

CORRECTED PROOF

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

**Thursday 18 November 2010**

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

### **TRANSPORT**

**The Committee met at 10.00 a.m.**

#### **MEMBERS**

The Hon. J. A. Gardiner (Chair)

The Hon. D. J. Clarke  
Ms C. M. Faehrmann

The Hon. K. F. Griffin  
The Hon. S. Moselmane  
The Hon. P. G. Sharpe

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#### **PRESENT**

**Transport NSW**

**Mr L. Wielinga**, *Director General*

**Ms J. Quilty**, *Deputy Director General, Transport Policy and Planning*

**Mr R. Staples**, *Deputy Director General, Transport Infrastructure*

**Ms E. Zealand**, *Deputy Director General, Transport Coordination*

**RailCorp**

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

**State Transit Authority**

**Mr P. Rowley**, *Chief Executive*

**Sydney Ferries Corporation**

**Mr D. Callahan**, *Chief Executive*

**Transport Construction Authority**

**Mr C. Lock**, *Chief Executive*

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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:** Ladies and gentlemen, I declare this hearing for the inquiry into budget estimates 2010-11 open to the public. I thank witnesses who have returned to the supplementary hearing. Today the Committee will examine proposed expenditure for the Transport portfolio. Before we commence, I will make some comments about procedural matters.

In accordance with the *Legislative Council Guidelines for the Broadcasting of Proceedings*, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, you must take responsibility for what you publish and what interpretation you place on anything that is said before the Committee. The guidelines for broadcasting of 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 the Committee clerks. Witnesses, I remind you that you are free to pass notes and refer directly to your advisers while at the table. I remind everyone to turn off their mobile phones.

The Committee has agreed to the following format for the hearing. There will be a sequence of questions to be asked alternately by the Opposition, the crossbench and Government members, in that order. The House has resolved that answers to questions on notice must be provided within 21 days. The transcript of this hearing will be available on the web from tomorrow morning. All witnesses will be sworn or affirmed prior to giving evidence. Mr Wielinga, Mr Rowley, Mr Callahan, Mr Mason, Mr Staples and Mr Lock, as you were sworn or affirmed at the original budget estimates hearing, you will give evidence today under your previous oath or affirmation. Mr Quilty and Ms Zealand, as you did not appear at the initial hearing, I will ask you to in turn state your full name, job title and agency, and then take an oath or affirmation.

**RODD STAPLES**, Deputy Director General, Transport Infrastructure,

**LESLIE ROBERT WIELINGA**, Director General, Transport NSW, and

**CHRISTOPHER DECCAN LOCK**, Chief Executive, Transport Construction Authority, on former oath:

**ROBERT FRANK JAMES MASON**, Chief Executive, RailCorp,

**DAVID JOHN CALLAHAN**, Chief Executive, Sydney Ferries, and

**PETER ROWLEY**, Chief Executive, State Transit Authority, on former affirmation:

**JOANNA QUILTY**, Deputy Director General, Transport Policy and Planning, Transport NSW, affirmed and examined:

**ELIZABETH ZEALAND**, Deputy Director General, Transport New South Wales, sworn and examined:

**CHAIR:** I will commence with questions in relation to the CBD Metro project. Could you advise the total cost of the CBD to Rozelle project to date?

**Mr STAPLES:** I actually have the costs for the total Metro activities, which I will give you. Up until the end of October, the total costs on Metro expenditure, across all projects and activities by Sydney Metro, was \$323 million. That includes \$136 million in property-related costs. There is about \$7 million of that to be recouped from other activities relating to bringing the Metro group back and other activities we undertook for Transport NSW. That does include an expenditure of \$32.6 million on the West Metro project as well.

**The Hon. MATTHEW MASON-COX:** Does that include the \$93 million paid to contractors?

**Mr STAPLES:** No. In addition to that, there have been cost reimbursement payments made of just in excess of \$93 million to the power IMO tenderers, and reimbursement costs to property claimants as well.

**The Hon. MATTHEW MASON-COX:** How much have you reimbursed to property claimants?

**Mr STAPLES:** To the end of October, there has been just in excess of \$3 million paid to property claimants.

**CHAIR:** Could you tell us what the \$7 million was to be recouped from?

**Mr STAPLES:** It principally relates to the fact that staff members that were working for Sydney Metro immediately after the stopping of the project were assigned to Transport NSW to do work on other projects under the Metropolitan Transport Plan, such as the light rail project and the Western Express project, but they were still on Sydney Metro's payroll. Those costs have been recouped and charged back to Transport NSW, but they are reported in our accounts for the record.

**The Hon. MATTHEW MASON-COX:** Just to clarify that, we have a total cost as at the end of October of \$417 million, including the payment of \$93 million to contractors and an extra \$3 million in relation to property settlements.

**Mr STAPLES:** Yes, with the adjustment for the recoupment of costs that has been made.

**The Hon. MATTHEW MASON-COX:** So it is \$417 million, subject to that adjustment?

**Mr STAPLES:** Yes.

**The Hon. MATTHEW MASON-COX:** What else do you expect to have to pay to finalise this matter?

**Mr STAPLES:** The principal costs outstanding relate to the final payments to outstanding property claimants, of which there are still a number outstanding.

**The Hon. MATTHEW MASON-COX:** How many are outstanding?

**Mr STAPLES:** To date we received—or up until the end of August—75 claims. We ran that through a process that was undertaken with the assistance of KPMG. To date, 55 of those claims have been resolved and paid. There are approximately 20 claims outstanding. We are still in discussions with those claimants in relation to their claims. Recently, we received another five claims and we are now processing those. We have a total outstanding number of about 25.

**The Hon. MATTHEW MASON-COX:** Can you give us an estimate of what the expenditure is likely to be in respect of those claims?

**Mr STAPLES:** We do have an estimate of the cost. We made that estimate back in February and we had a demobilisation strategy for the organisation as a whole. We set budgets around that. That demobilisation strategy was made available to Parliament through the standing order. We have sought privilege over some of the figures in that because we are concerned about it prejudicing commercial discussions with claimants. At this stage, we are not in a position to provide the number publicly, but it is available on record in Parliament.

**The Hon. MATTHEW MASON-COX:** Can you give us an idea in terms of whether it is \$50 million or in the vicinity of \$100 million, or whether it is going to be \$5 million? Could you just give us the magnitude of its order?

**Mr STAPLES:** I prefer not to be drawn into generalisations around cost, but it is certainly not as high as the earlier numbers you spoke about.

**The Hon. MATTHEW MASON-COX:** In relation to the outstanding 25 claims, can you give us an understanding of who those claims are from?

**Mr STAPLES:** They are a mix. Every claim has its own individual circumstances about it. There are some small businesses, there are some property owners, there are some large businesses, such as banks, depending on the particular circumstances we are dealing with, and retail organisations. We are dealing with each one of those on their merits individually. The discussions are ongoing with each of those. It typically relates to having some outstanding information. We have determined all 75 of those original claims, received up to the end of August, but when we have written back to the claimants, we have indicated to them an amount that we can pay now. But we have also indicated in other instances that if they can provide additional information, then we would be able to adjust the claim to represent that. But until that information is available, we cannot. We try to be flexible to give the claimants an opportunity to address any sort of weakness in their claims.

**The Hon. MATTHEW MASON-COX:** Are you able to give us specific information on how many you received from property owners, how many you received from small businesses, and how many you have received from other parties?

**Mr STAPLES:** I do not have that breakdown to hand, but I can provide that to the Committee.

**The Hon. MATTHEW MASON-COX:** Just on notice will be fine.

**Mr STAPLES:** I will be able to take that on notice.

**The Hon. MATTHEW MASON-COX:** Of those 55 claims settled, how many of those claimants have received a payment from the Government?

**Mr STAPLES:** I could not give you an exact number on that, but nearly all of them have received a payment. There are only a couple I can think of, off the top of my head, that have not received payment.

**The Hon. MATTHEW MASON-COX:** In terms of those claimants, how many have been refused payments?

**Mr STAPLES:** It is only a couple there.

**The Hon. MATTHEW MASON-COX:** Just a couple?

**Mr STAPLES:** Yes. It is essentially just answering the question in a different way.

**The Hon. MATTHEW MASON-COX:** The total payments made to those claimants—could you clarify that for me, please?

**Mr STAPLES:** Just in excess of \$3 million to date.

**The Hon. MATTHEW MASON-COX:** That is \$3 million for the 55?

**Mr STAPLES:** Yes.

**The Hon. MATTHEW MASON-COX:** In terms of the remaining 25, do you expect any more above the 25 that are currently on your books?

**Mr STAPLES:** There is the possibility that there are some parties out there that we dealt with that have not lodged a claim. So it is possible that some additional claims will come in. But we received a large bulk up until the end of August. There have been a couple of claims come in in recent weeks but I do not foresee a major surge of additional claims from this point forward.

**The Hon. MATTHEW MASON-COX:** Are you in contact with the potential parties who have put claims to you?

**Mr STAPLES:** We have written to all of them, and obviously it is up to them as to whether or not they wish to pursue it. It depends on their individual circumstances; whether they see the cost as significant enough for them to want to go through the process.

**The Hon. MATTHEW MASON-COX:** Just to summarise: We are at a total figure of \$417 million, subject to the contingency item you mentioned, and we have another 25 claims—the order of magnitude again a significant amount of money before we finalise this matter. Can you clarify when you expect all these claims to be settled?

**Mr STAPLES:** We are working very hard to bring as much of this to a close by the end of the year. As I said previously, I do not think we would be drawn on the amount of money or the quantum associated with what is outstanding on that at this stage, but it is on the record in the House.

**The Hon. MATTHEW MASON-COX:** In relation to the disclosure of those sums in the budget estimates, do we have a full provision for the actual amounts that are expected to be paid by the Government in the budget estimates going forward?

