

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 4

**INQUIRY INTO THE CLOSURE OF CASINO TO MURWILLUMBAH
RAIL SERVICES**

At Sydney on Thursday 20 May 2004

The Committee met at 1.30 p.m.

PRESENT

The Hon. J. A. Gardiner (Chair)

The Hon. J. C. Burnswoods

The Hon. C. Cusack

The Hon. K. F. Griffin

Ms S. P. Hale

The Hon. D. E. Oldfield

CHAIR: I declare this public hearing of General Purpose Standing Committee No. 4 open. This is the first of our hearings into the closure of the Casino to Murwillumbah rail service. Today we will hear from the Chief Executive Officer of RailCorp, Mr Vince Graham, Senior Consultant, Strategy, Performance and Access Division of RailCorp, Ms Karyn Mercer, Executive Manager of CountryLink Projects, RailCorp, Mr John Shields, and the Roads and Traffic Authority. Evidence given to the Committee is protected by parliamentary privilege, which means that witnesses are given a broad protection from action arising from what they say. The Parliament has the power to protect them from any action that disadvantages them on account of the evidence given before the Committee.

We also remind you that the giving of false or misleading evidence to the Committee may constitute a contempt of the Parliament. An officer of the department or agency shall not be asked to give opinions on matters of policy, and should be given a reasonable opportunity to refer questions asked of the officer to superior officers or to a Minister. The Committee prefers to conduct its hearings in public. However, if there are matters that witnesses wish to discuss with the Committee in private we will consider such a request. I ask all people in the room to turn off their mobile phones. I welcome the witnesses.

VINCENT JOHN GRAHAM, Chief Executive RailCorp, Chief Executive Rail Infrastructure Corporation, Acting Chief Executive State Rail Authority,

KARYN JANE MERCER, Senior Consultant, Strategy, Performance and Access Division of RailCorp, and

JOHN SHIELDS, Executive Manager, CountryLink Projects, sworn and examined:

CHAIR: You are appearing here in that capacity today?

Mr GRAHAM: Yes.

CHAIR: In what capacity are you appearing before the Committee?

Ms MERCER: As somebody who has been involved in the provision of data and information to the questionnaire of the Committee.

CHAIR: In what official capacity are you appearing here today?

Mr SHIELDS: In being able to provide some of the answers to questions posed by the Committee.

CHAIR: In terms of broadcasting Committee proceedings, I remind members of the media of Standing Order No. 252 of the Legislative Council, which is available from the attendants. I invite Mr Graham to set out briefly the reasons for the closure of the railway line in the first instance.

Mr GRAHAM: The announcement of the closure of the Casino to Murwillumbah service, the XPT service that operates in each direction daily, the decision to withdraw that service and replace the service by high-level service frequencies of road coaches, was contained within the Government's mini-budget announcement on 6 April. That is the reason for the withdrawal of the service.

The Hon. CATHERINE CUSACK: You say the reason for the withdrawal was the mini-budget announcement. Is there any other reason for its withdrawal?

Mr GRAHAM: I think the mini-budget announcement referred to the financial issues more broadly of the State Government budget and the forecast costs of continuing to operate the service on the Casino to Murwillumbah line. Those costs specifically referred to were \$188 million over the course of future years and the most significant reason for future year costs was the considerable expenditure that would have been required specifically on timber bridges on that 130-kilometre stretch of line. That stretch of railway line, interestingly, has 30 per cent of the total number of timber bridges on the State network. Because of its topography there are indeed, I think, 4½ kilometres of timber underbridges that are on that 130 kilometres of track. The future expenditure required to maintain and progressively replace those timber bridges was looming as a very significant and immediate issue of funding, and was the basis of the advice provided by RailCorp to the Government prior to the mini-budget announcement that we expected that the annual above-rail below-rail savings associated with that train was approximately \$14.2 million on an annual basis.

The Hon. CATHERINE CUSACK: Is the \$14.2 million related to maintenance, or is that the global figure including upgrading costs?

Mr GRAHAM: It is what we refer to as below rail, which is the maintenance and intended cost of renewal of bridges, sleepers and return maintenance, and it also reflects the above-rail cost specifically of operating the service above rail between Casino and Murwillumbah in both directions.

The Hon. CATHERINE CUSACK: Can you further break down those costs for us?

Mr GRAHAM: Yes, I can. The above-rail costs under normal operations on that section—I am specifically talking about the costs associated with Casino to Murwillumbah and return; I am not referring to any of the cost associated with running that train between Sydney and Casino—are of the order of \$2.4 million

per annum and below-rail costs anticipated over the period of 20 years are \$188 million. And I can break that down for you on a five-year basis, if that would be helpful.

The Hon. CATHERINE CUSACK: Yes.

Mr GRAHAM: In years one to five the anticipated below-rail expenditure was \$66 million for an average annual \$13.2 million for the next five years. For years six to year, 10, \$62 million for an average annual expenditure of \$12.4 million. For years 11 to 15 the expenditure of \$35 million for an average annual expenditure of \$7 million and years 16 through to year 20, \$24 million for an average expenditure of \$4.8 million, making a total over 20 years of \$188 million with an average per annum expenditure over that 20 years in today's dollars, or in \$2001, actually, of \$9.4 million. I can provide a break-up, if you like, of that total expenditure by purpose if that would be useful.

The Hon. CATHERINE CUSACK: Yes, please.

Mr GRAHAM: This is now over the entire 20 years. The replacement of timber sleepers with steel sleepers was anticipated to cost \$32 million. The replacement of timber underbridges \$92 million. The replacement of timber overbridges, these are generally bridges carrying road traffic above the railway line, \$4.5 million. That level of expenditure is anticipated to be necessary whether the railway line has trains operating or not. It is about road motor vehicles.

The Hon. CATHERINE CUSACK: So that would continue, anyway?

Mr GRAHAM: The roads over the railway line will continue to remain open, and we would expect to incur that.

The Hon. CATHERINE CUSACK: Just to clarify, that expenditure is going to go ahead irrespective?

Mr GRAHAM: That needs to happen for the safe operation of those road bridges, obviously. Repair and painting of steel bridges at \$2.2 million. Dealing with some of the geotechnical issues through the 130 kilometres of track, and these are generally areas of potentially unstable embankment et cetera and this is an area, obviously, of high rainfall periodically we are dealing with here, the geotechnical repair is \$12.5 million and we would expect the routine maintenance element over 20 years to be of the order of \$19 million. So they are the elements of the break-up of the \$188 million.

The Hon. CATHERINE CUSACK: Does the routine maintenance excludes any of the replacement of timber sleepers?

Mr GRAHAM: Yes it does. We take that as a separate element in those costs. The replacement of bridges and the replacement of sleepers, which I have identified separately for you in those.

The Hon. CATHERINE CUSACK: The replacement of the bridges, would that be required earlier in a 20-year program? I have noticed that the program has been weighted for a lot of these things to be earlier rather than later.

Mr GRAHAM: Yes, it is, and that is reflecting the condition of these timber bridges. Of course, many of those timber bridges have been there since the opening of the railway line, which would be of the order of 100 years potentially, some of those bridges.

The Hon. CATHERINE CUSACK: 110. I suppose the community would say that the track has been very badly neglected and that is why this cost has accumulated to such a substantial size. Do you have any comment on that?

Mr GRAHAM: Yes. That is not factually based, that comment. I can understand it being made, but when one looks at the track condition index, which is a measure of track quality through the line from Casino to Murwillumbah, the track has actually been maintained to what we would regard as an adequate track quality index in terms of the safe operation of the system. The track does have of the order of 40 permanent speed restrictions through that 130 kilometres. Those speed restrictions are predominantly because of slow speed required on timber bridges and, clearly, the magnitude of expenditure required over both one to five and six to

10 years is heavily weighted because of the need that would have been there to replace those timber bridges. So it is not the underlying maintenance, it is the asset renewal, it is the bridge replacement program that dominates the \$188 million of expenditure in future years. From those numbers I have given you, you can see that the replacement of the timber underbridges and the painting of the steel is \$94.2 million in total, so it is approximately half of the total future expenditure.

The Hon. CATHERINE CUSACK: When the moratorium was announced last December that there would be no changes to CountryLink services for a 12-month period, were you of the view that the track was of sufficient quality to be operational until December this year?

Mr GRAHAM: Yes.

The Hon. CATHERINE CUSACK: Is it of sufficient quality to be operational until December this year?

Mr GRAHAM: Obviously, with continuing maintenance that is required, the inspections and replacement of sleepers would ensure that the track is safe at the operating speeds that are there. There has been no suggestion that the track has not been, to this point in time, safety maintained.

The Hon. CATHERINE CUSACK: So what was the saving to Government by closing the XPT service last Sunday as opposed to continuing through to the December moratorium?

Mr GRAHAM: In terms of the underlying historical savings, of the order of \$5 million per annum. In terms of the future savings, because of the very significant expenditure required on the track, we are talking about future savings of \$14.2 million per annum.

The Hon. CATHERINE CUSACK: Is it your evidence that by closing the service in May, rather than in December, the Government has saved \$5 million, which it otherwise would not have saved?

Mr GRAHAM: No. I think that is simplifying the evidence I have given.

The Hon. CATHERINE CUSACK: Do you understand my question? I am trying to understand what were the dollar savings as a result of closing the service in May rather than in December.

Mr GRAHAM: You would have to take that number of months as a proportion of \$5 million per annum. The actual operating costs above rail and below rail, historically, and therefore what we would regard as the recurrent budget year, are approximately \$5 million per annum. If you are taking eight months of that, you then take eight-twelfths of that \$5 million to get to that period. What that does not deal with, however, is the next budget year and, in particular, the requirement to deal with the timber bridge replacement program.

The Hon. CATHERINE CUSACK: Are you able to give us a breakdown of that \$5 million? Does it include the \$2.4 million in annual operating costs?

Mr GRAHAM: Yes. I think it is in the order of \$3.4 million or \$3.5 million in track maintenance, and approximately \$2.4 in above rail operations, which makes up that \$4.8 million.

The Hon. CATHERINE CUSACK: What is the track maintenance budget for the current financial year?

Mr GRAHAM: It would be in the order of \$3.5 million.

The Hon. CATHERINE CUSACK: Not \$1.6 million?

Mr GRAHAM: Where is the \$1.6 million?

The Hon. CATHERINE CUSACK: That is the figure that has been indicated to me as being the true figure, not the \$3.4 million that is continuously claimed by the Government.

Mr GRAHAM: I think we could provide satisfactory evidence to you, and we can also go back to the actual accounts of the maintenance expenditure for the last financial year, which would be 2002-03, which would indicate, from my recollection, a figure of over \$3 million. I am happy to provide a breakdown of that information.

The Hon. CATHERINE CUSACK: That is for the Casino to Murwillumbah section of the line?

Mr GRAHAM: Just the Casino to Murwillumbah section, that is correct.

The Hon. CATHERINE CUSACK: Given that a large number of passengers were boarding the train between Casino and Murwillumbah, do you have figures as to what percentage of passengers using the service were boarding the train at stations between Casino and Murwillumbah?

Mr GRAHAM: Yes, we have figures on the usage, both the source and destination of those passenger numbers.

The Hon. CATHERINE CUSACK: Rather than providing a detailed breakdown in your evidence, is it possible to have a document showing the passenger information tabled for the information of the Committee?

Mr GRAHAM: Yes, most certainly. We will also give you a breakdown by fare type of that passenger number, if that would be helpful.

The Hon. JAN BURNSWOODS: Madam Chair, it is fine to receive material in writing later, but for the aid of members of the Committee at this stage at least summary information on that matter, given verbally, would be helpful. Otherwise, we do not have the information to help guide our questions.

The Hon. CATHERINE CUSACK: Madam Chair, I can understand the Hon. Jan Burnswoods' interest in that matter, and therefore it may be a good question for her to ask during her question time. However, I have other questions I wish to ask during my question time.

The Hon. JAN BURNSWOODS: That is fine; I will make it one of my questions.

The Hon. CATHERINE CUSACK: Would you agree that the majority of passengers using the south-bound service were boarding at stations before Casino?

Mr GRAHAM: No. I can provide the detail of that information, together with a very useful graph of the on-and-off numbers. On the specific section from Casino through to Murwillumbah, the average daily number of passengers for a one-way journey was 184. To simplify it, if I may speak about the direction coming from Casino to Murwillumbah, because both directions are roughly equivalent anyway. If we look at the passengers who were still on the train after the train departed Casino—we are now heading out onto the Casino-Murwillumbah line—in the order of 184 passengers, on average, were on the train departing Casino.

We know that the passengers getting off are 34 at Lismore, 29 at Byron Bay, 6 at Mullumbimby and 114 at Murwillumbah. Of the 114 getting off at Murwillumbah, 86 then immediately transferred to a road coach to go through to the Gold Coast or Brisbane. So in total, of the 184 passengers who would have been on the train departing Casino, we know that 86 of them were transferring to a road coach to finalise their journey.

