

LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 4

MEMORANDUM

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To	Ms Jan Burnswoods MLC	cc:	Hon Tony Catanzariti MLC
•	Hon Eric Roozendaal MLC		Hon Michael Gallacher MLC
	Hon David Clarke MLC		Hon Peter Primrose MLC
	Hon Jenny Gardiner MLC		Hon Don Harwin MLC
	Hon Kayee Griffin MLC		
	Hon Sylvia Hale MLC		
	Hon David Oldfield MLC		
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From	Budget Estimates Secretariat		
	_		
Subject	Answers to questions on notice - Transport and the Hunter		
Date	21 October 2004		
	_		
Reference			

Please find attached a copy of the answers provided to the questions taken on notice by the Hon Michael Costa MLC, Minister for Transport Services, at the Budget Estimates hearing on Monday 13 September 2004.

Tanya Bosch

Director, Budget Estimates



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO 4

15 September 2004

Ref: GP 04/31

The Hon. M. Costa MLC
Minister for Transport Services,
Minister for the Hunter and Minister
Assisting the Minister for State Development
Level 31 Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister

RE: QUESTIONS TAKE ON NOTICE DURING BUDGET ESTIMATES HEARING

I refer to your appearance before General Purpose Standing Committee No 4 on 13 September 2004. During the hearing you and/or your departmental officers agreed to take a number of questions on notice.

These questions can be found in the Hansard transcript for the hearing on the following pages: p2, p4, p5, p6, p7, p8, p9, p11, p12, p13, p15, p17, p18, p19, p22, p28, p29, p30. Please find these pages from the transcript attached with the relevant text highlighted.

The Committee has resolved that you be requested to provide answers to these questions within 35 days of the date of this letter, that is, by close of business 21 October 2004.

Please include the questions together with your answers, and direct your response, in paper and electronic formats, to:

The Director General Purpose Standing Committees Parliament of New South Wales Macquarie Street SYDNEY NSW 2000

budgetestimates@parliament.nsw.gov.au

If you require further information regarding this matter, please do not hesitate to contact the Committee Secretariat on 9230 2641. Thank you for your assistance.

Yours sincerely

Tanya Bosch

Director, Budget Estimates

cc Virginia Knox, Danielle Bevins



Minister for Transport Services Minister for the Hunter Minister Assisting the Minister for State Development

Mr John Evans Clerk of the Parliaments Legislative Council Parliament House Macquarie Street SYDNEY NSW 2000

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Attention: Tanya Bosch

LEGISLATIVE COUNCIL COMMITTEES 2 1 OCT 2004

RECEIVED

Dear Mr Evans,

Please find attached answers to questions taken on notice during the Budget Estimates Hearing.

The following answers have been provided by the Minister for Transport Services, the Hon Michael Costa MLC.

Yours sincerely,

Seija Wolk Policy Advisor

General Purpose Standing Committee No. 4 Questions Taken on Notice During the Budget Estimates Hearing 13 September 2004

I'm advised:

Question 1

I'm advised by RailCorp functional Staff Reviews were conducted in metropolitan and country regions in the 1999-2000 Financial year.

The committee comprising management and union representatives visited every work location and after reviewing staffing levels and business requirements recommended the following changes based on the operational practices of the time:

- 15.5 full time equivalent travel centre positions be withdrawn.
- 20 full time equivalent station positions be withdrawn.

Union representatives recommended the grading of positions for customer attendants, who regularly work in travel centres, be negotiated in the next phase of the functional Agreement. This was carried out in "CountryLink Stations Functional Agreement 2000".

Question 2

I refer the Member to my public statement of 16 September 2004 regarding the Gwabegar to Binnaway lodged in the Parliament in response to a question without notice, on 19 October 2004.

Question 3

I'm advised by RailCorp:

On 24th August 2004 a RailCorp employee was required to attend a Career Transition Centre as part of the process of matching them for redeployment. During their attendance at the centre, the employee exhibited disruptive behaviour.

Staff at the centre asked the employee to leave as the employee refused to follow directions and persisted in voice-recording the Manager without their consent. The employee refused to leave the Centre.

At the close of the business day the Manager asked the employee to leave the premises so the centre could be closed. The employee refused to exit the building until they were given a letter authorising leave.

The Manager provided a letter authorising leave for the 25 August 2004 but the employee continued to refuse to leave the centre.

Transit Officers assisted the employee from the building after the person continued to refuse to leave the building.

