

# **GENERAL PURPOSE STANDING COMMITTEE No. 1**

**Monday 13 October 2008**

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

## **ROADS**

**The Committee met at 9.15 a.m.**

### **MEMBERS**

Reverend the Hon. F. J. Nile (Chair)

The Hon. M. A. Ficarra  
The Hon. D. J. Gay  
The Hon. K. F. Griffin

Ms L. Rhiannon  
The Hon. P. G. Sharpe  
The Hon. I. W. West

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### **PRESENT**

**The Hon. M. J. Daley**, *Minister for Roads*

**Roads and Traffic Authority**

**Mr L. Wielinga**, *Chief Executive Officer*

**Mr P. Hesford**, *Director, Finance and Commercial Development*

**Mr M. Bushby**, *Director, Network Management*

**Mr G. Fogarty**, *Acting Director, Major Infrastructure*

**Mr D. Watt**, *Director, Licensing Registration and Freight*

**Mr M. Veysey**, *Acting Director, Business Coordination, Road Safety and Policy*

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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 this hearing for the inquiry into the budget estimates 2008-2009 open to the public. I welcome Minister Daley—and congratulate him on his elevation to the ministry—and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Roads. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members or witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of the proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or Committee clerks. Minister, I remind you and the officers accompanying you that they are free to pass notes and refer directly to your advisers while at the table. I remind everyone to please turn off their mobile phones.

The Committee has agreed to the following format for the hearing. We will break up the time into approximately 20-minute segments, commencing with members of the Opposition, the crossbench and Government members. We will have a brief pause at 10.30 a.m. for morning tea. The House has resolved that answers to questions on notice must be provided within 21 days or as otherwise determined by the Committee. The Committee has not varied the 21-day time frame for answers to questions on notice. Transcripts of this hearing will be available on the website from tomorrow morning. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

**LESLIE ROBERT WIELINGA**, Chief Executive Officer, Roads and Traffic Authority, sworn and examined:

**PAUL MICHAEL HESFORD**, Director, Finance and Commercial Development, Roads and Traffic Authority,

**MICHAEL BRUCE BUSHBY**, Director, Network Management, Roads and Traffic Authority,

**GEOFFREY JAMES FOGARTY**, Acting Director, Major Infrastructure, Roads and Traffic Authority,

**MICHAEL VEYSEY**, Acting Director, Business Coordination, road Safety and Policy, Roads and Traffic Authority, and

**DAVID STUART WATT**, Director, Licensing Registration and Freight, Roads and Traffic Authority, affirmed and examined:

**CHAIR:** I declare the proposed expenditure for the portfolio of Roads open for examination. The motion passed by the Legislative Council contained no provision for a Minister to make an opening statement before the Committee commences questioning. However, Minister, I invite you to table a statement or to make a brief comment.

**Mr MICHAEL DALEY:** I will make a brief comment. As a new Minister, I welcome the opportunity to appear before the Committee today with senior staff of the Roads and Traffic Authority. Whilst Ministers over the years of various political persuasions have had different attitudes to these hearings, I welcome the opportunity for further efficiencies to be achieved by going through this process. If the RTA and the Roads portfolio can be examined in such a way that we weed out any inefficiencies or to do things better, that is a good thing. So I am pleased to be here today.

The New South Wales Government is committed to building new road infrastructure and investing in road maintenance and safety improvements. It has delivered a \$4-billion Roads budget that will see work continue on major roads around the State, including the Great Western Highway, the Pacific Highway and the Princes Highway. It will ensure that road maintenance programs and road safety improvements continue to keep our road users safe.

An important part of meeting the State Plan Priority S7 Safer Roads is the Government's focus on developing road safety initiatives. That is why I have increased road funding for road safety to \$146 million. That includes \$21 million for road safety environment, \$15 million for black spot traffic management and \$4 million for Pacific Highway road safety projects. In addition, \$21 million will be spent on State-funded crash treatments, because we know that road crashes are a major cause of injury and death, particularly and

unfortunately for young and novice drivers. People under 26 years of age comprise 16 per cent of all licence holders but the crashes in which they are involved account for 31 per cent of road deaths. That is an unfortunate statistic.

A number of road safety initiatives were introduced in July 2007 following recommendations from the Improving Safety for Young Drivers discussion paper. They include changes in licensing conditions for L-plate and P-plate drivers, bans on mobile phone usage, passenger restrictions and a zero tolerance for speeding. Police crash data for 2007 shows that these initiatives are working. Last year the New South Wales road toll was the lowest it has been since World War II. But there is no room for complacency. One death on our roads is one too many, which is why we still have more work to do.

The New South Wales Government is continuing to build on its School Road Safety Package. In 2007 it announced a \$46.5 million four-year program to improve the safety of students in school zones. So far this year flashing light technology and electronic alert systems have been installed in 72 schools and will be installed in 28 more before the end of the year. This is the first year of a four-year program to install 400 new flashing light zones. Flashing lights are a reliable and highly visible safety measure at our schools and they do a great job in slowing down drivers.

Maintaining our roads is a key part of the RTA's operations and it has a thorough maintenance inspection program to ensure the safety of all road users. Last year the New South Wales Government budgeted to spend more than \$900 million on road maintenance across New South Wales. That figure has been increased to a record \$1.02 billion this year. The RTA manages about 20,000 kilometres of roads in New South Wales, including almost 18,000 kilometres of State roads and an additional 3,000 kilometres of regional and local roads in areas where there are no local councils.

The RTA also manages almost 5,000 bridges, with programs in place to ensure infrastructure is effectively maintained and upgraded. A great example of this is the Timber Bridges Program announced in 2006. It was funded with \$60 million over three years to help councils to upgrade timber bridges on regional roads and has now been extended into a fourth year. A total of 157 bridges on regional roads are now included in the program, with 31 bridges now complete. The Government recognises that this is an important issue for regional New South Wales. It has received many requests from Country Labor members, Independent members and regional mayors to talk about funding the Timber Bridges Program. The Government has listened and it is now making real progress in delivering improved timber bridges across the State. This partnership is a good example of State and local governments working together to improve local infrastructure and to boost the services that rural communities rely on.

This Government is committed to working with local councils to ensure that the State's road network is as safe and well maintained as possible. That is why the New South Wales Government is providing more than \$150 million to councils across the State this year under the repair program and the block grants scheme for regional roads. This budget is meeting the Government's ongoing commitment to investing in the maintenance, construction and safety of New South Wales roads for all road users.

**The Hon. DUNCAN GAY:** Minister, congestion on Sydney roads is one of the great concerns for motorists on a daily basis. It would be interesting for motorists to know where you live and how you get to work each day.

**Mr MICHAEL DALEY:** It is a matter of public record that I live in Maroubra. When Parliament is not sitting, I walk to my electorate office. When Parliament is sitting, I use a motor vehicle to get to Parliament.

**The Hon. DUNCAN GAY:** How do you get to your ministerial office?

**Mr MICHAEL DALEY:** I drive myself or a driver will pick me up. Often I drive myself, as I did this morning.

**The Hon. DUNCAN GAY:** How many staff do you have in your ministerial office?

**Mr MICHAEL DALEY:** About 10.

**The Hon. DUNCAN GAY:** Can you find out, please?

**Mr MICHAEL DALEY:** I can, if you want to give me a minute. I will take that question on notice.

**The Hon. DUNCAN GAY:** How many of those staff are media?

**Mr MICHAEL DALEY:** Two.

**The Hon. DUNCAN GAY:** How many car parks does your office have, your ministerial office?

**Mr MICHAEL DALEY:** In which building?

**The Hon. DUNCAN GAY:** Where your ministerial office is.

**Mr MICHAEL DALEY:** One, I believe.

**The Hon. DUNCAN GAY:** Will you take that on notice and find out for us?

**Mr MICHAEL DALEY:** I am happy to do that, but I think it is one.

**The Hon. DUNCAN GAY:** Do you have an e-tag?

**Mr MICHAEL DALEY:** Yes.

**The Hon. DUNCAN GAY:** Who pays for it?

**Mr MICHAEL DALEY:** I have two. One is in the ministerial vehicle, which is obviously paid for by the Government, and one in my own private vehicle, which I pay for.

**The Hon. DUNCAN GAY:** How many e-tags does your ministerial office have?

**Mr MICHAEL DALEY:** I will take that on notice, but I believe it is one.

**The Hon. MARIE FICARRA:** May I continue with a similar line of questioning to the chief executive officer? Where do you live and how do you get to work every day?

**Mr WIELINGA:** I live on the Central Coast. I drive to work each day, and I drive myself.

**The Hon. MARIE FICARRA:** How many staff and how many car parks do you have in your department?

**Mr WIELINGA:** I will have to take the question on notice to give you that detail.

**The Hon. MARIE FICARRA:** And if you can also supply us with the number of e-tags that your staff are issued with?

**Mr WIELINGA:** I am happy to take that on notice and provide you with the information.

**The Hon. DUNCAN GAY:** And who pays for them, whether it is part of a package or where it comes from?

**Mr WIELINGA:** Sure.

**The Hon. DUNCAN GAY:** Recently the Premier named the M5 duplication, a new link between the M2 and the F3, the M4 extension and an M5 expansion as top of the Government's priority list. The obvious question is who decides this list and where do you fit into the mix?

