

GENERAL PURPOSE STANDING COMMITTEE No. 4

Friday 8 September 2006

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. P. Sharpe
Ms Lee Rhiannon

The Hon. P. Primrose
The Hon. C. Lynn
The Hon. A. Chesterfield Evans

PRESENT

The Hon. J. A. Watkins, *Deputy Premier, and Minister for Transport*

Ministry of Transport

Mr J. Glasson, *Director General*

State Transit Authority

Mr J. Lee, *Chief Executive Officer*

RailCorp

Mr V. Graham, *Chief Executive Officer*

Sydney Ferries Corporation

Mr G. Smith, *Chief Executive Officer*

CHAIR: I declare this hearing open to the public. The Committee will examine the proposed expenditure for the portfolio of Transport. In accordance with the Legislative Council guidelines for broadcast of the proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door.

Any messages from attendees in the public gallery should be delivered through the chamber and support staff or the committee clerks. Minister, you and your officers are reminded that you are free to pass notes. You are also free to refer directly to your advisers while at the table. I ask that the Hansard reporters be given access to material placed on the public record during hearings. This is the usual practice in the House and is intended to ensure the accuracy of the transcript. Please turn off mobile phones.

Minister, this Committee has decided to request that answers to questions on notice be provided within 21 days of the date on which they are sent to your office. I have to swear in any officers who are to give evidence.

Mr JOHN WATKINS: I am in your hands, but because it is such a broad portfolio, I suggest that we deal with Sydney Ferries first and then move on to State Transit, then RailCorp and the Ministry of Transport. Do you wish to swear in the officers before we start?

CHAIR: I would like to start with RailCorp.

Mr JOHN WATKINS: You can decide what you wish. However, I thought we might start with Sydney Ferries because Rear Admiral Smith has been in the position for only a few weeks.

CHAIR: We will start with Sydney Ferries and then do RailCorp.

Mr JOHN WATKINS: Then buses and the ministry. Would you prefer that we swear in officers as we go?

CHAIR: That might be quicker.

GEOFFERY FRANCIS SMITH, Rear Admiral, Chief Executive Officer, Sydney Ferries Corporation, sworn and examined:

Mr JOHN WATKINS: I do not particularly want to make an opening statement unless you would like me to.

CHAIR: That is fine.

The Hon. CHARLIE LYNN: Some time before you were appointed Minister, KPMG produced a report into the operation of Sydney Ferries' Balmain shipyard. It found that shipyard resources were not aligned with work requirements, the management structure was weak, work management process lacked planning, scheduling and co-ordinating mechanisms, the inventory returns were low in the storeroom, that considerable materials on the inventory exist outside the store, that maintenance plans have been developed for most fleet classes, but some were not inspected and recurrent failures existed, few performance measures exist in the shipyard, regular review processes were lacking, and improvement efforts were largely experimental and ad hoc. Can you advise the Committee what has been done since that report to fix the endemic problems at the Balmain shipyard?

Mr JOHN WATKINS: There were problems at the shipyard; indeed, there were problems at Sydney Ferries that were apparent and they have been well publicised over the past 12 months. There has been a reasonable amount of media attention on some of the difficulties faced by Sydney Ferries, especially 12 to 18 months ago. I am pleased to say that because of the programs put in place, including the Shipyard Remedial Plan, there have been major improvements in the safety, reliability and operational capacity of Sydney Ferries. I pay tribute to Rear Admiral Oxenbold, who was CEO for much of this year until recently, when Rear Admiral Geoff Smith took over.

I make the point clearly that the Government is committed to a safe, reliable and high-quality ferry service for Sydney. The Sydney Ferries Balmain shipyard improvement program to which you referred is centrally important in driving improvements in safety and reliability at Sydney Ferries. That program is now nearing completion. It has included the creation of new positions at the Sydney Ferries maintenance facility to oversee engineering works and repairs, to improve technical maintenance plans and to ensure that proper procedures are always followed to the highest standards. In addition, new rosters will be introduced in the coming weeks. That is designed to create the best possible environment for a strong, reliable and safe ferry service.

I am advised that the benefits from the Balmain shipyard improvement program are starting to emerge with quicker responses and faster turnaround of repairs and better procedures and linkages between Sydney Ferries operational crews on vessels and the Balmain shipyard. There have also been improvements in the availability of the fleet, which was an issue earlier this year. That has been driven partly by the improvements at the Balmain shipyard. I pay tribute to Chris Oxenbold and to the managers of the shipyard. The workers have also embraced the improvement program and we are starting to get good results, but there is more work to be done.

The Hon. CHARLIE LYNN: According to the Sydney Ferries submission to the Independent Pricing and Regulatory Tribunal [IPART] on 18 August this year, maintenance costs were down 27 per cent in 2005-06, with a further decrease of 10 per cent in 2006-07. Where have the biggest cost savings have in that area?

Mr SMITH: The figures given in the IPART submission indicate a reduction in the overall maintenance of the fleet. However, that captures only one part of it—the planned maintenance and the unplanned defect rectification. There are other elements in the way those figures are put together. If you look at the global budget, taking into account some changes in accounting practice that have been brought to bear during this financial year, our overall commitment to maintenance of the fleet is slightly higher than in the previous financial year. That was a snapshot of a specific aspect of the maintenance budget.

The Hon. CHARLIE LYNN: Is that due to a change in accounting procedures?

Mr SMITH: Yes, it was largely a change in accounting procedures, and for the budget 2005-06 we did not have a refit requirement for one of the freshwater class ferries, which is nearly \$5

million. The previous year had that \$5 million and this year has that \$5 million, but that year did not have that requirement and is the other part of why the figures for maintenance appear to be less.

The Hon. CHARLIE LYNN: Could you advise the Committee whether the acting Sydney Ferries chief, Chris Oxenbould, to whom you referred earlier, achieved his target of improved safety and reliability? I understand that, according to Sydney Ferries' submission to the Independent Pricing and Regulatory Tribunal [IPART] of 18 August this year, the number of significant safety incidents and percentage of fleet availability scheduled services would run, and services that ran on time in 2005-06 were below target. Moreover, the number of customer complaints increased by quite a significant 49 per cent to 1,243, or 51 per cent above the target of 820. Is that what you signify as an improvement?

Mr JOHN WATKINS: Certainly under Chris Oxenbould's leadership safety and reliability were improved. I pay tribute to him for that. Regarding on-time running and service reliability, in 12 the months to August 2006, 99 per cent of scheduled ferry services operated and 98.3 per cent of services ran on time. There were cancellations and any cancellation is regrettable, but from time to time services may not operate as scheduled for a number of reasons. Some of that includes heavy weather—as we experienced it yesterday when there was major disruption to ferry services on Sydney Harbour and at Parramatta, due to the flooding of Parramatta weir overnight—and other conditions on the Harbour, such as fog. Mechanical problems do play a role in interrupting reliable services. I am advised that, when service cancellations are due to mechanical problems, Sydney Ferries make every effort to arrange alternate transport for passengers, including the use of additional backup vessels. Travel on scheduled JetCat services from Manly at standard prices, replacement direct bus services and recognition of ferry tickets on State Transit buses and CityRail train services.

The New South Wales Government's key priority is to deliver a quality ferry service by improving its safety performance and its vessel availability, two issues that you referred to in your question. The Government recognises that the key to improving Sydney Ferries safety and reliability is robust and adequately resourced maintenance programs. That is why, on 6 June this year, I announced the allocation of \$16.4 million to boost Sydney Ferries 2006-07 funding, and an increase of \$11.6 million in recurrent funding. As part of this record transport budget, expenditure at Sydney Ferries will increase by 27 per cent in the current year. Our commitment to improving Sydney Ferries safety and reliability through better maintenance is also demonstrated by the appointment of Rear Admiral Geoff Smith. He brings a wealth of maritime experience to Sydney Ferries after 34 years in the Royal Australian Navy and key private sector experience. I am confident that he will carry on the good work that Rear Admiral Chris Oxenbould introduced. I made it clear at the press conference when I introduced Geoff Smith that my view is that Sydney Ferries as a maritime organisation needed a maritime focus in its leadership. That is why I am particularly pleased that Rear Admiral Smith was able to take up the position.

We will continue a number of key maintenance projects this financial year. That includes: \$3.3 million to install new engines on three RiverCat class vessels and nine first fleet class vessels; \$2.4 million for the installation of black box data recording systems on all vessels; \$6 million for the upgrade of closed-circuit television at wharves across the ferry network; and, as referred to earlier, the Balmain Shipyard Improvement Program. I hope it is of use to the Committee to know that the recent signing of an enterprise agreement between Sydney Ferries and its Balmain Shipyard maintenance staff has enabled new rosters to be introduced, which again creates the best possible environment for a strong, reliable and safe ferry service. As I said earlier, the results of the Balmain Shipyard Improvement Program are starting to arise.

Another key maintenance project to take place in the current year is the dry docking of the Manly ferry *MV Queenscliff*. That is a freshwater class vessel, a Manly ferry, scheduled for special survey docking to commence later this month and into October. Sydney Ferries freshwater class Manly ferries need to be dry docked twice every five years for regular maintenance and safety checks. That essential maintenance work is part of the New South Wales Government's commitment to providing the highest level of safety on public transport.

The Hon. CHARLIE LYNN: Minister, you mentioned that 98 per cent of your ferries operated, 93 per cent of them on time. If that is the case, and it is also good, why has the number of

complaints increased by 49 per cent to 1,243, which works out at about 51 per cent above the target of 820? If it is so good, why are so many people complaining about it?

Mr JOHN WATKINS: I did not say it was "so good". I have been very public in my expressions throughout this year that in all of our public transport operations we need to do better. I think it is appropriate to acknowledge improvement when it happens, but clearly we have to do better across-the-board. That certainly applies to Sydney Ferries. I made it very clear earlier this year that I was dissatisfied with the number of matters, in particular safety and reliability, and I have made those comments publicly. There have been improvements in that and I have details some of those. Why has the number of complaints increased? I think the fact that the troubles that Sydney Ferries faced throughout this year have been quite high profile. I believe Sydney Ferries is seen as an iconic public transport provider. It is part of Sydney Harbour and a lot of people love the ferries. Interestingly, they probably do not use them a great deal but they like to know they are there. I recall someone saying that about whales, you do not often see them on it is nice to know they are there.

For many people their experience of ferries is perhaps that they use them on those special days when they go to the zoo with their children, or travel on the Manly ferry with their grandparents. It has that iconic status. Accordingly, when Sydney Ferries has difficulties, as it has, I think the number of complaints increases perhaps disproportionately. I cannot say that I can compare it to the other agencies. That may be one reason, that people want the ferries to be operating at the highest possible level of reliability. They do operate at a very high level, but when we slipped from that I think it draws people's attention. Some of the people that we carry are also very articulate about their needs and they expressed that very clearly. It did not help to have the Liberal Party candidate for Manly at Circular Quay in the recent times, handing out material about the poor service that he had just enjoyed a journey across the harbour.

The Hon. CHARLIE LYNN: But, you acknowledge the fact that that he is a very good candidate?

Mr JOHN WATKINS: No, I would not.

The Hon. CHARLIE LYNN: My question is in regard to patronage statistics. Does Sydney Ferries record patronage statistics per route, and separately per service and per wharf? If it does, are you able to supply the Committee with the figures broken down—per route, per service and per wharf—for the 2004-05 and 2005-06 financial years?

Mr JOHN WATKINS: Yes, I think I can do that.

The Hon. CHARLIE LYNN: The first question is: Do you do that by route, service and wharf?

Mr JOHN WATKINS: I will ask Mr Smith to answer that question.

Mr SMITH: The current way we capture the patronage figures—which could be improved I must admit, and that is one of the things we are working on—is, in fact, by area. The service we provide to Sydney has Manly, the inner harbour and Parramatta River as segments. That is the way we capture those patronage figures and we have available details of all of those routes, including changes to those routes.

Mr JOHN WATKINS: And I will just provide some of that. So it is clear, what I can provide you with is inner harbour, Parramatta, Manly ferry, JetCat. JetCat is separate from the Manly ferry. So with inner harbour, the patronage in 2004-05 was 6,093,745 and in 2005-06 it was 6,582,288—that is an upward movement of 488,543 or 8 per cent.

The Hon. CHARLIE LYNN: How many wharves would be in, say, the inner harbour? Or how many services?

Mr SMITH: The number of wharves I would have to take on notice.

The Hon. CHARLIE LYNN: But it would be a fair few, I would imagine?

Mr SMITH: Yes, that is quite correct.

Mr JOHN WATKINS: There is a number. As you know, the inner harbour covers everything from Rydalmere in the west through to Rose Bay in the east.

The Hon. CHARLIE LYNN: Would not being able to capture those patronage statistics by wharf service and by route be a vital part of your gathering of information?

Mr JOHN WATKINS: Yes, and we are taking some steps to achieve better capture of information. We are taking steps to do that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Surveys have been done.

Mr JOHN WATKINS: They have, but we need to do more than surveys. We need to get a more accurate capture of people leaving particular wharves and where they are destined and so on, and we have got plans to do that.

The Hon. CHARLIE LYNN: Could you advise what the severance payouts were for the last three Sydney Ferries CEOs? You may need to take that on notice.

Mr JOHN WATKINS: Yes, I will take that on notice.

The Hon. CHARLIE LYNN: Is the T-card part of the Sydney Ferries system?

Mr JOHN WATKINS: It will be, but perhaps with questions on T-card, if you like, we could wait for the Director General of the Ministry of Transport. But yes, the plan is that eventually it will be.

The Hon. CHARLIE LYNN: You may need to take this on notice: Can you advise the Committee how much was spent in the 2005-06 financial year on hiring charter vessels to replace ferries?

Mr JOHN WATKINS: Perhaps I will just make a few comments first. There was poor vessel availability, which I referred to earlier today, that necessitated an increased reliance on the hire of private ferries and/or State Transit buses in some cases. That has traditionally been part of the way that we maintain our commitment to our customers, that if there is not the availability of a Sydney Ferries vessel that we in fact arrange for another vessel, where we can, to be available. There were additional ferry hire costs incurred during the summer runnings period to complement the fleet and provide additional capacity at a time when the passenger numbers almost doubled.

Sydney Ferries has a very unusual, but perhaps understandable, patronage profile where across the summer holidays it peaks, and peaks quite dramatically. During the last summer runnings period, the vessel *Ocean Dreaming* was hired for eight days at a cost of around \$75,000, while the *Silver Spirit* was hired for six weeks at a cost of around \$140,000. *Ocean Dreaming* was used to provide additional services between Manly and Circular Quay during the summer period while the *Collaroy* was out of service. You recall that was out of service from September. We needed *Ocean Dreaming* to cope with the extra patronage and because *Collaroy* was not available. The *Silver Spirit* has been hired on an ongoing basis since the summer period to supplement the fleet while availability levels were still below target, as I referred to earlier.

Other charter vessels are hired on a needs basis, as are State Transit buses. In 2004-05 there were \$0.82 million hire costs for ferries, in 2005-06 it was \$1.43 million, and the estimate for this year is lower than that \$1.43 million. We do not expect there to be a large drop this coming year due to the requirement to take vessels out of service for training and for the installation of vessel data recorders or for re-engineering. As I said, I prefer to have a lower level of hire costs for other ferries, but when our priority is the delivery of service to the travelling public it is preferable, I think, to hire a ferry to continue that service than it is to cancel a service or even to put in place State Transit buses or hire other buses, which is something that we have to do quite regularly. For example, yesterday buses were used in the inclement weather and the interruption to services.

Ms LEE RHIANNON: I noticed that the State Plan comments on the high level of public transport patronage during peak periods and notes the need to provide additional capacity. Given that the ferry fleet in Circular Quay is already fully committed at peak hours, how do you plan to increase peak services for ferries?

Mr JOHN WATKINS: The State Plan does make that point, and that is an admirable intention for Government to get a greater percentage of people onto public transport. Interestingly, the number of people actually travelling into the CBD by public transport for Sydney is higher than it is for all other cities in Australia and comparable with many overseas countries. It is around 73 per cent, I recall.

Ms LEE RHIANNON: That is really excellent, and I am sorry to interrupt but I have very little time so I was hoping you would go to the heart of the question that I asked.

Mr JOHN WATKINS: I am here until six.

Ms LEE RHIANNON: I am here until six but I have only got 10 minutes on ferries. If you could address that specific question? I understand that Circular Quay and the ferry fleet are already at capacity in peak hours. How do you meet what you have set out in the State Plan?

Mr JOHN WATKINS: I am advised by Rear Admiral Geoff Smith that in fact it is not at capacity, that there is room for increased capacity at Circular Quay. If that was the case, or at some stage in the future it did reach capacity—and there is a high capacity at summer time—as I referred to earlier, there would be possibilities of delivering CBD passengers in other locations. King Street wharf could be used as well. But that is not required at the moment. We do use King Street wharf, but, if needed, we could look at alternatives for CBD-bound ferry passengers.

Ms LEE RHIANNON: You are also saying that the ferry fleet is not fully committed in peak hours?

Mr JOHN WATKINS: We aim for an availability level, which should have more vessels available than you need at any particular time in case something goes wrong. But we would look into the future, and we have been looking at the ways in which we could improve patronage on Sydney ferries.

Ms LEE RHIANNON: Are you able now—or take it on notice—to give us some quantitative figures on ferries and numbers that you are aiming to achieve to meet the State Plan in terms of providing additional capacity?

Mr JOHN WATKINS: We will take that question on notice.

Ms LEE RHIANNON: Are you aware that when people who live in Manly ring 13 15 00—the number that we all love—to inquire about public transport options, they are routinely given bus times and not ferry times? What are you doing to ensure that 13 15 00 promotes Sydney Ferries?

