

# GENERAL PURPOSE STANDING COMMITTEE No. 4

Thursday 21 June 2001

## Examination of proposed expenditure for the portfolio areas

### TRANSPORT AND ROADS

The Committee met at 6.30 p.m.

#### MEMBERS

The Hon. I. Cohen (Chair)

The Hon. J. H. Jobling  
The Hon. A. B. Kelly  
The Hon. C. J. . Lynn

The Hon. I. M. Macdonald  
The Hon. D. E. Oldfield  
The Hon. I. W. West

---

#### PRESENT

**The Hon. P. C. Scully**, *Minister for Transport, and Minister for Roads*

#### Department of Transport

**Mr M. Deegan**, *Director-General*  
**Mr A. Cook**, *Chief Financial Officer*

#### State Rail Authority

**Mr L. Di Bartolomeo**, *Acting Chief Executive Officer*  
**Mr P. Scarlett**, *Chief Financial Officer*

#### State Transit Authority

**Mr J. Stott**, *Chief Executive Officer*  
**Mr C. Menzies**, *General Manager, Sydney Ferries*  
**Mr C. Davison**, *Manager, Business Analysis and Planning*

#### Rail Infrastructure Corporation

**Mr J. Cowling**, *Chief Executive Officer*

#### Roads and Traffic Authority

**Mr P. Forward**, *Chief Executive Officer*  
**Mr M. Hannon**, *Director, Road Network Infrastructure*  
**Mr N. Hancock**, *Director, Finance*  
**Mr B. Garrett**, *Acting General Manager, Financial Management and Accounting*

#### Waterways Authority

**Mr M. Taylor**, *Chief Executive Officer*  
**Mr K. Bywater**, *Manager, Finance*  
**Mr B. Stanwell**, *Manager, Marine Assets*  
**Ms K. Doyle**, *General Manager, Policy and Planning*

---

*This is a privileged document published by the Authority of the Committee under the provisions of Section 4 (2) of the Parliamentary Papers (Supplementary Provisions) Act 1975.*

**CHAIR:** I declare open the hearing of General Purpose Standing Committee No. 4 and welcome the Minister and those departmental officers who are attending today. The Committee will be examining the proposed expenditure of the portfolio areas of Transport and Roads. Before questions commence some procedural matters need to be dealt with. Part 4 of the resolution referring to the budget estimates of the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of public proceedings. Copies of the guidelines for broadcasting are available from the attendants.

I point out that, in accordance with the Legislative Council's guidelines for the broadcasting of proceedings, only members of the Committee 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 the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. There is no provision for members to refer directly to their staff while at the table. Witnesses, members and their staff are advised that any messages should be delivered to the attendant on duty or the Committee Clerks.

For the benefit of members and Hansard, I ask departmental officers to identify themselves by name, position and department or agency before answering any questions referred to them. When a member is seeking information in relation to a particular aspect of a program or a subprogram it would be helpful if that program or subprogram was identified. To ensure that an accurate report is made of tonight's proceedings, I ask witnesses to provide Hansard with copies of any notes or other written material to which they refer when answering questions. The Committee has agreed to the following format: one hour for each portfolio area, with a short break at the end of the first hour. Does that pose any difficulty for the Minister or his officers?

**Mr SCULLY:** No.

**CHAIR:** The Minister may be required to attend divisions in the lower House. Is it agreed that the Committee should adjourn at such times, or should we continue to ask questions of departmental heads and staff?

**The Hon. TONY KELLY:** I suggest that the Committee adjourn.

**Mr SCULLY:** That is my preference.

**The Hon. JOHN JOBLING:** We have a number of questions for departmental staff. Under standing orders those questions may be asked of directors and ministerial staff. We could well proceed with questions.

**The Hon. TONY KELLY:** Often policy matters are involved, and that might result in a number of questions being taken on notice.

**Mr SCULLY:** My preference would be for the Committee to adjourn, but I am in the hands of the Committee.

**The Hon. JOHN JOBLING:** If the Committee does adjourn, the Minister may be required to return on another occasion.

**Mr SCULLY:** I am accountable.

**The Hon. JOHN JOBLING:** I do not question that. It will be difficult to make up any time that is lost. Members may not have the time to ask all their questions, and we may have to place a number of questions on notice.

**CHAIR:** Perhaps we could simply take an extension of time at the end of the hearing to cover the time lost? It may be only a matter of 15 minutes.

**Mr SCULLY:** Why do we not see how it goes. If there are only a couple of divisions, there will be no problems. If there is a whole series of divisions, that will create other problems.

**CHAIR:** I declare the proposed expenditure open for examination. Are there any questions on Transport? I will take questions from the Opposition first.

**The Hon. JOHN JOBLING:** To make it a bit easier for the Minister and the officers, we have tried to group our questions to the department, the Minister or the State Rail Authority. The first batch goes to the Minister. I refer to Budget Paper No. 3, Volume 2, page 18-1. I would like to know how many staff have received bonuses

during 2000-01 or will receive bonuses in 2001-02 in relation to the various heads of department—that is, staff of State Rail, State Transit, the Department of Transport, Rail Infrastructure Corporation and FreightCorp?

**Mr SCULLY:** I will take that on notice.

**The Hon. JOHN JOBLING:** In taking that question on notice, will you identify the staff members, the positions they hold within those five entities, and the specific amounts that have been paid?

**Mr SCULLY:** I will take the question on notice.

**The Hon. JOHN JOBLING:** No, Minister, I asked whether you will supply the information, not whether you will take it on notice.

**Mr SCULLY:** I said I will take it on notice, which means I will answer the questions in due course, as required under the standing orders of your House.

**The Hon. JOHN JOBLING:** Thank you, that clarifies it. I pressed that question because it is important that we get an answer. Others are not as generous as you in response to questions. In view of the problem that occurred in the past few days—and noting that you indicated by way of apology that the last free rail day, 31 May 2000, cost \$2 million for rail only—will you provide this Committee with where we can find provision for the funding for the last fare-free days in relation to, first, trains; second, buses; and third, ferries?

**The Hon. TONY KELLY:** That is the same question that was asked in question time in our House today or yesterday.

**The Hon. JOHN JOBLING:** No, it was not asked in this House.

**The Hon. TONY KELLY:** It was not asked by you, but it was asked by one of the crossbench members—how much it cost and where the money is coming from.

**Mr SCULLY:** There has been an impact, obviously, on the expected revenue stream for Sydney ferries, buses and trains. We estimate a total, roughly, of about \$2 million per day that is to do with the overall income that we expect on all of those services. Whether or not that may require further Treasury support is something I will have to assess in the coming weeks and months as we look at the overall revenue projections for the railways. You have to bear in mind that if patronage goes up more than expected it may well more than cover the lost revenue as a result of fare-free days.

**The Hon. JOHN JOBLING:** You never recover lost funding. You may increase your funding and capital income from other sources.

**Mr SCULLY:** The question is do we have sufficient funds to meet the services we expect to provide to the community. We will continue to provide the services that we have given a commitment to the community to provide. Whether or not that involves additional Treasury supplementation is something I will have to ascertain over the next few weeks and months.

**The Hon. JOHN JOBLING:** You believe at this stage that while the single rail fare-free day cost \$2 million, in this case each day for the three days for three services—not just trains but also buses and ferries—the loss will be only \$2 million?

**Mr SCULLY:** That is the advice I have received. By the way, I understand that it will conclude tonight.

**The Hon. JOHN JOBLING:** I understand that is correct, at midnight, subject to other things that might happen.

**The Hon. IAN MACDONALD:** Nothing else will happen.

**The Hon. JOHN JOBLING:** Looking at the overview of Department of Transport total expenses, which again come from Budget Paper No. 3, Volume 2, page 18-1, can you advise how much of those total expenses you and your staff have spent on Cabcharge expenses?

**Mr SCULLY:** Cabcharges are expended in accordance with guidelines set within the Government.

**The Hon. JOHN JOBLING:** I hope that that is correct. Obviously, there must be a record kept of your individual expenses and the expenses of those members of your staff who have the ability to use Cabcharge.

**Mr SCULLY:** I will have to take that on notice. I cannot give you the specific amount tonight. It is not something I carry around in my head.

**The Hon. JOHN JOBLING:** I happily accept that, but you understand that one needs to realise how these sums break down for total expenses.

**Mr SCULLY:** I can assure you that any Cabcharge expenses have been incurred in accordance with the guidelines. I am happy to take the detail on notice.

**The Hon. CHARLIE LYNN:** Given that working hours appear to be changing outside the traditional 9 a.m. to 5 p.m., do you have any plans to offer more transport services for commuters over longer periods in the morning and afternoon peak periods?

**Mr SCULLY:** Ministers like to have sufficient powers to carry out their responsibilities, but I cannot determine what the peak times are; the travelling public determines what the peak times are. The morning peak is more concentrated than the evening peak as people go home over a longer period. The morning peak is quite concentrated. We endeavour to provide sufficient trains and buses for the 1.5 million odd people who choose to travel on them. I am not sure what your question means. Your question could mean many different things.

**The Hon. CHARLIE LYNN:** What are the morning peak hours at the moment?

**Mr SCULLY:** Roughly 6 a.m. until 9 a.m. The afternoon peak could be until 7 p.m. roughly. I think that is about right.

**The Hon. CHARLIE LYNN:** From Campbelltown, 5.30 a.m. would be more realistic.

**Mr SCULLY:** It depends on the line. But you can see the maps as people are coming in from those outlying areas. The peaks get closer as you get into the city, so if you live closer to the city than, say, Penrith or Campbelltown the peak period is much later. But certainly from Campbelltown it may well be before 6 a.m. but it is generally 6 a.m. to 9 a.m. through until 7 p.m., and we endeavour to provide trains and buses to meet that demand. They are certainly well patronised during those times.

**The Hon. CHARLIE LYNN:** You would appreciate that working hours are longer now, and we need to know what action you will take to alleviate some of the overcrowding that is occurring in peak periods.

**Mr SCULLY:** I do not anticipate great change in the morning peak. I think that has been in place for a long time. People seem to be working longer or going home earlier, depending on whether they have shiftwork or can conduct their affairs in such a way that they can leave for home earlier. If the trend would be for a later peak or a more bunched peak—say instead of 3 p.m. until 7 p.m. it was 5 p.m. until 8 p.m.—obviously we would have to change our train services to reflect that. At this stage that does not appear to be necessary; however, it is something that we could monitor. We have people auditing the seat capacity, and 100 per cent means that basically everyone is seated.

**The Hon. JOHN JOBLING:** I travel on trains regularly and I have rarely found many trains without people standing in peak hour.

**Mr SCULLY:** If you want to hear the explanation for how we calculate loadings on the trains, then sit down, brace yourself and you will hear it.

**The Hon. JOHN JOBLING:** With respect, you made the comment about people sitting down.

**Mr SCULLY:** I thought the Committee wanted to hear how we assess loadings. If the seating capacity is in excess of 100 per cent, obviously it means people are standing. When it is at a certain level then it becomes a question of capacity constraints and we need to look at whether we should invest in more infrastructure, whether it be rolling stock or track. In the morning many of our lines are well in excess of 100 per cent because people are standing. But it depends. Some people do not mind standing for a reasonable period; others do. It is a question of providing that service for people and ensuring that not too many people stand for too long.

**The Hon. CHARLIE LYNN:** To make a point about train services, a couple of months ago I was travelling home on a train from the airport.

**Mr SCULLY:** I am happy to talk about the airport line. Why do you not ask me about the airport line?

**The Hon. CHARLIE LYNN:** I will tell you about my trip home. We were all dumped off the train at Macquarie Fields. All the passengers were unloaded onto the platform without any explanation. I had a fair few bags with me because I was coming back from overseas. When I asked the guard why we were unloaded he said that the train had to get back to Central station to maintain the statistics for on-time running and that we could catch another train that was coming through the Liverpool line. Is that a common practice? Many women with babies were quite upset because they were missing connections in Campbelltown.

**Mr SCULLY:** I cannot speak about that particular incident.

**The Hon. CHARLIE LYNN:** I can, because I was there.

**Mr SCULLY:** You can speak about it because you experienced it, but why it occurred on that particular occasion I cannot say without knowing the details. However, I can say that train controllers endeavour to avoid knock-on impacts. If there is a problem in the system, sometimes they need to exercise their discretion on the spot. It may be that you had a train that was going further on in the system and the train controllers made a decision to turn that train around to ensure that it was in position later on in the timetable. If it was out of position, then the impact on commuters may be a lot worse than the impact felt by the people on your train. Those decisions are made by train controllers, signallers and staff every day. Certainly, they try to keep it to a minimum. I think that sometimes we are not as good as we could be in getting to the travelling public explanations for decisions that are made to alter a train pattern.

**The Hon. JOHN JOBLING:** How many would alter each day?

**Mr SCULLY:** It depends.

**The Hon. JOHN JOBLING:** I know it depends. You must have some average figures. Your department must tell you.

**Mr SCULLY:** We have information, but the number of skipped stops is a reflection on on-time running. If the on-time running is poor, generally the number of stations skipped rises as train controllers try to win back time and get the timetable back into sync.