Question 4

I'm advised RailCorp's allocation for training and redeployment, retraining and redundancy is estimated to be approximately \$100 million in 2004/05. The NSW Government's policy regarding no forced redundancies applies.

It is not possible to precisely report on the number of people who will be participating in retraining and redeployment programs, as the restructuring process is ongoing and take-up of redundancies offered is voluntary. I'm advised there are currently 60 people from the State Rail Authority and 327 people from the Rail Infrastructure Corporation currently determining their election for redundancy, retraining or redeployment programs.

Questions 5 - 7

The policy on consultant use is contained in the publication, Guidelines for the Use and Engagement of Consultants.

RailCorp advise if employees are displaced they are assessed for suitability to be redeployed to fill vacant positions. Employees undertake skills assessments by career counsellors and are matched to vacancies and positions as appropriate.

Details of consultancies are published in the annual reports which are publicly available on the RailCorp website www.railcorp.info.

The standard RailCorp contract for the engagement of consultants is available to RailCorp and Rail Infrastructure Corporation staff via an intranet site and is attached.

Question 8

I'm advised by RailCorp as the number and nature of matters dealt with by the Professional Conduct Unit continually changes, the Chief Executive is not routinely appraised of the number, or identity of each employee assisting the Unit's investigations into the conduct of employees.

Question 9

See answer to Question 3.

Question 10

I'm advised by RailCorp as of 19 October 2004, there were 167 trainee Transit Officers. Graduation for these officers is planned for mid-December 2004. This is scheduled to meet RailCorp's target of 600 transit officers on duty by the end of the year.

Question 11

I'm advised by RailCorp:

Under the Rail Safety Act 2002 and Rail Safety (General) Regulation 2003, Transit Officers can give directions, demand and verify a person's particulars, remove offenders from trains and railway property and issue infringement notices.

Transits Officers may invoke powers set out in the Crimes Act 1900 and effect the arrest of any person in the act of committing or immediately after having committed an offence.

If Transit Officers suspect a person of carrying an illegal item they may seek the person's permission to search their bag. If they have arrested the person for an offence they have the power to search that person including any personal property in possession at that time.

The majority of Chief Transit Officers, Deputy Principal and Principal Transit Officers have been sworn in as Special Constables by the New South Wales Police Service. Special Constables have all the powers available to police.

Question 12

RailCorp advise since the commencement of the Transit Officer Initiative in September 2002, RailCorp is aware of 11 matters in relation to allegations of this nature by Transit Officers.

RailCorp advise of the 11 matters, 2 have been substantiated, 2 unsubstantiated and 7 are currently being investigated.

Question 13

I'm advise by RailCorp:

The Director, Ethical Standards and Customer Service (Transit Officer Program) provides high level strategic advice and direction to ensure the ethical and effective operation of the overall Transit function to ensure the personal safety and satisfaction of passengers and staff.

The position has a clear charter to review and enhance the protocols, systems and technologies across the Security Division. Of particular importance is to ensure rigorous and robust corporate governance, transparency in decision making, and overall improvements in communication protocols to senior management.

Mr Drury's total remuneration package is \$160,000.

Question 14

I'm advised by RailCorp:

Transit Officers have fixed wallet badges.

Transit Officers have received an exemption from NSW Police to display their Security Licence in this way in accordance with the Security Industry Act.

The Transit Officer badge is fixed to a flap of leather inside a leather wallet. This badge identifies the carrier as a Transit Officer. It also is numbered with the Transit Officer's identity number, which is the same number displayed on the Transit Officers uniform.

On the opposite side of the wallet under another leather flap is a window under which there is a RailCorp Transit Officer identification card, which displays a photograph of the Transit Officer, their rank and their identification number.

Question 15

I'm advised by RailCorp:

The GRMLs are operated across 3 x 8 hour shifts every day (ie. Staff are present 24 hours per day 7 days per week).

At any given time there are 16 operational staff working within the 16 centres plus 5 Security Control Centre staff located in the Rail Management Centre.

Question 16 & Question 17

I'm advised as indicated in the 2004/05 Budget Papers \$110 million has been allocated for the maintenance of the country regional network. The restricted grain lines are part of this network, and as noted in my public statement of 16 September 2004, funding has been allocated to restricted grain lines as appropriate.

Question 18

The Honourable Member's question is unclear.

Question 19

I'm advised studies undertaken to date identify the cost of options for Sydney to Wollongong rail link, including a tunnel at Thirroul would cost approximately \$1.4 billion.