**Mr STAPLES:** The funds provided to Sydney Metro up until the end of June 2010 are sufficient to cover any forecast expenditure. So there is no additional provision required from the budget.

**The Hon. MATTHEW MASON-COX:** So you are confident that the existing estimates will cover the outstanding claims that you are not able to quantify for us?

**Mr STAPLES:** Well and truly sufficient, that is right. The funds available that have already been provided to Sydney Metro are sufficient to deal with that.

**The Hon. MATTHEW MASON-COX:** And which has been fully provided in that regard?

**Mr STAPLES:** I cannot recall the exact number that has been provided now. I would have to take that on notice.

**The Hon. MATTHEW MASON-COX:** When do you expect all the activities in relation to this project to finally cease?

**Mr STAPLES:** The majority of the activities have ceased. The only things that have been ongoing since we have seen the committee last are that we have been in preparation for going through the Auditor-General's review of our accounts, we have been finalising our records transfer to the State Archives and we have

been running the property claims process, which is the bulk of the work that has been around finalising the property claims process. So, as I said to you, our intention is to finalise as much of that by the end of the year. But that is a process that involves interaction with the claimants and they have their timeframes that they work to so I cannot absolutely prescribe a fixed time. But the majority of them will be completed this year.

**The Hon. MATTHEW MASON-COX:** So you are confident that it will not go beyond half a billion dollars to finalise this whole matter?

**Mr STAPLES:** You are just trying to draw me into a discussion around what provisions have been made. I gave you an indication around that previously in a response. I cannot give you much more than that.

**The Hon. MATTHEW MASON-COX:** I am just trying to get an understanding of your level of confidence because obviously that affects the level of confidence in some of the estimates that have been provided. You are confident it will not be in excess of half a billion dollars?

**Mr STAPLES:** I am certainly confident about that.

**CHAIR:** In terms of that overall figure, would you be able to provide us with more of a breakdown on line items as to how we get to the \$417 million? You have obviously given us some information but would you be able to provide it broken down into more detail? You can take the question on notice if necessary.

**Mr STAPLES:** I can certainly do that.

**CHAIR:** Could you advise us how many people are still working on the project?

**Mr STAPLES:** There are basically no full-time people at all on the project now. It principally relates to the claims management process of which there would be five staff in total that are working part-time on that, including myself, and a couple of other people. But those people are also working primarily now on other Transport NSW activities for Transport NSW. So there are no full-time people on it any more. There are a couple of contractors who are principally dedicated to making sure that the claims process is managed in a timely process and they are also working with us.

**CHAIR:** With respect to land acquisition for the project can you advise the committee what the addresses are of the seven properties that the Government has acquired?

**Mr STAPLES:** There are seven premises that have been acquired. Those premises are at 8-12 Castlereagh Street in the city; 170 Victoria Road, Rozelle; 679 Darling Street, Rozelle; 30 Clarence Street in the city; 36-38 Clarence Street in the city; 131-135 Bathurst Street in the city; and 108 Miller Street, Pyrmont.

**CHAIR:** How much did the State Government pay for each of those properties?

**Mr STAPLES:** The total cost for all of the properties was \$102 million.

**CHAIR:** Can you give us a breakdown on the amount by location?

**Mr STAPLES:** I do not have that available.

**CHAIR:** Can you provide that on notice?

**Mr STAPLES:** I will have to review to what extent that has any privileged information around it. But to the extent that we can make it available to the committee we will.

**CHAIR:** Did the State Government pay above market value for any of those properties? If so, which ones?

**Mr STAPLES:** All the acquisitions were done on the basis of valuations done by external valuers, which used the information provided by the property owners and the extensive amount of work in negotiation with each of the property owners. There was a due diligence process that was put through there, which signed off on an external valuation. So we believe it represents market value at the time.

**CHAIR:** What was the total cost of acquiring the buildings, including legal fees?

**Mr STAPLES:** I do not have a separate legal fees breakdown. As I said, the total cost of the buildings was \$102 million.

**CHAIR:** On notice could you provide a breakdown for legal fees?

**Mr STAPLES:** It is incorporated in a broader legal fee, so it will be difficult for me to give you the specific costs associated with individual legal fees. We could give you the legal transaction fees, but it would not be the total legal costs. We can give you that component.

**CHAIR:** Because that would be across the portfolio you mean?

**Mr STAPLES:** It is across the organisation as a whole in terms of the legal services that have been provided. There was a lot of activity in terms of contract preparation and so forth around the tenders as well and they were incorporated in a single contract.

**CHAIR:** But you can provide us with some information—

**Mr STAPLES:** We can provide you with some information around the sort of processing of legal fees associated with the property transaction.

**CHAIR:** We would appreciate that. In relation to the buildings acquired, can you advise what is the current occupancy rate for each of those buildings?

**Mr STAPLES:** The one at 108 Miller Street in Pyrmont has been re-leased. I cannot give you a percentage for 36-38 and 30 Clarence Street, but they have a few remaining occupants in them. The majority of people have moved out. Those two buildings are being held because we are looking at using those buildings for the construction of a Barangaroo pedestrian link and the Western Express rail project if the city relief line uses the western corridor. So we are not rushing to re-lease those premises in case we use them.

**The Hon. MATTHEW MASON-COX:** That is 36-38 Clarence Street?

**Mr STAPLES:** And also 30 Clarence Street. The building at 8-12 Castlereagh Street in the city is currently going through a re-leasing process. We have advertised; we have got agents involved in showing people through that at the moment, and we are in active discussion with a number of parties about attempts to re-lease that building. The premises at 131-135 Bathurst Street, we have only just gone through a process of surrendering leases on that. So we will now go through talks to re-lease that building in the short term.

**The Hon. MATTHEW MASON-COX:** When you say "a process of surrendering leases"—

**Mr STAPLES:** There is a lag in terms of the acquisition and when a tenant may move that we would have a leasehold that needs to be terminated and sometimes there is a process to go through for that.

**The Hon. MATTHEW MASON-COX:** And you would have paid to have that—

**Mr STAPLES:** That is part of the normal acquisition process, yes.

**The Hon. MATTHEW MASON-COX:** So you have gone through a process of tenants being paid to surrender their lease and now you are going to re-lease the building?

**Mr STAPLES:** We will re-lease the building to get revenue back, yes. The buildings in Rozelle—I cannot speak to 170 Victoria Road at this stage, I cannot recall on that one—but with 679 Darling Street, the previous tenant is only just moving out, so we will look to re-lease that building. It is a shopfront building.

**The Hon. MATTHEW MASON-COX:** Is it likely that some of these re-leases will be to the previous tenants who surrendered their leases?

**Mr STAPLES:** No, I would not have thought so.



**The Hon. MATTHEW MASON-COX:** Can you rule that out?

**Mr STAPLES:** We go through a process of putting it to the market and we take a best offer, so I cannot rule it out. But I am not aware of any circumstance where any of them at this stage have expressed an interest in being in the buildings.

**The Hon. MATTHEW MASON-COX:** So it is quite possible that you may have paid a tenant a significant sum of money to surrender their lease as part of this project only to now have them re-sign a lease with the Government?

**Mr STAPLES:** I would say it is highly unlikely because where we did do that they have relocated to other premises; they have signed a lease with another property owner and they are in that location. So it would only be if they were looking to do something else—

**The Hon. MATTHEW MASON-COX:** It is certainly possible though, is it not?

**Mr STAPLES:** Highly unlikely.

**CHAIR:** Are any of the buildings actually empty?

**Mr STAPLES:** I indicated to you that 8-12 Castlereagh Street is empty. It has been empty since July, and we are actively working to get that building re-leased. It is the most significant building.

**CHAIR:** There has been an estimate that \$2.4 million has been lost in potential rent revenue from 12 Castlereagh Street since February of this year. Have those types of costs been factored into the overall cost of the project?

**Mr STAPLES:** I cannot confirm that in terms of the lost lease but it is not a cost as such but it is certainly lost revenue, which is not in the figure I gave you, no.

**CHAIR:** It is not?

**Mr STAPLES:** No.

**CHAIR:** What do you think the estimate is for the potential lost rent revenue?

**Mr STAPLES:** I do not have an estimate at this stage.

**CHAIR:** You do not?

**Mr STAPLES:** No. As I said to you, we are actively seeking to re-lease the building as quickly as we can, and we are in the market with that at this stage.

**CHAIR:** In getting ready to construct the CBD Metro, how many businesses were relocated?

**Mr STAPLES:** I cannot recall that number. I will have to take that on notice.

**CHAIR:** In respect of the relocation of tenants, we believe that \$34 million was spent on that.

**Mr STAPLES:** Yes, that is the correct figure.

**CHAIR:** That is correct?

**Mr STAPLES:** Yes, in terms of dollars, I can confirm that.

**CHAIR:** Is that included in the total cost of the project?

**Mr STAPLES:** Yes it is.

**CHAIR:** Would you be able to provide us with a breakdown of those relocation costs for each of the buildings?

**Mr STAPLES:** We could to the extent, as I said previously, around individual properties. If it has any issue with privacy we would not be able to provide that, but to the extent that information can be provided that does not prejudice that then I can provide the information.

**The Hon. MATTHEW MASON-COX:** Would it be possible to get a schedule from you in respect of each of the buildings showing the time that they were acquired and the costs of acquisition, the costs of paying down or surrendering of leases, the time each of the parts of the building or the full building has been without tenants, a sort of breaking down, if you like, over this period of time, which in some of these buildings is quite a significant period of time where the State has effectively forgone significant revenue which is not currently being recognised in any way, shape or form? I would just like to understand a little bit more of the detail, particularly in relation to mitigating the cost of having acquired these buildings through re-leasing.

**Mr STAPLES:** I think we can provide you with a general summary on our strategy around that. I do not think we can provide you with the breakdown of the property on a tenant-by-tenant basis but we can provide you with a general summary of that.

