

# **GENERAL PURPOSE STANDING COMMITTEE No. 4**

**Wednesday 18 November 2009**

**Examination of proposed expenditure for the portfolio area**

## **TRANSPORT**

**The Committee met at 9.30 a.m.**

### **MEMBERS**

The Hon. J. A. Gardiner (Chair)

The Hon. J. G. Ajaka  
The Hon. K. F. Griffin  
Ms L. Rhiannon

The Hon. R. A. Smith  
The Hon. H. S. Tsang  
The Hon. L. J. Voltz

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### **PRESENT**

**NSW Transport and Infrastructure**  
**Mr L. Wielinga**, *Director General*

**RailCorp**  
**Mr R. Mason**, *Chief Executive Officer*

**State Transit Authority**  
**Mr P. Rowley**, *Acting Chief Executive Officer*

**Sydney Ferries Corporation**  
**Mr D. Callahan**, *Acting Chief Executive Officer*

**Transport Infrastructure Development Corporation**  
**Mr C. Lock**, *Chief Executive Officer*

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## **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**

**CHAIR:** I declare the hearing for the inquiry into budget estimates 2009-10 open to the public and thank the witnesses who have returned for this supplementary hearing. Today the Committee will examine the proposed expenditure for the portfolio of Transport. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council's guidelines for the broadcast of proceedings only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs.

In reporting the proceedings of this Committee, members of the media must take responsibility for what they publish or for what interpretation they place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available at the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Witnesses are reminded that they are free to pass notes or to refer directly to their advisers while at the table. I remind members and people in the public gallery to turn off their mobile phones. The House has resolved that answers to questions on notice must be provided within 21 days, or as otherwise determined by the Committee. In the case of Transport the Committee has determined that they will be returnable within 30 days.

Transcripts of this hearing will be available on the web from tomorrow morning. All witnesses will be sworn prior to giving evidence. As Mr Wielinga, Mr Mason, Mr Rowley and Mr Callahan, were sworn at the initial budget estimates hearings they will give evidence today under their previous oath or affirmation. As Mr Lock did not appear at the initial hearing I will ask him to swear an oath or make an affirmation and state his full name, job title and agency.

**LESLEY WIELINGA**, Director General, NSW Transport and Infrastructure

**PETER ROWLEY**, Acting Chief Executive Officer, State Transit Authority

**DAVID CALLAHAN**, Acting Chief Executive Officer, Sydney Ferries Corporation, on former oath, and

**ROBERT MASON**, Chief Executive Officer, RailCorp, on former affirmation.

**CHRISTOPHER LOCK**, Chief Executive Officer, Transport Infrastructure Development Corporation, sworn and examined:

**CHAIR:** I declare the proposed expenditure for the portfolio of Transport open for examination. We will commence with questions from the Opposition.

**The Hon. JOHN AJAKA:** Director, can you inform this Committee when New South Wales commuters can expect to use the Tcard?

**Mr WIELINGA:** As you are probably aware, a tendering process is underway at the moment for the integrated ticketing system. The successful contractor for that bid will influence the final timetable. There is a 2½-year target to develop the software and the system and to put it into place. We are in the final stages of that tendering process. I would expect a contract to be entered into, as per the publicly announced timetable, in the first quarter of next year. At that time, with the successful bid, we will put out the contractors' detailed program for implementing it. However, we have roughly a 2½-year target to put it into place.

**The Hon. JOHN AJAKA:** So the earliest we could expect it would be in 2013?

**Mr WIELINGA:** The best way to describe its implications is to have a look at the steps along the way. Proponents are coming to us about these systems, and the experience around the world shows that in addition to developing the software and systems to put into place a wise implementation strategy involves putting a pilot into place to ensure it works successfully. That timetable includes a pilot within that period. So a system will be working before the final one is put into place.

**The Hon. JOHN AJAKA:** In reality 2013 is the earliest that you anticipate?

**Mr WIELINGA:** If the 2½-year period means 2013, you are correct.

**The Hon. JOHN AJAKA:** When did we initially anticipate the Tcard to be used by the New South Wales community? If I recall correctly, it was the 2000 Olympics.

**Mr WIELINGA:** I cannot confirm that. I have been there since 1 July. My focus is on the future going forward. I am happy to obtain that information and to provide it to you.

**The Hon. JOHN AJAKA:** We are looking at 13 years from when we initially anticipated using it.

**Mr WIELINGA:** As I said, I am happy to come back to you with that information.

**The Hon. JOHN AJAKA:** I refer to the Public Transport Ticketing Corporation [PTTC] and to page 24 of your 2008-09 report. Paragraph 2 (e) of your report, which is entitled "Other expenses", refers to legal fees of \$5.64 million for 2009. Can you give me a breakdown of those fees?

**Mr WIELINGA:** I cannot confirm the exact breakdown of those legal costs for you today. I am happy to come back to you with that detailed information. You would already be aware that legal costs associated with tendering involve the construction of the project deed associated with the project. It involves an engagement with the tenderers as part of the tendering process. In addition, other litigations associated with integrated ticketing in the past are going on.

**The Hon. JOHN AJAKA:** How much of that related to legal costs on the ticketing litigation?

**Mr WIELINGA:** I can give you broad view of where those costs are going but I need to come back to you on the details.

**The Hon. JOHN AJAKA:** Are you aware of what future costs are still to be paid in relation to the ticketing litigation?

**Mr WIELINGA:** I need to come back to you on those details.

**The Hon. JOHN AJAKA:** Will you take that question on notice?

**Mr WIELINGA:** I will.

**The Hon. JOHN AJAKA:** When do you anticipate current legal proceedings with Government and the ERG Group to conclude? Do you have any idea at this stage?

**Mr WIELINGA:** I think it would be unwise to predict the length of the litigation. It is a matter for the courts, and for negotiations and other logistics and actions that occur between the two parties. I do not think it is possible for anyone to make that prediction.

**The Hon. JOHN AJAKA:** Are you concerned that the litigation might impact on the current tendering process for the Tcard contract?

**Mr WIELINGA:** No. I am not concerned about that but I do not think it is appropriate for me to make those sorts of comments about litigation that is currently in hand.

**The Hon. JOHN AJAKA:** Does your department or the Government have any contingency in the event that the court case does not go in the Government's favour in relation to the payment of any damages?

**Mr WIELINGA:** I need to take that question on notice. I am not aware of any such contingency. I will check for you and come back to you.

**The Hon. JOHN AJAKA:** You are not aware of anything in your budget for the next 12 months?

**Mr WIELINGA:** No, I am not. I need to come back to you and confirm that.

**The Hon. JOHN AJAKA:** Are any of your executive officers able to assist you by answering that question?

**Mr WIELINGA:** No. These officers do not work in the integrated ticketing area other than in the practical implications of making it happen.

**The Hon. JOHN AJAKA:** I am surprised that in something as major as this litigation—which would probably be foremost in the minds of everyone in your department or in the Government—you do not have an idea of whether money has been set aside in case you lose.

**Mr WIELINGA:** The only way I can deal with that now in a sensible way is by stating that you do not go into this litigation without believing you have a strong case. If you believe you have a strong case, you will not be doing something like setting aside contingencies.

**The Hon. JOHN AJAKA:** The financial statements for the PTTC in the newly released annual report indicate that the organisation essentially is insolvent. Page 15 of the annual report states that it is \$74 million in debt. Can you comment on that?

**Mr WIELINGA:** You need to get an understanding when you implement projects like that. For many projects in both the public sector and the private sector revenue streams come on line after you put in place the initial infrastructure. In order to do that, both the private sector and the public sector borrow money to make things happen. Revenue streams come on line and that debt is serviced. In the case of the private sector both debt and equity are serviced. This is a standard model for delivering infrastructure such as that.

**The Hon. JOHN AJAKA:** If this was a corporate company in the private sector and it had a \$74 million debt and no assets, clearly it would be insolvent. Has your department or the Government budgeted in its current budget for this \$74 million?

**Mr WIELINGA:** The Government established a particular organisational structure or a statutory authority to deliver. It has given that authority approval to raise debt to make this project happen. There are numerous examples of this happening in government to deliver this sort of infrastructure. I do not understand what is the difficulty.

**The Hon. JOHN AJAKA:** Let me explain it in another way; I might be seeing it in the wrong way. With all due respect, the original Tcard turned into a fiasco with a loss of money. Thirteen years later we have nothing to show for it other than a litigation case. The department that is in charge of the Tcard is \$74 million in debt, which in my view is insolvent by any definition. How can anyone be confident that your department can get the Tcard up when the organisation in charge of it is insolvent? That is my concern.

**Mr WIELINGA:** With respect, I do not agree with your fundamental premise about the organisation being insolvent. It is a government organisation, it has a budget and an approval to raise debt and it is delivering a project. I think that is the nub of it all.

**The Hon. JOHN AJAKA:** Are you telling me that you have confidence in the Public Transport Ticketing Corporation to deliver and that it has the financial resources to deliver the Tcard?

**Mr WIELINGA:** I believe that team has the capability to deliver it; I have confidence that the integrated ticketing system will be delivered. At the end of the day, this will be a partnership between government and the private sector organisation delivering it. The indications to me are that integrated ticketing will happen.

**The Hon. JOHN AJAKA:** Will we be sitting here 13 years from now asking the same questions because we are in exactly the same position as you were with the first tender?

**Mr WIELINGA:** You might be here in 13 years, but given my age I do think I will be.

**The Hon. JOHN AJAKA:** I do not think you are much older than I am, so I will let that pass.

**CHAIR:** I propose to proceed now to the CBD to Rozelle metro issue. Do you accept that the CBD to Rozelle metro announced by Mr Rees last October and the north-west metro announced by Mr Iemma in March 2008 are two different projects?

**Mr WIELINGA:** That is a very good question. Both of those projects form part of line one of the future metro system. Many projects, highway systems and public transport systems are built in parts. It is true that the CBD metro, the northwest metro and the western metro can be operated as a single metro line.

**CHAIR:** Does that justify why there was no specific planning work done in relation to the Rozelle metro before that announcement was made?

**Mr WIELINGA:** That planning work has been underway for the past two or three years to put those details together. The original proposal for the metro came out, I think, in the Urban Transit Statement in 2006. The planning work commenced soon after that document was released.

**CHAIR:** Is the announcement in relation to the planning processes consistent with planning processes for other public transport projects?

**Mr WIELINGA:** These days major projects are done under part 3A of the Planning Act, and the metros are being done as part of that process. It is a two-step process. There is originally a concept approval for the project and a project approval is now being prepared. That is with the Department of Planning and it is consistent with the normal part 3A processes in this State.

**CHAIR:** There has been some conjecture in the public domain about compensation possibly being payable to the light rail operators because of breaches of contractual arrangements caused by the construction of the Rozelle metro. Can you provide the Committee with an update on the status of that issue?

**Mr WIELINGA:** You are talking about material adverse event [MAE] clauses that are often in these contracts. There is a misunderstanding about how they operate. When an event occurs, a judgement or an assessment is made about whether it is a material adverse event. There has been no material adverse event on the light rail project at this stage. If one does occur, it will be dealt with using the processes defined in that contract.

**CHAIR:** So they have to hold tight and wait and see?

**Mr WIELINGA:** That is how these clauses operate throughout the world.

**The Hon. JOHN AJAKA:** Have you received any notice from anyone seeking compensation in relation to the light rail?

**Mr WIELINGA:** I have met on a couple of occasions with the chief executive officer of the light rail. I make sure I do that, not only about that issue but also on other issues. He has raised his concerns about the issue, but we have had no formal approach.

