

GENERAL PURPOSE STANDING COMMITTEE No. 4

Thursday 10 February 2005

Examination of proposed expenditure for the portfolio area

TRANSPORT

The Committee met at 2.00 p.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. J. C. Burnswoods
The Hon. M. J. Gallacher
The Hon. K. F. Griffin

Ms L. Rhiannon
The Hon. D. E. Oldfield
The Hon. E. M. Roozendaal

PRESENT

RailCorp
V. Graham, *Chief Executive Officer*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000

CHAIR: I declare open this estimates hearing dealing with RailCorp. I thank Mr Vince Graham for his appearance here today. The usual provisions in relation to the broadcasting of proceedings and messages apply. We will go straight into questions. Are there any questions?

The Hon. MICHAEL GALLACHER: Can I ask some questions to start with on the new timetable? Could you indicate to the Committee what formula was used to determine which services would be cut and what changes should be made to stopping patterns?

Mr GRAHAM: The construction of the new timetable tries to bring together a number of fairly complex and, at times, conflicting criteria. Clearly, from a customer's point of view, every single customer would like to have a service that picks them up at their local station and does not stop until it delivers them to their preferred destination. Clearly, given the complexity of our network, that is not possible. We need to construct a series of fast and slow services on the outer reaches of the network to provide both the capacity and the transit time that suits the majority of our customers.

We also have to deal with the potential resource limitations on the network. Clearly, there are issues such as rolling stock availability, crew availability and, most importantly, in the peak of the peak, issues to do with the capacity of those parts of the network that are constrained and the significant parts of the network that suffer those capacity constraints are clearly once you get into the Redfern, CBD, North Sydney, Bondi network. Given those variety of criteria, we then develop a draft timetable that seeks to operate within the resource capacity and patronage demand criteria. On this occasion, and indeed probably more in advance than any other timetable, we then in early December placed that timetable on public display for public comment.

In parallel with the placing of the timetable on public display, we also have conducted a round of internal stakeholder consultation with train drivers, with signalmen, with key station managers and all of that information, including the public response, has been gathered together to provide for the final draft of the timetable, which I expect will be well developed within another couple of weeks.

The Hon. MICHAEL GALLACHER: Those who are interested in the progress of the timetable have all looked at it. In my question I did ask: what was the formula that you used to determine which services would be cut?

Mr GRAHAM: Could I come back to the answer? I said there is no formula that you plug in that produces the frequency and stopping patterns. We have applied some overall criteria. We have attempted to rationalise stopping patterns. There are on the network in the current timetable some 1,200 different stopping patterns. We have attempted to rationalise that back to around 600 stopping patterns. When the airport line, for example, was introduced just prior to the Olympics the timetable was not rewritten. There were services simply overlaid on the then existing timetable, so we have certainly taken the opportunity to rewrite the timetable effectively from the ground up and, most importantly, to deal with the safer but slower environment that we have and hopefully deliver a safer and more reliable timetable for our customers.

The Hon. MICHAEL GALLACHER: You have said there was no formula, so basically a group of you at CityRail sat around, looked at the timetables and worked out winners and losers, is that the best way to look at it?

Mr GRAHAM: No.

The Hon. MICHAEL GALLACHER: Well, there does not appear to be any consultation with the community prior to the process, Mr Graham. It just appears that the announcement was made, "We are going to do the cuts. Like it or lump it. This is what you are going to get." And the consultation has taken place after the event. Who were the experts who sat on the panel to determine which services were going to be cut?

Mr GRAHAM: Well, clearly you engage in public consultation. I think any reasonable person would agree that you need to have something to consult with. We developed a draft timetable on the basis of the criteria that I have already outlined to you and, having developed that draft, we put it out for public consultation and simultaneously we undertook internal stakeholder consultation on

that timetable. As a result of that public consultation—and I think a statement that the Minister has made earlier this week has set out, as a result of that public consultation, the changes that have been made to the draft timetable to deal with the issues that were raised in a number of public submissions.

The Hon. MICHAEL GALLACHER: I do not see how we could actually look at the Minister's comment as, sort of, a highlight for the timetable, given that when you look at the Minister's announcement this week, he announced that there will be four additional services in the new timetable next September but he did not explain what happened to the other 626 per day that have actually been taken away? I do not think that the public are going to feel all warm and fuzzy inside knowing that they are getting four more services when they have lost 626, do you agree?

Mr GRAHAM: No. You might like to explain to me where 626 comes from.

The Hon. MICHAEL GALLACHER: By looking at the calculations between July last year and also what we see in September of this year—if you would like me to show you a diagram, in fact, Mr Graham. I am surprised you do not know. That is the reduction in services that we are going to see between July 2004 and September 2005.

The Hon. JAN BURNSWOODS: Point of order.

The Hon. MICHAEL GALLACHER: I am trying to assist the witness.

The Hon. JAN BURNSWOODS: My point of order is that we have had this discussion on many previous occasions in this Committee, whether it is in its estimates manifestation or its general purpose manifestation, and that is that it is not appropriate for members to use props. We have had this discussion about graphs and photographs and so on. If the member is wishing to help the witness, as he alleges, rather than trying to come in here not having sat in any previous meetings and put on some sort of stunt and raising his voice and waving his arms around, what he would do of course is give the witness a copy. The way he is behaving is contrary to the standing orders and I am would ask you, Madam Chair, to rule him out of order

The Hon. MICHAEL GALLACHER: Madam Chair—

The Hon. JAN BURNSWOODS: Are you speaking to the point of order, or as Chair as you usually trying to do when you come here?

The CHAIRMAN: Order! The Leader of the Opposition is entitled to speak to the point of order.

The Hon. JAN BURNSWOODS: Then he should say that is what is doing, obviously.

The Hon. MICHAEL GALLACHER: Madam Chair, the witness asked for assistance.

CHAIR: He did. He asked you a question.

The Hon. MICHAEL GALLACHER: I interpreted that in terms of the—he asked me a question; he was seeking assistance from me in terms of the figures that I had put to him. Madam Chair, I would have thought that the diagram was pretty self-evident to assist the witness, based on the fact that the figures are in fact his own.

The Hon. JAN BURNSWOODS: Further to the point of order, Madam Chair.

CHAIR: Would you like to put that in front of the witness?

The Hon. MICHAEL GALLACHER: Can I show this to you?

The Hon. JAN BURNSWOODS: Further to the point of order, Madam Chair.

CHAIR: Yes, Ms Burnswoods.

The Hon. JAN BURNSWOODS: The comments of the Leader of the Opposition may or may not be interesting, depending on your point of view, but they totally ignored my point of order, which is that props are not permitted under the standing orders, and I would ask you to ask him to give the witness a copy—

The Hon. MICHAEL GALLACHER: That is what I am trying to do.

The Hon. JAN BURNSWOODS: —of whatever it is he is trying to display—

CHAIR: I have already done that.

The Hon. JAN BURNSWOODS: —and to cease raising it—

The Hon. MICHAEL GALLACHER: It is a great microphone. It is well suited to you.

The Hon. JAN BURNSWOODS: —and holding it up and breaking the standing orders. Madam Chair, I am asking for your ruling.

CHAIR: I do not recall you making that point of order when the web of influence graph was put up during a hearing right in this room.

The Hon. JAN BURNSWOODS: Madam Chair, are you, or are you not, ruling on my point of order?

CHAIR: I have asked the Leader of the Opposition to provide the witness with the graph, which he has now done, and Mr Graham, now having received that assistance, is free to answer the Leader of the Opposition's question.

The Hon. JAN BURNSWOODS: Thank you, Madam Chair.

The Hon. MICHAEL GALLACHER: Mr Graham, if I can lead you through that: Prior to the July cuts and the new timetable, there were 2,995 services each weekday. After July, there were 2,635. When the new timetable is introduced in September, there will just be 2,365 services. That is based on information that CityRail has provided to the public. If that information is wrong, perhaps you might be able to correct it?

Mr GRAHAM: Thank you. The information that CityRail has provided to the public on the new timetable is that under the current timetable, compared to the new timetable, there are 270 service reductions on a weekday. Of those 270, there are approximately 80 of that 270 that are positioning moves—taking trains that are empty from depots in the morning to the start of the run. Of the remaining 190, the substantial number are reductions in the interpeak period, and the reasons for the reductions in the interpeak period go to the heart of timetable reliability. The current timetable that in essence has been operating since 1992—the current timetable does not work, will not work, because of underlying modifications to safe but slower railway operations. In particular, the p.m. peak timetable has been, is now, substantially worse than the a.m. peak timetable. To put that very simply, the reasons that the a.m. timetable runs better than the p.m. is because in the a.m. we are coming out with fresh crews and fresh trains.

What we have attempted to do in structuring the approach to the new timetable is to take those structural decisions that are necessary to improve the entry into the afternoon peak. One of the most substantial issues affecting the entry to the afternoon peak is the congestion in the interpeak period when we are running significantly more trains than what the demand requires. And by the time you get to the afternoon peak, because of that density of train operation in the interpeak period, we are constantly dealing with the congestion, we are constantly dealing with late running trains with very few passengers on them congesting the network and degrading the performance of the p.m. peak. The reduction of the interpeak services, which is part of that 190 figure I mentioned, is very much targeted to providing the greatest good for the greatest number of people. It is a sensible move to thin out the interpeak period. It is a sensible move to reduce the congestion in that period to allow the opportunity for the p.m. peak to operate far more robustly than it currently does.

The Hon. MICHAEL GALLACHER: So it is like introducing a siesta for CityRail during the day?

Mr GRAHAM: I think it is a little bit more than introducing a siesta—

The Hon. MICHAEL GALLACHER: A happy hour?

Mr GRAHAM: —or a happy hour for CityRail. If you would just allow me to complete the answer to that question that you have asked—

The Hon. MICHAEL GALLACHER: Yes.

Mr GRAHAM: It is about ensuring that we give our peak hour customers in the evening the best possible opportunity for a reliable service home. Thinning out the interpeak period is but one of a number of structural initiatives that we have taken in building this new timetable to be introduced later this year. It is sensible to thin out the interpeak density. It is sensible to provide the greatest good for the greatest number of passengers. That is what this timetable is designed to do.

The Hon. MICHAEL GALLACHER: Can you understand, Mr Graham, just the sheer confusion and frustration that exists among our passengers when they look at what you are proposing in terms of the timetable and they try to make head or tail of the sense? Can I give you an example? Let us look at the Blue Mountains line, a line that you would know very, very well. The 5.25 a.m. that leaves Mount Victoria arrives in Sydney at 7.48 a.m. It runs four minutes longer than the current timetable with 23 stops. The next train that leaves Mount Victoria is the 5.38, only a few minutes later, and it makes 19 stops, four fewer. It arrives 10 minutes later than the new timetable, and that is right through the entire timetable where you have trains stopping at more stops. Bearing in mind with all due respect to you and the former Minister, Mr Costa, when we heard all about dwell times and how we needed to spend more time at the station to look after our elderly morning workers heading to and from, the fact is you have got more stops, but you have actually got less time. Can you explain that to us?

Mr GRAHAM: Let me address the issue of more stops and let me address two of those services in particular, the fish and chips, as they are colloquially known in the Blue Mountains. Currently the fish, which is one of the higher speed services coming from the Blue Mountains, does not stop at Penrith or Emu Plains in the a.m. peak. On the way through Penrith on its way to Central in the morning, it has 250 empty seats. What we have done in structuring this new timetable is provide for those trains to make a couple of additional stops at Emu Plains and at Penrith. By doing that, we can utilise those empty seats and we can take a service that currently operates Penrith-Blacktown to the city and repositioned it to operate from Quakers Hill-Blacktown to the city and provide effectively, by that move, additional seats—the 250 empty ones that are coming through Penrith. We are providing that to the people of Quakers Hill and expanding the number of seats that they have and that they desperately need. So the bottom line is I think when you go to the rationale behind a lot of this, there are good and sensible reasons, from the passengers' point of view, for doing exactly that.

The Hon. MICHAEL GALLACHER: So the train that stops at Quakers Hill therefore is going to be sitting at the station for a longer period of time than would normally have been the case as it waits for passengers to move across from the Quakers Hill route onto this train? Is that what you are saying?

Mr GRAHAM: No, no, no. I am sorry. I am not sure your understanding is where Quakers Hill is. Quakers hill is on the Blacktown to Richmond branch line.

The Hon. MICHAEL GALLACHER: That is right.

Mr GRAHAM: And this particular service will be a Quakers Hill starter service.

The Hon. MICHAEL GALLACHER: The ones I am asking you about—the 5.25 a.m. and the 5.38 a.m. that come out of Mount Victoria—you have got one with four fewer stops actually travelling longer in its journey, and that is the point I am trying to make. In this route, for example, for

the people from Mount Victoria who are jumping on this train, what is the rationale behind the fact that the train is now travelling longer with fewer stops?

Mr GRAHAM: The rationale behind that will be about the rationale of the slower but safer railway and—

The Hon. MICHAEL GALLACHER: But again I make the point that the train immediately beforehand—

Mr GRAHAM: Sorry—

The Hon. MICHAEL GALLACHER: —travels to four more stations but is six minutes quicker.

Mr GRAHAM: Mr Gallacher, we should have a signal between us. I can understand when you finish the question and perhaps when I finish—

The Hon. MICHAEL GALLACHER: I am trying to assist you. You seem to be getting a bit confused doing that Quakers Hill—

The Hon. JAN BURNSWOODS: We would be even better off if we had a Chair of the Committee, wouldn't we?

The CHAIRMAN: Order!

The Hon. JAN BURNSWOODS: Unfortunately we don't.

