

Ms Cathryn Cummins
Legislative Council of NSW
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Ms Cummins

I refer to your letter concerning my recent appearance before the Legislative Council Inquiry into social and economic development in central western NSW.

Please find attached a copy of the draft transcript of my oral evidence. A number of minor corrections have been noted.

During my appearance before the Inquiry I took a number of questions on notice, responses to which are attached.

I trust this information is of assistance to the Committee.

Tim Reardon
Deputy Director-General, Policy and Regulation

3 APR 2012

Responses to Questions on Notice

Does Transport for NSW have statistics about the amount of freight being moved on road as opposed to the rail network?

In the 2007-08 financial year, approximately 93 billion tonne kilometres of domestic freight was moved in NSW. Of this, approximately 64 billion tonne kilometres was by road; 23 billion tonne kilometres by rail; and 6 billion tonne kilometres by sea. One tonne kilometre is defined as one tonne of freight moved one kilometre. (Source: *New South Wales and Sydney Transport Facts, Bureau of Transport Statistics, 2012*)

Does Roads and Maritime Services still receive a fixed allocation from Treasury each year for natural disaster work or have you now got a mechanism to top that up with funding through the Commonwealth/State arrangements?

Roads and Maritime Services (RMS) does not receive a fixed allocation from the NSW Treasury each year for natural disaster works.

In 2011-12, the total RMS budget allocation for natural disasters is \$204 million. This amount is made up of:

- \$131 million - a NSW Treasury special Crown grant, being part of the federal reimbursement to NSW for natural disaster expenditure for 2010-11.
- \$53 million - of hypothecated motor vehicle weight tax, (normally allocated to RMS roads program) being sanctioned by NSW Treasury for RMS use on natural disaster works.
- \$20 million - RMS annual internal allocation for liabilities arising from declared natural disasters.

Does that imply that the Commonwealth is going to be purchasing or resuming the land itself (for the Inland Rail Link)?

Is the NSW Government engaged actively at the moment in the acquisition of land or the preservation of a corridor for the Inland Rail Link? If so, what is the extent of the NSW Government's involvement?

The Inland Rail Link is an Australian Government initiative. Transport for NSW has not been approached by the Australian Government to assist with its processes of land acquisition and corridor preservation for the Inland Rail Link.

Is the department planning any substantial changes to the work force in regional NSW which would have been the RTA previously - in other words, depots, those sorts of things, RTA road crews.

Is the department undertaking any major changes at the moment with those?

Roads and Maritime Services has commenced a process of organisational change, for which the high level functional model should be fully developed and detailed by June 2012.

Are you aware of whether Roads and Maritime Services, in assessing the contestability of road asset maintenance, will consider the impact of any changes to the contestability rules on local government?

The NSW Government is examining the potential for greater contestability in the provision of road asset maintenance.

RMS has met with the Local Government and Shires Association to discuss the proposal to increase contestability in road asset maintenance and a commitment was given that there would be extensive consultation with the rural and regional councils.

Does the development of a strategic plan for the Bell's Line of Road corridor consider the use of rail on that corridor?

The Terms of Reference for the Bells Line of Road Corridor Long Term Strategic Corridor Plan are specifically related to the development and reservation of a road corridor for the future upgrade of Bells Line of Road. While the background work for the Plan makes reference to rail freight across the mountains, the detailed future demand forecasts that are contained in the study relate to all road transport.

Who provides the maintenance of Country Rail Infrastructure at Canberra and at Joppa Junction?

The section from Joppa Junction to Queanbeyan is owned by the Country Rail Infrastructure Authority (CRIA) and operated and maintained, under contract, by John Holland Rail. The section from Queanbeyan to Canberra is owned by the ACT Government, licensed to CRIA and operated and maintained, under contract, by John Holland Rail.

Are you satisfied with ARTC's maintenance of the main interstate lines?

ARTC has obligations under the Lease Agreement with the Country Rail Infrastructure Authority (CRIA). There are KPI targets within the Agreement.