**Mr MICHAEL DALEY:** Obviously we are all aware there is a mini-budget process underway. All of those projects the honourable member has just mentioned will be subject to the mini-budget. Those discussions on the priorities for most projects will, firstly, be the subject of funding and, secondly, if funding is available there will be discussions, I imagine, between me, the Premier and the Minister for Transport, and the Cabinet will decide which projects will go ahead.

**The Hon. DUNCAN GAY:** These were the projects the Premier put to the Federal Government for its part in the infrastructure process. It is not part of a mini-budget. Who made that decision?

**Mr MICHAEL DALEY:** You will have to ask the Premier, if he made the announcement. Ask him.

**The Hon. DUNCAN GAY:** So, you had nothing to do with it?

**Mr MICHAEL DALEY:** No. Those decisions were made before I was a Minister, I believe.

**Mr WIELINGA:** It is important to appreciate that in the Ministry of Transport there is a centre for product and project development that does the integrated transport planning for New South Wales. That has been in place for about 18 months.

**The Hon. DUNCAN GAY:** That is Dr Richmond's?

**Mr WIELINGA:** No, that is not Dr Richmond's area. That is the coordinator general's office. I will get onto Dr Richmond's role shortly. In that centre for transport planning, there is the traffic data centre as well. It connects the information about what is happening for the network. It makes projections for the future for commuter demand, travel demand and so forth. It is responsible for developing the integrated transport plan. The latest public document on that is the urban transport strategy and the metropolitan plan that came out of the Department of Planning. The coordinator general's office has a role of coordinating the delivery of these major projects across government agencies where, for many of these large projects, you will appreciate, they require planning approval, they require coordination with other transport projects, and wherever other government agencies input, the coordinator general's office is charged with making sure that that coordination takes place.

**The Hon. DUNCAN GAY:** So, Minister, what is your role?

**Mr MICHAEL DALEY:** My role is to work with Cabinet and with the Premier to deliver on road projects in New South Wales.

**The Hon. DUNCAN GAY:** Have you anything left to do after what the coordinator general does?

**Mr MICHAEL DALEY:** Plenty. There is plenty of work for me to do.

**The Hon. DUNCAN GAY:** For example, when the announcement was made on the Iron Cove Bridge, we asked the question how is that affected by the M4 East? Any traffic that comes over Iron Cove Bridge goes on to City West Link and Anzac Bridge. Anzac Bridge is affected by any plans for the future of the M4 East. Those plans for the M4 East, are they something you developed?

**Mr MICHAEL DALEY:** No, obviously I was not in Cabinet when those plans were developed.

**Mr WIELINGA:** It is important to appreciate here the timing difference. With the Victoria Road project the intention was to improve in the short term bus movements on Victoria Road. The M4 East project is many years down the track, and the new rail project that is proposed for the north-west sector is also many years down the track. This was an opportunity to get some early wins and to improve the reliability of bus travel in this area. That was the reason for this project going ahead at that time.

**The Hon. DUNCAN GAY:** The Iron Cove Bridge is a roads project. It was announced by the former Minister and, Minister, you were the Assistant Minister at the time. Did he not talk to you? We have the M4 East, which affects what happens. What I want to know, and what the people of New South Wales want to know, for coordination is who is in charge, and who is talking to whom?

**Mr MICHAEL DALEY:** I do not think there is anything more we can add to that question. Mr Wielinga has answered it in some detail. I do not understand what the honourable member's point is. He has asked the same question twice in two different ways.

**The Hon. DUNCAN GAY:** With great respect, the people of New South Wales want to know whether you have taken into consideration in your plans, future plans for the M4 East which would be putting traffic into the same gridlock?

**Mr MICHAEL DALEY:** Mr Wielinga has answered that question.

**The Hon. MARIE FICARRA:** Mr Wielinga, do you have a say in what projects are chosen when the Premier makes these announcements that are broadly put out there as good news statements? Are you consulted as the chief executive officer of the Roads and Traffic Authority?

**Mr WIELINGA:** Yes. There is a chief executives cluster that gets together all the transport chief executives. They provide a steering committee role to the centre for project and product development, and that chief executives committee meets regularly to develop these plans.

**The Hon. MARIE FICARRA:** And you have a major input into the listing of those priorities?

**Mr WIELINGA:** I have an equal input to the other chief executives at those meetings.

**The Hon. DUNCAN GAY:** Minister, you recently had some problems—in fact in your first couple weeks on the job—on the M5 East. On 23 September the Premier said, "I've got to say I'm filthy about it," and, like Morris Iemma before him, there was tough talk as a tunnel executive was marched up to roads Minister Michael Daley's office with threats of tearing up the operator's contract, and you are quoted in the media as saying, "My message to the CEO and the motorway company on behalf of motorists will be a very clear one. If you can't run this motorway properly, we will find someone who can." You are also reported as having said that whatever happens, closing that tunnel is unacceptable. If you have to take the tunnel off Baulderstone Hornibrook Bilfinger Berger and give it to someone else because they cannot run it properly, you will. Is that a fair summation of what happened that day?

**Mr MICHAEL DALEY:** Yes, it is.

**The Hon. DUNCAN GAY:** You certainly threatened to tear up the contract?

**Mr MICHAEL DALEY:** Publicly I did, and on the afternoon of the Monday on which the tunnel broke down Mr Wielinga and I and other executives from the Roads and Traffic Authority met with several members of the tunnel company, Bilfinger Berger Australia, including the CEO. That message to him was delivered loud and clear. I should say, in relation to all this talk about tearing up contracts and the like, the most important thing is that that tunnel stays open. So, my No. 1 priority is to work with the tunnel company to make sure, one, that it stays open and, two, that all of the operating systems in that tunnel are operating efficiently and that their procedures for ensuring that is the case are as robust as they should be. So, on the afternoon of, you say, 23 September we had a very good and robust discussion with Bilfinger Berger and the plan was put in place to look at the short-term and long-term operating systems in that tunnel.

That plan included, firstly, that there should be software experts available to Bilfinger Berger on call so that they can ensure that the software system and the software problem that shut the tunnel down ought not happen again unreasonably. Secondly, I wanted to make sure that all of the procedures and processes that Bilfinger Berger had in place to run that tunnel were as robust as they should be, so I invited them to have a reputable third party expert come in and review those systems. They accepted that invitation readily and an expert company is conducting a review as we speak, which I was advised would be about three weeks in completing.

Thirdly, as to the long-term welfare of the tunnel, keeping in mind that it comes back to the taxpayers of New South Wales, Bilfinger Berger's operations contract runs out in 2011, and I wanted to make sure that when that tunnel came back to the taxpayers, all of the systems were state of the art. Mr Wielinga and the chief executive officer of Bilfinger Berger Australia, Mr Ken Scott Mackenzie, are now having the highest level discussions to look at upgrading their systems in that tunnel to be state of the art so that when they do come back to the taxpayers in 2011 for the Roads and Traffic Authority to make a determination on who will thereafter operate the tunnel, all of the systems will be state of the art.

I do not think there is anymore that we can do, but I should say this in relation to that breakdown: there have been six breakdowns in seven years. Two of them have been this year and we need to distinguish between breakdowns that occur because of an unavoidable failure of the systems, which happen in all public infrastructure projects, whether they are tunnels, airports or whatever, and others which are caused by either human error or a lack of attention to detail. It is the latter species of problems that I was particularly concerned

to ensure do not happen again. I believe we have a system in place now that will go as far as reasonably possible to make sure that breakdowns in that tunnel are kept to a minimum.

**The Hon. DUNCAN GAY:** You were Assistant Minister to Eric Roozendaal.

**Mr MICHAEL DALEY:** I was Parliamentary Secretary. You used the term "Assistant Minister". I was Parliamentary Secretary.

**The Hon. DUNCAN GAY:** Did you have a good relationship with him?

**Mr MICHAEL DALEY:** Probably better than yours, I should say, Mr Gay, having regard to the transcript of these proceedings last year.

**The Hon. DUNCAN GAY:** Did you respect his point of view and his decisions?

**Mr MICHAEL DALEY:** Yes.

**The Hon. DUNCAN GAY:** So how can you reconcile your comments that, "We will rip up the contract" with Minister Roozendaal's comments in Parliament on 7 March 2006 in connection with the comments of the former Leader of the Opposition that he would rip up the contract on the Cross City Tunnel when Minister Roozendaal said:

That is what we have before us. We have a crazy strategy of "tear up the contract and then ask, "By the way, now that I have torn up the contract how much do the taxpayers of New South Wales actually owe you?" That is reckless and irresponsible. This Government is not about reckless, irresponsible, unilateral action; It is about negotiating.