**The Hon. JOHN JOBLING:** What percentage of trains would that happen to each day?

**Mr SCULLY:** If on-time running is going well, very low.

**The Hon. JOHN JOBLING:** What did your figures show last month?

**Mr SCULLY:** I will have to take that on notice.

**The Hon. JOHN JOBLING:** Can I have your figures for the past three months in relation to that?

**Mr SCULLY:** I do not know where Mr O'Farrell is; he was around earlier. He puts in FIOs all the time and figures are made available to him. I am happy to make them available to you.

**The Hon. CHARLIE LYNN:** One comment made by a person on the airport line that day was that surely people are more important than statistics. I am sure you would agree with that.

**Mr SCULLY:** I thought I just explained that. If you have a trainload of people—it could be up to 2,000 people—the train controllers have an unenviable task: Do we continue that train on and minimise disruption to that group of people, or do we perhaps inconvenience them for a shorter period while they wait for another train and reduce the inconvenience to thousands of other people across the network who would be inconvenienced if that train is not back in the system linked to its timetable during the rest of the evening peak? Often it is a question of minimising inconvenience.

**The Hon. CHARLIE LYNN:** I suggest it would be a good idea to communicate with people to give them an explanation. On that day the people were just dumped.

**Mr SCULLY:** I think we can do it better. Often, as you have probably experienced, commuters understand that in a very complex and fast system—which is the CityRail network—there are problems from time to time and they expect to be given information. That is often the complaint; not that there was a problem but that they were not told what occurred or what the reason was for the delay. I do think we can do better.

**The Hon. CHARLIE LYNN:** When will the position of Chief Executive of State Rail be filled, given that it has been vacant since 25 October 2000?

**Mr SCULLY:** As you know, Ron Christie filled the position as acting chief executive with absolute aplomb. If Ron Christie had been keen to take up the position full time I would have been happy to appoint him. Lucio Di Bartolomeo, who is the chief executive of FreightCorp, is now the Acting Chief Executive of State Rail pending appointment, and we have a selection panel in place. It is not a position I will rush to appoint. I do not think the Opposition, the crossbenchers or the travelling public would expect me, as Minister, to rush to make an appointment that may not be a sound appointment. So I am taking some time to ensure that we get it right. Thankfully, we have the services of Lucio, who has had a very strong record. He used to run CityRail and has run FreightCorp for about five years. He is filling the position of Acting Chief Executive, as Michael Deegan fills the position of Acting Co-ordinator General. I think the bases are covered, but certainly I would like to fill the position when appropriate.

**The Hon. CHARLIE LYNN:** I will move on to the Rail Infrastructure Corporation. As at 15 June 2001, at what locations are there current speed restrictions on the New South Wales rail network?

**Mr SCULLY:** I would have to take that question on notice. I think you will appreciate that there are always speed restrictions. I hope you are not of the view that a rail network would never have speed restrictions.

**The Hon. CHARLIE LYNN:** No. I was travelling to Melbourne about two months ago and it was like travelling in a force 10 gale in some parts of the track. It was very difficult to stand up.

**Mr SCULLY:** Just as a road network has speed restrictions, our rail network has speed restrictions. If you mean by speed restrictions a speed that is lower than would otherwise be the case for certain circumstances—

**The Hon. CHARLIE LYNN:** Yes, that is the answer we want.

**Mr SCULLY:** —I can give you that data. Speeds can be reduced for a whole variety of purposes. The ones that you may well be interested in are infrastructure-related speed reductions.

**The Hon. JOHN JOBLING:** Some are 20 kilometres an hour.

**Mr SCULLY:** More often than not, our maintenance crews are going out and checking the track and they are finding that work needs to be done. They put a speed restriction on it, and that is actually how the system works. It works well. I am happy to take that question on notice.

**The Hon. CHARLIE LYNN:** I have a couple of questions that you probably could take on notice as well, and if you would take them on notice, I would appreciate it.

**Mr SCULLY:** Yes.

**The Hon. CHARLIE LYNN:** What is the normal speed at each location? What is the slowest speed at each location? At what times of the day, or during which type of operation, do the restrictions apply at each location? How long are the restrictions to be in place at each location? Why are there speed restrictions at each location?

**The Hon. TONY KELLY:** Could you tell me the cost of providing that information when you have done it?

**The Hon. CHARLIE LYNN:** I appreciate that the Hon. Tony Kelly probably gets a Government car to drive around in, but some others have to travel on the rail network.

**CHAIR:** I suggest that the Hon. Charlie Lynn allow the Minister to answer the question because the honourable member is almost out of time.

**Mr SCULLY:** I will take those questions on notice. A lot of that information is available anyway. The Rail Infrastructure Corporation produces bulletins to train drivers to let them know where there are speed restrictions on the system. I will endeavour to provide that information to you. You should also appreciate that I have made statements publicly that I am concerned about speed restrictions on the interstate track, both north and south. One of the reasons I was able to succeed in obtaining a substantial increase in the portfolio's budget allocation was that the allocation was related to increased track maintenance. Increased funds will be spent during both this current financial year and the next on actually reducing speed restrictions.

**The Hon. JOHN JOBLING:** I am aware that you have produced for the drivers a very lengthy list of speed restrictions, listed by the number of kilometres per hour. Are you satisfied that that information is produced in a way that is comprehensible to the drivers and that they understand precisely where the restrictions apply, or are you placing an unfair impost on your drivers?

**Mr SCULLY:** I have not had anything brought to my attention by drivers or the unions to the effect that they do not understand what is in those bulletins. Lucio might want to add to that.

**Mr DI BARTELOMEO:** In terms of the freight operations in country areas in particular, I think our drivers are made fully aware of the speed restrictions that apply on any given date. I think that information is relatively easy for them to pick up. They are also given prior warnings as they go along on the train and before they hit the speed restrictions, so they are not taken by surprise, should they not have read their written information.

**The Hon. JOHN JOBLING:** What I am putting to you is that the speed restrictions change daily, and they have a very comprehensive list which applies to hundreds of kilometres of track. Sometimes the driver would not be familiar with a track. Are you absolutely satisfied that drivers read these lists carefully and that they understand them and do not rely on the signs along the track for both Country Link and FreightCorp or the freight lines, which have separate warning signs? I ask this because I, too, have spoken to a number of the drivers and I have seen the documents that you put out. I would have to question whether I was satisfied that they have all read and understand them.

**Mr SCULLY:** Bear in mind that the system works on signals and speed boards. The speed boards with which drivers are expected to comply are posted along the network. A number of protections have been put in place. Yes, some of them are quite lengthy but I think the system works reasonably well. I am not saying that it is perfect and that there may not be some communication problems from time to time. I do not know whether Lucio wants to add to that.

**Mr DI BARTELOMEO:** Understand that along the track there are permanent speed signs and they are not necessarily reflected in written information. First of all, drivers do not actually take a route unless they have road knowledge, so part of their training is that they must have road knowledge. It would not be appropriate to say that drivers do not have information about the track that they are going on. They are specially trained for that road. In fact, in the training process new drivers have to go with a second driver who knows the road.

Then there is the question of temporary speed restrictions, which usually apply because of either some maintenance activity that is under way or because of some other problem. It is those that we add to the drivers' information lists at the start of a shift so that they know the route that he will be operating on that day and that there are certain speed restrictions. They, too, are also marked on the track with appropriate warnings beforehand, so again there is a repeat of information. There is certainly other information with which they are provided, but from the speed board I think they have fairly clear and simple instructions.

**The Hon. DAVID OLDFIELD:** Minister, how long do you expect the free travel to continue?

**Mr SCULLY:** The indication from the Labor Council was that it would expire at midnight tonight.

**The Hon. DAVID OLDFIELD:** Has there been any evaluation, or will there be any evaluation, of the increase in the number of people using public transport during this period of free travel?

**Mr SCULLY:** I do not think that I could answer that straight off.

**Mr DI BARTELOMEO:** Because of the fare-free day, we have not been able to keep the gates closed. The gates are open and people can get through the gates easily. That is our primary means of counting our passengers.

**Mr SCULLY:** That and the swipes.

**Mr DI BARTELOMEO:** And the swipes. It is difficult for us in times like this to actually do an accurate passenger count.

**Mr SCULLY:** It is a reasonable assumption that more people would use it. They would say, "You beauty, it's free!" You would expect more people to use it. But the magnetic swipes are our method of calculating passenger levels. Without the gates being open, we cannot tell.

**The Hon. DAVID OLDFIELD:** Certainly, from the minimal observation I have had, a lot more people have used public transport.

**Mr SCULLY:** You would have to assume that a lot more people are using public transport. You would have to assume that would attract more people

**The Hon. DAVID OLDFIELD:** Did you say that it is costing \$2 million a day?

**Mr SCULLY:** Approximately, for train, bus and ferry services.

**The Hon. DAVID OLDFIELD:** Has there been any realistic evaluation in the past of the positive aspects, such as improvements to the environment, by having free public transport?

**Mr SCULLY:** The indications were, I think, that if we made it free, we would not have the rolling stock to satisfy demand. I am not sure that the system could handle it. It is not that it is not ideal—in an ideal world we would perhaps have many, many, many more people using our trains and fewer on our roads. But I think that would create another set of problems.

**The Hon. DAVID OLDFIELD:** So it is reasonable to say, therefore, that the charges, as reasonable as they may be, are certainly an impediment to improving the environmental situation?

**Mr SCULLY:** Relative to overseas, our fares are quite modest.

**The Hon. DAVID OLDFIELD:** That is what I said—"as reasonable as they may be".

**Mr SCULLY:** Compared to overseas, our fares are quite modest. If you compare the cost of our train fares with, say, those in Britain or America, you will see that they are very modest. Most people say that it is a lot cheaper than running a motor vehicle, and it is still quite attractive in that regard. We still have to provide a reliable and safe service, and we certainly had our issues last year with diminished commuter confidence. We have spent a lot of time trying to win that confidence back. It costs a lot of money to subsidise our train services, even with fares being paid. This is a pretty rough call, but only about a quarter or a third of the cost of running our trains is paid for by the travelling public. If we made a decision as a government, on the assumption that we had sufficient track and rolling stock, to make travel completely free, the issue would be that the hundreds and hundreds of millions of dollars that would not be taken in fares would mean fewer hospitals, schools and roads. That is a difficult call for government. I suggest my colleagues might say that that should not be supported.

**The Hon. DAVID OLDFIELD:** I would suggest that you would be right, as far as that is concerned. What is the current status with regard to evaluating crime on the rail system?

**Mr SCULLY:** We have spent a lot of effort dealing with security. Our camera program is just about finished; we have 5,000 cameras on the 305 stations and we have 7,000 high-intensity lights. The police often call for the videotape. We have digital cameras and a number of control rooms. We have two security guards on night trains. I am sorry to say that incidents still occur. I do not think I have ever been asked to guarantee that there will never be any crime on our trains. The number of incidents per passenger journey is quite low, but we still have assaults and robberies, and that is of great concern to me. I would love to have a railway system where that was not the case. But the number of incidents per total passenger journeys is quite low.

**The Hon. DAVID OLDFIELD:** What areas would you nominate as the top three hot spots for crime?

**Mr SCULLY:** The lines of greatest concern are the Bankstown line and the western line, more so than other lines. We have endeavoured to work with police. We have put on some random mobile security teams in the afternoon. We have had some problems on our afternoon trains when schools come out, with youth gangs and things of that nature. We have worked with the transit police. They have conducted some operations with some degree of success, but there are still concerns. We have to just keep at it. As I said, we have spent a lot of time and



effort dealing with security, more so than probably any other railway in Australasia, but the problem still needs to be addressed.

**The Hon. DAVID OLDFIELD:** What is the situation with the exchange of drugs taking place in between stops in the Cabramatta area and trains being used in that manner?

**Mr SCULLY:** That is primarily a police matter. However, the Premier today mailed out an announcement updating our drug strategy at Cabramatta. I have had it brought to my attention that people do travel on the trains to Cabramatta for that purpose. They engage in drug activity, and then leave the Cabramatta area by train. One of the things we did some time ago was to put high-intensity lights at Cabramatta, which then formed the basis of our lighting program on other stations. But it tended to move people away from the train station area. I think the drug problem at Cabramatta is a multifaceted, multidisciplinary problem that the Premier has talked about in terms of drug treatment facilities, health, DOCS, police, councils and transport. It is not a railway problem. It is really a society problem that we are endeavouring to deal with. The member for Cabramatta has had a heavy role in trying to get some strategies in place. The Minister for Health and I have had a number of discussions, because I have health facilities in my electorate.

**The Hon. DAVID OLDFIELD:** I have always lived in an area where there are no trains—something that I am not entirely upset about. During the Easter Show I took the opportunity to catch a train to the show, and I must say I was very impressed with that journey. Do you have any comments to make on what was considered to be the success of trains for the Easter Show?

**Mr SCULLY:** I guess the success of the show was a precursor to the success of the Olympics. I would like to take this opportunity to thank the hundreds of people who put in the thousands of hours of preparatory work with those test events, and the thousands of people who contributed to the success of the Olympic Games. Despite the problems of last year, it showed that when called to the occasion, Australians can perform. It is just terrific when people who come here from overseas speak highly of our performance. I think we can all take credit for that, but particularly the personnel on our buses and trains can take a bow. The Easter Show was really a practice run as to how we should do it for the Games. I appreciate your comment, and I know that the number of transport personnel who are here would also appreciate what you have said.