CRIA has rights under the Lease Agreement, and in cases of non-compliance CRIA may request ARTC to submit a cure plan. CRIA may also request a detailed time-based program of works to support the plan.

In 2011 CRIA requested and has since received a cure plan from ARTC for the Main South Line which has been accepted and ARTC is implementing the work.

In addition, in response to a request from the Hon Anthony Albanese MP, Minister for Infrastructure and Transport in August 2011, the Australian Transport Safety Bureau (ATSB) is conducting a systemic investigation of rail operations on the interstate rail line between Sydney and Melbourne.

Is there any thought to assisting councils (with airports and airport upgrades)? It would not be the first time that State governments have assisted councils with funding for infrastructure projects.

The Australian Government provides financial assistance to local councils for the purpose of maintaining and improving regional aviation infrastructure. This funding is provided through the Regional Aviation Access Program, which comprises the Remote Air Services Subsidy Scheme, the Remote Aerodrome Inspection Program, the Remote Aerodrome Safety Program and the Remote Aviation Infrastructure Fund, each of which has its own eligibility criteria. In the 2011 Budget, the Australian Government announced an additional \$22 million over two years for remote aerodrome upgrades under the Program.

NSW aerodromes that meet the eligibility criteria can apply for Australian Government funding under the Remote Aerodrome Safety Program component, which is assessed on the basis of remoteness classification and endorsement by the Royal Flying Doctor Service, and receive funding to assist in the upgrade of aerodromes including works to improve all weather capability, enhance safety and enable night time operations. Under this program, the Australian Government provides a maximum of 50% of the total cost, with the balance met by the applicant or a third party. Applicants for approved projects enter into a funding agreement with the Australian Government that sets out the terms and conditions of the funding, including agreed project outcomes and payment schedules.

Are there any rail routes in regional NSW that break even or turn a profit purely from using rail services for passenger traffic?

No CountryLink rail services operating in NSW cover their costs, nor do those XPT services to Brisbane and Melbourne.

The Cobb Highway and the Silver City Highway were raised as the only two unsealed highways left in NSW. That has a huge impact particularly over the last 18 months to two years of wet weather. Has Transport NSW had discussion on the possibility of funding to address those issues?

When Transport NSW is considering some of these issues does it look at the interconnectivity between states and the extension of major tourist routes? On the Silver City Highway between Broken Hill and Tibooburra there is about 150 kilometres of dirt. The Queensland Government is sealing the other side of that road down to the Queensland border. Do you take into account those sorts of missing links when you are looking at major routes throughout Australia?

The Silver City and Cobb Highways are in parts unsealed. Roads and Maritime Services (RMS) does take into consideration the interconnectivity between the States and the extensions of major tourist routes when determining which sections to seal.

RMS's overall network planning process necessarily includes all routes that make up the State Road Network and so must also include a means of setting priorities. The issues raised by Committee members about the sealing of State Roads in western NSW will be taken into account during the next planning process.

RMS meets with the key stakeholder group, Unincorporated Area Road Network Reference Group, annually to set out the forward works program and receive the Group's input on priorities.

Unfortunately, with limited funds available across the State, RMS is unable to currently give a timeframe as to when further major improvement works will be implemented on the Silver City and Cobb Highways. RMS's strategy is to address the areas that would provide the most benefit from being sealed rather than just extend the existing sealed sections.

Does Transport for NSW have any modelling of current commuter traffic flows into and out of the central western NSW? If it is possible to get that (commuter and freight) I would like to have a look at that.

Public transport patronage data for:

- Regional air travel is at **Table 1** below.
- CountryLink is at **Table 2** below
- Road traffic volumes are provided for count sites at **Table 3** below.