**CHAIR:** Is it correct to say that once the Rozelle metro is built the opportunity to build an additional tunnel for a harbour crossing will be lost?

**Mr WIELINGA:** Absolutely untrue.

**CHAIR:** Can you advise the Committee on what you base that categorical answer? What advice have you received about that and what consideration was given to that matter prior to the announcement of the Rozelle metro?

**Mr WIELINGA:** If you were to refer to the State environmental planning policy associated with the corridors in the CBD for future rail lines you would see at a glance that there has always been two routes to go through the CBD. One of those was metro Pitt and the other was metro west. There was a discussion between the metro and the RailCorp people at the time about where the two lines could go. One of those lines—metro west—is available for RailCorp and the other line, or a portion of the metro Pitt line, has been made available for the metro. The opportunity has not been lost.

**CHAIR:** So that could be revisited in some other transport blueprint in the future?

**Mr WIELINGA:** Absolutely true, and probably in the near future.

**CHAIR:** Can you tell us anything about that?

**Mr WIELINGA:** The process is well advanced. We are going through the final stages of it at the moment and a report is about to go to the Government.

**CHAIR:** Can you advise the Committee about the Sydney Metro Authority plan to terminate 26 western train services an hour in the peak period at Central station? Has that plan been revised? If so, what are the revisions?

**Mr WIELINGA:** I will need to come back with the details. I do not understand where the 26 figure comes from. The numbers I have seen are 12 and 14 currently terminating on the CountryLink lines at Central station. That has always been part of the equation. We have always said that there is an opportunity to improve the capacity of the existing infrastructure. An important part of any transport planning is to get more out of the existing infrastructure. We are looking seriously at some of those options to make that possible. That may or may not generate an opportunity for more trains to terminate. I personally suspect that it will.

**The Hon. JOHN AJAKA:** Are you not aware that the figure is 26 or of the number in general?

**Mr WIELINGA:** I need to confirm the number.

**The Hon. JOHN AJAKA:** You do not know it at the moment?

**Mr WIELINGA:** I do not know the exact number at this stage. I would prefer to ensure that the advice I give the Committee is accurate, so I will check that and come back to you with that information.

**CHAIR:** In leading up to the release of the transport blueprint is it proposed that the CBD metro will be deleted?

**Mr WIELINGA:** The blueprint is still being finalised. I will not speculate about its final content, other than to say that it will be an appropriate plan to respond to the needs of our community in Sydney.

**The Hon. JOHN AJAKA:** So you cannot tell us now that there are no plans to dump the CBD metro?

**Mr WIELINGA:** I am not making any comments about the content of the blueprint.

**The Hon. JOHN AJAKA:** That is extraordinary. On Tuesday 17 November on 2UE the Premier said, "I'm not giving you any guarantees on any transport projects." Are the people of New South Wales expected to accept that you and the Premier cannot tell us today that, for example, the CBD metro is 100 per cent proceeding or that it is being dumped?

**Mr WIELINGA:** I am not trying to be cute, but you must appreciate the division of labour. The Government determines the policy and it is my job to make it happen. Right now the instructions to me are to build and deliver a CBD metro, and we are working on that. We are working on a transport plan and the Government will determine the transport policy. It is not appropriate for me to make a comment on policy.

**The Hon. JOHN AJAKA:** And I am not trying to be cute either. If I understand your answer, you do not know because you have not been told by the Government that it is definitely proceeding?

**The Hon. LYNDIA VOLTZ:** Point of order: Mr Wielinga has stated already that he cannot comment on government policy. He has already given his answer. The Hon. John Ajaka is asking him again about government policy. It is not within his purview to answer that question.

**The Hon. JOHN AJAKA:** To the point of order: I am asking him what he specifically knows. I am trying to understand from his answer that he is telling me that at this stage he has not been told specifically that it is going ahead or not going ahead.

**The Hon. LYNDIA VOLTZ:** Further to the point of order.

**The Hon. JOHN AJAKA:** It is a very simple answer.

**CHAIR:** One at a time.

**The Hon. LYNDIA VOLTZ:** Mr Wielinga has explained to the Hon. John Ajaka that he cannot comment on government policy. As the member knows full well, government policy is decided by the Government, not by people within the department. When the Government makes a policy the Government will make an announcement.

**CHAIR:** Mr Wielinga, will the western metro be built before the Rozelle metro? Can you answer that question?

**Mr WIELINGA:** As I sit here today my instructions are to build the CBD metro. You will be aware from public announcements that application has been put into the Federal Government as part of the Infrastructure Australia process. One of those projects is the western metro. The actual timing of projects is always subject to the availability of resources. But as we sit here today the State Government has funded the CBD metro project. We have a project team working on that. We are in the process of implementing that policy.

**CHAIR:** Is there an expected timetable for the Federal Government's response?

**Mr WIELINGA:** I think you would probably know as much about that as I do.

**CHAIR:** So it is—



**The Hon. JOHN AJAKA:** Nothing.

**CHAIR:** —indefinite?

**Mr WIELINGA:** Again it is a matter for government. Please, I am not trying to be cute, but that is the reality of the situation we deal with.

**CHAIR:** Can you tell the Committee at this point what is the estimated cost of the western metro?

**Mr WIELINGA:** Yes. I had the privilege of being over at the metro office for five or six months in the first half of this year. At that time the estimate for the project was just over \$8 billion to go from Central to Westmead. My advice is that that is still the price for it—about \$8.2 billion.

**CHAIR:** Can you tell the Committee how that project is expected to be funded?

**Mr WIELINGA:** I would imagine that it is a similar model to what is currently being delivered for CBD metro. There is an opportunity for the private sector to work with government to deliver that project but, again, this will depend on the availability of both Federal and State Government resources to that project. That will have an influence on the model. But delivery of large infrastructure like this invariably involves a partnership with the private sector and government.

**Ms LEE RHIANNON:** Last month the Federal Government's New South Wales Grain Freight Review report was released. Could you tell the Committee if the recommendations in the report are going to be implemented in their entirety? If not, what is the response?

**Mr WIELINGA:** Government is still preparing its response in relation to that report. There is other activity going on in respect to those grain lines. I have been meeting with GrainCorp and with ARTC. You will probably be aware that we have an expression-of-interest process out at the moment for future maintenance contracts on those grain lines. Action has been taken but government has not yet announced its response to that report.

**Ms LEE RHIANNON:** Are you giving advice to the Government on the response to the report?

**Mr WIELINGA:** From a practical point of view, yes we are. You know, things like the cost of maintenance, what sort of asset management plans are required to look after those sorts of networks, what are the implications of some of the recommendations, providing a resource of information for government to consider when it is making its policy decisions.

**Ms LEE RHIANNON:** Are you giving advice specifically as to whether the recommendation should be accepted, or are you just setting out the current state of the lines and the resources that would need to be available rather than actually giving advice specifically on the recommendations?

**Mr WIELINGA:** The latter is closer to what we are doing. But, in addition, we are working with the other parties, interested players on that line, to see what sort of contribution they can make. Our objective very much is to preserve and keep open those particular grain lines. We think they are important both for shifting commodities and preserving those connections for the future development of our State.

**Ms LEE RHIANNON:** Is it a key part of your work so that there can be cost shifting to those parties away from it being a financial responsibility for the Government?

**Mr WIELINGA:** You would appreciate, having seen the Federal Government grain report, that actually one of the recommendations was that we should have those discussions with them. That process has started.

**Ms LEE RHIANNON:** When do you anticipate that the information you are working on will be finalised because that may help to give us an idea when the New South Wales Government will finalise its response to the report?

**Mr WIELINGA:** We are trying to complete the work as quickly as we can. Unfortunately, I cannot give you an exact timing on that today. I am happy to go away and try to give you a better timing for that and come back to you with a response.

**Ms LEE RHIANNON:** Thank you, if you could take that question on notice. Is part of this advice you are providing to the Government looking at the split between freight movement on rail and road?

**Mr WIELINGA:** What you are talking about is a good point, but it is not specifically a part of this strategy. There is a broader freight strategy being developed for the State and those very fundamental questions are part of those considerations.

**Ms LEE RHIANNON:** In response to a question in September this year the Minister stated that the average split between road and rail is approximately 75 per cent rail and 25 per cent road. The term "average" suggests that it is based on another set of figures. Do you keep figures on the amount of freight that goes by rail and by road?

**Mr WIELINGA:** I will need to come back to you with those details. I would need to talk to our transport data centre and see what specific information it has got.

**Ms LEE RHIANNON:** As part of that question you are taking on notice I would ask for the actual data?

**Mr WIELINGA:** Yes.

**Ms LEE RHIANNON:** To continue the line of questioning by my colleagues about the CBD metro, I noted that you said there was no formal approach on the compensation issue. However, in response to another question again in September the Minister stated that the operator of Sydney's light rail has written to the director general and the former Ministry of Transport and raised the issue of potential compensation. That sets out that there has been a direct approach, is that correct?

**Mr WIELINGA:** Yes. That is consistent with the answer I gave. He asked me for a meeting to talk about issues generally. I said that he raised that at the meeting with me. We spoke about the process. To start the formal process for a material adverse event [MAE], step one is to demonstrate that there has been a material adverse event. That is physically impossible at this stage. There has been no new transport system put in place that may or may not affect the light rail at this stage.

**Ms LEE RHIANNON:** What you are saying is that there has not been a catalyst to get the process going. Surely, within this planning, estimates have been made with regard to potential compensation payouts?

**Mr WIELINGA:** No, I do not believe there has been. No.

**Ms LEE RHIANNON:** Does that mean they possibly could have been before you came into the job and you are not aware of it? It is hard to believe that when such a clause is put into an MAE there are no estimations of potential costs that could then have budget implications.

**Mr WIELINGA:** I am not aware of any being done for this project, but I will come back to you and confirm whether that is the case.

**Ms LEE RHIANNON:** Just returning to the process point that you were making with regard to these MAEs, if one is kickstarted, is there a commitment to publicly release information about what that claim is and how much money could be involved if a payout did occur?

**Mr WIELINGA:** Normally this information is prepared by the contractor or the light rail owner; that would usually be done by the chief executive. They would submit something to us. It is not usual that we would release that information they sent to us. They generally say to us in those submissions that the information in here is commercial in confidence. It would depend very much on the conditions they put on their submissions when and if they submit one.

**Ms LEE RHIANNON:** It sounds highly unlikely that it would be publicly released.

**Mr WIELINGA:** I think what I am saying is I do not know.

**Ms LEE RHIANNON:** Who would determine that? Are you saying you would make your mind up later or somebody else determines whether that would be publicly released?

**Mr WIELINGA:** We need to honour the spirit of the contract and the clauses in that contract. We would do that sort of thing consistent with the requirements of that contract and in cooperation with the light rail company.

**Ms LEE RHIANNON:** I would like to move on to the issue that has been in the news this week—the south-west rail link. It is obviously good news that it is back on the agenda. I specifically want to address the issue of costs and try to have some understanding of how the new costs have been arrived at. Obviously, you would have seen the comments made, considering there has been a doubling of the costs of this line compared with the costs that were publicly announced in 2004-05. The figure that has now been given is that it will cost about \$1.4 billion. Can you explain to the Committee how this new cost estimate has been reached?

**Mr WIELINGA:** Yes. It has been done basically on a first principle estimate, looking at the detail of what needs to be built now. The scope of the project has somewhat changed since the original project was put in place. There are additional car parking areas to encourage people to catch the rail system. It reflects current prices on the project. There has been a fairly detailed analysis done to determine the cost of the project. In recent years there has been considerable experience with the delivery of rail projects with the Epping to Chatswood rail link and the clearways program that is going on. People doing these estimates have a good understanding of what the private sector is charging for these projects, and it is based on known rates out in the market. It is based on the quantity survey that defines the scope of the project and there has been a fairly detailed estimate worked up to come to the price we are now assuming for the project.