**Mr MICHAEL DALEY:** I think that is an entirely prudent statement for Minister Roozendaal to have made.

**The Hon. DUNCAN GAY:** Does that not apply to you? First day in the job, out there in the media, "I am going to rip up the contract". You did not have a clue what you were talking about, did you?

**Mr MICHAEL DALEY:** What underpinned my statement that day—and I should say that I do not resile from it one iota—was that if the tunnel company were not doing their job properly, were not fulfilling their obligations under the contract, then the taxpayers of New South Wales and the motorists who use that tunnel every day would look to some person for relief and I understand that person is me. If they were not going to fulfil their obligations under the contract then they ought not be there, and I do not resile from that one ounce. But to compare the circumstances that led to a discussion about termination of that contract does not resemble, from my memory, the circumstances that related to a tearing up of the Cross City Tunnel contract. To compare those two in the simple fashion that you are doing would lead to a distortion of the truth.

**The Hon. DUNCAN GAY:** I know that you are a new Minister and one of the strategies is to speak forever so I get fewer questions—

**Mr MICHAEL DALEY:** It is not a strategy at all, Mr Chairman. That is not a fair comment to make.

**The Hon. DUNCAN GAY:** Minister, can I just finish? Minister, we have questions for one budget estimates but if you are going to continue, they could be spread over several.

**Mr MICHAEL DALEY:** Mr Chairman, have I transgressed some standing order here today that relates to the length of answers? I do not recall at the outset that you gave me any indication about the length of answers?

**CHAIR:** No, you are in order.

**The Hon. MARIE FICARRA:** Minister, following up on your answer to the Hon. Duncan Gay about the improved systems that you had discussed with the operators of the M5 East, have they given you a time frame for this and is there any costing for the taxpayers of New South Wales in those improved systems?

**Mr MICHAEL DALEY:** I might ask Mr Wielinga to assist me here. The time frame of which I am aware is that the independent expert is doing an initial review on the systems and procedures. He indicated that

would take about three weeks. I understand it might be completed around the end of this week or some time next week. It will be about 18 months to bring the long-term system up to state of the art. I will refer to Mr Wielinga for the costs of those and what underpins that.

**The Hon. MARIE FICARRA:** Perhaps he could give details of previous audits and reviews, whether they have been made public and what the outcomes were?

**Mr WIELINGA:** With the M5 East, the environment we were in on the 23rd was a situation where we had had two close down in a matter of three months. We had already started the process after the first one and with the second one, we accelerated that process, which the Minister has been describing. Fundamentally, the auditor has two roles. One is to come up with short-term fixes that strengthen the robustness of the system—things that we can do in the short time frame for very little money to make sure that problems are avoided and to look at the problems that occurred and to make sure that we had an adequate response to those.

The second thing was to deal with bringing the system up to state of the art. The computer systems in the M5 East are seven or eight years old now and they are fairly complex systems. There is a perception that tunnel systems are fairly straightforward; that it is just a block of concrete that anybody can look after. That is not true. There are about 20 different systems that occur the managing the tunnel all the way from the deluge system that brings water down on a fire to our closed-circuit televisions VMS systems, the air quality management system, our incident management system and a whole bunch of things. We are making sure that we upgrade that as a brown fields to state of the art. The budget for it will be determined as soon as we have a good scoping of the works, and we are expecting to have a good scoping of the works in the next two or three months and then we will put a budget and a time frame on it, but our overall target at this stage is 18 months.

**The Hon. MARIE FICARRA:** Will the review that is due in approximately three weeks be made public?

**Mr WIELINGA:** The review is being done with the motorway company with the Roads and Traffic Authority working. We will have a look at what comes out of that. The intention is to let everybody know how we are going to improve the system, that is correct.

**The Hon. MARIE FICARRA:** So in other words there is no intention at this stage for the Minister to table that report and make it public. You cannot give us a guarantee of that?

**Mr MICHAEL DALEY:** That report belongs to the tunnel company. They have engaged the expert at my suggestion, so the report belongs to them. It is their engagement.

**The Hon. MARIE FICARRA:** But I would say that the taxpayers of New South Wales have an interest as well—

**Mr MICHAEL DALEY:** They do.

**The Hon. MARIE FICARRA:** —since they come to a standstill every time the systems break down?

**Mr MICHAEL DALEY:** And I have no interest in hiding anything from the taxpayers of New South Wales in relation to that tunnel, but it is their report, so I cannot order them to release a report that belongs to them, but we will have discussions about releasing the findings of that report.

**CHAIR:** Minister, to clarify the matter, is the company paying for the production of that report, at no cost to the Government?

**Mr MICHAEL DALEY:** Yes, the company is paying for it.

**The Hon. DUNCAN GAY:** Who is paying for the first one?

**Mr MICHAEL DALEY:** The company is paying for the present audit.

**The Hon. DUNCAN GAY:** No, the first one?

**Mr MICHAEL DALEY:** Which first one?

**The Hon. DUNCAN GAY:** The first audit. There were two audits; there was one underway when this happened, which arrived on your desk supposedly that day, and then there is the new one.

**Mr MICHAEL DALEY:** We are paying for the first one. The Government is paying for the one which was commissioned after the first breakdown, but the one that is happening at the moment is being paid for by the company.

**Ms LEE RHIANNON:** Minister, firstly congratulations on your job. Have you read the report by Mr Jim Steer, the British transport consultant who undertook a major report on Sydney's transport for the Government?

**Mr MICHAEL DALEY:** No, I have not, not yet.

**Ms LEE RHIANNON:** I am surprised by that, considering it would seem to be critical for your work at any stage. Also, I would have thought it would have been important as we were coming to estimates committee hearings, so we could have discussed it.

**Mr MICHAEL DALEY:** There are not enough hours in the day for me to have read everything I would like to have read to this point, but it is on my reading list.

**Ms LEE RHIANNON:** I appreciate that you cannot read everything. Have you acquainted yourself with some of the summaries that have been produced about the report?

**Mr MICHAEL DALEY:** No, I have not.

**Ms LEE RHIANNON:** One of the reasons I wanted to ask you about that is that Mr Steer raises a number of concerns about how the proposed underground motorway that seems to be part of Government plans would be so big and could cause considerable congestion. Is the Iron Cove Bridge expansion therefore part of this major motorway project to relieve those congestion points, particularly, as identified, the pinch point at Anzac Bridge? Has the Iron Cove Bridge expansion been brought forward to help manage these congestion problems that have been identified in the Steer report?

**Mr MICHAEL DALEY:** If you are referring to the Steer report, I have not read it, so I cannot answer the question.

**Ms LEE RHIANNON:** Could we ask one of your colleagues?

**Mr WIELINGA:** The Iron Cove Bridge project—that is the duplication of the Iron Cove Bridge plus the bus lanes at Rozelle and Drummoyne—have nothing to do with the M4 project. That project is targeted exclusively at improving the reliability and travel time for buses on Victoria Road. That is the purpose of the project, and it has always been its purpose. That particular location on Victoria Road is not going to have a direct impact on congestion on the Anzac Bridge. It is not about general traffic flows—we are not increasing the number of lanes for general traffic—it is about better using the road space on Victoria Road so we can give buses a better run.

**Ms LEE RHIANNON:** My recollection—I do not have the notes with me—is that the issue about the buses came in later, after there was a lot of criticism; that was a later justification that the former Minister brought forward. If that is the case, why was not the Minister for transport and the Department of Transport involved more, because they were on the record as saying that they had not been involved in that aspect of the planning?

**Mr WIELINGA:** That is not my understanding, I am sorry. It has always been a bus project from day one.

**Ms LEE RHIANNON:** Minister, I now move to deal with issues to do with how your department is responding to climate change. In a question to the previous Minister when I asked about this issue, the response was that the department will "ensure climate change is considered in all aspects of managing the New South Wales State road network". I was particularly interested in the Pacific Highway upgrade, as to how you are responding to climate change issues, given that some of those upgrades are located in low-lying areas.

**Mr WIELINGA:** A practical example of what you are talking about is the Gerringong to Bomaderry project, in Wollongong, at the moment. The environmental documents being prepared for that project include a substantial section on responding to climate change. In addition to that, at the moment the RTA is doing some work in the background associated with climate change, looking at the potential impact of things like sea rises on low road corridors on the eastern seaboard and what we might do about that. We are having a look at our design standards for road networks to see how we respond to things like possible maximum floods; we are having a look at the potential impact of things like temperature change on bitumens and so forth in the road network. This work is currently underway.

**Ms LEE RHIANNON:** What about the Pacific Highway, specifically the Sapphire to Woolgoolga upgrade? I would have thought that would be a possible spot for coastal inundation.

**Mr WIELINGA:** It is a question of the stage for that particular project. That is a little later in its life cycle. We have already had environmental documents on public display for Sapphire to Woolgoolga. If we need to do some additional work on climate change there, we are very happy to do that.