The Hon. ERIC ROOZENDAAL: Point of order: I do not think it is unreasonable that the witness be allowed to answer the question without the Leader of the Opposition continually interrupting him. I think that would only be fair. I ask you to exercise a bit of discretion as Chair and allow the witness to answer the question in full and not be interrupted.

CHAIR: Okay. Mr Graham, had you finished answering the question?

Mr GRAHAM: I do not know who had the ball on what side of the net, actually.

The Hon. MICHAEL GALLACHER: Feel free.

Mr GRAHAM: The reason for these modifications to travel time are very much founded on the concept of slower but safer rail operation. We have seen in Justice McInerney's reports from both the Glenbrook and the Waterfall inquiries his express concern about pressure on drivers to make up time when the train is running late, pressure on drivers to overspeed in circumstances where their train is running late. In his words, an on-time-running culture that predominated over a safe operating culture. If we are to have a safe timetable that deals with these issues, we must reflect the running times—the safe running times—and the running times that are appropriate to the speed boards that are posted on the network and implement the very serious and significant recommendations of both of those inquiries.

The Hon. MICHAEL GALLACHER: What about dwell times, Mr Graham? Under the new timetable, will there be an average dwell time for trains?

Mr GRAHAM: No, there is not an average time that is incorporated into the timetable. Current dwell times are the product of the time it takes for passengers to alight and passengers to hop on a train. It is also the product of safer operating procedures that we have put in place to ensure that passengers are safely aboard. I am sure you can recollect in the not-too-distant past where we had a number of incidents where passengers were caught in the doors of a departing train. Indeed, about 12 months ago we had that example during the Royal Easter Show of a mother and father and pram who were actually caught in the doors. We have slowed down our station procedures for safe operation but the station dwell times will vary from 20 seconds at low patronage stations through to more than 60 seconds for a station like Town Hall in the peak of the peak.

The Hon. MICHAEL GALLACHER: I will come back to that, thank you.

Ms LEE RHIANNON: Looking at the web site for CountryLink, I find that the CountryLink benchmark is that 78 per cent of its trains should run on time. In the 49 weeks of available information for 2004, which I found on CountryLink's web site, CountryLink failed to meet that benchmark in 37 weeks out of the 49. Could you tell us what actions you are taking to improve this?

Mr GRAHAM: First of all I have to make a confession as being the primary cause of much of the deterioration. We did, last year, have a very unfortunate fatal level crossing accident at Burringbar south of Narrabri where a CountryLink Xplorer train travelling at a speed somewhere between 130 and 140 kilometres an hour collided with a vehicle and the driver of the vehicle was, unfortunately, fatally injured as a result of the collision. What is more, as a result of the collision with the motor vehicle, that train then subsequently derailed on a lead going into a wheat siding at the point of impact. As the train derailed the cars of that train turned on their side. To me that raised a very significant issue as to whether the approved line operating speed of our country trains on the country network was appropriate, was safe, particularly given the risk that if there is a level crossing accident and, as a result of the accident, the vehicle can derail the train is the current speed safe?

Without telling too much of the physics of this issue, the mathematical fact is that the energy that needs to be dissipated by a derailed train is actually proportional to the square of the speed of the train. Simply put, that means that a train travelling at 160 kilometres an hour that derailed as a result of a level crossing accident has twice the energy to be dissipated compared to a train travelling at 120 kilometres an hour. As a result of that and some serious safety deliberations I gave an instruction for the maximum speed of all CountryLink trains operating on the New South Wales network to be reduced from 160 kilometres an hour to 120 kilometres an hour. That speed reduction on some parts of the network is the primary cause of the slower operation relative to the timetable. I think it was a sensible judgment to make. We have moved, subsequently, to modify the timetable so that the running time—the safe running time, the slower running time at 120 kilometres an hour maximum—is now being reflected progressively into the new timetable.

Ms LEE RHIANNON: You are saying that you made the changes, but they did not flow through to the web site and, therefore, it has resulted in its appearing that the trains were running slow whereas in fact you had to change the regime?

Mr GRAHAM: Yes. Obviously, there is lag time. I was not prepared to hold back on the safety initiative of reducing the maximum speed of the trains for the time necessary to develop a new timetable. I put the priority of safety over published on-time running. I am by no means suggesting that is the only reason for CountryLink services being delayed. There are many reasons for that. In the last three weeks we have seen the serious weather conditions, the heat restrictions on the Commonwealth Government's ARTC network in New South Wales impact on the operating speed. We have seen the floods around Wagga Wagga impact on the reliability and, of course, we do have from time to time mechanical issues that affect the reliability of trains just as from time to time Qantas has difficulties with the chemical issues on aircraft.

Ms LEE RHIANNON: With the mechanical difficulties, what proportion of the late time running would be attributable to mechanical difficulties?

Mr GRAHAM: I do not have an answer to that question. I would be more than happy to take that issue on notice and give you a better understanding of the proportionality of the contributions to CountryLink's reliability.

Ms LEE RHIANNON: If you could do that, that would be useful. Could you put on your web site the reasons for the delays? The information you have given sounds very plausible, but sometimes people wonder whether people like yourself are good at putting a spin on it. Could you put it on the web site if it has been because it has been an extra hot day or if it has been because of a flood or if it is mechanical problems so that the public could be more informed?

Mr GRAHAM: Yes, we do for our CityRail, and it is probably a sensible issue to give an indication of that for CountryLink as well.

Ms LEE RHIANNON: Just on the on-time issue, I understand it is defined as arriving within 10 minutes of the scheduled time. How long has CountryLink been using that as a standard, and does it move along with CityRail? What I mean by that is did a standard times change early last year?

Mr GRAHAM: The standard has not changed and there is no intention to change the CountryLink standard. I am not aware of how far back in history the CountryLink on-time running standards were established, but they certainly have not been changed in the time I have been there.

Ms LEE RHIANNON: In the final Parry report the quote of the SRA is that CountryLink operating costs will increase in the short to medium term largely due to the increasing maintenance requirements of the aging XPT fleet. The SRA also said that a large capital investment would be needed to replace the existing fleet of XPT Xplorer and Endeavour cars. I understand that was estimated at \$855 million, and this amount would be needed within 10 years. In the short-term \$250 million of that is required. Has the Government offered any funding for this?

Mr GRAHAM: I think you have raised two separate issues. There are two different time scales. One relates to the current XPT and CountryLink fleet. CountryLink is made up of two fleets—XPT, which are trains that have a locomotive at either end, and Xplorer cars, which are self-powered diesel units where the power is distributed through the train. The Government has approved a program of more than \$30 million for the refurbishment and upgrade of the current XPT fleet, and we are currently implementing that program. Elements of that program go not only to a range of safety features, including the upgrade of vigilance control systems on the XPT fleet, they also go to the upgrade of the interior, the overhaul of some of the mechanical aspects, the installation of signal trip mechanisms that are fitted to the suburban fleet that have not been fitted to the CountryLink fleet and we also will spruce up the internal furnishings of the fleet, including the seat covers, curtains, carpets, et cetera, to improve the passenger amenity of those cars. Bearing in mind that all the XPT locomotives have in recent years been fully mechanically reconditioned and re-engined, they are expected to have substantial life left in them. The XPT service I was on Monday week ago heading to Lithgow was well presented; the train and the carriage were quite reasonable.

Ms LEE RHIANNON: You mentioned \$30 million, which is not a great deal of money in terms of looking after the fleet. Does that mean there is no funding guarantee for the \$850 million identified as being required?

Mr GRAHAM: Not at all. The replacement of the CountryLink or CityRail fleets is dealt with ahead of the projected lifecycle. The CountryLink fleet and, indeed, the Xplorer fleet have a substantial number of years of effective operation left in them. The need to consider replacement of the CountryLink fleet is probably some time away. However, consistent with that policy, we have reviewed the replacement of the substantially older components of the CityRail fleet. We have 498 non-airconditioned suburban electric cars whose average age is in excess of 30 years. That is the fleet that is the subject of the \$1.5 billion public-private partnership [PPP] proposal. The replacement of that fleet is consistent with the average age of the rolling stock concerned. By comparison, the XPT fleet is probably 10 years younger than the cars we are replacing in CityRail, and the Xplorer fleet in CountryLink is substantially younger again.

Ms LEE RHIANNON: I am still having trouble understanding whether the guarantee is in place. Are you saying the Parry report is wrong? You are not clarifying whether the guarantee is in place.

MR GRAHAM: The Parry report referred to the ultimate need to replace the CountryLink fleet. All of the fleet we operate will ultimately need to be replaced, and it will be replaced at a rate that is consistent with the lifecycle of the carriages concerned. I would expect that well ahead of the lifecycle of that fleet expiring the necessary decisions would be made about its replacement.

Ms LEE RHIANNON: You said "ultimately replace". However, the SRA said it had only 10 years left. Are you now saying that is not true?

MR GRAHAM: No, I am saying that the lead-time to replace rolling stock is probably three to four years maximum, and with 10 years of remaining life we are still substantial years away from needing to address the replacement of the CountryLink fleet.

The Hon. MICHAEL GALLACHER: Are you saying that the fastest we will see an XPT move across New South Wales—regardless of whether it is on the Hay Plains or on the North Coast—is 120 kilometres an hour? Is that the top speed?

MR GRAHAM: That is the interim top speed that has been established. I will draw a distinction between the two geographic areas the honourable member has mentioned. XPTs do not operate on the Hay Plains.

The Hon. MICHAEL GALLACHER: I am providing an example. The line heads down towards Wagga Wagga and it is nice and straight. You would know that because I am sure you have travelled on that train. Trains used to travel at top speed. Of course, the North Coast has a few more bends, dips and curves. Is 120 kilometres an hour the top interim speed?

MR GRAHAM: In the interim, it is the top speed. The North Coast of New South Wales is different because of the topography. I am sure that if the honourable member has travelled that track he will understand that it is very difficult for a train to travel faster than 120 kilometres an hour because of the curvature and the grades. Substantial sections of track from Junee to Albury are straight and 160 kilometres an hour is possible. I am sure the honourable member will also recall the fatal level crossing accident we had on that stretch of track with a high-speed XPT.

The Hon. MICHAEL GALLACHER: Yes I do.

Mr GRAHAM: I reinforce that that maximum speed restriction is an interim measure. The work we are doing through the State Level Crossing Council, which is a strategy council that has representatives from all the transport agencies, including NSW Police and local government authorities, is designed to develop the best means of ensuring corridor protection so that we can progressively lift those speeds. Some areas have a high density of private level crossings. When our forefathers built this great rail system they included in legislation or private-party agreements access to level crossings so that farmers could take headers and other heavy vehicles across the lines.

We need to apply today's safety culture and undertake an analysis of the risk of high-speed operation through the country network with those unprotected private access level crossings as well as constructively address the issue of public level crossings on the network. Where there are high-density crossings, the sensible approach is to maintain the interim speed restriction. Other protection alternatives can be implemented in low-density areas. For example, we can install speed boards to reduce the speed where there are one or two crossings. They are sensible alternatives. We will continue spending a substantial amount on the State level crossing program.

The Hon. MICHAEL GALLACHER: It is only fair to say the effort that you and other senior personnel within CityRail and, indeed, within the State Rail Authority and the Government, have displayed in trying to misrepresent what is happening this rail as a modern safety culture is offensive.

The Hon. JAN BURNSWOODS: Look who is talking!

The Hon. MICHAEL GALLACHER: Neglect of the infrastructure that is forcing our system to be increasingly slowed down. There is nothing modern about our rail system. The western world is going one way and we seem to be going the other way. This suggestion that it is somehow a modern system is quite offensive.

Mr GRAHAM: Mr Gallacher, I think you have just defeated your own argument.

The Hon. MICHAEL GALLACHER: No, I have not. You keep calling it a modern safety culture. It is modern because it was forced on you, not because you wanted it. It was forced on your organisation because of the neglect demonstrated by Waterfall and Glenbrook.

The Hon. ERIC ROOZENDAAL: Point of order.

The Hon. MICHAEL GALLACHER: You were not here; you do not know what you are talking about.

The Hon. ERIC ROOZENDAAL: I am reluctant to interrupt the proceedings of this Committee. However, Madam Chair, I draw your attention to my previous point of order. The witness is going to some effort to answer questions, but he is continually interrupted by the honourable member's rants. If the honourable member has a question to ask of the witness he should at least allow the witness to answer before he interrupts. That is common courtesy and normal manners. Madam Chair, I request again that you try to control these proceedings with a little more professionalism than we are seeing now.

CHAIR: Mr Graham, I think you were about to answer.

The Hon. JAN BURNSWOODS: To the point of order: Madam Chair, are you going to rule on the point of order for a change? As the honourable member said, we expect something from a chairperson. One thing we do expect is that you are capable of ruling when a point of order is taken.

The Hon. MICHAEL GALLACHER: To the point of order: Madam President—

The Hon. JAN BURNSWOODS: She is the Chair. You should say that you are taking a point of order rather than try to act as the chairperson.

CHAIR: Order!

The Hon. JAN BURNSWOODS: Of course, the Chair cannot control anything. In a sense, I suppose we cannot blame you.

The Hon. MICHAEL GALLACHER: It has been a pleasant couple of months because I have not seen her face.

The Hon. DAVID OLDFIELD: I wake up screaming seeing her face!

The Hon. JAN BURNSWOODS: So, we are getting personal offensiveness as well! I am really thrilled that the honourable member is being rude to me in the same terms that he is being rude to the witness.

CHAIR: The honourable member will cease interrupting.

The Hon. JAN BURNSWOODS: Obviously the break has taught him no manners.