Mr JOHN WATKINS: I am not aware of that, and I will check it. But I would like to know that that is in fact the case. I recall last year receiving a question from you that the Waterfall report was not on the web site, when in fact it was. So if indeed 13 15 00, which is the transport info line, is not providing information about Sydney ferries that it should, I will certainly speak to—

Ms LEE RHIANNON: I did not say it was not providing information about ferries. I said when people rang from Manly looking for options to come into the city, the options they are given are buses, not ferries.

Mr JOHN WATKINS: I am happy to have a look at that, but you can access the info line and I encourage you to do so via the web site. There is a great little trip planner where you can identify train, bus or ferry, and it will provide you with the timetables.

Ms LEE RHIANNON: Yes, I know, that is excellent, but many people, particularly the elderly, do not have the Internet. How much has Sydney Ferries spent on charters and private ferries in the last 12 months?

Mr JOHN WATKINS: Before you came in we dealt with that.

Ms LEE RHIANNON: I apologise. What is your plan for fleet replacement of ferries?

Mr JOHN WATKINS: All the current ferry fleet is still within its operational life. The ferries that we have range in ages between 5-7 years and 25 years, but all of them are within their operational life. They are a very well-maintained fleet. As I referred to earlier, they go into regular dry-docking for maintenance every couple of years, especially with the Manly Ferries, so they have a number of years left in them.

I am just starting to turn my mind to replacement of fleet. I have to say that through this year and last year I have been spending a fair deal of time in ensuring improved reliability, customer service and improved levels of safety. They were the highest priorities I had in taking up the task with regard to Sydney Ferries. I think it is timely now to start thinking about issues of replacing the fleet, but we do have some time to do that because all of our fleet is still within its operational life.

Ms LEE RHIANNON: How much time before you have to start replacing them?

Mr JOHN WATKINS: That depends on the particular vessel. Some of the vessels we purchased around the Olympic Games, so they have a long period of life left in them. Some of the others have been around a bit longer so they have less.

Ms LEE RHIANNON: Like 5 years, 10 years or 2 years?

Mr JOHN WATKINS: It is not an absolute cut-off point because it will depend on maintenance levels, the particular vessel and the age of the particular vessel, but it is perhaps timely now to start thinking that I will turn my mind to fleet replacement. Once we do that, that enables us to perhaps make greater efficiencies with regard to some maintenance issues in having perhaps fewer types of the vessels out there, but we have not done any detailed planning on that yet. The time is about right to start that.

Ms LEE RHIANNON: You just said that at any time ferries are being maintained?

Mr JOHN WATKINS: Naturally that is part of the work.

Ms LEE RHIANNON: Can you indicate what proportion of ferries is on active service, what proportion is in maintenance at any one time and what proportion of ferries is unavailable for service right now? One question relates to maintenance and the other is the actual reality now.

Mr JOHN WATKINS: Our target is to have 80 per cent of vessels available, so that ensures you have maximum flexibility with regard to delivery of service.

Ms LEE RHIANNON: What is available right now?

Mr JOHN WATKINS: It is around that level. It has been less than that in the past, as was made pretty clear pretty publicly several months ago, but because of the improvements that I outlined earlier, I think before you came, with regard to the Balmain shipyard improvement program, we are now getting availability levels where they should be, but we need to be above 80 per cent for me to be happy.

Ms LEE RHIANNON: Going back to my earlier question about the capacity at the moment, because the information I have received is that the ferries are operating at full capacity in peak periods. In peak periods what proportion of that 80 per cent that you have available is being used in peak periods?

Mr SMITH: At the moment we are nearly at the 80 per cent, which represents about 24 vessels of seven different types across the fleet. The improvements that Balmain has been able to do through the initiatives taken now are providing us with spare vessels. To meet our peak period we are now operating with an increased level of availability, varying between one to three spare vessels available to fill any unforeseen contingency or breakdown. Our capacity, of the 24, which represents roughly the 80 per cent, somewhere between one to three of those 24 are not running during the peak hour. They are available as emergency spares to ensure that we can continue to deliver the service that is expected.

Ms LEE RHIANNON: So that I understand correctly: the figure of 24 is what makes up the 80 per cent?

Mr SMITH: Yes.

Ms LEE RHIANNON: And of those 24, one to three of them are not operating. They are for back-up if there is a breakdown or something?

Mr SMITH: They are fully serviceable and available to be used.

Ms LEE RHIANNON: Immediately. Going back to the State Plan, which has the important objective to increase capacity in peak periods, how can you achieve that? I thought the Minister said earlier that it was possible to achieve that. If I have understood those figures correctly, you have no wriggle room. You have no ferries there to increase capacity in peak periods?

Mr JOHN WATKINS: It depends on what your timetable is and whether or not you change the target for availability. If we get an availability target which is higher—and, of course, your earlier question is that it also depends on your fleet replacement because the State Plan, as you would know, is a plan for the next 10 years, in which case there will be replacement of ferries. It then comes to a question of the size of the new vessels that you purchase, so there may be a capacity increase by changing your timetable, by improving the availability of your fleet or by changing the nature of your fleet so that they are larger vessels.

Ms LEE RHIANNON: But with all due respect, changing the timetable is not going to give you an opportunity to allow you to achieve the objective. It sounds like what you are saying is that you can achieve the objective of increasing capacity in peak hour somewhere in the future when we have replacement, but that we cannot actually achieve it now?

Mr JOHN WATKINS: No, I did not say that. I said there were three ways that you may impact on availability. One is looking at your timetable, starting certain services earlier so that you can run an extra service in the morning—let us talk about the morning—it could be that more of your fleet becomes available regularly, therefore, you could put on extra services or it could be the type of new vessel that you purchase in fleet replacement. It could be any of those or a combination of those.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The commuter committee was introduced into the management of ferries. What impact has that had?

Mr JOHN WATKINS: It has meant that we have been far more focused on the commuters, I would hope.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: What is being done differently because of the work of that committee?

Mr JOHN WATKINS: It is very hard to just lay at the feet of them specific programs or projects within Sydney Ferries. I think that the changing focus of Sydney Ferries over the last 12 months to concentrate on safety as priority number one, availability, reliability and comfort, has been an all-encompassing movement by Sydney Ferries, partly due to the input you have suggested. I can report to you that we have recently completed a customer satisfaction survey—you referred to a survey earlier. That survey that we undertook involved almost 4,500 passengers and was designed to get a better understanding of what is of importance to our customers, the level of satisfaction with services and where things might be improved. It was encouraging to report positive responses in a

number of areas, including safety, comfort, and speed of journey. We recognise there could be further improvements. We are currently reviewing in detail the results of that survey to integrate them into the organisational planning and it is our commitment to do that. I have also tasked Rear Admiral Geoff Smith with improving the organisation's safety, reliability and customer service.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can I ask about rosters? There was some controversy about rosters. I think there was nearly a strike about rosters. What changes have been made to the rosters? Are people working longer shifts?

Mr JOHN WATKINS: The industrial action that took place earlier in the year was unrelated to rosters. It was more in relation to some misunderstandings about the status of the EBA negotiations. Those misunderstandings were resolved. The negotiations were put back on track, and they have resolved in achieving an EBA with the unions and the work force. The rosters were a separate issue.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I do not know that the strike was about rosters, but I know there was disquiet about them.

Mr SMITH: The rosters are currently being reviewed in consultation with the unions. There are two dimensions to it. Initiatives have already been taken at the Balmain yard. The old arrangement was essentially a six-day working environment, early in the morning until late at night. That has been changed to a five day a week activity, Monday to Friday, with the agreement of everybody. When requirements exist for unexpected maintenance, say, over a weekend to restore a service or something, people will be brought in as required, which is seen to be best practice in the marine business, rather than having people standing by. In terms of the rosters for the seagoing element of the ferries organisation, the existing arrangement was for 16-hour shifts, which was deemed to be unsafe, and those shifts have now been reduced to 12-hour shifts, and that is in place and operating.

Mr JOHN WATKINS: The introduction of 12-hour rosters for operational staff in July was completed for outer harbour engineers in December. The rosters for masters, engineers, general purpose hands ensure that all operational employees who undertake safety critical work on Sydney Ferries vessels are rostered to work hours consistent with acceptable fatigue standards and the requirements of New South Wales safety legislation. That is an important sign of our commitment to safety. It was difficult to convince—"difficult" is probably overstating it—the work force that we had to move to a new regime in the rosters, but fatigue management is becoming more of an issue in all transport agencies to ensure the safest possible operation.

I would like the opportunity to give you some detail about safety as it has been a major issue in Sydney Ferries. In July this year I announced plans to improve the closed circuit television [CCTV] and public address systems. The number of CCTV cameras will increase from 197 to 284. That will improve the quality of recorded images and better communications. Over the past 12 months we have also introduced crew resource management training through the Australian Maritime College. That has been rolled out across all vessels within Sydney Ferries fleet, except the two lady class vessels which are being completed shortly. So there is better training of our crews. That is a significant training commitment, carefully managed to provide the crews and vessels to complete the training for all afloat staff. It improves communication between masters, engineers and other vessel crew. It gives them the knowledge and tools they need to manage a wide range of emergency situations. I am advised that feedback from the masters, engineers and deckhands undertaking the training has been very positive, with the vast majority applauding the benefits of the course. Sydney Ferries is also streamlining and upgrading its emergency drills program.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can I ask a couple of other questions?

Mr JOHN WATKINS: You can.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I am just short of time, that is all.

Mr JOHN WATKINS: I am sorry but the ferries issue has been front and centre all this year, and I simply want to make the point that we have treated it very seriously. Reforms introduced

by Rear Admiral Chris Oxenbould and continued by Rear Admiral Geoff Smith has been warmly welcomed by staff at Sydney Ferries, myself and, I would say, the travelling public.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you do fitness testing particularly of masters, who are driving the ferries? Do they have physical fitness tests, and does that involve exertion testing and fitness maintenance?

Mr JOHN WATKINS: We will take that on notice. I understand that there are fitness checks or medical checks.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are they merely medical or do they involve some physical activity?

Mr JOHN WATKINS: Those medical checks are applied to the masters.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So there is no physical fitness testing.

Mr JOHN WATKINS: Not that I am aware of but if there is I will seek some further information and bring it back to you.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is 80 per cent a modest target in terms of fleet availability? It means that you have six out of 30 vessels not working at any one time. Surely you could not be doing maintenance on six ferries at the same time.

Mr JOHN WATKINS: You need a gap for maintenance because there are ferries that are being maintained. You also need to have that gap of vessels that are available if something happens and they are needed.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is six out of 30 not available a modest target by industry standards?

Mr SMITH: That is a very acceptable target from an industry perspective because what it permits it gives the impression that you have six or seven out of service. One problem in terms of reliability of this fleet has been the inability to do what we call planned maintenance, preventive maintenance. We now have a system where by still meeting our obligation for peak hour commuters we are able to cycle the vessels through preventive maintenance, which in turn will allow us in the fullness of time to achieve higher levels of availability than that 80 per cent. We are starting from a relatively low position, and in just 12 months it has gone from 71 per cent to nearly 80 per cent now, and I expect that that will continue but for the moment that was the benchmark that was set.

The Hon. PENNY SHARPE: Can you outline the budgetary commitments that have been made to Sydney Ferries Corporation?

Mr JOHN WATKINS: I can assure the Committee that the New South Wales Government is committed to improving the safety and reliable operation of Sydney Ferries services. I was pleased to inform the lower House that the Government's twelfth budget contained a record \$3.4 billion in public transport spending—an increase of almost \$443 million on last year's budget. In the 2006-07 financial year funding payments provided to Sydney Ferries will total \$44.2 million—that is an \$11.6 million increase on 2005-06. The corporation's capital program will almost double, from \$5.8 million in 2005-06 to \$10.6 million in 2006-07. This funding will enable Sydney Ferries to continue to provide ferry services and to offer concessions to a range of beneficiaries, including pensioners and students.

Sydney Ferries is developing a number of strategies to achieve better operational efficiency. Indeed, Sydney Ferries has introduced additional services in recent months, improving the options available to the travelling public. The Government is committed to maintaining the reliability of Sydney Ferries vessels and other passenger facilities. I am advised that in 2006-07 Sydney Ferries estimates that \$22.5 million will be spent on maintenance and the running of the fleet's Balmain shipyard. In 2006-07 Sydney Ferries' \$10.6 million capital works program includes a number of initiatives designed to improve the organisation's safety and service reliability performance.

Key projects for 2006-07 include \$2.3 million for re-engineering of first fleet and river cat vessels to improve safety, reliability and fuel efficiency; \$3.2 million for safety initiatives, including installation of the vessel management system on all vessels, CCTV installation and the Collaroy control system upgrade; and \$900,000 for refurbishment of the wharves at Balmain shipyard and upgrade of the liquid handling systems at the yard to comply with environmental standards. Funding for the 2006-07 year will build on investments in additional safety, training and engineering programs, including the installation of global positioning systems [GPS] across all 31 vessels in the Sydney Ferries fleet; Sydney Ferries specific crew resource management training [CRM], now being rolled out across the fleet; and a major review of the Sydney Ferries safety management systems and additional resources at the Balmain shipyard.

Sydney Ferries will continue to focus on improving services for its customers and providing better value for New South Wales taxpayers. We will continue to invest in Sydney ferry services, technology, equipment and training to further improve the safety and efficiency of services. Our plans also ensure better maintenance, operations and customer service for our thousands of loyal passengers.

Contrast that to the glib, unfunded promises of the Opposition, like Peter Debnam's recent claim that he can make the ferries magically go faster. The only changes the Coalition would make at Sydney Ferries can be summed up in two words—slash and burn. If you are going to take 29,000 workers out of the public sector, you will have to hit people in front-line transport positions, and that includes Sydney Ferries. Anyone who suggests otherwise is not part of the real world.

The Hon. JAN BURNSWOODS: Minister, You said something before about the very important Manly service. Will you tell us about the upgrade of Manly wharf?

Mr JOHN WATKINS: Stage two of the New South Wales Government's \$15 million upgrade of Manly wharf began on 24 July. It resulted in some minor short-term changes to Sydney ferries, Manly ferries and JetCat timetables. I hope customers from Manly understand that is because of this improvement work under way at the wharf. The eastern side of Manly wharf has closed for approximately 18 weeks. During this construction period all services will be departing from the western side of the wharf.

The construction work comprises a number of initiatives, with the long-term objective of providing better services for Sydney Ferries passengers. Parts of the eastern side of the structure will be demolished. The JetCat berth will be upgraded with new fender piles and hydraulic passenger loading platforms, as well as two new ramps to improve access for less mobile passengers. The appearance of the wharf will be improved in a style that keeps the historic design of Manly wharf and reinstates the original roof line. This upgrade is a New South Wales Maritime initiative and Sydney Ferries has worked very closely with New South Wales Maritime to ensure minimum disruption to services.

A temporary timetable for both ferry and JetCat services was introduced on 24 July to allow both services to operate from the western side of the wharf. Sydney Ferries' priorities in developing the temporary timetable were ensuring passengers and staff safety; maintaining service frequency and capacity as close as possible to normal operations; and minimising any inconvenience to passengers. I am happy to report that the number of ferry services has not changed under the temporary timetable, however a number of departure times have changed to accommodate JetCat services on the western side of the wharf.

I am advised that Sydney Ferries is not able to operate three weekday morning JetCat services and one weekend JetCat service due to the logistical challenge this operation has posed. I am advised that information was made available at the wharf and through the transport Infoline well in advance of the changes to minimise any inconvenience. I look forward to taking a ferry to Manly early next year to see the finished product of \$15 million well spent.

Another wharf initiative was announced earlier this year with the transfer of many of the inner harbour wharves to Maritime. That has released a burden on many local government communities, who had previously been responsible for several wharves around Sydney Harbour. By New South Wales Maritime taking over those council-controlled wharves it has taken a burden off

them. It has been welcomed by communities along the Parramatta River and in Sydney Harbour. It is a good move forward.

CHAIR: There being no more questions on ferries, we will now move to RailCorp.

VINCENT JOHN GRAHAM, Chief Executive, Railcorp, and Acting Chief Executive, State Rail, sworn in and examined:

The Hon. CHARLIE LYNN: Minister, probably the greatest problem with trains are late running and overcrowded trains. I refer to propaganda you are putting out and the fact that you are now resorting to feeding passengers K-Time Bars. Is this a bribe, this propaganda and issuing K-Time Bars? Why are you doing this? Why not get the trains running on time? Could you advise why you are doing it and what the cost of this exercise is, giving K-Time Bars away to passengers and using this kind of propaganda? It has to be expensive?

Mr JOHN WATKINS: I think in your question you referred to three issues. One was late running trains; overcrowding and also the CityRail—

The Hon. CHARLIE LYNN: When you are running late on an overcrowded train—

The Hon. JAN BURNSWOODS: You asked three questions. Let him answer the questions.

The Hon. CHARLIE LYNN: It is all the one question. It is being late on an overcrowded train.

Mr JOHN WATKINS: There are three issues we should deal with. One is the matter of late running trains, another is the overcrowding that you referred to and the third is the information that is now being provided to CityRail customers via publications such as that you have there. Firstly, late running trains: since the new timetable was introduced just over four months ago, there has been a substantial improvement in the on-time running of the CityRail network. All of us know that the years 2003 and 2004 were particularly bad when it came to on-time running. There were reasons for that. The Waterfall tragedy sent shockwaves through rail organisations in New South Wales and there were many recommendations out of Waterfall that pointed to a new direction, especially with regard to safety.

An inevitable outcome of that was that we had to bring about a new timetable. That was caused by the fact that new safety requirements embraced and required after Waterfall—vigilance control, stopping speeding of trains to make up time—meant that the old timetable could not be kept. Accordingly, a new timetable was required. We spent a large amount of time planning for that new timetable, giving information to our customers and making sure everything was ready for it amongst RailCorp employees, and we launched it on 3 September 2005. Since then, there has been an improvement in on-time running. If you compare the average for this year, it is running about 91.3 per cent and for the 12 months prior it was 63 per cent for the same time. An independent survey carried out by the Independent Transport Safety and Reliability Regulator [ITSRR] found that customer satisfaction has jumped 40 percentage points to 78 per cent and that complaints have also fallen by a third.

