. I can come back and confirm the specifics of your question.

The Hon. DANIEL MOOKHEY: Thank you. You did say that you undertook a safety audit prior. When did the audit occur, and are the results of the audit public?

Mr REGAN: I am sorry, I do not think I said—

The Hon. DANIEL MOOKHEY: I will ask again: Did you undertake a safety audit prior to this diversion and this route?

Ms MILDWATER: I am certainly aware of the road safety audit that was taken—I am not exactly sure but some time ago—and then works were put in place to address the outcomes of that. But we could take it on notice to see when the latest one was done.

The Hon. DANIEL MOOKHEY: Could you take on notice to give us how many have been done, when they were done and whether or not they are public. It would be useful, if that is okay. Finally on this, did transport officials make any assurances to Bicycle NSW or any other stakeholders that nothing would be removed on Gordon Street?

Mr REGAN: I think I might take that one on notice as well if you are asking whether specific assurance was made. I know that there was significant interaction with Bicycle NSW, so we will do that on that as well.

The Hon. JOHN GRAHAM: Just to be more specific on the safe system guidelines, one of the concerns that has been raised is that the guides for traffic management and road safety that were being used to assess this were the 2009 ones rather than the more up-to-date Austroads Guide to Temporary Traffic or the Guide to Traffic Management, which are much more recent documents. Therefore, that is one of the issues here. The contractor will not have had to demonstrate a safe system approach in assessing its project. I welcome any response but I am providing that to assist you, as you are taking that on notice.

Mr REGAN: That is helpful, thank you. I will revert on that basis in my response as well on notice.

The Hon. JOHN GRAHAM: Thank you. Ms Mildwater, to reiterate, we have had some feedback about the people who are onsite assisting. I will table an injury which has already occurred, someone hurt and bleeding. They were quite complimentary though about the assistance they received from the staff onsite, who were actually able to help after the accident occurred at this site yesterday morning.

The Hon. DANIEL MOOKHEY: Mr Secretary, Steffen Faurby left STA on what date?

Mr STAPLES: I would have to take the specifics on notice. I could ask Mr Eid what date he started and I think that would give us an indication when Mr Faurby completed. It was around December or January.

Ms MILDWATER: Yes. He took some leave before that though. It was before Christmas.

The Hon. DANIEL MOOKHEY: His position was not abolished or anything like that?

Ms MILDWATER: No.

Mr STAPLES: No, he took another position.

The Hon. DANIEL MOOKHEY: He resigned?

Mr STAPLES: Yes, he took a position in another part of government.

The Hon. DANIEL MOOKHEY: So presumably he was not paid any separation payment?

Mr STAPLES: No.

The Hon. DANIEL MOOKHEY: Brad Burden was hired by you, Mr Secretary. Has his engagement completed?

Mr STAPLES: Just to clarify the reference to "hired", Mr Burden came on for a contract. When I hear the word "hire" it sounds like it might be talking about an employee recruitment.

The Hon. DANIEL MOOKHEY: Sorry, I should be more precise.

Mr STAPLES: I just wanted to be really clear that he did come on as a contractor last year and, yes, his contract has concluded.

The Hon. DANIEL MOOKHEY: When did it conclude?

Mr STAPLES: I think it was at the end of February.

The Hon. DANIEL MOOKHEY: What work did he perform?

Mr STAPLES: He was engaged under a contract to review. I think we have provided some terms of reference around this as part of a Public Service Commission review you would be familiar with because there was some public commentary around this. Can I say up-front, as the secretary of the department it is really unfortunate to see this sort of stuff floating around in media and suggesting that maybe we have been following inappropriate recruitment processes. This has not been a recruitment, but ultimately I am the secretary and I will take accountability for any perceptions that have been created around that. We embarked late 2018, early 2019, Mr Regan looking after a lot of our major projects, Ms Mildwater moving into a role across Greater Sydney. There were a couple of things that we were really challenged with. One of them was the scale of the capital program we have actually got in-flight was creating a situation where we were having a number of projects being delivered at one time in particular regions of Sydney and even in regional New South Wales. Secondly, we were looking to move towards more of a place-based approach in terms of community engagement, which is quite a different approach to what we have done before.

We were really thinking about how could we shift our community engagement model to be more progressive, more helpful for community in terms of going to them in a more joined-up approach and think about the way projects engage. We have been talking about that from late 2018 until early 2019, thinking about wanting to bring someone on board. We thought about using some in-house resources for that but given the scale of work going on at that moment we really could not see anyone who was available because of projects like light rail, which were very intense at that point in time. Mr Burden approached me I think somewhere around April 2019. I was aware of his background having worked with Transurban on community engagement.

I had a catch-up with him. I passed on his details to Ms Mildwater and Mr Regan and subsequently he did become—through a procurement process he was engaged with a scope of wanting to look at that engagement model that I have just referred to and to do that through the lens of some specific projects that were in the development phase at that point in time; really starting to think about, Can we do things like the Western Harbour Tunnel, the Beaches Link, Coffs Harbour and other projects? Can we think about the way we are engaging with community in a different way that would be more helpful and constructive with community? He undertook a piece of work. I can get Ms Mildwater and Mr Regan to talk about how they engaged him around that because, to be honest with you, as secretary I did not get particularly involved in the day-to-day work.

The Hon. DANIEL MOOKHEY: I was not really questioning the circumstances that led to his employment because in large part you have already offered multiple public explanations of it. I was just more wanting to close out the loop on that.

Mr STAPLES: If I over-answered the question my apologies.

The Hon. DANIEL MOOKHEY: You were very thorough and we did not cut you off. Did he produce a written report?

Mr STAPLES: I would have to ask Ms Mildwater or Mr Regan in relation to that.

Mr REGAN: As the secretary mentioned, Mr Burden provided advice and worked on a number of areas particularly around a major projects. In regards to some of those projects, he did not provide a written report because the work he was doing was either commenting on documentation on the way through, so public documentation, community strategies, engagement strategies. In other cases he has provided advice to myself or Ms Mildwater on the way through. He has given a summary in a summary report form of one of those pieces of work he was doing but not all of them. His engagement was not to prepare a report; his engagement was to give us advice on the way through and work with people internally to understand what we were doing and how we could reposition what we were doing.