**CHAIR:** I refer to Budget Paper No. 3, Volume 2, Program 66.1.1 Development, Co-ordination and Planning of Transport Services. Given the efficient and popular services provided by CityRail staff during the Olympics, and the 4 per cent increase in their work load due to increased ticket sales in the last year, has your department increased staffing levels to ensure the provision of adequate service levels and reduce the incidence of stress experienced by staff? If not, why not?

**Mr SCULLY:** A division is now being called, but could I perhaps give the short answer. We put on hundreds of extra staff for the Olympic Games—in fact, maybe more than hundreds. We put on extra cleaners, extra security staff, extra station staff and extra operational staff. Post Games, those numbers were not needed. We have what I believe is roughly an appropriate staffing figure for our operational staff—our guards, drivers, signallers, train controllers and station staff. The number of people we needed during the Games was way in excess of what we need for normal railway operations.

*[The Committee adjourned to allow the Minister to attend a division in the Legislative Assembly.]*

**CHAIR:** Minister, of the buses purchased for operation in Sydney, Wollongong and Newcastle until 30 April, how many are gas powered?

**Mr SCULLY:** Not Wollongong; we have Newcastle and Sydney buses. I will ask John Stott, the Chief Executive Officer of the State Transit Authority, to answer the question.

**Mr STOTT:** The present order is for 300 buses, approximately 160 of which have already been delivered, and they are all gas powered.

**CHAIR:** Are all buses to be purchased in 2001-02 gas powered?

**Mr STOTT:** Yes.

**CHAIR:** Have you considered whether you should encourage private bus operators to purchase gas-powered buses when they renew their fleet? If so, have those considerations been met?

**Mr SCULLY:** That is not State Transit's call. It is a bus operator. That is really a matter for government and the Department of Transport. We certainly encourage the bus industry to use environmentally friendly buses and to comply with disability standards. That is a separate issue. State Transit certainly leads by example with low-floor buses and environmentally friendly buses.

**CHAIR:** Has the Government or the department considered financial incentives that might be able to be implemented?

**Mr SCULLY:** It is always a question of how much you wish to subsidise the private bus industry to improve its performance. We already subsidise them extensively with the School Transport Subsidy Scheme just to get their services to schools in a minimum of service levels.

**CHAIR:** Nevertheless, I do not think the people of western Sydney will differentiate between inhaling fumes from private or public buses.

**Mr SCULLY:** I am happy to talk about diesel fuel. During the next 15 years, as we move to Euro 3 and Euro 4, the quality of the air will be much better as a result of cleaner fuel and cleaner engines. Diesel vehicles will be much more environmentally friendly in 15 years time than could even possibly be thought of at the moment. That, in a sense, is a do-nothing option, and is just complying with the average 12-year age of buses, and as they turn over the fleet they will become cleaner. Whether we should go that extra step and bring it forward and subsidise them to have even cleaner fuels is a more difficult question because it involves allocating less funds in other portfolio areas.

**CHAIR:** Have you given any consideration to upgrading maintenance of your existing diesel fleet? In my estimation a great deal of pollution problems are caused not so much by the diesel motors but by the level of maintenance on the injection systems.

**Mr STOTT:** The issue with diesel emissions is really related to the type of fuel that is used. In Australia at the moment we are using a fairly high sulfur content diesel. The big improvement in emissions during the next few years will be by moving to low sulfur fuel. That is now being introduced in Europe and there is a debate nationally in Australia about when low sulfur will become available.

**CHAIR:** Low sulfur fuel has already been introduced through the BP network, so can you focus on that, for example, because there has been a fuel changeover?

**Mr STOTT:** It is largely focused on Queensland at the moment. Low sulfur is coming through. There is a lot of agitation in the New South Wales industry to advance the roll out of low sulfur.

**CHAIR:** It is available to the public at the present time?

**Mr STOTT:** It is not widely available.

**CHAIR:** Are you saying not in Sydney?

**Mr STOTT:** It is not widely available in Sydney.

**CHAIR:** Would that not be an ideal opportunity, given the existing fleet, to have a changeover? Given that the State Transit Authority is such a powerful customer, could we not see the consumption of low sulfur diesel fuel taken over by the government bus fleet?

**Mr STOTT:** The whole of the industry is agitating very strongly for low sulfur at the moment. It is a question of switching over the refineries to a new refining base.

**CHAIR:** I am interested because I can obtain low sulfur diesel fuel as a member of the public with no problem at my home in the north of the State. Is it not available in Sydney?

**Mr STOTT:** The key in Sydney is that low sulfur is not widely available in the volumes that we require. State Transit consumes something like 35 million litres of diesel a year, and that sort of volume is not available to us at the moment. We would very much like it to be.

**CHAIR:** Comparing State Rail with CityRail, will you have enough carriages for the expected demand in 2006? I understand that all CBD rail capacity will be utilised in peak hours by early next decade, requiring a totally new rail line from the suburbs to the CBD. Could you tell the Committee whether there are any plans for this line?

**Mr SCULLY:** I am sorry?

**CHAIR:** There will be a need for a new rail line from the suburbs to the CBD to facilitate the increase in rail capacity.

**Mr SCULLY:** Are you talking about the southern suburbs? You said "the suburbs". I am not sure which suburbs.

**CHAIR:** I am asking you what suburbs and do you have any plans?

**Mr SCULLY:** First of all I will deal with capacity problems. We have a program of acquiring additional carriages. We intend to replace some of the ageing Tulloch cars. We have 81 Millennium trains, which we expect to have ready for commissioning later in the year, when they will be coming off the press. Then, during next year and following there will be delivery of that full contract. The Premier announced in late March that we would purchase the second tranche of the Millennium train contract, which is another 60 carriages, and another 40 intercity cars. That will deal with the growth in the Illawarra and the Central Coast. Because more and more people are wanting to travel to Sydney from the Central Coast and Wollongong, we need those extra 40 cars. Those extra trains will substantially deal with patronage growth over the next few years.

**CHAIR:** I refer to Budget Paper No. 3, Volume 2, page 18-23, subprogram 66.1.1, Development, Co-ordination and Planning of Transport Services. With rail patronage increasing by up to 6 per cent from some outer western Sydney stations in the past year, why is your Government encouraging the continued use of cars by building roads such as the Western Sydney Orbital? And what is your position at the present time on the Parramatta to Chatswood rail link? Are you therefore compelling the public to use expensive, polluting cars?

**Mr SCULLY:** That is a multifaceted question.

**CHAIR:** Is that a problem?

**Mr SCULLY:** No, but it is a triple-barrel question. I will deal first with the Western Sydney Orbital. That is primarily a north-south freight link that deals with interstate trucking traffic, but also with motoring traffic that is unable to adequately access the M5, M4 and M2. It really is not about people wishing to travel, say, from the western suburbs of Sydney into the city. It is quite different. Of course we encourage people to use public transport, but we have to build stage one of the Parramatta rail link from Epping to Chatswood to free up those four trains per hour so that those train paths coming in from western Sydney will be able to take up to 18,000 extra people per peak with the additional carriages we are purchasing. So, essentially, people coming from the Central Coast and the northern suburbs of Sydney can be diverted around Epping to Chatswood and onto the excess capacity across the bridge, which would instead come down the northern line into Strathfield and along the western line. That is taking up space that we need to free up with those new carriages for people coming in from the west.

**CHAIR:** Given the oft-made criticism that much is spent on road transport and road infrastructure as compared to rail, can you give the Committee an estimate of the balance between development of rail in the metropolitan area as compared to road networks?

**Mr SCULLY:** I think that is a pretty fair comment if you look at the history over the past 30 years. I have made a number of public comments that, generally, the road investment has kept pace to a reasonably sufficient degree with population growth. If you look at motorway developments and secondary road developments over the past 30 years, it has generally kept pace with population. There have been some examples in the past 10 years, particularly say Windsor Road, where the previous Government did not properly plan its release of the north-west. We have had to retrofit and solve the problems that that Government left us.

But I do not believe that rail has kept pace with population growth. There are certainly areas around Sydney where it would have been desirable to have built more rail lines. We are starting with that process. Certainly, the Epping to Chatswood line is important, and the Beecroft to Castle Hill line is important. Regional centres need additional and faster railway access. But it would have been an easier job for me if my counterparts of 30 years ago had started a major investment. In the past 50 years we have had the completion of the City Circle, the eastern suburbs railway and then the airport line. So, essentially, we have had three projects in half a century. If we look at road developments over that time, they were pretty solid and consistent. So, yes, we need to address this question,

and I believe we are doing that. We completed the airport line, started by the previous Government but funded virtually entirely under this Government's budgets, and we are getting on and continuing that.

**CHAIR:** Can you give an estimate of your expenditure on road-based infrastructure development compared with rail and public transport options?

**Mr SCULLY:** I will take that question on notice. The Wran Government opened the eastern suburbs railway line in 1979. This Government funded, to the tune of about \$700 million, the airport line. It was signed up literally days before the 1995 election but it was funded entirely by this Government. We will be spending \$1.6 billion on stage one of the Parramatta rail link. That is a pretty significant investment. So prior to 1995 there was nothing. There was literally nothing from 1980 to 1995. I am happy to take that question on notice.

**CHAIR:** I refer to stage one of the Parramatta to Chatswood rail link. What is the position with the overall development of that rail link?

**Mr SCULLY:** The Government is committed to the full project. We intend to get planning approval for the whole project. We are currently assessing the Parramatta to Epping link. We will determine in the next few months or so how we might deliver the rest of that project.

**CHAIR:** When can the public expect to see that project operational?

**Mr SCULLY:** I cannot answer that question. This Government has made a major commitment. Essentially, I had a choice. The cost estimates were about \$2.3 billion as opposed to the original estimate of \$1.4 billion. The figure that Ron Christie and I worked on to resolve the problems with which the rail industry was beset last year was of the order of \$1 billion over the next four years. I made a decision, which I put to the Premier and the Treasurer. I said that rather than funding the full Parramatta rail link—which represented an extra \$1 billion—that money should be spent on upgrading the existing rail network. The figure in fact is \$1.6 billion. The Government put another \$200 million into the original estimate for the Parramatta rail link. But we spent the additional money, in a sense, on extra maintenance and rolling stock, increased maintenance of trains, and other bits and pieces in the system. It will take us two or three years to get back to where we should have been.

**CHAIR:** In the north of the State, for example, we have had discussions in the past about a passenger rail link between Casino, Lismore, Byron Bay and Murwillumbah.

**Mr SCULLY:** Are you talking about a light rail link?

**CHAIR:** I am not necessarily talking about a light rail link; I am talking about using existing heavy rail lines. All sorts of opportunities are available to us to establish a commuter rail link. Have there been any investigations into public transport in those areas which have a rapid population growth and which are devoid of adequate public transport?

**Mr SCULLY:** I am happy to consider seriously any proposal for a service that might be patronised. These things cost a lot of money. I know that people like these services, but often the vast majority of people who are calling for them tend not to use them. A lot of people were supportive of an airport line, but it is not being used to anywhere near the extent that the previous Government thought it would be used. I want to ensure that when we invest money, people use those sorts of services. I know that the Byron Bay area is a fast growing area. We just need to be cautious. It is a balancing act between providing services where people are most likely to use them and not investing in infrastructure that might not be patronised to the degree that we would like it to be patronised. If the honourable member has a proposal to put to me which he would like me to examine in more detail I would be happy to do so.

**The Hon. JOHN JOBLING:** Minister, have you received the report on ferry accidents, which was promised on 31 May 2001?

**Mr SCULLY:** As the Hon. John Jobling would be aware, there were reports into the *Collaroy*, the *Susie O'Neil* and the *Marjorie Jackson* and related matters. I announced that the master and the deckhand who took over while the master was absent on the Collaroy have both been prosecuted in relation to other matters. I announced steps that were being taken to implement recommendations. So, yes, I have received the reports. I have made public statements and appropriate action has been taken.

**The Hon. JOHN JOBLING:** Have you released the reports to the media and to the public?

**Mr SCULLY:** I do not know whether or not the Hon. John Jobling is a lawyer. Obviously he is not a lawyer as he has asked a question such as that. It is not appropriate to release a report which recommends that there be a prosecution until after that prosecution has been launched and completed.

**The Hon. JOHN JOBLING:** You asked Mr Taylor to lead an inquiry and to examine crewing, reliability, performance and maintenance issues?

**Mr SCULLY:** You asked me a question about accidents. There has been a recommendation in respect of prosecutions relating to accidents. So it is not appropriate that any reports be released in that regard. In relation to matters concerning the performance of Sydney Ferries, such as crewing, maintenance and the performance of SuperCats, JetCats, et cetera, Matt Taylor's report has not been concluded.

**The Hon. JOHN JOBLING:** Minister, when do you expect the report?

**Mr SCULLY:** When it is concluded.

**The Hon. JOHN JOBLING:** It was due in May 2001.

**Mr SCULLY:** It was due on 31 May. A statement was released by the Waterways Authority that it had sought an extension of time from me. That extension of time was granted.

**The Hon. JOHN JOBLING:** When do you propose to release the report into the rail accident at Kingsgrove, which occurred in October 2000?