**The Hon. MATTHEW MASON-COX:** As much detail as you can.

**Mr STAPLES:** As I said to you, the key building in Pyrmont has been re-leased already. The three primary locations that have significant revenue associated with them are Castlereagh Street, Clarence Street and Miller Street in Pyrmont. The others are quite small in nature and quite small in dollar value. In relation to Clarence Street, our intention is not to re-lease those at this stage because they need to be held for future construction projects. In relation to Miller Street, we have re-leased already.

**The Hon. MATTHEW MASON-COX:** I just go back to Clarence Street, is that 30 Clarence Street and 36-38 Clarence Street?

**Mr STAPLES:** Yes.

**The Hon. MATTHEW MASON-COX:** What is the rental stream from those two buildings?

**Mr STAPLES:** I cannot give you a figure on that at this stage but we have done some analysis to confirm that it is more cost effective to keep those buildings vacant knowing the time frame we are looking at for the construction of the Barangaroo pedestrian link.

**The Hon. MATTHEW MASON-COX:** When do you expect to begin construction of the Barangaroo pedestrian link?

**Mr STAPLES:** That would be looking to commence next year, so putting tenants back in there in the short term would not be effective because commercial leases of three to five years are the sort of time frame that tenants are looking for.

**The Hon. MATTHEW MASON-COX:** So short-term leases are out of the question, is that what you are saying?

**Mr STAPLES:** It is unlikely that we would find anything that would be of benefit in a revenue sense to offset that because there are costs associated with moving tenants in up-front and the benefit of that is lost.

**The Hon. MATTHEW MASON-COX:** Can you provide the Committee, on notice, with a document in that regard explaining the commercial case for not re-leasing those buildings?

**Mr STAPLES:** I do not have that level of information available.

**The Hon. MATTHEW MASON-COX:** Perhaps you could have a look at it and provide what you can on that because it would be appreciated.

**Mr STAPLES:** I do not think we will be able to provide much additional information to what I have given here today.

**The Hon. MATTHEW MASON-COX:** Give it your best shot.

**Ms CATE FAEHRMANN:** At the previous hearing several questions were asked about the Parramatta to Epping rail line. In particular, the questions focused on the nature of the announcement and understandably I think the public thought it was politically motivated. I pointed out at the time that there was no information on the Transport Construction Authority's [TCA] website. Mr Lock said it was on the Transport NSW site originally. Mr Wielinga, at the time, I think you went on to explain that the department wanted to wait until after the election to commence work and then you said there was a lot of work being done to review the previous information. Yesterday my office looked at the Transport NSW website and the TCA website and we did Google searches, and it appears that there is still no information on government websites about this project—what is involved in the project or how it is progressing. I think it is more than three months since the announcement, and I am just wondering why there is still nothing on any of the transport authorities' websites.

**Mr WIELINGA:** The one document that is on the website is the submission we made to Infrastructure Australia. That is there; I have seen that on the website myself.

**Ms CATE FAEHRMANN:** In relation to something that explains to the public what is going on in terms of the transport project—which I think that is what the public can expect with most transport projects—have there been any instructions specifically relating to not posting information on the Parramatta to Epping rail line onto websites?

**Mr WIELINGA:** No.

**Ms CATE FAEHRMANN:** Which website would it appear on—Transport NSW?

**Mr WIELINGA:** Yes it would.

**Ms CATE FAEHRMANN:** Is there a reason why there is no information on the Transport NSW website?

**Mr WIELINGA:** No, there is no reason. As documents are made and published we would normally put them up. If you are saying to me, "Has any conscious decision been made to not put them there", the answer is no. Have I said to anybody in Transport, "Don't put documents up about Parramatta to Epping", the answer is emphatically no.

**Ms CATE FAEHRMANN:** It does seem strange, though, that the Government does not have any information that is easily accessible for the public in terms of start date and completion date, which is basic information for transport projects. Is there a commitment to getting anything on the Transport NSW website about this project in terms of just general information for the public?

**Mr WIELINGA:** You may recall also when we discussed this at the last hearing I said that we were working at doing our update of the environmental assessment and that that would take some time. There was some discussion around the timetable. I said I expected it to take until towards the end of the year to get through that environmental assessment process. As that work is completed and as we are getting ready to go out to seek community consultation, of course we will start putting this information up.

**Ms CATE FAEHRMANN:** How many staff are currently working on the Parramatta to Epping project and whereabouts are they based?

**Mr WIELINGA:** At the moment they are in the infrastructure division of Transport NSW. There are some people at the Transport Construction Authority that have pulled out material that existed in 2000. There are some materials that are in our transport data centre with some modelling work done in 2003. We are establishing the program team at the moment. I also said that we had discussions going with the Federal agencies about the agreement with the Commonwealth department. I have been doing some of that work myself in talking to the secretary of DOTARS and some of the deputy secretaries at DOTARS in finalising that agreement.

**Ms CATE FAEHRMANN:** How many people within Transport Infrastructure are specifically tasked to be working on the Parramatta to Epping rail link now and who are they reporting to? Who has overall responsibility?

**Mr WIELINGA:** Perhaps I should talk a little bit about the delivery of projects to give you an appreciation of where we are at the moment.

**Ms CATE FAEHRMANN:** Sure, and answer my question specifically.

**Mr WIELINGA:** When you are looking to deliver a major infrastructure project it essentially goes through three phases. The first is what we call the feasibility phase, and that feasibility phase is about working up what the proposed scope of the project will be. It is doing preliminary environmental assessments, the desktop studies to get a feel for how it fits in with the operating plan in the future into the RailCorp network. It is about creating a business case for the project. It is about strategic estimating concept, estimating development, preliminary engineering—

**Ms CATE FAEHRMANN:** But you would be passed that stage surely?

**Mr WIELINGA:** Some work has been done in the past but I also mentioned at the last meeting that we had more detail at the northern end, and we were duplicating the middle line, and we wanted to do some more option assessment at the Parramatta end of the project to see how things have moved on with land use and other things subsequently. I said that by the end of the year we expected to be in a place where we had taken a look at that preliminary work. The project is to start in 2011, to be completed in 2017. This is about normal project development work and developing the business case at the moment. When we get through that we will go into doing and updating the detailed EIS. We will do design work, create contract documents and then we will get into the delivery phase. Our intention is to stage deliver the project. I think I covered some of this material last time we spoke.

**Ms CATE FAEHRMANN:** But not in much detail in terms of staff. How many full-time staff are working on the project at the moment? Will you provide that information?

**Mr WIELINGA:** I mentioned that we have many different people working part time. I will come back to you with the detailed number.

**Ms CATE FAEHRMANN:** I will go back to where I left it in September—transport costings. During previous hearings you explained that a lot of work needed to be done on the Parramatta to Epping rail link, as you mentioned earlier, to review previous information about the project. My understanding is that the project cost of nearly \$2.6 billion was based on figures determined several years before. In undertaking the review you are talking about, have the New South Wales Government's costing estimates for the project changed? Do you expect there to be any changes in relation to costing estimates of the project?

**Mr WIELINGA:** It will depend on a few things. Clearly the time difference may have an impact. Clearly if the project scope changes it may have an impact. Am I expecting any at the moment? The answer is "No" but in the absence of seeing all of the detail that normally forms part of an estimate at this time in the project I will assess that situation at the time.

**Ms CATE FAEHRMANN:** When you say that the Parramatta to Epping rail link will commence in 2011, do you have an estimate of which month?

**Mr WIELINGA:** No.

**Ms CATE FAEHRMANN:** Are you working towards February or November?

**Mr WIELINGA:** We have said it will start in 2011. My expectation is it will be in the second half of the year at this stage.

**Ms CATE FAEHRMANN:** That is also my expectation. In relation to the Parramatta to Epping rail link will the New South Wales Government's contribution still be only \$520 million? Are you still basing assumptions on that?

**Mr WIELINGA:** That is the assumption at the moment, yes.

**Ms CATE FAEHRMANN:** Have you had a conversation with Federal colleagues, or do you know whether the Minister has, in terms of the revised budget surplus? I know that the Federal funding was revised in the budget surplus, and it has been revised down by \$400 million for that year in terms of 2012-2013. Will that impact on the Federal contribution to the Parramatta to Epping rail link?

**Mr WIELINGA:** I have had no discussion about Federal Government surpluses. In fact, I go a long way to avoid discussions with Federal Treasury. No, I am not aware of any discussions that the Minister has had in regards to those surpluses either.

**Ms CATE FAEHRMANN:** I will now move to questions about the north-west rail link. Since the previous hearing there has been another announcement in relation to Infrastructure Australia [IA] funding. In early October it was announced that the Government was receiving funding from IA to bring the north-west rail link forward. "The overview of the New South Wales Government's updated transport submission to Infrastructure Australia" released by the New South Wales Government at the time was dated August 2010. Do you know why the Government waited until 8 October 2010 to post the overview on its website?

**Mr WIELINGA:** No, I do not. We put it up at the time. There had been some discussions with Infrastructure Australia. We wanted to get initial reactions from them, those sorts of things, it is just the normal process. We put it up after we had had those discussions.

**Ms CATE FAEHRMANN:** Did it have anything to do with the fact that the Parramatta to Epping rail line was not included in that submission?

**Mr WIELINGA:** It was included in it.

**Ms CATE FAEHRMANN:** In the updated submission?

**Mr WIELINGA:** Yes.

**Ms CATE FAEHRMANN:** Since the last meeting I have had a briefing from Transport NSW staff in relation to how projects are costed, for which I thank you. I see in the submission of Infrastructure Australia that the north-west rail link has now been costed at \$7.5 billion. Will you explain the increase of \$1 billion? It was almost \$1 billion more than was submitted by the former Minister for Transport in February.