**Ms LEE RHIANNON:** When you say there has been a detailed estimate worked out, I ask whether that can be expanded on because it is hard to understand how a project in 2004-05 is estimated at \$688 million and now is coming in at \$1.36 billion, when you consider the rate of inflation in that period since 2004 has been running at about 3.6 per cent. When you talk about car parking and the prices on the project, and clearly there would have been some increases, I cannot understand how there could be such a huge increase. Can you provide more details please?

**Mr WIELINGA:** What sort of detail are you talking about? I think we have explained that we have looked at the current project that is being built and we have put into place what we know to be market rates for the infrastructure to be built at this time. We have done a quantity survey to define what has to be done and the estimate reflects current market prices for land. It reflects the scope of the project that we are currently building. We think it is an appropriate price for the project. It reflects the cost of building infrastructure in a place like Sydney. You have to realise the magnitude of the rail project. We are talking about a city of 300,000 people being out there in the next 20 years. We need to build a railway system to carry those numbers.

**Ms LEE RHIANNON:** With all due respect, with regard to those last comments, they are not impacting on the huge price increase, because from what I understand—and I have been in the area a few times—it is fairly unchallenging terrain. We are not talking about a large number of river crossings and tunnels; it is a fairly straightforward project.

**Mr WIELINGA:** It is an aboveground rail project, that is correct, but there is a fairly substantial grades-separated interchange to join the railway system onto the current railway line.

**Ms LEE RHIANNON:** Can you provide the Committee with the details of the estimations made for the 2004-05 budget and what they are now so we can gain an understanding of why there has been such a considerable increase, because again I put it to you that the increase in prices due to inflation does not add up to the enormous increase in the overall price of the project? Can you supply that detail?

**Mr WIELINGA:** We will do our best. I know we can provide the detail of the current estimate of the project we have. We will do what we can to find the 2004 information, but, please, if I can make the point, the cost escalation involved with infrastructure-type works, CPI indicator, the cost increase of 100 items in a shopping trolley box bears no relationship to cost changes on an infrastructure project. Labour cost index and other cost investors that are associated with delivering infrastructure projects are more relevant indicators.

**Ms LEE RHIANNON:** The point is totally taken, but when you look at other projects, other rail projects, around the country, New South Wales is exorbitant when it comes to these major rail projects. A comparison has been made with the Western Australian rail line built recently, and the New South Wales cost is more than six times as much as it would be for the Western Australia central business district project that does have some challenging terrain. There were tunnels and I think there may have been one water crossing. Again, it leaves many unanswered questions.

**Mr WIELINGA:** We will try to get some comparisons for you to help you understand that. I cannot give you any detail about the Western Australian rail project other than to indicate to you it is a narrow gauge project rather than the gauges we use here. Why do we not try to find out what those differences are and hopefully help you understand?

**Ms LEE RHIANNON:** Thank you. I would like to ask some questions about the issue of accessibility at railway stations, starting with Newtown rail line. I read recently that work will start in May next year. Is that still on track?

**Mr WIELINGA:** Could I ask is Mr Mason to help you?

**Mr MASON:** As most of the Committee will know, we have been working on the design for the Newtown station and we put out a leaflet back in August 2009. We have been working with the Government Architect to develop an alternative canopy as the Heritage Council did not like the canopy we proposed for the outside of the station at Newtown. So now we will be working with the Government Architect to develop an alternative design that incorporates the feedback from the community and also the Heritage Council. We will be hoping to finalise that very quickly.

The close involvement of the Government Architect aims to provide a suitable design to take into account the complex constraints on the public area as well. We expect to be in the Heritage Council by December with this revised design, which will incorporate a smaller canopy, preserving that unique heritage area of the Newtown precinct. Once we have that we still hope to have our plans in place for work to begin by May 2010. That is our proposed planning at the moment. Clearly, it depends on whether we get the approval we need to go ahead with the station.

**Ms LEE RHIANNON:** We are all aware of how narrow that station is and it becomes quite dangerous at times because so many people use it. You have plans with regard to accessibility and the street level changes. Are you doing anything with regard to the platforms to expand the size or make the area safer?

**Mr MASON:** We are certainly well aware, as we came to our design process, that the platforms and existing stairways were very narrow and we wanted to make some modifications there. We have this public document here, which I can certainly submit, which shows all the detail.

**Ms LEE RHIANNON:** I am also after an update on Redfern. RailCorp is working with the Redfern-Waterloo Authority on a major upgrade. I am interested in both the timetable and the aboveground—the airspace above the station. What you are planning there?

**Mr MASON:** The ongoing work with the Redfern-Waterloo Authority is trying to design the station, so we have not come to a formal position yet with the overall design. That work is ongoing with the Redfern-Waterloo Authority to make sure we get a proper design that integrates the community and that serves our railway passengers as far as access as well.

**Ms LEE RHIANNON:** So there is no timetable on that one at the moment?

**Mr MASON:** We do not have a firm timetable because we have to get the right design along with the community as well.

**Ms LEE RHIANNON:** Mr Wielinga, regarding the issue of sound barriers at Casula, my office has been approached a number of times and last week there was debate in Parliament about it. There seems to be inconsistency, or at least this is how it is presented to us, and I would like to hear your explanation about the location of noise barriers along that line. I know the freight project has been put on hold for the moment, but there is considerable disquiet among some communities along that line when they are not allocated noise barriers. Could you give us an update on where you are at with that, please?

**Mr WIELINGA:** That project is actually being delivered by the Australian Rail Track Corporation, not by the State Government.

**Ms LEE RHIANNON:** I am aware of that, but along the line, from what I understand, some of those noise barriers have been put up by RailCorp. Perhaps you do not see this as part of your responsibility, but I would hope that it could be worked out. It becomes very difficult for people to know who to interact with after passing the buck between ARTC and RailCorp. That is why I ask the question with regard to noise barriers along there. Are you saying that you have no responsibility for them at all?

**Mr WIELINGA:** What I was saying is that it was delivered by ARTC. They did it with planning approval. I am happy to go away and look at that planning approval and what is involved. If you are saying to me that there ought to be a coordination point for people to get some standard response on these issues, I am happy to make that happen through the new agency.

**Ms LEE RHIANNON:** They actually want more than just a standard response. Perhaps it depends on what the word "response" means in this case, but "response" means noise barriers.

**Mr WIELINGA:** I assumed that you were talking about the policy that we take in our approach to putting these sorts of things up. I answered the question in those terms, and that is what I meant.

**Ms LEE RHIANNON:** Okay. What I take from that is that you are saying that RailCorp has no responsibility for those noise barriers.

**Mr WIELINGA:** The southern freight line, which is what we are talking about, is an ARTC project and it gets the planning approval for the project. The decisions go to the Department of Planning. Conditions of approval are put on the project. They have said to me that they are implementing the project in accordance with those conditions of approval. You are telling me you think there is an issue with the noise walls. I am saying that I am happy to go away and have a look at that and talk to the chief executive from ARTC, but I suspect it will want to deliver that project in accordance with that planning approval.

**The Hon. LYNDIA VOLTZ:** The Premier recently released a revised State Plan. Can you update the Committee on whether the transport commitments from the last plan were met?

**Mr WIELINGA:** There are a couple of key commitments in the transport plan. One of those was it focused on having 25 per cent of people on public transport across Sydney by 2016. The target for the CBD was 75 per cent of people-commute trips into the CBD being on public transport. The outcome so far on those for across Sydney of 25 per cent is currently 24.6, and the into-the-CBD, from memory, is running at 77 per cent.

With the new State Plan that has just been released, we did a few things with the targets. We set a new target for the CBD of 80 per cent. We have 25 per cent across Sydney, but we also set a percentage of all public transport commute trips in regions within Sydney and the other major metropolitan areas. Our purposeful strategy is to grow public transport use.

**The Hon. LYNDIA VOLTZ:** I will take you back to the south-west rail link. The status of the south-west rail link is?

**Mr WIELINGA:** It was announced on the weekend that we already have a project team together. We intend to start physical construction works in the first half of next year.

**The Hon. HENRY TSANG:** On 1 July, the 13 super agencies that the Premier announced earlier this year came into effect. Will Mr Wielinga please update the Committee on progress with the transport super agency, in particular how integration and coordination are to be achieved?

**Mr WIELINGA:** Perhaps I should create a little bit of context before trying to answer that question. In relation to progress as a super agency, we have come together as a single unit. The initial focus for us was to focus on a couple of things. It was to bring a team of people together—planners, schedulers and transport operators—to develop the transport blueprint. We pulled people out of each of the agencies. We brought them together as a team to develop a transport plan. That work has been underway for about 17-odd weeks at this stage.

The second thing we did very early on to improve transport services was establish a transport coordination group in the transport management centre. The focus of that particular team is to look at non-recurrent congestion, which are incidences that are occurring out on the networks—road, rail and bus networks. There are things that happen out there like accidents, cargo losses, some errant behaviour by motorists, for example, in blocking up the mouths of tunnels and so forth.

They were there to make sure that we had as rapid a response as we possibly could to deal with those incidences. People remember the bad days when they travel in transport systems. If you can reduce the number of bad days in a month, we can help people. They like the reliability of getting to work in a certain time. Dealing with those issues is significant. We think we can make good progress.

That team has come up with a series of recommendations for certain parts of the network, such as some strategies we can put into place including the CBD. As far as the organisational structure goes, we have developed a detailed organisational structure bringing together all of the agencies in transport. That consists of a group of central policy and coordinating divisions. It includes some operating entities within that structure that focus on the delivery of transport services.

I think you asked about integration and coordination. Perhaps I will describe the way the structure works to achieve that outcome. When you have a look at the way organisations or multimode transit agencies around the world are constructed, when you have a look at what is happening in other States, when you have a look at things like reports by coordinators-general on the eastern seaboard and recommendations they make about how things can function together, we have put together an organisational structure in the central policy and planning area that focuses on six divisions.

The first of those divisions is what we call policy and planning. That deals with the policy in the reform process associated with transport. The second is our centre for transport planning in the area where we have brought together all the planning resources and so forth from agencies. They will do the transport blueprint. They will do the regional strategies. They will do the modal plans. They will be on the front edge of driving transport outcomes. They will feed into the single budget arrangement that we now have for transport to make sure that priorities are appropriate. There does need to be an increased focus on public transport and they will facilitate that happening.

The third area of policy planning is what we call a bureau of transport statistics. You need good information to properly manage transport. We want to strengthen our transport data centre. We want to provide it with the resources to get good information and good statistics about transport. We want to put better information on our website. We want to provide good, useful information to our managers who are managing these transport systems.

The second focus is on what we call transport services. There needs to be a focus on delivering the transport services day by day. In that particular area, to get coordination we have brought together our community service-type transport, community transport concessions, driver authorities, taxi authorities and all those sorts of things. We have put a new area in there that focuses on short-term management: How do we get better coordination between transport modes? How do we make sure that timetables fit together? How do we tweak the networks to get better outcomes for the community? How do we get a customer champion into that particular organisational structure? How do we make sure that those customer inputs are turned into practical things that we do on the network? That particular group is charged with doing that.

