

GENERAL PURPOSE STANDING COMMITTEE No. 4

Monday 10 December 2007

Further examination of proposed expenditure for the portfolio area

TRANSPORT

The Committee met at 1 .00 p.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. K. F. Griffin
The Hon. M. Mason-Cox
Ms L. Rhiannon

The Hon. R. A. Smith
The Hon. H. S. Tsang
The Hon. L. J. Voltz

PRESENT

Ministry of Transport
Mr J. Glasson, *Director General*

RailCorp
Mr V. Graham, *Chief Executive Officer*

State Transit Authority
Mr P. Rowley, *Acting Chief Executive Officer*

Sydney Ferries Corporation
Mr G. Smith, *Chief Executive Officer*

Public Transport Ticketing Corporation
Ms E. Zealand, *Chief Executive Officer*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIRMAN: At this hearing the Committee will further examine the proposed expenditure for the portfolio area of Transport. Before commencing I will make some comments about procedural matters. In accordance with the Legislative Council's guidelines 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 broadcasting proceedings are available at the table by the door. Any messages for Committee members will follow the usual procedures. Witnesses are free to pass notes and refer directly to advisers while at the table. Mobile phones should be turned off. The Committee has agreed that questions will be put in turn by the Opposition, crossbench and then the Government in 20-minute allocations. The Committee has decided to commence with the Public Transport Ticketing Corporation. We are going to take a 10-minute break at 2.30 p.m.

I advise that in relation to the return date for questions on notice the Committee resolved previously to request that answers to questions on notice at this hearing be provided within 21 calendar days of the date on which they are sent by the Committee secretariat. Any questions taken on notice today will be sent through the Minister for Transport. In relation to the swearing in of witnesses, all witnesses from departments, statutory bodies or corporations are sworn prior to giving evidence, however, all of the witnesses for today other than Ms Zealand still are on their former oath given at the hearing of this Committee on 15 October.

ELIZABETH ANNE ZEALAND, Chief Executive Officer, Public Transport Ticketing Corporation, affirmed and examined:

CHAIR: I declare the proposed expenditure for the portfolio area of Transport open for examination. Ms Zealand, if you have a brief opening statement you would like to give, you may proceed to do so?

Ms ZEALAND: The Tcard contract, as I am sure the Committee is aware, was signed in February 2003 with an expected completion date of November 2006. There are a number of variations and amendments to the contract throughout the period and I would just like to outline some of those and speak about where we are with the contract today. There were a number of options contained in the contract which government could choose to take up if subsequently required after signing the contract. The first significant option taken up in March 2003 at a value of about \$1 million was to allow ERG to reverse engineer and document the existing RailCorp equipment, such as gates, vending machines and ticket office terminals. This was prudent risk management by government. The option enabled ERG to satisfy itself that it had sufficient information to allow it to modify existing RailCorp equipment and to see which of the equipment it could reuse in the project. The take-up of this option had no time impact on the contract.

Another significant option worth about \$14 million that was exercised was the option to tag on and tag off the bus operation. This was issued in April 2004. This option fitted with the distance-based fare structure we have on our public transport, but it also allows much more effective data for transport planning and data collection. Again there was no time impact associated with this option. The Committee will be aware of the interim school student transport scheme. That involved work worth about \$14.8 billion. This variation was issued in December 2003 to improve the collection and management of data for the school student transport scheme. This resulted in a three-month extension to the project agreement being granted in connection with this variation. This moved the expected delivery date to January 2007.

The project agreement is structured in phases, stages, milestones and, in some cases, milestone events, and payments to the contractor are linked to the achievement of stages. There have been two amending agreements to the project agreement due to delays. The first was variation agreement one, and that was in May 2005. This gave ERG a 26-week extension to phase one of the project, yet this impacted only the completion date of the full project from January 2007, as I have just mentioned, to February 2007. The second amendment amending agreement two was executed in June 2006. This had an agreed recovery schedule which showed complete delivery of the project by March 2008. The extensions of time have always been negotiated in the interests of the taxpayers in New South Wales and appropriate commercial concessions were achieved for government in these

negotiations. I began with the Public Transport Ticketing Corporation in July 2007. The first formal notification of delay to me was in August 2007 and that was of further delays to amending agreement two. On 24 September 2007 the Public Transport Ticketing Corporation issued a default notice to Integrated Ticketing Solutions Limited which required it to complete the missed milestones within 20 business days, and this was 22 October 2007.

On 22 October 2007 Integrated Ticketing Solutions Limited had not delivered on the missed milestones and still has not delivered on the missed milestones. On 5 November the Public Transport Ticketing Corporation issued notices of intention to terminate. These notices gave the contractor until 3 December 2007 to meet the contract milestones they had missed or work diligently to pursue a remedy that will come up with a satisfactory remedial program. I can confirm that the Public Transport Ticketing Corporation received a response to the notices from the contractor on 30 November and that this remedial program is being considered appropriately now by the Public Transport Ticketing Corporation.

The Committee will appreciate that due to the sensitive commercial context of the Tcard contract at this time, I cannot comment on the contents of the remedial program, the process that the review will be taking, and I will not speculate on the outcome of this review. I may be further constrained in my responses depending on the questions, but I will certainly attempt to answer anything the Committee asks of me. What I will comment on, as it has been mentioned in the public domain, are some factual matters around the most recent schedule ERG has given to us. They have an expected completion date for the project of February 2010 with a bus-rail milestone of August 2008.

The Hon. MATTHEW MASON-COX: Thank you for appearing before us today. I had a range of questions. I am a bit concerned that in your opening comments you said you would not be making any comments in relation to the arrangements as they stand. Bear with me in that regard. I am going to ask you questions anyway and we will see where we go with them. First of all, in relation to the board meeting, which I understood took place last Friday, 7 December, in relation to the Tcard project, can you give us an outline of the decisions made in that board meeting?

Ms ZEALAND: I cannot comment on the decisions made in the board but, as I stated earlier, I will not speculate on the time a review process will take but I can say no decision has been made around the review of the remedial program submitted by ERG.

The Hon. MATTHEW MASON-COX: Were you generally impressed with the approach ERG had taken?

Ms ZEALAND: I am not going to comment on the outcome of the review.

The Hon. MATTHEW MASON-COX: The public media release issued by ERG notes, as you stated, it should be completed in time for perhaps an early 2010 completion, which is only seven years after the initial contract was signed. I wondered in that regard has the Government had any role to play in relation to delaying this project over time? Do you have any comments in that regard regarding the Government's role?

Ms ZEALAND: The Government has always managed the project according to what the contractor has contracted to deliver.

The Hon. MATTHEW MASON-COX: Let me look at the variation agreement No. 1 and agreement No. 2. In the first one, can you please explain why there was a need for a variation in May 2005?

Ms ZEALAND: I would have to get specific details for you, but it was in relation to delays experienced from the contractor on the project.

The Hon. MATTHEW MASON-COX: So the Government had nothing to do with the delay at that time, or there was no need for a delay because of government action or departmental action?

Ms ZEALAND: I am not aware of that. I would have to take that on notice to check for you.

CHAIR: Can you take that on notice, then, to get those details?

Ms ZEALAND: Certainly.

The Hon. MATTHEW MASON-COX: Similarly, in relation to the variation agreement No. 2 in June 2006, are you able to clarify why that variation was required by the Government?

Ms ZEALAND: That one I am more familiar with, and again, in response to delays in the contractor delivering on what they have been contracted to produce.

The Hon. MATTHEW MASON-COX: Again, can you explain what the delay was?

Ms ZEALAND: There were a number of delays on various milestones and milestone events. It is in software delivery on a number of issues.

The Hon. MATTHEW MASON-COX: Could you please explain what the milestones are under the contract in layman's terms and precisely where we are up to? I notice no milestone has been achieved up to this time, which is quite extraordinary given the length of time this contract has been on foot. Precisely what are the milestones?

Ms ZEALAND: Mr Mason-Cox, no milestone that triggers a payment to the contractor has been met. There are some early design and documentation milestones that have been met. The project is structured as a design phase, a testing and settling phase and then an implementation and installation phase. Until we get to a milestone that has a commuter field trial on both bus and rail, that is where you have a milestone that would trigger a payment. But certainly there are milestones leading up to that or events that have been completed. Early design, as I said, design and documentation.

The Hon. MATTHEW MASON-COX: Was that a successful commuter field trial or just going to a field trial?

Ms ZEALAND: I would have to take that on notice.

The Hon. MATTHEW MASON-COX: I note that ERG in its public statement noted that it received \$6 million from the State Government. Can you explain what that was for?

Ms ZEALAND: I do not know what ERG had claimed that for. The payments we have made to the contractor have been largely for the interim school student transport scheme.

The Hon. MATTHEW MASON-COX: You envisage that was what the \$6 million was for?

Ms ZEALAND: I cannot comment on what they are specifically making that claim for.

The Hon. MATTHEW MASON-COX: Can you take that on notice please? It would be good if we had an answer on that. Looking at the success of ERG in other places—as you are aware it has been successful in introducing a ticketing system in places like Singapore, Rome and San Francisco—why has it not had success here in Sydney? Are any particular issues there different?

Ms ZEALAND: Each city has different requirements. All I can say is we have continued to experience delays on the development of the Sydney project.

The Hon. MATTHEW MASON-COX: With Sydney, does ERG not provide the current ticketing system for buses? What I am saying is, given that it provides the current system for buses, it understands what that system does and clearly it placed the software and other means in place to use that system. The reverse engineering of that is a simple matter for it. Why can it not simply work through the logistics of a new ticketing system as a result?

Ms ZEALAND: I would have the same questions. We are continuing to experience delays. The contract signed was for a smart card integrated system, not an existing bus system.

The Hon. MATTHEW MASON-COX: That is true, but I am trying to understand, when we sign a contract in 2003 and here we are in 2007 when it should have already been completed. We understand there have been delays but that pushes it out to early this year at the latest and now we are talking about 2010. I understand you are relatively new to this position but I am trying to work out why is it so difficult in Sydney? Why is this ticketing system such a cot case where it has been put in place elsewhere successfully?

Ms ZEALAND: Again, I am asking the same questions of the contractor.

The Hon. MATTHEW MASON-COX: And you are saying the Government or the Public Transport Ticketing Corporation has no involvement in any way, shape or form in causing any delay under that contract?

Ms ZEALAND: Delay claims are dealt with contractually as a matter of the contract. But in terms of the contract that ERG signed up to deliver we are consistently having software and quality issues with the delivery of the project agreement.

The Hon. MATTHEW MASON-COX: That is ERG's fault? There have been no delays caused by the Government's and administration of the contract?

Ms ZEALAND: Given the current contractual and commercially sensitive context of the contract to date, I will not be commenting on that.

The Hon. MATTHEW MASON-COX: Do you not think you owe the people of New South Wales a better explanation of why this is such a fiasco?

Ms ZEALAND: As I say, I think in the current contractual situation it is more prudent of me not to comment on that.

The Hon. MATTHEW MASON-COX: Is that what the Minister asked you to say today?

Ms ZEALAND: I am not going to comment.

The Hon. MATTHEW MASON-COX: It is just that we put some questions on notice to you. At the last hearing we put 13 questions directly on Tcard asking pretty simple questions about when the project was due, the costs of the project, why there were delays. We received some responses to those questions from you. If I can just read one of them and perhaps you can understand a bit better why we are a bit concerned and frustrated. On 15 October we asked, "When will all commuters have access to the Tcard in your estimate?" That is what we asked the Minister, and the response we received was, "The Government remains committed to delivering an integrated ticketing system for the commuters of Sydney." Ahoy there! I mean, I know this is the Minister responding, but I think it goes right to the core of public accountability. We just want an answer to a simple question. When do you would think the ticketing system will actually be up and running in Sydney?

Ms ZEALAND: The current schedule that is in front of us from the contractor has a completion date for the full roll-out of the project of February 2010, but as you can appreciate we are currently in a sensitive commercial and contractual time regarding the project agreement. All I can say is that that is the current schedule that has been presented to us by the contractor.

The Hon. MATTHEW MASON-COX: Do you have any confidence in the schedule from the contractor, and given its past performance?

Ms ZEALAND: We are reviewing appropriately the remedial program that was given to us on 30 November by ERG. As we are still in the midst of that process, I would not like to comment any further on that.

The Hon. MATTHEW MASON-COX: But given its past performance, do you think it is credible?

Ms ZEALAND: Again, I would not like to comment.

The Hon. MATTHEW MASON-COX: I certainly would have a few question marks over that being delivered, with the greatest respect, but the people of Sydney are the ones who are suffering, are they not? Have you or the Minister, or any of the Minister's staff to your best knowledge, met with any other organisations who may be able to provide a ticketing arrangement for Sydney, apart from the current contractor?