The Hon. CATHERINE CUSACK: Did the fact that their ultimate destination was in Queensland influence the thinking behind this decision?

Mr GRAHAM: No. If I could summarise it, I think the most distinguishing feature of the Casino-Murwillumbah line was the very, very significant costs that were needed to be expended for one train each way per day on timber bridges. That is simply a function of the geography and topography that the rail line has had to negotiate through there for more than 100 years.

CHAIR: Do you have any data over a period of time as to the trends in those passenger numbers?

Mr GRAHAM: I look to my colleague Ms Mercer to see whether we have that. I believe we would have details on the total passenger numbers on those trains over time. Whether or not the system allows us to break it down specifically for that led from Casino to Murwillumbah, I will take that on notice.

CHAIR: Going back to what you referred to as your track condition index, how did the Casino to Murwillumbah line rate compared with the index for other lines?

Mr GRAHAM: In answering that question I would immediately have to be able to draw to mind the track condition of other rail lines to do a quick mental comparison, and I do not. I have in my mind the trend information on the track condition index over the last seven or eight years for the Casino to Murwillumbah line. But, again, I would have to take on notice a comparison of that track condition index with some other lines, or with an average, and I am happy to do that.

The Hon. CATHERINE CUSACK: I return to the issue of the savings that will accrue as a result of closing the branch line in May as opposed to December. You said that the savings amount to eight months worth of \$5 million per annum. Are you confident that all those savings will be realised?

Mr GRAHAM: Could I go to the assumption behind the question. Of course, the rail service was withdrawn last weekend. Because the train is not running, obviously we are going to save the above rail operating costs between now and December. We are providing an additional \$1 million in additional coach services—coach services that are now servicing communities through that area that have never had a public transport service prior to last weekend. That additional coach operation is in the order of \$1 million. Obviously, we have issues of the redeployment of our staff, or voluntary redundancy, depending on the individual wishes of staff, that would need to be cash-flowed over that period. But clearly, faced with future expenditure of \$14.2 million, that is the overwhelming financial issue in dealing with Casino to Murwillumbah.

The Hon. CATHERINE CUSACK: I am trying to understand the financial benefits of making a decision earlier rather than later. What is the additional one-off saving by bringing that decision forward, rather than sticking with the agreed moratorium? I am not asking about the long-term savings that would be made irrespective of when the decision was made. About \$1 million is being spent on bus services to replace the train service, is that right?

Mr GRAHAM: The additional bus services, yes. Obviously, we already had in existence road coach services from Murwillumbah through to Brisbane and the Gold Coast. I think three services operated to support the passengers who were detained at Murwillumbah for Brisbane and the Gold Coast. In addition to that cost, we are expending approximately \$1 million on additional road coaches on the Casino-Murwillumbah leg. Obviously some of that is an extension of the Gold Coast to Brisbane services from Murwillumbah. We will also introduce the new services through some of the villages in the area that did not have public transport before that.

The Hon. CATHERINE CUSACK: That \$1 million is the total cost of the Murwillumbah services?

Mr GRAHAM: Per annum, that is right.

The Hon. CATHERINE CUSACK: And the new services include taxi services, is that right?

Mr GRAHAM: They can potentially include taxi services. We would anticipate that while we get positioned to put in place the wheelchair-accessible road coaches, we have contingency arrangements as part of our current operation this week to deal with any wheelchair passengers who specifically need to be accommodated. We have an arrangement with the road coach operator that, providing we give 48 hours notice of wheelchair passengers who are booked on those services, they will provide a wheelchair-accessible coach. In the event that passengers are not able to provide us with 48 hours notice, we have local contingency plans in place with the taxi operators to provide that wheelchair-accessible service at short notice.

The Hon. CATHERINE CUSACK: You would be willing to pick someone up and drive them if they needed a wheelchair service?

Mr GRAHAM: Obviously we are talking about providing that service to connect to and from the XPT service from Casino to Sydney, that is correct.

The Hon. CATHERINE CUSACK: The \$2.4 million above rail costs is a gross saving, rather than net, of the \$1 million, so you are looking at an operating saving of about \$1.4 million?

Mr GRAHAM: That is correct. And if you add to that the below the rail maintenance cost saving of approximately \$3.4 million or \$3.5 million, you come up with the anticipated annual saving of approximately \$4.8 million.

The Hon. CATHERINE CUSACK: I understand that a Queensland bus company has been awarded the contract to provide those bus services.

Mr GRAHAM: The bus company's name is Sunstate.

The Hon. CATHERINE CUSACK: Which is a Queensland bus company?

Mr SHIELDS: It is based in Brisbane and in Burleigh Heads in Queensland.

The Hon. CATHERINE CUSACK: When was the tender for those bus services let?

Mr GRAHAM: That road coach contract for the three existing services was the result of tendering arrangements conducted through to mid-2002. It was a competitive tendering arrangement for which Sunstate was successful. That contract provides the opportunity for us to modify or add additional services. We have taken that opportunity as an interim arrangement with Sunstate to provide the company the opportunity to undertake the additional services. Our intention will be to separately publicly tender the additional services that we are now operating. So the extended arrangements with Sunstate are intended to be interim arrangements, and we will go to full public tendering for the additional coach services supporting the XPT.

The Hon. CATHERINE CUSACK: It sounds as though you did not expect the decision that was announced in the May mini-budget.

Mr GRAHAM: Clearly, the Government's announcement in the mini-budget was on the basis of the financial position that the Government found itself again at the time, and that announcement was required by us to be implemented immediately following the mini-budget.

The Hon. CATHERINE CUSACK: So it was not a recommendation of yours?

Mr GRAHAM: We were asked prior to the mini-budget to provide information to the Government on the likely cost savings as a result of that initiative. We did so by way of a memorandum to the Minister for Transport, and I am quite happy to table that advice that was provided to the Minister immediately prior to the mini-budget.

CHAIR: Thank you, that would be appreciated. Was there any other advice in terms of other options for closures?

Mr GRAHAM: No, there was not.

CHAIR: It was just that one?

Mr GRAHAM: Just that one, yes.

The Hon. DAVID OLDFIELD: Mr Graham, I know you have just answered that there were no other advices, but do we understand when you were asked to identify cost savings you only identified this line in the whole State?

Mr GRAHAM: Yes, that is correct. In terms of the advice immediately prior to the mini-budget, that is absolutely correct.

The Hon. DAVID OLDFIELD: Did the Government give you a figure of what it wanted you to save?

Mr GRAHAM: No, it did not.

The Hon. DAVID OLDFIELD: So are we to understand that this service was the absolute best option throughout the whole State to cut?

Mr GRAHAM: Clearly, the future operating cost of the Casino to Murwillumbah line for one train service each way a day, given the particular geography and topography of that 130 kilometres of track and the predominance of timber bridges on that network, the expenditure required to continue with the operation of that railway line was considerable.

The Hon. DAVID OLDFIELD: It made it stand out?

Mr GRAHAM: It certainly made it stand out.

The Hon. DAVID OLDFIELD: What was the Government's reaction to this one specific line being identified in what could be saved?

Mr GRAHAM: I think you have gone into an area there of policy of government. I think that is not within the rules outlined by the Chairman at the start. I am happy to deal with the content of the advice but I think the policy deliberations of government are outside the scope of the inquiry.

The Hon. DAVID OLDFIELD: I merely asked what the Government's reaction was. I cannot see a reaction as being considered policy deliberations. Policy deliberations are usually as a consequence of reactions.

Mr GRAHAM: Personally, I cannot answer the question. In this period of time I was on a week's holiday, fortuitously, at Byron Bay.

The Hon. DAVID OLDFIELD: Is there somebody else among the witnesses—who perhaps was not fortuitously in Byron Bay—who can answer the question? It is a good thing you were not catching the train to Casino then.

Mr GRAHAM: Yes, I did make it my business to say hi to the locals. I think the document advice provided to the Minister will give you the detail of the information that was provided by RailCorp to the Government prior to the mini-budget.

The Hon. DAVID OLDFIELD: Did the Government come back and ask if there was more to be saved?

Mr GRAHAM: Again, I am not aware that it did that. We were asked for specific advice and we provided that specific advice.

The Hon. DAVID OLDFIELD: The timber bridges, are they being replaced with steel bridges? Or, I should say, if they were to be replaced I imagine they would be replaced with steel bridges?

Mr GRAHAM: They would only be replaced with steel or a composite structure with perhaps a steel structure concrete deck; or, alternatively, complete concrete. I think there is a range of engineering solutions to that. I would not try to be specific about it.

The Hon. DAVID OLDFIELD: With the engineering solutions, as you call them, that you have available today as opposed to 110 years ago, what sort of future maintenance costs in comparison would you expect if these bridges were replaced?

Mr GRAHAM: Obviously there is a very significant capital cost of putting these bridges in place.

The Hon. DAVID OLDFIELD: This is included in your \$188 million?

Mr GRAHAM: That is correct. I think I said it was in the order of \$94 million in total, but a modern bridge construction in terms of its ongoing maintenance you would expect to be less than the ongoing maintenance required on 100-year-old timber structures.

The Hon. DAVID OLDFIELD: I know this is perhaps a difficult question because goodness knows what we might be doing in 100 or 200 years, but what sort of expected life do you have out of these bridges, considering others are 110 years old?

Mr GRAHAM: A replacement structure?

The Hon. DAVID OLDFIELD: Yes.

Mr GRAHAM: I think for accounting purposes the minimum one would ascribe is an accounting life of at least 50, 60 years.

The Hon. DAVID OLDFIELD: Perhaps we should get the people who built the wooden bridges to come back and build new bridges and get double the life.

Mr GRAHAM: I sense that some of those timber bridges may indeed be a bit like grandfather's axe.

The Hon. DAVID OLDFIELD: What sort of process did you undertake to assess passenger inconvenience resulting from the cutting of these services?

Mr GRAHAM: I think the issue of passenger convenience or inconvenience can be broadly summarised by identifying the fact that almost half of the current passengers who are travelling on that leg from Casino to Murwillumbah are transferring to a road coach. That group of passengers are now obviously transferring to a road coach at a different point. So that inconvenience of modal transfer, if you like, for that group still occurs but at a different geographic location. For passengers who would have normally gone through on the train, getting off at Lismore, Mullumbimby, Byron Bay or Murwillumbah as their final destination, obviously they are now transferring to a coach and netting off that is the significant benefit for local villages and communities now who have available to them a public transport service that was not available to them prior to the introduction of the new coach services. So I think they are the three dimensions of the passenger convenience.

The Hon. DAVID OLDFIELD: Prior to the recommendation of the savings that could be made by the closure of the line, was there any survey of any kind undertaken with local people to determine whether they would feel inconvenienced by such closures?

Mr GRAHAM: No, I am not aware of any survey.

The Hon. DAVID OLDFIELD: Is there someone in RailCorp who would be aware of such a thing?

Mr GRAHAM: If it had been undertaken in the past 12 or 18 months I think I would have been aware of it, and either Karyn or John. So in that period of time I think we can safely say that there probably has not been.

The Hon. DAVID OLDFIELD: No community consultation on the matter?

Mr GRAHAM: No, no survey of passengers.

The Hon. DAVID OLDFIELD: Was there some other form of community consultation other than a survey then?

Mr GRAHAM: Again, prior to the mini-budget announcement I am not aware of that.

The Hon. DAVID OLDFIELD: So no community consultation?

Mr GRAHAM: As I say, I am not aware of that having occurred.

The Hon. DAVID OLDFIELD: And you are not aware of anybody else who might be aware of it?

Mr GRAHAM: No.

The Hon. DAVID OLDFIELD: So if such a thing happened it does not matter because no one can find out where it happened or what was said?

Mr GRAHAM: I am aware that as a result of the Parry inquiry and issues that broadly there were a number of community consultation forums established, certainly in the Armidale area and I think more generally in the Canberra/Queanbeyan area. I know that Ms Mercer attended those as a representative, but I am not able to identify for you any of those consultation forums that were undertaken in that particular area. However, I think there was certainly a degree of community input at that time in direct response to the Parry inquiry.

The Hon. DAVID OLDFIELD: Given the press, the general public reaction, people coming to Sydney and everything that has taken place since this was first announced, how would you assess the public reaction from an inconvenience or contentedness point of view?

Mr GRAHAM: I think there are probably two groups in that community: those who are advantaged and those who are disadvantaged in their perception by this particular budget-driven initiative. I am sure those communities who are experiencing public transport that they have never experienced before can see the benefit of it. I think the fact that as part of this announcement there has been half a million dollars provided to community transport in addition to the additional coach services—and bear in mind for local communities who are starved of funds to provide transport for people who are otherwise shut in for medical appointments, for their shopping, et cetera, a half a million dollars in the hands of local communities goes an enormous way—I am sure that there is a large group in the local communities who will receive significant benefit from the injection of an additional half a million dollars for local community transport.