**Mr WIELINGA:** I think most of the explanation is in the difference between a current day estimate and in out-turn dollars. I think as part of your briefing the standard guidelines that are used around Australia, now prepared by the Federal Transport agency, require estimates to be generated in out-turn dollars.

**Ms CATE FAEHRMANN:** In February the costing estimate was \$7.5 billion, which is almost \$2 billion more than the \$4.89 billion estimated if the project started straightaway.

**Mr WIELINGA:** I need to go and make sure. You could be including some rail line duplication near North Sydney that is part of the project package. If you look at the IA submission there is a summary of about three projects in that. I just cannot bring to mind the top of it but I am sure the \$7.5 billion includes that additional quadruplication of the line closer into Sydney, and it is more than just the original north-west rail project.

**Ms CATE FAEHRMANN:** Will you provide further details of that?

**Mr WIELINGA:** Yes, I am happy to provide that detail.

**Ms CATE FAEHRMANN:** Have any payments been made by the Government in relation to the construction of Waratah trains in advance of contract requirements?

**Mr WIELINGA:** I might ask Mr Mason to answer that.

**Mr MASON:** There have been a number of milestone payments made by RailCorp to Reliance Rail according to the contract. There is preliminary design review and critical design review as made in 2007-08 or

2008-09. I am not certain about those dates but there are specific titles. There have been no payments made for the simulators yet or the maintenance centre. They have not been claimed by Reliance Rail.

**Ms CATE FAEHRMANN:** Can the amount of payments be made public?

**Mr MASON:** They are actually in the contract on our website.

**Ms CATE FAEHRMANN:** I refer to the Casino to Murwillumbah line.

**Mr WIELINGA:** Is it about CountryLink?

**Ms CATE FAEHRMANN:** It is about the task force report. On 20 October a transport forum was held in Byron Bay where significant concerns were raised about public transport services on the New South Wales North Coast. In particular, there was overwhelming support for the resumption of the Casino to Murwillumbah line. Residents were forced to hitchhike to the event because public transport options are so limited in the area. In relation to the findings of the cross-border task force, the Minister at the last hearing referred to the task force and said it had basically given its decision on the Casino to Murwillumbah line, yet this forum at which there were a lot of community members clearly outlined the need for the Casino to Murwillumbah line to be reinstated, as did many of the submissions to the task force. Do you think it is necessary to take a closer look at the transport needs of the North Coast community? Is there any justification for re-examining the need for that rail line, given the overwhelming community support for it? I would argue that the task force did not really take into consideration the needs of the community there.

**Mr WIELINGA:** The Department of Planning has been developing 25-year regional strategies for land use and so forth. We are piggy-backing on the back of that now, developing regional transport strategies. In recent times we put out one on Central Coast, some material on Newcastle and we are working on other areas. The North Coast will be one of those. The short answer to your question is "Yes". We should look at the transport situation in regions from time to time. It should be part of a regular review process. We are putting that into place.

**Ms QUILTY:** We are also working with Translink authority in Queensland to look at how we can get better integration of bus services, given that a lot of people in the far North Coast area actually relate to south-east Queensland for education, health and other facilities.

**Ms CATE FAEHRMANN:** I just want to ask some questions about Newcastle rail services. Some of the questions are quite specific but I think they are important even if they are taken on notice. Specifically my question is about the Newcastle line truncation at Wickham station. I refer you to the preliminary assessment of the Newcastle truncation Wickham station study. Do you know how much that study cost?

**Ms QUILTY:** The study was undertaken by AECOM. I do not have the actual costs of the study. RailCorp commissioned AECOM to take that study, but we can come back to you with those numbers.

**Ms CATE FAEHRMANN:** If you can also come back to me with the costs of the Newcastle City Centre Renewal Transport Management and Accessibility Plan.

**Ms QUILTY:** Certainly. That was also undertaken by AECOM. We can provide those costs.

**Ms CATE FAEHRMANN:** Is it the case that the Hunter Development Corporation is advised by the consultants for the Newcastle City Centre Renewal Strategy that terminating the intercity rail line at Wickham would cost approximately \$150 million and the RailCorp estimate was \$600 million to \$650 million?

**Ms QUILTY:** I know some preliminary numbers were mentioned and they were within quite a wide range and that is why the decision was taken to do a comprehensive and detailed assessment to come up with some more rigorous estimates of the costs involved, and that is what is being done.

**Ms CATE FAEHRMANN:** Is the estimated cost of the latest study between \$375 million and \$505 million?

**Ms QUILTY:** That is correct.

**Ms CATE FAEHRMANN:** I understand the new study was able to achieve savings on the original RailCorp estimate by resiting the stabling facilities at Hamilton rather than at Wickham, as recommended by the Hunter Development Corporation. Is this the case?

**Ms QUILTY:** I think that is one of the reasons why the costs are somewhat different from the original estimates put forward.

**Ms CATE FAEHRMANN:** Do you have any idea how the figure of \$150 million was so far out? This is the Hunter Development Corporation's original cost.

**Ms QUILTY:** I do not know that but, as I said before, that was the reason why it was decided to do the more detailed and rigorous study, which is what has been undertaken by AECOM. We provided those reports to the Newcastle Renewal Committee and gave them a presentation last week. Those reports are now available on Transport NSW's website and they have been provided to the Committee to assist with the preparation of a submission to Infrastructure Australia, as announced by the Minister when they were put out there.

**Ms CATE FAEHRMANN:** Did Transport NSW have any input into the Hunter Development Corporation estimate?

**Ms QUILTY:** I do not believe we did. We certainly had discussions with them once they had their estimate and there was some to-ing and fro-ing as to how it had been arrived at. It was then that the decision to do the more detailed assessment was taken, which was the process that we went through and which the Newcastle Renewal Committee was happy for us to undertake.

**Ms CATE FAEHRMANN:** The conclusions of the Newcastle City Renewal Transport Management and Accessibility Plan state that the identifiable measures can achieve a 16 per cent public transport mode share by 2016 and establish a framework to work towards 20 per cent. I think the State Plan has a target of 20 per cent by 2016. Is that transport management and accessibility plan target failing when it comes to public transport patronage? Is there a reason why that is so low compared to the State Plan target? Who sets those targets?

**Ms QUILTY:** The State Plan targets are government objectives and are contained in the State Plan, as you know.

**Ms CATE FAEHRMANN:** The TMAP targets, not the State Plan targets.

**Ms QUILTY:** The TMAP was a report we commissioned AECOM to do on our behalf to look at what kind of initiatives we could put in place or should we be considering improving accessibility into the Newcastle centre and to assist with achieving the State Plan targets. It is a range of recommendations that are now under consideration by us and by the renewal committee. They are recommendations from the consultant. They have not yet been endorsed but they will also inform the submission to Infrastructure Australia.

**Ms CATE FAEHRMANN:** So those targets were set by the consultant, AECOM —the 16 per cent target?

**Ms QUILTY:** I think they were based on AECOM's modelling, that if you put in place particular initiatives then that is going to move you that percentage point closer to achieving your targets.

**Ms CATE FAEHRMANN:** I think there is a suggestion in the study to terminate the Newcastle line at the new Wickham station. Where is Transport NSW up to in relation to suggestions about cutting the line at Wickham? Obviously a lot of the community is campaigning to maintain the current service right through to the Newcastle terminus. Do you know when the decision will be made on that?

**Ms QUILTY:** The Minister has publicly stated that there will be a rail-based solution for Newcastle. The next step is for the renewal committee to develop its submission to Infrastructure Australia, and the studies we have provided to them will form part of that submission going forward.

**CHAIR:** Going back to the CBD Metro, Mr Staples, will you be able to provide the Committee on notice with the total amount of lost revenue from that project, including lost rental revenue?

**Mr STAPLES:** You have asked us for information in relation to that and I have indicated we will give you a summary of the vacancies around that, so we will provide the information we can.

**CHAIR:** And any other lost revenue?

**Mr STAPLES:** The core area you are focusing on is the property area and we are seeking to re-establish tenancies, and we will get revenue once that is done.

**CHAIR:** With respect to the same project, can you explain why there are still caveats on small businesses in the Chifley Arcade in the wake of the project?

**Mr STAPLES:** I am sorry, I do not understand the question.

**CHAIR:** There are caveats on the businesses in the Chifley Arcade, are there not?

**Mr STAPLES:** When you say caveats, I do not understand the question, sorry.

**CHAIR:** Is there any inhibition on the businesses there to restore the value of the business that they had before?

**Mr STAPLES:** We have no caveats placed on those businesses in terms of any legal caveat. If that is what you are implying, sorry, no.

**CHAIR:** What would you describe the status of the CBD Metro project at the moment?

**Mr STAPLES:** The Government announced in February that it would stop the construction proceeding on the metro. So, it is now stopped and cancelled.

**CHAIR:** When can businesses in that location be put back to normal?

**Mr STAPLES:** We have, as I said at the last Committee hearing, been in discussions with those business owners around a support package, and the Government has implemented a support package with those businesses. There is no further activity underway in terms of any development of the metro in that location.

**CHAIR:** As far as those businesses are concerned, it is done and dusted?

**Mr STAPLES:** We have had meetings with those businesses and we have explained the activities we are undertaking in that area in terms of the re-lease of the building, which was one of their concerns, and the Government, as I said, has provided some other assistance through a small business package.

**The Hon. MATTHEW MASON-COX:** The small business package is in the order of about \$50,000, is it not?

**Mr STAPLES:** Yes, that is correct.

**The Hon. MATTHEW MASON-COX:** You are aware that many of those businesses see that as woefully inadequate?

**Mr STAPLES:** That package has been administered through Industry and Investment. Discussions with those property owners now is through Industry and Investment, who have the skills to deal with small businesses in those circumstances.

**The Hon. MATTHEW MASON-COX:** So you have washed your hands of it?

**Mr STAPLES:** No, I am not saying we have washed our hands of it, at all. We continue to be a part of that process, but in terms of the detailed discussions I cannot give you a lot of information.