We also have an area that focuses on the purchaser-provider model with the operating entities to make sure that we drive improvement in transport services by putting the right performance indicators in place—putting the right service agreements and contracts into place to drive those outcomes. We have an infrastructure area to coordinate the overall capital works program, to provide a technical base, to strengthen up our railway technical base and other areas so that we can properly coordinate the delivery of a capital works program associated with transport.

We have an area that is unique. When you look at other things we have what is called a transport coordination area. It is very, very important to make transport interchanges work. In the Sydney area we have 40 major interchanges and about 175 total interchanges between transport modes. We need to make those work better. We need to look seriously at the connection between the different modes to make that efficient. We need to put good way finding schemes in so that our customers know where to go and how to use them. We need to

encourage that mode change because it gives us greater flexibility in delivering transport outcomes. We need to take a serious look at how people walk and ride bicycles and so forth into those transport interchanges, and we are putting the resources into place to deal with it.

In relation to integrated ticketing and the fares being put in one place, effective integrated ticketing and the points that you made earlier are good points. We need to put a resource into place that manages that—not only creates the contract, but makes it happen. We deliver those outcomes and we make it easier for the community to transport between modes. We also have an area that deals with the transport coordination group in the Transport Management Centre [TMC] and incident management. We also bring together our event management people from all of the agencies into that particular location, and we will look at the security on our transport systems and bring them together at that one particular point.

We have a corporate services area and there is some consolidation of corporate services taking place. You have got to focus on what is important—delivering infrastructure, delivering transport services, getting coordination, and getting your policy and your reform process in place. We have put dedicated resources into that. The consolidation that is taking place will facilitate a significant transfer of resources from support services into the coalface in delivering transport services.

There are other administrative things we have put into place to prevent any silo mentality and to get proper coordination across the agency. There is a coordinating group that works directly with me to facilitate that. The model we are putting into place, we think, is world's best practice. We base that on our assessment of what has happened in other places. We base that on our assessment with discussions with agencies from those particular locations. We are well advanced in that. We are just about to facilitate some of the appointments to those new positions.

**The Hon. KAYEE GRIFFIN:** In August the Premier announced the introduction of new roving cleaners for the rail network, as well as a spring-clean for a number of stations. Could you please update the Committee on whether the initiative has been implemented and what results have been delivered to date?

**Mr MASON:** This is a subject very dear to my heart because my first job in London on the Underground 20 years ago was running the cleaning department. It was shown in our Independent Transport and Safety Reliability Regulator [ITSSR] survey, our regulator survey, as being one of the key attributes—cleaning of our trains and stations. It is important or very important. We have now launched our customer charter, and cleaning is one of the seven attributes we are focusing on in our 2009 charter.

In the 2009 period we have successfully introduced a paper-recycling program and we continue to do that at five stations around the network. We will, by the end of this year, do a total of 20 stations. We have done a pilot for removing graffiti on the Illawarra line. Graffiti I think we all find offensive and that is a successful project so far and we will be rolling that out across the network progressively. I think we took off over 100,000 tags in August this year. Another stream of the cleaning strategy is to refurbish the toilets. On the Central station train concourse the toilets opened early this year with some very good innovative features. We refurbished the family toilets with separate entrances for male, female and family, with a modern interior—fittings and baby changing facilities—which is very good for cleaning.

We now have to do Town Hall toilets, Circular Quay, and Chalmers Street for Central station as well. They will all be complete in time for New Year's Eve. We also have some improved cleaning practices. As you mentioned, we have roving cleaners, who pick up rubbish while the trains are still in service: They will actually move through the train as it is going through the network. We can see a significant amount of increased rubbish. In fact, there is some significant extra tonnage these people are picking up. These cleaners also work at turnaround points such as Bondi Junction where they can actually pick up rubbish and also mop up spills as the trains turnaround in that 10-minute gap.

We have also done a lot of work on the cleaning products. We have actually managed to find a way of painting the inside of the trains, and there has been significant improvement in the survey results for the reduction in graffiti on trains. That has been a great success probably over the last four months as well. That means there is less graffiti cleaning and also trains less out of service as well. We have dedicated cleaning teams and we also do the train cleans overnight and daily whilst in service. External train washes are done every 10 days and a major intensive clean every 30 days. We are seeing a real difference. Customer complaints about train cleanliness this year have dropped by 299 compared with the last financial year.

As you said, the Premier recently went to see the cleaners at work at Mortdale maintenance centre and he announced that the number of roving cleaners would be boosted by 50 per cent. I am pleased to say that a total of 93 staff now are on board, recruited and deployed around the network in that roving capacity. At the same time the Premier also announced a spring-clean at 15 of our stations over the spring-cleaning blitz. They have all been completed in time as promised. We will now move that to next year as well—doing some spring-cleans—but that major spring-clean blitz was to remove the build-up of grime and attend to minor repairs, such as the painting of trains and such like, to make sure that stations look spick and span, as you would expect of a spring-clean. We are hitting all our targets for our customer charter in cleaning this year, and we will be putting more targets in next year's charter as well.

**The Hon. KAYEE GRIFFIN:** You talked about recycling being trialled at five stations at the moment and you are looking to expand that to 20 by the end of the year. How was the decision made about where you would start the trial and when the number would be extended to 20?

**Mr MASON:** With much of this, council approached us saying they would like to have recycling bins in the car parks and areas like that, so it has been very much working with the community, where council saw that it would be beneficial. Some of them have been jointly sponsored, so it is things like that, but also clearly where there are lot of people getting off the trains with the *mX* newspaper in the evening; we have focused on those areas.

**The Hon. HENRY TSANG:** What is being done to make sure that customer information that relates to public transport is accurate, timely and user friendly?

**Mr WIELINGA:** We have recently awarded a new contract for the 131500 website for transport information. That new website will very much focus on two things. One is to provide good trip information to the customers that includes not only timetable information and scheduling information but it is going to include an opportunity to plan your trip. You will be able to say in those networks, "We want to go from here to here" and it will give you a multimodal transport plan to achieve that outcome and give you some alternatives. The second aspect of that website is to deal with customer complaints. We think there is an opportunity here to help customers personally manage their own complaints via that website. The technology is available to do it. We are very encouraged by it. We expect to be putting that into place during next year.

**The Hon. LYNDA VOLTZ:** You have already spoken about the transport blueprint and the Government's policy on that. Also, a priority of the transport agency was the development of the transport coordination group. Can you update the Committee on how that will be implemented and what will be the challenges and benefits that you may have found out of that to date?

**Mr WIELINGA:** I mentioned earlier that we had put into place the transport coordination group very quickly, soon after the new agency kicked off in the transport management centre. That involved taking resources from RailCorp, the State Transit Authority, private bus companies and the RTA and putting them in a group with a particular function to focus on incident management. The theory behind it is that we should manage each of the peaks in Sydney like we manage a major event. That was the thinking. What do we do when we are managing major events, what worked and what did not work? We grabbed what worked; we put it in as part of that group. What we wanted to do was to create a situation where we started getting real-time intelligence about what is happening out on those networks straight away and giving this group the power to respond straight away.

A practical example is that if there was an incident like a fatality on the rail network and we had to put buses into place those people had the authority to do it there and then and make it happen straight away and not go through a management chain in two or three organisations. So it was about timeliness of the response. The other thing that was important to us was to get a better understanding of regularly occurring incidents that affected several modes out on the network at any one time, at a time to be able to do something about it, to put some strategies in place to stop the event from recurring time and time again. I said earlier that we had some initial reports that gave us some good information about strategies we might put into place where trouble spots were occurring and what we might do about those. You will see some of that rolling out into the near future. The third opportunity it provided for us is that the people collecting this information can use websites and other means of getting that real-time information out to travellers on the network, and that will be the next step in the process.



**The Hon. LYNDA VOLTZ:** So the coordination group will be used for emergency situations as well, such as the shutdown of CityRail. For example, would the group be used for the incident in Ashfield the other night where the train was stopped there and people were walking back? Is that the kind of event that they would be used for?

**Mr WIELINGA:** That is exactly right. We have had incidents where trains have been stopped, and they have to coordinate the response to that. They have to liaise with the police service and other emergency agencies that might have to deal with incidents, but they have to quickly design and adjust a transport plan around that to keep people moving. They work with the three agencies. For example, RailCorp, as a response, might have to put in a high-frequency service arrangement that does not run to timetable to move people. It is about moving people at the end of the day, these sorts of responses; to get buses there quickly to get them around trouble spots; to put people on the ground who can help people understand what they need to do; to find a way through new technology to get information to people who are in the middle of incidents so that they know what is going on. They are working on all of those.

**(Short adjournment)**

**The Hon. JOHN AJAKA:** Director, I return to the answer you gave to the question asked by the Hon. Lynda Voltz in relation to the southwest rail link. Do I take it you indicated that you are anticipating it will start in the first half of next year?

**Mr WIELINGA:** Yes.

**The Hon. JOHN AJAKA:** When do you anticipate it will be completed?

**Mr WIELINGA:** I will need to check with Mr Lock. I just cannot recall the figure. I have seen the date but—

**Mr LOCK:** In operation in 2016.

**The Hon. JOHN AJAKA:** I think that is what the Premier announced last Saturday as the date. When the project was last mentioned by the former Premier, Morris Iemma, he said it would start in March 2008 and would be completed by March 2012. Why have we suddenly lost four years, from the Premier's announcement of March 2012 to March 2016? Can you explain the loss of four years?

**Mr LOCK:** Government policy around when the southwest rail link was going to be built changed. From the Transport Infrastructure Development Corporation's perspective, we were directed just this weekend to start stage two of the project, stage two being the last part of the southwest rail link, and that gives us a construction period from now through until 2015, with operation in 2016.

**The Hon. JOHN AJAKA:** Is this a good example of Government incompetence? We have a project that is supposed to be completed in 2012, and it is now to be 2016, so we lose another four years—

**The Hon. HENRY TSANG:** Point of order: As the director general said before, the Government has to deal with policies, and our good public service is providing operations. As mentioned, this is Government policy. The Hon. John Ajaka should know that it is the Government that provides the policies.

**The Hon. JOHN AJAKA:** To the point of order: Firstly, as the Hon. Henry Tsang knows, unfortunately the Minister did not even bother to show up today, so I do not have the Minister here to ask him this question.

**The Hon. LYNDA VOLTZ:** That is not relevant to the point of order.

**The Hon. JOHN AJAKA:** Secondly, to the point of order, it is not a question of policy I am asking about. I have asked the witness to express an opinion—which he is capable of expressing yes or no, or not even answering. Does he see the Government as incompetent for failing to deliver this project in 2012, as first promised, with the date now to be 2016? The Hon. Lynda Voltz, I am still talking, if you do not mind. Stop interrupting me.

**The Hon. LYNDIA VOLTZ:** To the point of order: The departmental representative stated it was a Government policy about the timing of the announcement. The Hon. John Ajaka is now asking for an opinion on Government policy. The question is clearly out of order, and I ask you to rule it as such.

**The Hon. HENRY TSANG:** Would it be appropriate to ask about the Opposition's misbehaviour? It is not appropriate for me to ask about that. Therefore I ask the Hon. John Ajaka to be polite to our good, hardworking public servants.

**The Hon. JOHN AJAKA:** I was not being rude to the witnesses, under any circumstances. I was answering your question, not his. So please do not deflect the question to the witnesses.

**The Hon. LYNDIA VOLTZ:** Point of order: This does not relate to the point of order.

**CHAIR:** If the witness has any further information he can provide to the Committee in relation to those dates and the discrepancy between them I ask him to provide that information.

**Mr LOCK:** No, I have no further information about the dates, other than the information I have already given. Those are the dates I am working to.