The Hon. MICHAEL GALLACHER: It has been pleasant because I have not seen the honourable member. If the Hon. Eric Roozendaal has in any way interpreted my emotional comments based on the deaths at both Waterfall and Glenbrook as a rant—

The Hon. JAN BURNSWOODS: It was a rant of interruption.

The Hon. MICHAEL GALLACHER: It was a rant of emotion.

The Hon. JAN BURNSWOODS: Stop trying to use people to justify your appalling manners and inability to fit into any committee proceedings.

CHAIR: The Hon. Mr Gallacher has the call.

The Hon. JAN BURNSWOODS: Madam Chair, you do not control any part of this Committee. It would be impossible to know who had the call. He takes no notice of you, so it is clearly exactly the same.

CHAIR: The Hon. Mr Gallacher has the call.

The Hon. JAN BURNSWOODS: Given that he takes no notice of anything you say in the chair, it is hard to understand why you would expect any other member of the Committee to take any notice of anything you attempt to say. Of course, that is on the rare occasions when you actually remember that you are in the room and that for some reason or another you are chairing these proceedings.

The Hon. MICHAEL GALLACHER: I will endeavour not to rant if other honourable members endeavour not to squawk.

CHAIR: Thank you very much.

The Hon. JAN BURNSWOODS: Was that a ruling?

CHAIR: Yes, it was.

The Hon. JAN BURNSWOODS: It is very hard to tell.

CHAIR: Mr Graham, can you remember where you were?

Mr GRAHAM: I will respond to the point that the Hon. Mr Gallacher was making. We were talking about the safety culture that we are seriously attempting to introduce into RailCorp's operations consistent with what I believe are Justice McInerney's recommendations. I think we were talking about the Junee to Albury section. That section has infrastructure that is capable of carrying passenger trains travelling at 160 kilometres an hour. We have determined not to operate CountryLink trains at 160 kilometres an hour for safety reasons. The decision has nothing to do with the standards, quality or capacity of the infrastructure concerned. In fact, the infrastructure is capable of operating at significantly higher speed. We choose, for safety reasons, not to operate at the maximum speed of the track. It is clearly a decision that has nothing to do with infrastructure or investment in infrastructure. It is about seeking to mitigate a risk that I personally believe exists in the event that a passenger train is derailed.

Honourable members should look to the recent past in both the United Kingdom and the United States. Over the past few months we have seen the example in the United Kingdom of an individual driving his car on to a protected crossing—that is, a crossing with lights, bells and boom-gates—and derailling a high speed HST, the equivalent of the XPT. As a result of that high-speed derailment a significant number of fatalities occurred. Only three weeks ago an individual in California intent on suicide changed his mind at the last minute and left his vehicle on a track. As a result of that collision and subsequent derailment fatalities occurred. The decision we have taken on the maximum speed of CountryLink operations reflects the modern alternative approach that we are putting in place as recommended by Justice McInerney for the safer operation of this network.

The Hon. ERIC ROOZENDAAL: The Government and RailCorp are investing between \$2.5 billion and \$3 billion in rail clearway plans and new rolling stock. Can you provide an update on both of those projects?

Mr GRAHAM: I will deal first of all with the rolling stock upgrade. The rolling stock replacement will deal with the 497 non-airconditioned 30-year-old-plus carriages that we have operating on this network. In this day and age to be operating non-airconditioned rolling stock in the summer heat for some of the longer commuter distances we have is clearly unacceptable, both to our customers and to the organisation. The project that has now been implemented will see the replacement of that rolling stock over the next few years, and well ahead of the capital funding timetable for that replacement. Expressions of interest [EOI] were invited and the process closed on 2 February. I expect that within the next month or two announcements will be made regarding the shortlist of participants for that PPP project. The project encompasses not only the purchase of what we anticipate will be about \$1.5 billion of rolling stock but also the proponents maintaining that rolling stock for 35 years and building a greenfields maintenance facility for long-term maintenance.

The Government's clearways program involves \$1 billion in capital expenditure in two stages. The first stage will be completed towards the end of 2008 and the second stage approximately

two to three years later. That program has as its fundamental objective the untangling of CityRail's complex network. Anyone who has travelled on the London underground will understand that even though it is four times larger than our network it is far simpler in its operation because it comprises nine separate lines—the Jubilee Line, the Northern Line, the Piccadilly Line and so on. Consequently, when there is a disruption on one of the nine lines it does not automatically cascade to the other eight lines. The complexity of the CityRail network means that if we have a disruption on any one of our lines one can guarantee that within 90 minutes the effects will have cascaded through the network. The \$1 billion Clearways Program is an important part of progressively sectorising the CityRail network. The other elements of sectorising train crews and rolling stock allocation will help to untangle the network. The Government has committed \$500 million for the first stage of that program.

That work is to be undertaken by the Transport Infrastructure Development Corporation, which has been set up specifically to deliver major transport infrastructure projects. The first substantial work will be the construction of the Bondi Junction turn-back. The Bondi Junction line was closed during the Christmas period to facilitate major tunnelling works in that area. Importantly, once that project is completed towards the end of this year, we will not only get the enhanced benefits of sectorisation, but also Illawarra line customers will enjoy increased peak-hour train capacity from 13 or 14 trains an hour to 18 or 20 trains an hour. Customers on Illawarra line, who are experiencing overcrowding on some peak-hour morning services, will enjoy that additional capacity in early 2006. That is one of the shorter-term benefits of the Clearways Program.

The Hon. KAYEE GRIFFIN: Can you give an update on driver numbers and whether RailCorp has been successful with its recruitment targets?

Mr GRAHAM: Our reliability improvement program has a number of elements. It is not simply about a new timetable, which clearly will allow us to operate the network with a timetable to reflect the safer and slower operating times. The reliability improvement program needs to address the shortage of train crews, lifting reliability of the rolling stock fleet and reducing the number of signal and points failures that occur on the network. Those things together improve reliability. Specifically on crew related matters, we are on the public record—including 12 months before this Committee—discussing the issue of the adequacy of driver numbers. Decisions made 12 to 18 months ago to accelerate and double the intake of train crews are progressively delivering benefits. Over the past 12 months we have reduced the crew training time from 26 months, to 21 months to 18 months for safe driver training.

As a result of the recruitment and the work we have done on the training program we have 330 drivers in training, which is a record. I would expect that during the course of this calendar year we will see the graduation from that driver-training process of somewhere around 230 drivers. Because of age profile and normal attrition rates we would see approximately seven or eight drivers per month on average who are retiring from the network. So across a full 12 months I would expect that there would be a normal attrition rate of somewhere between 80 to 90 drivers but with 230 coming on to the network we will see a net addition of more than 100 drivers.

In the first quarter of the year we will see around 35 new drivers and in the remaining three quarters around 65 new drivers in each of those quarters. So the issues that we have been experiencing, generated by the shortage of drivers, and the incidents that creates on the network when one late running train involving a crew change generates a cascading effect, because we do not have sufficient standby or buffer crews, we will progressively work our way out of those issues during the first half of this year. That will inevitably give us progressive improvements in the number of incidents that have been generated by crew shortages.

The Hon. JAN BURNSWOODS: What is RailCorp doing to improve reliability in the short and long terms? Some aspects have been covered in earlier questions but I know there are other areas as well.

Mr GRAHAM: Again, the elements of our reliability improvement program are putting in place a timetable that reflects safer and slower running times. Let me repeat, the current timetable does not work. The current timetable will never work because it does not reflect the safer and slower operation that is necessary in the post Waterfall environment. Having undertaken public consultation,

we would expect to introduce that timetable around September of this year. That is an important element but it is not by any means the complete picture.

Ensuring that we have improvement programs for train crewing, which I have dealt with in the previous question, and ensuring the programs that are in place for both improving fleet reliability and signalling reliability—and the Government is funding additional money for each of those programs. For fleet reliability we have identified the six major causes of fleet incidents ranging from door mechanisms through to train management systems, through to matters to deal with compressors and motors on those trains. Those six major fleet reliability improvement programs are all funded, are all being rolled out, and I would expect will give us again progressive improvement in reliability because of a progressive reduction in incidents.

We have again looked at infrastructure incidents that occur on the network—signal failures, points failures—and adopted an 11-point program to deal with each of those, again with additional funding being committed by the State Government. They are the important elements of the reliability improvement program. Our reliability improvement program clearly cannot deal with some of the things that are beyond our control. We do have incidents involving sick passengers and weather-related incidents and obviously our timetable needs to be able to deal with those in a disrupted environment as best as we can.

The Hon. MICHAEL GALLACHER: In relation to the XPT, you indicated the new speed is an interim measure. You said the infrastructure is okay and I assume you are talking about your concern about safety issues in regards to level crossings. Is that correct?

Mr GRAHAM: That is correct.

The Hon. MICHAEL GALLACHER: As the new speed is an interim measure, how much and when will you expect all of those level crossings to be covered so that the interim speeds can be lifted?

Mr GRAHAM: On the New South Wales network at this point in time we probably have somewhere in the order of 1,500 public level crossings. Through the State's Level Crossing Strategy Council to which I referred earlier, we—I should not say "we" because I have only been part of the process for 18 months or so—the State adopted a national system of risk assessing all of the level crossings on the State's network and, as a result of that, has in detail risk assessed the top 400 of those level crossings. Against the top 400 level crossings it has looked at all of the risk mitigation measures that can be adopted and has assessed, if those measure were adopted, the change in the risk profile of that level crossing.

As I say, this is a co-operative effort between the transport agencies, the Roads and Traffic Authority, the Local Government Association and the police. That particular method of assessment is now pretty well adopted nationally. Most of the States in Australia have adopted what is referred to as the level crossing assessment model [LCAM]. That model has enabled the prioritisation on a risk assessment basis as to the funding that is available which has been in the order of \$5 million per annum, and as I understand it in the future, will continue to be of that order. There is an additional amount of funding that I believe, if I recall correctly of the order of \$2 million, that will specifically focus on what we refer to as the high-speed corridors. That is obviously targeted at the issues to which I referred earlier. I think the State has a comprehensive method of assessing level crossings and of allocating on a sensible basis the funding. But the other initiatives available to reduce risk in terms, including the reduction in the speed of trains, I think is a matter that is complementary to that strategy.

The Hon. MICHAEL GALLACHER: My question was very specific: When will all of those crossings be fixed? How much will they cost? When will the interim measure be lifted? I do not want to think it will be my grandchildren who will be there to see the measure being lifted.

Mr GRAHAM: The speeds in place now are an interim measure. The options available to lift the speed of passenger trains are not just to do with the upgrading of level crossings. As I explained earlier, other strategies that are available to us where there is a lower density of level crossing is to actually speed board the train approach on either side of the level crossing. Again, that is a matter at times as to assessing visibility for both car to train and train to car, but that again is a

measure that is available to us for the corridor-specific review. The upgrading of 1,500 level crossings at an average of probably somewhere in the order of half a million dollars per crossing would represent a once-off expenditure of about \$750 million, so clearly along with other road funding issues, there is a prioritised, and I think sensible, risk assess basis of progressing with those.

The Hon. MICHAEL GALLACHER: It is therefore fairly reasonable to suggest that the Government's spin, using terms like "modern safety culture" and "interim speeds" is a bit of a joke? It is all about spin rather than substance.

Mr GRAHAM: Mr Gallacher, could I perhaps say on a personal note that I come along to these Committees hopefully to give open, thoughtful and thorough answers to the questions. I personally object to any tone or any imputation in your use of the word "spin" that I may not be fulfilling the obligation I have before this Committee to give honest answers to questions that are asked.

The Hon. MICHAEL GALLACHER: Mr Graham, since you are so offended, could you tell me when this "interim" term will be removed from rail? Does "interim" mean short term?

Mr GRAHAM: It does, and it will be interim for as long as my personal assessment is that the safe operation of the network requires that speed to be put in place. However long that is, and however long it takes to be satisfied on a corridor-by-corridor basis that those matters are sensibly addressed and that I am dealing in my responsibilities for the safe operation of the system, that is how long it will take.

The Hon. MICHAEL GALLACHER: With the additional recruitment of 100 drivers by the end of year, given that we have now got, depending on whose figures one believes, more than 600 services cut a day from the new timetable, does that indicate that there will be a significant number of drivers to do the job and will their reliance on overtime be greatly reduced? How do the drivers and the union feel about a substantial drop in their wages? Have they put an alternative view to you about bringing up their salaries to allow for the drop in income as a result of the increased number of drivers?

Mr GRAHAM: I think it was Alexander Pope who once said:

A little learning is a dangerous thing; drink deep, or taste not the Pierian spring—

Let me take you to the detail of driver numbers and the impact of the new timetable. I have previously said that the new timetable will reflect a slower and safer operating environment. It will be slower in the sense that for every hour of travel we will be adding somewhere of the order of three to five minutes. The impact of that will be to add approximately 10 per cent to the network train hours on the network because trains are running slower and obviously they need to be crewed for the extent of their duty cycle.

Balancing that will be the interpeak service modifications to which I referred earlier and that reduces train hours on the network. So we have two balancing issues here. On the one hand we are running slower, consuming more train crew and on the other hand we are running fewer interpeak services generating more train crew. While we have not yet finalised the crew rosters for the new timetable, on the basis of comparative train hours, the existing timetable, today's timetable compared to the new timetable, my expectation is that there will be an increase in train hours of approximately 1½ per cent to 2 per cent. If that were to be proportionately reflected in additional drivers I would expect the driver demand to be somewhere between 20 to 40 additional drivers for the new timetable.