**The Hon. MATTHEW MASON-COX:** Are you aware that most of these businesses believe that package is woefully inadequate given what they have been through with this failed project?



**Mr STAPLES:** Certainly some have indicated they had expectations that they would receive more, yes.

**The Hon. MATTHEW MASON-COX:** Some of those businesses, I assume, are some of the claimants that are still outstanding in relation to the ongoing claims for the project?

**Mr STAPLES:** At this stage, no.

**The Hon. MATTHEW MASON-COX:** So there are still potential claims from those businesses?

**Mr STAPLES:** They are entitled to take some sort of legal proceedings, that is true. I indicated to you that of the 25 outstanding there was a possibility of additional claims arising.

**The Hon. MATTHEW MASON-COX:** For another three years, I presume, in relation to limitations under the law?

**Mr STAPLES:** I spoke about the three years previously in relation to acquisition processes. The reason the Government has taken a different approach with Chifley Arcade is because we were never actually in an acquisition process with them. So, they do not have the same process on land acquisition.

**The Hon. MATTHEW MASON-COX:** It is almost like a never-ending story, is it not, with \$417 million at the moment, another 25 cases or claims still to be resolved, and another three years until we have a statute of limitations closing down any other potential legal avenues so the opportunity costs in relation to premises not being released perhaps might be released. The figure just keeps going up, does it not, Mr Staples?

**Mr STAPLES:** The process of bringing the project to a close is complex. Dealing with individual property owners requires individual interaction, does take time and is dependent on us being timely and on their ability to provide information to us. We have made substantial progress over the time frame of the claims from March through till now, with 55 of the claims resolved, as I said, and we are working quite hard to bring the rest of those to a close and we are in the process of trying to re-lease the buildings that are outstanding.

**The Hon. MATTHEW MASON-COX:** It is more like a nightmare rather than being just complex, I put to you, but I do not expect you to comment on that. I will move on to integrated ticketing. In that regard I direct my questions to Ms Zealand. Can you confirm where the legal proceedings are up to with the previous Tcard contractors, ERG?

**Ms ZEALAND:** The previous contract obviously is the subject of litigation and it is ongoing.

**The Hon. MATTHEW MASON-COX:** When do you think that will be settled?

**Ms ZEALAND:** That is a matter for the court to determine.

**The Hon. MATTHEW MASON-COX:** That is true but when do you expect that to come to a resolution?

**Ms ZEALAND:** I am not going to comment on the legal proceedings.

**The Hon. MATTHEW MASON-COX:** The legal proceedings are on foot; when do you expect a judgement to be handed down in respect of those legal proceedings?

**Ms ZEALAND:** That is a matter for the court timetable.

**The Hon. MATTHEW MASON-COX:** It is a matter that most litigants would have an understanding of when these matters will be finalised. I am asking you for your judgement based on advice you have received of when you can expect that matter to be resolved?

**Ms ZEALAND:** The matter will not be before the courts before the end of next year.

**The Hon. MATTHEW MASON-COX:** How long do you expect the court case to be?

**Ms ZEALAND:** I cannot answer that.

**The Hon. MATTHEW MASON-COX:** Perhaps you could take that on notice?

**Ms ZEALAND:** Certainly.

**The Hon. MATTHEW MASON-COX:** And give us your best estimate of when you expect that to be settled.

**CHAIR:** Sorry, you will take it on notice?

**Ms ZEALAND:** I will take it on notice but, as I say, it is a matter for the courts to decide.

**The Hon. MATTHEW MASON-COX:** Well, it is a matter for you to give us an understanding of what your best expectations are. How much has been spent on legal and court fees to date?

**Ms ZEALAND:** I am not going to comment on the cost of litigation.

**The Hon. MATTHEW MASON-COX:** Why not?

**Ms ZEALAND:** The matter is before the courts at the moment.

**The Hon. MATTHEW MASON-COX:** It is before the courts and it is a matter of public money that is being expended—

**The Hon. PENNY SHARPE:** And it is ongoing.

**The Hon. MATTHEW MASON-COX:** And it has been going on for about 13 years, Ms Zealand. I am asking a simple question. How much has been spent by the department in relation to court fees to date?

**Ms ZEALAND:** As I said, I am really advised not to comment on the litigation.

**The Hon. MATTHEW MASON-COX:** Who has given you advice about whether or not you can release information about how public money is being spent?

**Ms ZEALAND:** As I say, I am not going to prejudice our case by talking about the cost of litigation.

**The Hon. MATTHEW MASON-COX:** The cost of litigation does not prejudice your case. I was a lawyer in another life. I am asking for a factual answer: How much has the department spent on this legal case to date? If you do not have the figure, take it on notice; do not pretend to put up artificial barriers to the Committee's legitimate lines of inquiry. Will you take it on notice?

**Ms ZEALAND:** I will take the question on notice.

**The Hon. MATTHEW MASON-COX:** What amount has been set aside as contingency pending settlement of the case?

**Ms ZEALAND:** As I said, I am not going to comment on items of that nature.

**The Hon. MATTHEW MASON-COX:** Surely the department's processes are to assess the relative merits of the case and to put aside a contingency in relation to what may or may not be the amount of money at risk to the Government, to the public, in respect of these proceedings? Is that normal practice for the department?

**Ms ZEALAND:** As I have said, the matter is before the courts. I am not going to comment on that.

**The Hon. MATTHEW MASON-COX:** It is very convenient, is it not? Because it is before the court does not mean we throw out the normal rules of governance?

**The Hon. PENNY SHARPE:** No, but as you know, Matthew, witnesses do not have to answer questions based on things that are currently being undertaken through legal proceedings. I think the witness has made it very clear that she is not prepared to go down that path. You should not continue to ask those questions.

**The Hon. MATTHEW MASON-COX:** I will not entertain that. When will commuters have access to the Tcard? I will ask a question you may have an answer for?

**Ms ZEALAND:** We begin to roll the system out at the end of 2012, so customers will be able to use the electronic ticketing system from then on the ferry network.

**The Hon. MATTHEW MASON-COX:** Will it just be on the ferry network in 2012?

**Ms ZEALAND:** We have a phased implementation.

**The Hon. MATTHEW MASON-COX:** Can you run me through the phases of the implementation and the likely timings for that?

**Ms ZEALAND:** Yes, certainly. We kick off in mid-2011 with the installation on the private bus network of bus cash consoles—so that is the first installation—and some cabling. By the end of 2012 we have the rollout on the ferry network. Around mid-2013 we begin the rollout on the rail network. Late 2013 the private buses will get smart card and the State Transit Authority will get some smart card capability and we expect the entire transport network to be fully rolled out by the end of 2014.

**The Hon. MATTHEW MASON-COX:** The end of 2014; are you going to have a party at that stage?

**Ms ZEALAND:** We have 20,000 pieces of equipment to roll out at 307 stations and 4,500 buses. Yes, it will be a great day.

**The Hon. MATTHEW MASON-COX:** What is the status of the Passenger Transport Co-ordination Centre [PTCC] now? Has that been rolled back in?

**Mr WIELINGA:** I can deal with that question. The legal entity still exists but the PTCC organisation has been rolled into the transport coordination division of Transport NSW.

**The Hon. MATTHEW MASON-COX:** Who within Transport NSW is responsible for leading the Tcard team? Is that you, Ms Zealand?

**Ms ZEALAND:** Yes—well, the electronic ticketing project.

**The Hon. MATTHEW MASON-COX:** What is your team called within Transport NSW?

**Ms ZEALAND:** The Ticketing and Fares Directorate of Transport Coordination, but we still are a legal entity for our contract.

**The Hon. MATTHEW MASON-COX:** For your contract with the new operator?

**Ms ZEALAND:** Consortium, yes.

**The Hon. MATTHEW MASON-COX:** Will the Tcard be a zone-based or a distance-based system?

**Ms ZEALAND:** The electronic ticket will be similar to the current fare structure that exists now, which is distance-based.

**The Hon. MATTHEW MASON-COX:** How will concessions be calculated on the new system?

**Ms ZEALAND:** If you are entitled to a concession, you will have a concession card.

**The Hon. MATTHEW MASON-COX:** When do you expect the new information about the fare structure to be provided to the public?

**Ms ZEALAND:** The first public rollout is the end of 2012, so we will obviously have some communications in preparation for that.

**The Hon. MATTHEW MASON-COX:** So well in advance of that?

**Ms ZEALAND:** Certainly.

**The Hon. MATTHEW MASON-COX:** We were concerned with some reports about the ability of the system to incorporate new mediums of delivery and emerging technology such as credit cards and mobile phones. What is going to be the flexibility of the system to accommodate that? Can you outline that for the Committee?

**Ms ZEALAND:** Yes, certainly. From day one we wanted to ensure that any system we installed would be able to adapt to emerging technologies so our request for proposal [RFP] was very specific. We wanted to buy a proven system and we have. The Pearl consortium has delivered systems in London and Brisbane, to name a few. But we also wanted to be able to take advantage of emerging technologies, so the equipment that we are purchasing and the cabling and communication network that we are establishing will be able to leverage off contactless credit cards. That is the main platform that is emerging in this space, to be able to read those as well. That is when that is proven and tested, and it is not proven and tested in a mass transit environment at the moment, but we have future proofed our system for Sydney and when it is available we will be able to migrate to that path as well, giving customers a wider choice.

**The Hon. MATTHEW MASON-COX:** Why do you think it has been so hard to implement a Tcard in Sydney?

**Ms ZEALAND:** The previous contract is the matter of a court case, as we have just discussed.

**The Hon. MATTHEW MASON-COX:** That was a proven system too, was it not?

**Ms ZEALAND:** I cannot comment on the previous contract.

**The Hon. MATTHEW MASON-COX:** It is a matter of fact that the TRG system is a proven system?

**Ms ZEALAND:** The industry is mature now. We are moving forward; we have a very experienced consortium to deliver our electronic ticketing system.