**Ms LEE RHIANNON:** You say you would be happy to do it. Are you actually working on that now? Are you kick-starting the process, or are you waiting to be pushed on it?

**Mr WIELINGA:** No. We started the process for Gerringong to Bomaderry of our own volition. I know that for a fact, because I have looked at that work being done there. I know for a fact of the other work we are doing for climate change. I will need to come back to you to confirm the situation for Sapphire to Woolgoolga.

**Ms LEE RHIANNON:** And also Hearn's Lake to Hexham. They are the two areas that we thought were vulnerable on the North Coast. If you could take that on notice.

**Mr WIELINGA:** I am very happy to do that.

**Ms LEE RHIANNON:** Minister, are the implications of rising oil prices and reduced oil availability being taken into consideration in planning for new motorways?

**Mr MICHAEL DALEY:** This question was asked last year, and the answer is—I might defer that question to Mr Wielinga.

**Mr WIELINGA:** The peak oil question is an interesting question. We all know that at some point in time the production of oil in the world is going to peak and then it will start diminishing after that. Our expectation is that alternative means of driving motor vehicles will come along as that process unfolds. There is a strong demand for personal transport—

**Ms LEE RHIANNON:** Can I interrupt you? But it is also about the cost of actually building the motorways. What you are identifying is a really big one, and I am interested, but it is the cost of the motorways that is going to blow out because of the cost of oil? Diesel is going through the roof.

**Mr WIELINGA:** Large construction equipment does use diesel, and large quantities of diesel are used in building these projects. But we also build concrete pavements. We are expecting alternative drive systems to come on line in the future for driving this large construction equipment. I think that is the most reasonable expectation to have at this stage. These are a fundamental part of our economies. Our economies rely on public transport, they rely on vehicle transport, they rely on freight haulage, and for our economies to keep functioning it is reasonable to assume that alternative drive systems will be found for these vehicles in the future.

**Ms LEE RHIANNON:** The CSIRO report is predicting that in the next decade the price could be at \$8 a litre. They are huge cost rises we are facing—not just individual motorists but also you in managing the department. I think Mr Rees when he became Premier talked about \$9.6 billion needed for the Pacific Highway. Considering the massive price rises that government agencies have earmarked, do you really think you can build it for that amount of money?

**Mr WIELINGA:** The law of supply and demand always comes into play with construction costs. There has been very high infrastructure activity all around the world for the last half decade or so and prices

have been increasing. We have had significant increases in steel prices, fuel prices are increasing, while prices have been as high as well over \$100 barrel for oil; it is currently at \$77. We see what happens with the law of supply and demand.

**Ms LEE RHIANNON:** You are not doing any modelling in terms of what the cost would be? I acknowledge the law of supply and demand, but everything at the moment is showing that the prices will be going up. I again refer you to the CSIRO report. How are you going to pay for these, Minister?

**Mr MICHAEL DALEY:** It is a challenge for the three tiers of government nationwide, not just in Roads but in all aspects of government operation—for fuels as well as the economy, as Mr Wielinga has just noted.

**Ms LEE RHIANNON:** Precisely, because fuel drives the economy, and therefore we need to conserve it. With regard to the massive motorway plans you have for much of the Pacific Highway, have you considered making them safety upgrades rather than the massive six-lane motorway plans that you have in most areas?

**Mr MICHAEL DALEY:** Without having researched this, my initial reaction would be no. Regardless of the fuel that motor vehicles might be driven by in the future, the population of the nation is increasing. There is no indication that people are going to be less mobile, or would want to be less mobile. In the future we might see electric cars and hybrid vehicles on the roads in increasing numbers. So the answer to that is probably no. Not in the way you would like it to be anyway, Ms Rhiannon.

**Ms LEE RHIANNON:** You have made an assumption there and I think it would be best to talk about it before you start to make assumptions. Are you acquainted with the concept of peak oil?

**Mr MICHAEL DALEY:** Yes.

**Ms LEE RHIANNON:** What is your understanding of it?

**Mr MICHAEL DALEY:** Peak oil is the point in time at which maximum oil production throughout the world is being called upon.

**Ms LEE RHIANNON:** What is your belief as to where Australia is headed with its peak oil problems?

**The Hon. IAN WEST:** Chair, that question is out of order. The question is asking for an opinion and is not relevant to the proceedings before us. I am sure the Minister is more than capable of answering the question, and he may well wish to, but it is out of order.

**Mr MICHAEL DALEY:** I could answer the question much more adequately if I had a crystal ball than I can in reality.

**CHAIR:** Ms Rhiannon, your time has expired. Moving to the next point. Minister, do you have any concerns about the Lane Cove Tunnel? Projections are currently not being met and, in fact, there are signs of a slight reduction. What would be the Government's response to the possibility of the company going bankrupt and the tunnel having to have some change in its financial operation?

**Mr MICHAEL DALEY:** The first thing to note about all of these projects, such as the Lane Cove Tunnel, the Cross City Tunnel and others operated by third-party contractors, is that there is no danger whatsoever to the motorist of New South Wales that the tunnels will close. I am concerned that the forecasts of Connector Motorways are below those that they had anticipated. I am concerned about that because I would like to see all businesses in New South Wales doing well but the bottom line is that the Lane Cove Tunnel, regardless of who runs it, will always remain open to carry the 58,000 vehicles per day that it currently carries, regardless of the financial fortunes of the operators of the day.

**CHAIR:** If the company operating the tunnel could not continue, is there any plan for the Government to step in to ensure the tunnel continues to operate?

**Mr MICHAEL DALEY:** Mr Wielinga might supplement my answer but under the contract if Connector Motorways, or any of its successors, default on their obligations to keep that tunnel open, maintained and running, as it should, then the Government has the option to step in and take over the operation of it.

**Mr WIELINGA:** It is probably worth reflecting in the current situation on the Lane Cove Tunnel before I answer that question. They have currently entered into a standstill agreement with their financiers until the middle of next year. Nothing is going to change in the next 12 months or so. If Connector Motorways, the entity that owns the tunnel, fails or defaults on their financial agreements the bankers will step in and appoint a receiver. The bankers would then run the tunnel and decide whether to sell it or otherwise. The tunnel will stay open but because of the traffic volumes it is carrying a bit more debt than it should be at the moment. Part of the role of the bankers when they step in to the receivership situation is to fix that—so the project keeps going. For the time being there is a standstill agreement and nothing is going to happen for 12 months or so.

**CHAIR:** Moving on to another area. According to the Budget Papers random breath testing has been very successful. On page 27 it shows the dramatic reduction in road traffic crash fatalities in New South Wales from its introduction in 1982. Are there any signs of drivers being inclined to take more risks now and drive under the influence of alcohol? Would it be a correct impression that some drivers are now prepared to take the risk and drive having consumed alcohol?

**Mr MICHAEL DALEY:** That is not my understanding of it. I do not have the statistics in front of me as to the number of people who have been detected drink driving or the demographics of those.

**CHAIR:** It would seem that the figures were increasing in police detection. That may mean that the police are doing a better job and putting out more random breath testing units—

**Mr MICHAEL DALEY:** I think that is the case.

**Mr WIELINGA:** It is the case. When you are looking at something like drink-driving with motor vehicles and what motivates the behaviour of people, firstly, it is a combination of convincing the community that drink-driving is a bad thing; and, secondly, it is about having processes in place to make sure that the law is quickly enforced. If you go back to the 1980s when drink driving was a problem, initially there was some legislation that said if police saw you driving erratically they could pull you up and check you and a lot of people took a risk in those circumstances. When random breath testing came into place, and they had a testing procedure to make a scientific judgement about people being drunk or otherwise driving a vehicle at a level of 0.05 per cent, or 0.08 per cent in those days, as soon as the test became available that police could pull people up on a random basis and test them suddenly the involvement of alcohol in accidents on the road dropped dramatically, as did the number of fatalities on the road.

If you look at the graph that you are talking about, you can see a substantial drop in the number of fatalities because of that initiative. It was a combination of the community being convinced that drink driving was a bad thing that was causing accidents and random breath testing with a scientific method for making a judgement about people breaking the law. Those things came together and that is what made the difference. From time to time you are going to get some variations in the number of people who are being caught. I think it is associated with the level of police enforcement and it is associated with the extent of the message in the community at the particular time. You will notice with our advertising each year we continually reinforce the importance of not drinking and driving. The message we are communally trying to get out there is: drinking kills driving skills. It is a combination of continuing to reinforce that with the new drivers that are coming into our system and so forth.

**Mr MICHAEL DALEY:** In that regard in the past 12 months the Government has also started to do drug testing. Not only is alcohol recognised as an impairer of driving skills but drugs as well. It is my hope and my belief that as technology improves the capability for detecting different types of drugs will increase over the years and that will be something we will want to target strongly as well, particularly to protect younger people on the roads whose poison of choice, if you like, might no longer be alcohol but other illicit drugs.

**The Hon. KAYEE GRIFFIN:** Minister, given the questions you have just been answering in relation to road safety and so on, what is being done to improve road safety in school zones?