Ms ZEALAND: I can only comment on who I have managed. In the five months since I have been with the project, I have spoken to the industry to get a better understanding and education of the smart card industry. I have spoken with Optus about things they are doing with mobile phones. I have spoken with Talis, and had very industry-education meetings. All of the meetings that I have had with any industry partners or industry providers other than ERG have been on the absolute understanding that we are in a contract and it is purely to get me up to speed with what is going on in the smart card arena.

I have spoken with—I am not sure of her title—a senior person in Golden Gate Transit in San Francisco earlier my role, really to see the ferry solution. I have met with Mass Transit Railway [MTR] from Hong Kong, and my main interest in that was more around the product and the business rules and the challenges for commuter behaviour that they have overcome, the roll-out strategy, the marketing for the product. Again, it was actually looking at the product as a whole—it certainly was not around any kind of contractual meetings—but really to see how did other jurisdictions make a success of migrating the travelling public to a smart card environment.

The Hon. MATTHEW MASON-COX: The Mass Transit Railway in Hong Kong is acknowledged as the world leader, is it not [MTR]?

Ms ZEALAND: I cannot say where it has been acknowledged as a world leader, but certainly it seems to be working well.

The Hon. MATTHEW MASON-COX: I have travelled on it a number of times, and it is a fantastic system. Sydney's transport would be transformed with a system like that, I would think. I am just wondering and getting back to whether there are any particular reasons why Sydney is a difficult system to integrate.

Ms ZEALAND: It is very large and complex but, again, I guess that is why we are with a global provider of smart card systems. It is a large network. It is over three modes of transport, yes.

The Hon. MATTHEW MASON-COX: In terms of the contract with ERG, if a decision was made to terminate the contract—I understand that you are not in a position to comment at this stage—what part of the intellectual property and technology developed under the contract would be able to be used by the Government or a new contractor?

Ms ZEALAND: I would need to take that on notice to get an accurate answer to that.

The Hon. MATTHEW MASON-COX: If you could just clarify who owns the intellectual property under the Tcard contract in the context of that answer, that would be most appreciated. Have you actually provided any advice to the Minister recently in regard to the Tcard contract?

Ms ZEALAND: I am sorry, I do not understand what you mean.

The Hon. MATTHEW MASON-COX: In relation to the remedial plan put to you by ERG, or any other matters that you have recently advised the Minister on, in that regard.

Ms ZEALAND: The Public Transport Ticketing Corporation [PTTC] is currently going through—we are still in the Met, and still going through that review process. The thing I would say is that the time is going to be—it is going to take the time that it requires to do, so I cannot put a date on—

The Hon. MATTHEW MASON-COX: Naturally it will take the time it requires to do so, but how long do you think that would be?

Ms ZEALAND: I cannot predict how long it is going to take, but I do not see a decision being made before Christmas.

The Hon. MATTHEW MASON-COX: I see.

Ms ZEALAND: It is quite a lengthy response.

The Hon. MATTHEW MASON-COX: Who in the Public Transport Ticketing Corporation do you have reviewing that?

Ms ZEALAND: I really would not like to comment on the review team or the review process, but it would be the subject experts in technology in the program.

The Hon. MATTHEW MASON-COX: Are they all in-house, or do you have contractors that you use for that purposes well?

Ms ZEALAND: I have a mixture.

The Hon. MATTHEW MASON-COX: So you would hope to receive something early in the New Year in relation to a recommendation to put forward to the Minister?

Ms ZEALAND: I would hope so, but I cannot guarantee that.

The Hon. MATTHEW MASON-COX: I hate to be suggesting that in any way the Public Transport Ticketing Corporation delayed this contract. That is probably the last thing we would need, is it not? I note that the Public Transport Ticketing Corporation hired a human resource manager in October this year, which was a new position. Can you please explain why that occurred when the actual contract with ERG was in doubt at that stage?

Ms ZEALAND: I am sorry?

The Hon. MATTHEW MASON-COX: I understand that in October this year a new human resources manager was hired by the Public Transport Ticketing Corporation. I just wondered why that was done when indeed at that stage you would have known that the ERG contract was in doubt?

Ms ZEALAND: I have to take that on notice. We replaced a vacancy but the contract is still on foot. We are still employing around 69 people that need to be paid and managed, so I have to take that on notice for the specifics of that. But I know we filled a vacancy from someone who had left.

The Hon. MATTHEW MASON-COX: Okay. In relation to the comments from ERG, they note the 2010 planned release for integrated ticketing for buses and trains, but there is no mention of ferries. I just wondered whether they are on the same time line as the buses and trains, or whether there are any difficulties on that front?

Ms ZEALAND: Ferries? Certainly on the timeline, the first milestone payment trigger is a bus-rail trial.

The Hon. MATTHEW MASON-COX: Do you envisage the ferries being delivered on time along with bus and rail?

Ms ZEALAND: Again, that would depend on the schedule that we have been presented with.

The Hon. MATTHEW MASON-COX: Do you envisage having a trial with ferries as well at some time in the future?

Ms ZEALAND: There will be a trial prior to a roll-out for ferries, certainly.

The Hon. MATTHEW MASON-COX: Any idea when that might be?

Ms ZEALAND: No.

The Hon. MATTHEW MASON-COX: In relation to employees, how many of your past or present employees have been hired from interstate or overseas?

Ms ZEALAND: I will have to take that question on notice.

The Hon. MATTHEW MASON-COX: How many of them are still employed by you and what was the tenure of those who are no longer employed by you? Perhaps you might take that question on notice as well.

Ms ZEALAND: Certainly.

Ms LEE RHIANNON: I want to take you back to when the contract was first drawn up because I have read a couple of times that the brief did not include fare structure so the original framework to take the project forward did not have that to build on and that built in uncertainty and a problem for then delivering the project. Can you comment on that, particularly with reference to the information that was built into the contract initially with regard to the fare structure?

Ms ZEALAND: My understanding is that the contract specifies that all existing products are replicated in the project agreement. So the fare structure that was existing at the time, the contract replicates those various fare products and structures.

Ms LEE RHIANNON: Is that as far as the advice went—that it just should be replicated?

Ms ZEALAND: Certainly to provide migration as well. You need to be able to purchase the products that are in the marketplace through magnetic stripe technology currently. Certainly it was envisaged that you could still buy those fare product offerings on a smartcard as well.

Ms LEE RHIANNON: So in terms of replicating the current system—which is what I understood you to mean—there was no attempt to simplify it, considering its complexity. It was just saying that the current fare structure needed to be replicated in an integrated ticketing system. Is that the basis on which the project started?

Ms ZEALAND: I cannot comment on fare policy.

Ms LEE RHIANNON: But if I understood you correctly, my first question was about fare structure and you said that the requirement was for there to be a replication of what already existed. So you have commented on that aspect. My question is simply building on the first question.

Ms ZEALAND: Any decision on simplification I cannot comment on. My contract is to enable the fare products that the consumer can purchase now to be able to be purchased on the smartcard.

Ms LEE RHIANNON: Can you not comment because you do not know or because—

Ms ZEALAND: It is not my area of responsibility.

Ms LEE RHIANNON: Can you explain that, because it seems as though integral to taking forward the whole integrated ticketing project is that we must have clear guidelines with regard to fare structure? So I do not understand how you cannot comment on that and say that it is not your responsibility.

Ms ZEALAND: We have clear guidelines on the fare structure for me, and those guidelines for me are that the smartcard will have the products that consumers can purchase now. In terms of questions around a different fare structure, that is not my responsibility; that is the Ministry of Transport.

Ms LEE RHIANNON: But all I am after are the details that were provided to the company to carry forward the project. In my opening question I said that I had read on a couple of occasions that there was no fare structure provided, and it has been suggested that this has been the basis of the subsequent problems that the project has run into. That is what I was seeking comment on.

Ms ZEALAND: I am not aware of that. I will have to take that part of the question on notice.

Ms LEE RHIANNON: The Hon. Matthew Mason-Cox has already explored this issue but I would also be interested to know about it, considering there has been much speculation that the project would fall over and Mr Watkins, the Minister, came close to suggesting that at a press conference—I think many people interpreted his comments in that way. Can you outline the contingency plans, or whatever plans you have, if you have to start the project again?

Ms ZEALAND: As I stated earlier, I would not like to speculate on the outcome of the review that we are going through at the moment.

Ms LEE RHIANNON: So the review is of what you will do if the project falls over. Is that what the review is?

Ms ZEALAND: No. It is the review of the remedial programs submitted by ITSL.

Ms LEE RHIANNON: Are you saying that there are no discussions occurring about what will happen if the current project fails?

Ms ZEALAND: Certainly I would be negligent in my duties if I do not consider scenarios. But my focus is on appropriately reviewing the response given to us with the contract we are currently engaged with.

Ms LEE RHIANNON: Could you outline those scenarios that you are considering?

Ms ZEALAND: No. I will not be commenting on that.

Ms LEE RHIANNON: Why is that?

Ms ZEALAND: As I said, my focus is on the appropriate review of the response I have from ITSL, and I would not like to speculate on the outcome of that review.

Ms LEE RHIANNON: But I was talking about what will happen if the project fails. You have said that you were looking at scenarios. Do you have people working on scenarios that could be implemented if the current project falls over? Do you have people working on it for you?

Ms ZEALAND: Currently, I will need to take that on notice.

The Hon. LYNDA VOLTZ: Can you tell me what is the status of the bus commuter field trial?

Ms ZEALAND: Certainly. We decided to expand the bus commuter field trial to commuters, and we contacted them in October 2007. We had 1,000 volunteers that we recruited in the previous year when we did not go ahead with the trial. We decided that we could go ahead with the trial in early November this year and so we issued Tcards to the first 106 volunteers from the public. The feedback has been very detailed from our volunteers. They are currently using inner west buses from the Kingsgrove depot. I can get you the numbers.

The Hon. LYNDA VOLTZ: The 423.

Ms ZEALAND: Yes, it is the 423, the 426 and the 428. We have had about 1,450 trips with the 106 participants, and we have had 251 calls to our call centre. We have also had a lot of detailed feedback. We have actually uncovered some problems since going to trial and we have decided at this stage not to expand beyond our first 106 triallists. The problems that our triallists are encountering are with the on-board fare payment devices. That is one of the problems they have encountered. I do not

know whether you know how the Tcard system works on the buses. There is a driver console at the front of the bus and a reader at the front of the bus that the volunteers tag on. Then there is a reader at the rear doors of the bus, where the volunteers tag off at the end of their journey. They can also tag off at the front readers. What has been happening is that we have had feedback from our public triallists that, while they have been able to tag on, they have not been able to tag off. When someone gets on the bus if the fare is, for instance, \$2.50, you tag on and the bus will assume that you are going the \$2.50 fare unless you tell it otherwise by tagging off at a bus stop earlier than that.

With the problems on the on-fare payment devices, our customers who have not been able to tag off have been charged an incorrect fare. So obviously we are not going to expand that to any other members of the public. The contractor is working to fix this, but we are not satisfied that our customers are guaranteed of having that fare correctly charged, so we are not expanding at the moment.

We have also had a couple of issues with our third-party agents. These are the newsagents that are part of our top-up distribution method. You would go to a newsagent and give your Tcard in and load \$20 on it for your travel. There have been some issues with our trial participants either being able to have someone adequately trained to do that or there have been some technical issues. Again we are working with the contractor to fix those things, and the travelling public have been really diligent in their feedback to us. They have told us the time and the number of the bus. It has really enabled us to give our contractor very detailed information on where we are finding issues. As soon as these are resolved, we will look to expand the trial further to learn more.

The Hon. LYNDIA VOLTZ: Other than those glitches, how are they finding them? Are they liking them under the trial?

Ms ZEALAND: There are a variety of responses. But certainly they have all used their cards. Of the 106 participants I think there are only 12 cards that have not been used. So there is certainly an enthusiasm for using the technology. We will be giving them a comprehensive survey to find their likes of the system and any behavioural issues they are finding at the completion.

Ms LEE RHIANNON: Could I ask a question on that, Madam Chair?

CHAIR: Yes, you may.

Ms LEE RHIANNON: With regard to the ticketing off, there have been reports that that was causing considerable delays. I understand that in many of the overseas integrated ticketing systems there is not a ticketing off. Could you comment on that?

Ms ZEALAND: The tag-off is because we need to calculate the distance travelled. Other jurisdictions have tag-off. The San Francisco project is a tag-on, tag-off project. I think the London buses is just tag-on, because they have a flat fare no matter where you go. If you do have a flat fare, no matter where you go you can have a tag-on only. If you have a distance-based fare structure, you need tag-on and tag-off. What do you mean by "delays"?