The Hon. CHARLIE LYNN: Is that because you are giving them K-Time Bars?

Mr JOHN WATKINS: No, we are not giving most of our customers K-Time Bars. We are giving them an improved rail service and they are responding to that. As I have said in many places now, and in many press conferences, there is more to do. We have a target of 92 per cent. We have not yet achieved that, and in the House this week I gave a very clear indication that the p.m. peak is often under the a.m. on-time running level.

Our efforts have been directed therefore towards improving on-time running—both a.m. and p.m. We have more work to do. We acknowledge the work that has been done, the improvements that have been achieved and the hard work of Railcorp employees. But we have more to do. I am pleased to report that commuters are voting with their feet and there has been an increase of patronage.

The Hon. CHARLIE LYNN: Travelling on their stomach.

Mr JOHN WATKINS: There has been an increase of patronage of 2.5 per cent since the introduction of the new timetable. That means an extra 118,000 customers per week back on rail compared with 12 months previously. Whether or not that is in relation to fuel prices or whatever,

they have come back. The surveys have indicated that their satisfaction level has increased. That is obviously a result of improved on-time running, a reduced number of cancelled services and the reduction in station skipping. We have more work to do but it would be churlish of anyone not to acknowledge that there have been improvements in our rail system over the last 12 months that have improved the life of millions of people in this State. There are about a million journeys per day on the CityRail system.

The Hon. CHARLIE LYNN: Minister, how many Ktime bars have been given out?

Mr JOHN WATKINS: The second issue you referred to was overcrowding and the third one is in relation to the newsletter, which I will refer to. There is some information about which stations and so forth. Regarding the number of people on trains, Mr Graham might like to talk about patronage improvements.

CHAIR: Did you say entree, as compared with main course?

Mr JOHN WATKINS: No, I did not say entree. Are you hungry? It is that bar that is being waved around.

The Hon. CHARLIE LYNN: Could you perhaps advise—

Mr JOHN WATKINS: I am sorry, would it be okay if Vince Graham, the CEO, refers to some of the issues in relation to crowding and patronage?

CHAIR: As long as he answers the question that Mr Lynn has asked.

Mr GRAHAM: I am more than happy to. I do not see any reason why as a transport operator providing customer service we should be denied some of the promotional opportunities that others who are in the transport business engage in. I do note at my local station, not only have we had tremendous support for the initiative but, Mr Lynn, I notice that your endorsed local candidate is operating in the same way by distributing promotional material at the local station.

The Hon. CHARLIE LYNN: Could you say who that was?

Mr GRAHAM: Trisha Hitchen, the local candidate for—

The Hon. CHARLIE LYNN: No, I live out at Camden. Could I just say that to people living in Camden or Campbelltown you do not have to promote rail travel because there is no choice. They have to get on it. What they want to do is get their on-time and have a comfortable journey. You are stuffing them with Ktime bars and delivering this sort of stuff. Why do you have to do that to get them on the train?

Mr GRAHAM: Let me give you the results of work that has been done to date. Of the two that have been distributed so far—

The Hon. CHARLIE LYNN: The two Ktime bars?

Mr GRAHAM: As a public health issue I will reinforce the point. You will notice that the Ktime bars have no nuts—

The Hon. CHARLIE LYNN: No nuts? What is the fat content of a Ktime bar?

Mr GRAHAM: —which is extremely important.

The Hon. CHARLIE LYNN: What is the fat content of a Ktime bar? It is 10 per cent. So people are sitting on trains—we have a problem with obesity—

The Hon. JAN BURNSWOODS: Point of order: Some considerable time ago the Hon. Charlie Lynn asked a triple-barrelled question. If he actually stopped talking and waving things around he might get an answer to the second part, which is what I think the CEO is up to. But Charlie

Lynn clearly is not trying to ask a question; he is trying to wave things around. I would suggest that you should ask him to listen for a while. If he is here to ask questions he also has an obligation to listen to the answers.

CHAIR: There is no point of order. Mr Graham.

Mr GRAHAM: Might I make the point that in terms of customer reaction to the newsletter, which is a Railcorp promotional initiative to provide important and localised information to our customers, to date we have had 400 email responses from our customers to the survey that we encouraged them to respond to, and 81 per cent—

The Hon. CHARLIE LYNN: Four hundred out of how many?

The Hon. JAN BURNSWOODS: Mr Lynn, would you just listen and, Chair, would you please stop him interrupting? Some of us are actually interested in hearing the answer to what was, after all, Mr Lynn's question.

The Hon. CHARLIE LYNN: I want to know how many surveys went out prior to the 400 responses.

CHAIR: Order! Mr Lynn has the chair.

The Hon. CHARLIE LYNN: We are not going to get the answer while you are crowing over there on the side.

The Hon. JAN BURNSWOODS: Madam Chair, Mr Lynn certainly does not have the chair, although it is quite noticeable that you would say that.

CHAIR: Order! He has the call.

The Hon. JAN BURNSWOODS: He does not have the call either; the CEO has the call.

CHAIR: Go away and have some afternoon tea.

The Hon. CHARLIE LYNN: We know you have only a few sitting sessions left. How many surveys went out?

The Hon. JAN BURNSWOODS: Madam Chair, I will repeat my point of order: If you like we can clear the room and discuss this but when people ask questions I ask you to ensure that they actually listen to the answer.

The Hon. CHARLIE LYNN: He did not give the answer. I am asking him to elucidate.

The Hon. JAN BURNSWOODS: Madam Chair, I do not know whether Mr Lynn is talking to my point of order but would you mind chairing this meeting?

The Hon. CHARLIE LYNN: To the point of order: Mr Graham said that there were 400 surveys returned. I want to know how many surveys went out so we can work out what the response was.

The Hon. JAN BURNSWOODS: You will have a chance to ask him. You have got 20 minutes, after all. If you show some common courtesy rather than interrupting all the time perhaps you could ask that when Mr Graham gets to the end of a sentence. But that is what is so difficult at the moment.

The Hon. CHARLIE LYNN: You are not the chair of this Committee.

The Hon. JAN BURNSWOODS: No, I am taking a point of order, as you may have noticed. But I cannot get the Chair to even acknowledge that it is a point of order. She thinks you are in the chair.

CHAIR: Mr Graham, do you have an answer to Mr Lynn's question?

Mr GRAHAM: Yes, I have.

CHAIR: You may proceed.

Mr GRAHAM: Thank you. The distribution of the line-based customer newsletters continues. We undertook the western line west of Parramatta last week. The northern line is under way this week. We intend to complete over the next four to five weeks all of the lines on the network. So we are far from complete in terms of the rollout. However, those that have been distributed to date on the western line and the northern line—I am more than happy to provide to the Committee the total numbers distributed by line—

The Hon. CHARLIE LYNN: These are surveys?

Mr GRAHAM: No, the customer newsletter which encourages the response to the survey. Now, could I come back to the point, please—

The Hon. CHARLIE LYNN: Sorry, if I could just, for clarification—

Mr GRAHAM: No, no, could I please finish answering the question?

The Hon. CHARLIE LYNN: It was just a point of clarification.

Mr GRAHAM: Could I please answer the question?

The Hon. JAN BURNSWOODS: Madam Chair, can the witness please answer the question?

CHAIR: Mr Lynn can ask for a clear answer.

The Hon. JAN BURNSWOODS: But he could do it after the CEO, who has asked if he can finish answering the question.

CHAIR: No, we have limited time too. You can ask him later.

The Hon. JAN BURNSWOODS: If you did not allow Charlie Lynn to interrupt all the time one question might actually get finished.

The Hon. CHARLIE LYNN: On a point of clarification, how many surveys have been distributed?

Mr GRAHAM: I undertook to provide that level of detail to you. If I come back to the point that I was attempting to make previously, of 400 customers who have responded to date, 81 percent have asked for information in that form to be provided in future. The initiative to produce that information for our customers on a line basis has obviously been an overwhelming hit with our customers and, given that we are in the business of providing reliable, safe, clean public transport, given that we are in the business of expanding patronage consistent with the State Plan objectives, it is extremely important that we have that direct relationship with our customers. And given that 81 percent of those who have responded think it is a terrific idea, I am with them.

The Hon. CHARLIE LYNN: That is 81 percent of 400 of probably, what, one million who travel on the western line?

Mr GRAHAM: No, it would not be. There are about a million passengers per day on the network.

The Hon. CHARLIE LYNN: So 81 percent of 400 of one million is about 0.001 per cent.

The Hon. JAN BURNSWOODS: Are you deliberately not listening or are you just stupid?

Mr GRAHAM: I am more than happy to take that on notice and provide that level of detail.

Mr JOHN WATKINS: Madam Chair, it would be useful to share some of the feedback that has come through the newsletter. Here is some of the feedback, "I found the update to be very informative and done in an easy-to-read format. Showing commuters how their stations and services are being upgraded should help to improve the overall image of CityRail. I have just returned to regular train commuting to the city and so far I have had no complaints. Keep up the good work."

Another one states: "I think these are a great idea on CityRail's behalf as it might stop people complaining about not knowing what is going on with the trains in general." Another one states: "I like the part about informing passengers of exactly what you are doing to improve services." Some people seem to forget that RailCorp is involved in a customer business; people are using it as a transport business. It is a customer-focused organisation. Like many other customer-focused organisations, it establishes a relationship with its regular customers. Surely part of that is to provide information to its customers to tell them what is happening. I am aware of several other organisations around the town—both public and private—that give away a magazine, a piece of food or something else as part of promotions. It is about marketing to your constituents; it is about marketing to your customer base. That is what CityRail has been doing. The feedback is very positive. It gives information to people from CityRail, which is a beneficial thing to do. There should be more of it.

The Hon. CHARLIE LYNN: How many K-Time bars have been distributed?

Mr JOHN WATKINS: No, I cannot say.

The Hon. CHARLIE LYNN: Can you take that question on notice?

Mr JOHN WATKINS: Yes.

The Hon. CHARLIE LYNN: What is the system for distributing the K-Time bars? Are they distributed on the worst services or to those with the best on-time running? Is it a promotion or a bribe?

Mr JOHN WATKINS: That hardly deserves a response. When CityRail newsletters are handed out on a particular line, at certain stations a K-Time bar is also provided to some customers.

The Hon. CHARLIE LYNN: Is that some or all?

Mr JOHN WATKINS: Some of the customers. But I will find out how many.

The Hon. CHARLIE LYNN: How do you choose which customers?

Mr GRAHAM: We choose the hungry ones.

Mr JOHN WATKINS: We particularly try to find those who have not had breakfast.

The Hon. CHARLIE LYNN: How do you determine that?

Mr JOHN WATKINS: We have some skilled operators.

Mr GRAHAM: Thank you for the opportunity to help us to promote what we are doing. It has been useful.

The Hon. CHARLIE LYNN: However, I am concerned about the fat content of the K-Time bars. Perhaps you could give away something a bit more nutritious.

Mr JOHN WATKINS: The other important aspect of the original statement/question was the capacity on lines. It is important that we deal with that matter. I can provide the Committee with information that \$2.5 billion is being provided to purchase 730 new rail carriages. The new direction

on rail will deliver at least 16 per cent greater capacity over the next seven years. It will also introduce 22,000 additional seats to the CityRail network, partly because we are embarking on the biggest rolling stock purchase in more than 150 years. It will be managed carefully so that extra capacity is directed to the right places at the right time. A co-ordinated plan will see the busiest and fastest growing areas on the network targeted first to improve services for loyal passengers and to lure more people back.

Phase one was the introduction of the Eastern Suburbs, Illawarra and South Coast lines. The new timetable on the line provided an extra 900 seats in the morning peak service on the Illawarra line, an extra 900 seats on new evening services between the city and Penrith, and three new morning services from Bondi Junction to the city. Phase two comes into play with the delivery of the 122 new outer suburban carriages—OSCars—starting in the next few months. That will free up Tangaras currently in use on the intercity network and enable them to be cascaded down into the CityRail network. That will also mean 900 new seats on a new service between Macarthur, Campbelltown and the city, building up four existing six-car trains to eight-car trains to provide additional seating between Campbelltown, Liverpool, Granville and the city, up to three additional trains to provide 30-minute service frequency all day between Campbelltown, Glenfield, Liverpool, Parramatta and Blacktown. There will also be up to 900 additional seats on two new peak express services on the western line through to North Sydney, 900 extra seats on new services on the west, the Illawarra, Campbelltown, Bankstown and North Shore lines during the morning and evening peaks to coincide with the opening of the Epping to Chatswood line in 2008. We will build up four existing six-car train services to eight-car train services to provide extra seats between Chatswood, North Sydney, the city, Parramatta, Blacktown, Penrith and Richmond during the morning and evening peaks. A new four-car OSCAR will provide 430 extra seats on a new South Coast service between Kiama, Dapto, Wollongong and the city in the late morning and 430 extra seats on an existing four-car evening peak service between the city, Wollongong and Port Kembla. From 2008, there will be additional capacity on the Campbelltown, East Hills, Bankstown and Epping lines during the peaks.

Phase three, between 2008-09 and 2012, will be 59 of the new trains operating on the network. Some of these eight-car trains will replace six-car trains, increasing seating capacity on each of the services by 900 seats. We will also replace the non-airconditioned carriages with air-conditioned carriages. Phase four involves an additional 13 new eight-car trains ordered under the public-private partnership to be in service by the end of 2013, providing extra capacity for the new peak service and extra seating on existing services. That is an additional 22,000 seats. That is a great deal of detail. However, for each one of those trains and carriages, for some people it makes the difference between enjoyable travel to and from working. It has an impact on people's lives. We have a detailed plan for capacity growth over the next five to six years. There will be an extra 22,000 additional seats. That addresses the capacity issue that was part of the original question.

Ms LEE RHIANNON: In Parliament on 13 September 2005 you stated that Justice McInerney made a clear link between rail safety and the speed of trains in the inquiry into the Waterfall train accident, and you repeated that connection today. The inquiry's report did not recommend a general or even a partial slowdown cross the CityRail timetable. I have not found any mention of what you have asserted, nor has anyone else I know found it. Can you give three specific, or even one, example from the report that justified the slowing down of the entire CityRail timetable?

Mr GRAHAM: The specific recommendation is recommendation 83H. If you refer to that specific recommendation, you will note that Justice McInerney is clear in saying that RailCorp must introduce a culture that puts in place safety over on-time running. That is the specific recommendation that you seek. If you refer to the body of both the Waterfall report and the Glenbrook report, you will also note that there is substantial discussion—indeed criticism—from Justice McInerney that the railways, ahead of Waterfall and Glenbrook incidents, had a culture in which on-time running was perceived to be more important than safe operation. Since that time, the introduction of new timetables has specifically reflected the objective outlined in recommendation 83H, in that we are operating a safer, albeit marginally slower, timetable. That is the direct linkage you are seeking.

Mr JOHN WATKINS: I have just been informed about some early reports of a sad event in Western Australia that I wish to draw to the attention of the Committee. This has been a sad week for the Australian community with the passing of Steve Irwin. However, I have been informed of reports coming out of Western Australia this afternoon—and they have not yet been confirmed—that Peter

Brock has been killed in a rally accident. Brock is Australia's greatest-ever motor racing star, and still holds the record for the most wins at Bathurst. His tally is nine wins, the last of which was in 1988. He also achieved nine Australian Touring Car Championships.

A Victorian, Brock is known and loved by millions of Australians, especially Holden fans. I am not sure that this news is correct. It will undoubtedly be confirmed or otherwise shortly. As New South Wales Deputy Premier I extend our most sincere sympathy to his family, his friends and his fans. I thought I would take this opportunity to put on the record the sympathy I am sure we all feel.

Ms LEE RHIANNON: Mr Graham, what is the average speed of trains currently operating on all lines across the CityRail network?

Mr GRAHAM: Depending on the line, it would be somewhere in the vicinity of 30 to 40 kilometres an hour as an average speed for suburban trains. It does vary, however, given the density of stations. Lines such as the Bankstown line with far more density of platforms along the route would have a lower time than some of the other routes where density of stations for the distance is not as intense.

Ms LEE RHIANNON: Minister, do you agree that the decision to slow down trains would inevitably lead to a loss of productivity and a need for more trains and therefore more staff?

Mr JOHN WATKINS: No.

Ms LEE RHIANNON: When you slow down trains you are able to keep the same productivity. Is that what you are saying?

Mr JOHN WATKINS: It depends on what you mean by "productivity" and how you measure it.

Ms LEE RHIANNON: In terms of having the same level of service. I assume that is what you would define as "productivity" in your game.

Mr JOHN WATKINS: It is very public and has been made very clear that there was a reduction of about 10 per cent of rail services during the day—those in the off-peak, and particularly those in the inter-peak during the middle of the day, a reduction of about 10 per cent. The numbers have been wildly misinterpreted, especially by the Deputy Leader of the Opposition I have to say. I do not know why. There was a reduction of about 10 percent of services on any one day, the bulk of those taken out of the inter-city, whilst we maintained the number of services in the morning and afternoon peak.

Ms LEE RHIANNON: So, a 10 per cent loss in productivity—

Mr JOHN WATKINS: I am not calling it a 10 per cent loss of productivity. If you want to talk about productivity in those terms, that may give you the result that you outlined, but there are other ways of looking at productivity with the carriage of more people on services over the past twelve months. An additional 18,000 passengers back into rail is an increase in productivity. It depends on how you define and what you mean by "productivity".

Ms LEE RHIANNON: Okay, we will move on. How many extra trains and staff were required because of the slowdown?

Mr GRAHAM: The introduction of the slower safer timetable for sectors two and three in September 2005, and for sector one, the Illawarra line, in May 2005 generally provided of the order of two to three minutes of additional running time per hour of train journey for our customers. That is the order generally across the network that both of those new timetables introduced. That additional time was to deal with running time between stations, to ensure that our train crew do not have to deliberately over speed to play catch up between stations, and, most important, to provide safe dwell times for passengers—

Ms LEE RHIANNON: I am sorry, Mr Graham, but because of my time limit I just want to know about the extra trains and staff. I appreciate your explanation, but I have read that. I was after the number of extra trains and staff required because of the slowdown.