**Mr SCULLY:** Once again, that is already on the public record. I am not sure how good the honourable member's clipping service is. I suggest that he might have it updated.

**The Hon. JOHN JOBLING:** I would suggest it is quite current.

**Mr SCULLY:** When I was on the East Hills line I was asked by the media to explain the cause of that accident. I will say today what I said then. The inquiry found that there were problems with the way in which the weld joints had been done, which contributed substantially to the derailment.

**The Hon. JOHN JOBLING:** I then refer to improving passenger safety. Minister, if you have the report relating to that accident at Kingsgrove why has it not been released? Why is it not in the public interest to lease release it?

**Mr SCULLY:** As a general matter, it is preferable not to release reports if that might result in staff being less than frank in their discussions with people conducting investigations.

**The Hon. JOHN JOBLING:** Do the public not own the system? Are they not entitled to know? Why are you not telling the public?

**Mr SCULLY:** What the public would like to hear is that when incidents occur, investigations are full and frank and that staff do not have a problem in being full and frank in those investigations.

**The Hon. JOHN JOBLING:** They would like to know the truth. They do not want to hear what you are saying. They would like to see the report.

**Mr SCULLY:** The fact that the weld joints were not carried out in the manner that they should have been substantially contributed to the cause of that accident.

**The Hon. JOHN JOBLING:** So release the report.

**Mr SCULLY:** It is already on the public record.

**The Hon. CHARLIE LYNN:** Will the Minister commit to putting line by line on-time running on the Internet? If so, when might that be done?

**Mr SCULLY:** I do not believe that my predecessor ever thought about putting on-time running on the Internet. I do not believe that the former chief of staff to Bruce Baird—Barry O'Farrell—ever recommended that

on-time running be put on the Internet. I do not believe that he ever did that while the Coalition was in government.

**CHAIR:** Was that not in another age? Technology has moved on.

**Mr SCULLY:** We have been collecting statistics relating to on-time running, but those statistics have certainly not been published. The Internet has been available for several years. It was certainly available prior to the election of this Government in 1995.

**The Hon. CHARLIE LYNN:** Minister, do you believe that it would be in the public interest to supply that information?

**Mr SCULLY:** It is appropriate to make the public aware of on-time figures. They have been posted on the Internet. Certainly other administrations have done that, but I do not think that that applies to many of them.

**The Hon. CHARLIE LYNN:** Are you referring to line by line on-time running on the Internet?

**Mr SCULLY:** Generally. We have been pretty full and frank. It is appropriate that the public are informed about on-time running figures.

**The Hon. CHARLIE LYNN:** I had an experience of that recently at Campbelltown. I checked the Internet the night before I was to travel to Campbelltown to get the airport train. I found that trains on the East Hills line had been cancelled; they were not running. That had been the position for a week. I said to the person selling the tickets, "I checked the Internet last night to see if the trains were running on time." He said to me, "Don't believe that stuff, mate." It cost me \$70 in taxi fares from the railway station at Campbelltown to the airport. Things like that make people lose faith in the Internet and in the rail system.

**Mr SCULLY:** Whatever is published, the public know when trains are performing well or when they are not performing. On-time running figures, line by line, are on the system averages anyway. So even if we published on-time running figures for a particular line over a week or over a month, those figures might be better or worse than the average figure. If incidents occur on any occasion the public will be disappointed, irrespective of what we might load on the system. Are you talking about a track possession on the East Hills line?

**The Hon. CHARLIE LYNN:** Yes. Apparently the line was out for maintenance and apparently had been out for a week.

**Mr SCULLY:** I am happy to deal with that. We have a substantial building program on the East Hills line.

**The Hon. CHARLIE LYNN:** I appreciate that, but I checked the net the night before—

**Mr SCULLY:** We have a pretty substantial communications process in place.

**The Hon. CHARLIE LYNN:** The net showed that the 5.38 train was running and that I could catch it to the airport. When I got there I was told it had not been running for weeks

**Mr SCULLY:** If that was incorrect, I apologise. But we have a substantial program of rebuilding, and I think you would be familiar with the reason. The reliability on the line has not been as great as it should be. It has probably been one of our most difficult lines to provide reliable on-time running.

**The Hon. CHARLIE LYNN:** I appreciate that. It is just a matter of keeping the information current.

**Mr SCULLY:** Absolutely, and I do not pretend to suggest that the information flow from CityRail to its customers is perfect. It is an area in which we need to continue to improve. Not infrequently the information may not be exactly as it should be. I would certainly ask Mr Di Bartolomeo, as Acting Chief Executive, to examine that. I have advised my senior staff that whenever there is a track possession they have to make sure that the travelling public is well aware. Signs are put up and it is promoted and, where appropriate, it is advertised and flyers are handed out at railway stations. Sometimes things slip through the gaps. I cannot explain what occurred on that occasion.

**The Hon. CHARLIE LYNN:** Minister, when was the last quarterly customer satisfaction survey carried out by CityRail?

**Mr SCULLY:** I will have to take that on notice.

**The Hon. CHARLIE LYNN:** Will you also advise when the next survey will be carried out?

**Mr SCULLY:** Yes.

**The Hon. CHARLIE LYNN:** Will you be able to provide the results of the most recent survey?

**Mr SCULLY:** I will take that on notice.

**The Hon. JOHN JOBLING:** It is my understanding that the feasibility study into high-speed rail for the Newcastle line was completed during 2000-01. Is that correct?

**Mr SCULLY:** We have not completed all our feasibility work on that line.

**The Hon. JOHN JOBLING:** When do you expect that you may complete it?

**Mr SCULLY:** I would expect that during the next financial year we will substantially complete, if not complete, our assessment of that line.

**The Hon. JOHN JOBLING:** Does the same thing apply on the Illawarra line?

**Mr SCULLY:** We have conducted some preliminary assessment of that line. That line is anticipated to be built in other areas than the Hawkesbury to Central Coast and beyond. Obviously less work has been done on that.

**The Hon. JOHN JOBLING:** I turn briefly to the Bondi Beach railway, the failed or "did not happen" line. Can you indicate to the Committee, looking at Budget Paper No. 3, volume 2, the cost of the compensatory payment to the Bondi Beach Railway Company? Can you tell me what it was

**Mr SCULLY:** The compensation to the proponent is currently being negotiated between the proponent and State Treasury. I am happy to indicate to the Committee that one of the reasons we were concerned about that was the experience of the airport line. I would like to think there is a unanimous view that that was a very big mistake by the previous Government—cobbled together just before the 1995 election, that resulted in a very poor contract. The Hon. Charlie Lynn is on the East Hills line. One of the problems I have is that I would like to divert trains from the airport line to the more traditional way into Sydney and I cannot, because I have a 30-year contract which the previous Government stitched me up with. These are things we wanted to avoid on the Bondi Beach line. Yes, we have agreed to pay compensation but the amount will be negotiated.

**The Hon. JOHN JOBLING:** It was suggested the reason the line did not proceed is that you would not guarantee trains for the line. What do you say about that allegation?

**Mr SCULLY:** It is not an allegation. There are a number of reasons we chose not to proceed. Not necessarily in any order of priority, but the risk assessment of the patronage was a concern to us; the train warranty was a concern to us; and, to a secondary extent, the environmental impact was a concern to us. On the airport line the risk assessment is such that potentially the taxpayer may have to pay the full investment cost to the private sector of \$200 million. I think that is a pretty poor deal and the members of the previous Government have not been properly held to account for the way they cobbled together a political document that left taxpayers exposed to \$200 million.

So, rightly, we said: Hang on, this is not a dissimilar type of project. It involves premium fares; it involves assessment of patronage and potentially leaves taxpayers exposed. So, as a government we said we were not prepared to go down the path that the previous Government went down. The next thing is train warranties. Once you make a commitment in a contract to deliver a certain number of trains per hour, you are locked in. We have eight trains per hour on the airport line and members of Parliament, commuters, school groups, any number of people, are coming in to see me, wanting me to put fewer trains on the airport line and send them the more traditional way into Sydney, and I cannot.

**The Hon. JOHN JOBLING:** So basically it is correct that the Government, at the end of the day, could not guarantee to make trains available on the Bondi Beach line?

**Mr SCULLY:** No, that is not correct. Do not put words in my mouth.

**The Hon. JOHN JOBLING:** That is what I asked you in the first place and you obfuscated and did not answer.

**Mr SCULLY:** No, that is a flippant question. You are trying to suggest that we were not prepared to put trains down the line. That is silly.

**The Hon. JOHN JOBLING:** That is an allegation that has been made and that is what I asked you.

**Mr SCULLY:** That is absolutely untrue. Of course we were going to put trains down the line. We were asked to give a 30-year contractual commitment of eight trains per hour. We were not prepared to do that because of what we experienced on the airport line.

**The Hon. JOHN JOBLING:** So you did not give them a guarantee of trains. That is fair enough.

**Mr SCULLY:** No, they asked for eight trains per hour. We said we were not prepared to give the train warranty guarantee to that extent for that length of time, because it is the thumb on the end of the body.

**The Hon. JOHN JOBLING:** At the end of the day the answer is still no. To return to the budget, you have indicated that compensation is being negotiated.

**Mr SCULLY:** Yes.

**The Hon. JOHN JOBLING:** Where in the budget is provision made for compensation payments?

**Mr SCULLY:** The agreement has not yet been put together.

**The Hon. JOHN JOBLING:** You are obviously going to have to pay money, so you have to have a pool of money somewhere. Where in the budget can I identify a contingency sum that is big enough to pay that compensation?

**Mr SCULLY:** It would be Treasury supplementation.

**The Hon. CHARLIE LYNN:** Minister, why has there been a \$9.7 million reduction in the amount of money allocated to the Broken Hill rail car project?

**Mr SCULLY:** There has not. I do not know what papers you are reading.

**The Hon. CHARLIE LYNN:** I am referring to Budget Paper No. 3, Volume 2, page 18-5.

**Mr SCULLY:** You may have misunderstood. Perhaps if I could walk you through what we are doing on the Broken Hill line that will explain the position. We propose to go through two processes on the Broken Hill line. As you will recall, the previous Government cancelled the Broken Hill service. We promised prior to 1995 to return it. We did. We had to bring back into service 50-year-old rail carriages. They then became unsafe. We withdrew them and gave a commitment that they would be returned. When the Dapto to Kiama electrification finishes we will have an opportunity to refurbish three Endeavour cars to three Xplorer cars, which will cost about \$2 million, and which we will then hook and pull to Broken Hill some time around the middle of next year. I have also indicated that in addition to the 14 rail cars that we are going to put into the Hunter, we will add another three to that contract and will send three brand-new rail cars out to Broken Hill. That will cost of the order of \$12 million for three new rail cars and about \$2 million for the refurbished cars. So, Broken Hill gets a good deal from this Government.

**The Hon. CHARLIE LYNN:** So, will Broken Hill and Griffith have their rail cars by December 2001? [Time expired.]

**The Hon. DAVID OLDFIELD:** Minister, have you had concerns about the suitability of the *Mary McKillop*, which has been put in service on the Manly run, especially when it is rough crossing the Heads? I understand that a few months ago a wave hit the vessel and broke windows, causing a great deal of water to run into the cabin.

**Mr SCULLY:** I was sufficiently concerned to have Waterways conduct an independent review. Part of the assessment of that is the suitability of the SuperCat acquisition program and the proposal to remove JetCats from service. Matt Taylor's report has not been concluded.



**The Hon. DAVID OLDFIELD:** Have any concerns being raised with you regarding the difficulties experienced as a result of the changes to the Manly interchange, problems including road closures, the inappropriate redirection of traffic, noise and fumes, road safety issues produced from the area on East Esplanade now allocated for waiting buses, and changes causing operational difficulties, particularly for taxis?

**Mr SCULLY:** Not in some of the usual ways—either by having meetings with me or the local member, or councillors buttonholing me. That is not to say that correspondence has not been received. I receive about 25,000 letters a year. There may be some correspondence but I am not directly aware of those issues. I am happy to have them examined.

**CHAIR:** Do you agree that the fare on the airport rail link is not competitive, compared to the cost of taxis from the city?

**Mr SCULLY:** One concern I had about the Bondi Beach rail link—

**CHAIR:** I am talking about the airport rail link.

**Mr SCULLY:** It is related. One concern I had was the experience of the premium fare. I think people are reluctant to pay for their railways to the extent that that required. I think motorists are much more used to paying and prepared to pay a user charge than rail commuters might be, in addition to the conventional rail fare. It is fair to say that people have probably voted with their feet.

**CHAIR:** Are you considering a fare reduction on that link?

**Mr SCULLY:** Not at this stage. We are already exposed on that project and we are in negotiations, obviously. The National Australia Bank has moved in effectively as administrator of that private sector business. It is a private business; it is not a government business. However, the contract is so shonky that it leaves us seriously exposed. We are trying to hold the walls of Jericho but it is difficult, given that the interests of taxpayers were not taken into account. The interests of the previous Government getting re-elected seemed to be what motivated the clauses in the contract.