Ms LEE RHIANNON: People were queueing for so long to tag off that it was holding up the bus.

Ms ZEALAND: I know that time and motion studies have been done early in the life of this project, to measure the disembarking time. Certainly until people are used to it—some feedback is that they are waiting to see if it works. I think it comes with trust. I know that San Francisco did have some issues to start with, but as more and more people are using the system that seems to change.

Ms LEE RHIANNON: When you say "change", do you mean there are no delays; the bus is not held up?

Ms ZEALAND: People get more comfortable with that process.

Ms LEE RHIANNON: Are you saying that you get to a point where there are no delays, or do you just accept that there are delays?

Ms ZEALAND: We have not had a large enough trial to be able to measure the impact of disembarking the bus using a Smart Card, so I cannot answer that at the moment. Certainly when you are coming on a bus it is significantly faster to get on a bus because you are either not paying cash at a console or you are not standing there dipping your card. So I do see evidence of that. I would need to monitor that more closely—

Ms LEE RHIANNON: Is that something you are planning to build into a trial: possibly delays in the bus considering a tag-off problem?

Ms ZEALAND: We are asking trialists for feedback on all behavioural issues and experience of the Tcard.

The Hon. MATTHEW MASON-COX: I wish to clarify a few matters I asked about previously. Can you confirm when each of the transport agencies—buses, rail and ferries—actually signed up to the Tcard project?

Ms ZEALAND: What do you mean?

The Hon. MATTHEW MASON-COX: I understand that there was a process whereby there was some resistance on behalf of some of those agencies to sign up to be part of the Tcard project. Is that true?

Ms ZEALAND: I am not aware of that, but I can take that on notice.

The Hon. MATTHEW MASON-COX: Are you saying that they all signed up at the same time, or are you not sure?

Ms ZEALAND: I do not know what happened at the commencement of the Tcard project.

The Hon. MATTHEW MASON-COX: Could you also clarify the milestones under the current Tcard contract? You mentioned that the first one was the public trial for bus and rail.

Ms ZEALAND: That triggers a payment?

The Hon. MATTHEW MASON-COX: Yes. Could you clarify what the subsequent milestones are?

Ms ZEALAND: They are quite involved. I can take that on notice, to get you the full details of that.

The Hon. MATTHEW MASON-COX: Can you give me an understanding of what they are, rather than a detailed explanation?

Ms ZEALAND: I would prefer to be accurate and to take that on notice and give you the full definitions of the various milestone events and stages.

The Hon. MATTHEW MASON-COX: Do you think it is important that those milestones be in the public arena so that people understand what they are?

Ms ZEALAND: As I say, I will take it on notice and give you an answer on that.

CHAIR: And you will spell out what the milestones and milestone events are?

Ms ZEALAND: As I say, I will take the question on notice and—

CHAIR: I will ask you again. The last time you took questions on notice we got non-answers; that is why we are here today. Will you give us specific information in answer to the question, which has now been asked of you three times?

Ms ZEALAND: I think the actual contract will be—we are currently working towards corporate papers as well. Yes, certainly we can spell out the milestone events and stages.

The Hon. MATTHEW MASON-COX: The Committee has been generally concerned about a lack of information being provided to us, as Madam Chair has pointed out. Indeed, there is a public interest need that appropriate information be provided promptly. I think you would be very much aware of that. We are still concerned that this whole project, whilst stumbling along from one disaster to another, remains, if you like, shielded from the public eye—again, in this case by a process of considering the remedial plans that ERG has in relation to the contract—and you will not comment on them, you will not elucidate what those remedial plans might be, and you will not give us any indication about what those plans may achieve and what the Government's position may or may not be on them, and what your recommendations in relation to that might be. Clearly, the Committee is concerned that you are using this to push into the future any sort of public consideration of the issue. I simply wanted to get your thoughts on that.

Ms ZEALAND: That is certainly not my intention. I—

The Hon. MATTHEW MASON-COX: Good, because I wanted to ask you a few more questions about that—

Ms ZEALAND: If I may finish. Given the context of the commercial position that we are in now, it is important for me not to compromise Government's position.

The Hon. MATTHEW MASON-COX: Naturally. We could provide that information confidentially, or with privilege attached to it. Would you be willing to do that?

Ms ZEALAND: I am sorry, what information are you talking about?

The Hon. MATTHEW MASON-COX: You could provide information in relation to the information supplied by ERG and the remediation plan they have under the contract. Would you be willing to provide that confidentially to the Committee in a closed hearing, or indeed under direct documentation which could be withheld in the Clerk's office to prevent any commercial in confidence being breached?

Ms ZEALAND: As I say, we are in a very sensitive commercial position with the contract. We are working to review the remedial program appropriately. I do not think it is appropriate, and ERG has submitted that to us on a commercial-in-confidence basis.

The Hon. MATTHEW MASON-COX: And it then detailed quite significant parts of it in its press release?

Ms ZEALAND: That is for them.

The Hon. MATTHEW MASON-COX: That is for them. I am asking you as a public official, and in relation to the specific request from the Committee with investigative powers, to provide that information under those conditions. Are you willing to do that?

Ms ZEALAND: May I take that on notice?

The Hon. MATTHEW MASON-COX: Could we have an answer within 24-hours or 48-hours, not 35 days?

CHAIR: Is that a "yes"?

Ms ZEALAND: Yes.

The Hon. MATTHEW MASON-COX: Forty-eight hours would be fine. Forgive me if I appear a little frustrated but the contract was signed in 2003, as you know, and the Committee has been asking questions about it in the current estimates period, and for a number of years before, and it has rarely got a straight answer. As I read out a question earlier—

The Hon. Lynda Voltz: Point of order: the Hon. Matthew Mason-Cox should ask questions, not make statements towards a person. Ms Zealand has answered the question that she will get back to the Committee. It is nice that the Hon. Matthew Mason-Cox wants to make these statements, but she has given her answer. I think we should keep to questions.

CHAIR: There is no point of order. The Hon. Matthew Mason-Cox can ask his questions in the way that he wants to, as long as it is a question.

The Hon. MATTHEW MASON-COX: I was bringing that question to a close.

[Interruption]

The Hon. MATTHEW MASON-COX: I notice in its media statement issued on 2 December 2007, ERG states: "If the Government was to go to another contractor now it would take years to go through the learning phase and requirement capture just to get to trial stage and full implementation would probably be a decade away." Is the reality that the Government is locked into doing a deal with ERG no matter what the consequence for the public?

Ms ZEALAND: As I said, I am not going to speculate on the outcome of the review of the remedial plan.

The Hon. MATTHEW MASON-COX: Would that be a reasonable conclusion to come to given that it has been going on since 2003? Based on its projections it will be seven years until it delivers what it said would take four, and if we go with somebody else it will take another ten years. Are we really in a dance with the devil on this particular issue?

Ms ZEALAND: As I said, my focus is on reviewing the plan that we have in front of the PTTC.

The Hon. MATTHEW MASON-COX: Do you have a commercial background?

Ms ZEALAND: In what sense?

The Hon. MATTHEW MASON-COX: What is your previous experience in matters of this kind in relation to commercial negotiations?

Ms ZEALAND: My experience is contractually in the Department of Commerce. Prior to joining government I was in the private industry.

The Hon. MATTHEW MASON-COX: What were you dealing with in private industry, if you do not mind me asking?

Ms ZEALAND: My area was marketing.

The Hon. MATTHEW MASON-COX: Have you ever encountered such a complex set of arrangements?

Ms ZEALAND: We certainly have very complex contract arrangements in the Department of Commerce.

The Hon. MATTHEW MASON-COX: Did you ever have such a serious delay in relation to a complex set of arrangements?

Ms ZEALAND: I personally have not experienced probably a contract in delay of this nature.

The Hon. MATTHEW MASON-COX: Is it a personal embarrassment to you to have to continue to deal with this contract year in, year out?

Ms ZEALAND: It is not a personal embarrassment to me, no.

The Hon. MATTHEW MASON-COX: Do you think it is embarrassing—

The Hon. Henry Tsang: Point of order: I think the Hon. Matthew Mason-Cox is trying to embarrass the chief executive officer. I ask the Hon. Matthew Mason-Cox to ask his question but not with an intent to insult the chief executive officer.

The Hon. MATTHEW MASON-COX: To the point of order: It was never my intention to insult or embarrass the chief executive officer. I am asking a question about how does she feel in relation to such a debacle of a contract?

The Hon. Lynda Voltz: You distinctly asked her if she was embarrassed by it. It is not your intention to embarrass?

The Hon. MATTHEW MASON-COX: No, I am asking whether she is embarrassed by it. I am not trying to embarrass her. There is a very distinct difference between the two issues.

The Hon. Henry Tsang: You are deliberately trying to embarrass her, because she was not embarrassed.

The Hon. MATTHEW MASON-COX: Madam Chair, it is a ridiculous assertion.

The Hon. Henry Tsang: You are deliberately trying to embarrass her. I ask for questions relating to the contract but not her personal history of employment. Let us focus on the inquiry.

CHAIR: I think the Hon. Matthew Mason-Cox had moved on from that anyway.

The Hon. MATTHEW MASON-COX: I have.

The Hon. MATTHEW MASON-COX: In relation to the limitation of liability under the contract, I understand that there is a clause for liquidated damages with a cap of \$10 million. I am informed that as at 30 June 2006 a total of \$3.5 million of liquidated damages had been paid pursuant to that clause? Would you confirm that? Do you have that information or can you supply it on notice? More generally, in his report of 2006 the Auditor General said that he was not aware of any further remedy for delay beyond the cap of \$10 million in the contract. Would you clarify if there is any further remedy under the contract or other action the Government might take to seek compensation for the extensive delay that has been caused under this contract?

Ms ZEALAND: On your first question, liquidated damages recognised at 30 June 2007 totalled \$8.9 million, and the \$10 million cap was reached in August 2007. The subsequent parts of your question—it is a cap so there is no further liquidated damages against the contract. Any further compensation would be a separate legal matter.

The Hon. MATTHEW MASON-COX: Do you know whether it was considered increasing or deleting the cap to make it open ended under either of the variation agreements in May 2005 or June 2006, given you would have been cognisant at that time there were significant delays in the implementation of this contract?

Ms ZEALAND: I am not aware of any consideration of a change to the liquidated damages. I can take that on notice, but I am not aware of that at this time.

The Hon. MATTHEW MASON-COX: Do you think that would be a commercially prudent thing to do at that time?

Ms ZEALAND: As I say, I am not aware what considerations were made?

The Hon. MATTHEW MASON-COX: Do you think that would be a commercial decision to take?

Ms ZEALAND: There would be a number of commercial remedies, I would imagine, in considering the amending agreements.

The Hon. MATTHEW MASON-COX: In relation to each of those variation agreements—May 2005 and June 2006—you said in your opening statement words to the effect that commercial arrangements were entered into which protected the Government, which looked after the Government's position in relation to contracts, in regard to allowing those variations and extension of time that is inherent in those variations. Would you provide the Committee with details of what protections were put in place for the Government in that regard?

Ms ZEALAND: I take that on notice.

Ms LEE RHIANNON: You spoke earlier about your role in marketing, have you ever considered marketing public transport in terms of the environmental benefits of using public transport and possibly using green power to give public transport a marketing edge to promote the environmental benefits of having fewer emissions by using such power?

Ms ZEALAND: I have not personally contemplated that. T-Card does have one of its values as being green, as being an alternate to the creation of paper tickets, and obviously encouraging the use of public transport by making it easier and more convenient but I have not put any attention to that, no.

Ms ZEALAND: "To date", being 31 October, are the figures I can tell you. The Government has spent approximately \$65 million in capital costs and approximately \$15 million for the interim school student transport scheme.

The Hon. MATTHEW MASON-COX: Do you have a total estimate for the final delivery of the Tcard project, should indeed that come to fruition subject to all the changes?

Ms ZEALAND: Currently the final estimate is the original projected budget.

The Hon. MATTHEW MASON-COX: You don't really believe that figure, do you?

Ms ZEALAND: Well the payment to the contractor is—I will have to get the exact number—\$106.7 million, so that is a fixed amount.

The Hon. MATTHEW MASON-COX: Does the remediation plan that the contractor put to you change any of those assumptions in the contract?

Ms ZEALAND: We are still reviewing the remedial program.