**The Hon. JOHN AJAKA:** I go back to the issue of compensation. You have indicated that, other than the general discussions you have had, no figures have been calculated for compensation in relation to the light rail operators because at this stage no claim has been made in accordance with the terms of the contract. Is that correct?

**Mr WIELINGA:** What I said to Ms Lee Rhiannon was that I was not aware of any, and that I would go away and check if any had been done in the past. But I was not aware of any in my time.

**The Hon. JOHN AJAKA:** If research has been undertaken by your bean counters—for want of another word—to indicate the possibility of the amount of compensation, you will be able to provide that on notice? If no calculations have been done, you will be able to tell us that on notice as well, is that correct?

**Mr WIELINGA:** That is correct.

**The Hon. JOHN AJAKA:** Let us assume for the moment that no calculations have been done. Do you not find it extraordinary that you would proceed with a project with the possibility of compensation claims being made and no-one in your department or the Government sits down first to calculate the amount of compensation that may be payable, so that it can either be budgeted for or taken into account when looking at the economics of the project?

**Mr WIELINGA:** I am not surprised that that happens, because I understand how material adverse events occur and who initiates an action under those contracts. That does not surprise me. You have to appreciate that the principle of these contracts is that Government has the unfettered ability to be able to develop a transport system despite what is in transport contracts. You do not use that sort of information to try to fetter that ability to get the right outcomes for the community. If these events occur and they are initiated that work would be done at the appropriate time.

**The Hon. JOHN AJAKA:** So we could find ourselves in the position where a project is completed, a very substantial claim for compensation is made, nobody has budgeted for that, and suddenly it lands on someone's desk to meet that compensation payment that has not been budgeted for?

**Mr WIELINGA:** Or we could find that there is no material adverse event.

**The Hon. JOHN AJAKA:** But we do not know. We need to know if someone has taken those calculations or looked at that aspect. That is what, hopefully, you will be able to provide us on notice.

**Mr WIELINGA:** I have said I will go away and have a look at what was available and we will provide that to you.

**The Hon. JOHN AJAKA:** I go back to the CBD Rozelle metro. We are still trying to ascertain the names of the external transport experts who were consulted in relation to the project before it was announced. I have asked this question before. I do not seem to be able to get a name or names. Are you able to provide us with the names of the experts, the consultants, who were retained?

**Mr WIELINGA:** I am sorry, I am going to disappoint you. That happened before my time at metro. But I will go away and find out for you, if I can.

**The Hon. JOHN AJAKA:** Can we get specific names? When we have asked the Minister in the past we have been given an answer that simply says, "Consultants were retained." I ask for names, and I get back a generalised ambiguity that says, "Consultants were retained." I am asking for specific names, if you could take that on notice.

**Mr WIELINGA:** I understood the question.

**The Hon. JOHN AJAKA:** In relation to the figures on patronage on public transport, I was surprised to find that it increased in New South Wales only by an average of 2.5 per cent compared with 7.4 per cent in Queensland, 9 per cent in Victoria and 18 per cent in Western Australia. Why is the increase so small in New South Wales? Is it a lack of confidence in our transport system? Do you know of any other reason?

**Mr WIELINGA:** You started with statistics. Let me talk statistics rather than making a subjective judgement. What you need to look at first is the total percentage of transport usage within a city. I mentioned earlier that the central business district commute trips into Sydney are running at 77 per cent. In Melbourne that was 60 per cent or 61 per cent. There was a bigger opportunity for growth off a lower base. In Sydney when you look at the total numbers of people starting to use public transport compared with the size of the city, you can have a look at our total growth being greater. I think each situation is unique. The Western Australian situation is probably explained by that new railway system that was put in place. But we can give you a table of statistics of these sorts of comparison, a complete picture, if that is what you would like to see.

**The Hon. JOHN AJAKA:** Has New South Wales hit a saturation point compared with other States or do you still see large room for improvement in relation to patronage over the next few years?

**Mr WIELINGA:** Let me answer the question this way. What are the pressures on our transport system? I think they are twofold. The first and most significant of those is the projected population growth of our city. We have all seen in recent weeks the latest update in projections from the Australian Bureau of Statistics and others about what is going to be happening with population. That alone says there has to be a growth in our transport system; that alone says that we need an effective transport loop and to respond to it. The other pressure comes from the community's requirement for value for money and for regular services, and that needs to be addressed in the long-term plan that you are putting forward as well. If you are saying to me that we need further growth in our transport system I think the answer to that question is self-evident.

**The Hon. JOHN AJAKA:** Is there a possibility of a third pressure on you, that is, that the Government fails to deliver the projects it announces on time or at all and simply withdraws them? Does that put a pressure on your department?

**Mr WIELINGA:** Yes. I have said a couple of times today it is not appropriate for me to comment on that particular area. It is not appropriate for me to comment on politics and I will not do so.

**The Hon. JOHN AJAKA:** I was not doing it from a policy point of view; I was trying to understand it. You indicated two things that put pressure on your department. Is that a third pressure that is put on your department?

**Mr WIELINGA:** I think the first two are enough pressure for me.

**CHAIR:** What assurance can the Committee have that the cost of the Rozelle metro will not exceed \$5.3 billion?

**Mr WIELINGA:** We have a detailed estimate for the project and that is our expectation of its cost. We have said the range is \$4.6 to \$5.3 and that is my expectation of the price. But, you know, when the tenders come in we will all know more.

**CHAIR:** There have been some reports in the public domain that the cost will be \$7 billion. Do you believe that those estimates have any substance at this point?

**Mr WIELINGA:** If I remember the media stuff, the thing that struck me about that was that one of the contractors submitting a bid had said that that was their view of it. The probity auditor contacted those contractors because of the potential probity issue with that. The indication from them was that they do not know where this information came from: it was not their position.

**CHAIR:** Who said it was not their position?

**Mr WIELINGA:** The contractors putting bids in for the project.

**CHAIR:** Mr Mason, is it correct that you wrote to the director general of Planning early this year warning of dire consequences for the CityRail network if the central business district corridor is taken up by a metro? In particular, were you concerned about the reliability of future CityRail services?

**Mr MASON:** Last time I was in Parliament House I answered this question when I said that I wrote to the director general of Planning to protect what Mr Wielinga called the metro west corridor for what I called heavy rail and that was talking about the dimensions of the heavy rail tunnel and the weight of the heavy rail tunnel. I said that we must protect this and it was my obligation as a public servant to do that because I was the person who actually had the protection for that corridor at that stage. I was concerned that if we did not protect the corridor there would be dire consequences. But there is protection for that corridor, as Mr Wielinga has already said.

**CHAIR:** Are you absolutely confident now that the corridor has been adequately protected and that there will not be any impinging on the reliability of CityRail services into the future?

**Mr MASON:** I think Mr Wielinga answered that one earlier. I have a cooperation agreement and interface agreements prepared with the Sydney Metro Authority to make sure that we work together on making sure this route is actually protected.

**CHAIR:** Do you agree with Mr Wielinga that the matter is sufficiently dealt with?

**Mr MASON:** The matter is being discussed with the two teams. We are working together on making sure the metro west tunnel is still protected.

**CHAIR:** There are ongoing discussions so the matter is not actually finalised?

**Mr WIELINGA:** Let me make it absolutely clear: an opportunity will be preserved for the RailCorp network to go through the central business district when it needs to.

**CHAIR:** It is black and white that it will not impinge on the CityRail network reliability of services?

**Mr WIELINGA:** Correct.

**CHAIR:** Okay, we will see. In the past the committee has asked questions about Town Hall station. How safe is Town Hall station now?

**Mr MASON:** Town Hall station was built a long time ago and certainly is not a station that would be designed now. You can see from the way the Epping-Chatswood stations have been built for future capacity with big open spaces. Town Hall and Wynyard are tight stations, there is no doubt about that. Town Hall is our second busiest station but we do have emergency plans for Town Hall station. Our regulator, including the Transport Safety Reliability Regulator, actually has seen those safety plans and is content that they are there for emergency evacuation but also for our station staff to manage the station on an ongoing basis, which we do every single peak in the evening.

**CHAIR:** Will you advise the Committee that you are satisfied that all fire safety and security regulations have been complied with to this point?

**Mr MASON:** The regulator has actually assured us that they are content with the fire procedures. Clearly, this station was built a long time ago. Does it comply with the modern build? You would not be able to say that but we have satisfied ourselves and the regulators have satisfied ourselves that we are compliant with the build as it was in those days.

**CHAIR:** The Committee has also been interested in the security question. What can you say about that?

**Mr MASON:** All our stations have closed circuit television coverage. All our stations have plenty of staff. We just finished our station staff review there so the security of the stations is assured by our staff, and our staff are ever-present and vigilant. Those closed-circuit television cameras are monitored both by our rail management centre but also individual areas have their own group management controllers.

**CHAIR:** Will you provide the Committee with an update on the Government's plans regarding an upgrade of the station to bring it into the modern world?

**Mr MASON:** Clearly, the new central business district metro has an impact on both Town Hall and Wynyard and we will be revising working with the Sydney Metro Authority to make sure we have a compatible system so we have one rail family working together to design the Town Hall interface and the Wynyard interface as well.

**CHAIR:** What is the timeframe of that from a Town Hall point of view?

**Mr MASON:** I could not give you a precise date I am afraid. I will take that on notice.

**CHAIR:** Does it have to be worked through in relation to the plans?

**Mr MASON:** The whole of the metro plan, this is what is driving it now.

**CHAIR:** Another area that has occupied the time of this Committee over a period of years is the corruption question in relation to RailCorp, and there must be nearly a record number of Independent Commission Against Corruption reports on corruption in the organisation. Can you tell us why you think corruption is such a systemic problem in RailCorp?

**Mr MASON:** I, as the chief executive officer of RailCorp, will not tolerate corruption in any part of my organisation and my management team are responding to Monto—which was the fraud and corruption investigation last year—to resolve any cultural issues, but also to make sure we have the right procedures and processes in place as well. So for the 40 recommendations that the Independent Commission Against Corruption put forward last December we have an implementation plan, which has been accepted by the Independent Commission Against Corruption, and we are monitoring that on a weekly basis within my own team and we are implementing training of our managers about what corruption opportunities they need to be aware of and need to monitor. We also have quarterly progress reports, which we are submitting to the Independent Commission Against Corruption, and we are tracking to close those out within the timeframes presented in our implementation plan. My job is to change the culture of the organisation. Nobody is proud of what the Independent Commission Against Corruption found, and we are addressing all the issues.

**The Hon. JOHN AJAKA:** Can you give us an indication as to when you believe all of the recommendations of the Independent Commission Against Corruption will be implemented—a time period?

**Mr MASON:** The plan is on the Independent Commission Against Corruption website, so that is what we are committed to actually do, and we are updating that on a regular basis.

**CHAIR:** With reference to your correspondence to the Director General of Planning about the Pitt Street corridor, is it not of concern that the CBD metro has claimed that corridor?

**Mr MASON:** With the Director General working on our blueprint, as he has said already, and this is about getting public transport for Sydney, I am very happy working with the Sydney Metro Authority about that Pitt Street alignment, which is about getting one railway for the whole of Sydney. We serve different markets. When the blueprint comes out we will be able to show how long-distance trains have a very different market from the market that the metro will be serving, at much closer distance, with more frequent trains.

**CHAIR:** Do you have any ongoing concerns about that matter? Have they been satisfactorily resolved or when do you think they will be resolved?

**Mr MASON:** As I said earlier, we have a cooperation agreement and we are working very closely. I have people in my team embedded within the metro to make sure that we work through any issues so when the metro is finally designed they will actually be supporting the CityRail network as well.