**Mr MICHAEL DALEY:** That has been a topic of late, thank you for the question. There are more than 11,000 school zones in New South Wales and this Government has put a lot of effort into making school zones safer. I should congratulate my predecessor Minister Roozendaal who has really driven that along with former Premier Iemma. Since February 2002 there have been two child fatalities in the school zones. The Government recognises that any child fatality is a tragedy, particularly in school zones. That is why the

Government spends more than \$10 million per year on road safety awareness campaigns and more than \$120 million per year on road safety measures.

There are also more than 1,000 crossings, referred to as "lollipop" crossings, with supervisors across New South Wales that increase safety for our children when crossing the road to and from school. Around \$2.8 million is dedicated to road safety education programs per year. These provide an integrated approach to road safety for young people from the time they start school until the time they reach driving age. The Government has also introduced new fines specifically targeting motorists who break road rules during school operating zones. Also motorists who commit certain driving offences in a school zone while the zone is in force will lose an extra demerit point from their driver's licence. There is an extra demerit point and a bigger fine for speeding in an operating school zone, making a U-turn without giving way, using a mobile phone, failing to give way to a pedestrian at a crossing and not reversing safely.

In addition, in September 2007 the New South Wales Government announced a \$46.5 million four-year program to provide new generating flashing light technology and electronic alert systems, which will be installed in a further 400 school zones. I mentioned these in my opening statement today. I should augment that by saying that this initiative includes the rollout of 100 systems a year in addition to the 100 pilot sites installed in 2007. By the end of September 2008 flashing lights and signs have been installed at 263 sites, covering 325 schools. These flashing lights are part of an overall package of measures to improve school zone safety, including pedestrian overhead bridges, marked foot crossings, wombat crossings, pedestrian refuges, traffic signal-controlled pedestrian crossings and fencing that separates children from traffic and guides children towards safer crossing facilities.

The Roads and Traffic Authority has installed new cameras in 39 school zones across Sydney and a further 11 are to be rolled out in 2008, bringing the number of new cameras to 50. Independent research shows a 90 per cent drop—a big drop—in fatalities where speed cameras have been installed and a 20 per cent reduction in injury crashes. Mr Chairman, whilst we cannot be complacent, and we will not be, the Committee should note that the road toll has fallen in each of the past five years. Last year's toll of 435 was the lowest since World War II. We are proud of that record. This shows that our strategies are working but, Mr Chairman, there is always more work to be done in this regard.

**The Hon. PENNY SHARPE:** Minister, could you provide the Committee with information about the achievements, changes and improvements that have been happening in New South Wales in relation to the reduction of road tolls?

**Mr MICHAEL DALEY:** As I just pointed out to the Committee, Mr Chairman, last year's road toll was a record low since World War II. This is despite there now being 13 times as many vehicles, 10 times as many licensed drivers and double the population compared to 1945. The final road toll for 2007 was 435—a 12 per cent reduction on the previous year. The fatality per population rate is always a meaningful way to look at these things. The fatality per population rate in 2007 was the lowest since records began in 1908. As at midnight 7 October the provisional road toll to 2008 was 295, which represents a decrease of 39 fatalities compared with this time last year. It is worth noting that the New South Wales road toll has gone against the trend throughout the rest of Australia in recent years.

The 2007 statistics show that since 2003 New South Wales had a 19 per cent reduction in fatalities compared with a 7 per cent increase in fatalities for the rest of Australia. As to the 2007 fatality statistics, New South Wales has now become the leading State in Australia in terms of the fatality rate per capita, with 6.3 fatalities per 100,000 population. That is ahead of Victoria with 6.4 and South Australia with 7.9. We are very proud of that. If you want to compare that with statistics from overseas, the New South Wales road toll per capita is half that in the United States of America and two-thirds that in New Zealand. We are very proud of our record in that regard.

However, we still need to do better. That is why the New South Wales Government State Plan has set a target of 0.7 per 100 million vehicle kilometres travelled. The Australian Bureau of Statistics' travel estimates for 2007 show that the fatality rate per 100 million vehicle kilometres in New South Wales in 2007 was 0.69. The New South Wales Government has allocated more than \$127 million for road safety programs and road safety campaigns during the current financial year. The \$127 million comprises \$106 million for the New South Wales Centre for Road Safety initiatives and \$21 million for the State's Black Spot Program. An additional \$15 million has been allocated to New South Wales under the Federal Black Spot Program. Millions of dollars

more have been committed to road upgrade and maintenance programs, which also improve safety. I would like to go into them, but I am cognisant of the time.

**The Hon. IAN WEST:** Minister, can you outline the Roads and Traffic Authority's budget performance, its planned budget for 2008-09 and any plans for efficiencies?

**Mr MICHAEL DALEY:** I qualify that all these figures I am about to mention, of course, will be subject, as we would all expect, to the outcomes of the mini-budget. I am happy to provide the Committee with an overview of the performance of the Roads and Traffic Authority in 2007-08 and a brief overview of the budget for 2008-09. The Roads and Traffic Authority is responsible for delivering a safe, sustainable and efficient road transport system. This responsibility extends to managing over 20,000 kilometres of roads, over 4.6 million licensed drivers and 5.2 million vehicles, entailing approximately 19 million registration and licensing transactions. Between July 1995 and June 2008 more than 1.3 million vehicles have been registered and there have been 844,000 additional driver and licence holders. Some of the initiatives announced have been to address issues of concern to road users in New South Wales, particularly road safety. Funding these initiatives and the other priorities of the authority is a great challenge.

I turn to how the Roads and Traffic Authority will meet this challenge in 2008-09. The Roads and Traffic Authority's total roads program spend for 2007-08 was \$3.8 billion. The Roads and Traffic Authority exceeded its capital budget of \$1.9 billion by \$11 million, which I believe is a good result given the number of projects that were successfully delivered in advance of the originally budgeted time frame. The Roads and Traffic Authority State development program expenditure was \$769 million and its State maintenance program was \$919 million. In relation to the current budget, the Roads and Traffic Authority's total roads program spend for 2008-09 provides \$4 billion for the State and Commonwealth roads program, with \$1.1 billion allocated to the Commonwealth and \$2.9 billion allocated to the State. This allocation will ensure continued improvements to roads around the State. During the 13 years to June 2009 the Government will have expended more than \$35.9 billion on road network development and maintenance, safety, traffic management and motor registry activities.

In that time the Government has started many new high priority road projects. In 2008-09 funding for those works is being continued, together with the commencement or acceleration of others. Some \$146 million has been allocated in 2008-09 specifically for road safety initiatives, including \$21 million for road safety environment, \$15 million for black spot traffic management and \$4 million for Pacific Highway road safety projects. In addition, \$21 million will be spent on State-funded crash treatments. Also, \$335 million is set aside for traffic management and related activity. The 2008-09 budget allocation provides more than 75 per cent of capital and maintenance spending to rural and regional New South Wales—a total of more than \$3.1 billion. I am very proud to say that is the case, Mr Chairman.

In relation to the Roads and Traffic Authority's major savings initiatives programs, which I understand the Committee would be particularly interested in, the Roads and Traffic Authority is undertaking three major initiatives to fund priorities through cost savings, revenue growth and improved efficiency and productivity. While there may be some link between initiatives, the savings identified do not overlap. The three initiatives are, firstly, funds for investment in infrastructure. The Roads and Traffic Authority in 2007-08 has invested an additional \$50 million in maintenance. The Roads and Traffic Authority in 2008-09 has invested a further \$50 million, bringing the total investment to \$100 million per annum. This will be achieved through growth in external revenue and seeking out efficiency savings in other programs. All contributions from growth in external revenue are fed back into the roads program. That is an important factor to note.

The second is through wages negotiations. The RTA must negotiate wage increases for its workforce within the framework set out for the government wages policy. This requires the RTA to fund any increase above 2.5 per cent per and through employee-related cost savings. The RTA's wages strategy details how the RTA aims to achieve this. Thirdly, I will mention the Efficiency Improvement Plan savings. The RTA's Efficiency Improvement Plan sets out and demonstrates how the required efficiency targets will be achieved by concentrating on five key areas: the achievement of corporate services benchmarks; the implementation of the WorkCover strategy; procurement initiatives; strategies to reduce the cost of office accommodation, which Mr Gay referred to in his earlier questions; and the business reform program.

It is anticipated that the potential savings resulting from various initiatives that the RTA is currently undertaking will enable the RTA to achieve its efficiency dividend targets of \$13.469 million for 2008-09, \$26.939 million for 2009-10 and \$40.408 million for 2010-11. Some of the key items in the savings efficiency

plan include the achievement of corporate services benchmarks, which I will mention. The New South Wales Department of Commerce conducts an annual data collection exercise for corporate services costs. Based on the final draft, corporate services costs in the RTA reduced by a total of \$5 million in 2007 across a range of functions, and some of those functions include human resources, finance, information technology and office services/procurement. This represents a 35 per cent reduction from 2005 and a 36 per cent reduction since 2004. We probably should congratulate the gentlemen sitting with me for finding those efficiencies.