The Hon. MATTHEW MASON-COX: Finally, in answer to a question that was taken on notice at the last hearing, where it was asked why were widespread trials of the Tcard project announced before the State election when the Minister must have known the project was not meeting the milestones already announced, the answer to that question was:

The Public Transport Ticketing Corporation in August 2006 advised the Minister that Tcard trials involving commuters on selected bus services were to take place in October 2006—

Which, of course, was prior to the election.

However, problems with the Tcard system were subsequently discovered.

Can you please elucidate what problems were subsequently discovered and what action has been taken in the interim to rectify those problems?

Ms ZEALAND: I can't comment on the specific problems that were discovered in October 2006 but I know the technical problems that we have been working on to actually to get out to trial even this year. So there were problems with the onboard system working on the buses. I would have to get you the specific technical issues but it basically was not—as I outlined with the tag-on, tag-off we have issues now with the fare calculation. Certainly what we have now is a lot more developed than in

October 2006 but I would have to get the very specific details of what the technical problems were in October 2006.

The Hon. MATTHEW MASON-COX: I would appreciate that. That concludes the questions I have.

(The witness withdrew)

VINCE GRAHAM, Chief Executive Officer, RailCorp, on former oath:

CHAIR: Mr Graham, do you have a brief opening statement?

Mr GRAHAM: No, I do not but might I just ask that we get the photography out of the way first so that, in cricket parlance, the batsman can concentrate without the shadow of the fieldsmen on the pitch.

The Hon. MATTHEW MASON-COX: Are you going to be scoring some runs today, are you?

Mr GRAHAM: I doubt it. I never do.

CHAIR: I think the cameraman is a permanent fixture more or less at these hearings. Proceeding to questions. First of all can you advise, with respect to the ICAC inquiries over a period, how many of the 41 recommendations made by ICAC since December of 2006 to combat corruption in the so-called high-risk areas within RailCorp have actually been adopted?

Mr GRAHAM: I think you are referring to two specific inquiries. One contained 14 recommendations and the other 27. Of that total of 41 recommendations, there have been 12 that have been completely implemented and we expect to implement the remainder by the second quarter of the next calendar year.

CHAIR: Are you able to advise us specifically which ones have been implemented?

Mr GRAHAM: I have not come prepared to deal with 41 individual recommendations, madam Chair, but I am more than happy to provide the detail of the split up, of the 41 recommendations the 12 that have been and the remainder that are continuing.

CHAIR: That would be appreciated.

The Hon. MATTHEW MASON-COX: Why does it take so long to implement these ICAC recommendations?

Mr GRAHAM: I think you go to the specific nature of the recommendations themselves. Some involve modifications of systems and some involve comprehensive training. For example, we have already rolled out training to around 300-odd individual staff involved in procurement. So some of these specific recommendations have different time frames and different complexities.

CHAIR: Can you advise what the Minister expected of you when ICAC first made those recommendations, as you say, in two instances?

Mr GRAHAM: I think the expectation of ICAC is that the organisations subject to those recommendations will review the recommendations and will proceed to develop a program and timeframe for the implementation. That is the obligation we have and we do report progress on those through to ICAC.

CHAIR: What timetable do you think is required to see them all implemented?

Mr GRAHAM: As I said, I would expect to have them all implemented by second quarter of next calendar year.

CHAIR: Can you tell the Committee what is the most recent advice you have given to your Minister in relation to those recommendations and when did you provide it?

Mr GRAHAM: I think the most recent advice I have given is precisely the information I have just given you and the Committee and I would expect that advice has been provided over the last few weeks.

CHAIR: Just in the last few weeks, last few days?

Mr GRAHAM: Last few weeks.

CHAIR: Can you advise the Committee what is the total amount of taxpayer funds that you estimate has been haemorrhaging from RailCorp with respect to corrupt conduct of RailCorp employees over the last five years?

Mr GRAHAM: Bearing in mind that the ICAC investigations are ongoing, I think it would be less than prudent for me to comment in any way shape or form on an ICAC inquiry that continues its investigations and hearings.

CHAIR: If you delete the current inquiry, what is your estimation of the money that has been lost to the taxpayer through corruption at RailCorp, apart from the inquiry that is on foot at the moment?

Mr GRAHAM: Again, I think I can only go to those matters already concluded by ICAC. In the first of those, which was an inquiry into matters pertaining to the RTA, ICAC actually found that there were no individuals within RailCorp guilty of misconduct or corruption. The second investigation related to the management of contracts for air conditioning services at Central Station, involving a Mr Sid Marcos, and again, given the nature of that I think ICAC itself on record has quantification of that but I would not at this stage add to what ICAC already has on the public record.

CHAIR: Can you tell the Committee whether you believe you have had sufficient support to combat corruption within RailCorp, and what type of support have you received from the Government or from ICAC?

Mr GRAHAM: Without commenting on any of the specifics currently before ICAC, I think it is reasonable to say that corrupt conduct can occur when three things effectively come together: that there is criminal intent to commit fraud on the organisation by an individual or individuals; secondly, that the financial systems of the organisation are not able to adequately identify that there may be a risk at play; and, thirdly, when there is less than adequate field supervision on the management of these services contracts. To deal with each one of these in turn, the issue relating to the corrupt conduct of individuals is a matter that we deal with through our code of conduct to ensure that our employees clearly understand their obligations and where conflicts in fact may or may not arise.

Clearly, for an individual who has the intention of being corrupt, the fact that that is an obligation under the code of conduct will be of only passing interest to that individual. Our financial systems, particularly in the area of procurement, are not what I would regard as modern financial systems. I note that in the same week that ICAC commenced its current investigations the ANZ faced up to a \$22 million fraud in its organisation, and clearly it would have the benefit of substantially more modern financial systems than we have. Matters that are currently before the commission, a number were identified within RailCorp and have been referred in 2005 and 2006 to ICAC to allow it to undertake its investigations, and we have cooperated during that course.

When one of these matters became known internally back in late 2006 we spent some time in reviewing the circumstances of that particular matter and identified the set of circumstances that had created an environment where this corruption could occur. We have undertaken, with the help of Deloitte's back in November 2006, a review of those circumstances, and Deloitte's has provided 44 recommendations to the organisation to deal with what was identified as part of that review. The financial systems are an issue that obviously does lead to the ability of corrupt individuals to undertake fraud against the organisation and against the taxpayer. We have gone to tender, and tenders are closed now, for the implementation of a modern procurement system that will provide greater support to line management in understanding, particularly in these panel contracts and period services contracts, so that supervising line management can have greater visibility on the amount of work being done with particular contractors against who is actually authorising and certifying that work to be undertaken. Also, there are clearly matters here of field supervision where field engineering supervision in particular has not undertaken sufficient compliance review in what with the benefit of hindsight would have been far more advisable.

CHAIR: So I presume the Deloitte's project is partly about trying to install or find modern financial systems to be installed. Is that correct?

Mr GRAHAM: No, not entirely. Obviously it goes to matters relating to financial systems. It also goes to matters regarding process and how through structural change, process change, we might better reduce the risk of fraud occurring, particularly in the circumstances of panel contracts and period services contracts, which seemed to be by far the bulk of the matters that have created the circumstances of fraud.

CHAIR: So you have gone to tender for the procurement systems. In terms of addressing the wider question of not having up-to-date financial systems, is that being addressed in its entirety as well?

Mr GRAHAM: Yes it is.

CHAIR: If so, what is the timeframe for trying to sort it?

Mr GRAHAM: The tenders I referred to have closed. We are currently in the evaluation phase and I would hope that early in the new year we can determine the successful tenderer. Clearly there will be a period of design and implementation by the successful contractor but I have no doubt that the implementation of that system will add substantially in controlling the risk.

CHAIR: With respect to the most recent evidence of corruption, which we will not go to specifically other than to say, do you think it is appropriate that the RailCorp manager who is in charge of the asset management team the subject of an inquiry at the moment has had additional responsibilities added to his job description and a more than 20 percent salary increase?

Mr GRAHAM: Perhaps if I can just unpeel the facts for the benefit of the Committee, the group general manager responsible for the asset division had a substantial change of portfolio back in May 2006. Prior to that date he was responsible for the fixed infrastructure of the organisation, the fixed infrastructure meaning the track, the signalling systems, the electrical overhead. As a result of an organisational change, which I will briefly summarise in a moment, his responsibilities were added to by including our rolling stock maintenance and capital works responsibilities. So that position went from being responsible for \$500 million per annum in operating expenditure to being responsible for \$800 million in operating expenditure.

The position also took on the role of capital acquisition of rolling stock, which is the order of another \$500 million in the year, and that position is also responsible for the \$3.6 billion public-private partnership contract for the delivery of our next generation suburban trains. The structural modifications that were made back in May 2006 took three group general manager positions and reduce them to two group general manager positions. In doing so, in today's dollars, we reduced the cost of the executive salary bill by about \$300,000, of which \$70,000 went to the group general manager assets and about \$30,000 to the group general manager service delivery. So the implementation of that arrangement not only streamlined reporting arrangements but reduced the executive salary bill by \$200,000.

CHAIR: With respect to the asset management team, which is under scrutiny at the moment, who do they actually report to? Who takes responsibility for their shortcomings if they have been found to have acted corruptly?

Mr GRAHAM: I think it is important for us here and now today not to prejudge what issues might be identified by the ICAC. The one thing we can say for certain is that every individual in this organisation has a personal responsibility for implementing and maintaining the code of conduct. It is very clear that certain individuals have breached that duty and that responsibility to the organisation. The area in question where a number of these matters have occurred is the Metro South maintenance area, which is one of five regions for maintenance. They report through to a general manager. The general manager in turn reports through to the group general manager. Responsibilities for financial systems are, of course, a corporate responsibility. As I say, I think it would be prudent for us today to ensure we have the benefit of the outcome of the ICAC inquiry. Clearly, however, what we are seeing is the substantial benefit in this State of having the ICAC. As I said before, a number of these matters

were identified internally by RailCorp and referred to the ICAC. Even though we may have had our suspicions on a number of these issues, we do not have the legal ability, nor should we, to phone tap, to access individuals' bank accounts, nor to take evidence on oath. One of the very substantial benefits that the State and the taxpayers get is the powers and the ability of the ICAC to deal with these matters.

CHAIR: Where does the buck stop if adverse findings are made by the ICAC?

Mr GRAHAM: I think that is a matter that needs to be considered at the end when the ICAC reports because they will, as they normally do, provide some insight into what they regard as individual accountabilities.

CHAIR: Mr Graham, you made reference in the past about a problem with the maintenance culture within RailCorp. Can you advise the Committee whether any progress has been made in addressing that problem? If so, what progress has been made?

Mr GRAHAM: Perhaps to give the context of that, back in July of this year, following the second incident on the Harbour Bridge, in response to questions I indicated that in my view the two failures that had occurred were both symptomatic of a lack of maintenance culture in our electric fleet workshop environment. As a result of that second incident, a number of very specific measures were put in place, including yellow tagging of hatches on roofs of specific rolling stock to prevent a recurrence of the hatch flying off. We introduced a double certification process. Not only did a tradesmen have to sign the check sheet that particular work had been done, but it needed to be double signed in a similar process as is used in aviation maintenance. We also at that stage indicated that we would undertake an independent review of those maintenance procedures. Flowing from that, there was a 10-day, 30-day and 100-day plan established.

My memory is that the 10-day plan had five elements, all of which were implemented within the required time. The 30-day plan had nine elements, seven of which were implemented in the required time. As to the 100-day timeframe, its substantial component related to the review that I mentioned earlier. We employed Mr Keith Clark, recently retired as General Manager, Heavy Maintenance at Qantas, to undertake a review of our current maintenance practice compared to best practice. Mr Clark's report has provided some very defined recommendations as to the way forward. The Government has referred consideration and implementation of the Clark report to Deputy President of the State Industrial Commission, Mr Peter Sams, who is currently undertaking work between the maintenance unions and RailCorp management with a view to the implementation of the body of the Clark recommendations. That work before the State commission is continuing.

CHAIR: Mr Graham, I refer to the media campaign that RailCorp has been running about encouraging people to carry water with them in the summer when catching trains. Can you advise the Committee the budget for that campaign?

Mr GRAHAM: I am happy to take that on notice.

CHAIR: RailCorp staff made 22 trips to overseas destinations in 2006-07. Why was the total figure not in the annual report?

Mr GRAHAM: The total figure for?

CHAIR: The figure was in the annual report for the previous year but in the latest report it was not included.

Mr GRAHAM: My understanding is, and I will have to confirm this, that the total figure is approximately \$330,000.

CHAIR: Can you explain why it was not in the annual report?

Mr GRAHAM: No, I cannot.

CHAIR: Can you tell us how the annual report gets signed off? Presumably you sign it off. Does it go to the Minister's office to get signed off as well?