The Hon. DANIEL MOOKHEY: So he was effectively an in-house adviser to whoever needed him?

Mr REGAN: No, not to whoever needed him.

The Hon. DANIEL MOOKHEY: To you.

Mr REGAN: He did give in-house advice to myself and Ms Mildwater.

The Hon. DANIEL MOOKHEY: What then is the legacy of his work? Did he provide any policy? Did he provide any procedures? Did he provide new reports? Did he invent a new model? What did he do?

Ms MILDWATER: I think probably I should speak to that because the community engagement part of transport sits within my patch for Greater Sydney. I guess what he did for us was I would say in two pieces. One of them was very specific work, as Mr Regan said, on particular projects where I saw he engaged with the teams who were already in place on that doing community engagement and obviously taught them how to do it differently so the standard of community engagement lifted greatly in terms of—

The Hon. DANIEL MOOKHEY: What was different about what he was teaching?

Ms MILDWATER: I do not know what was different but he lifted the standard of the materials and the community engagement approach that I saw, in effect, so he clearly coached them, he gave them direction. I saw some of the materials beforehand and I saw them afterwards. He really led to the standard of particular projects lifting; at the same time he also helped me. He gave me some advice as we went into designing the organisation in terms of what functions should sit where. He helped give me some advice in terms of what he saw was sitting within the projects, what I needed to do in my patch.

The Hon. DANIEL MOOKHEY: So he was a coach/advisor. Is that a fair rendering of his work?

Ms MILDWATER: That was some of it as well as doing hands-on work obviously.

The Hon. DANIEL MOOKHEY: Did he design a new community engagement model which can then be applied to projects after his tenure or is it the case that he was only really providing work for the projects that required community engagement at that point in time?

Ms MILDWATER: The design model we are going through. We are gradually in an organisational design process.

The Hon. DANIEL MOOKHEY: I am talking about Mr Burden's contribution to that.

Ms MILDWATER: Yes, so when he first came into the organisation we were in the very early stages of considering where community engagement should sit within the organisation and within—we landed that it should sit within the client, within Greater Sydney. I formed an executive director role. As the secretary said, we thought about various models of how to fill that and I actually had a couple of attempts at perhaps just picking a person to fill an in-house role but decided that was not the right thing to do given the time pressure and everything. We used Mr Burden to help advise what that structure might be and will now continue to stand that up and design it as we go forward.

The Hon. DANIEL MOOKHEY: But he did not provide any written report to that effect?

Ms MILDWATER: As Mr Regan said, he did provide a report but at the same time he also provided verbal guidance along the way and observations as well as working with particular teams to really lift the standard of the work they were doing at the time.

The Hon. JOHN GRAHAM: I turn to the NorthConnex project. When it was originally announced it was an unsolicited proposal. It was to be complete by 2019 and it was to be provided with funding of up to \$405 million from New South Wales. What is the completion date now expected to be for the project?

Mr STAPLES: Obviously it is a really critical link of linking the M1 down to the M7 motorway—or the M2 motorway, I should say. Mr Regan has been pretty closely involved in the oversight of that. I do not know whether you want to just follow through this answer now?

The Hon. JOHN GRAHAM: I have got to pass back to the Chair. I will come back to it, but if you want to just answer on the completion date at the moment, our best known estimate, and then we will keep chatting.

Mr REGAN: Sure. At this stage our expectation is that it will open around the middle of this year. As I understand it, there are some risks around the opening date, so the third quarter of this year is our best guess. It may come in earlier than that, but that would be the quick answer. But I am happy to talk to you more about it.

The Hon. JOHN GRAHAM: Yes, let's come back to that.

The CHAIR: I have just a few final questions. Mr Regan, we were talking about the Redfern station concourse and you were letting me know that there is a series of approval steps yet to go through.

Mr REGAN: That is right.

The CHAIR: Will there be time for additional consultation and perhaps some tweaking of the project during that process?

Mr REGAN: Yes, that is right. We will be undertaking an EIS, which will be on exhibition in Q3 this year. Yes, there will be opportunity for the public community groups to respond to that and to engage. We will be holding further engagement sessions and going through that process. Depending on the outcome and the decisions of the Department of Planning, Industry and Environment around that EIS, we would then look to move the project into procurement. The comment I was going to add before as well is that this initial piece of work is for the above-ground stations. We are very conscious that there are two below-ground platforms as well. We are working on a further piece of work to seek new lifts and create a new entrance at the station that would be between the new concourse and Gibbons Street. That would provide the opportunity potentially to also have a more direct bus interchange, so to create a more multimodal interchange through the new concourse over the top and to the other side on Little Eveleigh Street but also with connections directly to the eastern suburbs railway. That is stage two, which we are working on at the moment. As we progress through the planning process for stage one we are also progressing works on stage two so that we would hope to be able to move pretty quickly into that as well.

The CHAIR: Just to clarify that, those two remaining platforms you are talking about are platforms 11 and 12?

Mr REGAN: Yes, on the T4 Illawarra and Eastern Suburbs line.

The CHAIR: So the current plan is for them to be dealt with in a single—

Mr REGAN: Platforms 1 to 10 initially, which are above-ground, but we are working on getting to the two below-ground platforms.

The CHAIR: Do you have any idea how much longer that will take to do stage two of the project?

Mr REGAN: We would be looking to go through—we are just working it through now. Depending on where we get to on stage one, but we would be looking to follow on. Hopefully next year we would be looking to be having that going through the planning processes as required.

The CHAIR: In relation to the Sydney Metro Northwest, do you have any numbers of the full-time equivalent staff employed working on the trains and stations when they opened versus the number of staff employed as at 1 February 2020?

Mr STAPLES: I will turn to Mr Lamonte. Just to explain, the operation of the Sydney Metro Northwest is through a PPP, which has equity and debt investors in it. Inside that PPP is an operator, Metro Trains Sydney, which is a joint venture of Mass Transit Railway, the train operator in Hong Kong, as well as John Holland and UGL—two Australian-based companies. It is responsible for the staffing levels in the organisation. I will let Mr Lamonte give you any commentary about what he might have in terms of the numbers of staff that it has.

Mr LAMONTE: Broadly, in terms of frontline staff we are talking about 166 people and the numbers have been constant from the start of the operation to now. The overall operation is about 300 people in total.