Mr GRAHAM: Given that productivity is normally a measure of a numerator and a dominator, I was trying to lead you into the answer to that question. The timetable did provide additional dwell times at stations for passengers to hop on and off safely and that clearly has had significant results. In order to slow down that timetable it does require additional trains in order to support that slower cycle time on the network. Again, I have given you the order of two to three minutes per hour. That will give you some idea of the proportion of what is needed to occur. In terms of crew productivity, I think that was the second part of your question, crew productivity is in part the answer, but with the introduction of the new timetables to further improve reliability little and additional step for both of those timetables.

That additional step was to sectorise our train crews so that an individual train driver only operated in one of those three sectors on any one day. That overcame the previous practice where an individual train driver during an eight-hour shift may have traversed all three operating sectors, with the inevitable consequence that if the train was late in sector A and therefore the driver was late, it cascaded into the other sectors. The sectorisation of train crew and the impact of that on train drivers was of the order of 40 train drivers in approximately 1,400 drivers to achieve additional sectorised and improved reliability as a result. I hope that in both cases gives you some indication.

Ms LEE RHIANNON: Thank you, Mr Graham. Has your department investigated how to improve train productivity and speed without affecting reliability? Did you look at that before you plunged into that enormous change of timetable?

Mr GRAHAM: Yes, we most certainly did. If I can relate my own travel journey on a daily basis, my train journey one way is 55 kilometres. The train I travel on is capable of travelling at 115 kilometres per hour. For 55 kilometres at 115 kilometres per hour the train is capable of running the journey in about 35 minutes. The thing that slows down journey times is that we stop at other stations to pick up other passengers along the way, which is clearly important to those passengers at those stations. Speed and reliability, given a particular stopping pattern are inevitably interwoven. The complexity of our network, the sectorisation and clearways plans are all designed to progressively reduce the impact of one sector on another sector. Clearly the work that has been done, in the September timetable in particular, has demonstrated how substantial reliability improvements can be implemented following the strategies that we have implemented.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, is there aerobic fitness testing in the rail system? I understand there was a health problem in the Waterfall disaster and there has been testing of drivers. Is there aerobic fitness testing, that is to say do they have to exercise at the time they are tested or is it just a day in the doctor's office with a blood pressure cuff?

Mr GRAHAM: The medical that is applied to train drivers post the Waterfall accident is a very comprehensive national standard. It is not New South Wales or RailCorp standard; it is a very extensive national standard. There are various categories of employees. A train driver, for example, is classified as a category 1 and the medical test applied at category 1 level, including cardiac and other appropriate testing, is of a higher intensity than would be applied at category 2. All of our train crew have now been through that revised medical standard. That standard cannot guarantee, nor can any of us guarantee, that an individual who passes with flying colours will not potentially develop unforecast problem. But that national standard, including the strong focus on cardiac health, is what is being applied in RailCorp and what is being applied nationally.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Was that responsible for the shortage of train drivers immediately after Waterfall?

Mr GRAHAM: No, the shortage of train drivers immediately after Waterfall was the lack of recruitment in the 24 months ahead of that. Since that time, against our target that was put in place at that time of 1,350 train drivers—bear in mind that I mentioned in answer to the previous question that the implementation of the new timetable had involved an additional 40—under the new timetable we

have a targeted number of drivers of 1,390, and as at today we are operating with a complement of 1,410. We are 20 drivers ahead of that total.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: When you brought in a new timetable my understanding was that it was not particularly for safety, it was more for reliability of trains being on time: it was for on-time running?

Mr GRAHAM: No, that is a misconception. It fulfils the dual target of safety and reliability.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Did you change the definition of on-time at that time?

Mr GRAHAM: Yes, we have changed the definition ahead of the introduction of a new timetable in what was a very open and public statement. We changed that definition for suburban from three minutes and 59 seconds to five minutes, an increase of 61 seconds. That was done on the recommendation of the Independent Transport Safety Regulator, who produced a public report at that time indicating that the five-minute benchmark was closer to the national and international benchmark for reliability for equivalent railways. I make the point, however, that our colleagues in Melbourne currently operate to five minutes and 59 seconds as their benchmark.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think that that change of definition might have been responsible for some of the improvement? It must have been responsible for at least a fifth of it.

Mr GRAHAM: Being the open and transparent organisation that we are, we actually published on-time running figures for the six-month lead-in to the new timetable under both three minutes 59 and five minutes. Obviously it was going to be an important consideration. We published that information. If I look at the 91 per cent that we are currently achieving, the 61-second differential accounts for a relatively small proportion of that. Bear in mind that the new timetable has given us an improvement from what was below 60 per cent reliability up to 91 per cent reliability. So while you might like to have a debate about what 61 seconds means, it clearly is swamped by the dramatic 30 percentage points improvements in reliability.

We are not there yet. We are not consistently at our target and we continue to focus on those specific incidents. Yesterday, together with the Premier and the Minister, the Government announced a \$13 million program to upgrade door motors in our pre-Tangara fleet.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can we just stick to the questions? I have only 10 minutes. The dead man's handle was a problem in the Waterfall train crash; it did not seem to work. I knew a safety man who was pensioned off on stress because he was making a fuss about the dead man's handle prior to Waterfall. Does the dead man's handle technology now work such that if the driver collapses the train will stop if the weight of his hand cannot keep the train going?

Mr GRAHAM: The dead man facility on our trains was the subject of very intense expert testimony before Justice McInerney, and reading that in detail I think the only conclusion you can come to is that there is yet to be invented anywhere in the world a dead man device that you would regard as being 100 per cent effective in all examples of incapacitation of a driver. That is why in consideration of that, the decision was made to introduce a supplementary vigilance control system on all of our CityRail trains: a \$33 million project that was completed more than 12 months ago. That is in addition to the dead man facility and recognises the fact that there is no 100 per cent effective dead man facility anywhere in the world and the vigilance control system provides an added layer over driver incapacitation in that circumstance.

Mr JOHN WATKINS: I had firsthand experience of this the other day when I rode in a cab. It means that if a driver does not change pressure or change the throttle, makes no change for 60 seconds, a light flashes and the driver needs to activate the vigilance control. If he does not do that a bell rings within a certain length of time and if there is no activation of the vigilance system the train will be brought to a stop very suddenly. So that is extra safety on top of the dead man device.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: What are the fatigue management systems for freight trains? I understand there was a shortage of people and the fatigue management shifts were very poor amongst freight train drivers. Are they checked by a roster that is world class in terms of shifts from stations and length of time and starting times.

Mr GRAHAM: RailCorp does not operate any freight services.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: When will the north-west sector rail be built?

Mr JOHN WATKINS: We are well under way with our plans to build the north-west rail link. It was announced as part of an \$8 billion metropolitan rail expansion program to expand into the north-west from Epping to the north-west out to Rouse Hill. The second part of it was Leppington to Glenfield in the south-western part of Sydney, and the connecting section was in the middle using the Epping to Chatswood line quadruplication of the North Shore line from Chatswood to St Leonards and a new line from St Leonards under North Sydney, under the harbour, three new rail stations under the CBD and then lines running out to the south-west to Leppington. In a sense, even though there are sections to it, it should be seen as a whole—the biggest improvement expansion of the metropolitan rail line since the 1930s.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The question is when?

Mr JOHN WATKINS: There are significant works being done: the release of the north-west overview report. In October last year I requested the Transport Infrastructure Development Corporation [TIDC] to complete work necessary to finalise the rail alignments. We allocated \$5 million in 2005-06. I am advised that TIDC has completed the initial planning work. We have moved to safeguard proposed rail corridors to the CBD—that is not your question. In April this year I declared the north-west and south-west links State significant developments. On 24 May TIDC submitted project applications to the Department of Planning. The Transport Infrastructure Development Corporation has commenced extensive community consultation with information being sent to local residents in the north-west.

Land acquisitions are under way. Six parcels of land were recently purchased at Cherrybrook for a future station involving \$12 million. In this year's budget \$95 million has been earmarked for acquisition of further land in the north-west. Regarding the timeframe: it is a 23-kilometre rail link; it is a large-scale, complex project with six new rail stations and approximately 16 kilometres of tunnel. The completion date takes into account the complexities in the planning and construction of the project. It requires extensive designs, technical and environmental assessment—which I am sure you would support—prior to construction commencing. The north-west rail link and the CBD rail link are due for completion in 2017.

By comparison, the south-west rail link, which is smaller with fewer stations, is due for completion earlier than that. But when you think of the Epping to Chatswood rail link, which has been 10 years between announcement and completion, that is what we are talking about in relation to the north-west, even though it is a substantially bigger project. But I am very aware of the calls in north-western Sydney for the earliest possible completion of the north-west rail link.

That is why we are moving ahead as quickly as we can to do those required planning assessment consultation issues now, to get them right, because the building of the North West will provide an excellent public transport facility for the community out there and it will also in the construction, in particular, have major impact on those communities. That has to be done with fairness and due regard being paid to the needs of those communities.

CHAIR: Do Government members have questions?

The Hon. JAN BURNSWOODS: Minister, so far we have heard a lot about different aspects of the rail network. Can you tell the Committee about improvements being made to train stations?

Mr JOHN WATKINS: It is our responsibility to make public transport as open and as accessible as we possibly can, and that is our goal. That is why we continue to roll out upgrades to our Easy Access programs for CityRail stations, delivering modifications to stations that help ensure equitable access to public transport for all sections of the community. These facilities make it easier for elderly members of our community, people with disabilities, those with young children and people laden with luggage.

Extensive works have been undertaken across the network to bring stations up to an accessible standard, including the installation of lifts, ramps, tactile tiles, improved lighting and hearing loops. I am pleased to advise that by July this year more than \$385 million had been spent on Easy Access programs. That upgraded 79 stations, more than 25 per cent of the CityRail network stations, to become independently wheelchair accessible. In addition, a further 63 or 21 per cent of CityRail stations are wheelchair accessible with the help of a friend or carer. During 2005 Easy Access upgrades were completed at Wyong, Gymea, Blaxland, Thirroul, Kingsgrove, Gordon and Granville stations. A further \$49.2 million has been allocated for Easy Access programs in the RailCorp 2006-07 budget.

By 9 August this year construction had commenced at 10 stations, including Auburn, Bulli, Helensburgh, Lakemba, Mortdale, North Wollongong, Meadowbank, Merrylands, Carlton and Penshurst stations. Planning and design is currently underway at a further eight locations including Belmore, Bowral, Newtown, Eastwood, Seven Hills, Turramurra and Werrington. RailCorp has recently invited tenders for a new concept design study upgrade of Burwood station. The successful tenderer would devise the most appropriate design and make Burwood station more accessible for passengers with mobility restrictions. A study will look at options for an Easy Access upgrade as well as opportunities to increase the capacity of that station. As part of the concept design study, the successful tenderer will be expected to review and build on previous studies to determine the most appropriate options for the station upgrade.

The improvements planned for Burwood station are designed to increase the safety, comfort and accessibility of the station for the about 12,000 passengers who use it each day. In addition, forecasts point to a significant increase in station use over the next 16 to 21 years due to the redevelopment of the Burwood town centre and Parramatta Road. That is why we are starting the process now. The stations I have mentioned are in addition to stations that will become accessible under other programs, including the redevelopment of Chatswood station in progress, scheduled for completion for the opening of the Chatswood rail line in 2008; construction at Rhodes station, to be completed and opened in mid-July; Berowra station, scheduled for completion—which has been completed, it opened just last week—and the Transport Infrastructure Development Corporation has advised of work on three new stations on the Epping-Chatswood rail line, which will be fully accessible and is scheduled for completion in 2008.

That includes the station in Delhi Road, the one under Waterloo Road and the one under Herring Road near Macquarie University. Comprehensive advice on the accessibility of CityRail services is provided from the CityRail web site, the Accessing CityRail brochure or by calling 131500. I repeat that a large amount of money has been spent, and more will be spent to make our rail system as accessible as it possibly can be for our customers.

The Hon. PETER PRIMROSE: Yesterday in the upper House there was a very ill-informed debate in relation to the restoration of services on the Casino-Murwillumbah line. Can you please set the record straight?

Mr JOHN WATKINS: Thank you for the opportunity. As you say, it was debated yesterday and in an illuminating moment both the Opposition and the Greens, I understand, actually voted against the restoration of the rail line.

Ms LEE RHIANNON: That is not true.

The Hon. JENNIFER GARDINER: No, the ALP voted against it.

Ms LEE RHIANNON: Minister, that is highly inaccurate. You do not do yourself any service.

Mr JOHN WATKINS: That was the report to me and when that news gets out to the north-eastern part of the State, I am sure they will be extremely concerned.

Ms LEE RHIANNON: Did you read the debate, Minister?

The Hon. PETER PRIMROSE: The Minister is exactly right. You guys did not know what you were doing yesterday.

Mr JOHN WATKINS: I followed the debate very carefully, but to set the record straight, the Iemma Government has put \$75 million on the table and has said it is there to be matched dollar-for-dollar by the Federal Government because it will cost \$150 million to restore the line to enable trains to run on it. The Federal Government had previously promised \$30 million to the project. I have asked them to revise that in light of the new estimates for the cost of opening the line. I announced that offer in a visit to the region in June. I returned to the area last month for a closer inspection of the line with the member for Tweed and the member for Ballina, rail engineers and Trains on our Tracks [TOOT] representatives, the local community group.

That inspection left me in absolutely no doubt that \$150 million was required. We saw landslips where trees and debris had slid down embankments to completely cover the track. We saw washaways, where the earth underneath rail track had been washed away in one place for about 80 metres and the track and sleepers were literally suspended in air. Now I understand that the member for Ballina and the president of TOOT have consequently conceded that the restoration costs are well above what they had previously been led to believe. They are not engineers, nor am I, but I have taken the advice of Rail Infrastructure Corporation engineers and work that has been independently done. Once I saw the place up there, I was left in absolutely no doubt that a responsible, sensible and achievable project for that community is to spend the money to reopen the line and that is going to cost \$150 million. I wish it was less but I am absolutely convinced that in fact it is \$150 million.

That is why we have said to the Federal Government, "We have put \$75 million on the table. Match it. You have said you would put \$30 million in. We have had new costings. Come forward with the extra." As soon as the Federal Minister agrees to that, I will issue the order for the work to commence to restore services to that line. It is time, I think, for the Northern Rivers Trains for the Future Group to be more realistic about the project up there. I would suggest also to disregard some of the wild claims made by the Opposition on this factor. You simply cannot spend what is being thrown around—I think \$4 million to \$5 million is the figure—and have trains running within three weeks. Anyone who has seen it and listened to the experts would acknowledge that to run trains on that track, they are going to have to run safely. That means you reopen it and you follow the advice of the professionals, the engineers who know their business.

That is the point I made very strongly to the opposition group up there. I made very clear that the engineering reports to us are about that. There has also been debate up there and people suggesting, "We don't want the XPT back. Therefore, we'll have a commuter service. Therefore, we won't have to spend \$150 million." Wrong, wrong, wrong! To open any form of rail up there, the engineers who were up there last week, and the member for Ballina, made it very clear that you need to bring the track up to a safe standard. Whether it is for XPTs or a commuter service, get the track opened first, then have the debate about going from XPTs to a commuter service. But do not kill the debate by suggesting wrongly that you can reopen the line for less than \$150 million. That figure is on the table. The money needs to be spent. We have put \$75 million on the table and asked the Federal Government to match it. I have written to the Federal Minister. He has not responded, but that is okay. I said to him, "I want you to carefully consider this." We sent extra information to him. I have asked him to respond to us by November.

I urge any Opposition member who is fair dinkum about rail services going back to the north-east part of the State to urge their Federal colleagues to help fund that with a dollar for dollar commitment. If they do so and they are successful, and Warren Truss comes forward with those funds, we can start the work immediately. It will take 19 months to restore the track—that is what the engineering experts have advised me—and if you see the track you will believe it. I want to get trains running there but I have made it clear that it is based on a dollar for dollar deal.

We should not forget why this track was closed to trains. I understand that it has on it more than 50 per cent of the wooden bridges that exist in the New South Wales rail network. In our budget two years ago we were hit by the Federal Government ripping out more than \$300 million from our State budget through the crazy Commonwealth Grants Commission. We had to respond to that with a Mini Budget. One aspect of that was the withdrawal of services on the Casino to Murwillumbah line—a difficult decision to take and one that was forced on us by the Federal Government. If the Federal Government comes to the party with the dollar for dollar deal, we will reopen rail services to Murwillumbah.

The Hon. PENNY SHARPE: What is being done to improve cleanliness and hygiene on intercity trains?

Mr JOHN WATKINS: It is something that comes up to me when I travel to the Central Coast, as I often have by train. On 28 July this year I announced a \$4 million upgrade to toilets on intercity trains, increasing comfort for passengers on longer distance trains. Passengers travelling to and from the Illawarra, Central Coast, Blue Mountains and Newcastle regions will directly benefit from that upgrade. RailCorp strives to provide safe, clean and reliable services to the satisfaction of its customers, but the 240 ageing toilets on intercity trains need to be updated. This program, which I am told is due for completion mid next year, is a big win for rail commuters from outer suburban and intercity areas who have a real need for comfortable toilet facilities during their trips home.

I am advised that last year RailCorp started on the program to upgrade these toilets, specifically targeted at improving the comfort of passengers. In the first stage, which has just been completed, all of the piping and tanks on intercity trains were upgraded to help prevent spillage and odours. I am also advised that a trial of the new toilet design on two intercity carriages has also commenced. With the piping upgrade completed and some modifications already made to the trial toilet design, the second stage of the program has just commenced. RailCorp has advised that it has now commenced rollout of better bathroom facilities across the entire intercity fleet, with 10 toilets replaced so far. Some rail commuters travel for more than two hours each way each day and it is important that these people have the facilities to accommodate them.