I certainly understand the issues raised by those people who are feeling the loss of the rail service from Casino to Murwillumbah. However, when we get to a point where the taxpayer subsidy for a 130-kilometre journey is significantly more than the airfare from Coolangatta to Sydney, I think all of us who have a responsibility for sound financial management really need to consider whether we have the most appropriate public policy in place to provide subsidised transport. That is where we are: the actual cost per head for that 130-kilometre journey, when you look at the \$14.2 million per annum cost provided by the passengers and convert that to a daily cost, you are looking at slightly in excess of a \$100 subsidy per passenger journey with airfares now sustainable, presumably, out of Coolangatta to Sydney of something in the order of \$89. I think it is sobering to reflect on that fact.

The Hon. DAVID OLDFIELD: But airfares aside, given those circumstances, if the government of the day of 110 years ago had the same view with regard to public transport they would not have built the line in the first place, would they?

Mr GRAHAM: 100 years ago they did not have a view of air competition.

The Hon. DAVID OLDFIELD: That is what I said, airfares aside. What happens to a closed line like this?

Mr GRAHAM: There are many examples of these closed railway lines around the State. I think in the late eighties, early nineties there were probably 15 to 18 lines around the State that were, for similar financial reasons, closed by the government of the day. These railway lines need to be given a level of maintenance, if I could broadly call it that. Anywhere, of course, where there is an overbridge carrying a public road over the railway line clearly there is a need to safely and continually maintain those structures. There are also obligations in terms of some of the pastoral issues of rabbits and prickly pear and that sort of thing that have got to be dealt with as a continuing landowner, and there is no ability for RailCorp—or State Rail preceding RailCorp—to tear up the railway lines because that specifically requires an Act of Parliament to do that. So these rail corridors are preserved and the viability of the rail corridor in the longer term is preserved unless or until there is an Act of Parliament that says differently.

The Hon. DAVID OLDFIELD: So what is the ongoing cost of preservation?

Mr GRAHAM: They tend to be relatively minor costs compared with the cost, obviously, of operating a railway line. It would be a minimal amount. In the numbers that I have provided earlier I have identified the cost associated with the future overbridge public road maintenance, but I am more than happy to go back and get you an indicative number per kilometre, if that is useful to you.

The Hon. DAVID OLDFIELD: When the Government asked you to identify areas of savings, was it geographical in its inquiries, or in your inquiries? Was the Government indicating where you should look or where you should not look?

Mr GRAHAM: My understanding was there was a specific requirement to identify the potential cost savings associated with the Casino to Murwillumbah line.

The Hon. DAVID OLDFIELD: They picked that line, did they?

Mr GRAHAM: Yes, and I presume that is because of previous discussions associated with earlier budget years in identifying a whole range of cost-saving initiatives, which obviously Treasuries are always particularly interested in identifying under any government, in my experience. Previous discussions and information on a range of options would have identified where savings would have been possible, both in the country network and more broadly across the remainder of the network, and the overheads of the organisation.

Ms SYLVIA HALE: Mr Graham, you mentioned that you made a recommendation for closure in a memorandum prior to the mini-budget. Could you give me the date of that memorandum?

Mr GRAHAM: I believe it is a memorandum that was delivered on 5 April, the mini-budget was on 6 April, and the request to provide that information was on the previous Thursday.

Ms SYLVIA HALE: The previous Thursday was what date?

Mr GRAHAM: I need a calendar here. I think the 6th was probably Tuesday, the day of the mini-budget announcement, and this information would have been asked for on the previous Thursday.

The Hon. KAYEE GRIFFIN: 31 March, I think.

Ms SYLVIA HALE: Was that request in writing, by telephone, or do you have a copy of that request?

Mr GRAHAM: I understand it was a verbal request.

Ms SYLVIA HALE: But it would have been put into writing at some stage. Is that correct?

Mr GRAHAM: No. I think the verbal request would have come through, but certainly the advice was formalised in writing.

Ms SYLVIA HALE: You tell us that the request came through on the Tuesday—

Mr GRAHAM: I am sorry, the Thursday.

Ms SYLVIA HALE: On the Thursday. Can you remember telling this Committee on 26 March—presumably it was probably five or six days prior to that—and you were quite emphatic, I believe, that there was no intention to close the rail line or to replace it with buses?

Mr GRAHAM: That is correct.

Ms SYLVIA HALE: Yet you are saying that within a week of that time you were responding to a request by the Government.

Mr GRAHAM: That is correct.

Ms SYLVIA HALE: And that request related specifically to this particular line?

Mr GRAHAM: Yes.

Ms SYLVIA HALE: Do you feel the decision-making process therefore was somewhat hasty?

Mr GRAHAM: No. If I could take you back. In answering the question at the previous budget estimates, I was certainly relying on the announcements that had been made by the Government in respect to the Parry inquiry on 9 December last year, and very clearly of my evidence to the Committee at that point in time was based on the announcements that followed on the 9 December.

Ms SYLVIA HALE: Do you get the feeling that you were being left out of the loop in some way: that the Government's decisions and announcements do not represent any proper consultation with you, as the people responsible for administering the service?

Mr GRAHAM: To be fair, I do not think that the State Government had a terrible lot of consultation with the Federal Government in pulling the \$340-odd million that at the time was clearly identified by the Treasurer as being a fundamental financial issue for the State. So I suppose I could understand the sequences here of what you are seeing as lack of consultation. Clearly, the Federal Government has provided a financial surprise to the State Government, and in dealing with that we have been asked to respond in, understandably, a relatively short period of time.

Ms SYLVIA HALE: I take it from what you have said that when you responded to those questions on 26 March that there was no intention to use buses or close the line, and you said there were none, that you had no intention of misleading the Committee, and that you stated the position to the best of your knowledge?

Mr GRAHAM: Most definitely.

Ms SYLVIA HALE: You have said that it was the Government that nominated this particular rail service. Would you have been in a position to have provided comparable figures with any other rail service in so short a time, had the Government say nominated a service elsewhere?

Mr GRAHAM: Yes, I believe we would have been.

Ms SYLVIA HALE: Did you suggest in any way to the Government that there might have been more appropriate areas to cut, rather than this?

Mr GRAHAM: Again, if I could reinforce what I said. I was actually enjoying Byron Bay in that particular week—

Ms SYLVIA HALE: Or did your officers?

Mr GRAHAM: —but, on the basis of the information that we would have had available, the significance of the financial savings associated with Casino to Murwillumbah would have dominated any financial savings on any other section of the CountryLink network, most definitely.

Ms SYLVIA HALE: So you are saying that this was the obvious choice?

Mr GRAHAM: Absolutely. There is no question of that. Again, I come back to the point that it is because of the topography and geography of that line, the fact that it does have 30 per cent of the timber bridge population in the State on that 130 kilometres of track.

Ms SYLVIA HALE: I understand a big shipment of sleepers and other materials arrived on the north coast immediately after the mini-budget. Was there an upgrade scheduled for the Casino-Murwillumbah line?

Mr GRAHAM: One of the things that I actually did do while I was sunning myself in Byron Bay was have a look along the railway line and, as happens in maintenance cycles, the maintainers had been through and spotted the sleepers, with a daub of green paint at the foot of the rail, that they would expect to change out in the following sleeper cycle, and I did note that there had been some steel sleeper delivery at the Sydney end of the Byron Bay yard.

Ms SYLVIA HALE: What will happen to those sleepers now?

Mr GRAHAM: Those sleepers obviously will be productively used in other parts of the network. They are a valuable asset.

Ms SYLVIA HALE: So they will be transported elsewhere?

Mr GRAHAM: Yes.

Ms SYLVIA HALE: What are your plans for stations like Murwillumbah and Byron Bay now that the line is no longer being used?

Mr GRAHAM: I think in terms of their future use, clearly they do represent a significant community asset. I would not see them continuing to perform functions associated with ticket sales for the CountryLink network. Clearly, the most effective way to do that is to engage with the small business operators in local towns to provide, on commission, that service. So I think there is real opportunity for us to engage in consultation with the local community about future uses of what could be valuable community assets.

The Hon. JAN BURNSWOODS: Mr Graham, I flagged before that it might be useful for some of us to have the figures you mentioned today. I would like to give you that opportunity. But I think, in fact, as you went on later to answer questions from the Opposition members you probably provided some of those figures anyway, because they were needed to make sense. But perhaps, if there are others which would throw more light on things but that you have not got on the record, I would invite you to do so.

Mr GRAHAM: I think I would be comfortable going through some of those, or I will be happy to table the information. Perhaps it might be constructive if I were to give a short overview of the distribution of the 184 people, by fare type, that I was speaking about earlier. On the basis of the surveying that we have done of the passengers using the leg from Casino to Murwillumbah, of the 184 people, we would have 17 normally who are paying full fare; we would have 82 people out of the 184 who are either travelling for free or paying a fare of \$2.20; and we would have the remaining 85 people of the 184 who were travelling with discounts of the order of 40 per cent to 50 per cent. That is in the Casino to Murwillumbah direction.

If I could go on the Murwillumbah to Sydney direction—and again these figures are on average per day, and the average number of people I am referring to on this leg in the Murwillumbah to Sydney direction is 214; we have 13 out of 214 who are paying full fare; 94 of the 214 are either free or paying \$2.20; and 107 people of the 214 are travelling with discount of either 40 per cent or 50 per cent.

The Hon. JAN BURNSWOODS: Could I also, arising out of some of the points you made earlier, get some detail from you about the smaller centres or villages which will be included in the coach services which provide, I think you said, the first public transport that these villages have had?

Mr GRAHAM: Yes. If I may, Chairman, I might ask my colleague Mr Shields to give that information.

Mr SHIELDS: The communities that have now got a service include Becks Hill, Eltham and Binna Burra, which are small communities principally between Lismore and Byron Bay. However, there are in the region other communities, such as Bangalow, Chinderah, Hastings Point and Pottsville, which are now receiving a more frequent service. It has been, I understand, a local issue for some time in the Northern Rivers or Richmond-Tweed area about the ability, for example, of people from Casino to make a visit to Byron Bay to go to the beach and come back in the same day. That facility is now available for them to undertake those sorts of journeys—just as there are for people to undertake journeys further afield in either direction. People can come down to Lismore and go back, or they can go from the south up to the north and back, given the network that we now have in place there.

The Hon. JAN BURNSWOODS: I was going to ask you about the significance for consumers of the fact that, as I understand, essentially one train service a day is being replaced by two coach services. So, when you talk about the possibility, for instance, of people from Casino going to the beach and back in the same day, is that for that reason, or is that the extra local services?

Mr SHIELDS: It is the extra local services that are providing that facility.

The Hon. JAN BURNSWOODS: Can you or Mr Graham give us some detail about the favourable impact for commuters/consumers of fact that there are now two services a day by coach rather than one service?

Mr SHIELDS: A feature of the coach network is that, whilst a lot of the people who actually went to Murwillumbah travelled further than Murwillumbah by road coach to the Tweed and Gold Coast areas, there is a considerable urban population which exists on the coast between Tweed Heads and down as far as Brunswick which had previously received one CountryLink coach service a day that connected to and from an XPT at Casino at 4 o'clock in the morning, and back to an XPT at Casino at 10 o'clock, and those people now receive the connection off the daily Casino XPT service. A good number of those people who actually wound up at Murwillumbah on that train were in fact going towards Kingscliff, Pottsville and so forth, where there was not previously a service provided but now there is. So, in fact, what we are doing is taking them home.

The Hon. JAN BURNSWOODS: I have some knowledge of this: my mother lives at Banora Point, so I am aware of some of the positive differences.

Mr SHIELDS: We go very close to your mum's place.

The Hon. JAN BURNSWOODS: Can I ask a question, which is partly of probably historical interest? This line is now, and has been for some time, a relatively fairly limited passenger service. But I gather that, certainly when it was first built and for a long, long time afterwards, it was particularly important, for instance, for the dairying industry and other major freight areas. I am interested in the impact on lines such as this of the changes that have taken place over many decades in relation to freight as an important part of the cost equation in relation to rail.

Mr SHIELDS: The line was built as an isolated railway from Lismore to Byron Bay and on to Murwillumbah. There were a few reasons for doing that. Firstly, it was to open up the country, and particularly the country between Lismore and Byron Bay, which was known as the Big Scrub. It was an immense rainforest. And the forging of the railway line through that terrain really opened it up, to become a very, very rich farming and dairying area. So, over the years, the line has served several purposes. One of the first was to extract the timber out of that Big Scrub for sawmills along the route, to eventually load into ships at Lismore and be brought to Sydney. Over time, though, as the land was cleared, the purpose changed, and dairying, sugar cane, bananas, meat from the meat factories at Byron Bay and so forth formed a major part of it. But, naturally enough, the whole economy in that region changes over years. My family background is of dairy farmers from Casino, and they have not been in dairy for years now.

The economy of the region has changed significantly over the years but, even so, it has got to the extent now where there was no freight on that line. Over the years the passenger service has been a bit of a feature of that railway line and right from the early days it was pretty much one train a day. I guess it was recognised that the cost of running passenger trains on the Murwillumbah line was going to be an expensive exercise because as early as 1921, it was the location for the start of the first rail motor service in New South Wales, where they ran a daily rail motor to avoid the cost of running a full passenger train.