**CHAIR:** I refer to Budget Paper No. 3, Volume 2, page 18-25, subprogram 66.2.1, Assistance for General Traffic and Freight Services. The amount of \$72 million is to be spent on funding the carriage of freight on rail that would otherwise not be commercially viable. I am tempted to ask whether the privatisation of FreightCorp is proceeding. However, as the privatisation of FreightCorp is proceeding, will this amount be paid to the purchaser of FreightCorp?

**Mr SCULLY:** Not necessarily. One thing we are currently examining is how to ensure the continued carriage of grain and how best to deal with those customer service obligations. The Government is currently considering a variety of options.

**CHAIR:** Are you considering a reduction of subsidies for road freight transport which will make rail freight uncompetitive?

**Mr SCULLY:** Part of the FreightCorp sale involves a litany of issues, some of which have not yet been resolved. One issue that we are endeavouring to resolve quite soon is those subsidies. I am not being deliberately vague. It is just that we are in discussions about these very matters within Government, between my agencies and Treasury, and they have not yet been concluded.

**CHAIR:** I turn now to the School Student Transport Scheme. Have you been able to find out the total subsidy to children in non-government schools?

**Mr SCULLY:** I will have to take that question on notice. The total cost is about \$400 million plus, but I will have to take that the question on notice in relation to non-government schools.

**CHAIR:** Do you have any idea—perhaps you need to take this on notice also—of the total subsidy for children travelling past their local government school?

**Mr SCULLY:** I am happy to take it on notice, but it would not be insignificant.

**CHAIR:** Can you tell the Committee which companies received the five largest payouts under the scheme?

**Mr SCULLY:** I am happy to take that question on notice.

**CHAIR:** Can you give an opinion of whether the levels of accountability for this massive payout are adequate?

**Mr SCULLY:** I think we could do better and we intend to. I have asked the new Director-General of the Department of Transport to keep an eye on this and see if we can improve the auditing processes and ensure that private bus companies that receive government funding convey children on time, pick them up on time and travel the routes they are supposed to travel. We have started to take a more serious look at these things.

**CHAIR:** Do you think you are receiving sufficient data to ensure that the money is well spent, or do you concede that it is a bit of a grey area at the moment and you are not getting value for money?

**Mr SCULLY:** I think we need to do better. I have asked the new Director-General to improve the accountability of private bus companies. We have had a lot of complaints about buses not necessarily turning up when they should, turning up late, leaving early or not travelling the routes they are supposed to travel. Most of the private bus companies do a good job and provide the service. However, given that we have had a series of complaints over a sustained period, I have been concerned enough to request the department to have a good look at the matter. We still have not completed that work. However, it would be fair to say that we will be putting increased pressure on the private bus industry to perform better and provide better accountability for the money that Treasury pays on behalf of the taxpayers.

**CHAIR:** Do you consider that the scheme is under control at present?

**Mr SCULLY:** I think we probably need to have improved controls. Overwhelmingly, it is a good scheme that provides a good service to thousands of students, but some students are being disappointed and many parents are complaining. We need to address those complaints.

**CHAIR:** The time for questions on Public Transport has expired.

[Short adjournment.]

**CHAIR:** The Committee will now deal with the Roads portfolio. The Hon. David Oldfield will begin the questions.

**The Hon. DAVID OLDFIELD:** Minister, regarding the accepted bottleneck of the Spit Bridge over Middle Harbour, is there any truth that consideration has been given to the bridge not opening any longer in the near future and to the proposition that vessels moored on the other side of the bridge should either be low enough to go under the bridge or that yachts will have to have collapsible masts because of the impediment to traffic?

**Mr SCULLY:** No, but it is a perennial problem. Yesterday in question time I was asked the same question by Mr Barr. My answer then was the same as the one I give tonight, namely, it is a difficult balance between motorists and water traffic. I get probably not as many complaints from water traffic as I receive from motor traffic, but it is a difficult situation. We try to get the balance right, but, no, I have no plans to do what you suggested.

**The Hon. DAVID OLDFIELD:** Often there are a couple of thousand cars and four or five boats, and according to my recollection on weekends the bridge opens 13 times a day and probably deals with less than 100 boats.

**Mr SCULLY:** I am happy to review that, but I think that the opening times cannot be set in stone. I have no plans to require people to go under the bridge or to have collapsible masts. Whether or not we have got the balance right between motorists and water traffic is a moot point. I am happy to have Mr Paul Forward, the chief executive of the RTA, and Matt Taylor, the head of the Waterways Authority, as two chief executives who work together on that, to see whether we can get a balance that is more effective.

**The Hon. DAVID OLDFIELD:** When does the Minister anticipate the commencement of the Cessnock bypass?

**Mr SCULLY:** I think a better question would be about the F3 to Branxton link. That is one that will require substantial Commonwealth contribution—it will deal with the big traffic problems around Maitland and Cessnock—in the order of about \$280 million, off the top of my head. We will soon have completed the BIS representations report for the Department of Urban Affairs and Planning. I recently went up there at the request of

the council. About a year ago I put on the table an offer that they could have, out of my rates budget, \$10 million over three years to deal with heavy traffic problems through the town. They put to me that they would rather use the funds for general traffic facility management issues. I went up there and had a look at some other things they had in mind. I have approved that as an alternative to building maybe a shorter bypass, but it is unlikely in the foreseeable future that we would spend \$30-odd million to build a bypass. I think the pressure has got to be kept on the Commonwealth to construct that F3 to Branxton link.

**The Hon. DAVID OLDFIELD:** My next question relates to the F3. The Prime Minister recently promised, as I understand it, \$80 million to upgrade the F3 to Mount White to three lanes each way. What proceedings are under way to expedite the allocation of Federal funding?

**Mr SCULLY:** Can I just set the record straight? A little bit of mischief took place there. We were asked to do the work and we were subsequently paid \$900,000 to do an assessment of options for upgrading the F3 to the Central Coast. We put a number of options to the Federal Government which varied from \$180 million to \$390 million. The \$390 million was the gold-plated option that was the safest. It involved steep climbs being flattened, steep curves being straightened out and breakdown lanes being wider. The \$180 million was the spartan version, in a sense, that provided six lanes all the way to the Central Coast. Unfortunately, the Prime Minister took the "1" off the 180 and opted for an even shorter version of the cheapest option.

In the Federal budget that came out four days after his announcement, there was not one cent allocated for the project. Not surprisingly I said, "Hang on a minute", but there was not a cent. John Anderson made the announcement that we had received money for planning. We had not. We had been paid for the work that at the time the Prime Minister absorbed and then made a decision upon. Subsequent to that we got \$2 million, which I had asked for, post budget. It was not in the budget. We are getting on and doing the environmental work that needs to be done to get on with the job. I appreciate the \$80 million. I am not going to be mean spirited. We appreciate the \$80 million, but it is a pretty cheap version compared to what could have been done on the F3.

**The Hon. DAVID OLDFIELD:** Budget estimates show an allocation of funds towards the Pacific Highway upgrade to Queensland. Given that \$160 million for State-funded works and the State's share of joint State-Federal projects has been allocated in this year's budget, can the Minister indicate the total costs to the State of the upgrade of the Pacific Highway and the estimated time frame for completion?

**Mr SCULLY:** Do you mean a divided dual carriageway all the way to the Queensland border?

**The Hon. DAVID OLDFIELD:** Yes.

**Mr SCULLY:** That is in the order of about \$4 billion, so the project that was signed by Laurie Brereton and Michael Knight—two Labor Governments—in January 1996 marked a great moment in the history of the North Coast.

**The Hon. JOHN JOBLING:** Grafton?

**Mr SCULLY:** A great place, a great town, and a great local member.

**The Hon. TONY KELLY:** And a mental step forward for Country Labor?

**Mr SCULLY:** Absolutely. It was almost there.

**The Hon. TONY KELLY:** Even before our inception.

**Mr SCULLY:** Those were the first footsteps towards the creation of Country Labor. The sum of \$2.2 billion was the commitment then. The commitment of State Labor was \$1.6 billion and for Federal Labor at the time it was \$600 million. Thankfully the Coalition Opposition promised to continue that program without impact on the National Highway. The first part was delivered. The second part was not delivered. The Coalition continued the commitment but robbed us of the National Highway program, so \$2.2 billion is being spent over a 10-year period from 1996 of a total cost of \$4 billion to go all way to the Queensland border. It is an absolutely gargantuan project that is hugely expensive, and that probably would not be completed until about the middle of the next decade.

**The Hon. DAVID OLDFIELD:** The middle of the next decade?

**Mr SCULLY:** Possibly. You are talking about us completing by it 2006 with the \$2.2 billion. We then have another \$1.8 billion, but one would have to say that it may take another six to 10 years to do it. It is a lot of money,

but I have asked the Commonwealth Government to commit. We want to keep spending the money. We have been spending \$160 million each and every year. We spend a lot of money. We would like to continue the program. I have invited John Anderson to give a commitment beyond 2006. He has declined to do so. It worries me that, when it gets to 2006, the Commonwealth will withdraw from the field and leave us to try to continue the program. It just will not get there as fast.

**The Hon. TONY KELLY:** It might not be John Anderson's problem.

**Mr SCULLY:** He might not have a seat.

**CHAIR:** Minister, as I understand it, of the \$116 million allocation to complete the M5 East motorway, a spokesperson was reported to have said that \$10 million is for improvements to the ventilation stack. Is this correct? What are the improvements?

**Mr SCULLY:** Mr Chairman, I have a document here that I think would be of particular interest to you and the Committee. It has been made available to us from Norway and it concerns particle filtration systems. The \$10 million figure in the budget is obviously to deal with the cost—I think that is what you are referring to—of the property guarantee. But there are two individuals, one of whom is the director of public roads in Norway and the other from the geology department, who have actually produced a paper out of a tunnelling conference that took place in Paris last week. The paper begins by stating:

... complaints ... about poor environment in road tunnels ... are more due to "fear" based on misunderstanding than concrete conditions which are injurious to health. Such fears can in the long run be a greater strain on oneself than tunnel air itself.

The paper then states:

... attempts have been made, with variable success, to separate the pollutant particles and gases in the ventilation air before it is released to the surroundings. In general it must be said that the chances of success are limited, due to the great volumes of air involved, the complexity of the systems, and the high costs.

I will take the Committee to the conclusion. I am happy to make this report available.

**CHAIR:** Would you like to table it?

**Mr SCULLY:** I am happy to table it. The reason I am doing this, Mr Chairman, is that there have been two upper House inquiries into the M5 East filtration system. A lot of effort by a number of crossbenchers, along with Residents Against Polluting Stacks and some elements of the Opposition, also has been put towards convincing me that I should spend the \$40-odd million to put in an electrostatic precipitator. A number of people in that process have relied on Norwegian authorities to justify a claim. The director of road infrastructure in the Norwegian Road Authority said:

From a practical, traffical, environmental and economical point of view our investigations and measurements indicate that use of electrostatic filters in road tunnels with heavy two-way traffic...should not be recommended.

**CHAIR:** With respect to the head of the Roads and Traffic Authority here, many would say that the equivalent head is not necessarily the authority that is believed to be in an independent position to make a decision free of government decisions, whether it be Australia or Norway.

**Mr SCULLY:** There is also the Department of Geology and Mineral Resources Engineering, which is a co-author. But the Norwegian Road Authority is the one that has been operating tunnels with electrostatic precipitators. It is that road authority that has found them to be inefficient and unproductive and simply not providing the outcome. They turn them off. They do not operate them, because they do not work. Here we have a paper actually confirming that. I am putting the document on the table. I think more words have been spoken on that issue alone than any other issue in my Roads portfolio. Those who are conveying to me the view that we should have an electrostatic precipitator have relied heavily, sometimes almost solely, on Norwegian authority. Here we have a Norwegian authority saying: "They don't work. Don't put them in. We are turning them off."

**The Hon. JOHN JOBLING:** With respect, you are putting ventilation, not filtration, in the M5 East tunnel. I attended that meeting. They are turning them off not because they do not work, but because of the studs and rubber coming from tyres, and also so that they are available for the times when they need to use them.

**Mr SCULLY:** Read the paper.

**Document tabled by leave.**

**Mr SCULLY:** I am happy to answer the question on the property guarantee. Concerns were raised by a number of residents, including the Residents Against Polluting Stacks [RAPS] protest group, that there was an inconsistency in providing a property guarantee for people affected by portals and other aspects of the project, not those who lived within a certain distance of where the stack had been relocated.

**CHAIR:** I understand that the buy-out was estimated to be \$10,000. Is that correct, and on what basis was the property buy-out based?

**Mr SCULLY:** We provided a property guarantee to the people who live above the tunnel. We have assessed the number of people who are taking up the option of selling their properties above the tunnel and at the portals, and then extrapolated that to the area around the stack, and made an estimate of how many we expect will take up the offer and what we expect to lose on buying and selling related to our experiences at the portals and around the tunnel. That is somewhere between \$5 million and \$10 million. It really depends on market price at the time and on how many take up the option. That is a rough estimate based on experience in other parts of the project.

*[The Committee adjourned to allow the Minister to attend a division in the Legislative Assembly.]*

**CHAIR:** In relation to the M5 East, what would be the cost if every home owner within a 400 metre radius of the stack took up the offer?

**Mr FORWARD:** We did a calculation of the take-up rate in other areas and it was based on that. From memory, something like half the houses would take it up. Remember, it is the differential: we would resell the properties after we had acquired them.