As far as the drivers' reaction is concerned, you might recall in February last year that we had a period of industrial disruption because of the drivers' concerns that they were being asked to run inordinate hours of overtime. They did not believe that the overtime they were being asked to work was reasonable. A combination of the new timetable, a combination of the additional crew numbers, I think, would be welcomed by those drivers who expressed concern about the levels of overtime that they were being asked to work. Again, I think we have probably got a reasonably sensible balance in outcome.

The Hon. MICHAEL GALLACHER: Will CountryLink release a new timetable in September? Will this new timetable restore lost carriages and previously cancelled services?

Mr GRAHAM: I am not aware of a new timetable for CountryLink in September and I do not understand the question that you raised about lost carriages.

The Hon. MICHAEL GALLACHER: People in the Southern Highlands believe that they have less carriages on the service routes that they had before. I assume they are talking about a six or an eight car set which is now down to a four-car set and they have got more cramped conditions.

Mr GRAHAM: No.

The Hon. MICHAEL GALLACHER: There are more cramped conditions.

Mr GRAHAM: No, I do not believe so. We did make some modifications, you will recall, last July to the Southern Highlands services. In particular, on a service that was previously a through diesel service from the Southern Highlands in the morning to Central under the new arrangements passengers were required to change trains at Campbelltown onto a fast electric suburban service. We did that because of the track capacity during the morning peak. By not running a four-car diesel train, with passenger capacity of around 300, and instead running the new 900-seat capacity electric train we actually provided more seats and greater capacity for our customers in the Macarthur and Campbelltown areas, excepted that the passengers from the Southern Highlands, who previously enjoyed a through diesel service, had to then change trains at Campbelltown.

We have also earlier this week released the draft timetables for the Southern Highlands and for the Newcastle area for public consultation. So, again, we will be there listening to our customers in that area. Given that you have asked a question about the Southern Highlands, could I just take the opportunity to quote from the Southern Highlands Rail Users Group newsletter, where they reflect a significant public consultation. I quote, "A subcommittee of SHRUG"—which is their acronym for their organisation—"met with representatives of RailCorp on 4 September to commence discussions around the September 2005 timetable. This timetable rewrite will have greater impact on all commuters on the CityRail network. It was good to see RailCorp are starting the process of talking to commuter groups early in the planning stages. RailCorp has met with 12 commuter organisations to date and will be meeting with hospitals and educational facilities as part of their planning. At the meeting we felt that RailCorp representatives have a much better idea of the issues that we are facing and they were quite honest and open about what we may and may not get next year. We thank them for that."

The Hon. MICHAEL GALLACHER: Finished with that, Mr Graham? I will now turn to Waterfall, if I may? Before we actually get into the details of the report could you indicate to the Committee whether there are any compensation claims outstanding to Waterfall victims or their families?

Mr GRAHAM: We have as a result of the tragic accident at Waterfall around 73 claims. Those claims traverse both compensation for families of the deceased and obviously deal with persons who were injured as a result of that accident. As I say, there is a total of around 73. We have settled or substantially settled approximately half of those and I expect that half of the remainder would probably be settled in the course of this calendar year. After the accident the Premier wrote to the families involved and indicated that the Government, given the tragedy, would be generous in its compensation to the victims. We are certainly doing our very best, in sometimes difficult circumstances as you would appreciate, to be consistent with the Premier's indicated approach.

The Hon. MICHAEL GALLACHER: Mr Graham, how much has been set aside—how much has been budgeted for in total—for the 73 claims?

Mr GRAHAM: Mr Gallacher, there is no budget.

The Hon. MICHAEL GALLACHER: There is no budget?

Mr GRAHAM: There is no budget.

The Hon. MICHAEL GALLACHER: Have we got an indication of the total claims up to this point?

Mr GRAHAM: No, we do not and I think it would be quite inappropriate to try to, given the matters that remain outstanding and the approach that we are trying to take. Clearly, we would be able to give the total sum of money that is involved in matters that have already settled.

The Hon. MICHAEL GALLACHER: That is what I mean.

Mr GRAHAM: I would not in any way, shape or form attempt to subdivide that.

The Hon. MICHAEL GALLACHER: No, we would never do that. What is the total amount, Mr Graham?

Mr GRAHAM: I would be more than happy to come back on that particular question—

The Hon. MICHAEL GALLACHER: So you will take that on notice?

Mr GRAHAM: Yes, absolutely.

The Hon. MICHAEL GALLACHER: Mr Graham, when will the public receive a detailed response from the Government to the final report on the Waterfall disaster?

Mr GRAHAM: Mr Gallacher, that is a matter of government policy and, under the standing arrangements for these committees, persons in my position are not required to deal with matters of government policy, and I do not intend to do that.

The Hon. MICHAEL GALLACHER: Is RailCorp preparing a formal response?

Mr GRAHAM: RailCorp will, in the normal course of proceedings, be providing its advice to the processes of government—and I am sure that is what you would expect.

The Hon. MICHAEL GALLACHER: And you have not prepared it at this stage?

Mr GRAHAM: As I say, we will provide advice to government on those aspects that concern our recommendations regarding RailCorp.

The Hon. MICHAEL GALLACHER: When you say that you will provide it is it therefore correct to assume you have not been asked to provide it?

Mr GRAHAM: I think the Government, in releasing McNerney's report, gave an indication of the process that it would follow and I do not intend to comment further on the government process or the policy decisions that may or may not be followed by a government.

The Hon. MICHAEL GALLACHER: Is it not correct to assume, though, Mr Graham, that before they make a decision they should consult with you, as the chief executive officer, in regard to the implementation of their recommendations or their decisions?

Mr GRAHAM: You should safely assume that sensible processes will be followed. Again, the policy decisions are yet to be made by government and are a matter for government.

The Hon. MICHAEL GALLACHER: Mr Graham, it is difficult to have confidence in having sensible decisions being made when one looks at what happened with Glenbrook and the way that that was allowed to fall between the cracks in the system. So I think it is fair to suggest there needs to be a degree of scrutiny and accountability, both in terms of RailCorp and government. Earlier you said you will be asked. Do I therefore take it, Mr Graham, that you have not been asked to prepare a submission?

Mr GRAHAM: No, you cannot assume that.

The Hon. MICHAEL GALLACHER: Then, Mr Graham, have you supplied a submission to the Government on the Waterfall recommendations?

The Hon. JAN BURNSWOODS: How many times are you going to ask the same question?

The Hon. MICHAEL GALLACHER: Until I get the answer. That is what this is for.

The Hon. JAN BURNSWOODS: The Chair, of course, will have no say, as usual.

CHAIR: Order!

Mr GRAHAM: Mr Gallacher, let me just repeat the answer that I have given. On releasing Justice McInerney's report, the Premier indicated a process that would be followed. That process is being followed and you can safely assume that, of the matters that are concerning RailCorp, RailCorp does have the opportunity of providing its advice to that government process.

The Hon. MICHAEL GALLACHER: You say it "does have the opportunity". Have you taken that opportunity?

Mr GRAHAM: Sensibly, we are and we will provide advice to government on those matters that affect RailCorp.

The Hon. MICHAEL GALLACHER: Mr Graham, going on to the recommendations and recommendation No. 5, has RailCorp commenced training guards to use the Metronet radio system?

Mr GRAHAM: Mr Gallacher, we can go through 127 of these recommendations—

The Hon. MICHAEL GALLACHER: No, I do not want to.

Mr GRAHAM: You can ask the same question but, unfortunately, you are going to get 127 consistent answers that I do not intend to comment on the recommendations of Justice McInerney. They will be dealt with by government. The standing orders of this Committee provide that people in my position are not required to comment on government policy. Until the Government has made its statement—which it has indicated that it will make—on each of those recommendations, I do not intend to canvass the content of any one of those.

The Hon. MICHAEL GALLACHER: Mr Graham, every time we asked the former Minister, Minister Costa, a question about operational procedures involving rail we were told, "No, that is a matter for Vince Graham; that is an operational matter." I have just asked you a training, operational question. You cannot have it both ways: You cannot point at each other and say, "He's the one to answer it". The question was very specific: Have guards started training on the Metronet radio? I am not after the Government's response; I do not care what the Premier has to say. I want to know, as a user of the rail system, that the Metronet radio system is being provided and guards are being trained. It is not a hard question; I am not asking you to undermine government policy. I want to know what you, who is in charge of the operation of CityRail, are doing about it.

Mr GRAHAM: And you will get to ask those questions in another place of the Government. I repeat the position: I do not intend to comment on any of the 127 of Justice McInerney's recommendations. That will be a matter for government.

The Hon. MICHAEL GALLACHER: As you spin down to the earth's core can you give us a wave when you get to the middle? He is following the Government's line.

The Hon. ERIC ROOZENDAAL: Madam Chair, gratuitous comments like that have no place in this Committee.

The Hon. MICHAEL GALLACHER: It is ridiculous that you are not answering an operational question.

The Hon. ERIC ROOZENDAAL: I am sorry, Mr Gallacher, enough!

The Hon. MICHAEL GALLACHER: They do not want to answer anything to do with Waterfall—not a thing.

The Hon. ERIC ROOZENDAAL: Save your rants for the Parliament.

Ms LEE RHIANNON: Moving on to branch lines, is there a timetable for restoring any of the 15 branch lines identified by the New South Wales Farmers Association as being critical?

Mr GRAHAM: I appear here today as Chief Executive of RailCorp and Acting Chief Executive of State Rail. The grain branch lines are the responsibility of the Rail Infrastructure Corporation [RIC]. The Chief Executive of the Rail Infrastructure Corporation is Mr Bob Pentecost and it is not a matter within my jurisdiction. Again, consistent with the guidelines of this Committee, I do not intend to comment on matters affecting other agencies.

Ms LEE RHIANNON: So you have not been involved in any of the discussions about those branch lines?

Mr GRAHAM: You may recall that up until last year I had the titles of Chief Executive of RailCorp, Rail Infrastructure Corporation and Acting Chief Executive, State Rail. All of the network outside the defined RailCorp metropolitan area is the responsibility of RIC. A chief executive has been appointed and has now been there for some months. Obviously, I have been involved in previous times—previous months—as the Chief Executive of RailCorp and, indeed, as Chairman of the Grain Infrastructure Advisory Committee. I no longer hold those titles and it is appropriate to address questions relating to the country network to the Rail Infrastructure Corporation.

Ms LEE RHIANNON: Moving on to Casino to Murwillumbah, what discussions are you having with the Federal Government regarding the \$32 million commitment made during the Federal election campaign to reopen this line?

Mr GRAHAM: I am not having any discussions, and nor would I expect to. As Chief Executive of RailCorp and Acting Chief Executive of State Rail, the Casino to Murwillumbah line is not the responsibility of either organisation that I lead.

Ms LEE RHIANNON: So that does not come under your brief at all?

Mr GRAHAM: No. We, as RailCorp, do not have any accountability for infrastructure outside of the defined metropolitan area. Very broadly, the boundaries of our area are Broadmeadow-Newcastle, out to Lithgow-Bowenfels in the west, down to Bomaderry near Nowra on the Illawarra line and a little south of Macarthur on the main southern line. We are responsible for the above-rail operation of the CountryLink passenger business. We do not have any responsibility for the infrastructure outside the metropolitan area. That, on the interstate corridors, is another responsibility of the Commonwealth Government's Australian Railtrack Corporation. The remaining country residual network is the responsibility of the Rail Infrastructure Corporation. The Casino to Murwillumbah line is the responsibility of the Rail Infrastructure Corporation.

Ms LEE RHIANNON: Coming at it from your CountryLink associations, are there any circumstances under which you could see that this line would reopen?

Mr GRAHAM: Again, you are asking me questions about infrastructure, which is outside my accountability and authority. It is a matter that should be addressed to the relevant authority.

Ms LEE RHIANNON: Moving on to the CountryLink Solutions Team in New England, we have not heard much about this lately. Could you tell me when it had its last meeting?

Mr GRAHAM: I was not involved with the CountryLink Solutions Team. That was a matter that was being dealt with locally and by the Ministry of Transport. I am not aware of when it had its last meeting. That is a community group; it is not a RailCorp group.

Ms LEE RHIANNON: But it had some of your representatives on it, I understand.

Mr GRAHAM: We were certainly involved in attending the meetings as a representative, and I had a RailCorp officer who attended those meetings. But I could not give you any advice as to when that New England solutions team last met. I simply do not know the answer.

Ms LEE RHIANNON: Can you provide some information about what has been happening there from your side, otherwise I would be concerned about how serious this is taken?

Mr GRAHAM: I am more than happy to provide, as a question on notice, our knowledge of when that community group last met.

Ms LEE RHIANNON: I would also be interested in what initiatives have come from it and what is the time frame for it to complete its studies and come forward with any proposals?

Mr GRAHAM: Yes. I think the whole process was being led by the local member and I think the local member is probably the relevant person to ask on these issues.

Ms LEE RHIANNON: Yes, I have done that, but I am interested from your perspective. I am concerned about your lack of knowledge about it and therefore I am interested in hearing what your people's involvement has been and how it is progressing from your side.

Mr GRAHAM: My understanding last year of where that New England solutions team got to with its deliberations—and I think I fairly quote the local member in this regard—was that the New England area were passionate about maintaining their service and were prepared to entertain other initiatives that may improve the financial performance and the ability to provide that service. I think within that context they were prepared to look at market-based fares. They were prepared to look at rationalisation of the business overheads and bookings system for CountryLink, and we have taken a number of those initiatives forward. We are replacing the CountryLink outdated reservations system.