Passengers and the Richmond-Tweed railway have always been a bit of a point, I suppose. It reached its zenith really in the early eighties when it had two full-blown passenger trains a day—that was the Pacific Coast Express and the Gold Coast Motorail. However, time, the upgrading of the Pacific Highway, cheaper airfares and so forth have tended to overtake those early days of the Murwillumbah line.

The Hon. KAYEE GRIFFIN: Mr Graham, who said originally that that part of the rail network has 30 per cent of the total timber underbridges. How many bridges are you talking about in that 30 per cent?

Mr GRAHAM: There are 169 timber bridges and 29 steel bridges that we are talking about on that section of the railway line of 130 kilometres.

The Hon. KAYEE GRIFFIN: And from memory, \$90-odd million was the cost of replacement?

Mr GRAHAM: Yes.

The Hon. KAYEE GRIFFIN: If those underbridges were replaced, what would happen to the line while that work was being done? How would the replacing of those underbridges impact on the rail service, if it was going?

Mr GRAHAM: There would be some interruptions to services to allow that to occur. The construction techniques today, however, for replacement bridges is such where the substructures can be put in place under traffic and the decks of the bridges put in place in weekend possessions or week-long possessions, so there would be some interruptions to services progressively over a number of years to replace those structures.

The Hon. KAYEE GRIFFIN: The process would take a number of years in terms of replacement and that one rail service each way per day would be interrupted in that process over quite a considerable amount of time?

Mr GRAHAM: Yes, periodically it would be, but the level of the interruption, given the construction techniques that are there, would try to minimise the service disruption, but you cannot eliminate the service disruption.

The Hon. KAYEE GRIFFIN: You spoke at the present time about the bus tender and that the full tender process would be undertaken at a later time. Presumably, that would include all accessible coaches on those routes?

Mr GRAHAM: A condition of both the interim arrangements and any future public tender would be a requirement for accessible coaches to be provided, as a condition of contract.

The Hon. KAYEE GRIFFIN: You said that if a person needed wheelchair access an accessible coach could be organised within 48 hours at the present time, but with less notice, you would need to use another means, such as a wheelchair accessible taxi?

Mr GRAHAM: That is right. We can accommodate either of those alternatives, but, obviously, if we have more than 48 hours notice through the booking system, then our booking system deals with the fact that we provide advice to the coach operators 48 hours ahead. If, because of a short-term booking we are not able to accommodate that, our contingency arrangement is that local disabled taxi transport would be brought to the fore.

The Hon. KAYEE GRIFFIN: In terms of the time it took to go from Casino to Murwillumbah by rail, what is the travelling time for coaches?

Mr SHIELDS: The rail journey time was two hours 25 minutes. We can save around about 25 minutes to half an hour by using road coaches. Some of our coaches are slower than that on the timetable that we have in place because they visit some of the smaller localities. However, we would put in place express coaches, which do run that in about two hours, so there is about a 30-minute time saving overall in journeys.

The Hon. JAN BURNSWOODS: I am looking at questions that the Committee sent to you in advance. Some have been asked in slightly different forms but some have not. I was interested in parts of question 6 and issues arising from that about whether consideration was given to using part of the branch line, for instance Casino to Lismore and, if so, what was the result of the consideration and, if not, why not?

Mr GRAHAM: The short answer is that there was no consideration given because basically what is there in terms of timber bridge population throughout that 130 kilometres is basically there in segments as well in terms of future expenditure so if we look at Casino to Lismore, there are significant bridge replacement issues in that first 30 kilometres section.

The Hon. JAN BURNSWOODS: Question 8 refers to community service obligations [CSO]. Have you prepared some answers to the subquestions about their value, the waitings and so on?

Mr GRAHAM: Yes. Perhaps if I could just give an overview of answers to that question. The question specifically goes to the total value of community service obligations in the Northern Rivers area. Importantly, we do not receive community service obligations that are line specific. The support by way of government subsidy that we receive for the CountryLink business is generally in two parts. First of all, if I can just focus on the elements of what I call the above rail and train operating subsidy, we receive a subsidy from government for the total financial loss of the CountryLink service on an annual basis. We receive specific passenger journey-based subsidies from the Government for concession fares that we provide.

Where we are providing a pensioner concession fare, for example, we do get recompense from the Government for the build-up from the amount paid by the customer, if any, through to I think approximately 85 per cent of the full fare value. That is the second form of subsidy that we receive and, obviously, all of our capital expenditure in this loss-making business comes by way of grant capital. That is how it is structured in terms of the above rail subsidies. Those total subsidies for the 2002-03 financial year for the CountryLink business amounted to \$149 million—the above rail subsidy for CountryLink in total was \$149 million. That subsidy from government is not broken down and it is not route specific.

For below rail subsidies, again there is no line specific subsidy provided but the Rail Infrastructure Corporation, under a five-year CSO agreement, receives \$285 million per annum for the country network, the non-metropolitan network in the State that we maintain. That CSO, that \$285 million, is not allocated on a per line basis, however, on the basis of the allocation of costs and access revenue, this particular line we would assess to require in the order of \$3.9 million of below rail CSO funding allocation.

The Hon. JAN BURNSWOODS: You say that these figures are not allocated on a per line basis. Is there anything that we do know about the figures that would suggest that this particular line stands out as in some way different and contributes in some way more or less than its share, and that that balance is changing over time?

Mr GRAHAM: Yes, I think the issue of the balance is the important one here. Clearly, what historically has occurred in terms of the maintenance cost, the thing that is very much staring us in the face on the Casino to Murwillumbah line is, particularly in the next five years, expenditure on the replacement of the timber bridges. That is the stand-out issue in terms of the Casino to Murwillumbah line.

The Hon. JAN BURNSWOODS: What about any other area in terms of discounts, concession fares and so on. I assume it is increasing in that respect as, I assume, most other lines are increasing?

Mr GRAHAM: Yes. I do not think in that sense in terms of the above rail CSO component that there is anything that would particularly distinguished the Casino to Murwillumbah section from CountryLink operations more generally. As I say, the distinguishing feature is the very significant expenditure required on timber bridges for the 130 kilometres of track.

CHAIR: Is there a Mr Tony Okaro who works for CountryLink customer service relations?

Mr GRAHAM: I have drawn three blanks there, I am sorry.

CHAIR: I think that there is a gentleman by that name who works for CountryLink customer service relations. He has been receiving correspondence from people concerned about the closure of the railway line and he generates the standard response. In answer to one of my constituents he set out the Parry report data and the Government's response to that and then he says, "Country communities have accepted these changes as necessary to preserve CountryLink train routes." Would you agree that country communities have, in fact, accepted these changes?

Mr GRAHAM: If you give me the date of that letter it might help?

CHAIR: I think it was 30 April 2004?

Mr GRAHAM: That is post the mini-budget. Is he talking specifically about Casino to Murwillumbah or more generally about CountryLink?

CHAIR: No, he is specifically talking about what he calls the Murwillumbah train line?

Mr GRAHAM: No, I am sorry, I cannot help you with that.

CHAIR: We might follow that up elsewhere.

The Hon. CATHERINE CUSACK: Going back to the request from the Government for advice for the mini-budget, can I ask who in the Government made that verbal request?

Mr GRAHAM: It would have come through the Minister's office. In terms of who specifically there, I will find out for you and let you know specifically, but it would be one of the Minister's support staff, I presume.

The Hon. CATHERINE CUSACK: I suppose it is acceptable that someone from the Minister's office just rings the department and says, "We want to close the branch line". It does not have to come from the Minister even?

Mr GRAHAM: I do not think that would have been quite the conversation. I am imagining that the conversation would have been along the lines, "Could you please provide us with information relating to the costs and savings issues associated with withdrawing the Casino to Murwillumbah XPT?" As I say, I was not part of the conversation but I am assuming that that would have been the tone.

The Hon. CATHERINE CUSACK: Can I ask whom the request was made to?

Mr GRAHAM: Again, I say that I was not specifically there. The written information that was provided on 5 April was signed off by the acting chief executive, Fran McPherson, in my absence on leave.

The Hon. CATHERINE CUSACK: Did that go through the ministry, or did it go direct to the Minister's office?

Mr GRAHAM: No, it would have gone straight to the Minister's office.

The Hon. CATHERINE CUSACK: Who nominated 16 May as the date that the line should close?

Mr GRAHAM: I believe I did.

The Hon. CATHERINE CUSACK: Why did you nominate that date?

Mr GRAHAM: In order to achieve financial savings and to ensure that, in particular, our employees were not left wondering about their future. Given other issues that we have within the CountryLink business, I wanted to ensure that those employees who wanted to pursue redeployment or, alternatively, those who wanted to accept the enhanced monetary redundancy package, were able to get on with their lives and their careers. I came to the conclusion, or I did not think that it was useful for them or their future careers to have this thing swinging in the breeze for too long at all.

The Hon. CATHERINE CUSACK: So you wanted to be fair to your employees?

Mr GRAHAM: I wanted to be fair to employees, but I also wanted to ensure that the savings that we were going to be required to deliver as part of next year's budget and obviously for our forward budget would reflect the fact that we were being financially supportive of the cost of operating and maintaining this railway line. Given that the end of this financial year was rapidly approaching, I wanted to ensure that we maximised the financial disciplines associated with next year's budget and that we got in available savings as quickly as possible.

The Hon. CATHERINE CUSACK: Yet you are not going to be able to achieve those savings?

Mr GRAHAM: No.

The Hon. CATHERINE CUSACK: All the staff members are sitting there, fully paid. The whole thing has been done so quickly. Sleepers are waiting to be laid but people are drinking tea instead of laying them. No work is being done. All the staff members are still turning up to work. The only difference is that the train is not running. I find it incredible that you believe you will achieve the full extent of those savings when the rail line cannot possibly be closed down in that time. It is a lightning strike.

Mr GRAHAM: Let us go through each of those elements so that I can give you some understanding of them. I refer, first, to track staff involved on the Casino to Murwillumbah line. Because legislation is going through Parliament to enable the Australian Rail Track Corporation [ARTC] to take over the interstate and Hunter Valley networks as commercial networks, we are currently in the process of matching the future requirements of the ARTC with available staff. I think it would have been unfair if the organisation had not allowed people currently maintaining the Casino to Murwillumbah line to participate in any redeployment

opportunities that they wanted to pursue as part of that process. So the immediacy of the ARTC proposal and ensuring that staff on that line had the ability to participate I think were fair and important issues for those who wanted to pursue a career having decided on redeployment.

The Hon. CATHERINE CUSACK: They are not working on the main line this week though, are they?

Mr GRAHAM: They are certainly available to go through to the main line. I will not even proffer a view on where those 15 staff members approximately are located today.

The Hon. CATHERINE CUSACK: For the branch line as a whole are there 168 staff members?

Mr GRAHAM: No.

The Hon. CATHERINE CUSACK: Are station staff affected by this decision?

Mr GRAHAM: No, definitely not. Referring to the staff that will be affected by this decision, my recollection is that we have approximately 19 station-based staff and 13 infrastructure staff. That gives us a total of 32 staff that are affected by this decision.

The Hon. CATHERINE CUSACK: It is hard to reconcile, but I will come back to that issue later. Have you ever done an appraisal of the value of the line and the stations as they are at the moment? Have you, for insurance purposes, put a value on the Murwillumbah branch line or the station's infrastructure?

Mr GRAHAM: No. Let me be more precise about this. I think we most likely self-insure our stations and structures, but I will come back to you specifically on that issue. If that were the case we would not have done an evaluation for insurance purposes.

The Hon. CATHERINE CUSACK: Could you estimate the value of the track as it is at the moment—the level crossings, the stations and everything that is in place at the moment?

Mr GRAHAM: No, I could not.

The Hon. CATHERINE CUSACK: Could you come back to us with an estimate?

Mr GRAHAM: Yes, I could. I could come back to you with an estimate but it would probably need some greater definition in providing an evaluation. As soon as you ask accountants to provide an evaluation they start asking all sorts of questions. Are you talking about historical value, the historical depreciated value, or the replacement cost value?

The Hon. CATHERINE CUSACK: I am talking about the value of infrastructure that will now be abandoned. What is the value of the infrastructure that we will now not be utilising?

Mr GRAHAM: Again I think an important definitional issue is involved. We could go through and value the cost of the track, but you would only be able to value that either on its alternative use as second-hand material or on its scrap value. Because of the legislation we do not have the opportunity, however, to realise that value, as I mentioned earlier. So I think you are really asking us a complex question.

The Hon. CATHERINE CUSACK: I refer to the \$5 million savings per annum. Is that a gross figure or a net figure?

Mr GRAHAM: It has two components—above rail and below rail—and it is a net figure.

The Hon. CATHERINE CUSACK: You said earlier that the \$5 million that is to be expended on buses included \$2.4 million in above-rail savings.