Mr GRAHAM: No, the two signatures on the report are the Chairman and the Chief Executive. We do have internal processes to ensure that the relevant information that is required is provided.

CHAIR: So you do not know how that figure got left out?

Mr GRAHAM: I do not.

The Hon. LYNDA VOLTZ: As a point of clarification, the previous witnesses have not been excused. Once they have completed their evidence, are they excused?

CHAIR: Ms Zealand is excused.

[Short adjournment]

Ms LEE RHIANNON: Mr Graham, do you know the current power requirement for CityRail for its electric traction requirements?

Mr GRAHAM: In terms of total dollar spend it is approximately \$40 million per annum. That is traction power supply.

Ms LEE RHIANNON: Would you have the details in terms of gigawatt hours per annum?

Mr GRAHAM: No, I do not have that.

Ms LEE RHIANNON: Would you take that on notice, please?

Mr GRAHAM: I am very happy to take that one on notice.

Ms LEE RHIANNON: Is any of this energy source from green power? If so, how much?

Mr GRAHAM: Our current contract does have built into it a green power component. But in terms of the total percentage, I would be more than happy to get that information for you.

Ms LEE RHIANNON: When did that component first come into your electricity requirement?

Mr GRAHAM: You are testing my memory. Our current contract is, as I recall, a four-year contract. We would be 18 months, two years into that contract.

Ms LEE RHIANNON: So it is coming to the current contract?

Mr GRAHAM: The end of the current contract, yes.

Ms LEE RHIANNON: If you wanted to expand that amount of green power, do you have the flexibility in the current contract to do so?

Mr GRAHAM: I do not believe there is a provision in the current contract to do that. But I am sure as a negotiation with the supplier that all things are possible and that certainly would be a consideration when we start the process for renewal of the existing contract.

Ms LEE RHIANNON: If I understand correctly what you are saying, if it were expanded you would be seeing that in the next contract, not in the current contract?

Mr GRAHAM: Yes, if it were. Clearly, there are balancing issues here between the obvious benefits of more renewable power source coming into the total supply. By the same token, that then is

paid for through either the taxpayers or via consumers who pay it through the fare box to ride the trains. So there is a balancing issue there, obviously.

Ms LEE RHIANNON: To check again, are you saying you would not be able to expand it under the current contract?

Mr GRAHAM: No, I think your question was: Is there provision under the current contract to do that. I said I did not think—and again I can take it on notice—there was a provision under the current contract. But again, the fact that there is not would not necessarily prevent a negotiated outcome outside the existing contract.

Ms LEE RHIANNON: Are you aware that on 23 April 2007 Mr Gary Glazbrook wrote to the Premier, who referred the letter to Minister Watkins, laying out a plan for green power for CityRail and the various costings on how that could be achieved at little or possibly no additional expense? If you are aware of that letter, were you asked to give advice on it?

Ms ZEALAND: I am not aware of the letter.

Ms LEE RHIANNON: Obviously you would be aware of the growing concern in the community about climate change and that many transport markets often market themselves as reducing their carbon footprint, and that being quite attractive to many customers. Has consideration been given by CityRail to using its green power as a way to get a marketing edge for public transport in the city?

Mr GRAHAM: You may have seen in more recent times in your own travelling by train the substantial poster campaign that we undertook that promoted the serious financial advantage that a single train offered relative to how many motor vehicles it replaced and constructing an argument in the community, therefore, that the environmental credentials of an electric train system significantly greater in order to encourage the broader community to that effect.

Ms LEE RHIANNON: It is excellent that you are sourcing some of your energy from green power and hopefully that will increase. My question was specifically about green power. Has consideration been given to using that as a marketing edge to promote CityRail patronage considering the growing interest and understanding the public has of the need to address climate change?

Mr GRAHAM: Yes, rather than simply promoting the relatively small percentage of the total electricity consumption that would come from green power, a very small percentage, but the broader environmental interest and objective is to promote the greater outcome of moving cars off roads. The effect is significantly more than simply the proportion that might be green power. In terms of greenhouse gas it is more of moving people out of private motor vehicles to public transport, and it is considerable.

Ms LEE RHIANNON: As we are all aware CityRail has significant spare off-peak capacity. I am interested in programs you have to maximise patronage at those times.

Mr GRAHAM: The most significant feature of CityRail's off-peak services is that there is a significant fare discount of 30 per cent available to passengers who utilise that available off-peak capacity. It is a very substantial discount on peak hour travel.

Ms LEE RHIANNON: That is the main way to promote it, the financial incentive?

Mr GRAHAM: It is a financial incentive coupled with having the public generally understand the environmental benefits of rail. At the Australian Railway Association level it is also solidly promoting not only the benefits of electric passenger train operation in our major cities but also strongly promoting at that association level the significant advantage that is offered by moving heavy road vehicles off road and on to rail.

Ms LEE RHIANNON: On 20 September this year at Thornton there was a derailment of about 91 wagons. I understand that the Office of Transport Safety Investigations did not hold a formal inquiry. Could you explain why that decision was made?

Mr GRAHAM: No, I cannot. The infrastructure boundaries of RailCorp, for which I am the chief executive officer, go to Broadmeadow and around to Newcastle. The Hunter Valley track, including that location that you referred to in your question, is the responsibility of the Australian Rail Track Corporation, a 100 per cent Commonwealth Government-owned entity.

Ms LEE RHIANNON: So you have no say in that?

Mr GRAHAM: No.

Ms LEE RHIANNON: Referring to the Maldon to Dombarton line, the Minister gave some response when the Committee last met. Considering a commitment of the Federal Labor Party representative, in the lead-up to the election, was to have a pre-feasibility study, as it was termed, on that project. Had there been any developments in that area for a possible study or any talks at all about the future of the Maldon to Dombarton line?

Mr GRAHAM: Any matters associated with Maldon to Dombarton would ultimately be a matter of Government policy and certainly not matters that I would comment on here.

Ms LEE RHIANNON: True it was under the previous Premier, Mr Carr, that the commitment was given to finalise the Maldon to Dombarton rail line, I have not seen that retracted. I would have thought that it was already policy and therefore I thought you would be in a position to respond if you had been asked to give any advice or any talks about the future of that rail line?

Mr GRAHAM: No, I would not expect to be involved in that, bearing in mind that RailCorp's infrastructure footprint includes neither Maldon nor Dombarton; they are both the responsibility of the Australian Rail Track Corporation.

CHAIR: Do Government members have any questions?

The Hon. LYNDA VOLTZ: We reserve our questions until a later time.

CHAIR: Mr Graham, in relation to the Boston consulting group, which is doing research as announced by the Premier and Minister Watkins, how long is that research project expected to take? What is its estimated total cost?

Mr GRAHAM: There has been a \$10 million budget allocation for that work in this financial year, that is 2007-08. I would expect, on the basis that the program we are working to, that the assignment as currently determined will complete this financial year.

CHAIR: How do you think the outcome of that will improve services for commuters?

Mr GRAHAM: As I said at the time of the announcement, the New South Wales State Plan sets certain priority outcomes for public transport. Specifically to rail, the outcomes are relating to improving customer satisfaction, improving service reliability and maintaining a safe reliable service at or above 92 per cent of peak-hour services on time. Clearly, as part of the State's overall financial position, there is a general obligation across government on achieving the priority outcome of maintaining the State's triple-A-plus rating. I neglected to mention the priority to achieve growth in public transport for peak-hour commuters, particularly those coming into the CBD. The Boston Consulting Group work is specifically targeted to reviewing all of the strategic initiatives that RailCorp currently has developed and underway and to determine whether they best meet the State Plan outcomes and to bring fresh eyes to the current plans and determine whether there are other initiatives that might be able to be implemented in conjunction with or as a priority over the strategic initiatives that we already have targeted and underway.

CHAIR: With respect to the recruitment of signal engineers, can you tell the Committee why were three RailCorp employees plus a RailCorp contractor sent to the United Kingdom to recruit signal engineers at a cost of more than \$80,000? Can you tell us why a team of that dimension had to go to the United Kingdom and how many signallers were recruited from the United Kingdom as a direct result of that trip?

Mr GRAHAM: Perhaps I will just expand the breadth of the question. I think you will see in the 2006-07 annual report the reference to that particular overseas trip and also to one to India for precisely the same purpose, so I will cover both of those recruitments in the answer. There is a national shortage of competent, qualified signal engineers in Australia that has arisen because of very significant volumes of work underway around Australia in major rail projects—not just passenger rail but major freight railways, et cetera, that are in the planning.

When you look at our own commitment to new infrastructure—\$2.2 billion currently going into the Epping-Chatswood rail link, another \$1.8 billion that is going into the 14 Clearways projects that are now either underway or very much in the detailed planning—other States, the Federal Government's AusLink program through the Australian Rail Track Corporation has a very, very significant railways component to it and, indeed, I think it is fair to say that we are seeing a renaissance of investment in this country's rail infrastructure both at a national and a State level, and that is putting a significant burden on the availability of a qualified, competent industry specific engineering resource, and it is not only in the area of signal engineering it is in the area of attraction and supply in electrical engineering as well.

Recognising that there is a significant issue, we did undertake, at the time periods that are shown in the annual report, recruitment in the United Kingdom. It was fortuitous that the United Kingdom at that stage were going through a bit of a restructure in the way they did things over there, which opened an opportunity. My recollection is that we recruited around 12 signalling engineers as a result of that exercise in the United Kingdom.

CHAIR: And were any recruited in India?

Mr GRAHAM: Yes, there were, but my recollection there is that it was relatively few.

CHAIR: Can you tell us what can a signal engineer expect to earn in salary per annum?

Mr GRAHAM: I think some of the more recent examples in the private sector are probably \$250,000 to \$300,000, given the very significant shortage that is there. We recently lost a young qualified civil engineer in his late twenties and we were paying \$130,000 per annum to the Western Australian mining industry at \$190,000 per annum. There is a massive issue there at a national level in terms of general engineering project management, where we are seeing that as well in the area of specific railway industry competency.

CHAIR: With respect to front-line rail staff at railway stations—you may need to take this on notice—can you advise us how many vacant positions are there in the front-line positions at railway stations?

Mr GRAHAM: I do not need to take that one on notice. There are 150 vacant positions in station staffing as at the end of August, I think that number was.

CHAIR: How does that compare to recent experience? Is it going up or down?

Mr GRAHAM: It is going down substantially. In the previous 12 to 18 months we have recruited, trained and deployed in excess of 200 station staff.

CHAIR: In relation to the dispute between RailCorp management and the unions relating to the lack of front-line staff and the discrepancies they see in the number of vacancies, can you tell us what specific action has been undertaken to resolve the dispute and what has been the outcome?

Mr GRAHAM: I am not aware of a dispute in regard to that. I am aware of different public statements by the union in that regard but we do not currently have a dispute under our disputes procedure or any action currently underway within the Federal Industrial Commission in relation to the matter.

CHAIR: You mentioned a moment ago the Clearways project. Can you tell the Committee what is the total cost of the Clearways project, including stage 2 and stage 2-plus? Can you confirm that all the stages of the project will be undertaken and what is the current estimated completion date?

Mr GRAHAM: The Clearways projects are being undertaken by the Transport Infrastructure Development Corporation and my understanding is that the 14 projects that have been nominated under the Clearways 1 and Clearways 2 program continue to be estimated at a total cost of \$1.8 billion.

CHAIR: So you are confident that all the stages of the project will be completed. Can you give us an indication of what the latest estimated completion date is?

Mr GRAHAM: I do not have direct management responsibility. That is a matter best directed to the Transport Infrastructure Development Corporation.

CHAIR: With respect to the CBD rail link, can you tell us what the current status of that project is, how much it will cost and when is construction going to start?

Mr GRAHAM: Again, that is not a matter directly under the accountability of RailCorp.

CHAIR: What about the Malabar to West Ryde metro line?

Mr GRAHAM: Again, I am sorry, not in RailCorp's responsibility.

CHAIR: With respect to RailCorp's advertising budget, can you tell us what the latest estimate is for the 2006-07 advertising expenditure for RailCorp?

Mr GRAHAM: No, but I am happy to take that question on notice and give you an accurate reply.

CHAIR: And if you could provide the figure for advertising in 2005-06 and 2004-05 as well?

Mr GRAHAM: So, three years?

CHAIR: Yes, thank you.

CHAIR: Also, on a related topic: can you advise the Committee how much RailCorp spent on surveys that it undertakes from time to time and contracting consultants to look into the rail network in those years 2005, 2006 and 2007?

Mr GRAHAM: I am sorry, that is a pretty broad question. When you say "surveys" are you talking about the amount of money we spend on customer surveys?