CHAIR: With respect to rolling stock, in February this year you said in a press release that you would deliver 498 new airconditioned carriages by 2010 but by May you had conceded you would have only 472 new carriages in service by 2012. This is another broken promise, is it not? Why do commuters had to wait another two years to get the rail improvements that you previously promised them?

Mr GRAHAM: I think you referred to 498 and 472 as your two numbers.

CHAIR: Correct.

Mr GRAHAM: That 498 is the current number of non-airconditioned double-deck cars are being replaced in the current tender process. Two off 500, 498 is the number of cars being replaced. The tender process that we are engaged in to replace those cars requires the successful bidder to provide available cars for service to the network. The 498 obviously includes both available cars and our 10 per cent allowance for maintenance cars. The 472 number does not include that maintenance arrangement because it is the obligation of the tenderer to provide available cars. In addition to that, the Government has also announced an extension of the contract which was originally to replace 498 and added in 13 extra available eight-car sets as part of the contract. So now in total the tender requires the successful bidder to provide 72 available eight-car sets for traffic every day.

It is the judgment of those bidding for the contract as to how many additional trains above the 72 available that they are contractually required to deliver they will require for ongoing planned and out-of-course maintenance. I expect that there would be an additional six to eight eight-car trains required to perform that spare maintenance, but understand that the contract is now for 72 eight-car available trains, which will represent a significant increase in the fleet capability of CityRail. That is in addition to the 141 Millennium cars that have already been delivered and are in service. It is in addition to the 120 outer suburban cars that are currently in the process of being delivered this year and next year from Goninan. It is in addition to the 14 new Hunter Valley cars that are also in the process of being delivered from Goninan.

Mr JOHN WATKINS: That is almost 750 new rail carriages at a cost of \$2.5 billion, some of which are close to delivery, and the public-private partnership [PPP] contract—the biggest contract for new rolling stock in the history of New South Wales—will be resolved by the end of this year. So it is a giant step forward. That PPP will replace more than one-third of our fleet, upgrade from non-airconditioned to airconditioned. It will be a giant step forward for RailCorp and for customers, something that the Iemma Government is proud of.

CHAIR: Are you on target to start rolling out the replaced carriages in 2008, and will all of them be in service by 2010?

Mr JOHN WATKINS: There are different completion dates for the different types of rolling stock.

CHAIR: Are the remaining 498 non-airconditioned rail cars, which you said in your media release would cost \$1.5 billion, on target to be rolled out as early as 2008—those were the words you used—with all of those carriages in service by 2010?

Mr GRAHAM: The actual delivery program of the new cars will be the subject of the detailed bids. Bidding has closed from the two short-listed tenderers. Those bids are currently being evaluated, and I expect the Government to consider the bidders' tender documentation prior to the end of this calendar year. It will be the content of the individual bids that will determine the successful bidder's delivery program.

Mr JOHN WATKINS: As well as that, since that press released dated 24 February we have changed the size and scope of the contract that has gone to tender.

CHAIR: What is the indicative timetable for the trains on the rails?

Mr JOHN WATKINS: It is a larger contract; there are more carriages involved. As Mr Graham explained, we will have a much clearer indication of that by the end of this year.

CHAIR: How much did the CityRail television campaign that was run in June this year cost taxpayers?

Mr JOHN WATKINS: I will come to that in a minute. Do you have any follow-up questions about that?

CHAIR: Yes. When will the new outer suburban carriages operate on the network, given that you promised to have them running on the Central Coast by 2005?

Mr JOHN WATKINS: I will ask Vince Graham to answer that question.

Mr GRAHAM: We are currently testing on track the first two four-car Oscar sets. That intensive trialling of the cars on our network is intended to ensure that we have all warranty and other initial bugs well and truly sorted out on those cars. That testing program is well and truly under way. I have publicly said that I expect those trains to be in service in the last quarter of this calendar year, however I reinforce the point that I have been making continuously on this issue—they will not come into service until we are satisfied they are ready to do so.

CHAIR: Does that apply to the Hunter rail cars as well that were meant to be running last year?

Mr GRAHAM: Yes. Again, the Hunter rail cars have been delivered to us. Again, we are in the process of very detailed track testing of those Hunter cars. That testing continues. Again, I would expect the introduction of those cars into service in the last quarter of this calendar year.

[Short adjournment]

CHAIR: In relation to the Casino to Murwillumbah rail service, which you have mentioned, can you provide the Committee with the full RIC report that claims the cost of restoring that rail line is \$150 million?

Mr JOHN WATKINS: I made a commitment to the community that I would release the details of the costings and information that formed the basis for the Cabinet submission. I have done that. I was up there recently. The engineering report by the Rail Infrastructure Corporation and endorsed by GHD was prepared for consideration by Cabinet. I do not expect the Opposition to understand this—you have not been in government for a fair period of time—but it is a longstanding legal and administrative principle that Cabinet documents remain confidential. That is to ensure that government receives a broad range of useful information before making decisions.

Ensuring confidentiality means that advice provided to Cabinet is frank and widely canvassed and all options are available to Ministers. The principle is confirmed in the Freedom of Information Act and endorsed by the courts. No individual member of any Cabinet is at liberty to breach this fundamental principle. I sought permission to release information contained in the reports prepared for Cabinet. That information was compiled as a summary report by the Rail Infrastructure Corporation and is available to any interested party. I can assure you that the information provided in it supported the conclusions that I have reached and that I have shared with the community of north-eastern New South Wales

CHAIR: You are not going to release it?

Mr JOHN WATKINS: No, for those reasons I have outlined.

CHAIR: How many reports are there in the Government's possession that relate to the cost of reopening the Casino to Murwillumbah railway line?

Mr JOHN WATKINS: I am not certain about that. There are a number. There is GHD. There is the RIC report. There was the report done previously on behalf of the Federal Government by a consulting agency. There are three that I am aware of.

CHAIR: Mr Graham, are you aware of any others?

Mr GRAHAM: The Casino to Murwillumbah line is infrastructure under the control of the Rail Infrastructure Corporation.

Mr JOHN WATKINS: Again, what has been happening up there—and you know that part of the world—is since the closure of the line there has been very strong degradation of it due to weather and normal maintenance issues. In that area I think very heavy rains occurred earlier this year that caused those washaways and mudslides. There has been ongoing decay in the timber bridges. I know there is this community debate that somehow the figure of \$150 million is not accurate. What I have said to the proponents is I wish it was less, because that would enable us to come through with a more immediate deal with the Federal Government, but the ugly reality is that the assessment done by the RIC is accurate. Those very professional engineers that spoke to members of Parliament from both sides and to the community I think were believed there, that the costings are accurate. The issue surely should not be to argue about the costings. It should be to find an answer with regard to how to get those funds. I wish it were less than \$150 million, but it is not. I wish it would take less than 18 to 19 months to reopen it, but when I get advice from engineers that this is the reality, you have to accept it. To do otherwise would be foolish, not sensible, and would put you right in conflict with the safety regime we put in place after the Waterfall disaster.

CHAIR: Was there, in March 2006, a Ministry of Transport report titled, "Casino to Murwillumbah Rail Line: Review of cost and program to reopen the line"?

Mr JOHN WATKINS: Maybe, but the director general of the ministry is on in an hour's time, so you could ask him. Probable, but why not ask him.

CHAIR: Do you know what the least expensive option the Government has been informed as a result of any studies that it would take to reopen and maintain the line?

Mr JOHN WATKINS: It is \$150 million. But, as I said, the cost has changed according to the damage that has been done to the track and the continued decay of the infrastructure up there. It is a particularly tough environment on the infrastructure, much of which is old timber bridges. That is the reality. Timber sleepers in an environment where timber sleepers have a relatively short life and there has been no maintenance of it other than some sideline lawn mowing, and so forth, for a number of years. The quality of the track has decayed dramatically, and the standard it has to be brought to will be determined eventually by the Independent Transport Safety and Reliability Regulator. It does not matter what I, the Federal Government or the Opposition want or care about this. At the end of the day, no train will run on that track unless the Independent Transport Safety and Reliability Regulator says that it is okay for a train to run on that track. There is no point in different parties to this arguing about a figure. At some stage you have to accept that the professional assessment done by professional engineers is accurate and then you turn to the issue of whether or not the State Government should pay for the lot of it, \$150 million, or it should be done in partnership with the Federal Government. That is the issue, surely.

CHAIR: Minister, do you agree with your colleague the Hon. Eddie Obeid that reopening the line is a non-issue?

Mr JOHN WATKINS: I do not know what that means. It is a big issue in north-eastern New South Wales. I have travelled there three times about this specific issue. I have travelled by train to Casino and then the coach. I have met the proponents. Of course it is an issue in north-eastern New South Wales. That is why the Government has put \$75 million on the table, a considerable amount of taxpayers' money, to try to negotiate a fairer and reasonable answer to the issue in north-eastern New South Wales, in concert with the Federal Government. To confuse this debate, to make it one about how much it will cost and then whether it will be an XPT or a commuter service, ignores the real issue about opening it up. Get the funds, open the track and then talk about a commuter service versus an XPT service, but do not spoil the opportunity of bringing trains back to the north-east by killing yourself in an argument over costings.

If the Federal Government accepts what the New South Wales Opposition is saying, that it can be done for a lot less, and therefore does not provide the funds, that means that the trains will not run. If that is what the Opposition wants—I do not think it is—it will get it by undermining the costings, which are accurate. So it really is in the hands of the Opposition. Get on board, support this program with the Federal Government and tell it that you want it to match the funding dollar for dollar. If that happens and Warren Truss agrees to it, we will spend the money to reopen the line and trains will run in about 19 months. They will be XPTs to begin with. I have said to the community groups that we will then explore the viability of a commuter service, which is what TOOT has been advocating. But do not kill the possibility of that by not getting the track open.

CHAIR: With respect to some of the trains that are still running in nonmetropolitan areas on CountryLink services, what plans does the Labor Government have for privatising CountryLink?

Mr JOHN WATKINS: None. We made very clear after Tom Parry's recommendations to the Government—Tom Parry actually suggested that we should pull back from rail services to several parts of New South Wales and put coaches on instead. I considered that report. I came out and put the Government's position very clearly on to the public. That was that we would not pull back from rail services to country New South Wales. We said that we would not follow that aspect of Parry; we would maintain rail services. There is no suggestion that we will privatise CountryLink services. What we have done is spend an extra \$32 million on upgrading the CountryLink fleet—that process has begun and will run over a number of years—to provide a more comfortable service for people that depend on CountryLink services. We have said that we will maintain the rail. We will spend money on upgrading CountryLink coaches and locos and we will improve the way in which country people and city people can order and pick up the tickets. It is a commitment to CountryLink.

CHAIR: How many reports have the transport ministry, you as Minister or any rail-related agency prepared or received in regard to the matter of privatising CountryLink?

Mr JOHN WATKINS: I am not aware of one. It has never been an agenda item. It has never been discussed with me. I am opposed to it. The Government is opposed to it. So if anyone has

created such a document I am absolutely unaware of it and I am absolutely opposed to such a suggestion. I believe that public transport should be in the hands of the public—CountryLink and CityRail services.

CHAIR: How many CountryLink staff did you sack last financial year?

Mr JOHN WATKINS: The other thing is that I somehow do not think that there will be a lot of interest from private operators to get involved in CountryLink services, with 25 per cent fare box recovery. It is not something that the private sector has been hammering on my door saying, "Let us get our hands on CountryLink services." I somehow do not think that any suggestion like that would be viable. That is why it is important that the Government maintains CountryLink rail services and CountryLink coach services for the people of New South Wales who do not have rail. We should maintain that level of service. I do not think many other parties would or, if they did, it would only be after very strong subsidy from the New South Wales Government. In that case we may as well keep the services in-house. I am a very strong supporter of public ownership and operation of public transport.

CHAIR: How many CountryLink staff did you sack last financial year?

Mr JOHN WATKINS: None.

CHAIR: How many were retrenched?

The Hon. JAN BURNSWOODS: Your time has expired.

Mr JOHN WATKINS: That probably answers it pretty well, none. I do not like sacking workers. I actually have not done anything like that in my career.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, do you do rail planning and advocacy in the way that the RTA does it? If not, why not?

Mr JOHN WATKINS: Wow! That is a question and a half.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: We do try.

Mr JOHN WATKINS: No.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: If not, why not?

Mr JOHN WATKINS: Because I like the way I do it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The RTA seems to have concepts for networks and tunnels and all sorts of things planned and rail does not get built. Is it because there is no planning and advocacy for rail such as there is with the RTA?

Mr JOHN WATKINS: I have never been Minister for Roads. I am not closely aware of how they—

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You should be. The RTA is very thorough in planning what it wants to do.

Mr JOHN WATKINS: So are we.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: There have been a lot more new roads than new rail lines.

Mr JOHN WATKINS: Look at this year's budget. It is the first time for many years public transport has a bigger slice of the budget pie than roads has. That is a sign of Morris Iemma's commitment to public transport. Rail in particular has seen substantial growth in funding made available to public transport. I think there has been a 40 per cent growth in capital expenditure in rail

in one year. That is dramatic. As for planning, in living memory there has never been a period like this for the planning, construction and delivering of new rail infrastructure.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: There have been plans kicking around since the 1930s but there has not been any action or advocacy.

Mr JOHN WATKINS: Look at what is happening at the moment: Epping-Chatswood, a two billion-dollar project—

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It has stopped despite my lobbying for it to go on to Carlingford.

Mr JOHN WATKINS: But that is a two-billion-dollar project under way and ready to be opened in 2008, and \$1.5 billion on clearways projects. Today I was at Kirrawee station with the announcement about the successful tenderer for the duplication of the Cronulla line.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You did talk about the new rail projects in a previous answer. Have you done anything to speed up the Melbourne line through the Picton area where it is very slow through the bends?

Mr JOHN WATKINS: I am going to answer this question. You cannot suggest that there is not good planning for rail when the metropolitan rail expansion project on to northwest and south-western Sydney under the CBD, which I did outline earlier, is being planned and carried out at this very moment. An absolutely huge amount of rail infrastructure is planned, under construction or about to be opened. There will be openings of major projects for the next decade. For anyone to suggest that there is not good planning or support or budgetary provision for public transport infrastructure in rail, let alone the others, is nonsensical.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I would concede that there has been some change on the way to Damascus.

Mr JOHN WATKINS: The Melbourne line through Picton is an issue for the Australian Rail Track Corporation, the ARTC, which now has authority over that line. I understand that the ARTC is expending a fair amount on improving both the Melbourne-Sydney and Sydney-Brisbane rail lines. But it is really an issue for the corporation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is there any possibility of running coach services on train tracks? I have always wondered why that does not happen.

Mr JOHN WATKINS: Do you mean like a rail bus?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes. In the sense that those lines exist they could take very light loads. They have very good gradients and buses travelling on them would use much less fuel than buses on roads. Why has that not happened on all these lines that are virtually disused?

Mr GRAHAM: Technology for road and rail bimodal vehicles has been developed over the last 20 years. The suspension and bogey requirements of running trains versus buses on roads are fundamentally different. Without getting too technical, effectively you have two fixed axles under a normal road coach. It does not deal well with twisting that can occur in a rail environment. Rail bogey design involves having two four-wheel bogies, one at either end. They are connected to the chassis of the rail vehicles through a central casting referred to as a king-queen casting. That provides a single point of pivot at front and back of the rail carriage. But in a road vehicle the points of pivot are at the suspension on opposite wheels. It is that stiffness in running at speed on rail—

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It does not have to be bimodal; it could be just rail. Can that not be done?

Mr GRAHAM: The old rail motors were exactly that technology. The \$102 million investment in the 14 Hunter Valley cars involves what is effectively a two-car modern diesel service.

They have the capacity of several buses. However, the simple technology you refer to has not been developed successfully anywhere in the world.

Mr JOHN WATKINS: Are you suggesting that we suspend normal services?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I am suggesting that you supplement them with single-person buses or coaches.

Mr JOHN WATKINS: Nothing is cheap in rail.

Ms LEE RHIANNON: I refer again to the State/Federal funding deal for the Casino to Murwillumbah line. What documentation have you provided to the Federal Minister for Transport Services to set out the case for the \$75 million that you want from the Federal Government? I have heard only of a two-page letter. What submission have you made and how detailed was it?

Mr JOHN WATKINS: I wrote to the Minister and provided him with information about the costings for the upgrade of the rail. They were detailed costings about the justification for the funds required to upgrade the rail.

Ms LEE RHIANNON: Was it only about funding? Was there information about the repairs that need to be done to the line, the potential of the line or the need for the line? Was the case set out or was it simply a short document about the funding requirements?

Mr JOHN WATKINS: A case was set out for the re-opening and the New South Wales Government's desire to do that in co-operation with the Federal Government. Some information was provided about our justification for the costings. Most importantly, it included an invitation for the Minister to contact our officials to initiate discussion. I make the public offer: If the Minister is positively thinking about this, I encourage him to contact me or to approach our officials and we will initiate the most detailed discussions with his agencies if he is in any way doubtful about the costings. I am confident that such a relationship would end in the Federal Minister's accepting what the New South Wales Government has done, because he would ask the Australian Rail Track Corporation [ARTC], the experts in this matter, to speak to the Rail Industry Council [RIC], and they would come to the conclusion that the costings provided are accurate. It will then be a decision for the Cabinet as to whether that level of funds is provided. I hope it does come to that conclusion.

Ms LEE RHIANNON: Given that many of the wooden bridges on this line were rebuilt when the XPT was still running, why are you arguing that all of the 169 timber bridges need to be replaced within the next five years? Is that really the case?