Mr GRAHAM: Yes. I have netted off that \$2.4 million. There is \$5 million additional for buses, to give an above-rail net number of \$1.4 million. I have added that to the below-rail number of \$3.4 million to arrive at the figure of \$4.8 million.

The Hon. CATHERINE CUSACK: Does that include savings on overbridges?

Mr GRAHAM: It includes savings on current maintenance expenditure on those overbridges; it does not include any future savings associated with the replacement—the \$188 million that I took you through the detail of earlier in my evidence.

The Hon. CATHERINE CUSACK: Mr Shields referred earlier to two daily services. Are they funded by the \$1 million, or is there additional funding for that?

Mr SHIELDS: No, they are funded by that money. It is included in that.

The Hon. CATHERINE CUSACK: Why has that second service been provided?

Mr SHIELDS: To offer the community greater choice and to provide local travel options.

The Hon. CATHERINE CUSACK: Is that so that the buses can come back? I presume that that is part of their route?

Mr SHIELDS: No.

The Hon. CATHERINE CUSACK: Is it just an additional new service?

Mr SHIELDS: That service commences in Tweed Heads in the morning. It runs down to Casino to connect with the Brisbane to Sydney XPT. Along the way, for the first time, it provides a direct service out of Lennox Head, Ballina and Alstonville into that train. People who travelled from that region in the past have had to catch the coach to Grafton to join the train. Now they can travel straight through to Casino to pick up that service. It then provides a service from Casino back to Tweed, departing Casino at 10.20, going via Lismore, Byron Bay and Murwillumbah. It then comes back out of Tweed Heads—the same coach, but a different run—at 3.30 in the afternoon and it goes down to Casino. It then provides a service to connect with the train to Sydney and, at the same time, it provides a service off that train from Sydney back to Tweed Heads.

The Hon. CATHERINE CUSACK: When will that service go to tender?

Mr SHIELDS: That service will probably go to tender within the next month or six weeks, as soon as we can have a specification drawn up.

The Hon. CATHERINE CUSACK: When do you think it will be finalised?

Mr SHIELDS: When we went to tender for the contracts that are now operating up there, it took us five months. Recently we had to re-tender for some of those services because of the unfortunate King Brothers fiasco. It took us about six months to go through the process.

The Hon. CATHERINE CUSACK: Has any consideration been given to local coach companies not having the same discount on registration, insurance and workers compensation that Queensland companies have?

Mr SHIELDS: I think all the companies undergo a fairly rigid technical assessment to ensure that they comply with our specifications. They need to be accredited coach operators, they need to have appropriate insurance and they need to have appropriate safety and environmental matters in place. They need to have an appropriate maintenance regime for their coaches. Their coaches need to comply with our specifications regarding toilets, seat belts, airconditioning, wheelchair access and so forth. In that regard it is the same right across the State.

The Hon. CATHERINE CUSACK: So there is no adjustment for the fact that Queensland companies have a lower cost structure than do companies in New South Wales?

Mr SHIELDS: No, there is not.

CHAIR: I refer to the ARTC lease agreement that is due to be signed shortly, or within the next few weeks. Is that correct?

Mr GRAHAM: Yes, that is correct.

CHAIR: Will it be signed within the next few weeks?

Mr GRAHAM: I would expect by about mid-June.

CHAIR: You have already made it clear, but I want to double check, that the Casino to Murwillumbah rail line will be included in the lines that the ARTC will manage and on which it will conduct maintenance?

Mr GRAHAM: No, it will not.

CHAIR: Can you tell us why not?

Mr GRAHAM: The ARTC arrangements are in two parts. Part one is what is referred to as the commercial network. The commercial network consists of all of the interstate routes—from New South Wales to Victoria, to South Australia and to Queensland. The commercial network also includes the Hunter Valley. Under legislation the ARTC is to be provided with a 60-year lease of that commercial network. It will take full commercial responsibility for the revenue collection and costs associated with that work. The second part of the ARTC arrangements is for the country residual lines—all the remainder of the operating rail network in New South Wales which it will maintain and operate under a shorter term contract of the order of four or five years.

Under those arrangements, the cost responsibility and the revenue collection will continue to be matters for the New South Wales Government. All the disused railway lines—those that were shut in the period from 1989 through to 1991-92, including the Casino to Murwillumbah line—will not be part of the maintenance arrangements for the ARTC. On disused railway lines the obligations will be managed separately from the proposed ARTC arrangements.

CHAIR: As a result of those arrangements, have you received any advice from the Government or the Minister if the \$200 million a year in funding is no longer needed, from a New South Wales point of view, for the interstate and Hunter Valley railway lines? Can that money be redirected into maintenance funding for other country rail lines?

Mr GRAHAM: Again I will divide the \$200 million into two parts. The total community service obligation [CSO] arrangements provided for the non-metropolitan network amounts to approximately \$285 million per annum. Of that amount, of the order of \$170 million could be attributed to the interstate and Hunter Valley network. However, the Hunter Valley network in particular is a source of profit for the Rail Infrastructure Corporation. So while it may lose some of its costs associated with maintaining that, it will also lose the profit associated with it. We would expect that the funding arrangements required for the maintenance of the non-interstate and Hunter Valley network will continue, obviously, to require of the order of \$110 million in expenditure. So the net position for the State Government as a result of the ARTC clearly is not a net saving of \$200 million. In relation to budget outcomes it is far more complicated than that. Clearly, we would expect to see some savings associated with the net effect of ARTC on the State budget.

CHAIR: Do you have a figure as to what those net savings would be? Would they go back into the other country lines?

Mr GRAHAM: I do not have a net number that I have prepared for evidence before the Committee today. I am sure that we can prepare a reasonable estimate of that for the Committee. But the increasing demands for funding of the country and metropolitan rail networks are quite considerable and I would expect that the money that is saved from ARTC would continue to go towards providing support for the increased costs in subsidies that are required for both country and metropolitan operations.

The Hon. CATHERINE CUSACK: Are you saying that the \$285 million will reduce to \$110 million for the country network?

Mr GRAHAM: No, I am not. As I attempted to say, the net outcome is significantly more complicated than that because of the current additional funding that comes from the profit earned by the Hunter Valley network that will no longer be available to it. I would not attempt to try to deduce on my feet an appropriate net number.

The Hon. CATHERINE CUSACK: How much will you spend on the country rail network?

Mr GRAHAM: If we are defining the country rail network as non-metropolitan, the total subsidy for that is \$285 million. In order to arrive at the total spend I would need to provide a figure of the access revenue that is earned from that network, and I simply do not have that in my head.

CHAIR: Would you be able to provide it?

Mr GRAHAM: Yes. The information is available; I just have not prepared it for this afternoon, I am sorry.

Ms SYLVIA HALE: We understand that the study of a possible rail link to Queensland may take some time. Do you have any advice as to the schedule?

Mr GRAHAM: No, I do not, other than I think the Minister has certainly indicated a preparedness for the Government to participate in that. There is an understanding that the viability of the corridor can be maintained in terms of the route to allow for any of those outcomes to occur. I am also aware of the competing proposals for the additional inland rail route from Victoria, through Parkes and connecting to Queensland via the Moree to Boggabilla railway line in New South Wales. Obviously on the broader canvas at the moment we have one existing route to Queensland and potentially two alternate routes to Queensland. I think each of those issues will need to be considered on the broader canvas.

Ms SYLVIA HALE: Would you say it is likely that the outcome of any study will be at least two or three years down the track?

Mr GRAHAM: I have no time frame in which to judge that. I would think the planning issues associated with those things and the time frames that are being considered would normally be matters for the Department of Infrastructure, Planning and Natural Resources, rather than matters for RailCorp.

Ms SYLVIA HALE: Let us assume that it took two to three years. It was decided that the coastal rail link was the preferred option, what would be the impact of failing to maintain that rail link over the next several years? If it were decided to go ahead would additional costs be incurred because of the failure to maintain the link?

Mr GRAHAM: No, I do not believe so. Obviously, whether the link is maintained or not and whether there is a future connection or not, in any of the future operating scenarios the timber bridges on the existing 130 kilometres would need to be replaced. So any evaluation of the connection from Casino through Murwillumbah to Robina would need to take into account the full cost of constructing that as a long-term viable route. Clearly the replacement of the timber bridges would be an issue for the financial evaluation of that option.

Ms SYLVIA HALE: Do you believe maintaining the Casino to Murwillumbah link and taking it north to the Gold Coast would meet the needs of far greater numbers of people than alternative routes that, as you suggested, went up through Parkes and other country areas?

Mr GRAHAM: I think the future of a Robina connection would very much have to be judged on the basis of its potential for passenger transport. Providing an alternative route for freight by that coastal route I think is most improbable, given the more direct Sydney to Brisbane connection available on the current route and the potential for an inland connection. I think the evaluation would see the Casino, Murwillumbah and Robina connection stand on the financial assessment of largely the passenger benefits associated with that railway. It is appropriate that it be considered.

Ms SYLVIA HALE: In the context of the decision to close the line, taking into account purely financial considerations, was any attempt made to estimate the potential cost of servicing roads to offset the savings to rail compared with the added costs associated with road usage?

Mr GRAHAM: I think after us you will receive advice from a gentleman from the Roads and Traffic Authority [RTA], who is far more capable of answering your specific questions on these issues than I am.

Ms SYLVIA HALE: One of the complaints from people who came down overnight by train from the area to indicate their unhappiness with the decision was that they felt that buses could not adequately meet their needs. We were given instances involving very young children, diabetics who needed to be able to stop and use facilities, and elderly people, whom it was suggested would not be as well served by a coach service as they are by the existing rail service. Do you have any comments on that?

Mr GRAHAM: As I said earlier, I idled my time in Byron Bay for a week recently and I spent a little time observing the coach operations coming in and out of the coach terminal, which is in front of the railway station at Byron Bay. I was gobsmacked by the frequency of the commercial road coaches coming in and out of Byron Bay and clearly their acceptability to the market coming to and from the town. I observed—perhaps it was simply the time of day that I was there—that the frequency of interstate road coaches coming through and servicing that market seemed to be at the rate of three or four per hour at some times of the day. Clearly, the road coach industry has satisfied the requirements of a considerable market—certainly people travelling through Byron Bay.

Ms SYLVIA HALE: Do you think that in satisfying the requirements of that market the requirements of a significant segment of the population will not be met if road coaches become the only available form of transport?

Mr GRAHAM: No, I do not believe so. When you start to segment the market and identify the various groups I think it is extremely important that public transport adequately provides for disabled and handicapped access. Clearly, that access continues and the coaches being provided will ensure that that access continues. We will deal with any interim problems through the use of appropriate local disabled taxi facilities.

Ms SYLVIA HALE: Have any comparisons been done of the number of accidents that have occurred on the relevant stretch of road involving coaches specifically and the number of accidents that have occurred on the rail line?

Mr GRAHAM: I think those matters—in terms of the economic, social and environmental issues—are generally best dealt with by the road comparisons. I am sure that our colleague from the RTA may be able to provide you with some input on those road issues. I might add—perhaps this is a timely moment to say this—that the fatal level crossing accident at Baan Baa a fortnight or so ago is a timely reminder that railway level crossings, and therefore railway operations, are not risk free in terms of potential incidents and accidents. That is one of the unfortunate consequences of the volume of road and rail traffic at level crossings today.

Ms SYLVIA HALE: Do coach drivers or operators also undergo the very stringent health checks being conducted on CountryLink drivers and rail drivers generally?

Mr GRAHAM: I am not familiar with the accreditation requirements of road coach drivers.

Ms SYLVIA HALE: I think there is probably a far great propensity—I do not have the figures—for accidents to occur on roads as opposed to rail. Do you think that would be an appropriate requirement since it is considered to be so important to public safety on the rail network? Do you think it would be an equally appropriate requirement to demand of private bus operators?

Mr GRAHAM: I think that is a very broad policy issue of government that is well outside the operational mandate that I have on a day-to-day basis. I simply leave that in the position of a policy issue.

Ms SYLVIA HALE: Yes. This policy of closing the railway will presumably force more people onto the roads. Should not the dangers inherent in that move—particularly when we are so conscious of those dangers in relation to rail services—have been added to the equation?

Mr GRAHAM: If I might comment as an individual citizen rather than in my ascribed role here, it occurs to me that the preponderance of fatal accidents on our road system, particularly in some areas that we are concerned about, is related very much to heavy vehicle accidents. Personally, I would like to see the long-

distance road operators subject to similar discipline and fatigue arrangements and similar drug and alcohol testing as the competitive form of transport, rail. That is certainly an issue for governments to address. We constantly see road freight operators—who in some cases are growing markets at the expense of rail—who do not have to abide by the same stringent fatigue and drug and alcohol testing requirements as rail transport. In that broader sense, as an individual, I would certainly like to see Federal and State governments move as a collective on that specific issue.

Ms SYLVIA HALE: Given that you have said that these are very real dangers—whether it is truck operators or whatever—do you think it is wise policy to adopt an action that will push more people onto the roads and off a relatively safe method of transport?