**The Hon. MATTHEW MASON-COX:** It strikes me that this has been going since 1998 and it is now 2010 and there is a new contract. Is there a problem with the nature of Sydney that makes implementation so hard? Is that the crux of this or is it just blinding incompetence?

**Ms ZEALAND:** Sydney will have an electronic ticketing system, as I said, in the time frame that we have discussed. It is a very large city—compared with London, we have something like 1,600 square kilometres compared with 40,000. It is a large and complicated project, but I have every confidence that we will have electronic ticketing for Sydney in the time frames I have outlined.

**CHAIR:** Given that the decision to announce the Epping to Parramatta rail link was based on a report that was produced in 2003, what action has been taken by Transport NSW to provide the Government with more recent information?

**Mr WIELINGA:** We had some questions relevant to this a little while ago. We are undertaking that development work and the assessment work at the moment. I said last time, and this time, that I expected that around the end of the year.

**CHAIR:** That is right, you did say that. We are nearly at the end of the year, so where is it at?

**Mr WIELINGA:** I am due for a briefing from the project team in the near future.

**CHAIR:** Before Christmas?

**Mr WIELINGA:** Yes, there will be a briefing before Christmas. They are more frequent than that, but yes, before Christmas.

**CHAIR:** Can you give us the latest information you have at your disposal regarding the patronage forecasts for the project, cost estimates, geotechnical investigations and the alignment costs?

**Mr WIELINGA:** There is quite a bit of material there. We will take that on notice and send it to you.

**CHAIR:** That would be appreciated. Earlier you talked about the phases of the project and mentioned feasibility studies and the like. Can you advise the Committee when the feasibility study, desktop studies and the like will be completed for this project?

**Mr WIELINGA:** The first step for me is to have a look at this initial scope work and the initial patronage projections that are being updated. Then we will develop the business case. Certainly, I said that we would be getting construction activity underway in the second half of 2011. It will be in advance of that in enough time for us to get the project going, but there is a community consultation exercise as part of this and I am not going to say today that it will be delivered in a certain month. That is our broad target—to have the approvals in place, all the preliminary work done and the business case prepared and approved in advance of that construction activity.

**CHAIR:** How is the community consultation process going?

**Mr WIELINGA:** I mentioned earlier the desktop studies. Once we get that completed and we have a feel for those options in the Parramatta area and so forth we will be in a position to start putting out some material. I cannot give you an exact timing for that at the moment. As I said, when we get through this initial phase we can be a little more certain about the timing of things.

**CHAIR:** Has the agency had to present any reports to, for example, the Department of Transport and Regional Services [DOTARS] on extra information they may require since the announcement of the project during the Federal election?

**Mr WIELINGA:** We are in the final stages of wrapping up the agreement with that agency. That will ramp up fairly quickly. We are agreeing the governance arrangements and the funding contributions—the normal sorts of project agreements that we put in place between agencies when Federal funding is involved.

**CHAIR:** In preparing for that have you had to produce any additional information to the Federal Government so it can be in a position to finalise any contracts?

**Mr WIELINGA:** We have not sent formal reports or anything to them at this stage. They have our Infrastructure Australia submission that you are able to look at on the website. Once we get going with this project they will become part of the steering committee for the project and will have free access to the information they need. It is provided progressively as the project life cycle unfolds.

**CHAIR:** Can you advise how Transport NSW determined that this particular project had a greater priority than the North West rail line, for example?

**Mr WIELINGA:** In the Metropolitan Transport Plan that was put out by Government in February there were a group of projects that included south-west rail and the Western Express. On page 43 of that document there is a list of seven or eight other projects that we felt should be brought forward as well if money could be provided for them. As a result of that we prepared a submission to Infrastructure Australia. Our position is that all of those projects could proceed if the resources were available.

**CHAIR:** In relation to the western metro, the figure of \$32.6 million has been mentioned. Can you give us a breakdown of that cost into land acquisition, contractor payments, reports and studies, legal fees and compensation?

**Mr WIELINGA:** With your permission, we will take that on notice and provide you with the detail.

**Ms CATE FAEHRMANN:** My question is about the Maldon-Dumbarton rail line. What involvement has Transport NSW had in supporting the feasibility study commissioned by the Federal Government for this line?

**Mr WIELINGA:** It is one of the options for the connection into Kembla port that are being examined. We are currently preparing a freight strategy. The Minister has announced that we are doing that. That work is currently underway. It needs to be considered as part of a broader freight strategy for the State. It is one of our most important transport strategies. It will be considered in detail as part of that process. There are some difficult options in that area because of the terrain.

**Ms CATE FAEHRMANN:** Will Transport NSW be making a submission in relation to the feasibility study into the rail line and putting a position?

**Mr WIELINGA:** Given the importance of freight as far as national productivity is concerned, given the importance of freight connections with other States and given the international connections associated with freight, we expect to be working very closely with the Federal Government. Through Infrastructure Australia they are currently preparing a ports strategy. They are also looking at a national freight strategy and we are working with them on that.

**Ms CATE FAEHRMANN:** Does that mean you will be putting in a submission to the feasibility study on the Maldon-Dumbarton rail line?

**Mr WIELINGA:** We have not decided to do that yet. We put in two freight submissions as part of the Infrastructure Australia submission that went in last October. I mentioned that we would finalise the freight strategy for New South Wales. Out of that will come a priority for developing our freight networks that we would hope to agree with the Federal Government. We will have a better idea of the sequencing of projects at that time.

**Ms CATE FAEHRMANN:** Has Transport NSW been involved in discussions with the Newcastle Port Corporation about its proposal to develop the old BHP site in Mayfield?

**Mr WIELINGA:** I cannot recall any but I will check whether any of my officers have had those discussions. The port authorities have provided people to assist us with the preparation of the freight strategy and it may have been discussed in those forums.

**Ms CATE FAEHRMANN:** Apparently the proposal by Newcastle Port Corporation anticipates that one million containers will come into the port at some stage. Do you think the existing rail infrastructure would be able to move—I think the estimate was 200,000 containers a year—from Newcastle to Sydney? Do you think that infrastructure will need to be upgraded to move that many containers?

**Mr WIELINGA:** Given the projections for container movements in Sydney and Newcastle, my expectation is there will need to be appropriate upgrades in rail infrastructure. Certainly once targets are set for the number of containers on road versus containers by rail, which is part of the considerations in the current freight strategy, we will have a better idea of the level of the upgrades needed for both rail and road.

**Ms CATE FAEHRMANN:** I think Newcastle Port Corporation at this stage plans to move by rail only about 20 per cent of freight that comes into the port, which is quite a low target. The Port Botany freight by rail target is 40 per cent by 2016.

**Mr WIELINGA:** That is correct.

**Ms CATE FAEHRMANN:** Do you know why there is such a difference between Newcastle and Port Botany? Do you think the target needs to be higher and that rail infrastructure needs to be put in place to get that target higher?

**Mr WIELINGA:** My personal position is that we should make the rail target as high as we can, but there is a practical element to these considerations. Economics and commercial considerations need to come into play, but we equally need to take into account the externalities on the impact of congestion on the road network and the impact of emissions from vehicles on the road network; they all need to be considered as part of these decisions.

**Ms CATE FAEHRMANN:** Will Transport NSW be making any sort of submission to the Department of Planning in relation to freight movement plans proposed by the Newcastle Port Corporation? Will it be suggesting to the Department of Planning—

**Mr WIELINGA:** We are expecting to make those contributions through the development of our freight strategy, and we will be working with the Department of Planning as part of that process.

**Ms CATE FAEHRMANN:** Which agency at the table is working with the Australian Rail Track Corporation [ARTC] in relation to coal dust from coal trains? Is that specifically the ARTC, or is someone at a State level monitoring that?

**Mr WIELINGA:** I am not aware of any detail of the issue. If you are asking me to make an educated guess, I suggest you start with the Department of Environment, Climate Change and Water.

**CHAIR:** I refer back to the Epping to Parramatta rail corridor. Can you advise how much has been spent on purchasing properties and land along the rail corridor to date?

**Mr WIELINGA:** We need to take that on notice please.

**CHAIR:** Do you have an estimate of the total cost of purchasing properties and land along that line, for the life of the project?

**Mr WIELINGA:** Currently the estimate for the project has a figure, from memory, of around \$30 million in it. That is not for permanent acquisition of property; it is for the acquisition of property to facilitate the construction: where we can put the construction work site, where we can put the access points for tunnelling machines et cetera, where we can put the access points to get material out from underground, and those sorts of things. It is part of the construction method, rather than the purchase of property, for permanent facilities like railway stations and so forth.

**CHAIR:** So obviously the estimate for the total cost would be significantly more than \$30 million?

**Mr WIELINGA:** The expectation at the moment is that, because it is underground at both ends, we would be connecting underground to existing stations, so we would be in underground stratum that is quite a distance underground. There could be minor impacts—we are not aware of any at the moment. When you have a look at the middle of the project, we are actually building the new construction activity on an existing rail corridor that we own; we are duplicating the existing line. That is why there has not been a provision in the estimate for permanent property acquisition. But the construction team feel they need an area for construction access, and that is where it has been included.

**CHAIR:** Mr Wielinga, you mentioned earlier that getting to developing a business case is down the track. Is it of concern to you as a professional public servant that this \$2.6 billion project was announced based on old figures—2003 patronage figures and cost estimates—with no business case and without current planning approvals?

**Mr WIELINGA:** It is simply not appropriate for me to comment on political decisions. My job is to make these things happen.