Mr JOHN WATKINS: That is the engineering assessment advice I have received. The bridges are at different levels of decay. A test is performed on each of the bridges to indicate the level of decay. The damage is normally caused by termites and so on eating away at the centre of the piles. The timber bridges will need to be replaced over five years. I think 10 bridges will need to be replaced immediately before trains can run. I have stood on some of those bridges and culverts. Not all will need to be replaced immediately, but there is a program to do that over five years.

Ms LEE RHIANNON: But are you sticking to the line that 169 bridges have to be repaired over five years?

Mr JOHN WATKINS: Again, I wish I did not have to.

Ms LEE RHIANNON: I am just asking because it surprised people. The locals have seen repairs being done, so they are surprised about that information. In the current \$150 million proposal, can you explain why it is necessary for the line to have 100 per cent steel sleepers and bridges, while I understand the Sydney to Brisbane main line—which obviously carries a lot of traffic—still has some wooden bridges and wooden sleepers?

Mr JOHN WATKINS: We would not go to 100 per cent steel sleepers. Normally, one in four sleepers on that line would be steel. However, we would need to replace a number of the rest of

the wooden sleepers as well. I believe that 52,000 sleepers would need to be replaced, but we would not replace them all with steel sleepers.

Ms LEE RHIANNON: That is what I wanted to clarify.

Mr JOHN WATKINS: I understand that the Commonwealth is replacing all of the Brisbane line concrete culverts and bridges.

Ms LEE RHIANNON: But not the sleepers?

Mr JOHN WATKINS: Yes, the sleepers. If we were going to replace the bridges on the Casino to Murwillumbah line, we would replace them with concrete culverts or steel bridges. We would not replace them with timber because we would have the same problem with rot.

The Hon. JAN BURNSWOODS: Minister, can you update us with the progress on untangling and expanding the rail lines on the CityRail network?

Mr JOHN WATKINS: On 30 May this year the Government released the State Infrastructure Strategy, a comprehensive 10-year infrastructure planning and delivery blueprint. It is a \$41.3 billion commitment over the next four years to key infrastructure projects. In June this year, the Government released the 2006-07 budget with a massive \$3.4 billion public transport budget, including \$2.4 billion for rail. That record investment will allow RailCorp to spend \$830 million on capital improvements this financial year, delivering new trains, building new lines and upgrading stations across the network.

The New South Wales Government is spending \$1.5 billion on our Rail Clearways Plan to improve capacity and reliability on the CityRail network. Under that plan, the Government is building additional tracks, platforms and turnbacks, and removing bottlenecks and junctions to increase capacity, ease congestion and reduce delays. With the completion of the Rail Clearways Plan, an incident on one part of the rail network will have limited effect on services on other clearways. The Bondi and Macdonaldtown turnbacks are complete. I am pleased to be able to report to the Committee that train services to the Central Coast and Newcastle will now be more reliable with the opening of the \$9 million upgrade to Berowra station.

The Premier, Mr Graham and I travelled to Berowra to inspect the platform. Central Coast, Hunter and North Shore commuters will be winners from the project. The new platform at Berowra will help to improve the reliability of Central Coast, Newcastle and North Shore services by providing a passing lane to enable trains on that section of the CityRail network to overtake other trains that may be waiting at the station. Suburban services will not impact on the intercity service. In just 12 months, three of the projects have been opened across the network. They are all pieces in the jigsaw puzzle that, when put together, will dramatically improve the entire system.

Key features of the Berowra station upgrade are the addition of an extra platform, the installation of a new pedestrian overbridge providing lift and stair access to each platform, new security fencing, closed circuit television and lighting. Previously, the intercity service to the Central Coast that stopped at Berowra would have shared a platform with terminating North Shore suburban services. This could result in delays for Central Coast commuters if a late-running suburban service was at the station blocking the northbound intercity train. The new platform is now ready to be used and from mid-September will be used by all northbound weekday trains to Gosford that stop at Berowra. The new platform means that intercity and suburban trains are separated, making the network more reliable and creating more capacity.

The upgrade also means improved access to the station for all rail users, especially older commuters, parents with prams and less mobile passengers. It also delivers increased passenger security and comfort with the installation of weather protection and closed circuit television security. Other features of the upgrade include the new passenger information system on all platforms, landscaping, a new ticket machine, a bike rack and three dedicated disabled car parking spaces.

I should also report to the members of the Committee that construction is well under way at Hornsby, Macdonaldtown stabling, Homebush, Lidcombe and Revesby. As I said, only this morning

I travelled to Kirrawee with the Premier to announce the preferred construction tenderer for the \$231 million Cronulla line duplication project as part of the Clearways Program. John Holland Pty Limited has been selected for the project, paving the way for construction to commence later this year. The clearways Cronulla line duplication will remove bottlenecks and provide an additional 1,600 seats each peak hour. The Cronulla project will mean that trains on the Cronulla branch line can run in opposite directions at the one time without waiting for the only train on the line to return to Sutherland.

The Cronulla line duplication is part of the complete rebuild of the eastern suburbs and Illawarra line, also including \$40 million track work construction between Sutherland and Cronulla-waterfall, \$30 million resignalling at Sutherland, \$20 million overhead wiring rebuild between Mortdale and Sutherland, and \$2 million electricity supply upgrade between Sutherland and Port Hacking. The first stage of the upgrade will take effect between 3 and 14 October, with the rebuilding of the track between Heathcote and Waterfall in preparation for the summer months. Extreme heat during summer can cause track to expand meaning trains are required to operate at reduced speeds, which in turn impacts on the reliability of services. Concrete sleepers have a superior ability to hold the track in place even during the height of summer and that means trains can operate at normal speeds.

The \$323 million investment over four years will further improve the reliability and capacity of the Illawarra line well into the future. The Government is also progressing planning on the \$8 billion Metropolitan Rail Expansion Program to expand the rail network into the growing areas of the north west and the south west, and add additional capacity at the central business district [CBD]. We are untangling our rail system, building new rail lines, delivering brand-new airconditioned rolling stock and upgrading railway stations across the network. A good example of why we need clearways was the tragic accident at the end of last week when there was a death between Town Hall and Central leading into peak hour, which then disrupted that peak hour. Because it was on the Illawarra line, it did not disrupt the entire network but there were flow-on delays across the network because of it. If we had a problem at Chatswood in the afternoon it would impact on services all the way from Hornsby through the city, out to the far west and out to the north west, because that is the nature of the system we have.

The \$1.5 billion clearways project involving a number of different areas across the network will enable us to, as far as possible, separate them so that if a problem does occur on one line it will not cascade onto another. We have a problem this afternoon on one of our lines with a sick passenger and an ambulance having been called. That is inevitable in a system that carries almost one million people a day. It is a question of how we can, as far as possible, isolated that delay from leading onto other delays across the network. That is what Clearways is intended to do. It is a very clever plan. It is about increasing capacity, improving reliability and reducing the number of delays. I am encouraged by the fact that RailCorp has come up with it and is pushing it with the assistance of the Transport Infrastructure Development Corporation.

Ms LEE RHIANNON: Minister, have you, Mr Graham or any representatives of RailCorp been involved in discussions with Westfield about a metro line or metro rail line stations under and Centrepoint in the city?

Mr JOHN WATKINS: I certainly have not.

Mr GRAHAM: The Government has announced both its intention and a preliminary allocation of \$5 million to look at alternative routes through the CBD for additional capacity through the CBD under the harbour as part of the Metropolitan Rail Expansion Plan.

Ms LEE RHIANNON: Sorry, but because I am short of time it was just the Westfield aspect I was interested in. I am happy with a "yes" or "no" or you may take a question on notice.

Mr GRAHAM: I am happy to provide an answer.

Ms LEE RHIANNON: Okay, great. But, sorry, just on Westfield

Mr GRAHAM: It is important I think to get the context of how Westfield is impacted by the alternative routes that are being considered. What is important for the future is to determine the precise stratum, the precise line that the alternative routes through the city would take. There are two detailed considerations: a proposal referred to as "Metro Pitt", which broadly underground follows the alignment of Pitt Street, and that is the potential alignment that has an impact on the basement of the proposed development of the Westfield facility. There have been discussions involving Sydney City Council, Westfield and ourselves and my understanding is that a conclusion has been reached between the parties to ensure that both Westfield development can proceed and that we protect the future alignment of the Metro Pitt option. The second option is referred to as the "Metro West" option, which takes more of a Sussex Street alignment through the city and subsequently under the harbour. But, importantly, there is a staged and funded plan to examine these routes so that the global city of Sydney has the options available for future development.

Ms LEE RHIANNON: Minister, are you reviewing any CountryLink rail services with a view to cancelling some of those services?

Mr JOHN WATKINS: No. The real fear I have for CountryLink is if the Opposition wins office at the next election.

Ms LEE RHIANNON: Yes, I acknowledge that the Opposition certainly cancelled many services when in office. Minister, have you been involved in discussions about the future of the Maldon to Dumbarton rail line?

Mr JOHN WATKINS: Not that I can recall, but there are a lot of lines out there.

Ms LEE RHIANNON: I am speaking about the Maldon to Dumbarton line, which is half completed. Prior to becoming Premier, Mr Carr promised \$37 million to open that line. Mr Greiner closed it but did not complete it.

Mr JOHN WATKINS: The rationale behind the proposed construction of the Maldon to Dumbarton line was to serve as the anticipated growth of New South Wales' western coalfields. That development has not eventuated to the level to justify the completion of line. I am advised that, although the China-driven global commodities boom has seen the price of coal rise significantly in recent years, the prevailing view appears to be that because of the challenging physical characteristics of the western coal deposits, present coal prices and production levels would have to increase substantially before completion of the line would become economically justified. It should also be noted that were the line to be built today it would link to sections of the rail network now leased to the Commonwealth Government through the Australian Rail Track Corporation. As such, any decision to complete the line would involve discussions with the Commonwealth Government, including funding arrangements.

Ms LEE RHIANNON: How many new carriages do you have waiting to come on line? I am after numbers, the Oscars and the new Hunter rail cars.

Mr GRAHAM: The information I gave in answer to an earlier question is very simply summarised, given the time constraints. We have 141 millennium trains that are now fully delivered and in service.

Ms LEE RHIANNON: I want to know about carriages that are not in service.

Mr GRAHAM: Yes, 120 Oscar cars have commenced testing on the rail network, 14 Hunter Valley diesel cars specifically to operate in the non-electrified Hunter Valley, and the proposed replacement of the non-airconditioned fleet, for which the tender that has already closed. That is currently being evaluated with consideration expected by the Government prior to the end of this year. It will deliver 72 available eight-car trains as part of that contract.

JOHN GREGORY LEE, Chief Executive, State Transit Authority, sworn and examined:

The Hon. CHARLIE LYNN: This question could be to either the Minister or to Mr Lee: I refer to a *Daily Telegraph* report on 13 June 2006 that Mr Lee and senior managers told a newspaper that a manager who organised an unscheduled party bus with friends who had been drinking at The Oaks in Neutral Bay was at risk of self-harm. That newspaper published the story about the incident. I would like to know why Mr Lee and management said this. Can you confirm that?

Mr JOHN WATKINS: Are you asking him to confirm there was an article? What is the question?

The Hon. CHARLIE LYNN: Why did the management say this? I understand Mr Andrew Mullen told the *Daily Telegraph* on 12 June that he was never on suicide watch and that he was directed to stay at home by the North Sydney area manager, David Callahan, until things cooled down. My question is why did Mr Lee and the senior manager of State Transit not want this story reported?

Mr JOHN WATKINS: I think that matter has been dealt with in the public arena in a large amount of detail and it does not suit anyone's purposes to go back to it. It was an issue in relation to a matter that was dealt with appropriately. It received some media publicity at a later stage; it got very wide coverage. I am sure it caused some embarrassment and concern to a whole range of people. But the matter has been dealt with and it is now behind us. I do not think it serves anyone's purposes to bring it back. It certainly had a large amount of media coverage at the time.

The Hon. CHARLIE LYNN: What we want to find out is why did David Callahan direct Mr Mullen to stay at home while things cooled down despite Mr Mullen informing him that he was okay, that he was fine?

Mr LEE: That is media hearsay. What I can confirm is that in January 2006 there was a State Transit employee who was in an acting depot manager's position, who arranged for a bus to be provided free of charge to a group of friends to take them to a nearby hotel. That was against the State Transit policies and procedures. That employee was subsequently disciplined under what we term our normal disciplinary processes. He was actually removed from the position and he was also placed in a less senior position. Those are the details of the matter.

The Hon. CHARLIE LYNN: In regard to new buses, the cost of the 505 new buses has blown out 25 per cent to \$250 million in less than a year. The project was announced in June 2005 for \$200 million; the contract was signed with Custom Coaches in April 2006 for \$250 million. When will the buses commence on the network? Which depots will the new buses be assigned to? Why is the average age of the State Transit Authority bus fleet 12.8 years when regulations state it should be less than 12 years? What is the total projected cost—

Mr JOHN WATKINS: That is the third or fourth question. Can you ask them one at a time? It would be easier.

The Hon. CHARLIE LYNN: The first question is when will the buses commence on the network and which depots will the new buses be assigned to?

Mr JOHN WATKINS: We are in the middle of a contract currently, which has involved brand new buses and the bendy buses, or articulated buses, and they are being rolled out at the moment with more to come. But what you are referring to, I think, is the contract for the 505 buses over five years.

The Hon. CHARLIE LYNN: Yes.

Mr LEE: In terms of context, historically within Sydney Buses there was a stop-start procurement of buses. To give an example, in the late eighties—1986, 1987, 1988—there were some 500 buses purchased in three years by the then government. But, unfortunately, in 1991, 1992, there were less than 12 buses purchased in that two-year period. That has an impact then on what happens to the average age of your buses during their useful life. It has been put forward by management and

agreed by Cabinet to actually have a more constant purchasing or procurement arrangement for buses. So the 505 buses will mean that there will be approximately 95 to 100 buses rolling off the assembly line each year for the next five years. What is quite specific about the first tranche of the 505 buses is that 250 of them will be Euro 5 diesel technology and 255 of them will be CNG gas.

The Euro 5 engine is only just coming off the assembly line now, that is, the chassis in Sweden. It actually has a better greenhouse outcome than gas buses have. But because of that, to actually build the body onto the chassis it takes a fair bit of development work and design work, and the bus builders in Smithfield are currently working on the prototype for the first of those 505 buses. It is forecast at this stage to have before the end of the financial year at least 60 of the 500 buses on the road. At the moment the remainder of the articulated, or bendy bus, order—the 80 high-capacity buses—if you go out to Smithfield, is currently in its final throes of coming out of the assembly line and as soon as that is completed the first batch of the 505 go on the assembly line. That bus builder, New South Wales' pre-eminent bus builder, is at capacity. So they are at full capacity for that site.

Mr JOHN WATKINS: And, in fact, re-engineered their business so that it could cope with this ongoing order. You also made some comments—I am not sure if it was a question—about a blow-out in the cost of the contract.

The Hon. CHARLIE LYNN: The cost increase was announced in June 2005 to \$200 million and the contract was signed with Custom Coaches in April for \$250 million, is that correct?

Mr LEE: The main adjustment to that price is the first estimate was based on the purchase of 500 diesel buses and the Government has made a decision to, if you like, mitigate the fuel supply risk, and that is to buy half diesel and half gas. For those who work in the bus industry, we all understand that there is a premium which you pay for a compressed natural gas engine, and that premium can be anywhere between 10 to 20 per cent. So for what we would normally pay—about \$410,000—for a diesel bus, you have to add that premium for buying a gas bus. But you do get operational benefits from that, especially in times of Middle East crisis where the operational cost for a gas bus is a lot cheaper than the diesel bus.

The Hon. CHARLIE LYNN: Could you tell us what the total projected cost of the 500 buses is as of now? Is the \$250 million still current?

Mr JOHN WATKINS: We arrived at a contracted price and signed a contract.

The Hon. CHARLIE LYNN: That is the \$250 million?

Mr JOHN WATKINS: That is right.

The Hon. CHARLIE LYNN: You previously stated that State Transit would stockpile old buses for future use. Can you advise the Committee how many buses would be stockpiled this year and where they will be kept?

Mr LEE: For those who live to the south or who travel along the Princes Highway near Tempe, you will see an old tram depot that has a number of these buses that we are stockpiling. We do have some capacity on some of the other sites, mainly at Port Botany. There is also some availability at Ryde. The total count for Sydney buses as at June 2006 was 1,733. Remember, we will be taking delivery of about 30 more buses over the next three months and it is then a matter of not retiring those buses and keeping them at one of the depots or at the holding depot at Tempe.

The Hon. CHARLIE LYNN: There was an announcement today that a further 500 buses would be purchased, is that right?

The Hon. JAN BURNSWOODS: Yes, definitely.

The Hon. CHARLIE LYNN: Could I direct my question to Mr Lee?

Ms LEE RHIANNON: There was a special story in the *Daily Telegraph*.

Mr LEE: I did not make any announcements today but I can confirm that I also read the *Daily Telegraph* that suggested that there were some additional buses purchased but it was not for State Transit today.

The Hon. CHARLIE LYNN: So the cost of the buses that we spoke about before, the \$250 million, is that for the 500 buses?

Mr JOHN WATKINS: That is right, and that is made clear in the press release issued today.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Of the 505 buses that are being purchased, how many are replacing old buses?

Mr LEE: A lot of them are.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: What is the net increase in the number of buses?

Mr LEE: Does your question relate to growth buses?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes?

Mr LEE: We have a long-term fleet plan that over a 10-year period we will see approximately a 1.5 per cent to 2 per cent increase in the total number of buses, and with the price of real estate in Sydney, that has meant we have been looking for some alternative sites to house those new buses.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you have not got a 1 per cent to 2 per cent capacity to increase the number of buses. That is a very small increase, is it not? You are saying that over 10 years you are going to increase the bus population by 2 per cent?

Mr LEE: In actual fact we have a flexible program that will allow for up to 2 per cent in any given year.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Per year?