The NSW Government is committed to providing improved rail services to the Illawarra Region. As part of this commitment 40 Outer-Suburban carriages are under construction to increase peak period services from 2006. Under the \$1 billion Rail Clearways Plan the Government has committed to two projects that will improve reliability and capacity for Illawarra commuters. These are:

- Construction of the Bondi Junction turnback and stabling facility by 2005 at a cost of \$55m (this will allow more services per hour to run from the Illawarra line)
- Duplication of the Cronulla line with an estimated cost of \$145 million.

These initiatives will reduce congestion for Wollongong and South Coast commuters travelling to Sydney.

Question 20

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I'm advised:

The Lower Hunter Transport Working Group was an advisory group established last year to report on transport services in the Hunter region.

In December 2003 the Working Group's final report was released.

The Ministry of Transport is coordinating the government's response to the report in consultation with key NSW agencies and the Lower Hunter Councils.

Progress to date includes the commissioning of a feasibility study for a new bus interchange at Broadmeadow by the Transport Infrastructure Development Corporation.

In addition, the Ministry of Transport has commissioned an economic impact study by transport planning and economic consultants GHD on the effects which may result from any change to Newcastle's branch line.

These organisations may engage other specialists in developing their reports in accordance with the appropriate guidelines.

The reports will be considered as part of any NSW Government decision on the future of the Newcastle branch line service.

The above action is being taken to address the chronic decline in public transport patronage in the Lower Hunter and to improve access to key services like hospitals, shopping and education centres.

Question 21

I'm advised by RailCorp:

All train crew and station staff are trained to report any suspicious baggage or packages, and to ensure passengers remain clear of any such baggage/packages. This is regularly reinforced in training, toolbox talks and staff communications.

I'm advised RailCorp contacted the passenger in order to get additional information about the time of the train, and its origin/destination.

As a result, RailCorp was able to talk to the guard who had been observed by this passenger.

The guard explained he was able to easily check the bag and quickly determine it contained nothing of a suspicious or potentially harmful nature.

The guard said he advised the passenger it could be left where it was at that time, to be removed later as part of routine daily cleaning of carriages.

RailCorp advised it is satisfied the guard understood his responsibilities in regards to the unattended bag, and on declaring it not to be suspicious, acted in accordance with his training.

MICHAEL COSTA

Attachment

The RailCorp standard for contracts is as follows:

Documents required in the engagement process Submission for Approval to Invite Tenders

A Submission for Approval to Invite Tenders must be completed for all proposed engagements of Professional Service Providers or Consultants, which must be approved before any quotations or tenders (offers) can be sought. The submission must be approved by an Officer with the appropriate financial delegation to cover the total estimated cost of the engagement.

Letter of Invitation and Brief (Minor Professional Services)

A letter of invitation for Minor Professional Services (CC_S059) must be completed and forwarded to Tenderers with the prepared Brief (CC_S039) for Minor Professional Services up to \$50,000 (inclusive of GST)

Letter of Invitation and Contract Personnel Agreement

A letter of invitation for Minor Contract Personnel Services (CC_S059A) must be forwarded to Tenderers with the prepared Contract Personnel Agreement (CC_S035) for Minor Contract Personnel Services up to \$50,000 (inclusive of GST)

Submission for Approval to Award a Contract

A Submission for Approval to Award a Contract must be completed for all Professional Service engagements over \$20,000 or engagement of Consultants, irrespective of value once a supplier has been selected. This document must be approved before any work can commence.

Local Purchase Order

A Local Purchase Order (LPO) must be completed for all Professional Service engagements under \$50,000. This document must be approved and a Letter of Engagement (making reference to the LPO number), issued to the supplier before any work can commence.

NOTE: LPOs must not be used for the engagement of Consultants.

Letter of Engagement

All Professional Service engagements that involve a Local Purchase Order (those under \$50,000) require a Letter of Engagement (Form CC_S062) making reference to the LPO number. The letter is prepared by the Project Manager and is issued to the supplier once the Submission for Approval to Award a Contract is approved. Work can only commence once the Letter of Engagement has been issued.

All Professional Service engagements over \$50,000 or engagement of Consultants, irrespective of value require a *Letter of Engagement*. The letter is prepared by the Contracts Officer and is issued to the supplier once the *Submission for Approval to Award a Contract* is approved. All Letters of Engagement must be signed by the Manager, Contracts & Procurement Unit.

Evaluating Offers

All offers for engagements valued over \$20,000 must be evaluated using the *evaluation methodology* specified in Unit 22 of the Standards in this Volume.