The CHAIR: In the first budget estimates session we had at the end of last year we were talking about the cases of children being separated from their parents, and we have talked about that being teething problems. That was a product of it being new. How many cases have there been since that time? Has it improved?

Mr LAMONTE: In broad terms there have been very, very few issues since about August and September last year. That is part of a broader picture of people getting used to the metro and also the fact that this metro took a bit of time to bed in, but has done so in style, and the performance since then has been fantastic. That is supported by the customer satisfaction score of 96 per cent. It is a great story, really, of a great performing line.

The CHAIR: So that problem has not persisted?

Mr LAMONTE: Not really, no.

The CHAIR: That is good to hear. I understand that there was some concern about the amount of time that doors were staying open to allow people with a disability to board the Sydney Metro Northwest. I understand the Council for Intellectual Disability was assured that the doors would remain open for a minimum of 15 seconds and 30 seconds at busy stations. Has that been implemented?

Mr LAMONTE: The first thing to say is that of course Sydney Metro Northwest is fully accessible. It is a great example of where public transport can demonstrate it is fully accessible to all groups. We have worked incredibly hard with all groups to make sure that that would happen and tested that. What we have been able to do as the journey times have improved and we have got even better in our consistency is to tweak those dwell times at stations to allow everyone—not just those with disability—to manage more easily. That has worked particularly well at Epping, for example, where we have allowed a little bit of extra time as we have had more passengers there. We have optimised the system now and I think it is working well for everybody.

The CHAIR: What is the average amount of time that the doors are open for?

Mr LAMONTE: The minimum is about 15 seconds, as you say, but elsewhere it can be 30 seconds and it can be even more than that.

The Hon. JOHN GRAHAM: Ms Mildwater, I might just step back to cycling to ask one final question. That division that we have been talking about for cycling, what was the cost of putting that in place?

Ms MILDWATER: I might just ask Mr Regan because it is a construction cost. I am not aware of the particular cost.

Mr REGAN: Unfortunately, I do not have the particular cost of the diversion to hand. I am happy to take it on notice and come back on that.

The Hon. JOHN GRAHAM: We would be really happy if you take it on notice.

Mr REGAN: Some of the elements are in the major construction contract and some of the elements are works that we have done separately to that. I would just have to go and have a look.

The Hon. JOHN GRAHAM: We are comfortable with on notice. I will return then to NorthConnex. We talked about the timing. Mr Regan, the timing you have sketched out is unsurprisingly consistent with what Transurban has said in public. To turn to the cost, when this started out there seemed to be a \$405 million contribution from New South Wales. Now we are talking much higher. I do not understand what has happened. Can you talk us through that cost element?

Mr REGAN: Can you refer to what you are referring to with the much higher contribution?

The Hon. JOHN GRAHAM: The Audit Office of NSW has indicated the original budget set for RMS has now been revised to \$997 million. Can you just talk us through the State contribution to this project?

Mr REGAN: Yes, I will do my best, because there are some different numbers—not quite "like for like" there. When the project was originally signed, as you rightly said it had originally been through an unsolicited proposal, but this is a publicly traded partnership structure. The funding of it included funds from the New South Wales Government and funds from the private sector that were raising up-front funds against the future tolls of the road and against changes in the adjoining concessions at the time. Within that context, the New South Wales Government is the counterparty, from the Government's perspective, but there is a funding arrangement back to the Federal Government for the Federal Government contribution. Of the contributions into the project overall, there have been some changes on the way through, including changes around Hornsby quarry in terms of an ability for a more effective use of the spoil.

Mr REGAN: Within the context, the overall contribution—I think the number you mentioned there of nine, did you say nine?

The Hon. JOHN GRAHAM: I am referring to \$997 million which includes the Hornsby Quarry Road construction—

Mr REGAN: The split there between New South Wales and the Australian Government is \$577 million from the New South Wales Government and \$112 million from the Australian Government. The Commonwealth is paying New South Wales to then contribute those funds on its behalf. That includes the original contributions towards the project and the changes on the way through. What is important though is in this case this is an example of a project where the construction cost—time delays and construction costs—are not a matter for the New South Wales Government. That risk similar to the Commonwealth—

The Hon. JOHN GRAHAM: Yes, I am clear on that.

Mr REGAN: The issues around the construction timing and the cost of that are issues between the private sector parties.

The Hon. JOHN GRAHAM: I am clear on that.

Mr REGAN: The Government is not exposed to construction costs.

The Hon. JOHN GRAHAM: Yes, I agree with that. Let me ask you this though, the Audit Office report says the original budget set by RMS for its own portion of the project cost was \$971 million. Are you saying that includes the Commonwealth parts?

Mr REGAN: That is correct. That has not changed.

The Hon. JOHN GRAHAM: So what has changed is that we have gone from what originally was announced, from \$405 million to \$577 million?

Mr REGAN: I do not think they are quite like for like though because that is also—

The Hon. JOHN GRAHAM: Correct.

Mr REGAN: —including the other changes around Hornsby Quarry and some additional scope items that were added.

The Hon. JOHN GRAHAM: Although that does not explain all the—

Mr REGAN: But the \$970 million that you referred to is the same amount.

The Hon. JOHN GRAHAM: I might just indicate that we have still got a range of issues to raise but we are happy to do so pretty quickly, just to touch on them. We are happy to move reasonably quickly through these next issues.

Mr STAPLES: Okay. I wanted to cover one thing. You asked about Mr Faurby's departure date?

The Hon. DANIEL MOOKHEY: I did.

Mr STAPLES: He finished in the office on 20 December. His last date of employment was 12 January 2020. That just indicates that he took a period of leave between his last day in the office. I just want to be really clear that Mr Faurby was very well regarded within Transport. We were very sorry to see him go, very pleased for the role he has taken on with TAFE NSW. We have a good person in to replace him in Mr Eid but we were very disappointed to see him go.

The Hon. DANIEL MOOKHEY: Since 2016 Infrastructure Australia has said that the New South Wales Government should be pursuing a light rail system to Green Square as a high priority in each of its infrastructure priority lists. Is Transport for NSW undertaking any work into such a project?