Mr GRAHAM: We clearly have an opportunity, because we are entering into commercial contracts with road coach operators to provide these alternative services, to prescribe the appropriate arrangements that we think should be in place for our coach operations.

Ms SYLVIA HALE: Will you do that?

Mr GRAHAM: Mr Shields will pick up what we do now.

Mr SHIELDS: There are already regulations in New South Wales that are applicable to interstate operators, interstate road coach operators, who operate through New South Wales that do prescribe hours of duty and intervals between duty and breaks in duty quite prescriptively. For example, you must have a break of at least 30 minutes in every five hours behind the wheel and a driver cannot be rostered for more than seven hours in a day. They are really quite prescriptive. It is part of our role in engaging those services to ensure that any contractor who provides to us abides by those regulations. Likewise, any health regulations or medical requirements for their drivers. It is our role, as a responsible user of these services, to ensure that all of our contractors, not only in the Northern Rivers but we operate over 560 road coach services a week throughout New South Wales from Broken Hill to Eden and as far south all the way Mildura, and we have quite a lot of contracts in place to provide these services, that the people who provide them do so within the regulations and have safe practices within the particular organisations.

Ms SYLVIA HALE: Are you about to, if you do not at the moment, require those contractors to subject their drivers to the same regimen that rail drivers are being subjected to? Is that your intention, if that is not happening at the moment?

Mr SHIELDS: At the moment that is not required by legislation. As to whether or not we might do that in the future, again, I believe that would be a policy issue.

Ms SYLVIA HALE: Is it true that CountryLink is the biggest bus operator in New South Wales?

Mr SHIELDS: I believe it is, yes. We operate, I think it is, 567 coach services a week. We provide not only services in the Richmond-Tweed, but a fairly extensive network of road coach operations in the west from Lithgow to Mudgee, Coonabarabran, as far up as Baradine by three different routes. We go from Bathurst out through Grenfell, from Lithgow to Parkes all the way out as far as Nyngan. We run from Dubbo to Lightning Ridge, through Walgett and out to Broken Hill, Bourke and Brewarrina. In the southwest we operate to Mildura, Lake Cargelligo, Condobolin, Tumbarumba. There are not many places in the State we do not go. South in the Eden-Monaro area we run down to Bombala to Cooma, Merimbula, Eden, south along the Murray from Albury down to Echuca and from Wagga Wagga out as far as Deniliquin and Balranald. So there are not many places in the State we do not go.

Ms SYLVIA HALE: Given the extensive range of the network, I imagine one of your first priorities will be to ensure that the drivers of those buses actually meet the same standards that rail drivers are expected to meet, given that there is far greater likelihood of accident, I would have thought, on road than on rail.

Mr SHIELDS: The contracts are provided in accordance with the regulations and we make sure those regulations are adhered to. If we were to require the drivers to be to any other standard other than that already required by the regulations, and the regulations do require very particular standards for public passenger vehicle drivers, that, I think, would require a change in policy to implement.

Ms SYLVIA HALE: But you would think it would be appropriate, therefore, to set about changing those regulations to make sure that the maximum safety is available to people, if they are obliged to use road rather than rail?

Mr SHIELDS: Changes to the rail driver health standards came about as part of our national change, not just in New South Wales. It is part of almost our national change in driver health standards. Whether or not we are able to launch out on our own, or even whether or not those standards might be appropriate for coach drivers, I am not expert enough to say, I am sorry.

Ms SYLVIA HALE: But it would be initially worth exploring, surely?

Mr SHIELDS: It may be worth exploring, but as to whether or not we would be able to say, Yes, we will do that", I do not think I am expert enough to say whether or not we would either gain benefit from it or be in a position to direct policy.

The Hon. KAYEE GRIFFIN: Last week in a media release the Minister talked about the establishment of a working party to look at the future of the rail corridor. Part of the comments there was in relation to monetary standards of the CountryLink services. Are you aware of how long it will take to set up the working party, and how that will occur?

Mr GRAHAM: No, I am not. The monitoring of the services that have been introduced will be an ongoing issue. Obviously, given the transition to the new service we have some very intensive management supervision and monitoring arrangements in place to ensure the smooth introduction of the additional services in the area and introduction of the new timetable with the train now running 4 or 4½ earlier. We will keep up that intensity of supervision to ensure a very smooth introduction of the additional services that have been provided now in the Northern Rivers.

The Hon. KAYEE GRIFFIN: As part of the continuing revision of how the services are going, would you possibly have to look at any changes when you are doing your next round of calling tenders?

Mr GRAHAM: Yes, I think we would be keen to see this settle in now for a few months and ensure that we monitor any of the issues that our customers have associated with these services. It may very well be that the additional services that we are now providing for the first time through some of these areas there is community input into the appropriateness of the timetable for the additional services that are being provided. We will certainly be keen to understand what those inputs are and, obviously, move to modify if necessary the additional services that are being provided.

The Hon. JAN BURNSWOODS: I understand you have a certain amount of knowledge of the cancellation of the North Coast Overnight Express to Grafton, the Gold Coast Motorail and the Grafton XPT during the time of the Liberal Government in New South Wales some years ago. I wondered if you could make some comments about the former Government's closure of these services and what happened and what subsequently happened?

Mr GRAHAM: Again, I will not comment on a policy issues associated with the previous Government either. But it is fair to say that around 1988 when the Greiner Government came to power it instituted a commission of audit at the time to have a good look right across government as to what the financial position was. I think that was chaired by Charles Curran.

CHAIR: The Curran report, yes.

Mr GRAHAM: As a result of that a very significant amount of work was done both for the metropolitan rail system and for the freight and country passenger rail system. The outcome of the policy of the day of that Government was to move to institute some fairly substantial modifications to country passenger services and, I think, to move to withdraw services from quite an excessive number of railway lines. I think there was probably something of the order of 15 or 18 rail branch lines that were impacted on at that time. And I was in the position of one of the deputy chief executives at that time prior to going for 10 years to National Rail and had the task of implementing many of those policy changes of the government of the day.

The Hon. JAN BURNSWOODS: One of those services was the Gold Coast Motorail?

Mr GRAHAM: Yes, it was.

The Hon. JAN BURNSWOODS: I guess this follows on to some extent from part of the question the Hon. Kayee Griffin just asked about what happened to some of the railway lines when the services were cut. I think I remember that in one case one line was handed over to the army for explosives practice by the Greiner Government.

Mr GRAHAM: I am sorry, I do not recall that. I do recall, however, that the range of issues that we had to deal with at that time were difficult. I can recall matters associated with the closure of the Canberra-Cooma-Bombala line and the impact there. The Bourke line, I think, was also affected at that time.

The Hon. JAN BURNSWOODS: I think that might have been one where the army blew up the timber bridges at the invitation of the Greiner Government.

Mr GRAHAM: So long as the Committee understands that I did not blow it up.

Mr SHIELDS: I seem to recall that is the case, yes, some of the timber bridges out the Bourke itself.

The Hon. JAN BURNSWOODS: I guess since you described as the position you were occupying at the time as deputy chief executive—?

Mr GRAHAM: Yes. I think the position was one in charge of the freight and country passenger services of New South Wales at the time, so it was basically running outside of the metropolitan system.

The Hon. JAN BURNSWOODS: Presumably, in relation to these cuts, you would have had quite a lot of contact with the Minister's then chief of staff, Mr Barry O'Farrell?

Mr GRAHAM: I interacted closely with the Minister and the Minister's staff.

The Hon. CATHERINE CUSACK: You say that you are introducing a superior service, is that correct?

Mr GRAHAM: We are certainly introducing additional services both in terms of frequency and to locations that have not been serviced before. So, clearly, for those people who are advantaged by that it is obviously an improved service.

The Hon. CATHERINE CUSACK: Would you agree that a fair test of success of that would be the patronage of the new services?

Mr GRAHAM: I think it is important that we continue to monitor those.

The Hon. CATHERINE CUSACK: Are you aware of what the patronage of the service was last Monday?

Mr GRAHAM: Day one of the operation I think it is a little bit early to judge. I would like to see several months of information and input. Obviously, the community becoming aware of the existence of these new services will take a long time to filter through.

The Hon. CATHERINE CUSACK: I think you said previously that 212 passengers on a southbound train is the average. Would it surprise you that only about 30 people caught the service from Casino on Monday?

Mr GRAHAM: I cannot confirm those numbers. I do not know whether Mr Shields can.

Mr SHIELDS: I understand that number was about 82 from Casino last Monday. I was on the train.

The Hon. CATHERINE CUSACK: How many people caught the buses to Casino station?

Mr SHIELDS: All of them.

The Hon. CATHERINE CUSACK: All 82, so no passengers presented at Casino station at all?

Mr SHIELDS: There were 82 coming off the coaches—that is off five coaches. I think there might have been one of them with 30 people on board, but all up there were about 82.

The Hon. CATHERINE CUSACK: That is really less than half?

Mr SHIELDS: The number you are looking at is the average number, which is right through the year and includes Easter, school holidays and Christmas. We are presently in an off-peak period where, traditionally, patronage is low. I am not surprised by those sorts of numbers.

The Hon. CATHERINE CUSACK: In terms of the June long weekend I understand that there will be track work on the line between Maitland and Sydney.

Mr SHIELDS: Correct.

The Hon. CATHERINE CUSACK: People will be catching buses out from Murwillumbah to Casino under the new timetable then be taken off the train at Maitland and put on a bus again to go to Sydney.

Mr SHIELDS: That is correct. But we are also providing an alternative for people to travel directly through to Sydney by coach, should they wish to take that alternative.

The Hon. CATHERINE CUSACK: Under the new timetable, instead of the train arriving in Maitland at 9.00 a.m. it will arrive at 4.05 a.m.

Mr SHIELDS: That is correct.

The Hon. CATHERINE CUSACK: So passengers taking the train will be disembarking in subzero temperatures in the early hours of the morning?

Mr SHIELDS: I am not sure that Maitland has subzero temperatures. But you are right: it is early in the morning.

The Hon. CATHERINE CUSACK: Can I suggest to you that it might have been more humane to passengers if you had waited until after the June long weekend before changing the timetable. I am trying to understand whether the 16 May decision took into account any of the circumstances that can affect passengers.

Mr GRAHAM: Irrespective of what might have been occurring on the Casino-Murwillumbah line, the reality is that track positions associated with the June long weekend for Maitland to Sydney would have been there, and are there, under any of these operating scenarios. You also make the point, I think validly, that this train is now operating 4½ hours earlier than the previous service was operating. I think it is important also to identify the advantage of that earlier timetable into Sydney, in that for the first time it provides a connection with other interstate and CountryLink XPT services that depart from Sydney in the early hours of the morning. So while there is certainly some disadvantage for people en route who are dealing with travelling by train in the wee hours of the morning, there is also an advantage in terms of the connection with other CountryLink services.

The Hon. CATHERINE CUSACK: Given that it is a holiday destination and the June long weekend is a holiday period, I suggest it would be humane to passengers to allow the service to continue so they would be getting off at Maitland at 9.00 a.m. and not at 4.05 a.m.

Mr GRAHAM: I understand the point you have made.

The Hon. CATHERINE CUSACK: What factors went into the 16 May decision?

Mr GRAHAM: We are constantly dealing with difficulties that are associated with track work in the greater metropolitan area. The reality is that many significant events occur during the course of the calendar year, including the Royal Easter Show, State of Origin football games, the World Cup, long weekends, and

football grand finals and finals. We utilise the weekends to maintain the track in a safe and adequate condition, and I think many people, and indeed many events, are inconvenienced by the maintenance regime that we put in place. We certainly do our best, as we have done in this case, to provide alternatives so that our passengers are not unduly inconvenienced.

The Hon. CATHERINE CUSACK: I suggest that the needs of CountryLink passengers are simply not being factored into the matters you have referred to.

Mr GRAHAM: For example, we have recently finished a major close-down and maintenance activity on the main western line. During the course of that, certainly our CountryLink western passengers were inconvenienced. Again, we put in place alternatives for those passengers to minimise the inconvenience they may suffer as a result of essential track work.

The Hon. CATHERINE CUSACK: When the Government announced the moratorium in December last year there was to be a review undertaken. Can you outline what steps were taken to implement that review, and what stage the review had reached when it was decided to close the line?

Mr GRAHAM: As a result of the Parry report and Government announcements on 9 December, incorporated in those Government announcements was a requirement for a number of matters associated with the CountryLink business to be reviewed, and the patronage cost and revenue issues were to be reviewed over a period of power of months, identified in the Government's announcement at that time. Specifically, in terms of the matters that we are—

The Hon. CATHERINE CUSACK: Would you agree that that part of that review was to identify alternatives to closing the line?