The CountryLink reservations system was not able to deal with an Internet booking in the same way that some domestic airlines are capable of. We have invested in that system and hopefully by mid-year we will bring on an upgraded booking system that will allow those customers who choose to do so to undertake their transactions on the Internet. We have also, in co-operation with Australia Post expended through their B-pay facility the number of locations in New South Wales. We have taken telephone bookings through our CountryLink call centre. With the implementation of the B-pay arrangements we will have about 975 outlets throughout regional and rural New South Wales where our customers will be able to more easily access their tickets and hopefully improve.

Our underlying problem with the overheads and particularly the ticket selling overheads is that our fare box from CountryLink was around \$45 million. That is not the cost of running the business. My recollection is that the cost of running the business was about \$160 million. Of the \$45 million we were collecting through the fare box, about \$30 million of that was going into the sales and distribution function. So, clearly in co-operation with local communities, where we can develop with their support strategies that will improve the delivery and improve the commercial performance and do something about reducing the overheads of the business, it is very important for us to focus on those initiatives, because we have listened to and hear the passion with which country people are asking for their services to be maintained.

Ms LEE RHIANNON: I think you would agree when they say maintained, they want it maintained as train services, not coach services?

Mr GRAHAM: Yes, we are talking the same language.

Ms LEE RHIANNON: So, are there any plans right now to cut or reduce rail services to the New England region?

Mr GRAHAM: No.

Ms LEE RHIANNON: I just want to check what sort of "no" that was. Because, if it is the same kind of "no" that you gave me at estimates last year about Casino-Murwillumbah, and that was just a week before the announcement that the line was closed. To refresh your memory, it was on 20 February that you said,

The Government has clearly made an announcement about maintaining the routes that are currently operated by CountryLink services.

And you expanded on that. On 3 March, Ms Sylvia Hale followed up my question and you answered by saying:

I certainly was not envisaging that there would be a replacement of rail services by road coaches.

So, although members opposite laugh, it is a legitimate question. What sort of a "no" is it? How reliable are your statements?

Mr GRAHAM: As I said previously, I come to the Committee and I answer questions openly and honestly on information that is available to me. The decision relating to the Casino-Murwillumbah line, if you recall, follows budgetary issues imposed on the State Government by the Commonwealth. They were matters subject to government policy at the time and they are matters of government policy, not matters that are decisions of or within the control of the organisation that I lead. They were matters of government policy, and the answers I gave at that time were correct at that time, and the answer I am giving you today, to the best of my knowledge, is correct as well.

Ms LEE RHIANNON: So, you are saying that a week prior to the Casino-Murwillumbah closure you knew nothing about it?

Mr GRAHAM: That is correct.

Ms LEE RHIANNON: When did you find out about it?

Mr GRAHAM: Look, I think I have already answered questions previously in parliamentary estimates on that.

Ms LEE RHIANNON: Not that question.

Mr GRAHAM: I beg to differ. I think I have answered a very similar question.

CHAIR: That is correct. Mr Graham has been questioned on that.

The Hon. MICHAEL GALLACHER: Can I return to the Waterfall recommendations. Earlier today you took a question from the Government on the new PPP for the 498 trains, and you spoke about the development of that contract.

Mr GRAHAM: Yes.

The Hon. MICHAEL GALLACHER: You would be aware, of course, that recommendation 32 talks about the installation of level 2 ATPs in the new trains. What I want to know is, will the 498 carriages you were talking about earlier be compatible with the recommendations from the Waterfall inquiry?

Mr GRAHAM: There are a range of recommendations from the Waterfall inquiry that bear on rolling stock. When the Government takes a policy position and the Government will announce, as the Premier has indicated, its position on the Justice McInerney recommendations, that question will be able to be answered. The position on all 127 recommendations remains a policy issue for the Government and as such I do not intend to discuss those particular issues further, as I have indicated three times previously.

The Hon. MICHAEL GALLACHER: Four times, Mr Graham—here comes the fourth question. Given your Government has focussed on the safety of our rail system and has made an absolute issue of safety and slower, do you believe the public has a right to know that upon the

handing down of the Waterfall inquiry your organisation has acted and is starting to implement some of those very recommendations now, not waiting for the Premier to make an announcement heaven knows when in the future? Do you not think that the travelling public has a right to know now that things are under way and things are being implemented?

Mr GRAHAM: In the Premier's press release in releasing Justice McInerney there is a comprehensive summary of the matters that are already under way. I think the people of New South Wales, the Parliament of New South Wales, are entitled to know from the Government how it intends to respond to Justice McInerney's recommendations, as I think that is the appropriate forum for policy announcements to be made.

The Hon. MICHAEL GALLACHER: However long that is? I think that is very poor indeed given the Government's poor track record on safety on our rail system, very poor indeed. If I can ask you a question about emergency exit ramps on our trains. You might recall there was concern about the ability of passengers to get from trains in the event of emergency down on to the tracks, and the Government invested in exit ramps. Can you give us an indication of how much it cost for each of these exit ramps to be made and how many were purchased?

Mr GRAHAM: No, I cannot.

The Hon. MICHAEL GALLACHER: Would you be surprised if the figure was approximately \$30,000 per ramp?

Mr GRAHAM: I am sorry, Mr Gallacher, I have absolutely no idea what you are referring to.

The Hon. MICHAEL GALLACHER: You do not know about the need to put the 430 new hi-tech composite material ramps together for CityRail?

Mr GRAHAM: I have no idea of the document you are referring to.

The Hon. MICHAEL GALLACHER: Would you take it on notice, and when you do find out come back?

Mr GRAHAM: If I can get a clear enunciation of what the question is, I would be happy to deal with it.

The Hon. MICHAEL GALLACHER: The question is: Has CityRail recently put in an order for the purchase of 430 high-composite safety ramps to allow people to remove themselves safely from our trains?

Mr GRAHAM: I would more than happy to take that on notice.

The Hon. MICHAEL GALLACHER: You do not know anything about that?

Mr GRAHAM: I know the training we are delivering to our train crews at our Petersham facility to ensure the capability of drivers and guards to attach ramp ladders at the end of trains.

The Hon. MICHAEL GALLACHER: So you do know about it?

Mr GRAHAM: You are talking in a language that is not familiar to me. Composite rail ramps is not the terminology that immediately led me to the conclusion as to what you were talking about.

The Hon. MICHAEL GALLACHER: That is not what I originally put to you. I said safety ramps, exit ramps.

Mr GRAHAM: If I can get a clear enunciation of the question, I am more than happy.

The Hon. MICHAEL GALLACHER: Are you aware of the adoption of exit safety ramps as part of the standard operational material resources to allow people to remove themselves from a train in the event of an emergency with some safety?

Mr GRAHAM: I am aware of the work we are currently doing to provide ladders that can be fitted by the train crew. I am aware of the training we are providing to the train crew in both the fitment and the assistance of passengers down those emergency stairways in the event of an incident that occurred in a confined space like the underground network.

The Hon. MICHAEL GALLACHER: How many are you purchasing?

Mr GRAHAM: I have agreed I will take that question on notice. I do not at this point in time know the number or the dollar value. I am sorry I do not have that information off the top of my head but I am more than happy to respond to the question on notice.

The Hon. MICHAEL GALLACHER: If I can turn now to the issue of the new carriages. With the contract under way, there has been a recommendation—and again I refer back to Waterfall—of safety hatches being built into future trains and all new rolling stock must be designed with an area of the roof through which emergency service personnel can access a rail car without encountering wiring or other equipment.

Mr GRAHAM: I am sorry, so, you are referring to a contract being let?

The Hon. MICHAEL GALLACHER: No, I am suggesting that everything is moving towards the development of the contract so far as the 498 new carriages—

Mr GRAHAM: The PPP project?

The Hon. MICHAEL GALLACHER: Yes.

Mr GRAHAM: I understand now what you are saying. No, there has been no contract let for that. We have closed expressions of interest.

The Hon. MICHAEL GALLACHER: That is right.

Mr GRAHAM: I indicated earlier that I would expect in the next couple of months for the Government to announce the short listing.

The Hon. MICHAEL GALLACHER: Has the inclusion of the emergency hatches in the roof of the trains been included in the specifications that you have asked for thus far?

Mr GRAHAM: The specifications for the PPP are part of the tendering process. I would expect to have knowledge of the Government's response to all of the recommendations arising from the Waterfall report and any recommendation clearly that impacted on the purchase of the new rolling stock would be incorporated into the specification once the Government has dealt with a policy position on each of those elements.

The Hon. MICHAEL GALLACHER: So, in other words, it is fair to say everything is in limbo so far as what is required, not only in terms of the 498 new carriages but, indeed, any of the safety improvements that need to be made following Waterfall until such time as the Premier makes some sort of policy announcement?

Mr GRAHAM: Well, the Premier has already indicated that the Government will respond on the recommendations made as a matter of government policy and once government policy is determined, I would expect that any of the positions adopted by the Government on the recommendations of Justice McInerney that relate to new rolling stock would be incorporated in the specification for new rolling stock and we clearly have time to do that, given that we are at the expressions of interest phase, not at the tendering phase.

The Hon. MICHAEL GALLACHER: With regards to the new rolling stock, what measures are you putting in place to ensure that New South Wales taxpayers do not have the same blow-outs that they had with the Millennium trains?

Mr GRAHAM: When you refer to the blow-out issues—

The Hon. MICHAEL GALLACHER: The blow-out in cost?

Mr GRAHAM: I assume you are referring to the cost blow-out?

The Hon. MICHAEL GALLACHER: Yes.

Mr GRAHAM: One of the advantageous structures of the PPP project, because the proponents are tendering on an availability basis not simply on a capital cost basis, the risks associated with blow-out of the capital construction are matters that are the risk of the proponent under a PPP not the purchaser.

[Short adjournment]

The Hon. KAYEE GRIFFIN: Mr Graham, you spoke about the draft timetable previously. Could you provide for the Committee a breakdown of what the response has been from the community and also where RailCorp has been able to make changes to address any of those issues that the Committee has raised?

Mr GRAHAM: As I indicated earlier, our timetable was released for public consultation on 2 December and that timetable that was released for public consultation deals with the CityRail network other than for the Illawarra and the South Coast lines and because of the Bondi Junction turn back project, which will be completed later this year, the adjusted new timetable for the Illawarra line will be published at a later date for implementation early in 2006. As part of the consultation process we posted the draft timetable on our web site. We made it available at 23 metropolitan libraries and we distributed 150,000 brochures for public consultation. In addition to that, we had direct correspondence with schools, TAFEs and universities, and meetings were held with a number of key stakeholders, including the community groups, as part of that public consultation. In total we received 2,100 responses from that community consultation process. Almost half of those, 1,000 of them, were received through the CityRail web site and a further 750 responses came as a result of the brochure distribution through free post back to us.

Interestingly, the majority of the responses, indeed 80 per cent of the responses we received indicated dissatisfaction with the current timetable; 80 per cent of the feedback was about dissatisfaction with the current timetable and general liability issues so, implicitly, the majority of people responding in comment to the new timetable were about unreliability of the current timetable and clearly concern that we improve that reliability. Around 5 per cent of the respondents dealt with some specific issues that were of concern at their local station or on their local line and we have been able, as the Minister has indicated earlier this week, to deal with many of those suggestions or those indicated problems.

We have also, as part of the consultation process, engaged our major internal stakeholders—our train controllers who work with the timetable every hour of every day, our signalling staff, our train crew—and we have been able to get some very valuable input on the draft timetable from those internal stakeholders. All up, the feedback that we have had has led to 55 modifications to the draft timetable, 40 of those in the suburban area and 15 in the inner-city area. On Monday of this week we released the draft timetables for the Southern Highlands and Hunter Valley areas and, as I indicated earlier, we have been engaged—

The Hon. MICHAEL GALLACHER: I asked you about Southern Highlands earlier.

Mr GRAHAM: As I did indicate earlier, we have already been engaged in community consultation in the Southern Highlands and feedback from the draft timetables released to those communities will close at the end of the month and, again, we will be able to provide some detailed

feedback to those communities on the issues that they have raised with us as part of that consultation process.

The Hon. KAYEE GRIFFIN: Mr Graham, you spoke earlier about clearways. Could you give the Committee some more detailed information perhaps in relation to the Cronulla clearway?

Mr GRAHAM: The Cronulla project—Cronulla on the Illawarra line, part of the Illawarra line Eastern suburbs clearway—that particular line has two major clearway projects that are part of the billion-dollar clearways program. The first of those, the Bondi Junction turnback that I have already mentioned, the Bondi Junction turnback is designed to improve the capacity of that total Illawarra line from 13-14 trains an hour up to 18-20 trains an hour. But the second significant part of that project is the duplication of the Cronulla line. Currently the Cronulla line is substantially a single line railway, and for reliability and capacity reasons, operating any single line railway and its capacity represent a serious reliability risk. The duplication of the Cronulla line will not only add, obviously, capacity to that line in moving from single to double, but it will certainly enhance the reliability of that line.

Currently our Cronulla line passengers suffer from time to time when there is even minor late running of four or five minutes. Because we are trying to operate a single line railway and its capacity, you have no choice but to cancel a service at Sutherland to maintain the on-time running of the remainder of the peak, so our Cronulla line passengers will certainly benefit from the duplication project both in terms of capacity and reliability; and together with the Bondi Junction project, all of our customers on the Illawarra line will benefit from the increased capacity. We should be able to introduce the benefits of that in the first half of next year and add to the peak hour train capacity on the Illawarra line, particularly for the morning peak.

The Hon. JAN BURNSWOODS: Mr Graham, I note that we have reached the—

The Hon. MICHAEL GALLACHER: The Minister's nanna.

The Hon. DAVID OLDFIELD: The Minister's nanna? Is that what you called her?

The Hon. MICHAEL GALLACHER: Yes. She's the nanny who looks after the Minister.