**Mr SCULLY:** I will take that on notice.

**CHAIR:** Did all of them take up the offer?

**Mr SCULLY:** It involves an estimate of not just the take-up. One could have a 100 per cent take-up but it also involves an estimate of the sale price when we resell it. Usually we take a loss of 5, 10 or 20 per cent. There is an element of estimation even if one assumes the argument that all will be taken up. I will have to take that on notice.

**CHAIR:** What is the take-up rate for the 1997 offer to home owners above the road tunnel and those within 100 metres of the portals?

**Mr SCULLY:** It is roughly 50 per cent for the portals and about 30 per cent for the tunnel. Is that right?

**Mr FORWARD:** I am not quite sure.

**Mr SCULLY:** They are rough figures, I will have to take that on notice.

**CHAIR:** What has been the cost of the whole scheme so far?

**Mr SCULLY:** I will take that on notice.

**CHAIR:** What is the average gap between the price of the sale of the property to the RTA and the rate of resale to the new owners?

**Mr SCULLY:** I will take that on notice.

**CHAIR:** Is hardship defined in terms of the health of the residents, financial capacity, visual considerations or in some other way?

**Mr SCULLY:** It is flexible, so we can determine it on a case-by-case basis. As members of Parliament we get all sorts of cases put to us that show various degrees of hardship and, not surprisingly, the RTA has people putting hardship cases to it. We have a hardship acquisition program. We may put a proposed corridor through some farmland where we intend to build a road in 15 years time which may create all sorts of hardship for some people, sometimes quite severe hardship. In some cases we actually acquire the property for those reasons. It really depends

on each case. Deliberately we need that flexibility so we can determine with some discretion how to help people, if appropriate.

**CHAIR:** Have the CSIRO and other independent experts predicted that some of the worst impacts will be up to 1 to 1½ kilometres away? Will those home owners be eligible, and at what cost?

**Mr SCULLY:** The limit is to 400 metres.

**CHAIR:** Are you aware that the CSIRO has made statements that some of the worst impacts could be up to 1 to 1½ kilometres away?

**Mr SCULLY:** What I am aware of is that more words have been spoken on this issue in my Roads portfolio than any other. We had a one-week seminar at a cost of \$200,000, with experts from around the world, some of whom were nominated by RAPS; no less than two upper House inquiries; and boxes of information forwarded to these people. I have met with the action group more than with any other action group. I have had more discussions with crossbenchers on this issue than just about any other.

**CHAIR:** Is that not part of the job?

**Mr SCULLY:** We need to move forward. Everyone has different views. The CSIRO has some views but we have some strict conditions with which we have to comply. The stack has to be built to enable the retrofitting of an electrostatic precipitator in the event that we do not meet EPA standards. All the advice is that we will be well within those EPA standards. We have to put in place monitoring equipment and we have to have community consultative committee processes in place. At the end of the day I have essentially said to people who have been involved in this debate that we need to agree to disagree, and move on. We need to build the project, and sometimes you just cannot convince people. I had an open mind when I started the debate and I have formed certain conclusions, and we need to move on.

**CHAIR:** In relation to Budget Paper No. 3, Volume 2, page 18-46, subprogram 68.4.1 M4/M5 Cashback Rebates, recently your report suggested that people in western and south-western Sydney are using their cars less because of the rising price of petrol. Therefore, why is the toll cashback rebate budgeted to increase by more than \$5 million, to almost \$50 million?

**Mr SCULLY:** That is an extrapolation of what has occurred in the past. It is not an impact on the roads program. The cashback scheme is essentially supplementation from Treasury. If we spend less on it, it goes to Treasury. If we spend more on it, it comes from Treasury. Is that correct?

**Mr HANCOCK:** That is correct.

**Mr FORWARD:** That is correct.

**Mr SCULLY:** It is not really a roads program line item. It needs to be parked somewhere within government and it is parked within the RTA and administered by us, essentially on behalf of Treasury.

**CHAIR:** Do you agree that it is an environmentally and financially irresponsible program and that the money would be far better spent on public transport infrastructure?

**Mr SCULLY:** As I outlined in the previous discussion, we are spending more on public transport than I believe the previous Government even dreamt of. Colleagues around the table may recall our promise to remove the tolls. I am sure all of us remember that, and the public certainly had some strong words to say about our failure to remove the tolls. The cashback scheme was designed to put people in the same position they would have been in had we fulfilled that commitment. I do not think we could countenance the thought of removing the cashback scheme. It essentially delivers the substance of our promise.

**CHAIR:** Do you disagree with me that it is an environmentally and financially irresponsible program? Do you agree that it is not really spending the money in the best areas?

**Mr SCULLY:** I do not agree with that.

**CHAIR:** Is it not better spent in public transport infrastructure?

**Mr SCULLY:** The public transport budget—

**CHAIR:** I appreciate what you are saying but I am looking at the cashback scheme, and money going directly into encouraging road use specifically. I am not denying new areas of public transport, I am just looking at this scheme, the direction in which the money is going and the message that it sends to the public.

**Mr SCULLY:** Let us look at the history. About \$72 million was spent on western Sydney roads by the previous Government. We had cashback put in place and we more than doubled the money we have been spending on western Sydney roads. We had that program already in place when we increased substantially the money being spent on public transport. No-one around this table questioned me about reductions in the public transport investment in the upcoming budget because they had nothing to ask me about in that regard. It is all up, up, up—more maintenance, more track, more trains, more recurrent expenditure. It is all good news. So, we are doing the cashback scheme and substantially increasing our budget in public transport—wins for motorists and wins for commuters.

**CHAIR:** And a loss for the environment, perhaps, in this particular scheme.

**Mr SCULLY:** I am sorry, Mr Chairman, but removal of cashback forces commuters to pay the toll. I do not think you can necessarily say that they will not pay the toll; they will just be infuriated that we have not put them back in the position that we would have had them in had we fulfilled our commitment to remove the toll.

**CHAIR:** You do not think that would encourage people to go across to the public transport system?

**Mr SCULLY:** Not necessarily. There would have to be an analysis of travel patterns. This Government is absolutely committed to putting people back in the position they would have been had we fulfilled that promise.

**CHAIR:** We have had free rail travel in recent days, but in general is there not a recognition by the public—as expressed in the papers just recently, apart from the free rail days—that there is a movement to public transport because of delays on and the costs of the tollway system?

**Mr SCULLY:** That possibly is an element, but given the environment that we have maintained that commitment and substantially increased investment in public transport, I think we have done reasonably well with the budget.

**CHAIR:** What would you say if I put it to you that the cashback rebate program is a direct subsidy to the tollway operator Macquarie Infrastructure Group, which is reportedly one of the ALP's major corporate donors?

**Mr SCULLY:** That is an unnecessary comment.

**CHAIR:** A figment of the imagination?

**Mr SCULLY:** I find that a disappointing comment coming from you, Mr Chairman. The cashback scheme, as I said, is designed to put people back in the position in which they would otherwise have been. For me to suggest that it is a direct subsidy to the tollway operators would put at risk their tax deductibility of the project, which would involve the taxpayer moving down airport link type risk. I am not going to do that here, and it is not true anyway. We are reimbursing a percentage of people who use the motorway. We have no direct relationship whatsoever with the tollway operators. They send out a statement to their customers, and the customers send them to the RTA, and the RTA reimburses them if they are authorised members of the cashback scheme. So there is no direct relationship to the tollway operators. In fact, a substantial number of people still use the tollway who might otherwise be eligible for cashback, and there are others who are not eligible such as the business operators and freight vehicles.

**The Hon. CHARLIE LYNN:** Minister, in Budget Paper No. 3, Volume 2, page 18-43, line item "Third party insurance data access fees", there is a figure of \$9.138 million. What are those fees, and who pays them?

**Mr SCULLY:** I think they are people who are entitled to information from the RTA and pay an access fee. Is that correct?

**Mr HANCOCK:** Yes. They are payments made to the RTA for access to information that the RTA has.

**The Hon. CHARLIE LYNN:** Why was there a revision from \$28.69 million to \$24.856 million in relation to plate fees for 2000-01?

**Mr SCULLY:** Probably because we expect to get less money for them. The chief executive has reminded me that there were Olympic plates last year. Are you talking about the budgeted figure and the revised figure?

**The Hon. CHARLIE LYNN:** Yes.

**Mr SCULLY:** It was anticipated that it would be \$28 million, and it looks like we are only going to get \$24 million.

**The Hon. CHARLIE LYNN:** I was asking you why.

**Mr SCULLY:** Well, you make an estimate of what you think you are going to get, and then you get what you get. It is not rocket science.

**Mr HANCOCK:** There are different values for different sorts of plates, and it depends on the mix of plates that people take up as to how much money the RTA actually receives. Premium plates are at a different value from ordinary yellow and black plates. Olympic plates are dearer again. There are a range of plates, and it just depends on what the public actually take up as to what we get.

**Mr SCULLY:** That is basically it.

**The Hon. CHARLIE LYNN:** Minister, following the road toll during the Christmas 2000 period you commissioned a report concerning the alarming accident rate. Why did you not have the task force look at the quality of roads as a contributing factor to the road toll?

**Mr SCULLY:** I know that the Opposition has attempted to assert that the condition of roads was the primary cause of those accidents. I do not believe there is evidence to suggest that it was a major contributing factor as are people not wearing seat belts, people exceeding the speed limit, and people getting fatigued and running of the road. Human behaviour is the primary cause of the road toll. I am not suggesting that there are not road condition factors from time to time that need to be addressed. This is particularly the case on council roads. They have a bigger problem with their edges and potholes and have to make sure they keep a strong focus on maintenance. From time to time it may be apparent that the condition of our State roads may contribute to an accident. But, primarily, accidents are attributable to human behaviour. That is why we concentrate on the real cause. I know it suits the Opposition to suggest—shock horror—that the Government is not doing enough about the road condition, and therefore it is causing all these fatalities. That is a bit rich, and it is a very long bow to draw.

**The Hon. CHARLIE LYNN:** Minister, I do not think it is a long bow.

**Mr SCULLY:** It is a very long bow to draw.

**The Hon. CHARLIE LYNN:** The Northern Road, for example, between Penrith and Camden, is an absolute disgrace. There are no overtaking lanes, and the shoulders are a disgrace—and that is in a metropolitan area! As anyone who drives extensively on country roads knows, the condition of country roads is a major contributing factor to accidents, surely.

**Mr SCULLY:** You obviously did not hear what I said. I have just said that you cannot rule out the condition of the road from time to time. But the overwhelming reason that people are injured and killed and there is serious property damage is that motorists do not drive to conditions. They speed in wet weather, and they travel for hours on end without taking regular rest breaks. Forty people were killed, and 10 were not wearing seat belts. Three Dubbo 17-year-olds, one of whom was pregnant, were killed because they were not wearing seat belts. So one of the things I asked the task force to concentrate on was getting people to wear seat belts.

Motorists have got to drive to the conditions, have got to take regular rest breaks and should be wearing seat belts. The condition of our roads from time to time is a factor in some accidents, and we need to make sure our roads are properly maintained. This is a very serious thing. The RTA spends half a billion dollars, on average, on road maintenance. Councils spend a fortune on road maintenance. Should we spend more? We can always spend more on maintenance.

**The Hon. CHARLIE LYNN:** But, surely, if you are commissioning a task force to look at the cause of accidents, you would include the condition of roads in the terms of reference, because it is surely a contributing factor.



**Mr SCULLY:** The primary factor in the road toll is human behaviour and not driving to the prevailing conditions. That is what we want to concentrate on. If we could get people to drive to the conditions, and to behave better on our roads, the road toll would collapse. It may be an element that in certain circumstances the condition of the road has caused or contributed to road fatalities. In that case, I expect the RTA or councils to respond promptly.

**The Hon. CHARLIE LYNN:** What recommendations of the task force have been implemented since the report came down in April?

**Mr SCULLY:** We accepted all of the recommendations, and most, if not all, are being implemented. Some are taking a little longer than others, but those that could be implemented immediately have been. One or two require legislation, requiring a Cabinet process. Cabinet minutes are being prepared, and I will be bringing that legislation up to my Cabinet colleagues in the next session of Parliament. Others require regulation, and that has been done. An example is to increase fines for breach of seat belt laws. But, generally speaking, we have accepted all of the recommendations, and we have implemented or are implementing them. I might say that the road toll has gone down this year. Fingers crossed, but let's keep the pressure on it. I hope that trend continues.

**The Hon. JOHN JOBLING:** It is too early in the year to determine whether or not those figures are going down. In previous years road toll figures have crept upwards. The question that has to be asked is: What is the Government doing to improve its road safety campaigns? We accept that speed, not wearing seat belts and drink driving contribute to the accidents on our roads. However, we need to take into account other factors. The Government introduced a SafetyCam program for heavy vehicles, which I have observed on a number of major highways in New South Wales.

**Mr SCULLY:** Has the Hon. John Jobling noticed them in any other State?

**The Hon. JOHN JOBLING:** I cannot say that I have. To date, what has been the cost of the implementation of that SafetyCam program?