**Ms LEE RHIANNON:** Mr Wielinga, why was the Parramatta to Epping leg of the Chatswood to Parramatta line abandoned?

**Mr WIELINGA:** I will have to take that on notice. I was not in Transport when that happened but I am happy to find out what the position on that was at the time and come back to you.

**Ms LEE RHIANNON:** I imagine you have some awareness about the difficulties of travelling in that area but I would like to give you some comparisons for the Parramatta and Epping region. These are some figures I have been given, which I think we would all agree would be fairly realistic. It takes about 14 to 16 minutes to travel by car from Parramatta to, say, Macquarie University. Travelling on the two buses that you can use between those two destinations takes about 50 to 60 minutes. One bus takes about 70 to 90 minutes, and the three trains take about 90 to 120 minutes. Considering those factors, as Director General, do you make recommendations to the Government about public transport project priorities?

**Mr WIELINGA:** That is a part of the transport blueprint process that is underway at the moment, yes.

**Ms LEE RHIANNON:** My question was in two parts. Do you mean it was the part of the blueprint process that concerned priorities, or that it was specifically about delivering the Parramatta to Epping leg of that line?

**Mr WIELINGA:** The transport blueprint is about an overall transport system and about overall priority.

**Ms LEE RHIANNON:** So where does the Parramatta to Epping leg of that line fit within those priorities?

**Mr WIELINGA:** I said very early in this session that I was not going to speculate on the content of that blueprint. The Government will determine that policy and it will be put out for public comment.

**Ms LEE RHIANNON:** Putting the blueprint to the side, how urgent do you think finalising the Parramatta to Epping line is considering the growth in that area that you have referred to a number of times in our discussion today?

**Mr WIELINGA:** In the spirit of my argument, there are 39 significant transport corridors in Sydney, and at least 15 of those could warrant some attention immediately. You are talking about one part of Sydney. That is why we need an overall transport plan, so that we can start addressing all of the transport issues.

**Ms LEE RHIANNON:** With regard to the blueprint, have any members of the Government reference panel for the blueprint been consultants on the Sydney CBD metro?

**Mr WIELINGA:** I have no idea. I will have to find out and come back to you.

**Ms LEE RHIANNON:** So you will take that on notice?

**Mr WIELINGA:** Yes, please.

**Ms LEE RHIANNON:** I want to take up some issues to do with the bus network. What plans do you have to expand the State owned bus system in Wollongong, the Hunter and regional areas in Western Sydney? I want to get a feel for where the public bus system is going.

**Mr WIELINGA:** There is a bus strategy being put together as part of the transport blueprint process. You are aware that growth buses are being run out in the Sydney metropolitan area at the moment. You would know that we have put in those free circulating buses in those areas that you are talking about.

**Ms LEE RHIANNON:** I was interested in the regional areas. What plans do you have in regional areas?

**Mr WIELINGA:** I understood the question that you are talking about. You are talking about regional transport strategies; they are being developed in parallel with the regional planning and land use strategies that are being developed by the Department of Planning at the moment.

**Ms LEE RHIANNON:** What is the timeline on when they will be publicly released and when they will actually happen?

**Mr WIELINGA:** I will have to come back to you on those exact dates.

**Ms LEE RHIANNON:** The New South Wales Council of Social Services [NCOSS] has done a great deal of work on the issue of fare parity. Is there provision for the rollout of fare parity across rural and regional New South Wales? I am particularly interested in this because what the work of NCOSS has shown is that the rural premium fare is approximately 25 per cent higher than other fares. How are you addressing this problem?

**Mr WIELINGA:** I will need to come back to you with the detail on that.

**Ms LEE RHIANNON:** I just wondered if any of your colleagues were able to pick it up. I understand the 2004 review of bus services noted that the premium placed on rural fares is a disincentive for potential bus users. Are any of your colleagues able to give any details now about that?

**Mr WIELINGA:** No. I do not have anyone here from the regional bus network. It needs to be appreciated that there are substantial government subsidies on all of the bus transport systems.

**Ms LEE RHIANNON:** I totally appreciate that but the difference is considerable when you make the comparison between regional areas and city areas, and we are interested in understanding what the Government is doing to address that. Moving on to the New South Wales Petroleum Supply Disruption Response Plan, could you inform the Committee of what the status of that plan is? Is it still being updated?

**Mr WIELINGA:** I cannot update you on that at the moment.

**Ms LEE RHIANNON:** Is that because you cannot provide the information publicly or you do not have it at this stage?

**Mr WIELINGA:** I just do not have it at this stage.

**Ms LEE RHIANNON:** So you can take that on notice?

**Mr WIELINGA:** Yes, I can.

**Ms LEE RHIANNON:** I am interested to hear from you about the electricity requirement for CityRail. What is the current electricity requirement for the operation of the CityRail electric trains? I am particularly interested to know if there are any plans to convert the CityRail electric train operations to 100 per cent green power?

**Mr WIELINGA:** I will ask Mr Mason to deal with that.

**Mr MASON:** Certainly, we clearly have enough power to run our trains at the moment. We have a power upgrade in preparation for our new Waratah trains, which will be delivered from late 2010 to 2013. What we call a traction supply upgrade is in the process of being delivered at the moment and West Ryde substation is currently being built. We have the power supply upgrade ongoing and on track to deliver the power required for our new trains. In terms of our actual consumption, I do not have the figure to mind in terms of how many petajoules we use at the moment. We have got in our contracts a certain amount of green energy, but it certainly is not 100 per cent, I am afraid.



**Ms LEE RHIANNON:** What is it at the present time? Do you have plans to increase it?

**Mr MASON:** I could come back to you on that. I do not have that figure in my head.

**Ms LEE RHIANNON:** You may need to take this on notice as well. Could you build into that response how much greenhouse gas emissions will be saved when you move over to green power? I am also interested in the time line of achieving that. Are you happy to take those questions on notice?

**Mr MASON:** I said we would not be converting to 100 per cent green power. As we progressively move into that I will certainly be able to give you information as to the greenhouse gas reduction.

**Mr WIELINGA:** Government sets policy targets in, for example, the State Plan and the outcomes to be achieved on that. That is what guides us in this particular area.

**Ms LEE RHIANNON:** I appreciate that. I was interested in hearing what they are and if you are on track. Are you happy to take that on notice?

**Mr MASON:** We are doing our new station developments and we are doing as much as we possibly can to reduce our electricity consumption. We use electric cells, LED lights and things like that to minimise our electricity consumption.

**Ms LEE RHIANNON:** In April this year the final report of the Cross Border Transport Taskforce, which was looking at the links between New South Wales and Queensland, was released. Two of the recommendations were: that no further work be advanced on potential rail links between northern New South Wales and southeast Queensland; and that a cross-border liaison officer be nominated by both States to provide continuing coordination of effort to better integrate public transport on both sides of the border. When you put those two recommendations together that means that these officers you are appointing are working only on bus services and, therefore, coordinating just private bus services? Is that how you would summarise those two recommendations when put together?

**Mr WIELINGA:** No, that is not my interpretation of it. Cross-border coordination issues usually involve across-the-range type issues.

**Ms LEE RHIANNON:** Rail as well?

**Mr WIELINGA:** There are regular discussions with the other States about rail outcomes. We are having discussions, for example, on those grain lines that you spoke about a little while ago.

**Ms LEE RHIANNON:** That is excellent. The key recommendation was that no further work be advanced on potential rail links between northern New South Wales and southeast Queensland. Within the context of this Cross Border Transport Taskforce, is there ongoing work about rail links across the border?

**Mr WIELINGA:** We are having discussions about how those networks are managed, how we get the most out of them, how we get the most efficient maintenance outcomes, how we can work together to do it in a similar approach so it makes it easier for the private sector to bid on preserving those rail lines. If you are talking about introducing new rail connections, at the moment there are not any discussions going on about that today that I am aware of.

**Ms LEE RHIANNON:** It is all about existing lines?

**Mr WIELINGA:** It is, yes.

**Ms LEE RHIANNON:** Did I hear you correctly when you said it was in terms of the private sector bidding on these lines?

**Mr WIELINGA:** At the moment we have an expression of interest out for the maintenance of our country rail network over a 10-year period. We want to make sure that the approach we are taking on our network is similar to the other States and maybe there are some synergies there, for example, that we can look



at. What I am trying to say is please do not take the impression that we do not talk to each other about rail issues. That is not correct.

**Ms LEE RHIANNON:** You talk about rail issues but not new cross-border rail links?

**Mr WIELINGA:** New cross-border rail links come from the private sector, they come from community suggestions, and there are other things that are looked at in the longer term. As I say again, are we talking about one today? No, I am not aware that we are.

**Ms LEE RHIANNON:** Another recommendation states that the Rail Infrastructure Corporation be asked to assess the feasibility of enabling road traffic to traverse the rail line at an additional location in the Byron Bay township. Could you give the Committee an update on whether this recommendation is proceeding and, if so, what is happening?

**Mr WIELINGA:** I am not aware of the issue. I will need to find out and come back to you.

**Ms LEE RHIANNON:** Thank you. Earlier this year it was announced that there would be a feasibility study for the Maldon to Dumbarton rail line. I understand that was a Federal announcement. Could you explain the involvement of New South Wales in a feasibility study?

**Mr WIELINGA:** I am aware of that connection into the Illawarra port. I will need to go away and get an update for you on how that study is progressing.

**Ms LEE RHIANNON:** No-one here can give us an update?

**Mr WIELINGA:** No.

**Ms LEE RHIANNON:** Mr Callahan, could you explain to the Committee how the Customer Charter works and how you ensure that the reliability and safety standards are met?

**Mr CALLAHAN:** The Customer Charter is really borne out of our annual customer surveys. About 4,000 people contribute to those. The surveys have identified aspects that those people would like to see improved and we have addressed those across the eight areas within the Customer Charter. It is articulated what we will do and what will be done over the next year.

**Ms LEE RHIANNON:** Can you give some more detail? You said it articulates what will be done over the next year. How do you ensure that is undertaken? I am interested in the follow-through.

**Mr CALLAHAN:** There is a budget allocation to deliver some of the outcomes—for instance, investment in CCTV across all of the wharf assets; clean, comfortable ferries: there is an investment in new seats for the four Freshwater class. We had the *Narrabeen* come back out of dock two days ago. That has been upgraded in terms of new seats, the floor has been remediated and there also have been some facility improvements. There is a commitment towards better access at wharves. That is a joint commitment between Sydney Ferries and NSW Maritime. NSW Maritime has a budget to upgrade wharves. The Customer Charter articulates three wharves that will be upgraded over the next 12 months.

There is also an investment in better customer communication. We have what is called FOCIS, Ferry Operation and Customer Information System, which will come online starting March next year. That will be an integrated passenger information system across the 43 wharves of our network. Effectively every wharf will have an LCD with up-to-date passenger communication and that will link back into the wider transport passenger communication system. If you turn the pages, on each page it articulates what will be done in the next 12 months. We will deliver against that and we have the budget to do that.

**Ms LEE RHIANNON:** Mr Wielinga, could you tell the Committee about the process to determine the viability of the privatisation of Sydney Ferries?

**Mr WIELINGA:** The reports on the market testing are nearing completion and will soon be submitted to Government.

**Ms LEE RHIANNON:** When you say nearing completion, what is the time line?

**Mr WIELINGA:** We are talking about within weeks.

**Ms LEE RHIANNON:** Then it sits with the ministry in terms of response?

**Mr WIELINGA:** Correct.

**Ms LEE RHIANNON:** I want to revisit the issue of the Clearways program. We saw recently when figures came out that the costs have blown out by \$800 million. Is that because there are new aspects to the project or because of cost overruns on the original project?