Mr STAPLES: We have been doing planning work around Green Square for a considerable amount of time. I am happy for Ms Mildwater to talk more specifically about some of the considerations but I acknowledge the points made by Infrastructure Australia as a priority. We need to recognise we have put a lot of investment into the T8 rail line which Mr Mills would be able to talk to in terms of some of the network benefit of that. The Sydney Metro station at Waterloo is also a significant complement to that area in terms of additional capacity and transport choice within that. There has been a substantial change in the bus network in that region over the time as well. So while we may not agree in the detail and the timing of things, we certainly acknowledge the importance of Green Square.

The Hon. DANIEL MOOKHEY: There is just very specific concerns I would like to address in the spirit of speed dating that my colleague just outlined. The first is the Waterloo station being on the edge of the precinct not at the core of the precinct and not directly dealing with the alleviation pressures that Infrastructure Australia has flagged. This is the first issue that it would be helpful to address. The second is still the original question as to whether any work has been undertaken on a light rail connection to Green Square as well and when I think of the third again, I will come back to you.

Mr STAPLES: So there is a transport action plan that I will get Ms Mildwater to talk a little bit towards.

Ms MILDWATER: As the secretary mentioned, yes there is a transport action plan and we are working very closely with the City of Sydney. We recognise the rapid growth of the Green Square population and it is projected to continue to grow rapidly. So we have been focusing on more of an integrated transport plan, working very closely with the City of Sydney in terms of both the near-term and outer-term options. Near-term, we are looking at increased buses, Waterloo station, More Trains, More Services and those sorts of activities, while also then exploring longer-term actions that might be more permanent.

The Hon. DANIEL MOOKHEY: But do the longer term actions that you are exploring include a light rail?

Ms MILDWATER: It includes a few things but buses to start with probably but more different solutions in the long run.

The Hon. DANIEL MOOKHEY: But not light rail?

Ms MILDWATER: The initial solution will be heavy rail. Metro and heavy rail.

The Hon. DANIEL MOOKHEY: And long term? Not light rail therefore?

Ms MILDWATER: We have not gone that far yet.

The Hon. DANIEL MOOKHEY: I think that addresses my concerns and perhaps on notice we can get the rest because I do want to keep moving through it just so we can get through. Ms Mildwater, I think this is best to you. We were discussing earlier the bus contracting franchising arrangements. To be clear regions 7, 8 and 9 we have discussed. But for the rest of the regions, we are re-tendering pretty soon are we not? We established that I think at the last estimates.

Ms MILDWATER: Yes, it will just continue on through over the next three or four years.

The Hon. DANIEL MOOKHEY: Have you decided the sequence by which you are re-tendering?

Ms MILDWATER: Roughly. Not exactly.

The Hon. DANIEL MOOKHEY: Is that public?

Ms MILDWATER: No, it would not be yet because we are still working on the exact order.

The Hon. DANIEL MOOKHEY: So the expression of interest process you were describing before was to do with the buses, the fleet.

Ms MILDWATER: For the electric buses?

The Hon. DANIEL MOOKHEY: The fleet. Not the rest of the tender.

Ms MILDWATER: That is right and it could cover those regions that are not early in the tender process. It can cover all of the regions subsequently.

The Hon. DANIEL MOOKHEY: When do you anticipate you will have concluded your work on the sequencing of the tenders?

Ms MILDWATER: Probably over the coming months. After we launch the 7, 8 and 9 process formally, with the tender process, and we do industry briefings, we will probably—soon after that—hope to be in a position to outline more details of the process. We have told them the rough order but we will try and—

The Hon. DANIEL MOOKHEY: When do you anticipate the first of them to be in the market?

Ms MILDWATER: The first one after 7, 8 or 9?

The Hon. DANIEL MOOKHEY: Yes.

Ms MILDWATER: We will start that while we are still in the transition process for 7, 8 and 9. We are anticipating this to be just a continuing process.

The Hon. DANIEL MOOKHEY: And that is not dissimilar to what you usually do so that is not a surprise. But in terms of those tenders for those, will the tender require compliance of the private operators with the State transport award? Or are they allowed to bid on the Federal award?

Ms MILDWATER: The various other regions already have in place awards.

The Hon. DANIEL MOOKHEY: Sorry?

Ms MILDWATER: All of those other regions that are already—

The Hon. DANIEL MOOKHEY: In the market.

Ms MILDWATER: —already have other awards in place.

The Hon. DANIEL MOOKHEY: Is it the Federal award though?

Ms MILDWATER: I think it is for most of them, yes.

The Hon. DANIEL MOOKHEY: But the State Transit contracts—so regions 6, 7, 8 and 9—operate on the State awards.

Ms MILDWATER: Seven, 8 and 9.

The Hon. DANIEL MOOKHEY: So 7, 8 and 9, when it is privatised, will they be operating on the State awards or will they be allowed to go to the Federal award?

Ms MILDWATER: That has not yet been decided.

The Hon. DANIEL MOOKHEY: So in terms of the disparities between the State awards and the Federal awards, is there any process you are envisaging in the tender process to close the gap?

Ms MILDWATER: I am not sure what you mean by the gap. There are different awards that are all official awards—

The Hon. DANIEL MOOKHEY: There is one Federal award.

Ms MILDWATER: Yes.

The Hon. DANIEL MOOKHEY: That covers the transport industry and there are some State transit awards. But I am not talking about 7, 8 and 9. I am talking about the balance of them. Are you envisaging specifying in contract a requirement for the bidders to follow any State award or is it still the case that the default position that they are allowed to be on the Federal award will continue?

Ms MILDWATER: We had not contemplated that but I am not sure why we would force people to change awards. But we have not—

The Hon. DANIEL MOOKHEY: Well namely because drivers are paid better under the State awards than they are under the Federal award. So the question really is: Is the process of transference going to lead to—in 7, 8 and 9—downward pressure for drivers? And do you envisage a process of lifting up so we do not have effectively two sets of bus drivers who are paid to separate rates for performing the same work which, to be fair, we have now?

Ms MILDWATER: There are different awards in play, I understand that. I am not familiar with how the terms compared to each other but they are both official awards.

The Hon. JOHN GRAHAM: Can I ask about the Western Harbour Tunnel and Beaches Link? At our previous estimates discussion we talked about the interaction of the investment decision by government and the EIS. Mr Staples, you indicated that the investment decision really needs to be made—well, you agreed to my question saying the investment decision would likely come before the EIS would be issued. It has been issued. Has government made an investment decision?