The Hon. ERIC ROOZENDAAL: And you are a schoolboy idiot.

The Hon. JAN BURNSWOODS: As well as being very offensive. Madam Chair, I assume, as usual, you just play no role in any of this. You just sit there.

The Hon. DAVID OLDFIELD: She keeps her insults to herself.

The Hon. MICHAEL GALLACHER: Is that a point of order, is it, or are you just asking for advice?

The Hon. JAN BURNSWOODS: Was yours a point of order?

The Hon. ERIC ROOZENDAAL: What are you actually doing?

The CHAIRMAN: Order! There is no point of order.

The Hon. JAN BURNSWOODS: You are actually the Leader of the Opposition in the upper House, Mr Gallacher.

CHAIR: Ms Burnswoods, could you just not be distracted and ask your question of Mr Graham.

The Hon. JAN BURNSWOODS: I was not actually distracted, Madam Chair, but it is nice to think that you actually have an opinion on something for a change.

The Hon. MICHAEL GALLACHER: Thanks, nanna.

The Hon. ERIC ROOZENDAAL: Idiot!

The Hon. JAN BURNSWOODS: Mr Graham, since we have reached, or are reaching, the 150th anniversary of the railway system in New South Wales, I wonder if you could tell us whether RailCorp has plans to mark the anniversary and to celebrate it?

Mr GRAHAM: Yes. This year—September of this year—will mark the sesquicentenary, the 150th anniversary of when the first train moved from Central to Parramatta. Actually, I think it was not quite Central to Parramatta; it was somewhere out near Redfern-Erskineville.

The Hon. JAN BURNSWOODS: Yes, just somewhere near Granville.

Mr GRAHAM: Somewhere near Granville, so some of that has been lost in the translation along the line. But going back through the history of that momentous event for the colony reveals, I think, a couple of very interesting parts of our history. Governments are roundly criticised today for the mixed gauge which the Australian railway was constructed with—New South Wales adopting standard, Queensland adopting narrow, and Victoria adopting the broad gauge or what was then known as the Irish gauge. Because our gauge is called the standard gauge, quite often the public perception is that New South Wales were the only smart ones and everybody else got it wrong. The reality of history is that New South Wales ratted on the other States at the time.

There was an agreement that had been stitched up with the Colonial Office to construct the colonial railways in broad gauge, that agreement supported by both the Victorian and New South Wales Governors at the time, but a very late arrival, a UK engineer, who had experienced the broad gauge in other parts of the globe, recommended to the New South Wales colony that they adopt a more efficient and effective standard gauge. Unfortunately, the Victorians had already ordered the broad gauge locomotives and it was far too late for them to adopt that. Also the first rail privatisation project was when the Sydney to Parramatta rail link actually had to be taken over by government prior to running the first train because of the financial difficulties of the private sector at the time.

There is a great and momentous part of our history that obviously had implications for the railways over the ensuing 150 years, so we would certainly, in conjunction with a range of other stakeholders, be conducting a number of, I think, significant events. On the day in September that marks the 150th anniversary there will be a re-enactment of that first train and importantly we are working with the rural community at Werris Creek and are investing some \$1.3 million in a permanent monument to the many men and women who have given their lives over that 150 years in the construction and operation of the State's rail network. We are also working in partnership with the Powerhouse Museum. We are working together with the *Daily Telegraph* who have already published a calendar of events for this sesquicentenary year. So it is a time for reflection; most importantly, I think it is a time to recognise the great contribution and dedication of so many men and women over that 150 years to the development and the operation of the State's rail system. I think honouring the memory of those people with the monument at Werris Creek for me personally will be one of the highlights of the year.

The Hon. JAN BURNSWOODS: I think the Powerhouse is restoring the 3830 locomotive?

Mr GRAHAM: No, it is actually locomotive No. 1. It is being restored, not as an operating locomotive, but it is being restored as a static display as part of the sesquicentenary year, and I am actually also working at the moment with all of the heritage operators and heritage organisations in New South Wales to define the secure future of our railway heritage in New South Wales. I am very grateful for the participation of the major players, the Rail Transport Museum at Thirlmere, 3801 Ltd, and the many, many regional groups represented on our heritage group because I think it is extremely important that decisions be taken so that in another 150 years time those generations have the ability to reflect on the technology, culture and generally on the history of railways of New South Wales, which were such an important part of the development of the colony back 150 years ago.

The Hon. JAN BURNSWOODS: We may have some more questions next round. I think we do not have any more at this stage.

The Hon. MICHAEL GALLACHER: Mr Graham, on a couple of local issues before I turn to another policy area, it seems to have escaped the Government that there is a need for some sort of indication for the people around Ryde and Eastwood, in particular the Ryde people who use the Eastwood railway station, that there has been promise after promise made on easy access which, for whatever reason, has fallen on deaf years of the Government. Can you give the people of Ryde and Eastwood an indication of when they will see that easy access upgrade finally delivered after many years of promises by the person who is in fact now the Minister of Transport?

Mr GRAHAM: Under the Easy Access Program, which of course is required under Federal Government legislation, we are required to provide the appropriate level of access, disabled access, both to facilities and to information as prescribed in that Act, and to date of our 302 stations on the network we have completed around 65 stations. I am relying on memory here, Mr Gallacher, but it is roughly 25 per cent of the total number of stations that we have already upgraded. That 25 per cent represents, in terms of passenger utilisation, around 65 per cent of the passengers using the network, so clearly there has been a priority given to dealing with an order of upgrade here that represents a cascading of the greatest good for the greatest number early in the program.

To date, the expenditure on that Easy Access Program has been of the order of \$350 million. It has been a sizeable program. There are another five easy access stations that are under construction at the moment. I have not memorised the five locations but I think Blaxland and Guildford are among those and the funding allocation of the forward capital program is of the order of \$20 million per annum, so it is a sizeable commitment of funding. In terms of the Ryde-Eastwood stations in particular, Mr Gallacher, I am more than happy to take that on notice because I simply do not recall precisely where they may sit in the program.

The Hon. MICHAEL GALLACHER: Mr Graham, it has been promised for something like three or four years, predominantly as we lead up to an election. I suspect the Minister for Transport and indeed his electorate minders have surely just forgotten about it rather than having ignored it, so if you could take that on board, that would be great. Another area of concern is Cardiff. The elderly local people in Cardiff approached the former Minister for Transport about six months ago and they have been very patiently waiting for a response from the Government. They have an easy access problem and they have a reasonable solution, I suggest. Mr Graham, can you have a look also at where Cardiff sits? Will you also undertake to have a look at the submission made by the people of Cardiff on the grounds of fairness and reasonableness in terms of the submission and report back to us in terms of the progress of that easy access also?

Mr GRAHAM: Mr Gallacher, I will take that question on notice. Again, let me reinforce that of the 302 stations that we have on the network, \$350 million has completed 25 per cent of those. I am sure that with just some proportional maths, one can get an indication of the size of the dollars to complete all of the stations. The vast majority of the stations and the customers using those stations, particularly the elderly and the disabled, have got a legitimate claim. I think it is extremely important to develop a strategy that enables stations to be upgraded on the basis of providing an easy access station within reasonable reach of commuters. Obviously we cannot do every one, but we are having a sensible pattern of easy access stations developed and I will certainly add Cardiff to the previous matter on notice that I have taken.

The Hon. MICHAEL GALLACHER: Mr Graham, thank you. The Cardiff one is particularly front of mind, given the sheer nature of the railway station. The stairs are incredibly steep down onto the platform. There are some very popular aged community facilities nearby, and the proposition that they have put up is, I think, quite a reasonable one and it is deserving of some merit for you to take it on board.

Could I please now turn to transit officers. Could you indicate to the Committee how many transit officers we actually have sworn in as of today—not those in training, but those that are actually sworn transit officers?

Mr GRAHAM: I think the precise number is 605.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee whether you are across the workload they are doing and where they are up to in terms of their progress so far as infringement notices and those sorts of things are concerned?

Mr GRAHAM: Reasonably. Obviously, as Chief Executive of an organisation of 14,000 people one tries one's best to be across a lot of things and fails on many occasions, but I will do my best.

The Hon. MICHAEL GALLACHER: Are you aware of how many complaints have been lodged with RailCorp regarding transit officers in 2003-04?

Mr GRAHAM: The precise number in the period that you identify I will certainly get for you. I am aware, since about October of last year—and again my memory serves me correctly on that but I can certainly correct it if it is not right, but I am trying to give you the benefit of my understanding—there have been of the order of 380 complaints lodged regarding transit offices. Those complaints go through a process to determine factually, and bear in mind with our 7,000 CCTV cameras quite often when it is the station-based issue we have the ability to extract the video replay of what is alleged and we have then a process for those that are assessed to go forward.

We have a review group chaired by retired Detective Inspector Michael Drury who undertakes the review of those circumstances and of that 385 around 11 of those have been subject to the process. There are only a very small number of that 11 that were upheld and appropriate action, if necessary, taken in response to that, but of those 11, not all of the investigations have been completed. There is also a process available to the public, obviously, through the Ombudsman. Where they have concerns about any transit officer there is an external process that is available as well.

The Hon. MICHAEL GALLACHER: What timeframe are you looking at for that figure of 385 you have just given us?

Mr GRAHAM: Again, I am struggling to bring back the dates.

The Hon. MICHAEL GALLACHER: Approximately. Are we talking about since the financial year last year or—

Mr GRAHAM: It is probably mid to late last year, so we are probably talking about a six-month period. To give you some reference point for that, we would issue on average 12,000 infringement notices per month. In a six-month period that would represent about 72,000 infringements issued for ticketing or behavioural offences on the network, and that number of complaints as a proportion of those infringements issued will give you some feel for the numbers.

The Hon. MICHAEL GALLACHER: There are 385 complaints, approximately 600 personnel over a six-month period. In anyone's terms that is unacceptably high. I recognise the number of infringement notices you are issuing. What policy changes have been put in place to try to bring that figure down? If that were the New South Wales Police Service figures you would have to move very quickly to address those sorts of issues.

Mr GRAHAM: The processes we have put in place I have already articulated in terms of the review processes and 11 of that 385 have gone through with the remainder of them unsubstantiated as a result of investigation, and particularly the CCTV evidence. But can I give you a couple of examples, and obviously these are anecdotal but they make the point. We have had a very public commentary on one of the complaints in the media this week when a young lady who was issued an infringement notice did not have the appropriate student concession. The report in the media was that she presented a concession to the ticket seller. The ticket seller sold her a concession ticket on the basis of what we saw and then when the transit officer inspected the concession card it was a student university card. It did not have the appropriate concession hologram.

On the surface of it that sounds like a reasonable complaint. However, in the detail of it, because of the coding that is on our tickets we are able to distinguish tickets that have been sold through a manned booking office to tickets that are sold through ticket vending machines. This particular ticket had the coding from a ticket vending machine. In presenting one's concession card to

a ticket vending machine and pressing the concession button to get yourself a concession ticket, in those circumstances the evidence would clearly point to the fact that the transit officer complained about acted appropriately. Of the infringement notices that are issued, and I refer to the average of around 12,000 a month, of that 12,000 around 20 per cent of customers issued with that infringement notice will take the opportunity to appeal it, and of those who appeal approximately 30 per cent have their appeal upheld.

Where a customer writes in with a legitimate complaint, and sometimes we get a circumstance where people who have bought a weekly ticket leave it on the kitchen bench, forget to pick it up after breakfast, they are issued with an infringement notice and when they approach us we simply ask that they provide a photocopy of the back and front of their weekly ticket and on that basis we are able to uphold their appeal. But, again, we have had circumstances because of the coding of the ticket when passengers have said, "I have left my weekly at home." They send in the back and front of their weekly ticket and then we check the coding and the electronic transaction we find that that weekly ticket was used on that day. The day they left it on the kitchen bench it has been used to access the system on that day.

There are many examples where people who do not have a ticket have legitimate reasons for not having a ticket, but as I pointed out in the media yesterday, 85 per cent of the ticket offence infringements that were issue are for people who do not have a ticket; the remaining 15 per cent for people who simply have the wrong ticket. And it concerns me greatly that there is an attitude in the community that ripping off the Government by not having a ticket is perfectly okay. It is not perfectly okay. People do have legitimate reasons why they have not got a ticket and it is important that there is a process that fairly deals with that. But given that 75 per cent of the cost of operating this network is funded by taxpayers who do not use the system, every fare evader on this network is costing the taxpayer who does not use the system additional money and fundamentally I think that is unfair. Stealing is stealing, whether it is from an individual or the Government.

The Hon. MICHAEL GALLACHER: Going further from that, do you deal with representations that are made with regard to infringement notices? Do you deal with them internally or are they dealt with through the Infringement Processing Bureau at Maitland?

Mr GRAHAM: The processing of the infringement notices and the collection of the fines as a result are dealt with by the Infringement Processing Bureau. We currently deal with the appeal process against those infringements.

The Hon. MICHAEL GALLACHER: Are you aware that the New South Wales Police Service has diverted all of that to the Infringement Processing Bureau to handle the representations, the duplication?

Mr GRAHAM: Yes. You test my knowledge on other government agencies, but my understanding is that the Infringement Processing Bureau deals with a variety of infringement notices from different organisations, I think including speeding fines, et cetera, on the road. They also deal with the collection of infringements that we issue. But, as I say, we deal with the appeals process.

The Hon. MICHAEL GALLACHER: Through RailCorp is it Michael Drury in his role as Director of Ethical Standards and Customer Services that has the oversight of the representation process?

Mr GRAHAM: No. He is dealing with the behavioural complaints, the professional conduct complaints against transit offices. He is not involved in the appeal process where a passenger believes they have been unfairly given a ticket.