**CHAIR:** It must be a pretty hard job to contemplate.

**Mr WIELINGA:** It is not relevant to me.

**CHAIR:** I guess it must be hard for it not to be relevant. Was the process in making a major public transport decision like this, in your experience, a highly unusual way for the project to be announced?

**Mr WIELINGA:** We can ask this question 17 different ways. It really is inappropriate for me to comment on Government policy. It was a Government policy decision, and I will make it happen.

**Ms QUILTY:** Can I highlight that our Metropolitan Strategy talks about Parramatta as being Sydney's second central business district, and Government is also concerned about equity issues for people in western

Sydney. We have to grow Sydney and our public transport system to accommodate the fact that we are going to be six million people in 2036, and that is going to require another 770,000 houses and something like 710,000 jobs. A lot of that is going to be based in western Sydney. So this is really about how we want Sydney to grow and develop into the future, and is about ensuring that we remain a compact and sustainable city. I think they are relevant considerations.

**CHAIR:** Ms Quilty, you might be able to answer the question then. Can you tell us how Transport NSW determined the Epping to Parramatta rail line as a greater priority than the North West rail line?

**Ms QUILTY:** I am just saying that these are matters for Government to decide, and that I think there were a range of considerations involved, such as the ones I have just outlined.

**CHAIR:** Mr Wielinga, just to recap on the business case issue, can you confirm that the project was announced with there being no business case recently prepared?

**Mr WIELINGA:** The material we had was the work that was done in 2000, which was an environmental impact statement as part of a larger process; there was some patronage modelling updated in 2003; and there was an Infrastructure Australia submission that we have had prepared. That is what was available.

**CHAIR:** So there was no business case?

**Mr WIELINGA:** The aspect of business case as being a part of project development has happened in more recent years. It was not part of the project development processes back in 2000.

**CHAIR:** With regard to the announcement process, was that consistent with guidelines in Transport NSW? Is there a set of guidelines about how major project announcements are gone about?

**Mr WIELINGA:** I do not have any guidelines around political announcements—and there will never be any guidelines around political announcements while I am in Transport.

**The Hon. MATTHEW MASON-COX:** When the Federal Government comes to the party with the \$2.6 million, you just announce it?

**Mr WIELINGA:** I did not announce anything.

**The Hon. MATTHEW MASON-COX:** No. I am just reflecting on the events. I have a few questions in relation to the Western Express line. Mr Mason, can you confirm what work is being undertaken within Transport NSW or RailCorp to achieve better travel times to and from Penrith, as existed back in 2004 when travel times were seven minutes faster?

**Mr MASON:** Could I seek clarification? Is that question in relation to the Western Express, or just travel times?

**The Hon. MATTHEW MASON-COX:** Take it in both contexts.

**Mr MASON:** Certainly RailCorp has been working on making sure that we get people in from Penrith as fast as possible and as safely as possible, and that is what the timetable of 2005 was all about: making sure that the timetable was safe. Previous timetables introduced had been encouraging drivers to catch up on the timetable. The 2005 timetable was designed to make sure it was safe and reliable, and that is what has happened. With regard to the Western Express, we are working with the infrastructure division of Transport NSW, developing plans and ensuring safety in the process there. From my point of view, it is a great opportunity to increase the seats coming in from the west; it is a great opportunity to speed up the railway as well, to get a dedicated line into the CBD with eight extra platforms, and to take away some of the crowding issues, which potentially were happening.

**The Hon. MATTHEW MASON-COX:** Can you outline in a little more detail the rationale behind the case for the Western Express line?



**Mr MASON:** I will ask Mr Staples to tell you some of the detailed stuff. Currently we have only a few lines coming into the CBD. We have six lines coming into the CBD; we have six platforms there, at Wynyard and Town Hall. We will increase both those stations by two platforms, with a dedicated railway line coming in to Wynyard from Eveleigh. We separate out the tracks from the Macdonaldtown area, with a direct link into the CBD.

**The Hon. MATTHEW MASON-COX:** What studies and reports are being developed in relation to the feasibility and scoping of the project?

**Mr MASON:** I will ask Mr Staples to come in at this point.

**Mr STAPLES:** We have a project team established which is working, as Mr Mason indicated, with RailCorp to develop plans. I will go through the scoping phases Mr Wielinga described in terms of the sequencing of the development. A large range of activities are going on at this stage, ranging from patronage assessments through to a range of operational requirements that RailCorp have for their infrastructure, looking at the scoping of the infrastructure right along the corridor. It is not just a new relief line in the CBD; it is a series of projects to readjust tracks in western Sydney, to get the most capacity out of the corridor.

A lot of operational requirements or aspects are being tested—safety assessments, signalling, major construction activities looking at the relief line in the central business district, the time frames for construction, geotechnical aspects, property requirements, detailed configuration, turn backs where trains turn around, station locations and station entries. A lot of technical work has been done on that over the past six months to nine months. We are expecting to do another round of more detailed work in the first half of next year moving to an environmental assessment being published in the middle of next year.

**The Hon. MATTHEW MASON-COX:** Would you outline the critical milestones for the successful completion of this project once you get the final go-ahead?

**Mr STAPLES:** On the basis that the environmental assessment is exhibited in the middle of next year, we will be moving through to planning approval in 2012, and property acquisition, where required, will be undertaken in 2012. We will also be commencing the tender phase at around the end of 2011 and construction at the start of 2012. There are a series of construction contracts and we are still looking at some delivery strategies for that. We will move through with construction and some of the earlier work will start in 2012. However, the majority of work will start in 2013 with the project to be operational by 2017 or 2018.

**The Hon. MATTHEW MASON-COX:** What are the major challenges that are facing this project?

**Mr STAPLES:** There are a range of challenges in projects of this scale. Mr Mason was talking earlier about the strategic part of the project, which is about addressing capacity in the long term. The western corridor is the most congested corridor on the RailCorp network. Because it is such a central part of Sydney, growth in Sydney will always continue to put pressure on that. The challenge is to ensure that we get the most out of that investment and the most out of that corridor with the assets we already have and with the investment we make. At the moment a lot of the work that we are doing relates to testing options within the concept to ensure it is as sound a concept as possible. Clearly, when we carry out projects of this scale there are impacts associated with their construction, delivery and operation. At the moment a lot of the work is about balancing off the objectives of getting capacity improvements for passengers with mitigating the impacts in the central business district and other places along the corridor. The environmental assessment process is designed to ensure that we deal adequately with those things.

**The Hon. MATTHEW MASON-COX:** What increased capacity do you expect as a result of the project?

**Mr STAPLES:** I cannot recall the percentages off the top of my head but literature in the Metropolitan Transport Plan talks about 5,000 additional seats being available in peak hours for western Sydney as a result of the project. That is a substantial increase over the numbers that are available today.

**The Hon. MATTHEW MASON-COX:** How much quicker will the journey be from Penrith to the Sydney as a result of this project?

**Mr STAPLES:** At this stage we are working on the basis of about 10 minutes improved travel time from Penrith.

**The Hon. MATTHEW MASON-COX:** As against the current time, which is seven minutes slower than it was in 2004?

**Mr STAPLES:** As I said, the project will deliver a travel time benefit to existing commuters of about 10 minutes.

**The Hon. MATTHEW MASON-COX:** We will get back to about 2004 travel times to the city after an investment of many hundreds of millions of dollars, if not billions of dollars, into this project?

**Mr STAPLES:** A range of objectives apply to this project, one of which is improving travel times. There will be improvement in capacity in the corridor to deal with the long-term growth across Sydney that Ms Quilty spoke about earlier. That is also a fundamental tenet. When you travel on that corridor you find it is now a busy corridor with a lot of people getting on and off between Blacktown, Parramatta, Strathfield and Redfern and in the Sydney central business district. This is about providing additional capacity so we can grow the network and provide for an increased number of passengers in the long term.

**The Hon. MATTHEW MASON-COX:** What consideration have you given to safety, given that more people than ever will be accessing Wynyard Station, which is already dangerously overcrowded in peak periods?

**Mr STAPLES:** Safety is paramount in the work that we do. I mentioned that before when I was talking about activities that are underway. We go through detailed safety assessments in relation to the operation and there are regulatory requirements around that. We conduct safety assessments also at a precinct level. At this stage the design work at Wynyard Station is still very conceptual. We plan to undertake a number of activities in that area, including planning for a pedestrian link. If the corridor goes down the western side of the Sydney central business district we will include a connection at Wynyard Station. We will do the design and ensure it addresses improved safety.

**The Hon. MATTHEW MASON-COX:** When will work be done to lengthen the platforms?

**Mr STAPLES:** That relates to the time frame I was talking about earlier. It is part of the work activity over the period 2013 to 2018.

**The Hon. MATTHEW MASON-COX:** So it will be finished in about 2018?

**Mr STAPLES:** Yes. At the moment we are looking at the detail of the stations to establish the best time frame within which to undertake individual activities in the corridor. It is complex work to undertake construction within the existing corridor because we have to work around possessions when the track is closed down. The timing will be built around when those possessions are available.

**The Hon. MATTHEW MASON-COX:** Which stations or platforms will be lengthened and at what cost? You might want to take that question on notice.

**Mr STAPLES:** I would not be able to give you a specific breakdown of costs. However, I can come back to you with specific stations. In general I can tell you that Penrith, Blacktown and Seven Hills are three stations where platforms need to be extended by a small amount. I think Parramatta is already long enough. Inner central business district stations are new stations so they do not need to be extended.

**The Hon. MATTHEW MASON-COX:** Can you clarify also whether any properties or land have been acquired to date for the project?

**Mr STAPLES:** No property has been acquired to date. We are still going through the detailed design process. It would be premature to identify individual property requirements before we have gone through that process and tested more options.

**The Hon. MATTHEW MASON-COX:** When will you be in a position to identify whether any properties or land have been acquired?

**Mr STAPLES:** That will be part of the environmental process. When the environmental process comes out in the middle of next year it will identify property requirements for the project.