Mr LEE: Yes, but some years we do not need to increase it. For example, in 2001 after the Olympics the level of tourism decreased into Sydney so we did not need to increase the capacity on some of those major routes for that year. It has its peaks and troughs in terms of the requirement as to whether you need extra in a given year or whether you keep your fleet level at that same level as the previous year.

Mr JOHN WATKINS: Buses are big things. You have got to park them somewhere.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Of the 505 buses are new buses?

Mr LEE: They are all new buses.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Above replacement buses?

Mr LEE: It is approximately 1.5 per cent to 2 per cent.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So 10 buses?

Mr LEE: Approximately.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So 10 buses are growth buses?

Mr LEE: But that does not preclude the organisation from holding on to existing fleet and not retiring it or selling it. It is important with any fleet plan that you have that flexibility to retain those buses at that time.

Mr JOHN WATKINS: We plan for the future, but if the future changes, we change our plans. If there is continued growth in the patronage of State Transit buses and we need more buses, we would retire less buses and we would look to purchase new buses as well. We have a plan, for the first time over five years, based on where we think we are going, but if that changes, we change what we do.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is there currently a shortage of bus drivers?

Mr LEE: No.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So that is not the reason for the cancelling of 500 non-peak hour services?

Mr LEE: Yes, but let us put things in context. The number you mention is for the year 2005-06, but the previous year it was double that amount, so the number of services not supplied has been halved. When you look at the definition of a peak bus not supplied, it does not mean that the bus did not physically attempt to run its service. It usually means that any service that is more than 10 minutes late under our definition, we call it a bus not supplied.

For example, two mornings ago, with the torrential weather that hit Sydney, we had some services, especially out from the western area on Victoria Road that got their first peak run but were unable to get their second peak run and therefore we registered that as "not supplied" because we attempted to supply it but failed to. I would make the point that in 2004-05 we had 1,119 peak buses not supplied, and that has been halved. That has been halved through increased attention from our operational staff to deliver those services and to also have what we call "as directed" buses strategically placed throughout the network that can be called upon at any time to inject itself onto a run. Those people who come from Neutral Bay, for example, might see that at Watson Street stand, where we position spare buses ready for that sort of task.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: This cancellation was for 500 non-peak hour services. These were not running into trouble. These are scheduled, non-peak services not running; in other words, it was a change to the schedule to take 500 services away?

Mr LEE: Sorry.

Mr JOHN WATKINS: I think he is talking about timetable changes. You are talking about buses.

Mr LEE: I was talking about peak buses not supplied in a given period throughout a year.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I was talking about cuts to timetables.

Mr JOHN WATKINS: I think there was an article in the *Sydney Morning Herald* last week.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I am not sure where I saw it, but it was recently.

Mr JOHN WATKINS: On 10 September State Transit will introduce a set of service changes designed to ensure that services are concentrated in areas of high demand. In simple terms, we put our services where the greatest need is. A timetable in public transport will never satisfy everyone that wants to use the public transport agency. What you do is provide the bulk of services where they satisfy the bulk of need; that means where most people are travelling. In a day, a lot of that is morning and afternoon peak periods.

Over weekends there are different routes that are very popular; others are not. We adjust services because travel demands change over time. One example that Mr Lee explained to me recently was that there used to be a very regular service that ran from the city to Garden Island. That service no longer runs because those thousands of workers no longer work there, so you do not keep the bus running. That is sensible. You change your timetables according to need and that is what any prudent public transport operators should do.

I do not think that services that carry very few passengers should be or can be expected to run indefinitely. What State Transit has been doing is reducing certain off-peak services on weekends and off peak, but adding to others off peak and on weekends, as well as putting more services on in the morning and afternoon peak periods. For example, the 520 from the Parramatta CBD to the Sydney CBD along Victoria Road is being doubled on the weekend to meet increases in demand. So some peak services are actually going up because the demand is there.

The article last week had some pretty misleading stuff that was put to the Herald by the member for Ku-ring-gai. One example was the 272 service, which runs from Chatswood to the city. It was said: This is going; isn't this horrible—loss of service. The 272 goes from Chatswood to the city via the expressway. There was no report that the 273 runs from Chatswood to the city via North Sydney and has sufficient capacity in the same timetable as the 272. Yes, we have withdrawn that service but there is capacity and timetable service available to the people travelling. If you read the article you would assume there is no alternative. There has been change to service. One other example was the L38 and the 438. There was a claim there by the Opposition that there will be 220 services cut. Now that was quite misleading. Currently there are four L38s—they are limited stops—and four 438—they go from the west into the city from Abbotsford.

So you have eight services currently. Four of them are limited stop; the other four are 438s. We have reduced the service from eight an hour to six an hour. In other words, we have gone from a seven-minute service to a 10-minute service. That is a slight reduction in service but it is designed to still meet the capacity—it has the capacity there for the need. It may require certain people to wait an extra couple of minutes, but if that enables us to free up services to put them where there is growth in other parts of the network, that is exactly what we should be doing sensibly.

Some other services have been cut. One service from west Chatswood to Chatswood—I have forgotten the number—has been reduced, especially on the weekend, when it was carrying an average of 1.3 persons per trip. When you are providing public transport you have to get to the point that you make a judgment that certain services are not economic or sensible to keep running. Does that impact on that one person who was using the service? Yes it does, and I am sorry about that. But if it means we can free up that resource and provide it for 10 more people or 20 or a full bus, that is exactly what we should be doing.

As a rider to that, I have been informed that the State Transit Authority provides 102,000 services a week. We have made changes to 500 out of 102,000. It is a very minor change. At the same time we are carrying 60,000 more passengers per week, because we are putting the services where the people want them. We have put extra services on those major corridors in the central business district because we are desperate to get people back on to public transport.

The Hon. JAN BURNSWOODS: Can you provide information on the new peak services that the State Transit Authority is now offering?

Mr JOHN WATKINS: There has been a strong commuter response to the new bus services provided by the State Transit Authority on the busiest corridors. In just four weeks Sydney Buses has run extra morning and afternoon peak services on those new services and carried 73,000 passengers. We introduced the additional 22 route services on busy corridors to cater for recent patronage, probably caused by the high petrol prices and increased interest rates. We are taking the delivery of public transport, especially bus services, in a new direction, with increased peak services, strategic bus routes and fairer fares. The new services were introduced in August, and figures show that they have been warmly welcomed by commuters, providing more seats at high demand times on some of the busiest corridors.

In just four weeks of increased capacity Sydney Buses has carried a State of Origin size crowd. On average, 37 passengers per trip are being carried on the new services, and they have only been going for a short time. It is a good result in a short period. That is what we are about—providing incentives for people to switch from the car to public transport. And why would we not? That is exactly what the community of New South Wales wants, especially as it is carrying the burden of high petrol prices.

The breakdown of the results in the first four weeks of the morning and afternoon services are as follows: in the week beginning 7 August, 17,000 passengers; in the next week, 18,500; in the week beginning 21 August, 19,400; and in the week of 28 August, 17,700. That is an additional 72,895. We will monitor those patronage trends on these routes and others to see whether more additional services need to be put on, which is one reason we have not retired some of our older buses. If it means that we can still run a bus and carry 50, 60 or 70 people to work, that is a sensible use of resources. Some 60,000 extra people a week were carried from February to April, and the mornings and afternoons are obviously the busiest times.

We are unashamedly focussing our resources where most people need them. That is why we have put additional resources on our strategic bus corridors like Epping Road, Military Road, the Pittwater routes, the Eastern Valley Way, Glebe Point Road, Anzac Parade and Victoria Road. We are also investing in the new buses that will help us with this into the future. People are coming back to public transport—118,000 more in rail per week and 60,000 more in buses per week. Our private bus partners also reveal jumps in patronage, with some up to 20 per cent in the year, for example, on the M2 route. This is a very pleasing development in Sydney. It is driven by interest rates and petrol prices. People have reached the tipping point where they are starting to make serious choices about how much income they have available to them, and they are choosing buses. I am very pleased that they are: I would be apoplectic if they did not.

The Hon. JAN BURNSWOODS: Earlier we had some questions about so-called cuts in services, but I understand that some weekend services are being increased.

Mr JOHN WATKINS: Yes they have. We have heard about these claims that somehow people on weekends are just being left, and it is simply not true. In recent times we have increased the services on high-volume peak corridors to match the extra demand. Last week we ran more than 500 additional bus trips on some of the busiest corridors in the morning, and we are increasing other services on Sundays, for example, the 520 between Parramatta and Sydney. Travel patterns and needs change over time. Work patterns have changed. More people want to use the buses on the weekend, so we increase that level of service. The 520 is a perfect definition of it.

We design our bus routes and timetables so that they are understandable, frequent, direct and reliable. But they need to address a number of needs. Certainly, on Sundays the 520 route was carrying between 1,800 and 2,000 customers a day. At the moment the 520 on Sunday averages about 60 boardings a trip. That is a very high demand for a Sunday service. So we are responding by doubling the services between 9.30 a.m. and 5.30 p.m. on Sundays, and we will continue to do that when we look at other routes where there may be other reasons why growth is happening.

The growth is happening on the 520, I think because people are shopping in the centre of Parramatta and the University of Western Sydney is along the way. Certainly, weekend shopping is driving it between Parramatta and West Ryde, and into the city. More and more people are taking the opportunity of going to the city on the weekends and they are using the 520, especially with the new comfortable, articulated buses. It is growing. I am pleased that it is, and we will continue to put services where there is growth, whether that is in the morning peak or the evening peak, or at other times during the week. The 520 is a perfect example of us doing so on a Sunday service.

The Hon. PETER PRIMROSE: Can you tell us more about the bus fleet replacement program?

Mr JOHN WATKINS: As you will recall and as has been referred to, today I announced 1,000 new buses for both public and private across Sydney. That is part of the \$3 billion investment in public transport for passengers across the State. More than 500 of these buses will go to private operators in Sydney, the Hunter, the Illawarra, the Central Coast and Blue Mountains over the next

seven years. Region one, which covers Blacktown, Windsor, Penrith and Richmond and is operated by Westbus, Busways and Hawkesbury Valley, will get 83 new buses. Region two, which is operated by Busabout and Interline, and covers Liverpool, Bringelly, Leppington, Raby, Ingleburn, Minto and Casula, will receive 27 new buses. We have allocated 45 new buses to region three, which covers north of Liverpool, Fairfield and on to Parramatta and is operated by Westbus, Calabro, Hopkinsons and MetroLink. Region four, which covers north of Parramatta in the Hills district, and is operated by Hillsbus, will receive 107 new buses. Region five, between Bankstown and Hurstville and south to the Georges River, and operated by Punchbowl Bus Company, will receive 18 new buses.

Regions 6, 7, 8 and 9, which are operated by Sydney Buses, will get the 500 new buses we talked about. Region 10, which covers Hurstville, Miranda, Sutherland and north to Bankstown and is operated by Veolia, will receive 34 new buses. Importantly down there is one of the new strategic bus corridors.

In Cronulla and Caringbah there is Crowthers, region 11. They will receive nine new buses. In region 12, around Pymble, Asquith, Wahroonga, Hornsby, Berowra and north to the Watery River, Shorelink gets 27 new buses. Region 13, that is Transit First, will get 27 new buses in the Bankstown area. Region 14 is Forest, operating in St Ives, Gordon and French's Forest. It will receive 18 new buses. In region 15 there are 32 new buses. Others in the non-metropolitan area include Pearce in the Blue Mountains, 22 buses; Port Stephens Coaches will get six; Red Bus on the Central Coast will get 24; and Toronto Buses in Lake Macquarie 28. It is literally raining buses out there. This is a cross-pollination between State Government and private industry, working together to provide a better outcome for travellers.

It does not matter whether they catch a public bus or a private bus, I am pleased to report that that old division has passed away. The new metropolitan bus contracts are working. These buses are worth something between \$400,000 and \$450,000 each and they are in addition to the 100 new standard buses already delivered to State Transit and the 80 bendy buses. I can also report to you that several private operators have applied for new buses to provide extra capacity they need, including on the M2, where there has been a 20 per cent growth in 12 months. We gave Westbus the green light to buy another 13 buses to cater for an extra 6,500 commuters a week using the M2, and we will continue to review bus services across Sydney and outer metropolitan areas to make sure that we are providing buses where they are needed.

There is a new streamlined process by which companies can come to the Government when they believe they have growth and they need new buses. I encourage them to do that. We have a strong relationship with the Bus and Coach Association and private bus operators about this. The new robust reform agenda really has provided them with certainty into the future and that is what the Lemna Government wanted to provide to private bus operators in Sydney.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, are you simply handing out buses to the private sector or do you have some financial arrangement? Is it some sort of government largesse, or what?

Mr JOHN WATKINS: The private bus operator has to justify the need for a replacement bus or for a growth bus. A process has to be followed and information provided to the Ministry of Transport. If they provide that information and it is checked and it is appropriate, that approval will be given.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: This is a taxpayer-funded gift, is it?

Mr JOHN WATKINS: No. Under the contract entered into, this is provision of an essential public service to the people of Sydney.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But it is a taxpayer-funded gift?

Mr JOHN WATKINS: They are ultimately owned by the Government. I do not think people understand the major change that has happened under the new metropolitan bus contracts. Previously the buses were owned by and an asset of the private bus operator. Under the new bus contracts they are not. They are owned by the Government.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So this is the walk-in, walk-out, Los Angeles system, is it?

Mr JOHN WATKINS: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So at the end of the contract it can be let to somebody else and the fleet is maintained?

Mr JOHN WATKINS: That is right. It is a smart move. Previously, every bus operator owned the fleet and operated it and if for some reason they went west or they just did not want to do it any longer, they could withdraw. They could sell their buses interstate. A community on the North Coast was stating that last year. Under the new contracts that cannot happen.

Ms LEE RHIANNON: Minister, I note that the Government recently removed the requirement for data recording tachographs to be used on coach trips within an 80-kilometre radius of a coach's home base.

Mr JOHN WATKINS: Could we come to that in the Ministry of Transport?

Ms LEE RHIANNON: Does Mr Lee look after metropolitan transport co-ordinators?

Mr JOHN WATKINS: No.

IAN JAMES GLASSON, Director General, Ministry of Transport, sworn and examined:

The Hon. CHARLIE LYNN: My question is in relation to the Public Transport Ticketing Corporation Tcard. Minister, I understand the 2006-07 budget indicates an underspend of \$67 million in 2005-06, and a further delay in completion of the project to 2008. I refer to an article in the *Sydney Morning Herald* on 6 July 2006 referring to an Auditor-General's report. The article stated:

The State Government has already spent \$54 million on the proposed integrated ticketing system—which is now six years late—and has set aside another \$85 million in this year's budget.

...

Mr Harris said if ERG folded the future of the contract would be uncertain, and the \$54 million the Government has spent would be at risk.

Shares in the ERG Group, worth about \$26.43 during the tech boom, this week fell to 8.2 cents. Its accumulated losses are about \$550 million.

Will you admit that you have failed Sydney commuters in regard to the introduction of the Tcard?

Mr JOHN WATKINS: There are a few references there I need to deal with. To answer your last question first, no, I will not agree with that. My most recent advice from the Public Transport Ticketing Corporation is that only \$5 million has been paid to ERG. You then asked the question if ERG was for sale. If any government supplier was to fold—we talked about Custom Coaches in the previous section. If that was to go under for some reason, that would cause problems for the Government, yes, but there is no indication that that is the case. You referred to the share price of ERG. I understand in the past week the share price, which did drop considerably, has gone up, and the advice to me is very strong support from the owner, the chief backer of ERG, for the product, because ERG has products coming online this year and next year in Sydney, in Seattle and some other locations that are being looked at positively.

The real issue about the Tcard is the technical difficulties in loading the multiplicity of products onto it. There are over 100 different types of product that need to be loaded on, when you consider it is to do ferries, private and public buses and rail. That is technologically a difficult thing to do. Few other cities around the world have gone to such a form of ticketing and nowhere else in Australia has it without difficulty. I understand Seoul has recently gone to something like this and has rushed it and caused major difficulties because the technology was not right.

I have made it very clear publicly that the timetable that was announced in the past has not been kept—and I am criticised for that—but my advice very strongly is I am not going to rush a new ticketing system that potentially will impact on more than one million passengers a day unless I am satisfied on behalf of those customers that all the technical issues have been resolved.

The Tcard is already in the hands of more than 300,000 school kids that use private buses to get to and from school. A field trial for buses in the inner west has been advertised recently and will commence in early October. That will involve State Transit routes that come down King Street, and the Punchbowl Bus Company. That field trial will run till the end of the year. We were looking for, and I think we have achieved, 1,000 volunteers. There is also a rail field trial proposed. We are waiting that conclusion of testing of Legacy equipment before we move into that. But, again, I am not going to rush a new ticketing system. I want it introduced flawlessly. If you ever want to really get a sense of it—and I hope you do—go down and stand on Town Hall station just inside the ticket gates any morning from about 8.15 onwards. You will see the tens of thousands of people flowing pretty effortlessly through those ticket gates. That is how we are going to do it with Tcard. If that means it is delayed a bit and I am criticised for it, so be it. I am not going to impose something on the travelling public until I am certain it is working well. The field trial is about to commence with buses. The card is in the hands of private school kids. It is coming and I welcome it and look forward to it.

The Hon. CHARLIE LYNN: You may have explained it but why was there a need to update your contract as stated in your press release on 5 July 2006? Can you advise the Committee whether the ERG Group met all of its obligations under the old contract?

Mr JOHN WATKINS: There were delays, and that is why we negotiated the new contract. The new contract protects the Government. We make payments when milestones are reached. That was renegotiated. We also negotiated a strong entitlement to the IP: we have access to it. What has troubled this project has been the delays caused by the technological difficulties. We have made accommodation for that in a prudent way that protects the taxpayer. I think that is exactly what you would expect of the State Government. In the meantime we do have a system of ticketing in New South Wales, which is certainly available to us as MPs, but it is also available to members of the public. They can buy tickets that can be used in government services—ferry, bus and train. Of course, it does not have the ease-of-use that the T-card will have. That is why we are moving down that path.