The RTA has reduced its corporate services cost per agency full-time equivalents by 12 per cent since 2006—that is 50 per cent since 2004—and was 4.5 per cent below the public sector median in 2007. The RTA has reduced its corporate services cost as a percentage of operating budget by 48 per cent since 2004, placing it 11 per cent lower than the large agency median and in the top quartile for large agencies. In addition, the RTA is continuing its participation in benchmarking with the New South Wales Department of Commerce and the Australian Shared Services Benchmarking Association. It is committed to putting in place best practice operating methods and maximising opportunities in using its system.

A strategic procurement program commenced in July 2004 and identified a number of areas where savings could be realised. These areas focused on consolidating the current supplier base and streamlining existing procurement processes. It is worth noting that over the four years of the program, savings of \$41 million have been realised from initiatives that include a reduction in telecommunication charges; a reduction in training costs by appointing an outsourced party to administer all external training requirements; a reduction in number plate costs; a renegotiation of services contracts for services such as cash collection, debt recovery and legal services; a renegotiation of material supply contracts for products such as road marking paint and bulk fuel; auditing of electricity usage and claiming rebates for overcharge; and a renegotiation of light motor vehicle fleet lease terms.

For the financial year 2008-09 it is estimated that a further \$5 million will be delivered from a number of new procurement initiatives that include reviewing current contract arrangements for e-tags, facility management activities, construction materials and skill hire. I would like to talk about savings all day but I am cognisant of the time. I hope that has given the Committee a good broad overview of the performance and operation of the RTA.

**The Hon. KAYEE GRIFFIN:** Minister, there have been a number of large-scale events held in the Sydney metropolitan area. Could you advise the Committee of how the Government has successfully managed those events?

**Mr MICHAEL DALEY:** I am happy to do that, and I am proud to say that Sydneysiders particularly take on these challenges with relish and always deliver. Following on from the outstanding success of the Sydney Olympics and maintaining the extraordinary standard that was set then, the city of Sydney has continued to successfully host significant international events such as the APEC Summit and the recent World Youth Day, which was an absolute stunner. Other annual large public events such as the Gay and Lesbian Mardi Gras, the City to Surf, the Sydney Marathon, the Sydney Christmas Parade and new year's eve, require a systematic and coordinated approach to transport and traffic management to ensure safety, convenience and enjoyment for participants in addition to maintaining the operation of the network.

The eyes of the world were focused on Sydney for the week-long World Youth Day celebrations in July, and our city proved once more that it ranks among the world's best in holding events such as these. World Youth Day required complex and integrated procedures for the transport and management of the estimated 300,000 pilgrims to such diverse events as the 15 day Journey of the Cross, the historic papal boatcade and motorcade, the Stations of the Cross, the pilgrimage walk from North Sydney via the Harbour Bridge to Randwick, and several papal masses at Barangaroo, Randwick and the Domain. To accomplish this the RTA began planning in late 2006 and put together a dedicated World Youth Day 2008 planning team, who, along with other specialists from the RTA, worked closely with the World Youth Day Coordination Authority and other government agencies to develop and implement measures to ensure a seamless approach to traffic and transport.

It is worth noting some of those implementations. Some of the services that were implemented were 18,000 traffic signs installed across Sydney for motorists; a comprehensive and diversified communication plan using both print and electronic media; the provision by the RTA of a series of clearway and road closure maps as well as travel route animations on its website for pilgrims, local residents and businesses to view—there were more than 275,000 hits on the website during the week-long celebrations; a dedicated call service set up, which

took more than 3000 calls; and the provision of a senior media officer to become the government spokesman. What all these events show and what they will continue to show is that the New South Wales Government and its agencies have an outstanding track record and reputation in delivering all the requirements to positively display, promote and advertise our world-class city on a global scale.

*[Short adjournment]*

**The Hon. DUNCAN GAY:** Minister, I am sure you are aware of the Premier banging on about open and accountable government all the time. Are you aware that the current State budget figures show a composite figure for spending, most of which includes both State and federal spending? Can you give the Committee a breakdown of the exact amount that the State Labor Government committed to the Pacific Highway this year and how much the Federal Government committed? I am sure you are aware of the Government's policy commitment to match Federal Government contributions. Was it in fact an equal contribution?

**Mr MICHAEL DALEY:** I will have to take that question on notice. I do not have those figures in front of me.

**The Hon. DUNCAN GAY:** You may well recall that during your time as Parliamentary Secretary the current Treasurer and former Minister misled Parliament when he said that the Government had announced an allocation of \$613 million for the Pacific Highway in 2008-09 when in fact it was only \$291.5 million. The other \$321.5 million was in fact Federal funding. Do you accept that, in doing that, the former Minister actually misled the Parliament?

**Mr MICHAEL DALEY:** I have no knowledge of his statement to the House. I definitely would not accept the Hon. Duncan Gay's assertion that Minister Roozendaal ever misled Parliament. However, I have no knowledge of his statement and I cannot be asked to comment on something of which I have no knowledge.

**The Hon. DUNCAN GAY:** Minister, are you aware that all other States split up State and Federal funding in their budget papers? Given the Premier's commitment to open and accountable government, will you give a guarantee that in future all your infrastructure statements will contain the actual amount contributed by both State and Federal governments?

**Mr MICHAEL DALEY:** You have just asked me if I will provide that detail, and I have said that I am happy to take the question on notice and provide the information in due course. I am happy to provide it now, and there would be no reason that I would not provide it in the future.

**The Hon. DUNCAN GAY:** I am sure that in your new position you understand that I have asked two separate questions. The first was a request of you to provide that information and the second was a request of you to give an ongoing commitment to open and accountable government and that you will show the two contributions in the future.

**Mr MICHAEL DALEY:** I will take the first part on notice and I will give consideration to the second part in due course.

**The Hon. DUNCAN GAY:** It is either a yes or a no. Are you about being open and accountable, or do you want to run a cover-up?

**The Hon. IAN WEST:** That is not a question.

**The Hon. PENNY SHARPE:** It is a statement.

**The Hon. MARIE FICARRA:** He is taking it on notice. It is about honesty and transparency.

**The Hon. IAN WEST:** No, the last bit was not a question.

**Mr MICHAEL DALEY:** The budget papers are provided by Treasury.

**The Hon. DUNCAN GAY:** You must have a view on this. Are you about openness and accountability or cover-up?

**Mr MICHAEL DALEY:** Ask me a question about the estimates.

**The Hon. DUNCAN GAY:** I am not going to ask you questions that you want.

**Mr MICHAEL DALEY:** That is politically loaded.

**The Hon. DUNCAN GAY:** Just because you do not like the question, you cannot tell me to ask another one. It is an important question about openness and accountability. Your new Premier said that your Government would be open and accountable. This is your first big challenge: Will you be open and accountable?

**Mr MICHAEL DALEY:** Absolutely.

**The Hon. DUNCAN GAY:** Will you separate these two figures so that the people of New South Wales will know how much the State Government supplied and how much the Federal Government supplied?

**Mr MICHAEL DALEY:** This question was asked last year of Minister Roozendaal. According to the transcript it resulted in a 30-minute arm wrestle. I do not intend to waste the Committee's time in arm wrestling with the Hon. Duncan Gay on this issue. I have answered the question and I have taken the first part on notice.

**The Hon. DUNCAN GAY:** Your failure to answer the question suggests that your answer is no, you are not about accountability.

**Mr MICHAEL DALEY:** I am happy to give consideration to it. I have not been involved in the preparation of a budget for the RTA yet, so I am not aware of the procedures that underpin that preparation. For me to answer that question without the requisite knowledge would be imprudent, and I do not intend to be imprudent in my answers to this Committee today.

**CHAIR:** You have made a commitment to provide on notice the Federal and State contributions.

**Mr MICHAEL DALEY:** Of course. The implication is therefore that if we can provide it in respect of the current budget—

**The Hon. DUNCAN GAY:** Minister—

**Mr MICHAEL DALEY:** Please do not interrupt me, Mr Gay. The implication is that if we can provide it in respect of the current budget there is no reason that we cannot provide it in respect of the future budget. However, that is something I will have to consider because, having been in the job for only 35 days, I have not yet been involved in the preparation of a budget. I do not understand the process that underpins the preparation of a budget. I am happy to consider that. That is the third time I have answered that question.

**The Hon. DUNCAN GAY:** I refer to your last answer. You have been responsible for the portfolio for 35 days and you have not been involved in the preparation of a budget yet. A mini-budget is about to be brought down in New South Wales. Are you telling me that you have not been involved in that?

**Mr MICHAEL DALEY:** I did not say that. I said the preparation of a budget. I did not mention the word "mini" in the last answer.