The Hon. MICHAEL GALLACHER: How many personnel does he have working with him to investigate 385 complaints in six-months?

Mr GRAHAM: No, he is not dealing with 385 complaints. There is a process that is looking at, on a first cut, on the basis of the evidence, the CCTV evidence in particular. Where that process reveals that there is a substantiated claim Michael Drury chairs the committee that looks at the detail and pursues a thorough investigation as part of our internal processes and, again, there is the

opportunity for complaints to go through to the Ombudsman for individuals who are concerned with those internal processes.

The Hon. MICHAEL GALLACHER: Does the Ombudsman oversight his investigations into complaints?

Mr GRAHAM: No.

The Hon. MICHAEL GALLACHER: They do not?

Mr GRAHAM: No.

The Hon. MICHAEL GALLACHER: So there is no oversight of Mick Drury's investigation of complaints?

Mr GRAHAM: No, there is a supplementary process obviously for anyone who does have a concern about the process not being adequately dealt with. The Ombudsman is able, and the Ombudsman has dealt with a number of public complaints that were referred directly to the Ombudsman.

The Hon. MICHAEL GALLACHER: Of the 11 complaints that came out of the 385 that Michael Drury has handled, without being specific or identifying any one complainant, person complained of or the incident, would you please give the Committee an indication of the range of offences that Mick Drury is investigating?

Mr GRAHAM: No, I am sorry, I do not have that level of detail on me. I am more than happy to take that issue on notice and provide the Committee with an answer to the question you have asked about what was the range of issues raised in those 11 incidents and considered by Michael Drury's committee.

The Hon. MICHAEL GALLACHER: If you get matters of assault, for example, common assault where there is no physical assault of a person other than the intimidatory aspect of the assault, would that be handled internally by Michael Drury's investigative unit or would that go out to, say, the Ombudsman to investigate, something as serious as that?

Mr GRAHAM: Whether the Ombudsman is involved is a matter for the individual, it is not a matter of referral from RailCorp. Every citizen has the option of referring a matter of concern to the Ombudsman and many take that opportunity.

The Hon. MICHAEL GALLACHER: Am I right in assuming that there is no oversight, depending on how serious the allegations are, that are received at RailCorp about their transit officers' conduct?

Mr GRAHAM: No, not at all. The reason for establishing Michael Drury in the role he has is to do precisely that.

The Hon. MICHAEL GALLACHER: I cannot see how someone who is an employee of the organisation can somehow be suggested to be therefore independently oversighting. We do not do it with any of our other law enforcement agencies. Why is it that yours seems to stand alone?

Mr GRAHAM: I do not think it does, frankly, stand alone in that respect. There is a range of—

The Hon. MICHAEL GALLACHER: I do not think it is going to go on for much longer.

Mr GRAHAM: If I can respond to the question, and explain to you, as I have done, the levels of internal review and the opportunities for external.

Ms LEE RHIANNON: Given that many weekend CityRail services have been cut so that the overall service is worse, has CityRail considered offering off peak or reduced fares on weekends to compensate passengers for the reduced service?

Mr GRAHAM: Yes, we have, but can I go back to a fundamental here? RailCorp is not a profit organisation. As I said in response to an earlier question, 75 cents in the dollar of the cost of operating RailCorp comes from taxpayers who are not using it; 25 per cent, 25 cents in the dollar comes from the fare box. I think it is a totally unreasonable proposition to further discount some of the cheapest public transport fares in the world, and I think the State Chamber of Commerce—

Ms LEE RHIANNON: I think people would dispute that, cheapest in the world. Everything is relative, but they are not the cheapest.

Mr GRAHAM: No, you are not reflecting on my data there. I think you are reflecting on the report that has been published by the State Chamber of Commerce this week and if I heard Maggie Osborne correctly, she indicated that of the liveable cities that CityRail was the second cheapest in the survey behind Tokyo. The reality is that CityRail fare structures compared to those in London, for example, are substantially cheaper. I think it is an interesting matter of policy consideration as to whether there should be further fare reductions for those using the system when that cost must be borne by people who are not using it, that is, the general taxpayer. If we were a profitable organisation and if we gained all of our revenue from the fare box, I would understand the argument better. However, in putting the argument for further fare reduction the honourable member is putting the proposition that every taxpayer in New South Wales who does not use the system should further subsidise the fare structure for those who do. It is an interesting public policy debate.

Ms LEE RHIANNON: Mr Graham, when you started answering the question I thought I heard you say that it is already happening.

Mr GRAHAM: No, I was asked whether I had considered it and I said that it has been considered. However, I do not think there is a substantiated case for further imposing on the taxpayers who do not use the system and who are already paying 75 per cent of the cost.

Ms LEE RHIANNON: When you say "considered", do you mean you have had discussions with the Minister about it?

Mr GRAHAM: No, I was asked whether the question had been considered and I said that it had.

Ms LEE RHIANNON: Do you mean by you personally?

Mr GRAHAM: Yes. The fare structure is adequate, robust and fair.

Ms LEE RHIANNON: This question will probably be taken on notice. Can you provide a list of the stations that have had upgrades under the Easy Access Program and the criteria used to determine the order in which upgrades take place?

Mr GRAHAM: I can certainly provide a list of the approximately 65 stations that have been upgraded and some of the criteria, including patronage, throughput and so on.

Ms LEE RHIANNON: Can you not provide all of the criteria?

Mr GRAHAM: The criteria have been in place for many years. I have been in the organisation for 18 months and I am personally not aware of the detail of that criteria. However, I am more than happy to answer the question on notice.

Ms LEE RHIANNON: Can you also provide details of the stations that are scheduled to be upgraded?

Mr GRAHAM: Yes, we have a forward capital works program. For the benefit of those dealing with the questions on notice, is the honourable member looking for the location and

information about the criteria for the 65 stations that have been completed and for the forward program?

Ms LEE RHIANNON: Yes.

Mr GRAHAM: Given normal forward capital works, I imagine we will be able to provide this year's and next year's intended upgrades.

Ms LEE RHIANNON: Thank you very much. I now refer to Newcastle. Has RailCorp done any financial modelling on the impact of the closure of the Newcastle railway line?

Mr GRAHAM: Do you mean the Broadmeadow to Newcastle railway line?

Ms LEE RHIANNON: Yes.

Mr GRAHAM: I have indicated in previous estimates committee hearings that RailCorp has not been driving that process; the Transport Ministry has been responsible for that evaluation. We have clearly provided some input at an officer level, but that is a matter for the Transport Ministry, not RailCorp.

Ms LEE RHIANNON: I appreciate that you explained the separation, but can you explain your level of involvement in this issue?

Mr GRAHAM: We are obviously the current operator of rail services through to Newcastle. Matters pertaining to the future of that railway line relate to Government policy, and the ministry has been the co-ordinating authority for Government on the broad range of financial and other evaluations that have been conducted in that regard. I understand that the Government has announced its position on that issue.

Ms LEE RHIANNON: Can you expand on your views about that? In answer to the previous question you ventured into the policy area when we were talking about fares. I am interested in your comments because a service has been cut and you have had involvement. What is your view about the decision and the way it was made?

Mr GRAHAM: No, I will not venture into that area; it is a matter of Government policy and it has been dealt with by other agencies. The Acting Director-General of Transport, Mark Duffy, will be very grateful for the reference. He is the appropriate officer to deal with that.

Ms LEE RHIANNON: Perhaps we can address the question in terms of the rail service that will be left in the Hunter if this closure goes ahead. You would have to agree that closing the line would create a major incentive for Maitland residents to use their cars instead of the rail service. What impact do you anticipate on the rest of the Hunter rail network if this closure goes ahead?

Mr GRAHAM: None whatever. As I said, it is a matter of Government policy, not a matter that my organisation is dealing with, and those questions are appropriately put to the Transport Ministry.

Ms LEE RHIANNON: So you do not think there will be a flow-on effect.

Mr GRAHAM: As I said, it is not a matter that our organisation has dealt with; it is matter of Government policy. It is outside my jurisdiction and authority and it is appropriate that it be dealt with by the organisation that has the responsibility.

Ms LEE RHIANNON: Are you aware that the Endeavour railcar servicing centre at Broadmeadow has been upgraded to include facilities to decant railcar toilets?

Mr GRAHAM: The Broadmeadow Endeavour facility is now subject to a \$2.5 million upgrade. That upgrade is designed to deal with a number of deficiencies but also with the maintenance of the new Hunter cars currently under construction in Newcastle. That \$2.5 million upgrade has been

approved and the money has been allocated in the forward capital program. I am happy to take on notice the specifics of the upgrade if that is what the question concerns.

Ms LEE RHIANNON: I would appreciate that. Are you aware that this ability to decant the toilets means that diesel railcars no longer have to travel from Newcastle to Broadmeadow and back to decant toilets during the day and that means that trips the Minister has used to support his claim of half the trains being empty are no longer relevant?

Mr GRAHAM: I do not understand the question.

Ms LEE RHIANNON: The Minister has been arguing that trains travel along these lines half empty. Now that the toilets do not need to be decanted the diesel railcars are not travelling backwards and forwards doing that job, so the Minister's argument is no longer valid.

Mr GRAHAM: My understanding is that at least part of the decanting operation is for the electric sets that operate from Newcastle to Sydney. As I said, I do not really understand the question.

Ms LEE RHIANNON: It has been argued that the trains are half empty all the time. Now that we do not have those out-of-service runs between Newcastle and Broadmeadow during the day there has been an advance in the service but there has been no publicity about it. I am sure you are aware of the carry on about level crossings, but a better service is now being provided and there are fewer problems on the crossings but there has been no publicity about it. You must sign off on good news stories, but you have this good news story and nothing there has been no publicity.

Mr GRAHAM: Inner city trains operating between Sydney and Newcastle terminate and start at Newcastle station. They are generally stabled at Broadmeadow overnight and I understand that some decanting occurs. Train drivers sign on and bring those stabled trains empty from the sheds at Broadmeadow into Newcastle station. I am struggling to understand the point of the question. Trains are stabled in the stabling yards and come to the Broadmeadow platform. I do not see any significant influence on decanting facilities or how it may impact on service frequency.

Ms LEE RHIANNON: I am arguing that there is a reduction in the number of half-empty trains, which has been an argument used to indicate that the services are not fully utilised.

Mr GRAHAM: Most of the trains moving out of stabling to the Newcastle platform are completely empty. They move from Broadmeadow to the Newcastle platform to start the service duty cycle. There are no passenger movements on those Broadmeadow to Newcastle trips from stabling, decanting or positioning services.

Ms LEE RHIANNON: Have there been any discussions between the New South Wales and the Australian Capital Territory rail authorities about the stated cost of shared funding models for the Sydney to Canberra XPT route?

Mr GRAHAM: There were some government-to-government discussions last year about the shared cost of those services. I am not aware of the current status of those discussions.

Ms LEE RHIANNON: So you do not know when we can expect an outcome?

Mr GRAHAM: No.

Ms LEE RHIANNON: Can you take that question on notice?

Mr GRAHAM: Again, I understand that that matter is the responsibility of the Transport Ministry because of the government-to-government negotiations, so it is properly a matter for the ministry.

Ms LEE RHIANNON: Are you generally aware of it, or have you been asked for input?

Mr GRAHAM: I am aware of it. We would have provided some input last year, presumably for the government-to-government negotiations. However, I do not have any update on the status of that. As I said, the matter is being dealt with by the ministry.

Ms LEE RHIANNON: I am interested in the situation with regard to links with the Victorian Government. Has the Victorian Government withdrawn its financial support for the Melbourne to Albury leg of the Melbourne to Sydney SPT route?

Mr GRAHAM: No, it has not.

Ms LEE RHIANNON: So, relationships are all co-operative and as on track as expected?

Mr GRAHAM: No, there is a financial matter between this State and the Victorians with regard to the current contract arrangements under which they entered into an obligation to fund a certain percentage of the operation of that service. The year before last they sought to cap their contribution to that service and would not recognise the increased operating costs for fuel, labour and so on. However, we are dealing with that under the interstate agreement we have with Victoria. We are undertaking some robust discussions. It is not about their willingness to pay it all but their interpretation about how much they have to pay.

Ms LEE RHIANNON: At what level have they put the cap?

Mr GRAHAM: Again, I do not have the detail in my mind at the moment. I am more than happy to take the question on notice.

Ms LEE RHIANNON: When do you expect an outcome? It sounds as though you have encountered some problems. Is it correct to assume that Victoria is delaying the outcome?

Mr GRAHAM: No, the services continue to run. Discussions on the interpretation of the contractual arrangements are not impacting service levels at all.

Ms LEE RHIANNON: When will there be an outcome on those discussions?

Mr GRAHAM: I will take that on notice.

The Hon. MICHAEL GALLACHER: Mr Graham, just returning to your earlier comments in relation to the transit officer investigation process not being subject to any formal external oversight process, there were 385 complaints lodged against transit officers in the six months, of which 11 resulted in investigation. Were those 11 investigations of a criminal nature?

Mr GRAHAM: No, Mr Gallacher, I am not aware that they were but again to be fair to the statement I made earlier I have undertaken for each of those 11 to come back with a broad description of what the offences were. Clearly, if there are any matters of a criminal nature they are not matters for investigation by RailCorp, they are matters for investigation by the police.

The Hon. MICHAEL GALLACHER: What is the process when a criminal allegation is made?

Mr GRAHAM: That would be referred immediately to the police. Bear in mind that on many of these circumstances the police attend the original incident and on many occasions part of the evidence that is available to review the complaint are the police reports themselves.