**Mr LOCK:** If I can answer that, there are not in the main cost overruns from a construction point of view. Construction costs are related to the time frame in which the project is completed. So if a project extends over a period of time or starts later and finishes later there are increases. There have been discussions already at this Committee about the rate of inflation of projects. As Mr Wielinga has said, the construction rate of inflation is much greater in this State than the CPI would be.

**Ms LEE RHIANNON:** Why are the cost overruns greater in this State? I know they are greater but it appears from that earlier discussion we had that the amount of the cost overruns is such that I cannot understand how it is arrived at. Can you provide the detail on the aspects of those cost overruns so we can make some comparison? At the moment, considering how high these cost overruns are, we are short on the detail to enable us to understand the justification for the increase.

**Mr LOCK:** I can certainly provide on notice details of the rate of inflation of construction in New South Wales particularly, because that is my area of understanding and knowledge. I can take that on notice.

**Ms LEE RHIANNON:** You may be able to explain this now. There is this cost increase because things have generally increased and New South Wales is an expensive place, but considering that you downgraded or abandoned some elements of the original project, such as the Carlingford loop and the additional tracks between Sydenham and Erskineville—that is correct, is it not, that they are no longer part of the project?

**Mr LOCK:** Neither of those projects is part of the clearways program, no.

**Ms LEE RHIANNON:** So considering the project is not as big as it originally was, it is hard to understand why there has been such an enormous blowout. Can you explain that now or factor it in when you take it on notice: How much was saved by the removal of the Carlingford loop and those two tracks around Sydenham and Erskineville?

**Mr LOCK:** I can certainly take that on notice.

**Ms LEE RHIANNON:** Will you give us the details of what we have saved by removing those two projects and where the additional costs have come from?

**Mr LOCK:** I can do both of those.

**The Hon. LYNDIA VOLTZ:** Mr Wielinga, earlier Ms Rhiannon said that a trip from Parramatta to Macquarie University would take 15 to 16 minutes. Would you say it is a realistic statement or would you say that someone with a knowledge of that area of western Sydney would say you could only do that at one o'clock in the morning if you hit every green light or you were actually flying? You can take it on notice if you like.

**Mr WIELINGA:** Yes, I need to. I do not want to walk into the middle of a dispute. It would be better if I took it on notice and gave you an answer.

**The Hon. HENRY TSANG:** Can you update the Committee on the outcomes of the 2009 Independent Transport Safety and Reliability Regulator [ITSRR] customer feedback survey for CityRail?

**Mr MASON:** Our regulator, ITSRR, undertakes an annual survey that we get results for in September. I am very pleased to say that in this, the fifth or sixth survey done by ITSRR—all the attributes ITSRR measured in relation to both performance and customer satisfaction for the various aspects—the latest independent report card showed customer satisfaction improved in all the key aspects of the service. It probably

reflects to some extent the 95.4 per cent on-time running. Certainly there were some good scores for knowledge and helpfulness of our staff, up to 89 per cent. Staff effectiveness in dealing with security issues was up to 74 per cent. For cancellations and delays, the satisfaction level rose by 6 per cent to 72 per cent. In relation to crowding on trains in peak-use trains and commuter times, a further 36 per cent of commuters were more satisfied with our service. That is up to 79 per cent now on crowding. With station information and posting of arrival and departure times, 88 per cent of commuters said they were satisfied with our services.

It is a reflection of a lot of hard work by my staff and I would like to thank them publicly for all the work they put into delivering these excellent customer satisfaction survey results. Also, it is a reflection on the on-time running. As I said, it was 95.4 per cent last financial year and this year we are running at 96 per cent overall for the peak periods. It is a lot of hard work. We expect next year to reflect the introduction of the Epping-Chatswood rail link. The brand new railway opened in February and we have networked the timetable. That timetable also put extra trains in service in the a.m. and p.m. peak so we anticipate satisfaction levels and crowding will also improve, and also aspects of on-time running as well.

**The Hon. HENRY TSANG:** When will the Government start the Parramatta ferry express service?

**Mr CALLAHAN:** The Parramatta express service was budgeted in the recent budget and commences next Monday, 23 November.

**The Hon. KAYEE GRIFFIN:** Could you update the Committee on what is occurring with the delivery of the new growth buses?

**Mr ROWLEY:** I will speak for State Transit's portion of the growth buses. Three hundred buses were announced, of which 40 were allocated to my particular regions. We have just received the first of those 40. These should not be confused with our 150 articulated vehicles, which are also growth buses. We have just received the first prototype of those vehicles and it is now in service on our new metro bus 20 route. We expect the first 50 to be delivered to June 2010 and then a further 100 to June 2011. That will then complete the contract for 150 artics. State Transit is expecting the 150 artics plus 40 of the 300 growth buses. I understand from the private industry that their growth bus allocation and targets are being achieved.

**The Hon. KAYEE GRIFFIN:** How is the pre-pay program at bus stops working across Sydney?

**Mr ROWLEY:** Pre-pay is really starting to gain momentum. State Transit introduced its first pre-pay service in October 2006, the 333 service, which runs high capacity articulated vehicles along the Bondi Road-Oxford Street corridors. Certainly the amount of community feedback and the satisfaction feedback on pre-pay services indicated we were on the right track. We have now introduced pre-pay to over 40 individual bus routes and have basically got it into about eight interchanges. The biggest pre-pay rollout has been in the CBD this year. We now have pre-pay in the CBD confines between 7 a.m. and 7 p.m., Monday to Friday. Our off-bus ticket sales because of this strategy have increased from 75 per cent to 82 per cent.

That is a significant benefit to both our drivers and staff and also the travelling public. It is clear that a pre-pay service over an hour run can save seven to eight minutes on a full bus. It usually takes 11 seconds to complete a cash transaction on a vehicle and that is on average. As we all know, sometimes that transaction can take a lot longer. It all depends on the individual who is boarding the bus. A magnetic stripe ticket takes only a couple of seconds to dip. There are significant benefits to the public. You do not often get compliments in public transport, especially buses, with traffic congestion and so forth, but it is one thing that has really been accepted by our passengers.

**The Hon. KAYEE GRIFFIN:** Has patronage on CountryLink services increased over the past year?

**Mr MASON:** I am very pleased to advise that CountryLink's patronage grew by 8 per cent over the last year. That is a great reflection on both the service they provide and also some of the promotions they have been doing. We will also see some increases in terms of pensioner tickets. Some of the promotions they have been doing to get people to travel by CountryLink to see their families in the regions and to come to Sydney have been excellent.

**The Hon. LYNDIA VOLTZ:** Has the decision been made on when the services will commence on the Cumurra-Weemelah grain line?

**Mr WIELINGA:** I expect that to be early next year. We are still working with GrainCorp and others. There needs to be some sleeper replacement and some other issues. We have asked ARTC to bring that forward. We have got RIC working on it. I can come back to you with the detail of the time, if you would like.

**The Hon. LYNDIA VOLTZ:** It would be good if you could take that on notice. Just getting back to the rail issues, the recent timetable changes that have happened, are we seeing any benefits? Are customers seeing any benefits within those timetable changes?

**Mr MASON:** The timetable was launched on 11 October 2009, on the Sunday. There were initial concerns from some of the customers about the integration of two services, the services meeting, so later on in October we made some minor enhancements to the timetable. So those interchanges are now much, much better and the number of complaints from our customers has dropped from approximately 50 a day down to about 20 maximum per day. The customers are seeing benefits in extra trains in the peak from the East Hills line, from the western line and also for the lower North Shore and also off-peak services as well. In the p.m. they are also seeing extra trains and also trains being built up—what we call built up—making longer trains from six cars to eight cars.

That timetable exploited the infrastructure of Hornsby platform, which TIDC built for us. The Epping-Chatswood line as well—that is the first time we integrated into the railway. For the people in the Macquarie Park area—there are 30,000 residents, 30,000 students and teachers and also shoppers in that area—for the first time we are integrating into the CityRail network a very fast service into the CBD—that is where they work but it is also in its own right an employment area as well. So there are some huge benefits that customers are seeing the benefit of now.

**The Hon. LYNDIA VOLTZ:** How is the upgrade going for access onto Lindfield station?

**Mr MASON:** I am pleased to say that was announced and opened by the Minister probably about three weeks ago. So Lindfield station easy access is now open.

**The Hon. HENRY TSANG:** I was there and the modern architecture is very impressive.

**The Hon. LYNDIA VOLTZ:** Going back to buses, we are going to get delivery of the new 20 metro buses between Gore Hill and Mascot. When is that delivery happening and can you give us some detail?

**Mr ROWLEY:** I will start off by saying that in October 2008 we introduced our first metro bus service, which was route 10 between, then it was, Kingsford through to Leichhardt. In June this year it carried over a million passengers, so it is obviously very, very successful and tells us that we are on the right track with our future service provision. We extended it in October this year to commence from Maroubra Junction—we allocated a few more extra vehicles to it—and we anticipate that that will be very successful as well.

Route 20, which is the one you are talking about—Gore Hill through to Mascot—commenced in October, in fact two weeks ago. In the first week it carried 15,000 passengers, the second week 19,000 passengers, and I look at it very closely on a daily basis at the moment and I think this week will be a further record. The next metro bus route that comes into play is in March 2010. That will be route 30, which is anticipated to operate between Spit Junction and the Enmore Park area; then followed by Route 40, which is Bondi Junction through to Chatswood, which is due to commence in June 2010; and finally, route 50, which is operating between Randwick and Drummoyne in October 2010.

Each of these services will have allocated to it a mixture of high-capacity articulated vehicles and standard rigid vehicles, and as the patronage grows and more articulated vehicles enter service I will be reallocating all articulated vehicles to every route. So after all five routes have rolled out there will be 75 articulated vehicles operating in 10-minute frequencies in the peaks and a 15- to 20-minute frequency in the off-peaks. As I say, they are being very, very well received by the travelling public. There are certain pinch points on the two first routes that we know that if you go and stand there you will see passengers waiting to board. Certainly the route 10 and route 20 have addressed any loading problems in those areas. So it is a very good initiative and I am very excited to continue to roll it out.

**The Hon. LYNDIA VOLTZ:** With all these new buses—I notice, for example, at Leichhardt bus depot there are some works going on there—are you upgrading and building more capacity within the bus depots to cope with this?

**Mr ROWLEY:** Certainly. The redevelopment of Leichhardt depot has been in full swing for the last couple of years and I am happy to say that Leichhardt opened as a fully operational depot a couple of months ago. It went from being able to house 100 standard size buses in the old depot to 200 standard size buses or about 160 high-capacity buses. It is a state-of-the-art depot. It cost over \$30 million to redevelop and it is the way depots should be built in the future. It is something to be seen. In fact, it just won an award, I believe. The builder just won an award for the construction of it.

**The Hon. LYNDIA VOLTZ:** And that was still maintaining the heritage-listed tram buildings that were in there previously?

**Mr ROWLEY:** That is right.

**The Hon. LYNDIA VOLTZ:** And the significant remediation, I assume, which was a significant part of the cost?

**Mr ROWLEY:** That is correct.

**The Hon. LYNDIA VOLTZ:** Can I just ask some questions on safety at rail crossings? I understand there is a Federal Government program on boom gates at rail crossings, is that right?

**Mr WIELINGA:** Correct.

**The Hon. LYNDIA VOLTZ:** Could you let me know about the Federal Government's boom gates rail crossings program and also update us on what the Government is doing about safety at rail crossings?