CHAIR: No, to look into the actual network itself.

Mr GRAHAM: Planning for future infrastructure?

CHAIR: Yes, and problems with the current infrastructure?

Mr GRAHAM: Just to be clear so I do not mislead on what we do and do not do: the future planning work is undertaken within the Ministry of Transport in the Centre for Transport Planning, which is not RailCorp's direct responsibility, and the construction of that is undertaken by the Transport Infrastructure Development Corporation. So, it suggests that the intent of your question is a question for either ministry or TIDC.

Ms LEE RHIANNON: When we were speaking about green power, there was a question on notice about what proportion of your energy requirements comes from green power. I just wanted to check that that was on notice?

Mr GRAHAM: Yes.

Ms LEE RHIANNON: Moving to Port Botany, do you cover Port Botany?

Mr GRAHAM: Sorry, could I make sure that there is no confusion about what you are asking? Port Botany facilities are with Ports Corporation. We currently own and maintain the track from Enfield through to the Port Botany yard. We do not, however, operate any trains over that railway line.

Ms LEE RHIANNON: Thank you for explaining that, but I think it is still relevant for me to ask the question because there was a Government media release in May that said the aim was that 40 per cent of freight would be carried by rail. Currently it is 20 per cent. Considering that is a doubling, do you see that that would require an expansion of track, or is it an expansion that I understand from your previous answer would come under you, or is it just an expansion of the rolling stock?

Mr GRAHAM: I will deal with the narrow aspect that is ours. The current track is handling approximately 250,000 twenty-foot equivalent container units [TEU] to and from Port Botany on the rail track.

Ms LEE RHIANNON: Per year?

Mr GRAHAM: Per annum. My understanding is that the current rail infrastructure—that is, as is or where is today—has a capacity for approximately 500,000 twenty-foot equivalent units. Clearly the ability to utilise that additional capacity depends on infrastructure at the port facilities and at the unloading facility, and depends on the configuration of the trains that are servicing that, so I cannot comment on those latter aspects, but I can say that the current main line track has a capacity of 500,000 TEU and utilisation of approximately 250,000 TEU.

Ms LEE RHIANNON: As I understand, for what you are responsible for there would not need to be a change to deliver the Government's commitment with regard to freight rail in the Port Botany area?

Mr GRAHAM: Not necessarily because I think when you look at the 40 per cent target over time and the fact that the market is going to double in a period into the future, there would need to be some amplification, but the numbers I gave you are at today.

Ms LEE RHIANNON: If there was a need for amplification in the future, has there been planning for that?

Mr GRAHAM: Yes, there has.

Ms LEE RHIANNON: What is that planning?

Mr GRAHAM: It is basically for the amplification of those parts of the network that would require amplification.

Ms LEE RHIANNON: That was an interesting answer.

Mr GRAHAM: Well, obviously when you look at the capacity of the main line between the port and any unloading facility its capacity is determined by the weakest link. There is, for example, an at-grade level crossing in the Botany area that represents an impediment to enhanced capacity, so there is a number of very specific issues and plans have been developed for the ultimate amplification of that main line track capacity, but they need to be in tandem with the amplification in capacity that occurs at the port, at the unloading facility, and importantly in the rail operations.

Ms LEE RHIANNON: Are talks underway with the bodies responsible for those other areas where amplification is needed?

Mr GRAHAM: Yes, not specifically through RailCorp. I think the Minister for ports is undertaking those industry consultations.

Ms LEE RHIANNON: And you, or representatives of RailCorp, are a part of that?

Mr GRAHAM: That is correct.

Ms LEE RHIANNON: Do you have a budget for the amplification that would be needed on the part of RailCorp?

Mr GRAHAM: Not at this point of time.

Ms LEE RHIANNON: So it is a plan on paper for the future that is not yet budgeted for?

Mr GRAHAM: Yes, and given the capacity outline that I have given you, that we currently have main line track capacity that could see a doubling of the current number of twenty-foot equivalent units, I think the mainline rail capacity would not emerge as a significant constraint in the medium term, but certainly would in the longer term.

Ms LEE RHIANNON: Is there a timeline for achieving these changes?

Mr GRAHAM: They are matters of Government policy considerations and well outside the ambit of my direct accountability.

CHAIR: With respect to CountryLink, given that the number one reason in the ITSA report for the fall in patronage of CountryLink trains is the pensioner booking tax, can you tell the Committee what, if anything, is being done to remedy that problem?

Mr GRAHAM: Sorry, could I hear that question again?

CHAIR: I am referring to the annual report of ITSA with respect to CountryLink, which said that the number one reason for the fall in patronage on CountryLink trains was due to the pensioner booking tax. Are there any plans to remedy or address that problem?

Mr GRAHAM: First of all, can I disagree with the assumption contained in the question: The number one reason at this point in time for the patronage variation on CountryLink is very much directed to aviation competition. Eighty per cent of CountryLink's patronage comes from the Sydney-Brisbane and Sydney-Melbourne corridors and 20 per cent from services that operate to Armidale and to Dubbo. You would have noted in recent times, with the advent of Tiger airlines coming in to service a lot of those routes as well, that domestic aviation competition is not going to go away, it is going to become more intense. We are now part way through a \$50 million upgrade of the XPT fleet. Of the 60 XPT carriers I think we have completed more than two-thirds of the upgrading program and we have now started the overhaul of power cars. So there is a very significant investment to ensure that the product that we are delivering is appropriate. I will just reinforce the fact that aviation competition and the prices that are available from discount airlines in the competitive market in which CountryLink operates represents a very serious challenge to maintaining market share.

CHAIR: Is any review being done of the impact of the pensioner booking tax and any attempt proposed to be made to address that particular disincentive?

Mr GRAHAM: I think the pensioner co-payment issue was structured as being a fair way of ensuring that people who use the service pay for some of the service. Very similar to CityRail, around 75 per cent of the operating costs of CountryLink is paid by taxpayers who do not necessarily use the CountryLink service and in trying to maintain some balance and fairness going forward the decision to introduce that was very much one of saying, well, let's have a modest co-payment of \$10 or 15 per cent, whichever is more, and I think that has been a very fair way of dealing with the CountryLink cost issue.

CHAIR: That is the final question, Mr Graham. I thank you on behalf of the Committee for being here today.

Mr GRAHAM: Thank you. Could I just make a point relative to an earlier question? You asked me about the annual report total travel. There is no statutory obligation to report the total value of travel in the annual report. I just raise that for clarification.

(The witness withdrew)

GEOFF SMITH, Chief Executive Officer, Sydney Ferries Corporation, on former oath,

PETER ROWLEY, Acting Chief Executive Officer, State Transit Authority, on former oath, and

JIM GLASSON, Director General, Ministry of Transport, on former oath, examined:

CHAIR: Do Government members have any questions?

The Hon. LYNDA VOLTZ: We reserve the right.

The Hon. MATTHEW MASON-COX: How many of the 1,400 new buses to be purchased under the Government's seven-year plan are for private company use and how many are for the State Transit Authority?

Mr GLASSON: I cannot tell you off the top of my head what the splits are, but they will not be too much over fifty-fifty. I will take the question on notice for the precise details.

The Hon. MATTHEW MASON-COX: Does it concern you that in the past three years there has been not one new bus on the road; in fact, the new buses have simply replaced the increasingly ageing fleet?

Mr ROWLEY: The State Transit Authority has recently signed a contract for 505 new buses—225 Volvo Euro 5 buses and 250 DaimlerChrysler gas buses. We have received 70 Volvo Euro 5 buses to date and we are expecting approximately 32 of the gas buses within the next month. The full contract goes out to 2011.

The Hon. MATTHEW MASON-COX: What about the past three years? The question was directed to that.

Mr ROWLEY: I would need to take that question on notice.

The Hon. MATTHEW MASON-COX: Is it a concern to you that we have not had any new net buses in the State Transit Authority network over the past three years? We have some new buses coming, but are you concerned about that?

Mr ROWLEY: In 2003-04 we received 55 new buses, in 2004-05, 106 new buses, in 2005-06, 78 new buses, and in 2006-07, 100 new buses.

The Hon. MATTHEW MASON-COX: I understand that they are replacements rather than additions to the fleet.

Mr ROWLEY: The 505 buses are replacing older buses. We received 80 articulated vehicles prior to that. I think there were 60 Volvo vehicles prior to that. I do not know the exact figure.

The Hon. MATTHEW MASON-COX: You do not know the bus retirements over those years either?

Mr ROWLEY: We have been retiring buses.

The Hon. MATTHEW MASON-COX: I am talking about the net increase. Some new buses have come on line, but at the same time there have been significant retirements of ageing stock. According to information we have there has been no net increase in the number of buses on the State Transit Authority network.

Mr ROWLEY: I need to take that question on notice. However, I think I can assure you that there has been an increase in vehicles in the State Transit Authority network over the past few years.

The Hon. MATTHEW MASON-COX: Can you verify that for each of the past three years?

Mr ROWLEY: Certainly.

The Hon. MATTHEW MASON-COX: I refer to the recent 8 per cent pay rise for State Transit Authority bus drivers. You are obviously aware of the Government's 2.5 per cent wage increase limit plus productivity improvements. Can you identify the productivity improvements in relation to the pay rise awarded to the bus drivers?

Mr ROWLEY: Yes, I can. One component was the introduction of training rosters, which has a direct correlation to decreasing accident rates and insurance costs. There was a significant portion of the offset in a new sick pay or absentee management scheme. There will be a job-sharing arrangement for bus operators to be able to retain drivers rather than have them retire. We also have regional optimised timetabling, which means that a service does not necessarily have to operate out of one depot into another depot.

The Hon. MATTHEW MASON-COX: A range of things were new and resulted in productivity increases. When you estimated the benefits of those productivity improvements, did you come to a raw figure and look at the pool of money available and then come to the conclusion that 8 per cent represented the 2.5 per cent Government increase as well as productivity?

Mr ROWLEY: Through the various negotiation stages we had always informed the Rail, Tram and Bus Union that the offer was 2.5 per cent. Anything above that required cost offsets. Many offsets were identified and negotiated. Some were rejected and some got through. These ones were accepted by the Rail, Tram and Bus Union and they formed the basis of the extra 1.5 per cent per annum that they received.

The Hon. MATTHEW MASON-COX: I understand that there are 500 gas-powered buses under lock and key at cut at Custom Coaches in Smithfield. Can you clarify the status of those buses?

Mr ROWLEY: I have no idea.

The Hon. MATTHEW MASON-COX: Perhaps you might like to take that question on notice.

Mr ROWLEY: No, as I said, I think they have 32 of our vehicles. However, I am afraid I cannot answer about 500 buses.

The Hon. MATTHEW MASON-COX: Can you please explain the Government's announcement about the 505 new buses you mentioned earlier and, in particular, how that fits into 1,400 over seven years commitment and how many have been provided?

Mr ROWLEY: I can speak only for my contract of 505 buses. I cannot answer how that fits into the 1,400.

Mr GLASSON: We have already taken that question on notice.

The Hon. MATTHEW MASON-COX: I think you mentioned how many will come on board in 2007-08. What is the figure?

Mr ROWLEY: From memory, we are anticipating 75 of the Volvo Euro 5 buses and 70 DaimlerChrysler gas buses.

The Hon. MATTHEW MASON-COX: What is the final cost of the project?

Mr ROWLEY: It is \$254 million.

The Hon. MATTHEW MASON-COX: Recently there was a tremendous 19-page brochure in the *Sydney Morning Herald* giving a detailed history of buses. There is a lovely picture of the Minister on the front smiling and a message from him. How much did the State Transit Authority and the ministry spend on this lift-out?

Mr GLASSON: I am not sure that we spent any money on that, but I will take that question on notice.

The Hon. MATTHEW MASON-COX: The *Sydney Morning Herald* must have been particularly generous that weekend.

The Hon. LYNDA VOLTZ: Perhaps they are interested in history.

Mr GLASSON: I will have to provide advice.

The Hon. MATTHEW MASON-COX: What are you doing to address massive overcrowding issues at peak hour on buses?

Mr ROWLEY: The State Transit Authority monitors its services every day. We are experiencing strong growth of about 2.8 per cent in the peaks. We are introducing extra services as required. At the beginning of this year in March we introduced, from memory, about 70 extra buses putting on, I think, approximately 180 extra services. So, we have been responding to the growth and we will continue to do so, but we do monitor our services every day.

The Hon. MATTHEW MASON-COX: Do you think you are meeting the additional demand for services currently?

Mr ROWLEY: We certainly have what is called pinch points closer to the city where we monitor our services, especially along the strong corridors, and at present services through those corridors are sufficient.