Mr GRAHAM: I was just about to go through one or two issues that are being addressed as a result of our attempts to improve the financial performance of CountryLink more generally. All these matters are currently being reviewed by RailCorp. We have not yet provided the results of that review to the Government, but I will take you through the issues that are under review on that broader canvas. We are looking to restructure the sales and booking reservation functions of CountryLink by providing a capability for bookings to be made by our customers on the Internet. Currently we do not have that capability, and we intend, as part of our broader reform, to provide customers with the capability to do that.

The Hon. CATHERINE CUSACK: May I interrupt. I have booked on the Internet for a CountryLink service.

Mr SHIELDS: What happened when you booked on the Internet was that an email showed up at the central reservation centre. What you got back by way of a form of reply was someone sitting there typing it out, as if they were one-on-one. By the time some people actually get their reservation, they are on first-name terms with the person on the other end of the email string. It is a very long and complex process. It is, literally, someone sitting there answering your email.

The Hon. CATHERINE CUSACK: I need to confirm the booking using the Internet. Is intended that an automated service will be put in place?

Mr GRAHAM: Yes, that is the plan—an Internet front end, as you would experience in the booking with Qantas or Virgin Airlines, where you go straight into the booking system. We are also looking at and reviewing the sales facilities that we currently have in both metropolitan and city areas. We collect \$45 million through the fare box for CountryLink, and we spend \$30 million of that \$45 million on marketing reservations and general booking arrangements before we run a train. That review, in relation to the alternatives available to us for the sales offices and booking facilities, is currently under way.

The Hon. CATHERINE CUSACK: Do you attribute those costs to branch lines or passenger costs? Do those figures show up in the Murwillumbah branch line figures you have given me, for example?

Mr GRAHAM: Very specifically, we are able to talk about each travel centre as a stand-alone business, if you like. On the Murwillumbah line, let us look at Byron Bay. It would have total ticket sales revenue of the order of \$350,000 per annum. That is the total fare box revenue ascribed to it. If those sales were being

conducted through a travel agent, we would pay a travel agent approximately 10 per cent of that \$350,000 as travel agent commission. What we do, not only for stations on the Murwillumbah line but for the network more generally, is to look at 10 per cent of the total fares sold through that facility and compare it initially with the direct labour costs that we are currently incur at that facility. If I could stick with the Byron Bay example, 10 per cent of \$350,000 in sales revenue is \$35,000. We then ask: How does \$35,000 compare with the direct labour costs of employing two people, as we did at the Byron Bay travel centre? The direct labour cost of two employees there would be in excess of \$100,000.

The Hon. CATHERINE CUSACK: They were operating a station as well.

Mr GRAHAM: We employ, as part of our CountryLink operations, on-train staff who are capable of dealing with all the on-train and off-train issues. Obviously, we do that at unattended stations on the CountryLink network now.

The Hon. CATHERINE CUSACK: I saw one person loading people's luggage onto the train. It is one person, is it not?

Mr GRAHAM: Yes, but there is a precise number. For example, on a five-car XPT train we have five on-train staff who are able to support customers for those on-and-off functions.

The Hon. CATHERINE CUSACK: The moratorium was about a general review of CountryLink; there was not anything specific for the Murwillumbah line, is that correct?

Mr GRAHAM: That is correct. If I could continue with the other elements to fully answer the question you asked. As well as the travel centres, we are also looking at our station staffing levels, our platforms throughout the CountryLink network. We are reviewing the current discount rules that apply to our fare structures. We provide an across-the-board 40 or 50 per cent discount for advance-purchase tickets. We do that irrespective of the competition we have or do not have on that particular network. We are also considering the issue of whether there should be a co-payment introduced to support the current free concession tickets that are provided. Might I say that the input we have had from a number of the community consultation forums is broadly in support of all these initiatives. In addition to the discount rules, the concessions, we are also examining the market-based fare structures we have.

It is of concern to us that Jetstar is about to commence operation in a couple of our key markets, that is, Sydney to Melbourne and Sydney to Brisbane. We have quite an unresponsive fare structure at the moment. It is distance-based, irrespective of the corridor you are travelling on. Responding to the competition in different sectors of the marketplace, to Dubbo or the northwest, is quite different to the market we would experience where we have more densely competitive aviation services with Virgin or, shortly, Jetstar competing against us. We believe we require some better market-based approach to the current fare structures.

The Hon. CATHERINE CUSACK: You indicated that the State Government reimburses you about 85 per cent of the cost of a ticket, or one of the free fares at the moment. For example, with regard to the figures you gave us on the Murwillumbah service, you said that a certain number of passengers travel for free. In terms of the costings for those services, do you allocate 85 per cent of the cost of a full fare?

Mr GRAHAM: Yes. In the overall subsidies that I went through for CountryLink, we would identify those subsidies very specifically as the fare-based subsidies.

The Hon. CATHERINE CUSACK: Does the \$5 million include the subsidy?

Mr GRAHAM: The \$5 million is the product of the net above rail, \$2.4 million net of \$1 million, with \$1.4 million for the additional coaches, adding back the \$3.4 million. In terms of the detailed accounting, Karen may wish to pick up on that.

Ms MERCER: Mr Graham earlier described the arrangements in three parts. The conversation we have just been having, about fare subsidies, relates to a direct individual fare. It is based on an actual person taking a journey. The \$2.4 million minus the \$1 million does not include that. That subsidy goes up and down according to whether or not somebody is travelling. In relation to where the \$5 million comes from, it is basically the cash difference between what it now costs to do it and what it would cost not to do it. What we would call non-

variable or fixed items, which are effectively costs that you incur whether or not you run something, are outside that equation. There are a number of costs that relate to fleet that you would incur, regardless of whether you ran to Casino or Murwillumbah, or you ran one or two services. Those sorts of costs, which are fixed costs, are outside that and are not claimed as savings, and they are not factored in as part of the calculations. In strict financial terms, the costs that have been put forward today are actual costs incurred in a given year that relate very specifically to whether or not you would avoid those costs in the future.

The Hon. CATHERINE CUSACK: Had there been, on average, one extra pensioner on a concession ticket on the line each trip, so instead of 184 it would have been 185, would that have affected the figures that we have received here today?

Ms MERCER: What you are speaking about now is what is the revenue you are receiving in to offset your costs. So there is a question of what is the cost of actually doing something and then do you have either a fare-paying passenger or a concession-paying passenger—which is a subsidy from government—offsetting those costs? What we have provided you with here is financial detail that relates to the costs of running the service and what you would avoid as a consequence of running that service. In terms of the profitability, or what you would call the profit and loss statement, which is what you are speaking about, it is a different question, I suppose. The concession subsidy that you would receive for one pensioner who would travel the line, if that pensioner continues to travel that line and meets the train at Casino, you would still receive that. That would offset the broad profit and loss situation of the Casino to Murwillumbah service.

The Hon. CATHERINE CUSACK: Would it be possible to get those figures?

Ms MERCER: Yes. In fact, they are in the documentation we have here. I think you will find that what you require is in there.

The Hon. CATHERINE CUSACK: So the fact that there are a large number of pensioners using that service is not ruining the books for those lines?

Ms MERCER: No. Where that would occur is if, as a consequence of doing that, those passengers do not catch CountryLink at all and move somewhere else. In a profit and loss sense it does not actually change whether you can accrue those savings or not.

The Hon. CATHERINE CUSACK: Are you forecasting lower patronage for the service?

Ms MERCER: Particularly over the past four years and over the past two years CountryLink across the network has experienced quite rapid declines in passenger numbers across all fare categories. The greater loss and where the more rapid loss is occurring, is through our fare box—paying passengers—and we are finding that those passengers are adopting other modes of transport. It is most notably known in what we call the main corridors, which are the corridors through to northern New South Wales and into Brisbane, into Melbourne and into Canberra. Obviously, the effect of airline competition journey times with roads, on those sorts of issues we are seeing quite significant impacts. What that means in terms of the profit and loss situation and the financial viability is that the ability of the cash revenue we receive in to offset the costs is declining, which is growing the subsidies that the Government is then requiring to support the service.

That is the general situation with CountryLink, which is why we need to look at the sorts of costs. In terms of our concession subsidies, what we would call our concession passengers, we are also seeing declines in those numbers, at a slower rate but growing. I can also provide you with some specific numbers on notice in relation to Casino and Murwillumbah, about the difference between those two. What we are seeming to experience is that concession passengers over the years in that particular corridor seem to be declining at a faster rate than other passengers who are moving on into the North Coast regions. What has been stabilising passenger numbers for that section is in fact people who are going to the Gold Coast and Brisbane; they will be continuing to do that from Casino. We have seen quite rapid declines in the order of 25 to 30 per cent over the past five years for those who do not get onto a coach So it is a building decline. That is the situation with that particular corridor, but it is not unique to that corridor, it is symptomatic of what is occurring across the entire CountryLink network.

The Hon. CATHERINE CUSACK: Have there been any passenger surveys to understand the reason for the declines that you are aware of?

Ms MERCER: In my understanding, and I would need to confer, there are no specific surveys that we have undertaken. However, we have got very good, what we call, management information, passenger information and detailed information that enables us to trend-work what is happening in relation to the CountryLink service. I suppose a pure statistical and financial evaluation would indicate that, particularly on those corridors, we are seeing more rapid declines occurring as a consequence of, particularly, airline competition. We did an analysis recently of Virgin airlines, which recently introduced an airline service into Canberra. We found bookings from that date on those particular services dropped distinctively.

The Hon. CATHERINE CUSACK: They were Canberra-Sydney bookings?

Ms MERCER: I am just giving you an example. We would expect similar sorts of insights to be found from the statistical information as soon as Jetstar starts. In fact, when you look at our information, we are a cyclical business, we have peaks and we have troughs, but you can identify particular events when they occur such as a new service being introduced or a particular price war that is occurring, all those sorts of factors. What we find is that when we lose them as a consequence of that, we are not able to get them back. The market share is slightly declining.

The Hon. CATHERINE CUSACK: Perhaps this question would be better directed to Mr Graham. There have been a lot of complaints, which you may be aware of, about the timetable for the Murwillumbah branch line. It got later and later and the train left at 9.50 at night, which I think did affect the patronage, particularly amongst older people. Is it fair to say that all the staff working on that branch line were working on penalty rates because the only service operating was operating at night?

Mr GRAHAM: No. Obviously they would certainly have a period of their time that was prior to the penalty rate period. I am just trying to recall now the Murwillumbah shift times. Even though the train did not arrive until 9 o'clock-ish—

Mr SHIELDS: The train arrived at 9.05.

Mr GRAHAM: But we did have some staff coming on there as early as—

Mr SHIELDS: From three in the afternoon. They would not be on penalty before six.

The Hon. CATHERINE CUSACK: What about Lismore?

Mr SHIELDS: The same sort of story there, I think. We had people on during the day in Lismore—it is certainly the travel centre. But the time of the train that was there was in the afternoon, and that is when the people were generally employed, particularly those on the platform itself.

The Hon. CATHERINE CUSACK: The southbound train left at about 11.30 and then at Casino it was after midnight. I am just thinking that because of the timetable it must have made it less attractive to passengers and more expensive to run.

Mr SHIELDS: The service, you are saying, from the Murwillumbah line? Yes, it left at 9.50 from Murwillumbah, but it has done that for the past 10 years—more than that, February 1990, so the past 14 years.

The Hon. CATHERINE CUSACK: I think it was made later after the Olympics; it went back later after the Olympics. There was a timetable change.

Mr SHIELDS: Very slightly, but not significant.

CHAIR: Would we be able to have the answers to the questions on notice tabled and left behind?

Mr GRAHAM: Yes.

CHAIR: There will be a number of questions on notice that we will get to you quickly. We will finalise them by tomorrow. Would it be possible to have the answers to those by Friday 4 June?

Mr GRAHAM: We will certainly do our best, as always.

CHAIR: I thank Mr Graham, Mr Shields and Ms Mercer for their time this afternoon.

(The witnesses withdrew)

PETER JAMES COLLINS, Regional Manager, Northern Region, Roads and Traffic Authority, sworn and examined:

CHAIR: Mr Collins, in what capacity are you appearing before the Committee?

Mr COLLINS: I am appearing as the Manager of the State road system in the area of the railway line in question.

CHAIR: Obviously, the Committee is interested in any possible impact on the roads, particularly on the North Coast, of the closure of the railway line. Can you tell the Committee when the RTA learned that the Government was to cancel the CountryLink XPT service?

Mr COLLINS: After the mini-budget was announced.

CHAIR: Was that the first you knew about it?

Mr COLLINS: I knew there was a discussion through early to late December last year. It was mooted it was being considered. But the actual closure I heard of at the mini-budget stage.

CHAIR: Was the RTA able to express, or did it express, from a roads point of view, any concerns about the implications for the road system of such a closure, or did you just have to accept it as a fait accompli?

Mr COLLINS: At my level there was no consultation about its closure. I am not sure about the position at my Chief Executive's level.

CHAIR: You have not been in touch with the Chief Executive to find out whether he had any consultation?

Mr COLLINS: No. And he has not contacted me about it either.

CHAIR: Can you give the Committee an estimation of how many additional bus movements each week the RTA reckons will be the result of these changes?