Mr STAPLES: So certainly the EIS here, as you know, closes tomorrow in terms of the exhibition process. In terms of the business case it is a bit more complicated because of the market engagement process. I might get Mr Regan to update just a little bit on why we are going through somewhat of a different process than perhaps what I might have anticipated when I answered earlier.

Mr REGAN: Thanks, Mr Staples. Particularly building on the comments we made before around the market conditions we have undertaken putting in some engagement in addition to the community engagement that is part of the EIS. We have been doing the same with industry, both around the upgrade to the Warringah Freeway and the Western Harbour Tunnel procurement and the options around that and the financing arrangements around that. So we have gone down that path and expect that in the process that we are going through with the EIS now out and then while it is a matter for government I expect this budget upcoming will provide the information around the investment and the funding structure.

The Hon. JOHN GRAHAM: Is it possible that some of that consultation about funding will result in the project effectively being broken into—

Mr REGAN: We are genuinely engaging with industry on the packaging. The current approach that we are working on is the Western Harbour Tunnel aspects of the overall program. There are two primary components. One is an upgrade of the Warringah Freeway itself in advance of the main tunnelling contract. So we are envisaging two major contracts. There may be some early works contracts as well. But that project and what is out on EIS at the moment is a series of contracts that form a part of a single program. So we would expect we would be procuring them in a slight stagger but the Warringah Freeway upgrade, subject to the budget process this year, we expect to commence the procurement of that shortly after we have clarity around the EIS, and the Western Harbour Tunnel to follow.

The Hon. JOHN GRAHAM: I think you have answered this question already but what is the next step that happens in this process?

Mr REGAN: The planning process is underway with the EIS exhibition period coming to a close and so there is a process of consideration and potentially determination by the department of planning and the planning Minister, ultimately. The other part of that process is we have concluded our consultation with industry and we are giving advice to government on funding and delivery strategies. We would expect that the budget process is the next step on the funding side.

The Hon. DANIEL MOOKHEY: Mr Secretary, your counterpart in the Department of Planning, Industry and Environment issued the supplemental environmental impact statement [SEIS] for Metro West on 11 December 2019. When do you envisage the work to comply with the SEIS being completed?

Mr STAPLES: I will ask Mr Lamonte to give you the detail on that because he is overseeing that project.

Mr LAMONTE: Thanks very much. As soon as we have got the details ready we will engage with an EIS. But, as I say, one of the next stages for us is to talk about Rydalmere and Pymont and getting those decisions made, which will be during the course of this year.

The Hon. DANIEL MOOKHEY: So you will be making decisions about Rydalmere and Pymont this year.

Mr LAMONTE: Well, we will be putting advice to government for them to make decisions.

The Hon. DANIEL MOOKHEY: They will make a decision and you are operating on the assumption that they might decide this year and you might be able to proceed therefore.

Mr LAMONTE: We will put the advice to government to allow them to make the choices and then we will carry on the statutory planning process.

The Hon. DANIEL MOOKHEY: Do you know when the EIS will be completed or lodged?

Mr LAMONTE: I do not have a date for that at the moment.

The Hon. DANIEL MOOKHEY: Are you required under the SEIS to have a date?

Mr LAMONTE: We will obviously get that done as soon as we can. I am not aware that we have a specific requirements.

The Hon. DANIEL MOOKHEY: I am not sure that you do either. In terms of the commitment from the Government for construction to be starting in 2022, is it therefore envisaged that the process of complying with the EIS will occur in parallel to the process of tendering or preparing for the tender?

Mr LAMONTE: We have already started doing some work, which is the preparatory work that we would expect to take place. Clearly we have to have our planning processes in place and we have to get that in

place to allow, as the Minister talked about this morning, getting our first tunnel-boring machine in the ground before the end of 2022.

The Hon. DANIEL MOOKHEY: So we are on track to commence construction in 2022.

Mr LAMONTE: We are indeed.

The Hon. DANIEL MOOKHEY: And we are on track for it to open in 2027.

Mr LAMONTE: This is a complex project and we will be getting on with the construction through this decade.

The Hon. JOHN GRAHAM: I take that as a no. You do not feel obliged to comment.

The Hon. DANIEL MOOKHEY: It was not a question. When will the Government disclose the updated bus timetable for region 9 that will operate once the Kensington to Kingsford light rail line has opened?

Mr STAPLES: I am happy to get Ms Mildwater to talk to you around that. Obviously our focus at the moment is getting L3 open.

The Hon. DANIEL MOOKHEY: Opening the light rail. Yes.

Mr STAPLES: The Minister spoke to that a little this morning. So there are no immediate changes on foot around that but I will get Ms Mildwater to talk to you about the process we are going through in thinking about how we make these bus services better connected with the light rail.

Ms MILDWATER: Thank you. Obviously we are doing some planning. There was information in the EIS about what we might do post opening the light rail but we do not intend to even go out to the community for consultation until sometime after the L3 opens. So the process will be that L3 will open, we will let it bed in, we will then go out for community consultation and make changes at some stage after that.

The Hon. DANIEL MOOKHEY: It is an indeterminate date for community consultation then.

Ms MILDWATER: That is right.

The Hon. JOHN GRAHAM: I would like to turn to the Minister's evidence about Parramatta Road. He outlined his vision for the strip. I want to ask about the process though. What is the next step with Parramatta Road and the transformation, either as outlined by the planning conditions or the vision the Minister outlined this morning?

Mr STAPLES: Yes, I think we might need to take that one on notice, sorry, to be honest with you. I understand what you are asking about in terms of that planning condition but in terms of coming back with some timing—

The Hon. JOHN GRAHAM: Okay. Timing or process—it is the both of those I would be interested in.

Mr STAPLES: Process—certainly. Yes. Understood.

The Hon. JOHN GRAHAM: The Department of Planning and Environment is on record as having written to the then RMS in July 2018 recommending that the public transport options be implemented as soon as possible. Is that an accurate report? Did planning write to transport or RMS?

Mr STAPLES: Have you got a copy of that that you could—

The Hon. JOHN GRAHAM: I have only seen the public reports of it:

A spokesperson from [planning and environment] said: ...

"The department wrote to the RMS in July 2018 recommending that the public transport options be implemented as soon as possible."