The Hon. MICHAEL GALLACHER: So, Mr Graham, of the 385, 11 of which were investigated by Michael Drury—and as criminal offences are therefore reported to NSW Police for investigation—it is therefore correct to assume that the 11 to which we have referred are not criminal offences. Is that correct?

Mr GRAHAM: That would be my understanding of the answers that I have already given and among the answers I have already given is that I will come back with the detail of the range of offences in that 11.

The Hon. MICHAEL GALLACHER: For that 11, but of the 385 complaints lodged against transit officers in the six-month period, how many were of a criminal nature and were investigated outside of Michael Drury?

Mr GRAHAM: To the best of my knowledge, none. Again, whether it is the 385 or the 11, Mr Gallacher, I would expect that the policy of any criminal matter raised whatsoever would not be dealt with by the internal conduct review. It will be dealt with by the police. We are not an agency to investigate criminal allegations or criminal behaviour.

The Hon. MICHAEL GALLACHER: Therefore, to put it at rest, none of the 385 complaints lodged against transit officers have been investigated by NSW Police?

Mr GRAHAM: To the best of my knowledge and consistent with—and I have undertaken to come back to you on the specifics of the 11—

The Hon. MICHAEL GALLACHER: Only the 11 but I am talking about the total.

Mr GRAHAM: To broaden it, I am not trying to wobble this in any way, shape or form. I am more than happy also to go back and look to see whether there are any issues relating to criminal matters in the 385 and come back with the detail on the 11.

The Hon. MICHAEL GALLACHER: Mr Graham, of the 385 what intelligence systems have you kept in place to identify officers who have become, shall we say, high risk where they have had an increased level of complaint against them, albeit found not sustained because there is no video evidence, as you have suggested, or no other evidence to support the allegation? What mechanisms do you have in place to ensure that those officers are not allowed to continue on within the service as a transit officer without some level of managerial scrutiny? What is in place to prevent that happening?

Mr GRAHAM: Indeed, we put a lot of time, energy and resource when any of our transit officers are in any way shape or form involved in an incident. Bear in mind, let us be fair to the good men and women who are doing a very difficult job. They are out there on the network. They are dealing with drunks, drug addicts, gangs of hoons and are providing a very valuable service. Frankly, I am very proud of their role. We have got some terrific men and women who are doing this difficult job.

It is important, however, on any occasion when there is any evidence that a confrontation, however it was initiated, to us from a straight occupational health and safety point of view to ensure the training that has been given is refreshed, and all of the verbal de-escalation skills that we deliver in our training. We take every one of those incidents very seriously to ensure that the men and women who may have been involved are taken back and re-grounded as necessary in those skills and in that training. As I say, we take that issue extremely seriously.

The Hon. MICHAEL GALLACHER: Mr Graham, as you would be aware there has been some discussion to which you alluded earlier in relation to a young woman on the Bondi Junction line. As you have indicated, the circumstances surrounding her explanation are somewhat different to your interpretation of it. There has been some discussion about the use by transit officers of discretionary powers. What discretionary powers do transit officers have when someone has inadvertently committed an error and they are therefore required to take action? What is available to them?

Mr GRAHAM: The discretionary powers of transit officers really go to three general areas—I am specifically talking about not having tickets which is 85 per cent of the ticketing offences and all up ticketing offences are about 75 per cent of issued infringements. The discretion in circumstances available to transit officers concerns: overseas visitors, people who have English as a second language and the handicapped, particularly mentally handicapped people.

The Hon. MICHAEL GALLACHER: Apart from those, they cannot recognise that someone has committed an error of judgment? They have to automatically issue them with an infringement notice, is that correct?

Mr GRAHAM: Outside of that discretion—let me take some very specific examples—if someone does not have a ticket I do not think it is appropriate for discretion to be available. "I have left my ticket at home." "The dog ate my ticket." There are a million stories that can go with why they have not got a ticket. The important thing is that there is a process of appeal available. Twenty per cent of those who receive an infringement notice exercise that right of appeal and 30 per cent of those who appeal have their appeal upheld. I think there is a reasonably fair system in process there. I do not know how one gives a transit officer discretion in the circumstance where a person simply does not have a ticket, other than the discretionary areas that I have outlined.

The Hon. MICHAEL GALLACHER: Mr Graham, I take it you have never left home, gone to work and realised you have left your wallet sitting on the breakfast bar at home?

Mr GRAHAM: Have I personally done that?

The Hon. MICHAEL GALLACHER: Yes, or left it in another car?

Mr GRAHAM: No, I have not but, Mr Gallacher, I have personally been caught for 10 kilometres over speed on a speed camera because I was not paying attention.

The Hon. MICHAEL GALLACHER: The difference is that that is an offence for which you get points and the police or a highway patrol when it is an offence that does not attract points, such as a defect on a vehicle that could be an inadvertent mistake by the person who did not know that a rear light was out, for example.

The Hon. ERIC ROOZENDAAL: Point of order—

The Hon. MICHAEL GALLACHER: I do not want to hear it.

The Hon. ERIC ROOZENDAAL: I appreciate the attempt of the Leader of the Opposition to relive his heyday as a police officer—

The Hon. MICHAEL GALLACHER: I am surprised we never met, Eric.

The Hon. ERIC ROOZENDAAL: All the police I met were honest so I doubt I would have bumped into you. He might want to relive his heyday as a police officer but I do not think it is the point of this Committee to listen to him lecture us about the pros and cons of defects on motor vehicles or points allocated. I would rather hear the witness answer questions pertinent to his role as head of RailCorp.

The Hon. MICHAEL GALLACHER: To the point of order: The witness inadvertently drew a similarity between a driving offence that carries points to an issue of somebody not having their wallet on a train because they got up at 4.30 in the morning to go to work and they left it at home.

The Hon. JAN BURNSWOODS: None of that was even said.

The Hon. MICHAEL GALLACHER: They got up early in the morning to go to work. I am merely trying to indicate to the witness that there is a difference between the two. I want the view of the witness when there is an ability to actually allow some discretion to transit officers

The Hon. JAN BURNSWOODS: You are not after the witness's view, you just like the sound of your own voice.

The Hon. MICHAEL GALLACHER: I do not want to hear yours.

The Hon. ERIC ROOZENDAAL: Further to point of order: The witness has already clearly answered questions in relation to giving transit officers discretion in relation to people not having a ticket. He has also articulated a very clear appeal process for somebody who may forget their ticket to appeal once they have received the infringement notice and take advantage of that appeal process.

CHAIR: There is no point of order.

The Hon. MICHAEL GALLACHER: I do not condone for one moment someone intentionally breaking the law by not paying the correct fare. I refer to the inadvertent error of someone who gets up at 4.30 a.m. to get on a train from Mt Victoria and realises they have left their wallet on the breakfast bar. Rather than go through the appeal process is there a method by which they can be formally cautioned and a record kept so the person does not get off scot-free and it will avoid the suggestion of corruption. You refer to occupational health and safety for your workers but if they have a formal cautioning process it will stop any allegation that they were slipped a quid rather than issuing the \$200 fine.

The Hon. ERIC ROOZENDAAL: That was how it was in your day, was it, Michael?

The Hon. MICHAEL GALLACHER: No, I use to deal with real men, not like you. There are methods in place that can protect the transit officer.

The Hon. JAN BURNSWOODS: He is on about real men. He is trying to compete with David's undone buttons.

The Hon. DAVID OLDFIELD: Why don't you show us the hair on your chest?

The Hon. MICHAEL GALLACHER: You are like a Huger carpet tile.

The Hon. JAN BURNSWOODS: He really gets rattled, doesn't he?

Mr GRAHAM: It must be near time.

The Hon. MICHAEL GALLACHER: Mr Graham, it is a serious issue for transit officers to allow them that greater option.

The Hon. JAN BURNSWOODS: Why don't you stop making it into a bovver rage—

The Hon. MICHAEL GALLACHER: We know you hate them because in your mind they are police officers. We know you do not like them.

The Hon. ERIC ROOZENDAAL: Point of order—

The Hon. JAN BURNSWOODS: I never mentioned police officers.

The Hon. MICHAEL GALLACHER: No, you see them as police and you are a little Lefty and you don't like them, nanna.

The Hon. ERIC ROOZENDAAL: We now have a schoolboy attack on a member of the Committee and with nothing to do with the questions at hand.

The Hon. JAN BURNSWOODS: He is a fool. He is just a little bovver boy.

The Hon. MICHAEL GALLACHER: At least I got through school.

CHAIR: Order!

The Hon. JAN BURNSWOODS: This man is actually the Leader of the Opposition in the upper House. It gives you an idea about their standards, doesn't it?

CHAIR: We have only got a few more minutes to go.

The Hon. MICHAEL GALLACHER: Yours is Della—nearly Costa.

Mr GRAHAM: The appropriate processes are in place. There is an opportunity for those who have a legitimate reason for not having a ticket to appeal it. I think the statistics suggest that that

process works as 20 per cent of people appeal and of that 20 per cent who appeal 30 per cent have their appeal upheld.

The Hon. MICHAEL GALLACHER: The problem is the stress you put them through. They have still got to find some benevolent public servant who will allow them to get off. It is frustrating to have just been hit with a \$200 or \$300 fine and been told to write a letter to the Minister and we may or may not get you off.

The Hon. JAN BURNSWOODS: Point of order: Sometime ago the bell rang and I believe it is now time for Government questions.

CHAIR: Go ahead.

The Hon. JAN BURNSWOODS: Mr Graham, looking at the development of Sydney, particularly in the north-west sector up towards Richmond and Windsor, and the sector of Cambelltown, Camden and Narellan, what sort of planning has been underway in terms of the future rail needs of those areas and the kind of impacts of the expansion of Sydney? For instance, we heard evidence from the Department of Infrastructure, Planning and Natural Resources and Sydney Water in the past couple of days about the expansion of Sydney. In what way does that impact on the rail system and the kind of planning that is underway to deal with that question?

The Hon. MICHAEL GALLACHER: And the broken promises of the Government over many years and the falsehoods that it has presented to people out there.

Mr GRAHAM: Obviously we work closely with the Department of Infrastructure, Planning and Natural Resources in this important planning area. There are two very important time frames, recognising the responsibility of the Department of Infrastructure, Planning and Natural Resources for long-term planning issues associated with both the State and the Sydney Basin more generally. The first and most important planning initiative is to ensure that the current core heavy rail network is developed, enhanced and amplified in such a way that it can accommodate the range of medium- to longer-term development options that may be required to respond to land release and re-urbanisation projects and areas identified by DIPNR. That really is the basis of the billion-dollar Rail Clearways Program. It is extremely important that that clearways program—both in terms of its reliability enhancements but more particularly because of its capacity enhancements—and that core network is developed and enhanced so the network can deal with the future expansion.

The clearways program is very much aligned with DIPNR's announced proposals for the south-west development. It is very much aligned with the proposed development in and around Leppington and the reservation of a heavy rail corridor to go through to Leppington. As part of our integrated planning with DIPNR, we have not only been involved in the detail for that land reservation but developed the concept proposals as to how that heavy rail link would integrate at Glenfield, through grade separation, the current network and become an integrated part of the Campbelltown clearway. The proposal would also incorporate stabling facilities at the extremity of that heavy rail corridor. So, very specifically, that integration with DIPNR planning is important.

I think the second substantive medium-term issue is the potential for re-urbanisation development in the area served by the current Bankstown line. In terms of public transport and in terms of the investment that is being made in clearway, and in particular in the new rolling stock, our plans for the capacity enhancement, the development and the reliability improvement on what is currently the Bankstown circle line will provide substantial capability to link with any future plans that DIPNR may have in the general geographic area served by that railway line. It is an area serviced very well by public transport capacity and it makes a lot of sense to focus in that area from a transport point of view.

Clearly, in the very longer term there are issues associated with providing CBD capacity. So much of our network comes in and consolidates from the west, from the north, from the North Shore, from the Illawarra, and from the south-west—all of which is coming into the funnel through Redfern into the CBD. Clearly, in the longer term there is a need for consideration and corridor reservation—albeit underground corridor reservation—to service what may be developments that are not required until 2020. But we must reserve the strata corridor, with the massive development of major buildings

in Sydney, which obviously bury deep into the Sydney sandstone for their foundations. It is extremely important that the development of new buildings over the next 20 years recognises a future stratum that will potentially serve the ultimate expansion of the CBD network.

Again, we are working very closely with DIPNR. DIPNR have the responsibility, under government processes, for that longer-term planning. Our role is that very much of the tradesman rather than the visionary in delivering a safe and reliable network, but, clearly, having an eye to the future plans of DIPNR. I think that co-ordination and that work is progressing well, as evidenced by the vision that DIPNR have enunciated for the south-west.

The Hon. JAN BURNSWOODS: I have more questions, but I assume that we are finishing.

CHAIR: Yes, we just have one more matter to deal with.

The Hon. JAN BURNSWOODS: I will put them on notice.

CHAIR: Thank you, again, Mr Graham, for your substantial allocation of time to this Committee. We do appreciate it very much. With the Committee's forbearance, we have received some supplementary submissions in relation to the Sydney Harbour Foreshore Authority inquiry and the Clerks have advised that it would be a good idea to resolve to publish them so that people have time to read them before hearings commence next week.

Motion by the Hon. Michael Gallacher agreed to:

That the supplementary submission from the Sydney Harbour Foreshore Authority, the Friends of Pymont Point submission and Mr Shapiro's submission be published.

CHAIR: Mr Gallacher has tabled the chart that he gave to Mr Graham.

Document tabled.

CHAIR: Mr Graham, you are excused. I thank you all for your attention.

The Committee proceeded to deliberate.