If, during the evaluation process a supplier gets a score of 0 (zero) for any of the predefined evaluation criteria, the supplier is to be eliminated from further consideration.

Project Managers

Once an initiating section decides to engage a Professional Service or Consultant, it must appoint one staff member to be the Project Manager. This Officer will be responsible for all aspects of planning and management, including the preparation of the project brief.

Engaging temporary, casual and labour hire personnel

The engagement of temporary, casual or labour hire personnel must be carried out in accordance with the Human Resources Manual and the Guide to Using Contract Personnel Agreement

Making payments

Payments can only be made once the work has been satisfactorily completed. Progress Payments may be made where agreed milestones/stages of work have been satisfactorily completed.

For *suppliers* where State Rail is not liable for payroll tax, PAYG withholding tax or superannuation, all payments must be made through the Accounts Payable System. For *Consultants*, all payments must be made through the Contracts Administration Module of the Accounts Payable System, which is also referred to as *Contracts Payments System (CPS)*.

If State Rail is liable for payroll tax, PAYG withholding tax or superannuation the payments must be made through its *payroll system*. The supplier must be paid on a *fortnightly basis*, directly into a bank account.

The supplier must submit a fortnightly invoice. The Project Manager must certify the hours worked against *weekly timesheets* submitted by the supplier. The certified invoice and timesheets must be forwarded to the Manager, Timekeeping Services for processing.

Payroll Tax

State Rail may be liable for Payroll Tax. The supplier must complete the Supplier Questionnaire to determine the extent of State Rail's liability.

Paying on-time

Payment must be made on-time or immediately before the time allowed by the contract, according to the agreed terms. If payments are not made within the agreed time, the Chief Executive may award penalty interest.

Reporting

The Department of Transport requires regular reports on the use of Consultants. Details on the use of Consultants must also be included in State Rail's Annual Report. These reports are produced by the Contracts & Procurement Unit and the Finance Division. The Contracts & Procurement Unit and the Finance Division must be advised of all engagements of Consultants.

Approved suppliers

The Contracts & Procurement Unit is continually identifying areas of regularly required services and establishing schedules or panels of suppliers. Once these schedules/panels are established, the selection of suppliers should be made using the appropriate schedule or panel. For details on established schedules/panels, contact the Manager, Contracts & Procurement (phone 22360).

Multi-stage engagements

In exceptional circumstances where the initial engagement of Professional Service Providers / Consultants may lead to further engagements in order to complete a particular project, this intent must be clearly expressed in the tender documents (Brief) and a suitable mechanism incorporated to effect such multi-staged engagements during the term of the project.

In order to make the Approving Officer fully aware of the nature and extent of the project, the reasons in relation to multi-staged engagements must be clearly explained in the Submission for Approval to Award a Contract. Approval must be sought for the whole project even though details of subsequent stages may be unknown at the time of the submission. If firm prices are not available for any subsequent stages, estimated upper limit costs should be included in the Submission for Approval to Award a Contract. It must be pointed out that sound planning at the outset will increase the probability of successful, cost-effective outcomes for all projects.

Extension of Engagements

It is considered good business practice to avoid extending engagements. However, if for valid reasons extension is necessary, approval must be first sought and obtained from an officer with the appropriate financial delegation. The Project Manager must complete a Submission for Approval to Extend an Existing Contract CC_S017 detailing the reasons for the extension, the cost of the extension and the cumulative cost of the engagement. This Submission with relevant supporting documentation must be forwarded to the Approving Officer. All documentation in relation to the extension, including the approved Submission, must be placed in the project file for future reference.

Departure from the Procurement Policy and Procedures in relation to tendering If an Officer considers that departure from Procurement Policy & Procedures is necessary, that Officer must make a formal request in writing (Refer to PM01: Departure from the Procurement Policy and Procedures in relation to tendering – located under Unit 13, Page 3). Full details of the requirements must be given and the reasons why the standard procedures cannot be observed must be specified.

Conflict of Interest

In procuring Professional Services or Consultanties the Project Manager must ensure that any conflict of interest (real or potential) are dealt with, in accordance with State Rail policy (Refer to PM01: Procurement Overview: Conflict of Interest – located under Unit 12, Page 1).

Confidentiality

In procuring Professional Services or Consultanties, the Project Manager must ensure that confidentiality is maintained throughout the Procurement process, in accordance with State Rail policy (Refer to PM01: Procurement Overview: Confidentiality and disclosure of procurement information – located under Unit 12, Page 4).

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