So they are on record saying that. I guess my question then to you is: Is there any response to that correspondence from planning about where this is up to?

Mr STAPLES: We have taken on notice the question about process—I think that will tie with that and we will look at what correspondence we have got.

The Hon. JOHN GRAHAM: Yes, good. Perhaps if you supply the Transport response to the Committee on notice.

Mr STAPLES: I will see what is there—obviously going back into 2018 and RMS, so I will just need to do a bit of investigation on this.

The Hon. JOHN GRAHAM: Yes. I will ask for it on notice. What you do after that is up to you.

Mr STAPLES: Yes. Thank you.

The Hon. JOHN GRAHAM: And thirdly, on Parramatta Road the light phasing was changed in December, I understand. Can you confirm that and what is the effect of that change to the light phasing?

Mr STAPLES: You are talking in relation to the opening of the last stage of the M4 or are you talking about—we need more specifics to know where—

The Hon. JOHN GRAHAM: No, I am talking about traffic on Parramatta Road. The vision is to turn it into a four-lane boulevard. In December the light phasing was changed to speed up traffic on Parramatta Road. I just want to confirm that that change occurred and what the effect of it was.

Mr STAPLES: Are you clear about where on Parramatta Road? It is a pretty long road, as you know.

The Hon. JOHN GRAHAM: I understand it was over a fair stretch of it but no, I am not thinking of anywhere specific.

Mr STAPLES: I will ask Mr Issa whether he has any specific details around that. Obviously we were all pretty focused on the opening of the M4 last year—

The Hon. JOHN GRAHAM: Yes. Understood.

Mr STAPLES: —in terms of a network integration.

Mr ISSA: Thank you, Mr Staples. In terms of specifics I am not aware of it specifically. Obviously we did a lot of work to bed in the opening of the motorway. As part of the opening of the motorway we bed in the traffic signals and as part of that there is a lot of redistribution of traffic. But in terms of a specific decision or conscious, I am not aware of—

The Hon. JOHN GRAHAM: Perhaps the easiest way to do this is, on notice, could you notify about changes to the light phasing on Parramatta Road? I am more interested in the operation of Parramatta Road than necessarily the changes that are strictly about the opening of the motorway, although I understand they are related.

Mr STAPLES: Just to be clear, any deliberate interventions—because the SCATS traffic system is actually a self-adjusting system, so you are looking for anything where we might have deliberately intervened with the set-up of that system in relation to traffic flows on Parramatta Road.

The Hon. JOHN GRAHAM: Yes, I believe so.

Mr STAPLES: Okay. Thank you. I just wanted to clarify.

The Hon. DANIEL MOOKHEY: Let us resume by having a discussion about Kensington buses. Ms Mildwater, you mentioned that you were talking about a consultation process. I understand that it is yet to be determined how it will begin. How are you intending to manage the consultation process? Which model are you dealing with?

Ms MILDWATER: We have not decided that yet either. We have obviously tried a few different ones recently but we will decide that over the coming months as well.

The Hon. DANIEL MOOKHEY: Do you have any idea of how long the consultation period will be open for?

Ms MILDWATER: No, we have not set a date yet either.

The Hon. DANIEL MOOKHEY: How does this interact with the franchising of region 9? By the time you franchise region 9, will there be a known timetable for region 9?

Ms MILDWATER: It is looking like it will not be known at the time we launch the tender process in the next couple of months, just because of the timing of the L3 opening and then going to consultation. We would probably need to give the bidder some assumptions to bid on and adjust it later. Given that it is quite a lengthy tender and transfer process, it is probable that there are changes that could be implemented beforehand, but they will not be ready by the time we go to tender.

The Hon. DANIEL MOOKHEY: In terms of the major institutions that are both origins and destinations for transport in the area, the Prince of Wales Hospital, the Royal Women's Hospital, Sydney Children's Hospital, Randwick TAFE and public schools, will they be consulted about any changes to the bus timetables?

Ms MILDWATER: We will include everyone in the consultation process. We will open it up so that anyone can comment.

The Hon. DANIEL MOOKHEY: But will they be discretely consulted?

Ms MILDWATER: We have not settled that yet. Having said that, we do interact with all of those institutions individually quite frequently.

The Hon. DANIEL MOOKHEY: Where are we up to on the Premier's commitment to bring back the 378 bus?

Mr STAPLES: I am just checking because that is a very specific question and I am just getting up that information. I have to declare it was a favourite bus ride of mine when I was a child.

The Hon. DANIEL MOOKHEY: Curb your enthusiasm on this matter. We might allow you to draw up the information and you can come back to me.

Mr STAPLES: Okay.

The Hon. JOHN GRAHAM: I turn to some questions about the progress on the WestConnex project. Are you aware of delays being experienced due to Ausgrid's capacity to perform works? This is in relation to particularly work around Rozelle.

Mr STAPLES: I am happy to get Mr Regan to talk to anything specific around that. It would be fair to say that Ausgrid have had a number of issues organisationally. I think that while they have started to work their way out of that, tragically they had a fatality on some live works some time ago and as a result of that took stock of their operating procedures. That certainly did slow down a number of projects and interactions that we had along the way. As a general response, that has been an issue. I am happy for Mr Regan to talk to anything specific on Rozelle, which would be WestConnex stage 3B.

Mr REGAN: Certainly there have been some issues, as Mr Staples mentioned, with Ausgrid, not just on that project but more broadly, particularly around switches of electricity as you adjust utilities, cutting power from one system to the next. There have been some delays relative to the original schedules, as I understand it. But the extent to which that translates into an eventual delay as to the outcome of the construction, at this point I am not sure. There have been some issues and we are working very closely with Ausgrid and with the joint venture contractor that is onsite to try to work that through and to mitigate where possible. At this stage, it is early days.

The Hon. JOHN GRAHAM: Some of those issues are in relation to the live works issue, and there may be a ban on that. Some of them are in relation to a capacity issue, which might be more closely linked to the staffing issues that have been raised about Ausgrid elsewhere. That is certainly part of what we are dealing with here, is it not, that capacity?

Mr REGAN: Those two things may well be conflated a little—and I cannot talk for Ausgrid—because there is quite a backlog because of the issues around the previous incident. We are continuing to work with Ausgrid to look at that more broadly. Certainly on WestConnex 3B there is a lot of work going on, and very constructive work, to try to re-sequence where appropriate and to adjust where we can.