The Hon. CHARLIE LYNN: Could you advise the Committee of the details of the new contract, the benchmarks that ERG must achieve before the Government makes payments and the timelines for those benchmarks?

Mr JOHN WATKINS: We will try to give you the details that you are looking for.

Mr GLASSON: If they are not complete we will take the question on notice. As I understand it, the contract is very detailed in terms of the performance specifications that the technology and equipment have to meet prior to final certification to go into service. The renegotiations in the middle of the year in no way changed or diluted any of those performance benchmarks. There is probably a very specific technical answer about every single performance hurdle but my understanding is that they are in the contract and they are very clear.

The Hon. CHARLIE LYNN: What is the total expenditure on the introduction of Tcard by all government agencies and what is the total expenditure by the ERG Group?

Mr JOHN WATKINS: We will take that on notice.

The Hon. CHARLIE LYNN: Why is the total expenditure to 30 June 2006 on Tcard, according to the 2006-07 Budget Paper No. 4, which is \$53.87 million, less than the total expenditure to 30 June 2005 as stated in the 2005-06 budget paper, which was \$55.79 million?

Mr JOHN WATKINS: Sorry, you have lost me. We will take that on notice.

The Hon. CHARLIE LYNN: Why did you state in a radio interview on 2UE on 6 July 2006 that the Government had spent only \$5 million on the project, contrary to your budget papers?

Mr JOHN WATKINS: I cannot recall the context of the conversation that I had. I do not even remember having it; I will take your word for it. That is the \$5 million that has been paid to ERG, which at the end of the day is the critical issue. The conversation was probably in response to allegations that huge amounts of money had been paid to ERG without any product being provided. The point I was making was that only \$5 million has been paid. There are now clear milestones for the next payments being made. But the milestones have to be achieved for the payments to be made.

The Hon. CHARLIE LYNN: What did the Government spend on Tcard for the 2005-06 financial year?

Mr JOHN WATKINS: They would be costs for the different agencies undertaking work. In the 2005-06 year we had not established the Public Transport Ticketing Corporation; that began on 1 July. So it would be the total costs of different agencies in supporting the development of Tcard. It may be difficult to put detailed costings on that but I will try to provide the information.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Minister, can you confirm that periodical ticketing—specifically the weekly, monthly and yearly travel passes—will be retained under the Tcard system?

Mr JOHN WATKINS: This is one of the issues we face in moving to an electronic system. The Tcard is like a credit card. As you get on a bus you will swipe across a face. You will not dip the card but swipe it across. There will be a beep-beep. When you get off you will beep-beep it again.

You will be charged according to the distance you travel—GPS technology and so forth. The same with trains: you will be charged according to the distance you travel. That is what we have been trying to do with public transport fares over a period, and it is sensible. You should be charged about the same rate for your length of travel no matter which form of public transport you use. There needs to be some simplification of the multiplicity of products that are available. Inevitably that will happen when we move to a Tcard.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Would that not be highly regressive? The people who are poorer live further away and their fares will be much greater, and they will not be able to benefit from the weekly and monthly passes.

Mr JOHN WATKINS: We will come to weeklies and monthlies in a minute. It is currently the case that the further you travel the more you pay. It is \$45 a week to travel by train from Penrith to the CBD whereas it is \$400 a week if you use a private motor vehicle. It is about 10 per cent of the cost of driving a car—that is, if you have the capacity to catch a train. But on your question about what concession would be available once Tcard is introduced, as it develops and as we get close to introduction of the Tcard we will determine what form of concessional tickets are available. We have not determined that as yet because we need to get over a range of other technical issues before such a discussion occurs. We have not made up our mind about that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: What is the projected annual cost of extending the country pensioner excursion ticket to cover travel on private bus services?

Mr JOHN WATKINS: We will take that on notice.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: How many pensioner travel vouchers have been used in New South Wales since March 2006 and how many were used in the corresponding period of the previous year?

Mr JOHN WATKINS: A lot and a lot more. I do not have that level of detail. I am sure we will be able to find it. We will take those questions on notice.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Given the rising number of senior citizens on bus services, what steps are being taken to improve accessibility with stepless-entry doors?

Mr JOHN WATKINS: All new buses are wheelchair accessible and therefore have stepless entry. The 1,000 new buses coming into Sydney over the next seven years will all be wheelchair accessible. That will increase the percentage of the public and private bus fleet substantially. I think the rate in State Transit is about 30 per cent and across the board it is about 25 per cent. The 1,000 new vehicles will be a substantial increase. However, it will take some time before all buses are wheelchair accessible. As more companies have a higher percentage of wheelchair accessible buses, they will put them on advertised routes so that people know when a wheelchair accessible bus is available. In the interim, before we have an entirely wheelchair accessible fleet, that is best thing to do; that is, getting a certain number for each company and they can then advertise that the 8.20 a.m. service from Miranda to Hurstville will always be wheelchair accessible and so on.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can you nominate a date for the public release of the public transport options study for the F6 corridor?

Mr JOHN WATKINS: No.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can you provide a ballpark figure?

Mr JOHN WATKINS: No, because that is not entirely within my ministerial portfolio.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: This seems to be hot potato; everyone seems to be passing it to someone else.

Mr JOHN WATKINS: If it were mine, I would tell you. It is certainly not in my ministerial portfolio.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I think the Roads Minister flick passed it to you.

Mr JOHN WATKINS: Did he?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I think that is right.

Mr JOHN WATKINS: I will have a word to him about that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes.

Mr JOHN WATKINS: I think the Minister for Planning needs to be asked about that. It is certainly not my responsibility.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can you confirm the gazetted status of the corridor?

Mr JOHN WATKINS: No.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is it dedicated to public and recreational use?

Mr JOHN WATKINS: No, I cannot say.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is it Minister Sartor's responsibility?

Mr JOHN WATKINS: Yes.

Ms LEE RHIANNON: The Government has recently removed the requirement for data recording tachographs to be used on coach trips within an 80-kilometre radius of the home base. Given that tachographs were a recommendation of State Coroner following a number of serious coach crashes, why did you amend the Passenger Transport Act to remove the requirement?

Mr JOHN WATKINS: It has been a complex issue.

Mr GLASSON: I understand that following the Kempsey accidents and the Coroner's findings there has been an alignment in the past 18 months or so of the ministry's standards in accordance with the RTA's standards. We have subsequently had representations from the bus industry about that and the decision has been reversed. The bus industry has been advised accordingly.

Ms LEE RHIANNON: Are you saying that what I have just read out is now incorrect?

Mr GLASSON: Yes, that decision was reversed.

Ms LEE RHIANNON: So the tachographs are now back on, even for short distances?

Mr GLASSON: Yes, that is correct.

Ms LEE RHIANNON: That is good news. Congratulations.

Mr JOHN WATKINS: I think that the Government was faultless in this process. We were following some advice from the industry and so forth, but the matter has been resolved.

Ms LEE RHIANNON: I refer to the metropolitan transport co-ordinators [MTCs]. What specific locations are the MTCs focussing on in their work on transport disadvantage?

Mr GLASSON: The two metropolitan co-ordinators are working across the metropolitan area. They are engaging with the organisations of councils and with other groups in looking at specific areas of disadvantage where they can attempt to affect improvements.

Mr JOHN WATKINS: Originally there were no metropolitan transport co-ordinators. There were 11 in regional New South Wales. When I became the Minister I received strong representations from North Eastern Wheatbelt Regional Organisation of Councils [NEWROC], in particular, about the great need for community transport co-ordination. Accordingly, we were able to find the finances to employ two MTCs in Sydney to assist councils, in particular, in their initiatives.

Ms LEE RHIANNON: How does their work link in with the bus reform agenda?

Mr GLASSON: Their work is essentially targeted at transport disadvantage. That is dealing with targeted programs, such as home and community care, with organisations that have community transport vehicles and with bus companies operating under contract to try to broker more effective networks and community support.

Mr JOHN WATKINS: In country New South Wales, the strong view was put that often there are underutilised resources in private bus companies. They do the school run and then park the bus. The idea was that if a community group wanted or needed a regular service during the day—for example, aged people going shopping—perhaps they could use that vehicle. That has been resisted in certain communities and embraced in others. The role of the co-ordinator is to bring that together. It is tougher to achieve that relationship in the city than it is in the country.

Ms LEE RHIANNON: Communities are more fractured.

Mr JOHN WATKINS: That is correct.

Ms LEE RHIANNON: Can you give some examples of the issues they are working on and some of the outcomes?

Mr GLASSON: I would need to take that question on notice in terms of specific programs. However, they are working with local councils, local communities and local providers of transport to disadvantaged people to broker improved outcomes.

Mr JOHN WATKINS: The Willoughby council has introduced a taxi scheme. Most days of the week—I may be wrong about that—it is contracting taxis and aged residents who want to go somewhere ring the council and booking a fare. I think they get it at a subsidised rate. I think the same council was looking at a regular bus service between Northbridge and Chatswood. That is the type of initiative in which I would want the community transport co-ordinators to get involved; that is, brokering support from the ministry, local councils and taxi companies. We have the capacity to do that and I welcome that work being done.

The Hon. JAN BURNSWOODS: You obviously have a detailed knowledge of and commitment to public transport. Can you tell the Committee how you make yourself aware of the daily experiences of commuters?

Ms LEE RHIANNON: That is the ultimate Dorothy Dix question. How many trains and buses have you caught? Do you have a diary you can give us with all the examples?

The Hon. PETER PRIMROSE: Everyone is interested in your answer, Minister.

Mr JOHN WATKINS: I have travelled on public transport every working day since 20 January 2005, the day before I was sworn in.

Ms LEE RHIANNON: Did you start using public transport on a regular basis only when you became a Minister?

Mr JOHN WATKINS: I used it infrequently prior to that, but I used it.

Ms LEE RHIANNON: Fair enough.

Mr JOHN WATKINS: Until the week ending 25 August, I made 819 single trips on public transport, including 477 on rail and 320 on buses. Many of those trips were to and from work. I live at Ryde, so I can catch the train from West Ryde or the bus from Top Ryde. I have a good public transport service out there. I have travelled on ferries, CountryLink services and the Liverpool to Parramatta transit way. I have travelled north to Casino, Murwillumbah and so on. Today, for example I caught the train back from Kirrawee, where we looked the Clearways project. I set myself this task of using public transport every working day. Because I am a guilt-ridden creature, I now will not breach that.

Ms LEE RHIANNON: What are you guilty about, Minister?

Mr JOHN WATKINS: I feel guilty if I miss a day. So I do not let myself.

Ms LEE RHIANNON: Do you feel guilty when the service fails?

Mr JOHN WATKINS: I am appreciative that I do it, because I have seen most of the problems our commuters face from ticket machines on a bus that do not work, to doors not closing on a train, to unpleasant behaviour by patrons and poor driving by bus drivers. It enables me to speak to the director general and other heads of agencies and tell them that we need to fix something. I do not want to boast about it, but it has been very valuable. Probably the most valuable thing I have done is to use it every day. I am stunned by the capacity of the system, the hard work of the men and women who work in it and the forbearance of our travelling public.

The Hon. PENNY SHARPE: There are a number of proposals to do with light rail. I wonder if you could give the Committee an update on the latest information about the proposals and the desire to install light rail in the central business district [CBD]?

Mr JOHN WATKINS: Yes, I am happy to do that. I am a great proponent of public transport. I want to get more people onto it. In particular we need to do that into the CBD, even though we have a very high rates of movement in and out of the CBD by public transport. But to think that light rail will deliver that for the CBD is romance. As I have said before, most romances are based on hope and false expectation. That is certainly true of light rail in the city. It will not work, it will disrupt this city, it will cause massive congestion and it will come at some cost to the taxpayer. I will just run through the obstacles to light rail in the CBD. Firstly, it requires corridors of Castlereagh and George streets. You would have to sterilise those streets from all other traffic, and if you did that it means you would take out two of the four most important north-south corridors. I do not think you can do that. But if you do not sterilise it, it would mean running trams with traffic. You can only get an operating speed of between 7 kilometres and 9 kilometres an hour. That is quite low for trams.

The second issue is that passengers would have to interchange of buses at Central and complete the journey by tram. If you were coming in from West Ryde and wanted to go to Circular Quay you would catch the bus to Central, get off the bus in the rain or the wind or the heat and get on another form of public transport to complete the trip down to have Circular Quay. All studies show that people hate changing from one mode of public transport to another. The third issue is that demand by 2021, and this is the killer fact, will require a 45-second frequency on both corridors. It means you are going to have to have a tram every 45 seconds coming in, filling up and moving on, because that is the number of people who are going to be moving up and down through the CBD. If you run a tram system at 7 kilometres to 9 kilometres an hour you cannot run at 45-second headways.

An alternative would be to have longer trams. If you have longer trams you create even more concern for the east-west corridors. The only way you can run trams north-south through the CBD is by giving them priority at each of the east-west corridors—at King Street, at Bligh Street and at Liverpool Street. That means when the tram comes towards the intersection the lights change to green for the tram and through it goes. If you do that with the frequency that is required there will be no movement east-west across the CBD. It will lock up. To think that you can put a tram system into Sydney that will move people is fanciful. If you speak to the proponents, if you speak to the light rail company in Sydney, which does want to see light rail down through CBD to Circular Quay and have a plan for it, they say it will take only 20 per cent of the buses out of the CBD of Sydney. That is what they say.

The fanciful presentations that are around, some from the Opposition and some from the Council of the City of Sydney, suggest that you will magically get rid of buses off the streets of Sydney. You cannot do that. You cannot have a light rail system that does it. Light rail was taken out of Sydney because of the congestion it caused 50 years ago. The congestion in Sydney is far worse. If you put a light rail system through the CBD you will have chaos. You would basically have to sterilise the Sydney CBD from all private vehicle traffic. I do not think any government is willing to do that. There is other information I could give you about capacity and so on, but light rail trams for Sydney is a romance based on hope and false expectation and any proper analysis of it suggests that that is a foolish way to go.

The Hon. PENNY SHARPE: Would you be able to tell us about what we are doing to protect taxi drivers in both metropolitan and regional areas?

Mr JOHN WATKINS: I have been particularly concerned. As Minister for Transport one of the greatest concerns I have is when either passengers or public transport workers are injured. That is obvious; I think all Ministers feel that way. But the attacks on bus drivers and taxi drivers have been particularly contentious and worrying. Accordingly, we have taken some steps. First, I announced new measures to improve safety, including the creation of 22 additional secure taxi ranks. These are ranks that have security guards patrolling at them. Currently, in the CBD we have three and one at Manly: there is one down in The Rocks, there is one just near the Governor Macquarie Tower, and there is one in Park Street. They have security guards at them from Saturday evening—it depends what evening it is—Friday, Saturday nights until late into the early hours. They have reduced attacks on customers and bus and taxi drivers markedly.

We have also looked at security cameras, making them mandatory as a safety requirement in taxis. I think the time has come for that. Currently, there is a choice: they get either a security camera or a plastic screen. My view quite strongly is that they should have security cameras. They can have the screen if they like but they need security cameras. We have also reviewed penalties for offences like fare evasion and we have also changed the legislation that applies to the sentencing of people who attack public transport workers—that includes taxi drivers, bus drivers, train guards and train drivers. So that it is an aggravating issue in sentencing if someone attacks a public transport worker whilst they are carrying out their work. These are men and women who are just carrying out an essential public service; they should be protected. Public transport workers are now protected in the same grouping as nurses and police, and I think that is legit.

I think the secure taxi rank trial in particular is a very good one. It has now been borrowed, apparently, in the United Kingdom: London is looking at it. Secure taxi rank trials were held last summer at Manly, Wagga Wagga, Albury, Griffith, and during the Tamworth Country Music Festival. They were very warmly welcomed and I have announced that we will continue to have them in the Sydney CBD, in Griffith, Albury, Wagga Wagga, Manly and Tamworth, and there are other taxi ranks being considered in other country towns and other parts of Sydney.

The Hon. CHARLIE LYNN: Going back to the T-card, the completion date has been delayed until 2008, according to the latest budget paper. On 7 March 2006, the Hon. Eric Roozendaal advised that the T-card would not be fully operational for another three to five years. I would like to ask you who is correct and what is the current roll-out plan for the T-card? I notice all the T-card signs at Martin Place have been painted over.

Mr JOHN WATKINS: The fact that money is provided in the forward estimates is not an issue about completion. That money is provided in the budget and the forward estimates is a fact: there will be an ongoing cost for the T-card, certainly in the establishment years. That is not a pointer towards the kick-off date. So even when T-card commences there will be a drawdown on the budget, as indeed there currently is. Each of the agencies has a considerable cost in running a ticketing system. If that ticketing system is taken over by the Public Transport Ticketing Corporation there still will be an ongoing cost. That is why it is in the budget and in the forward estimates.

As for the three to five-year full take-up, that is highly likely because the full take-up of T-card always envisaged not just ticketing but also other products being loaded onto it. So that the T-card, as an electronic credit card, if you like, could be used for other purposes. So it depends what other purposes you lend the T-card to down the track. In a sense, it will not be finished because it will

be developing technology, as indeed these types of cards have been overseas. I can envisage a day when someone will be able to purchase a newspaper or some other public transport product with their T-card, or a car park, for example, will be able to electronically transfer funds.

Your question about the roll-out: a trial of the bus, October; rail, the plan is later this year, early next year; roll-out of the T-card, next year through rail and bus followed by ferry. So we are expecting basically the full operational roll-out of the T-card to occur in the calendar year 2007. But there will be ongoing development of the T-card in the future.

The Hon. JAN BURNSWOODS: 2007-08.

Mr JOHN WATKINS: Yes, 2008. And that is probably what Eric Roozendaal was referring to.

CHAIR: It being six o'clock, I would like to thank you, Minister, and Mr Glasson for your time.

(The witnesses withdrew)

The Committee proceeded to deliberate.