**The Hon. DUNCAN GAY:** Spare us. So, you have had some involvement in this?

**Mr MICHAEL DALEY:** Can you be specific? What sort of involvement are you talking about?

**The Hon. DUNCAN GAY:** Have you had an involvement in the mini-budget preparation?

**Mr MICHAEL DALEY:** Yes.

**The Hon. DUNCAN GAY:** Within that involvement, are the figures going to be mixed up again or are they separated?

**Mr MICHAEL DALEY:** I will have to ask Mr Wielinga to answer that question.

**Mr WIELINGA:** The mini-budget process is similar to the normal budget process but at the end of the day the structure of the budget documents are a matter for Treasury and the Treasurer. The Roads and Traffic Authority or the Minister for Roads does not determine the content of those. It is a matter for the Treasurer and Treasury, and you should refer it to that agency.

**The Hon. DUNCAN GAY:** Minister, have you been briefed on road projects like the Great Western Highway Woodford to Hazelbrook project, the combined Lawson project, Oxley Highway, Pacific Highway upgrade and particularly the Coopernook to Moorland dual carriageway project?

**Mr MICHAEL DALEY:** I have been briefed briefly on some of those and not at all on others.

**The Hon. DUNCAN GAY:** Are you aware that an analysis of the budget papers shows that each of these projects has had huge costs and time blow-outs? For example, the Woodford to Hazelbrook project has a \$94 million blow-out and the combined Lawson project a \$129 million blow-out on the Great Western Highway. The Oxley Highway has a 50 per cent blow-out from \$79 million when Carl Scully announced the project in 2002 to the current \$158 million. The Pacific Highway Coopernook to Moorland dual carriageway project has a \$69 million blow-out, from \$56 million in 1998 to \$185 million in 2008, and the entire Pacific Highway dual carriageway upgrade project has a 10-year time blow-out. My question is were you specifically made aware of these blow-outs when you were Parliamentary Secretary, and have you been briefed on these projects?

**Mr MICHAEL DALEY:** I was not briefed on them when I was Parliamentary Secretary, no. You misunderstand the role of a Parliamentary Secretary, I think. With respect to the balance of your question, I will refer that to Mr Wielinga.

**The Hon. DUNCAN GAY:** With respect, it was a question to you, Minister. Were you made aware of these blow-outs? I am happy for Mr Wielinga to answer in detail, but there was a question to you.

**Mr MICHAEL DALEY:** I do not accent the premise of your question, which was that they are blow-outs. There are differences in the delivery costs of projects to the original estimates. One of those projects you mentioned was announced in 1998. If it is going to be built in 2008, you would expect that there has been an increase in the past decade in materials and labour and things like that. I would not call that a blow-out. So, I will refer it to Mr Wielinga, as is my right.

**Mr WIELINGA:** Ms Rhiannon mentioned some of the pressures we are under at the moment in some of her earlier questions about cost blow-outs on projects, and that is certainly one of the reasons. Essentially, when you are looking at cost increases on projects, they come from two areas. The first is what we call scope changes to projects. Very early in a project life cycle, when the project is just an idea, a strategic estimate price is put on it. You then subsequently do environmental studies, community consultation, and invariably the scope of projects changes and varies and more often than not increases the cost of the project. You are either going to be fair dinkum about bringing those scope changes into the project or not, and if you are going to be fair dinkum about it you have to accept the consequences of the scope changes and the price increases that come with it.

The other significant area we have had to deal with in the past half decade is the unprecedented level of infrastructure activity on the eastern seaboard in New South Wales, with cost increases. We have had increases in structural engineering costs for bridges, for example, in the order of 15 per cent a year over the past five years. Some of our steel is going up with the demand in China and India at the moment at 20 per cent a year. They are significant supply and demand issues we have had to deal with with infrastructure costs. When we put a price on a project we generally put a price on the year that we say the price of the project. If it is subsequently built four or five years later, those price increases have an impact on the final price of the project. This is not unique to the Roads and Traffic Authority. These pressures are not unique to New South Wales. They are occurring all over Australia—for that matter, they are occurring all over the world.

**Ms LEE RHIANNON:** Mr Wielinga, some M5 East questions. What is the estimated cost of the filtration project at Bexley North?

**Mr WIELINGA:** \$65 million.

**Ms LEE RHIANNON:** Has that increased since it was first announced?

**Mr WIELINGA:** Yes. The early strategic estimate was around \$50 million.

**Ms LEE RHIANNON:** Why did it increase so much?

**Mr WIELINGA:** Just reflecting current prices on the market. It has all been tendered out and it reflects current prices on the market.

**Ms LEE RHIANNON:** What cost benefit analysis has been done on the various details of the project to ensure that it provides value for money?

**Mr WIELINGA:** I will need to take that question on notice and come back to you.

**Ms LEE RHIANNON:** How does it compare with the proposed filtration at the other end of the tunnel?

**Mr WIELINGA:** We are doing two trials. We are doing a large system, which you use in other places around the world, at the suggestion of Mark Curran from RAPS. We are trialling in the other tunnel some roof type filtration schemes that Mark is helping us do the specifications for. This filtration scheme we are putting in the M5 East has a very large trial estimate about it. We are there finding out how effective it is going to be. We are there finding out what it will actually cost, and we have an open mind about these sorts of things. We expect they will make a difference and have significant benefits for the tunnel. That is why we are doing it the way we are.

**Ms LEE RHIANNON:** As roads Minister, who do you see as the road users you are working for?

**Mr MICHAEL DALEY:** The whole community of New South Wales.

**Ms LEE RHIANNON:** Yes, can you just name who those groupings are?

**Mr MICHAEL DALEY:** People who travel on the roadway, whether they are in private vehicles or public transport, bicycle users or pedestrians.

**Ms LEE RHIANNON:** When you get down to working on your first budget, you might want to work on this. On page 20-2 of the budget papers, under results and services, pedestrians and bikes do not rate a mention. It might be worth giving that attention.

**Mr MICHAEL DALEY:** I will take that on notice, but I did mention them ad nauseam—

**Ms LEE RHIANNON:** Well, ad nauseam does not sound as though you are committed to it. It sounds like you are finding it boring. I do not think that is good language to use. Would you restore the Roads and Traffic Authority's position of general manager, bicycles and pedestrians, to ensure a high level of commitment within the Roads and Traffic Authority to supporting the overall government goals on key issues of modal shifts and obviously the needs of cyclists and pedestrians?

**Mr MICHAEL DALEY:** I will have to talk to Mr Wielinga about that. I will not make any commitments to restructuring the Roads and Traffic Authority on a whim today.

**Ms LEE RHIANNON:** It is not restructuring on a whim and it would be a way of cleaning up some of the damage that one of your former colleagues, Mr Costa, inflicted in this area. That position was removed. Could you give us a response about what you will do about increasing the bike budget and restoring acquisition?

**Mr MICHAEL DALEY:** I will talk to Mr Wielinga about that.

**Ms LEE RHIANNON:** Would you take it on notice?

**Mr MICHAEL DALEY:** Yes, certainly.

**Ms LEE RHIANNON:** Are you aware that motorcyclists pay lower tolls than cars in most other States but not New South Wales? In Victoria, motorcyclists pay no tolls and in Queensland they pay 30 per cent to 50 per cent of the car toll. Are you aware of this? Will you consider providing a lower payment for motorcyclists?

**Mr MICHAEL DALEY:** I am aware of those matters you raise. Without giving any commitments, I am happy to consider that. But, again, I make no commitments about it.

**Ms LEE RHIANNON:** Is there an internal process ongoing at the present time about this issue or will you take it on notice and get back to us?

**Mr MICHAEL DALEY:** I am not sure there is much to get back to you about, and I do not believe there is an internal process reviewing that at the moment.

**Ms LEE RHIANNON:** So what will happen in response to my question?

**Mr MICHAEL DALEY:** I will talk to Mr Wielinga and look at some of the facts and figures that underpin the things you mention and work out whether I as a Minister want to make a change to current policy.

**Ms LEE RHIANNON:** What is the percentage of hybrids in the car fleet for your department?

**Mr MICHAEL DALEY:** I will take that on notice.

**Ms LEE RHIANNON:** Is there a mechanism within the department to reward staff who choose not to exercise an entitlement to a fleet vehicle as a part of their package but to use public transport instead?

**Mr MICHAEL DALEY:** I will refer that to Mr Wielinga.

**Mr WIELINGA:** No, there is not at this time.

**Ms LEE RHIANNON:** Minister, will you consider that, considering all the challenges that we are facing and that you yourself have acknowledged?

**Mr WIELINGA:** We are constantly looking at our light vehicle fleet to see if we can come up with more environmentally friendly vehicles. There are 31 hybrid vehicles in the Roads and Traffic Authority, but I will have to come back with the percentage on that. We have a number of gas-driven vehicles at this stage. We are continually looking at reducing the size of motors in our motor vehicles, as well as those other initiatives.

**Ms LEE RHIANNON:** But my question was for the Roads and Traffic Authority and I would like an answer from the Minister as well, Mr Wielinga, for people whom you employ who would prefer to catch public transport rather than use a fleet car. Would you consider that being part of their package?