The Hon. JOHN GRAHAM: Still in relation to the WestConnex project, which government agency is responsible for the land at Rozelle park? Which is the responsible government agency when it comes to making land use decisions there?

Mr REGAN: When you say land use decisions, Transport is responsible for the construction of that site and as part of the process we are going through the planning conditions that we are meeting to finish that construction and deliver a park on top of the interchange. That is a Transport operation.

The Hon. DANIEL MOOKHEY: Mr Holliday, we were discussing earlier the process we are up to in terms of the business case for the Botany cruise terminal. I understand that you said it is due in the third quarter of this year or thereabouts. In terms of the discussion we had with your predecessor in September about the informal process of market sounding with cruise lines, has that been suspended or is it still taking place?

Mr HOLLIDAY: The process is a very formal one. There were discussions with stakeholders, including cruise lines, in November and December of last year. We took the information that they provided. In terms of industry engagement, we invited registered organisations to participate in our industry engagement. We received 59 registrations from interested organisations and we met directly with 30 different organisations.

The Hon. DANIEL MOOKHEY: I asked specifically about the Royal Caribbean.

Mr HOLLIDAY: Yes, they were one of those that registered.

The Hon. DANIEL MOOKHEY: Are you in any bilateral dialogue with Royal Caribbean?

Mr HOLLIDAY: No, the process is now a very formal one. We took the information from those 30 organisations. The detailed business case covers a range of issues like technical issues, financial issues, the economic benefits and so on and so forth. We have taken the information that we garnered from our engagement, both from industry, community and other groups, in November and December. We are feeding that into the work that we are doing and then we will go back to those groups in the next couple of months as we seek to finalise the process.

The Hon. DANIEL MOOKHEY: Your predecessor told us in September that Royal Caribbean was prepared to offer substantial amounts of money to help proceed the project. He made it clear at the time that they had an expectation of some urgency around the Government's decision-making. I am sure you have familiarised yourself with the transcript.

Mr HOLLIDAY: Indeed I have, yes.

The Hon. DANIEL MOOKHEY: What has the Government said to Royal Caribbean about Royal Caribbean's offer of financial support to this project?

Mr HOLLIDAY: We have said to them that there is a detailed business case process underway and that is a formal process that they can be a part of. We will seek to complete that process as quickly as we possibly can.

The Hon. DANIEL MOOKHEY: What did they say to you?

Mr HOLLIDAY: That they have taken part in that process. We met with them before Christmas and we will meet with them again in the coming months at a meeting with others as well.

The Hon. DANIEL MOOKHEY: Have they indicated that their offer of financial support has been withdrawn or is it still a position that they hold: that they are prepared to make a contribution?

Mr HOLLIDAY: I think it is fair to say that Royal Caribbean, along with some of the other parties, are very keen to see this brought to a conclusion one way or the other as quickly as possible. In terms of the work that we are doing, it seems clear that there is a demand for increased capability and capacity. As one of our major customers, Royal Caribbean contribute to that demand and are keen for us to progress this as quickly as we possibly can.

The Hon. DANIEL MOOKHEY: Their position is largely unchanged in terms of their urgency argument, but can I just ask—

Mr HOLLIDAY: I have been in Australia for almost 10 years and this is a process that has been going on throughout that time. Now there is some formality to the process, indeed a business case, and I think that Royal Caribbean, along with others, are keen to see that come to a conclusion.

The Hon. DANIEL MOOKHEY: Is it one of the financing options that you are currently modelling a joint venture with a cruise line?

Mr HOLLIDAY: At this stage nothing is ruled in and nothing is ruled out. We had discussions, as I said, with 30 organisations. That has helped to inform the work that is being done. Having done some work, we will circle back and ask further questions in the coming months and then that will form the end results of the detailed business case that will then go onwards and upwards to Cabinet.

The Hon. DANIEL MOOKHEY: Has any other cruise line indicated that it is prepared to provide financial support for this project?

Mr HOLLIDAY: Well, with the 30 organisations that we have spoken to, clearly there is great interest in ensuring that additional—

The Hon. DANIEL MOOKHEY: That was not my question though.

Mr HOLLIDAY: No, it was not but, of course, the content of those—each of the parties that we engage with sign confidentiality agreements around their participation and so I am being careful not to get drawn into too much specific.

The Hon. JOHN GRAHAM: I might turn to clearways in general. Obviously, as the clearways team is working through particular neighbourhoods, they are working closely with some traffic modelling about exactly what impact this is having, importantly, to get people home or to work. What economic modelling is done in parallel at the same time about the impact on businesses?

Mr STAPLES: I am happy to ask Ms Mildwater to respond to that. Obviously we have rolled out a pretty significant expansion of the clearways program, particularly things like weekend clearways and so forth, but either Ms Mildwater or Mr Issa might have some more detail about where we are up to and the economics modelling around that.

Ms MILDWATER: Obviously there is quite a significant clearway program underway over a series of years. From a strategy that started in 2013 I think we still—I think about \$121 million was committed to clearway rollout, which does not include a lot of construction. Sometimes it is spent on other things, such as parking and property development. We still have about \$80 million of that to go, so we are still early days. Having said that, I think we have installed about 719 kilometres of new or extended clearways. The process when we roll these out, I cannot speak to modelling but I could take that on notice. But I know there is a significant amount of consultation and engagement with businesses, particularly small strip-shop businesses, who are often concerned with the parking arrangements. So quite a significant chunk of the budget that we have goes to obtaining alternate parking for those businesses.

The Hon. JOHN GRAHAM: I am conscious of the time, so it would be helpful if you could provide on notice a bit of detail about what is the consultation process, particularly is there modelling and how do you do that?

Ms MILDWATER: Yes. There are significant consultation processes but I would be happy to provide detail on notice.

The Hon. DANIEL MOOKHEY: Can I get an update as to where we are in terms of the property acquisitions required for the western metro?

Mr STAPLES: I am happy for Mr Lamonte—he is leading that too—to run through that, thanks.

Mr LAMONTE: We have engaged, as we normally would, with all the property owners—

The Hon. DANIEL MOOKHEY: Just to refresh, we are talking about 163 acquisitions?