**The Hon. MATTHEW MASON-COX:** You did not clarify what land might have to be purchased for the project. At this stage do you have any estimate of what might be the likely acquisition cost for this project? How would that feed into the overall cost?

**Mr STAPLES:** There is no question about the fact that there are provisions in the estimates for land acquisition. However, I cannot give you the individual property requirements for the project. It is appropriate for us to wait until we have gone through the planning approval process before we start nominating them.

**The Hon. MATTHEW MASON-COX:** Is it true that the CityRail network will require major power upgrades?

**Mr STAPLES:** Power upgrades are planned as part of the activities and they are included in the scope.

**The Hon. MATTHEW MASON-COX:** Has any work been done on the ground or is it simply part of the project design work at the moment?

**Mr STAPLES:** Mr Mason might wish to comment further in answer to your question. At the moment a substantial amount of power supply upgrade work is being undertaken on the RailCorp network to accommodate growth in additional trains and the air-conditioned fleet, which puts more power requirements on the network as a whole. That physical work is in train at the moment. Because the Western Express Project puts more trains on the corridor it places a greater demand on power. The trains are going faster and that puts a greater demand on power. The upgraded work will be done as an extension of the program of activities that is currently underway.

**The Hon. MATTHEW MASON-COX:** Is this work separate to work that is being carried out currently to enable the Waratah carriages to operate on the CityRail network?

**Mr MASON:** Yes. As Mr Staples mentioned, currently the Waratah program has an ongoing substation upgrade. In 2011 there will be electricity substations at Newtown, the Art Gallery, Edgecliff, Toongabbie and West Ryde. They will be on track for commissioning either at the end of this year or early next year. The Waratah program is an \$870 million provision for upgrading power supplies to enable the Waratah carriages to run on the network. As Mr Staples said earlier, power for the Western Express Program will form part of that project.

**The Hon. MATTHEW MASON-COX:** At this point in time what will be the total cost for that project?

**Mr STAPLES:** The construction cost for the infrastructure is estimated at \$4.56 billion. That is the announced estimate.

**The Hon. MATTHEW MASON-COX:** Plus or minus the normal contingencies that my colleague Ms Cate Faehrmann outlined previously—plus or minus the 25 per cent or 30 per cent?

**Mr STAPLES:** There are contingencies in the estimates. I do not have an exact figure to hand as to what the contingencies are. We are doing a lot of substantial work, both design work and testing options on that, and we want to get the best value out of the project we possibly can.

**The Hon. MATTHEW MASON-COX:** I understand that a specific timetable for this project has been announced—and perhaps you can clarify this in advance—about conducting feasibility studies into a second harbour crossing. Is that correct?

**Mr STAPLES:** We have put out a tender for design services for the next round of work, which will support that environmental assessment being released in the middle of next year. Within that document the brief to the designers refers to the fact that we want them to consider the implications of the future extension of the Western Express service on the City Relief Line across the harbour, to connect somewhere on the North Shore line. It is prudent to ensure that the infrastructure we build as part of the Western Express Project can be

extended in the future, in the same way as it has been done in the past on previous rail lines that have been built in the city. For example, the City Circle was built in two stages: it was originally built to Wynyard and St James and provision was made to extend it to Circular Quay, which was completed some 20 or 30 years later.

**The Hon. MATTHEW MASON-COX:** How will capacity issues be dealt with in the central business district in the wake of the project?

**Mr STAPLES:** There are three major lines for RailCorp in the central business district at the moment: a line from the Illawarra to the eastern suburbs, a line from the North Shore to western Sydney, and the City Circle line that I have referred to. That is three lines. This provides a fourth line. So it is a substantial increase in capacity. It is a major capacity relief.

**The Hon. MATTHEW MASON-COX:** Can you provide the Committee with the actual figures in that regard and the likely percentage increase in terms of capacity through the city network?

**Mr STAPLES:** We can certainly give you some more specific numbers on that. But broadly speaking we have got three lines and we are putting in a fourth line. You can do the maths on it. It is a pretty simple percentage.

**The Hon. MATTHEW MASON-COX:** If you could provide that, it would be appreciated, Mr Staples.

**CHAIR:** Moving to the South West Rail Line. Can you advise whether there has been any track laid on that project?

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

**Mr LOCK:** The South West Rail Line comprises the upgrading of the Glenfield Transport Interchange and a new line from Glenfield to Leppington. On the upgrade of the Glenfield Transport Interchange, there has been modification of the existing track. No track has been laid on the Glenfield to Leppington line.

**CHAIR:** How many properties have been acquired to date for that project, and what was the total cost?

**Mr LOCK:** The properties are actually being acquired by the Sydney Regional Development Fund, not by Transport Corporation Authority or Transport NSW, but we can get back to you with numbers of dollars.

**CHAIR:** You can?

**Mr LOCK:** Yes.

**CHAIR:** The Committee would appreciate that. Do you know how many more properties, on top of those that have been acquired, will still need to be acquired?

**Mr LOCK:** The vast majority have been acquired. There are a few more to come.

**CHAIR:** Can you give the Committee those numbers on notice?

**Mr LOCK:** Certainly.

**CHAIR:** And the estimated total cost of those properties?

**Mr LOCK:** Certainly.

**CHAIR:** Are you able to tell the Committee what criteria are being used to assess residents' property values during the process of land acquisition, especially in the Leppington area?

**Mr LOCK:** No, I cannot. That is being done by another agency.

**CHAIR:** So all of the valuation process in that land acquisition is being undertaken by that other agency?

**Mr LOCK:** Yes.

**CHAIR:** Do you know what the plans are in relation to the future of the land alongside the rail line?

**Mr LOCK:** No, I do not.

**CHAIR:** Is that because you are not doing that work?

**Mr LOCK:** That is right.

**CHAIR:** In terms of the overall project, can you tell the Committee what team in the agency or agencies is accountable for the delivery of the project?

**Mr LOCK:** Within Transport NSW the Transport Construction Authority is responsible for delivery.

**CHAIR:** Who is the team leader for that?

**Mr LOCK:** I have a team of people, so they report directly to me.

**CHAIR:** How many people are in the team?

**Mr LOCK:** I am happy to get back to you with an exact number, but I would say it is 40 or 50 at the moment.

**CHAIR:** Can you tell the Committee what work has been undertaken to involve local councils as to the future of land along the corridor of the rail line?

**Mr LOCK:** I cannot because that is dealt with elsewhere in government. I can tell you that we do consult with local councils ourselves in respect of the impact of the physical railway line.

**CHAIR:** Can you tell the Committee what the scheduled completion date of the project is?

**Mr LOCK:** For the whole project it is 2016.

**CHAIR:** And the total cost?

**Mr LOCK:** It is \$2.1 billion.

**CHAIR:** Moving to Sydney Ferries, can you tell the Committee why Sydney Ferries Corporation won the seven-year service agreement contract to operate the ferries given that the two private sector bids fared better in every performance measure?

**Mr CALLAHAN:** I think at the last estimates meeting I set out the reasons why Sydney Ferries in my view would have won it, but I was not involved in that process.

**CHAIR:** Why was Sydney Ferries allowed to continue to operate services when its bid only scored 56 out of 100?

**Mr WIELINGA:** Again, the Government made a decision on this. It was a Government policy decision. They announced it, and Sydney Ferries are currently running ferries.

**CHAIR:** Is 56 out of 100 a good standard on that scale? How does 56 out of 100 rate in your estimation: satisfactory performance or—

**Mr WIELINGA:** I will take advice from the project team that did the assessment work and I will come back to you with a response.

**CHAIR:** I would appreciate that. Can you advise why the Government has avoided releasing the details on the private sector bids compared with the Sydney Ferry bid?

**Mr WIELINGA:** Those bids have fairly significant commercial-in-confidence elements about them and that is generally the reason why we do not put detailed bids out.

**CHAIR:** Is that specifically the reason why the data has not been released?

**Mr WIELINGA:** That is the primary reason we do not put detailed bids out from private contractors.

**CHAIR:** Is there some other reason?

**Mr WIELINGA:** No, that is the primary reason.

**CHAIR:** That is it? There is not a secondary reason?

**Mr WIELINGA:** I am not aware of one, no.

**The Hon. MATTHEW MASON-COX:** Can you not put out a summary or at least an assessment that was made by the Government in terms of comparisons made with the public sector?

**Mr WIELINGA:** That is certainly something I can have a look at. Now that you have mentioned it, I will go away and have a look at what can be done.

**CHAIR:** That would be useful.

**The Hon. MATTHEW MASON-COX:** Do you recall what the assessment was out of 100 for the private sector bids?

**Mr WIELINGA:** No.

**The Hon. MATTHEW MASON-COX:** Could you provide that information to the Committee?

**Mr WIELINGA:** I will see what can be done and endeavour to provide all the information I can. If I cannot, I will provide an explanation with the response.

**CHAIR:** We are just about to run out of time. I wish to slot in a question on the Casino to Murwillumbah rail line—you may need to take this on notice. I have two matters. First is the bus contract, which ran out last month as I understand it. Has the new contract been awarded and, if so, to whom? What are the terms? What was the contract amount?

**Mr WIELINGA:** We will take that on notice, with your permission, and come back to you with the details.

**CHAIR:** If you could also provide the Committee on notice how much has been spent on maintenance of the Casino to Murwillumbah Rail Line—typically on keeping the grass under control, maintenance of the bridges above the line, and any other maintenance items? I would appreciate a maintenance update on that.

**Mr WIELINGA:** We will.

**CHAIR:** Unfortunately, that brings the Committee to the end of this hearing. We still have many more questions. I thank Mr Weilinga and all of his officers for their assistance during the budget estimates process and for returning for this supplementary hearing. Your assistance is very much appreciated.

**Mr WIELINGA:** Thank you, madam Chair.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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