The Hon. MATTHEW MASON-COX: What do you do when you monitor them? Do you have somebody standing on the side of the road that looks at how many people are desperately looking for a bus? What do you do?

Mr ROWLEY: At these pinch points we do have people, our inspectors, just doing exactly that, monitoring how long it takes for a passenger to board a bus, how many people are actually waiting there and the number of services that go through there. So, that is exactly how we do it.

The Hon. MATTHEW MASON-COX: Where are those pinch points that you monitor?

Mr ROWLEY: Watson Street, White Bay, Taylor Square, Newtown bridge, Broadway, closer to the city. So, it is spread right around the central business district.

The Hon. MATTHEW MASON-COX: What about out the north-west where they do not have a rail system?

Mr GLASSON: Can I answer that? The ministry undertakes a similar process with all the private bus operators across Sydney. We go out either jointly or on our own and do counts at various parts of the network where we are aware of congestion and growth. There have been additional buses provided for operators out of Forestville, out of The Hills, on the M2 services, on the north-west transit way, and we are progressively reviewing the networks of all the private operations across Sydney and redirecting poorly patronised services, straightening out routes to improve running times and introducing additional services into those.

The Hon. MATTHEW MASON-COX: Do you accept that at the moment you are not meeting those additional requirements for services?

Mr GLASSON: No, I do not. We do not have any outstanding requests from operators for additional services. We are preparing right now for the annual increase that comes with back to school and back to university in late February-March next year. But at the moment I would say we are providing capacity.

The Hon. MATTHEW MASON-COX: That daily survey will continue? That is something to simply benchmark good practice in the State Transit Authority and the Ministry of Transport I presume?

Mr GLASSON: That is correct. We do not do it on a daily basis, but we do it over a period of weeks on services that we know are experiencing growth.

The Hon. MATTHEW MASON-COX: When did the State Transit Authority sign up for the Tcard project?

Mr ROWLEY: I cannot give you a date. We have signed a memorandum of understanding. We will have to get back to you with the specific date.

The Hon. MATTHEW MASON-COX: How will bus fares be impacted, if at all, by the Tcard project? Do you have any understanding of that?

Mr ROWLEY: How have fares—

The Hon. MATTHEW MASON-COX: How will bus fares be impacted by the Tcard project?

Mr GLASSON: The bus fares will continue to be set through the Independent Pricing and Regulatory Tribunal process and I would not expect them to be impacted by that project. That will be a matter for the Independent Pricing and Regulatory Tribunal, but I would doubt it.

CHAIR: Mr Smith, what do you think the future is for Sydney Ferries? How do you see it?

Mr SMITH: That is a matter for government. They are considering the Walker recommendations. I expect along with everybody else to hear their decision early in the New Year.

CHAIR: Regardless of that, what do you see as the major challenges facing Sydney Ferries?

Mr SMITH: The challenge as it always has been is to provide a reliable, efficient and cost-effective transport system on the harbour. We are very focused on continuing to do that despite the disruptions and instructions of this past year. A lot of effort has continued to go in to achieve those objectives and it will continue to do so.

CHAIR: Can you tell the Committee what advice you have provided to the Minister about the future of Sydney Ferries and what has been his response?

Mr SMITH: I have provided no advice to the Minister about the future of Sydney Ferries. I have cooperated, together with the organisation, fully with Mr Walker and his investigation. We made a large number of submissions to him on various subjects associated with our business and his report and his findings are now in the public domain and we await the Government's deliberations on that matter.

CHAIR: Has the Minister or the Government through the Minister asked you for advice about the future of Sydney Ferries?

Mr SMITH: No, he has not.

CHAIR: Can you tell the Committee why the number of complaints in relation to Sydney Ferries has increased by more than 45 per cent in the past year?

Mr SMITH: That is largely to do with two issues. One is our ability to communicate with our customers—customer information. It is a big weakness of the organisation and we identified that a year ago. We have a project underway at the moment to provide a ferry operation and customer information system, which is being pursued with great vigour. The second element of the complaints is on our service reliability and that is a function of the material state of the fleet at the moment, and the efforts that have gone into that over the last 12 months is significant. We have in fact increased

availability of our fleet as we promised to do. In fact, what we have seen in the last three to four months is quite a significant decline in the number of complaints from our customers. But I make that point, just to put it into perspective because we do publicly put out total numbers of complaints, it represents a very, very small percentage of our total patronage. In fact, it requires only a couple of complaints per day to actually generate the sort of numbers we are talking about. But largely they were the two issues that have been causing the problems and we are getting onto those.

CHAIR: So you are saying there was an upward trend but that just lately there have been fewer complaints, it has gone down again?

Mr SMITH: That is correct.

CHAIR: Can you explain to the Committee why Sydney Ferries failed the target for complaints, which was set at 800?

Mr SMITH: Well, as I explained to you, the reasons we are receiving those complaints were those two main areas that I was referring to. We have taken steps in the area of customer information to have a customer service officer both in the morning and afternoon peak making public address announcements so people are more aware of the status of their service. That is having a very positive effect. Clearly, the number is not satisfactory. We are not happy with that. We are working very hard to bring it down. It is a very ambitious target that we have set ourselves in terms of numbers of complaints. In fact, for us to exceed our key performance indicators [KPI] it requires only probably about two complaints per day out of 35,000 passengers, which, if you aggregate back across the full 12 months, will blow us across the limit of our key performance indicators. So, we continue to work at it. We are not happy with the trend, although the trend of late has got better.

Ms LEE RHIANNON: Mr Smith, how many casuals currently are employed by Sydney Ferries

Mr SMITH: I would have to take that on notice, the exact number. I think we are in the order of about 60, but I will have to confirm that.

Ms LEE RHIANNON: What percentage would that be, just roughly?

Mr SMITH: It depends. In the area of our deckhands, I think it is 60. So that is out of a total of 350.

Ms LEE RHIANNON: And that number has increased recently, is that correct?

Mr SMITH: We have increased our casuals over the summer period, which is our normal process. It is our busiest time, our daily patronage goes from about 35,000 to over 70,000 per day. We have brought on extra casual cashiers so that we can try to get people through those key areas, such as Circular Quay, to get their tickets. We have extra people also to look after them from a safety perspective on the wharves, and we have also some 30 customer information people on a roster that are spread around the whole network providing information to our people.

Ms LEE RHIANNON: If I understand correctly, you do that regularly each summer?

Mr SMITH: Yes, that is correct.

Ms LEE RHIANNON: What I was interested in, have you taken on casual staff on the ferries for the first time or has it been expanded?

Mr SMITH: It has not been expanded. It is our regular process at the moment.

Ms LEE RHIANNON: I think you have recently trained casual deckhands, and that is no different from what has happened before?

Mr SMITH: No, that is correct.

Ms LEE RHIANNON: You were asked a moment ago about the Walker report. What is the timeline from your perspective with regard to a response to that?

Mr SMITH: My anticipation is based purely on what the Minister has made publicly known, which was most probably in the first quarter of next year.

Ms LEE RHIANNON: Just going back to ferry operations, with regard to the number of staff on ferries, firstly, can you tell us what the staffing level is? I know you have a number of different ferries and I am not after all of them, but just some of the main ones. What I was interested in is the staffing level determined to be able to cope if there is an emergency?

Mr SMITH: There are a number of aspects to this. The most important one is that staffing levels are mandated to us by our certifying agency, which is New South Wales Maritime. In giving us a licence to operate a particular class of vessel, they specify the crewing requirements there. The sort of numbers vary depending on the class of vessel—the large Freshwater class has six in the crew, and it goes down to three on the Rivercat and the rest of the fleet is in the middle of it. Those people are all trained to deal with a variety of contingencies to ensure our passengers are safe.

Ms LEE RHIANNON: Therefore, if there was a cutback in those staffing levels, you would therefore judge that that could jeopardise passenger safety?

Mr SMITH: As I said, the numbers at the moment are mandated on us. It is my assessment that the current numbers we have are an adequate number for the responsibility we have.

Ms LEE RHIANNON: Mr Glasson, I want to ask about buses for World Youth Day. How many buses do you anticipate will be needed for World Youth Day and where are you anticipating sourcing them from?

Mr GLASSON: Can I answer that in two parts? One is I do not have the overall accountability for World Youth Day but the buses will be sourced through contracts the Ministry of Transport holds with bus operators. At this point in time the precise numbers are not known. That is still a work in progress based around information that is still coming to us through the World Youth Day Authority and the Catholic Church. It is quite a complex task because it involves where people are being billeted, where the accommodation is, where they are going on a daily basis for religious instruction and then their travel to and from some of the major events in and around the central business district. So, I just simply cannot give you a precise answer. If you would like me in response to give you an order of magnitude number on notice, I am happy to do that, but the precise numbers will not be known for some time.

Ms LEE RHIANNON: That would be useful, the order of magnitude, and if you could answer it now or alternatively take it on notice where those buses would be coming from? I understand you can source them from Newcastle, the Illawarra, Western Sydney and from private bus operators as well, and just what that division could be?

Mr GLASSON: It is more likely the buses will be sourced in the first instance from the most appropriate depots that will reduce the overall cost. So, for the central business district event tasks I would see the majority of buses being sourced out of the State Transit fleet. For the task across a broader part of Western Sydney, particularly the west and south-west, where I understand large numbers of participants will be billeted, we will be using the resources of private bus operators in those areas. The event is scheduled during school holidays, which means that a proportion of the of the bus fleets are available, given that both the normal commuter task is suppressed in those periods and the school task is not happening.

Ms LEE RHIANNON: Also, Mr Glasson, on 23 April Dr Gary Glazebrook wrote to the Premier about green power for CityRail, and I understand Mr Watkins subsequently responded to that. Are you aware of that letter and could you outline what the Government's response is with regard to expanding the green power component of the current power requirements for CityRail?

Mr GLASSON: I am not specifically aware of that letter. That does not mean I have not seen it. There is so much volume of correspondence I just do not recall, sometimes, individual letters, but I will check my records to see whether I have seen that and I will give you a response.

Ms LEE RHIANNON: So you can take that on notice?

Mr GLASSON: Yes.

CHAIR: Mr Smith, if I could get back to Sydney Ferries—or, could I ask you a question about Brisbane Ferries? Are you familiar with the operation of Brisbane Ferries? Have you done any studies to establish whether or not the way they operate might be appropriate for Sydney in the future?

Mr SMITH: I am aware of the model employed in the Brisbane Ferries arrangement, only in the context of their use through the Walker inquiry as an alternative model to our own. I have not made any conscious decision to look at that model as a model for Sydney Ferries.

CHAIR: So, you do not have a view as to whether that might be an appropriate model?

Mr SMITH: No, I do not.

CHAIR: Can you tell the Committee what measures have been put in place to improve staff productivity?

Mr SMITH: A number of measures have been put in place across the full organisation. At the shipyard, as part of the Balmain improvement program, there has been a strong focus on improving productivity from the yard, and we have made some marginal improvements at this time. In terms of the operations side of the business, we are looking at a number of techniques to improve our productivity. We are addressing the issue of sick leave. We are looking at mechanisms to more fully exploit the aggregate wage process we currently have in place in the organisation, and other techniques such as that. We have made some improvements in those areas and there is more still to be done. In the area of rosters also we are looking at improving productivity and we are in the process of negotiating new rosters with a number of the unions that are involved.

CHAIR: Can you tell us what the current strategy is in relation to fleet replacement, or is that something that is on hold until the Government responds to Mr Walker's inquiry?

Mr SMITH: It is not on hold as far as I am concerned. We have been working on the future fleet now for the best part of 18 months. I achieved broad endorsement of a proposed fleet replacement plan in July this year. We submitted that to the Ministry of Transport and we are in discussions with the Ministry over that plan. We also provided that strategy to Mr Walker who largely embraced exactly what we put to him and, along with everything else in the Walker inquiry, that matter is under consideration from the Government, although the Premier and Mr Watkins have both announced that our proposal would be reviewed by the Government.

CHAIR: Do you have any timetable for feedback from the Government on that important matter?

Mr SMITH: We are working together with the Ministry on putting forward a proposal for consideration by the Government in the new year. That will be influenced somewhat by the decisions the Government will take on the Walker report, but from my perspective I continue to drive that fleet replacement plan as I see it as essential to the ongoing viability of ferry operations on Sydney Harbour.

CHAIR: Mr Glasson, do you have anything to add to that in terms of the timetable?

Mr GLASSON: Not in terms of timing, no.

CHAIR: So you have no indication at all whether it is months away?

Mr GLASSON: No. I think it is a matter for the Government to respond to the Walker report. We are all aware that Mr Walker considered this a significant issue going forward, regardless of the structure under which you operate the ferries.