Mr LAMONTE: I will come back to you in a second with the precise numbers but let me talk in general. In general, we have talked to all the property owners that we are going to liaise with. Each of them has a property manager and we are getting on with the process of talking to them about how we might do that and the timing for all of that. So we are getting on with the job of acquiring the required properties. I will have to take on notice to come back to you with a little bit more detail of the numbers involved.

The Hon. DANIEL MOOKHEY: Okay, but when do you anticipate the first property acquisition notices being issued?

Mr LAMONTE: I will have to take on notice and come back to you with that.

The Hon. DANIEL MOOKHEY: When do you envisage that the last property acquisition notice will be completed?

Mr LAMONTE: Again, I will take that on notice as well.

The Hon. DANIEL MOOKHEY: Do we have any further news about the 378 bus?

Ms MILDWATER: I will have to take that on notice as well.

Mr STAPLES: One thing I can confirm is the membership of the audit and risk committee for Transport, if you would like me to run through that.

The Hon. DANIEL MOOKHEY: Yes.

Mr STAPLES: The chair is Carolyn Burlew.

The Hon. DANIEL MOOKHEY: We can take it on notice, Mr Staples, if you want.

Mr STAPLES: Okay.

The Hon. DANIEL MOOKHEY: Just so we can continue.

Mr STAPLES: I am conscious of your time.

The Hon. JOHN GRAHAM: I just want to turn to an issue about region 6 buses. It is about the employment of drivers. The contract that was entered into suggested that Transit Systems West, the operator, would employ all the bus drivers. They seem to have set up two different companies, part of that group, who employ drivers but in two different groups—the drivers who were formerly driving and then new drivers. Is that the case and have they sought the prior written agreement of Transport for NSW?

Ms MILDWATER: I might just look and see whether Mr Issa has that detail there about what the contract arrangements were—the specifics of what approval was required or not. I am actually not sure but I am not sure if Mr Issa was actually involved at the right time. So probably neither of us here know the answer that, so we can take that on notice.

The Hon. JOHN GRAHAM: If you could take it on notice and also if, given that was not what was envisaged in the contract, have they sought prior written agreement? If they have not, is that consistent with the contract or is it a breach of the contract?

Ms MILDWATER: We would have to take that on notice too. I cannot confirm whether it is in the contract or not.

The Hon. DANIEL MOOKHEY: I guess, in one way, to close the loop: On the CBD light rail project, how many contract modification requests have been lodged by the contractor since we last asked you in September?

Mr STAPLES: I am happy to ask Mr Regan in relation to that.

Mr REGAN: Sorry, could you just perhaps, so that I make sure I answer correctly, what do you mean by contract modifications?

The Hon. DANIEL MOOKHEY: There are modifications and there are variations. Is that right?

Mr REGAN: Yes.

The Hon. DANIEL MOOKHEY: They are two separate categories: modifications and variations. Is that correct? And you maintain a modifications and variations register and you work your way through them in accordance with the new deed you entered into. I am asking how many modifications have been asked for by the contractor since September?

Mr REGAN: The settlement arrangements that were put in place did not change the way the contract works in terms of variations.

The Hon. DANIEL MOOKHEY: I know.

Mr REGAN: I am not aware of a material number or size of any modification requests from the contractor but I will happily take on notice to respond to that.

The Hon. DANIEL MOOKHEY: Well, you did actually provide some answers on notice last time.

Mr REGAN: Yes, I am not sure if there have been any. That is what I am saying. I would have to check.

The Hon. DANIEL MOOKHEY: Yes, that is what I am asking you as to whether or not—

Mr REGAN: I am not sure that there have.

The Hon. DANIEL MOOKHEY: In terms of the ones that were lodged after the deed was entered into—I think we were talking about 10 to 23, from memory, but I could be wrong on that—what is the status of their resolution?

Mr REGAN: Yes, so I think that is what I am just trying to understand to answer your question properly because I think what we may have been referring to before were notifications of potential disputes or claims rather than modification requests.

The Hon. DANIEL MOOKHEY: Okay.

Mr REGAN: And the majority of those have either been withdrawn or resolved and at a low level.

The Hon. DANIEL MOOKHEY: I think there were six, from memory.

Mr REGAN: Yes, low level. So there has been no material change to the arrangements around that project since we last spoke.

The Hon. JOHN GRAHAM: I want to return to the issue I was raising with the Minister about the Harbour Bridge toll. He was entirely correct when he suggested that this obligation in the legislation attaches to the agency, not to the Minister, although previously the position of the agency has been that certainly they are required to assess the toll, they are required to take into account CPI as they make their decision, but they annually put this to the Minister. That was certainly the view of the head of Roads and Maritime Services previously. Is that still the practice—I guess that is my first question—that this is reviewed annually?

Mr STAPLES: I might have to look at specifically what we have asked of the Minister in relation to review, either in the last financial year or the years before that, so we can take that on notice to look at it. The obvious difference with the Harbour Bridge, relative to other tolls, is that the Harbour Bridge is passed a toll concession essentially, whereas all of the other tolls that we talk about with particular incremental increases are built into the financial models of the—

The Hon. JOHN GRAHAM: Yes, although there is a legal obligation to take account of the CPI so that—

Mr STAPLES: Yes, whereas the Harbour Bridge, actually the increase sits within government policy. So that is the real difference and the real reason why government has some more flexibility.

The Hon. JOHN GRAHAM: I totally agree.

Mr STAPLES: The other concessions are essentially still paying off the construction of the road, and that is back over 20 years.

The Hon. JOHN GRAHAM: Yes. Previously the position of the agency has been that they are taking into account the CPI, that they pass this to the Government and the Government chooses then to say, "Look, we'd prefer this doesn't happen now."

Mr STAPLES: The Government makes the policy decision.

The Hon. JOHN GRAHAM: Yes. I would be happy on notice for you to just provide any update about is this still being annually briefed and any context that you want to provide around that. I think that is the best way to do it.

Mr STAPLES: Yes.

The CHAIR: That brings us to the end of our time. Thank you very much to all of you for making the time to come here today. The Committee secretariat will be in touch in relation to any supplementary questions and questions that were taken on notice. I would like to give a special thanks to the Hansard staff and also our secretariat staff for all of their assistance today. Thank you.

(The witnesses withdrew.)

The Committee proceeded to deliberate.