**Mr SCULLY:** Initially there were nine SafetyCams, which were implemented under the previous Government. Those SafetyCams were installed as a way of detecting log compliance and compliance with speed. We extended that number to 20 across the State, not so much to pursue individual drivers but to pursue fleet companies. When the Roads and Traffic Authority has approached the management of a fleet and told it that its trucks have been observed going from A to B faster than they should have been if they had been complying with the speed limit, those trucks have slowed down. However, we were experiencing problems with federally registered vehicles.

John Anderson does not often get credit points, but he gets credit on this issue. I put it to him that federally registered vehicles could blow raspberries at us in relation to being detected. Their compliance records were appalling when audited. John Anderson fixed that up and I recently made an announcement to that effect. The cost of establishing all those SafetyCams was approximately \$25 million. I think that project has been reasonably successful. So far as I am aware, other jurisdictions have not implemented any SafetyCam systems.

**The Hon. JOHN JOBLING:** Taking into account the cost of the projects and the number of SafetyCam sites, what studies, if any, have been undertaken to determine the success or otherwise of that program?

**Mr SCULLY:** When vehicles were detected speeding and their companies were approached, those that were not federally registered vehicles slowed down their trucks. We now have federally registered vehicles in the program and I believe that we will achieve a similar outcome.

**The Hon. JOHN JOBLING:** Have you actually conducted any studies to determine that? Has anyone reviewed or examined this program? I accept your anecdotal evidence.

**Mr SCULLY:** The chief executive said that that is now under way. In the 12 months ending 30 April this year, 211 drivers had their visiting driver privileges suspended or had their licences cancelled for periods of up to six months. The Roads and Traffic Authority prosecuted 243 drivers for fatigue-related breaches and 382 vehicle operators and drivers for failing to respond to letters of demand for information.

**The Hon. JOHN JOBLING:** Your chief executive officer said that, at this stage, a study is under way?

**Mr SCULLY:** Yes.

**The Hon. JOHN JOBLING:** Who is undertaking that study?

**Mr FORWARD:** The Roads and Traffic Authority is undertaking that study.

**The Hon. JOHN JOBLING:** When do you expect a result?

**Mr FORWARD:** I am not quite sure when that study will be completed. The first part of the study has been done. We are now extending that study.

**The Hon. JOHN JOBLING:** Over what period did you originally anticipate that study to run?

**Mr FORWARD:** I do not have that information with me.

**The Hon. JOHN JOBLING:** Will you supply the Committee with that information?

**Mr FORWARD:** Yes.

**The Hon. JOHN JOBLING:** I refer now to the roads maintenance reform package. What savings have been made since that road maintenance reform package was implemented on 1 July 2000?

**Mr SCULLY:** Are you talking about single invitation contracts? I believe that members of the Opposition vehemently protested against the contestability program, along with other stakeholders, which would have created greater savings than the single invitation contract process. So the level of savings is certainly not what it should have been. However, there were concerns about job protection. I shared those concerns ultimately with members of the Opposition, unions, councils and various stakeholders in the work force. Country Labor strenuously stated that there would be an impact on jobs. Even though there were cost savings, there was an acknowledgment that this was a way to achieve additional costs savings. However, that would have had an unacceptable impact on jobs.

I have been pleased with the outcomes and with councils' responses. It may appall some honourable members to learn that some councils had in place virtually no occupational health and safety systems and very few environmental protocols. In the past they would say, "We want \$4 million to do a resheeting from A to B on this road." After they had spent the \$4 million and they had only completed half the job they would ask for more money. It was difficult for us to try to convince some of these councils that that was not the way to do business. So we have improved occupational health and safety systems for the work force and we actually have environmental management systems in place.

When we sit down with councils we do a genuine estimate of the time that a job is likely to take and councils take that risk. I cannot quantify for honourable members the amount that we may have saved. However, I can say that we have in place a much better, safer and far more reliable system. We have probably saved money by avoiding cost blowouts but it might be harder to point a finger than would have been the case if we had a contestable program, which was what was originally envisaged.

**The Hon. JOHN JOBLING:** I refer to the budget papers for the financial year 2000-01. In Budget Paper No. 3, Volume 2, page 20-11, there is a reference to the Rebuilding Country Roads program, which reads:

A particular focus of this strategy is on increasing the reliability of rural roads for industry and isolated communities during periods of prolonged wet weather and flooding.

This year's budget papers are particularly silent on that issue. Have you varied the program to remove that focus?

**Mr SCULLY:** No. Ron Christie, the previous chief executive, was followed by Paul Forward. In a sense, he rejigged that program. Generally, we were spending the same money everywhere without properly focusing on use and need. We have tried to direct expenditure for the rebuilding of our country roads towards those areas of greatest need. So we look at traffic flow and take into account the grain business and things of that nature.

**The Hon. JOHN JOBLING:** What councils have applied for and received funding for flood-damaged roads over the last three years?

**Mr SCULLY:** That is a different issue. There has been an enormous impact on the roads budget as a result of flood damage. However, that was done in such a way that councils were not affected. The Government bore that risk.

**The Hon. JOHN JOBLING:** I take it that you have a list of those councils that have been involved over the last three years?

**Mr SCULLY:** Yes.

**The Hon. JOHN JOBLING:** Will you make that list available to the Committee?

**Mr SCULLY:** Yes.

**The Hon. JOHN JOBLING:** Would you match that with the maintenance funding for each of those councils over the last three years?

**Mr SCULLY:** I will take that question on notice. That information is generally available. I dare say that members of Country Labor played a part in ensuring that councils were properly looked after in country New South Wales, unlike members of that once great National Party.

**The Hon. JOHN JOBLING:** That may or may not be so. A number of councils do not agree with that statement. The Minister is now doing exactly what he was complaining about the Chairman doing earlier. I refer now to another issue. Has any such council maintenance allocation been varied because of flood damage funds being recovered?

**Mr SCULLY:** No, not for council roads.

**Mr FORWARD:** Allocations to councils are effected on a formula basis—on the basis of a block grant. Allocations to councils are based on the length of their roads. That is a fixed amount. That formula has not changed. Councils have been advised of what they get.

**The Hon. JOHN JOBLING:** So there has been no variation for those receiving flood damage funds?

**Mr FORWARD:** Not for council roads—for local or regional roads.

**The Hon. JOHN JOBLING:** Does the Roads and Traffic Authority, Treasury or any other State government instrumentality charge a handling fee or a commission for processing Federal funds paid to State governments for direct or indirect road works?

**Mr FORWARD:** No handling fee is charged by the State Government. If we have a project management role, our true costs are charged. But if we have no role, no fee is charged at all.

**The Hon. DAVID OLDFIELD:** It is commonly believed that the Sydney Olympics, together with the Pacific Highway upgrade, has resulted in road funding being taken away from regional New South Wales. Is there anything sustainable in that widely held belief?

**Mr SCULLY:** Absolutely not, and I thank the Hon. David Oldfield for allowing me the opportunity to call the National Party to account.

**The Hon. DAVID OLDFIELD:** Someone has to.

**Mr SCULLY:** Someone has to, and I share your concern about the mischief and the misleading assertions National Party members put out in the marketplace leading up to the Olympics. The Roads budget for country New South Wales was unaffected by the Olympic program. The honourable members representing the electorates of Upper Hunter, Lachlan and Barwon were wandering around the State saying that the Olympics had caused the Roads budget to diminish in country New South Wales. That is simply untrue, contrary to fact. It was very naughty on their part.

**The Hon. DAVID OLDFIELD:** Are you comfortable with the state of Roads funding and the state of roads in regional New South Wales?

**Mr SCULLY:** If I could fund every request from every mayor who comes to my office, I would need a budget three times the size of the one I have. As I say at most country shires meetings, generally speaking when the shires come to town for their annual conference I have a conga line of requests from my office down Macquarie Street, past Hyde Park to Central railway and almost out to Redfern. I try to deal with them as passionately and with as much support as I can. Some I can support but I think our country roads are in reasonably good shape. Does that

mean we cannot do better? I go out there and look. If the Federal Government gave us a little bit more of what it gets from petrol excise, we could do very well. It gets about \$12 billion each year from petrol excise and puts back less than \$2 billion. We spend a couple of billion every year. It spends less than that across Australia.

**The Hon. DAVID OLDFIELD:** Having contributed to the conga line, I take the opportunity to thank you for the consideration you have shown to people I have introduced to your office.

**Mr SCULLY:** Thank you. I try to help people. Ministers have to say no from time to time but generally I think I have been accessible, and where I can I help communities. I just wish the Federal Government would put a little bit more money in. It would make it a lot easier for me to satisfy community demands.

**The Hon. DAVID OLDFIELD:** Given the fact that in excess of 1.1 million tourists visit the Hunter Valley wineries, making it one of the most popular destinations in New South Wales, would you give consideration to special funding to upgrade the unfortunate condition of the roads in the winery area?

**Mr SCULLY:** The RTA is able to assess a variety of things. We make special grants to councils from time to time in special circumstances. For example, in the Upper Hunter electorate, the electorate of the Leader of the National Party—and although he is in another party the submissions he makes to me have weight—the Bell Trees Bridge collapsed under the weight of a truck. The council could not afford the \$3.5 million cost. The honourable member brought in a delegation and I made a special allocation of \$3 million for three bridges, with the council putting in \$500,000. If you were to put to me that I make some additional contribution from the Roads fund for promotion of the area, I am happy to consider it. It is difficult to divert funds for tourist purposes, but we have done so from time to time. We have to look at promoting a region and recognise the fact that more and more people are using a particular road. If you improve it, you might get more people and help the economy. We are not just dealing with existing traffic; we are also promoting more traffic, as well as providing safer outcomes. I am happy to consider anything you might want to put but we would probably start from the point of view of reluctance because it may well involve diversion of scarce funds from elsewhere, but I would not say no.

**The Hon. TONY KELLY:** Can you tell me what progress has been made with the Mundadoo Bridge over The Marra Creek near Warren?

**Mr SCULLY:** That was a case put strongly to me by Country Labor. That is a big win for the community out there and I thank you for the role you played in putting to me the need for the bridge. It was brought to my attention. I can I say I was not aware of the issue until you crashed through my pile of paperwork, which is similar to the paperwork that confronts all Ministers. Thank you for that work. I understand it was well appreciated. It is a big tick for Country Labor.

**CHAIR:** Now that Country Labor is satisfied, I might ask you a few more questions. I was interested to hear your comments on the occupational health and safety issue regarding the local councils.

**Mr SCULLY:** A minority of local councils.

**CHAIR:** Nevertheless, it is a worker safety issue.

**Mr SCULLY:** Yes.

**CHAIR:** I refer to subprogram 68.2.1, Road Safety and Road User Management, on page 18-43 of Budget Paper No. 3, Volume 2. I wonder why no respiratory protection is provided to toll collectors, who are forced to breathe from passing vehicles vast amounts of particulate and other pollutants, including the known human carcinogen benzene. Is that not a serious occupational health and safety issue that is just being ignored by your department?

**Mr SCULLY:** I will ask Mr Forward to answer that.

**Mr FORWARD:** Our toll collectors are in airconditioned cabins and we regularly monitor the air in those cabins. They pass all the occupational health and safety requirements.

**CHAIR:** So with the door open it is still sufficient?

**Mr FORWARD:** Fresh air is being generated into the cabins.

**CHAIR:** Why does the RTA allow alcohol advertising on main roads in complete contradiction to drink driving advertisements on the same roads?

**Mr SCULLY:** Alcohol is legal. It is legal to have a drink. It is illegal to go over a certain limit and drive.

**CHAIR:** Does it not strike you as a contradiction to encourage alcohol use on the very roads where it represents a significant problem, especially when you are trying to get, and I think you are effectively getting, a message across that drinking and driving do not mix?

**Mr SCULLY:** If there are examples where it is inappropriate, I am happy to deal with it.

**CHAIR:** I suggest it is inappropriate on any roadway.

**Mr FORWARD:** The approval authority for advertising on roads is the local council. The local council is the one that approves, apart from on freeways, whether advertising can be displayed or not. It is purely in the hands of local councils. Recently the Department of Urban Affairs and Planning released a State environmental planning policy regarding advertising and it put a lot more strict limits on where advertising can be displayed. I do not think that particularly relates to alcohol as such, but it will limit the amount of advertising that is allowed on our roads.

**CHAIR:** We have issues on our roads where advertising might dangerously distract, like some of the more risqué ads in certain areas. Surely this is an issue that is worth taking note of. You have a program. We are all looking at ways to reduce accidents. Surely this is one that would be worthy of note: to use your influence on local councils to look at a policy to deal with roadside advertising?

**Mr FORWARD:** We comment on advertising but in some cases councils will make their own decisions, and under the current guidelines they are free to do that. Perhaps the worst offender for advertising would be Sydney Airports Corporation. Sydney Airports Corporation is on Commonwealth land and we have had numerous discussions with the corporation with regard to advertising around the airport. It is driven by the dollar, and unfortunately is not prepared to listen to issues associated with road safety, and that concerns me greatly as the chief executive of the RTA.

**Mr SCULLY:** But distractions along the road corridor are obviously important to me and to the RTA, and we would have something to say about it when it arises. But it is not entirely within our control to fix.