**Mr WIELINGA:** Look, I am not trying to be cute. My suggestion is that you refer this to the Federal Government for the taxation issues associated with travel on public transport. If you are looking for a significant issue to improve that percentage, that is probably the area of most joy for you.

**CHAIR:** Minister, you started to make a comment about random drug testing. Obviously random breath testing for alcohol has had a very high priority but it seems as if random drug testing is not getting the same amount of attention, is that correct? Can you indicate that there will be a dramatic increase in that area?

**Mr MICHAEL DALEY:** Mr Wielinga will correct me if I am wrong, but speaking from memory I believe the regime to introduce drug testing as distinct from alcohol testing has been in place for about 12 months. Yes, it came into effect in December 2006. Police began conducting random roadside drug testing in January 2007 to detect for three drugs that technology currently allows to be done by the roadside, that is, amphetamines or speed, ice, cannabis and ecstasy. Highway patrol officers are able to tell within minutes with the kits that they carry if a driver has any of those detectable substances in their body. When and where this testing takes place is an operational matter for New South Wales Police.

As to the statistics, you might be surprised to know that New South Wales Police have conducted 18,350 random roadside drug tests in 99 roadside drug testing operations and more equipment will come on line this year. At the moment statistics are that one in 41 drivers tested have returned a positive reading. One of the

things holding back an expansion of that program is technology that allows us to detect those drugs quickly. As I mentioned earlier, I am sure that in due course the technology will improve and we will be able to test for more drugs. For example, I note that when one considers that the drugs able to be tested are speed, ice, cannabis and ecstasy but it would appear that no opiates can be tested at this time; that is, heroin, morphine, codeine and things like that cannot be tested. That is a technological restraint that I am sure will be overcome in due course; I hope it will be.

**CHAIR:** Do Government members have any questions?

**The Hon. IAN WEST:** Minister, could you detail for the Committee reasons why the Government implemented the new, very important heavy vehicle driver fatigue laws?

**Mr MICHAEL DALEY:** There has been a lot of concern with the introduction last week of the new national framework laws that support a consistent framework for heavy vehicle fatigue. It is interesting to note that heavy vehicles comprise about 2.5 per cent of all registered motor vehicles in New South Wales. They account for 8 per cent of all kilometres travelled but are involved in 21 per cent of fatalities, so they are way overrepresented.

For the period 2005 to 2007 there were around 3,000 recorded heavy vehicle crashes per annum, which included 86 fatal crashes and 1,211 injury crashes per year. The new Road Transport (General) Regulation, which came into effect about 10 days ago, containing new provisions to manage driver fatigue and speeding compliance, is designed to address this. It began on 29 September this year. Driver fatigue is a major cause of heavy vehicle crashes and the new laws will deliver improved safety benefits for all road users by better managing heavy vehicle driver fatigue.

The focus is on the management of heavy vehicle driver fatigue through safer driving hours, improved record keeping and enhanced chain of responsibility provisions. Whilst there has been a lot of talk about the keeping of diaries and such things, the chain of responsibility provisions in this regulation are just as important and have not been commented on. They basically introduce an occupational health and safety concept for heavy vehicle users. The analogy is that a truck is now considered to be an office or a workplace. The chain of responsibility provisions in the new law ensures certain parties in the supply chain, not just the driver—it is not always the poor old truckie's fault—have a duty to take all reasonable steps to ensure that the driver does not drive while fatigued.

Having listened to concerns raised by industry, a generous transitional arrangement package, including the granting of certain extensions, has been provided to allow the industry extra time to adjust to the new law. The exemptions granted under the new law cover an exemption from the requirement to carry and complete a work diary for certain drivers, including bus and coach drivers, primary producers, emergency services, local area drivers and drivers in the case of a bus or truck doing less than 100 kilometres from their base, and in the case of primary producers—and I am sure Mr Gay will be incredibly interested in this, notwithstanding that he is currently sending an SMS—it will be 160 kilometres from their farm or base.

The new law generally allows more extended and flexible working hours to be approved by the regulator but only in the context of their employer having an explicit, approved and audited fatigue management system. As part of the transitional arrangements provided, previously accredited operators and drivers under the old law have been given extra time to apply for accreditation under the new law.

**The Hon. PENNY SHARPE:** Ms Rhiannon referred to bikes. I would like to explore further what the Government is doing in relation to bikes and the new New South Wales BikePlan?

**Mr MICHAEL DALEY:** The New South Wales Government, through the Roads and Traffic Authority, spent \$22 million in the 2007-08 financial year on over 100 cycling projects around New South Wales. As part of our record Roads budget each year, over \$47 million has been allocated to cycling projects around New South Wales. The New South Wales Government has commissioned the Premier's Council on Active Living to oversee the preparation of a new, whole-of-government New South Wales BikePlan to promote and encourage cycling.

A joint project team of the Road and Traffic Authority and the Department of Environment and Climate Change is undertaking work on the new plan. The project team is working with other New South Wales government stakeholders interested in the many benefits of increased cycling. These include Health, Transport,

Planning, Education, and Sport and Recreation portfolio agencies. Community input is being invited before 31 October 2008 on initiatives for possible inclusion in a New South Wales BikePlan. Further consultation with a wide range of community groups will be undertaken as the preparation of the plan goes on. The new New South Wales BikePlan is expected to be ready for release in 2009.

The New South Wales Government is committed to promoting cycling and improving cycling facilities as part of a balanced transport system in New South Wales. The new BikePlan will be the blueprint for the future of cycling in this State. The plan is expected to map out the new programs and facilities needed to support the development of cycling for transport and recreation. This will include the promotion and use of the 4,100 kilometres worth of cycleways already available across New South Wales. Encouraging cycling as a healthy, flexible and efficient means of transport, particularly for short trips, delivers environmental benefits for the whole community. New South Wales Government figures indicate that one person switching from driving to cycling to work for a 10 kilometre each-way trip saves around 1.3 tonnes of greenhouse gas emissions a year.

The new New South Wales BikePlan will build on growing interest in cycling. In 2007 New South Wales residents bought around 430,000 new bicycles, outstripping by 75,000 the number of new vehicles registered in the same period. In Sydney alone, bicycle use has grown by 23 per cent on weekdays and 58 per cent on weekends since 2001. The new New South Wales BikePlan will also build on both past and committed investment in cycling. Since 1999 the New South Wales Government has spent more than \$300 million in cycling projects and programs. And an average of 233 kilometres of cycleways have been built each year across the State.

In 2008-09 the New South Wales Government is proposing to fund bicycle initiatives worth over \$50 million. This investment will include Roads and Traffic Authority funding contributions towards 91 local bicycle projects; off-road shared paths delivered when new State roads are built, including the Great Western Highway, Hume Highway and Pacific Highway upgrades; projects funded through the Department of Planning's New South Wales Coastal Cycleway; Metropolitan Greenspace and Sharing Sydney Harbour Access programs; and cycling encouragement programs funded by the Department of the Environment and Climate Change.

The Government has a proud history in promoting cycling. I am advised that in 1999 the New South Wales Government released the Roads and Traffic Authority's *Action for Bikes: BikePlan 2010*. BikePlan 2010 set out plans for New South Wales bicycle infrastructure. For Sydney, BikePlan 2010 suggested a master plan of bicycle routes. It was proposed that by 2010 there would be 420 kilometres of major off-road cycleways and 214 kilometres of major links using quiet streets. This would be in addition to local cycle facilities. In fact, about 430 kilometres of major cycleways for Sydney will be in place by the end of this year.

In the case of the outstanding BikePlan 2010 projects which will not have been completed by the end of this year, delays have been caused by a variety of factors. These included changes to the timing of other transport projects, constraints to property access or acquisition, and overall changes to cycling priorities that have occurred over the past nine years. In all, the New South Wales Government has built, part-funded—for example, with local councils—or commissioned—for example, as part of private motorway projects—more than 900 kilometres of cycle routes in Sydney since 1999.

Outstanding BikePlan 2010 cycleway projects will be reviewed during the preparation of a new New South Wales BikePlan. Based on this review, future cycleway priorities will be modified to meet the changing needs of the State's cyclists nearly 10 years on from BikePlan 2010. In concluding that answer, Mr Chair, as chairman of the Lane Cove Tunnel committee you might recall that the first site visit we undertook was to the new site for the Falcon Street off-ramps and also for the new pedestrian and cycleway access which was part of the Gore Hill Freeway upgrades. I can inform the Committee and you, Mr Chair, as a matter of interest, that last week I announced the beginning of construction of that \$15 million cycleway, which shows that we are putting our money where our mouth is. The project will take 14 months to complete. The bicycle groups that were there welcomed that investment from the New South Wales Government.

**CHAIR:** Thank you for your attendance, Minister. I particularly thank your staff, who have given up much of their valuable time. We appreciate your attendance. The Committee would appreciate your answers to the questions taken on notice within 21 days.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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