Table 1

Quarterly Regional Passenger Numbers for air routes to and from Sydney

Route to/from	Sept Q 2010	Dec Q 2010	Mar Q 2011	Jun Q 2011	FY Total
Bathurst	6,655	7,058	6,097	7,001	26,810
Broken Hill	16,592	16,781	13,899	15,804	43,842
Cobar (1)	99	1,521	1,481	1,641	4,742
Dubbo	47,368	46,458	39,905	43,075	174,807
Mudgee	2,515	2,618	2,189	2,804	10,126
Orange	15,077	15,422	14,100	15,228	59,827
Parikes	8,555	8,496	7,219	8,033	32,302
1. Brindabella commenced operations September 2010					

Source: Transport for NSW

Table 2
CountryLink Boardings
Western and Central Western NSW for the 2010/11 Financial Year

	Patronage
Coach	219,058
XPT	66,341
CityRail (1)	39,499
Explorer	4,582
Total	329,480

Source: CountryLink

1. Trips provided by CountryLink coaches between Lithgow and Bathurst. (CityRail train services terminate at Lithgow, passengers transfer to the CountryLink coach using the same ticket. Bookings are made in advance with a seating allocation on each coach for CityRail customers.)

Table 3

Average daily volume for week started on Monday, 11.04.2011 ** (in combined directions)

Highway	Code	Count location	W/weekdays
1 Silver City Hwy	(HW22)	at T1B310 sign, 25km nth of Broken Hill	140
2 Silver City Hwy	(HW22)	at 9.5km sth of Packsaddle Roadhouse, 170km nth of Broken Hill	65
3 Silverton Road	(MR81)	at 8.5km ntwest of HW8 Broken Hill	386
4 Mitchell Highway	(HW7)	at 1.2km nth of mr633, nth of Wellington both directions	3,994
5 Mitchell Highway	(HW7)	at 1.8km sth of mr573, sth of Wellington both directions	2,658
6 Cobb Highway	(HW21)	at 800m sth of hw8, east of Wilcannia	29
7 Cobb Highway	(HW21)	at 700m nth of mr80, Mossiel	62
8 Cobb Highway	(HW21)	at 500m nth of mr433 Menindee Rd, 5km nth of Ivanhoe	55
9 Barrier Hwy	(HW8)	18km w of Cobar	485
10 Newell Hwy	(HW17)	47km sth of Forbes	1,717
11 Newell Hwy	(HW17)	5 km sth of Forbes	3,522
12 Mitchell Hwy	(HW7)	20km w of Bathurst	6,339
** This week contained one public holiday			
Source: RMS Traffic Counts			

Buses

Over the period August 2010 to February 2012, there were close to 900,000 boardings on local bus services in the region.

In relation to regional freight, TfNSW is now modelling current and projected freight volumes across NSW to inform development of the Ports and Freight Strategies, which will form part of the overall NSW transport planning framework.

One of the serious constraints on natural disaster repairs at the moment is that you can only fund out of natural disaster funding restoration up to the level that an asset was at before the natural disaster. While there is a betterment facility in the Commonwealth-State agreements, to my knowledge it has only been used once in recent floods in NSW for a swimming pool.

I am aware of one case particularly of a council where a bridge was not repaired for some years while they argued over who would pay the cost of upgrading to a standard that could withstand the next flood. Is that Policy work something that your department has been asked to be involved in or to make submissions to the Commonwealth on?

Consistent with National Disaster Relief and Recovery Arrangements, Transport for NSW along with Roads and Maritime Services (RMS) and NSW Treasury will work together to engage with the Australian Government to discuss natural disaster expenditure across the State and seek reimbursement of this expenditure for the financial year 2012/13 and beyond.

Has any consideration been given, in the absence of the high-speed rail link, to at least a faster speed service to Canberra using, for example, some sort of technology which can accommodate the existing rail network with minor upgrades but provides a faster service between Sydney and Canberra? This could be an indicator of the potential capacity or potential desire for such a high-speed rail link.

The Australian Government is conducting a Phase 2 High Speed Rail study which is to be completed in late 2012 and will review a very broad corridor and will examine potential routes from Brisbane to Sydney, Canberra and Melbourne. A reference group involving State agencies has been established and Transport for NSW is participating in this process.