**CHAIR:** Still dealing with subprogram 68.2.1, Road Safety and Road User Management, do you, Minister, or the RTA, accept that many hundreds of people die from air pollution from motor vehicles, and the death toll in Sydney from this pollution actually exceeds the death toll from motor vehicle accidents?

**Mr SCULLY:** That is a big call.

**CHAIR:** Do you disagree?

**Mr SCULLY:** I cannot concede that. I do not have that expert material before me. However, if you are going to say that, you would have to say the same about industry generally.

**CHAIR:** That could well be the case.

**Mr SCULLY:** In industry you might find people who are not exercising enough, not eating well enough or smoking too much. These are not the health estimates; they are the roads estimates.

**CHAIR:** Two years ago the Government promised that 20 compulsory emissions testing stations for cars older than four years would be operational by late 2000 or early 2001. Are they operational? If not, why not?

**Mr SCULLY:** At the moment we have two stations operating, at Penrith and Botany. Recently we wrote to Senator Hill seeking funding for the diesel testing program to include STA buses. The main reason we have delayed is that I felt it was appropriate to delay until there was a proper diesel emissions test, and that has only just been developed. Currently we are considering how we might apply that to diesel vehicles.

**CHAIR:** We have had this discussion in previous estimates hearings.

**Mr SCULLY:** The test has only just been developed. Currently we are assessing the implications of that test. That has come to light only in the past few months.

**CHAIR:** Is that a particulate test?

**Mr SCULLY:** Yes. It has only just been developed by the CSIRO. It is part of the National Environmental Council. Basically, the environment Ministers, together with the RTA and the CSIRO, have had the carriage of developing a diesel vehicle test. That has only just been developed, and we are currently considering what the implications of that might be. Essentially, that is the reason for the delay.

**CHAIR:** Are you aware that two years ago there was a promise of some 20 compulsory emissions testing stations? Are you still aiming at that target?

**Mr SCULLY:** Not necessarily. Currently we are considering what the implications might be of finally achieving a test for diesel vehicles. We have not made a decision about that.

**CHAIR:** Although you dispute the relationship of death and illness to motor vehicle pollution, do you agree that there is an argument for putting as much effort into the issue of preventable deaths from motor vehicle pollution as the effort that is put into other car accidents?

**Mr SCULLY:** If absolutely nothing is done over the next 15 or 20 years, the improved design of vehicle engines and cleaner fuels will result in cleaner air in Sydney, even with a growing vehicle fleet. It will not be the problem it once was, but it will take about 15 years to achieve that outcome. Our airshed will become cleaner to the extent to which it is polluted from exhaust from motor vehicles. I cannot speak for industry and other sources, but certainly cleaner vehicles are coming this way.

**CHAIR:** Have you had any interagency communication on or investigation into the viability of biodiesel?

**Mr SCULLY:** I do not know. I will take that on notice.

**CHAIR:** Do you know what biodiesel is?

**Mr SCULLY:** Sort of.

**CHAIR:** It is methanol, caustic soda and vegetable oil.

**Mr SCULLY:** Of course.

**CHAIR:** It may be interesting to investigate that, in collusion with the Minister for Agriculture.

**Mr SCULLY:** I will have to come back to you on that, if we have been having discussions on an interagency level.

**CHAIR:** Biodiesel is now used internationally; in Europe specific diesel vehicles are running solely on biodiesel these days.

**Mr SCULLY:** I will come back on that.

**The Hon. TONY KELLY:** It is vegetarian diesel.

**CHAIR:** It is vegetarian diesel so I thought you might be interested.

**Mr SCULLY:** It might need Treasury supplementation.

**The Hon. CHARLIE LYNN:** I refer to Budget Paper No 3, Volume 2, page 18-11, relating to the cross-city tunnel. Over a period of time you have quoted a number of figures for the cost of the privately funded cross-city tunnel and other privately funded projects. You have quoted so many figures relating to the cross-city tunnel that it is difficult to recall them all. However, recent figures quoted by you refer to a cost in excess of \$400 million. What justification can you give for pre-empting the tender process for such projects?

**Mr SCULLY:** That is a quadruple barrel of comments, questions, assertions and statements of alleged fact, and I should try to deal with them all. First, the estimated cost has changed because of the substantial alteration in the scope of works. You may recall that the original project had the tunnel coming out at College Street, near the Museum. There was a very strong reaction from a number of stakeholders, including the Lord Mayor and many

others—and I think the Opposition had something to say about it. We then re-examined the project and found that it was still commercially viable to extend it underneath William Street all the way beyond the Coca-Cola sign. We also found that we could extend it beyond Sussex Street. So it is a much bigger, more expensive and much better project, and it will cost about \$400 million plus.

There is no pre-empting of the tender process. There is a tender process. An environmental approval process is running in tandem with the tender process. A couple of weeks ago I called for tenders. There are three in the preferred tender process. Basically, Transfield Multiplex, Baulderstone Hornibrook, and Leightons contractors have been invited to submit bids. We are nearing completion of our representations report, which has been lodged with the Department of Urban Affairs and Planning. I expect approval some time later in the year and hope to award the tender later in the year or early next year. We are getting on with the job. It is a terrific project. I thought it was supported by the Opposition.

**The Hon. CHARLIE LYNN:** I assume the \$400 million is a ballpark figure given to you by the RTA.

**Mr SCULLY:** We make an estimate. We get quantity surveying advice within the RTA and external advice, but the price you get is the price you get. I mean, you have three companies.

**The Hon. CHARLIE LYNN:** I appreciate that but, rather than announce a figure publicly, would it not be better to keep it commercially in confidence and allow the competing contractors to provide a figure?

**Mr SCULLY:** We like to be as accountable as possible. It is always a difficult balance between informing the people you represent about what is likely to be spent on a piece of public infrastructure involving private finance and telling them as little as possible, perhaps not to second-guess what might come out of a tender process. I think people are entitled to know the estimated cost of a project. The media have a voracious appetite in terms of estimated cost. Generally, I think the history of the previous Government and this Government is to try to make an estimate of what we anticipate the cost to be. But it is only an estimate. As the scope of works changes, as conditions are piled on in the planning process and the pencils of prospective contractors are sharpened, the amount changes.

**The Hon. JOHN JOBLING:** It gets away, like the conservatorium.

**Mr SCULLY:** On occasions when you add scope of works. In the case of the conservatorium the scope of works has altered considerably.

**The Hon. CHARLIE LYNN:** If the competing bids in the private sector come in significantly below that figure of \$400 million do you think they will have an incentive to increase their bids to that figure, which you have put on the public record?

**Mr SCULLY:** That would suggest collusion. It would be most grievous, and I do not have an inkling of any evidence that there is any such collusion or conspiracy between contractors in the construction market. If anything, they proceed most competitively against each other. We make an estimate. Quantity surveying is not an exact science but it is reasonably accurate. You calculate your quantities—how much gravel, cement, piping and utilities, how long, how many staff, the management fee and the likely conditions of approval—and then make an estimate. We do that internally, they do that externally and you come up with a ballpark figure of what you think it might cost. Generally speaking, the history is that they tend to cost more than anticipated.

**The Hon. CHARLIE LYNN:** Do you not think that by pre-empting the tender figure you are producing a climate that is conducive to corruption in that regard?

**Mr SCULLY:** That is absurd.

**The Hon. CHARLIE LYNN:** No. I am asking the question.

**Mr SCULLY:** Who gave you that question? I am sure the shadow Minister for Roads did not give you that question.

**The Hon. CHARLIE LYNN:** I am asking you. You just spoke about the possibility of collusion. If you put a figure of \$400 million on the public record—

**Mr SCULLY:** Mr Chairman, that is an offensive question and it must be treated with the contempt it deserves. It is a strongly competitive process where pencils are kept sharp. I think it is appropriate that we make an

estimate of what we think the price is likely to be. The public is entitled to know what the project is likely to cost and how it will be financed. On the Parramatta rail link, we had a project that was going to cost considerably more than we originally anticipated. What did you want me to do with the Parramatta rail link?

**The Hon. Charlie Lynn:** Build it.

**Mr SCULLY:** No. You want me to say: "Sorry, it is going to cost more than we anticipated. We're not going to tell you what it is really going to cost. We're not going to tell you what we thought it was going to cost." That is just absurd. What sort of an accountability process is that? That is just a nonsense.

**The Hon. TONY KELLY:** You have to put a figure in your budget, for a start.

**Mr SCULLY:** I know.

**The Hon. JOHN JOBLING:** That is something that you just thought of.

**Mr SCULLY:** No, that is a strongly competitive process. I cannot see examples of where the bids have come in less than what we have anticipated. Generally, it is the reverse problem.

**The Hon. JOHN JOBLING:** In Budget Paper No. 3, Volume 2, it is stated that there is to be an integrated program to counter excessive speeding and an encouragement of consumers to purchase safer vehicles. That has been raised with us. I would like to know what you or your department have done to counter a significant number of television advertisements, which I am sure you have seen, for motor vehicles. The advertisements feature predominantly young people with a basic sales pitch which propounds the need for power and speed in their motor vehicle.

**Mr SCULLY:** For a start, I find some of those advertisements disappointing, to say the least, because they do play to an element of society, often young males who like to have fast cars and break the law. We do not regulate advertising. The RTA and certainly my portfolio do not control advertising, but we do have a pretty strong enforcement program. We have introduced digital speed cameras, which has been met with some community concern. I know that there have been comments from time to time from the Opposition.

**The Hon. JOHN JOBLING:** But I think that some of the public have made the same comments.

**Mr SCULLY:** Once again, this is a balance in getting it right for the community, who say: "We want you to deal with the road toll. We want you to slow motorists down but we are concerned about the level of fines we have to pay when we are caught." It is always a balancing act. I think it is important that when the RTA, the police and the NRMA tell me that a road has a black link, not a black spot, where there have been significant fatalities, injuries or property damage, and we have put in digital speed cameras, the extreme speed has disappeared and the road toll and serious injuries have all but gone.

**The Hon. JOHN JOBLING:** I am sorry to interrupt, but in view of the tenor of what you are saying, what I would like to know is whether you or your department have any contact with the motor vehicle manufacturers or the public relations firms or the advertising firms about the promotion of speed and power? What has been their reaction?

**Mr FORWARD:** We have. I have written personally to most of the manufacturers who have had those offensive speeding ads. We have also written to the Australian Advertising Standards Council and raised those same issues. It is fair to say that I have been disappointed with the response.

**The Hon. JOHN JOBLING:** Can you help me with some guidance on what sort of response you have received?

**Mr FORWARD:** The sort of response we have received is that they are saying in general that these are so-called fictitious ads: People do not believe that they do those sorts of things. However, we are continuing discussions with the major motor manufacturers. We are aiming to have a meeting with each of the manufacturers towards the end of this year to actually drive home some of the issues about speeding and advertising. However, it is largely in their hands and it is up to the advertising standards to actually monitor and regulate that industry.

**The Hon. JOHN JOBLING:** I trust that the dog in the Toyota ad is okay. Obviously we have had interruptions tonight. The Opposition has an enormous number of questions. Can I ask the Minister at this stage whether he will accept these questions being placed on notice and will respond to them?



**Mr SCULLY:** You are entitled to ask them post this Committee anyway.

**The Hon. JOHN JOBLING:** No, there is a variation in the way that they have to be done. I need to ask you that now and receive your assurance that the answer is yes.

**Mr SCULLY:** I have no objection to questions being tabled on notice. They will be dealt with accordingly and, where appropriate, I will advise the Parliament of the cost of providing that information.

**The Hon. JOHN JOBLING:** Minister, there is one question that I need to formally put to you. I note that during the discussions you did take a number of questions on notice and you have agreed to take a lot more at this stage. May we seek your advice on a suitable date for a response to these questions? Would that be three weeks or four weeks?

**Mr SCULLY:** I understood that the period is a number of sitting days.

**The Hon. TONY KELLY:** The normal number of days is about 35 sitting days.

**The Hon. JOHN JOBLING:** No, it is just 35 days.

**CHAIR:** Minister, I thank you for accepting that request.

**Mr SCULLY:** I cannot say when that will be, if I do not have the questions. I cannot estimate the time. One of the questions may require 15 months of work—I do not know—or it may require two minutes of work.

**The Hon. JOHN JOBLING:** Minister, I would have thought that, with your skills and your staff, 15 months would indicate that you have a major problem.

**Mr SCULLY:** It could be: "Question 1: Are you member of the Labor Party? Answer: Yes."

**CHAIR:** Minister, may I ask if you would agree to any time after 35 days, and that if you cannot answer a certain question at that stage—

**Mr SCULLY:** That is not an unreasonable time. I think that within that time frame I should be able to have the answers.

**CHAIR:** I have a few more questions that I will be placing on notice as well. We are now in a position of not being able to insist. Your co-operation will allow us to avoid incurring further expense and a time-consuming exercise.

**Mr SCULLY:** I am always accountable and always subject to being recalled.

**CHAIR:** I appreciate that. I thank you and your staff for your attendance.

**Motion by the Hon. John Jobling, seconded by the Hon. Charlie Lynn, agreed to:**

That under section 4 of the Parliamentary Papers and Supplementary Provisions Act 1975 and under the authority of Standing Order 252, the Committee authorises the Clerk of the Committee to publish documents accepted by the Committee during today's hearing.

**The Committee proceeded to deliberate.**