CHAIR: You have no idea at all as to when we might expect the response?

Mr GLASSON: From the Government?

CHAIR: From the Government.

Mr GLASSON: I understand the response to Walker will be early next year and I would think that—

CHAIR: I am sorry, did you say "early next year"?

Mr GLASSON: Early next year, the response in relation to the Walker report. I think that is what has been reported. I would have thought the other actions that come out of that will come out in sequence following that.

CHAIR: I think I have asked you some questions, Mr Smith, before about the crane at the Balmain dockyard. Can you give me an update on what is the current status of it? Is it fully operational now?

Mr SMITH: Chair, the crane has always been operational—and it is a blue one. You asked me a question last time what the colour was and I did not know. The crane was a second-hand crane that was purchased about five years ago. It was a good value-for-money decision at that time. Unfortunately, subsequent to that there was a survey done of the jetties at Balmain shipyard, and it was deemed that they were unsafe for that crane to be operating on those jetties, given their current state. The corporation embarked on a rehabilitation program for those jetties. The first of those three jetties will be completed this month—in fact, next week—at which time this particular crane can be used on the full length of the jetty, which is our main jetty at Balmain. It can be operated on the harbour standings short of the jetties, so in all respects the crane is fully operational. It just could not be used or has not been able to be used for a while on the wharves themselves.

CHAIR: I am sorry, did you give me a time line?

Mr SMITH: I am sorry, the other two wharves currently are in tender at the moment. We will have those completed within the next 18 months.

CHAIR: With respect to the Tcard project, when did Sydney Ferries sign up to the Tcard project?

Mr SMITH: I would have to take that on notice for the exact date, but it is my understanding that it certainly predated my time here. It was in the beginning of last year—that is my understanding—but I will confirm that.

CHAIR: Do you have any information as to how ferry fares will be impacted by Tcard project, if at all?

Mr SMITH: I do not have a view about the fares. We do our fares through Independent Pricing and Regulatory Tribunal [IPART]. It would be up to them to make some considerations in that regard. From my perspective, it is fares as they currently exist, and it was a transferring of existing fares to a different way of ticketing.

CHAIR: So your understanding is as Ms Zealand put it earlier in the day?

Mr SMITH: Yes, that is correct.

CHAIR: Mr Glasson, in relation to the Ministry and certain positions on the staff of the Ministry, I understand that you are advertising for a new manager of communications as well as a new

manager for marketing and stakeholder relations, the salary for each of which is \$116,000 and \$117,000, and also that you are recruiting a new marketing officer on a salary of nearly \$100,000, and that the State Transit Authority [STA] is advertising for a temporary manager, media and corporate affairs, for \$130,000. That is \$461,000-odd on spin doctors. Given the trouble that the State transport services are in, do you not believe that that money could be used more appropriately?

Mr GLASSON: Certainly from the Ministry's perspective, these are not spin doctor jobs.

CHAIR: What do you call them?

Mr GLASSON: The positions that you referred to are predominantly focused at managing public consultation around improved bus services and working on developing new strategies to promote public transport, to increase the overall use of public transport in line with the State Plan targets. These are not jobs to provide advice on media.

CHAIR: It sounds like it is to me—media and corporate affairs manager is the job title for one of them.

Mr GLASSON: I would need to look at that particular position. I mean, I do have a media liaison person who provides advice to me on media, but they also do a range of other things.

CHAIR: Okay. Would it be convenient to just provide us with a summary of the job descriptions of those particular positions?

Mr GLASSON: I am happy to provide those.

CHAIR: They would be appreciated.

Ms LEE RHIANNON: My question is to Mr Rowley largely about Newcastle buses. Prior to the State election this year, the *Newcastle Herald* reported that 10 buses from the Newcastle bus fleet would be transferred to Sydney. I understand that they were transferred. I am just asking: Is that accurate?

Mr ROWLEY: Yes.

Ms LEE RHIANNON: Why were they transferred?

Mr ROWLEY: They were no longer—they were surplus to the requirements at Newcastle.

Ms LEE RHIANNON: Why were they surplus? I understand that the patronage of Newcastle buses has been increasing, so why was it adjudged that they were surplus?

Mr ROWLEY: I am not aware of Newcastle's patronage increasing.

Ms LEE RHIANNON: There are figures here from the New South Wales State Transit Authority published by the Independent Pricing and Regulatory Tribunal [IPART] on 2 January 2007. It shows the patronage going up for Newcastle buses from 2001 to 2005-06, and it is around 11,000, or sort of fluctuating around 11,000, so it is not a sizeable change, but it is certainly not a sizeable drop, whereas for Sydney buses the figures also from the Independent Pricing and Regulatory Tribunal for the same date show a drop from approximately 187,000 to 186,000. Considering there has been a drop in patronage in Sydney buses and that they approximately stay the same in Newcastle, again I ask: What was the justification for taking the buses out of the Newcastle fleet?

Mr ROWLEY: I am sorry, I thought you were talking about current growth. You are comparing figures back to 2005.

Ms LEE RHIANNON: I am sorry, that is just because they are the most recent ones that I have received. I will say that the other thing that I was just told about Newcastle, which may be relevant to our discussion, is that the free bus service that has been provided in Newcastle has resulted

in a change in how the assessment of the total patronage is taken, and therefore we sort of do not have figures to compare with previous years.

Mr ROWLEY: Yes. My understanding is in the free zone and it is based on an estimate—

Ms LEE RHIANNON: Yes.

Mr ROWLEY: —and manual loading checks. The time frame that you have mentioned back in 2005 to, I think, January 2007, you said, there have been buses that have gone into Newcastle that, from memory or from recollection, allowed for those buses to become surplus to their requirements. Rather than leave them in Newcastle, they were brought down to Sydney.

Ms LEE RHIANNON: I am sorry, I did not understand that. Were you saying that there were replacement buses put into Newcastle and other ones were brought to Sydney?

Mr ROWLEY: My understanding is, yes. For argument's sake—

Ms LEE RHIANNON: There has not been a net loss of buses?

Mr ROWLEY: No. Volvo—there are actually 10 Volvo UO5 buses that have just gone into Newcastle, for argument's sake, over the last two months.

Ms LEE RHIANNON: Right.

Mr ROWLEY: So I would have to take that on notice, the exact numbers, but I will get you the figures on how many buses, from 2005 right to the present.

Ms LEE RHIANNON: I am interested in the total numbers, if there has been an increase, and if the buses that came to Sydney were replaced.

Mr ROWLEY: Okay.

Ms LEE RHIANNON: Not replaced, but if there now has been an increase in buses, so there has not been a net loss.

Mr ROWLEY: I will need to take that notice.

CHAIR: Mr Glasson, could I ask you, in relation to the need to improve public transport in New South Wales, if you can tell us what the Ministry believes is the greatest impediment to achieving that outcome, and how you are going to address that—whatever you say is the main challenge?

Mr GLASSON: In New South Wales generally or in Sydney?

CHAIR: Maybe you could take it in two parts: generally and metropolitan specifically.

Mr GLASSON: At to metropolitan specifically, I think the challenge overall is to provide increased capacity over time to need both population growth and shift from private transport to public transport. That is done in current terms by amplification of the heavy rail network and increased rolling stock rather than just rolling stock replacement. In terms of buses—and I think this is probably the most fundamental change—it is the combined impact arising from consolidation of the metropolitan area into 15 contracts and the roll-out by 2011-12 of the strategic bus corridors, which I think provide bus as a co-transport in a primary sense with rail rather than the historical role of buses in Sydney, which has been effectively to provide a service to a local station for people wanting to commute by rail. There is a fundamental change in philosophy in the provision of bus services across the metropolitan area arising from both the bus reform and the strategic corridors. Linked with that clearly is the need for an integrated ticketing product.

The Hon. MATTHEW MASON-COX: We would all like to see that.

Mr GLASSON: Indeed. Also with those things is an increased emphasis on an integrated marketing program across all public transport. The challenges in terms of the Central Coast, Newcastle, Blue Mountains and the Illawarra are similar to the metropolitan system but on a lesser scale, with a greater emphasis on bus in those areas and better integration of the bus network. The bus contracts in those areas have likewise been consolidated from previous fragmentation, where people could not run across boundaries under contracts to large contract areas and people being able to traverse adjacent contract areas to provide logical transport to meet community needs. Beyond that, we are in the process of bus reform in rural and regional New South Wales. That is a much different issue in that in rural and regional areas bus networks primarily about taking children to and from school and also dealing with basic levels of service within the regional communities.

CHAIR: What is the time frame of that review?

Mr GLASSON: The target for that review is to provide some advice to the Government by the end of this year. The rural and regional review has been under way now for a little over 18 months. It is being done between the Ministry and the bus industry in very much a consultative fashion, and its objectives are different. The metropolitan was about consolidation and sustainability; the rural and regional really is about sustainability to provide for families, particularly children going to and from school.

CHAIR: In relation to the famous—or infamous—Tcard project, what is the role of the Ministry in relation to Tcard?

Mr GLASSON: Now the Ministry has no role in relation to Tcard. It is the responsibility of the Public Transport Ticketing Corporation. The Ministry provides advice as required to government on a range of transport-related and portfolio-related issues, and we will do so when requested.

CHAIR: In relation to the overall budget for the Transport portfolio, what role does the Ministry play in setting that overall budget?

Mr GLASSON: The Ministry provides advice to the Minister and the budget process in relation to the matters for which it has core accountability—primarily the cost of providing the services. It also monitors the submissions of the State-owned corporations, such as Sydney Ferries and RailCorp, and may provide some advice to the Minister on those matters and to the budget process.

CHAIR: With respect to transport interchanges and some criticisms that were highlighted in the Auditor-General's report, can you advise the Committee how you are addressing those issues that were raised by the Auditor-General?

Mr GLASSON: The Auditor-General's primary focus is on how robust is the assessment criteria and the prioritisation of those things, and also the integration of management post construction. We have developed the criteria for the assessment of interchanges and interchange priorities and we are working on what is quite a complex issue in regard to post-construction ownership and management of those precincts. You will appreciate there are not just government agencies with ownership around those precincts but the private sector as well owns the land and some of the commercial franchises.

Ms LEE RHIANNON: Mr Glasson, when the Minister appeared before the recent estimates hearing he stated with regard to the Maldon to Dombarton rail line, "If someone came forward and said they were interested in investing money in the completion of the Maldon to Dombarton line and that someone was a private company, I would not be close minded to that." Has any party put a business case for this project to the Minister and have there been any talks on this matter?

Mr GLASSON: I am not aware of any business case and I have not been involved in any talks. As to whether there has been an approach to the Minister, I could not comment.

Ms LEE RHIANNON: You could not comment or you need to take the question on notice?

Mr GLASSON: No. I simply say that no-one has approached me, and I am not aware of any approaches.

Ms LEE RHIANNON: Has the Minister been lobbied by any coal companies seeking the completion of this rail line?

Mr GLASSON: Not that I am aware. That does not mean that he has not been, but my role is somewhat separate from the Minister's in relation to such matters.

The Hon. MATTHEW MASON-COX: Mr Glasson, at the hearing on 15 October I asked the Minister how much money the Government had spent to date on establishing a transport ombudsman following the State election promise to do so. I also asked when the transport ombudsman would be appointed. The response to the question on notice we received was: "The New South Wales Government is implementing the commuter charter." Can you explain that and perhaps address that question more directly in light of that response?

Mr GLASSON: I think that is a matter for the Minister to answer and that is a matter for the Government to announce.

The Hon. MATTHEW MASON-COX: So you have no knowledge of the plans in relation to a transport ombudsman?

Mr GLASSON: I do not have the accountability. There has been nothing announced that gives me accountability for that, as far as I am aware.

The Hon. MATTHEW MASON-COX: So there is nothing under way in your department in relation to the establishment of a transport ombudsman.

Mr GLASSON: There will always be things under way in terms of advice. But those things do not have status until such time as there is a decision either by the Minister or the Cabinet, and there is an announcement.

The Hon. MATTHEW MASON-COX: Who drafts the responses to these questions on notice in your department?

Mr GLASSON: I have various people who draft, depending on the specific nature of the advice required.

The Hon. MATTHEW MASON-COX: Perhaps you could do me a personal favour and send them a message that we would appreciate more fulsome answers in future when the Committee puts questions on notice.

Mr GLASSON: Sure.

The Hon. MATTHEW MASON-COX: Thank you.

CHAIR: That is the last question. I thank all three gentlemen for your attendance and for your assistance with this supplementary estimates hearing.

The Committee proceeded to deliberate.