**Mr WIELINGA:** There is a committee in the State that looks at safety at rail crossings and prioritises those level crossing works. The RTA makes a significant contribution to those level crossings. There is some Federal Government funding of money being made available to do that. The vast majority of those level crossings are on the country rail network, that portion of the network administered by ARTC; they look after them on that network, but they get involved with us. RailCorp is currently upgrading two significant level crossings.

**The Hon. LYNDIA VOLTZ:** Do you know which ones?

**Mr MASON:** I cannot remember offhand.

**The Hon. LYNDIA VOLTZ:** Can you take it on notice?

**Mr WIELINGA:** There is a risk assessment approach taken to determine a priority, with rail level crossings as a significant issue. They are not our largest risk area on our networks. We have a lot of incidents, for example, on the road network. But from a rail point of view they are a significantly important point for rail operators. We are progressively upgrading them as they go. I think, from memory, there are about 3,600 in New South Wales. So depending on how far you want to upgrade those it will determine ultimately the level of resources that are required.

There are some national discussions at the moment coming out of the incidents that occurred in recent years in Victoria to look at cost-effective means to highlight railway level crossings and to look to see if we can get a standardisation of approach across the country. That work is coming close to completion at the moment, and that will probably influence some of the actions and things that we do around these crossings in the future.

**The Hon. LYNDIA VOLTZ:** Have there been some issues around the commuter car park programs? Can someone update us on where we are up to with those commuter car park programs?

**Mr LOCK:** I can certainly update you in respect of TIDC's portion of the commuter car park program. We have been directed by government to deliver commuter car parks in a number of suburbs. We have progressed down the process of getting land acquisition to start with, establishing where the projects will be, then getting initial designs, planning approval process going through granting planning approval if that is necessary, and running a delivery strategy around construction contracts. We have two quite separate strategies,

two sorts of car parks. We have the at-grade car parks, which we are delivering by construct-only methodology—we get local labour to build them wherever they are.

For the multi-deck car parks, of which there are seven, we are going through an early contractual involvement process. We are getting industry to work with us and we are letting those contracts as design and construct. You asked me what stage we had reached. We have already opened two of the car parks and almost all of them now have planning approval. Every site has been located. One of the multi-decks is in construction and the whole program will be rolled out and finished by early 2011.

**The Hon. LYNDIA VOLTZ:** Where is the multi-deck car park being constructed?

**Mr LOCK:** That is at Glenfield junction.

**The Hon. JOHN AJAKA:** Is the Keith Clark report still being used as the main point of reference for rail maintenance?

**Mr MASON:** The Government initiated the Keith Clark report. Since then we have had two independent experts working with RailCorp and the CityRail fleet maintenance team. They have produced a report that very much mirrors the Keith Clark report in that they deal with the same issues. We have an implementation program that is supported by the Minister and the Premier that gives us some deadlines to make some changes. Customer service cross-skilling has started on time. We have also employed contractors within the depots to enable our own staff to commence cross-skilling training, which has already happened. Recently staff voted on their own classification structure, and staff passed that. We are well on the way to reform within the maintenance depots. It is a great success for staff and for the management team who are now working together to try to make these reforms to improve our productivity, efficiency and everything else at the depots. I have to put some investment into that.

**The Hon. JOHN AJAKA:** What proportion of rail maintenance is currently outsourced as opposed to being undertaken within?

**Mr MASON:** I will take that question on notice. We have a major contract with the United Group at MainTrain, which is a major contract. Downer EDI Rail maintains the Millennium trains. A fair proportion of our rail maintenance is done outside.

**The Hon. JOHN AJAKA:** If you give it to me in percentages and you tell me who is undertaking the work and when it is being undertaken I would be most grateful.

**Mr MASON:** Certainly.

**The Hon. JOHN AJAKA:** In October 2008 Premier Nathan Rees promised that if all rail maintenance procedures were not fixed by early 2009 he would privatise rail maintenance operations and, in his words, "sack management". Have all the problems been fixed?

**Mr MASON:** I categorically assure you that not all the problems have been fixed. However, we are on target in relation to the Premier's timescales. He said we were to commence cross-skilling by March 2009 and to implement it by July 2009. Stage two of the cross-skilling commenced in August 2009. As I mentioned earlier, the new classification structure breaks down some of the demarcations that were referred to in a number of reports. We are on target to making the changes. However, not all the problems have yet been solved, and there will be a long program of change in our maintenance depots, of which we are very supportive.

**The Hon. JOHN AJAKA:** When do you anticipate all those problems being fixed? Are you talking about six months, one year, two years or five years?

**Mr MASON:** Are you asking whether the trains will never break down again?

**The Hon. JOHN AJAKA:** No. I am talking about problems with rail maintenance crews and why the Premier said that rail maintenance would be outsourced. I am not talking about trains breaking down.

**Mr MASON:** A program will be implemented on the dates listed on our website. As we get up to private industry practice they will also move up. We will always be trying to move up to continually improve



our rail maintenance depots. Our philosophy is to keep moving up and we are moving forward all the time. We are doing that together, which is very reassuring for both the management team and staff.

**The Hon. JOHN AJAKA:** What are your future plans? What is the best possible scenario for rail maintenance—being conducted internally or being conducted outside? What do you think would be the best approach?

**Mr MASON:** My opinion does not count; I follow the Government's policy in that area. I will be giving advice on various benchmarks that we have. I am sure that will be an intuitive approach.

**The Hon. JOHN AJAKA:** I refer again to the Keith Clark report. Are all the recommendations in the report being implemented, or have some not commenced or been looked at?

**Mr MASON:** I could not put my hand on my heart and say that they have all been implemented at this stage. However, I could come back and say where we are at with the various initiatives.

**The Hon. JOHN AJAKA:** Will you take that question on notice, establish what recommendations are being implemented and what recommendations are not being implemented, and give me some indication about each recommendation?

**Mr MASON:** As I said earlier, we have an independent report that followed on from the Keith Clark report. That is the one we are following in implementing the recommendations.

**The Hon. JOHN AJAKA:** Would you look at the recommendations in the Keith Clark report and give me an indication of which ones you intend to follow and which ones you do not?

**Mr MASON:** They are very similar. The same depots are being looked at. They involve the same management issues, the same supervisory issues and also the same staffing issues. My implementation is based on this independent report.

**The Hon. JOHN AJAKA:** You indicated earlier that you keep records of customer complaints. How is a complaint put onto the record? What does a customer need to do officially to register a complaint?

**Mr MASON:** I can give you an oversight of it. There is the 131 500 Government phone line and also the website. There is also the "Your say" line where complaints come in. They can also be issued at stations and the station staff then pass them on to us. We are trying to implement a system that is much more responsive for CityRail and RailCorp. When we are informed of an issue we make a phone call to the customer as soon as possible rather than trying to analyse what has gone on and then responding in writing. We try to ring the customer, if it is appropriate, if the customer supplies us with a telephone number, and we try to address the concern right there and then.

**The Hon. JOHN AJAKA:** What about customers who have difficulty communicating in the English language and what about elderly customers who are not able to pick up the phone and have a conversation? What provisions are made to take account of that? Take the first example of those who have difficulty communicating in the English language.

**Mr MASON:** I believe that the 131 500 line includes some multilingual facilities. Clearly, it is not ideal for everybody. Some people are not comfortable using telephones and some people do not have the Internet. We try to work as best we can with what we have, and station staff are there to help. As I said earlier, the regulator survey showed that the friendliness and helpfulness attributes of our station staff is up to 80 per cent, and I can check that number. Obviously people are approaching staff, asking questions and getting answers.

**CHAIR:** Mr Callahan, how many times have you met with union bosses regarding the recommendations in the Walker inquiry to franchise ferry services?

**Mr CALLAHAN:** I have regular communication with the shop stewards across the business on a daily basis.

**CHAIR:** Do you speak to them literally every day?

**Mr CALLAHAN:** I have a very consultative approach towards the workplace and nearly every day I speak to a person who is a delegate of the union.

**CHAIR:** Do those daily meetings specifically include discussions about implementing the recommendations of Mr Walker's inquiry?

**Mr CALLAHAN:** A number of the Walker inquiry recommendations were specific to Sydney Ferries. Most of recommendations 8, 10, 11, 12, 13 and 15 have been implemented. Some recommendations across agencies are also being implemented.

**CHAIR:** Are minutes of those meetings kept?

**Mr CALLAHAN:** No. I work within the workplace. I come to work via the ferry, so I am talking to people all the time.

**CHAIR:** You do not have a practice of keeping notes of discussions with various people to whom you need to talk in relation to the implementation of the Walker report?

**Mr CALLAHAN:** If it were part of a dispute resolution process, obviously I would keep notes. If it were a daily conversation, I have so many every day that I do not keep notes. I would not be able to do that because I have so many conversations with so many people every day.

**CHAIR:** How is the organisation coping in light of the fact that there is no chief executive officer at the moment? Obviously you are the acting chief executive officer.

**Mr CALLAHAN:** I think everybody in the organisation is aware that I am the acting chief executive officer. I do not think we are void of leadership, and I do not think you would find people saying that.

**CHAIR:** When will the acting status of the position be resolved and when will a permanent appointment be made?

**Mr CALLAHAN:** That is not for me to determine.

**CHAIR:** So you do not know of any timetable?

**Mr CALLAHAN:** We need to go through the market testing regime, which is being done by the department. I would need to apply for the job when it was advertised.

**CHAIR:** And you do not know when the market testing process will be concluded?

**Mr CALLAHAN:** I think the director general answered that earlier.

**Mr WIELINGA:** The central agency is coordinating and managing the market process. In anticipation of your next question, I have had no meetings with union representatives.

**CHAIR:** How much did the Government spend on chartering private services in the past year as a result of ferry breakdowns?

**Mr CALLAHAN:** I do not have the numbers here, but I can obtain them. From memory, the expenditure last year was significantly less than in previous years because our investment in maintenance and vessel availability and reliability numbers have significantly improved over the past 12 months. I am happy to provide those numbers.

**CHAIR:** Can you advise the Committee how much was spent on ferry maintenance in the past year?

**Mr CALLAHAN:** The cost of the Balmain maintenance operation comprises two major parts: repair and maintenance and major periodic maintenance. Balmain costs about \$25 million to operate each year—about \$11 million of that is spent on major periodic maintenance and \$3 million is spent on facilities, et cetera. It is a significant investment. That is across 28 vessels.



**CHAIR:** Does that figure include fleet replacement over the past year? Can you give the Committee that figure?

**Mr CALLAHAN:** We have not replaced any fleet.

**CHAIR:** Are there any proposed to be replaced?

**Mr CALLAHAN:** That is a decision for the Government.

**CHAIR:** So that is in abeyance?

**Mr CALLAHAN:** I do not know.

**CHAIR:** You just do not know?

**The Hon. LYNDIA VOLTZ:** Point of order: Mr Callahan just made it clear that it is the Government's decision.

**CHAIR:** I am just clarifying that he does not know. Reference was made earlier to the transport blueprint and the increase in passenger numbers on CountryLink. Is there a blueprint for improving transport services, in particular rail services in non-metropolitan New South Wales?

**Mr WIELINGA:** Yes, regional areas are part of the process, as is Sydney, of course.

**CHAIR:** Can we expect a plan to be announced shortly covering both metropolitan and non-metropolitan rail services?

**Mr WIELINGA:** We are putting out a transport blueprint, the Government will decide on its policy and that will be put out for comment.

**CHAIR:** Thank you for your assistance this morning.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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