Mr COLLINS: Accepting the passenger numbers from the rail people of 180 people each way per day, I have equated that to five bus trips each way, so roughly 40 people per bus. In the context of the State road system, that just does not impact at all. For instance, between Casino and Lismore, the number of vehicles on the Bruxner Highway each day is 5,000. That is roughly 2,500 vehicles each way. Between Lismore and Bangalow there are roughly 6,500 a day, again with roughly a 50:50 split each way.

On the Pacific Highway, between Bangalow and Murwillumbah—bearing in mind that the Pacific Highway no longer goes through Murwillumbah—on the Pacific Highway itself, on average, there are 18,000 vehicles a day, and on the leg which was the Pacific Highway and which is now a council regional road, which goes from Yelgun up through Burringbar to Murwillumbah, my understanding is that it is about 3,000 to 3,500 vehicles. In the context of five buses each way per day, as you can see, that number is very small in the context of the total traffic.

The Hon. CATHERINE CUSACK: Have you seen the timetable for the new bus services?

Mr COLLINS: No, I have not personally.

The Hon. CATHERINE CUSACK: Because a lot more than five buses each way are being proposed.

Mr COLLINS: What is the number?

The Hon. CATHERINE CUSACK: There are ten each way, plus an undefined number of taxis, plus the additional ones that have just been identified to us today and that I was not previously aware of.

Mr COLLINS: The numbers are very small compared to the total picture.

The Hon. CATHERINE CUSACK: The impression we are getting is that there really has not been any discussion between you and CountryLink about these changes at all.

Mr COLLINS: No, there have not.

CHAIR: Were there any road upgrade projects to service the obvious ongoing population increase in the area that the RTA had on its books prior to the announcement? Could you give us a quick rundown of those?

Mr COLLINS: Yes.

The Hon. JAN BURNSWOODS: Have you actually heard of the Pacific Highway and what has been done there and is being done there?

The Hon. CATHERINE CUSACK: I am aware that the Ballina bypass project has been cancelled.

Mr COLLINS: To answer your question: I look after the State road network, which include roads like the Bruxner Highway, the Pacific Highway and the important main roads like the Lismore-Bangalow road, but I do not look after the roads, say, from Ewingsdale into Byron Bay, or the road from Ballina to Lennox Head, which is a council road. But, dealing with just the State roads: the Pacific Highway is getting a massive injection of funding, and it is a ten-year program, and works have been carried out over the last seven years to upgrade it, and they will continue.

The Bruxner Highway is getting nowhere near the same level of money, but funds are available, and recent works include works in Lismore, the work that is being planned at the moment for Alstonville bypass, et cetera. On the Lismore-Bangalow road, there is work carrying on there at the moment just near Binna Burra, with realignment work et cetera. So, to answer your question, there are ongoing development and maintenance works on all of those roads.

CHAIR: Since the closure of the railway line have there been any meetings between the RTA and the local council traffic committees about the implications for road use and safety and bus stops and things like that?

Mr COLLINS: Not to my knowledge, but I understand the railway line actually closed only last week, was it not?

CHAIR: Yes.

Mr COLLINS: So, no doubt, if there is any change in the flow patterns, that will be discussed at council traffic committees, and to my knowledge none have occurred so far.

CHAIR: So you have not looked at any surveys in terms of the extra number of passengers that would flow from the closure?

Mr COLLINS: The number is so small, the impact is negligible on the flow of road traffic.

The Hon. CATHERINE CUSACK: Was there any consultation about the bus routes that are being implemented by CountryLink?

Mr COLLINS: Not in my area, no.

The Hon. CATHERINE CUSACK: Are you aware what those bus routes are?

Mr COLLINS: No.

The Hon. CATHERINE CUSACK: In relation to the mini-budget, my understanding was that funding for the Northern Rivers area of the Pacific Highway was reduced in the State budget, with the Ballina bypass being deferred indefinitely.

Mr COLLINS: I think the wording in the statement of the Minister for Roads was that it was deferred twelve months.

The Hon. CATHERINE CUSACK: But there is now no completion date for that project. Is that correct?

Mr COLLINS: I just know that it was deferred twelve months.

The Hon. CATHERINE CUSACK: What is now left in the program for State funding for the main roads, in a futuristic sense? You have referred to some funding that has been allocated in the past. We are interested in this because the rail service closure will push people onto roads, so we are trying to ascertain whether the Government's policy recognises that the program to upgrade the roads needs to continue.

Mr COLLINS: I think your question is: Are we putting extra money in because of this? The answer would be no. The increase in traffic is so small that the work we are going to do would easily accommodate any minor increase in traffic flow.

CHAIR: Do you think there will be any need for any extra maintenance funds in block grants for the council roads affected?

Mr COLLINS: No. I heard the rail people say they will be able to stop their coaches at more locations than the train was able to stop at. The only thing that I can envisage would happen is that they would need proper and safe facilities for pulling coaches up in various villages, and that may lead to some minor infrastructure work for areas of pull-off bays, et cetera. But, again, I have not got details of that at this stage.

CHAIR: So you are not aware of any plans for proper bus stops and so on in those villages?

Mr COLLINS: Not personally, no. I have not had details of that at this stage.

CHAIR: Is that not a matter of concern regarding the safety of people?

Mr COLLINS: Not really. There are buses using those services now. As I understand, there are buses on the roads that these buses will go on, because they are on legally or publicly maintained roads, and unless there is a load limit on those roads, buses are legally allowed to drive on them.

CHAIR: Can you give the Committee the accident and fatality rates for the section of the Pacific Highway between Bangalow and the Queensland border?

Mr COLLINS: I have some details of the crash rate between Ballina and Tweed Heads on the Pacific Highway, if that will be satisfactory.

The Hon. CATHERINE CUSACK: Is it possible to break it down?

Mr COLLINS: I have not got them here today.

The Hon. CATHERINE CUSACK: When you get them, could you break it down from Ballina to Brunswick, say, and then from Brunswick to Tweed Heads?

Mr COLLINS: I am pretty sure that could be done. We get our crash rates from the police records, and therefore they are only recorded crashes. People quite often talk to us about anecdotal evidence: Look, a lot of people have run off that kerb, but nothing is reported. We really only work on reported crashes, and that comes through the Police Service. We are reliant on Police to both identifying the location accurately and recording the type of accident. So, yes, if that information is available, I am happy to provide it. It is usually publicly available anyway.

CHAIR: Can you give us any information about the plans for the Pacific Highway interchange at Yelgun? Will that be able to accommodate any future services on the Casino to Murwillumbah line?

Mr COLLINS: The section from Yelgun through to just south of Brunswick Heads is still the old, single-carriage road, and the interchange that you are talking about on the Yelgun end is a temporary interchange. It is what we call an at-grade interchange. There is a new grade-separated interchange that we have built just south of that, in the job that will connect the freeway from Yelgun north to the freeway south of Brunswick towards Ewingsdale. Tenders are currently being called now to construct that section of road.

CHAIR: When is that expected to be completed?

Mr COLLINS: At this stage, the expected completion date is the end of the calendar year 2006.

The Hon. CATHERINE CUSACK: Are you projecting increases in the usage of the Pacific Highway in the future?

Mr COLLINS: There is a growth rate on the Pacific Highway. Yes, the reason being the growth has been increasing since the upgrade has been occurring over the last seven years and I would expect that to continue to increase, given the attractiveness of the whole coastal area from Newcastle to Tweed Heads.

The Hon. CATHERINE CUSACK: Do you have actual growth projections for cars and trucks?

Mr COLLINS: Yes. There was a suggestion that there has been a massive increase in trucks since we opened the Yelgun to Chinderah Freeway and, essentially, trucks were coming off roads like the Newell and New England highways and using the Pacific Highway. That is not reflected in fact, although there is a definite increase in both trucks and cars on the Pacific Highway over the last five years. The amount of trucks' increase is significant over the last two years, especially as we have upgraded major difficult links like at Burringbar Range and also just north of Bulahdelah at O'Sullivan's Gap. As we develop dual carriageways like the bypass at Karuah, which will be open shortly, I would expect that sort of traffic to increase.

Since we opened Yelgun to Chinderah, and we also opened the road to the use of a type of truck called B-doubles, generally speaking there has been around 20 per cent increase in heavy vehicles. That was over a two-year period and that increase has now bottomed out and it is generally running between 1 per cent and 2 per cent.

Ms SYLVIA HALE: Is a B-double considered to be one vehicle or two?

Mr COLLINS: One vehicle. It is a double trailer with one prime mover.

Ms SYLVIA HALE: So the weight could double?

Mr COLLINS: The weight is higher.

CHAIR: Are you saying that now that the Yelgun to Chinderah motorway has been in place for a reasonable period of time that the truck movements being attracted off the Newell and New England highways accounts for an increase of 1 per cent, I think you said?

Mr COLLINS: No, what I was referring to was that there was a school of thought that said trucks were transferring off the inland routes to the coastal route. That is not the case. There is a small decrease on the New England Highway and virtually nothing on the Newell Highway in truck traffic, but, as I said, there has been a significant increase in the order of 20 per cent over the last 18 months, and now that has levelled out. I put that down to an increased freight desire by road between Brisbane and Sydney.

The Hon. CATHERINE CUSACK: At the expense of rail?

Mr COLLINS: Well, it is interesting. The figures I have seen suggest that rail freight has not diminished. It is just a total increase in freight, the desire to move freight between the two major cities. Why is that? I am not absolutely certain but maybe travel times have meant certain types of freight are easily transported, especially food, and therefore the overnight service maybe a means that they can get produce to those markets.

The Hon. CATHERINE CUSACK: Is that a gut feeling that you have?

Mr COLLINS: Yes it is.

The Hon. CATHERINE CUSACK: It is not based on figures?

Mr COLLINS: No, I do not have numbers to confirm it. I thought to myself: What would cause the total freight to increase and I am just surmising that that is the case.

The Hon. CATHERINE CUSACK: When the Yelgun to Chinderah road was built, I understand that a lot of the ingredients in that construction were brought by train to Murwillumbah. For future bypass projects such as the Ballina bypass and the Brunswick bypass, I imagine all of that road composite will need to be brought up by truck.

Mr COLLINS: The Yelgun to Chinderah project, to my knowledge, did not have much at all delivered by rail. In fact, all of the aggregate that we needed to make the concrete paving was actually crushed from two of the cuttings on the job, so they did not have to haul aggregate in. They did have to haul in cement powder and earth-moving machinery. It was a project that, generally speaking, a lot of the raw materials were actually from the road itself.

The Hon. CATHERINE CUSACK: But I understand that all the concrete was brought from Newcastle?

Mr COLLINS: No, the concrete was batched on site. That means they mixed it like a cake mix, out of the water, cement and aggregates, and placed it on the road. They did not have to haul that in from afar; it was made on site.

Ms SYLVIA HALE: You say that there would be a negligible impact as a result of the rail closure in terms of vehicle movements on roads. Everybody today has been talking about average number of passengers. Is it true that in the Casino to Murwillumbah area movements are very seasonal? There is a considerable peak around Christmas holiday period and a decline at times such as this month.

Mr COLLINS: The traffic figures that I gave you—and for the Pacific Highway I mentioned a figure of 18,000—we call that the average annual daily traffic. That is not the total highest load you are ever going to get nor is it the lowest. It is averaged out over a 12-month period.

Ms SYLVIA HALE: Are you able to provide figures for the highest load and relate them to particular seasonal peaks?

Mr COLLINS: I cannot today.

Ms SYLVIA HALE: That would be possible?

Mr COLLINS: We do counts at Christmas time and Easter but normally speaking—and it is only over a few days, such as at Easter it might be on the Saturday or the Thursday before Good Friday—looking over a short period it could even be double the daily traffic rates.

Ms SYLVIA HALE: Is there a correlation between the heaviness of the traffic and the number of accidents that occur?

Mr COLLINS: Yes, but we like to deal in accident rates rather than purely total crashes.

Ms SYLVIA HALE: And the rate of accidents?

Mr COLLINS: Yes, and normally how we deal with what we call the crash rate is that it is so many crashes per 100 million vehicles of kilometres travelled.

Ms SYLVIA HALE: But you can correlate that with the time of year or seasons?

Mr COLLINS: Yes, we keep records of crashes. We get those off the police database.

Ms SYLVIA HALE: Because it does seem to me that, together with the railways, they undergo peak periods of demand through the summer, Christmas or Easter and whilst you might say that the impact of the extra rail buses will be negligible, there will be more buses required to transport people at these peak periods and they will be going onto the road at a time when the roads are undergoing their busiest periods, so we could expect a considerable increase in problems as a result?

Mr COLLINS: There are a couple of points to that. First, as ironic as this sounds, sometimes the safest time of the year is to travel during the peak time because that is when the enforcement blitzes are on, and therefore people are a lot more wary about their behaviour. Second, even if you quadruple the number of buses, it is still an infinitesimal number compared to the total traffic on the road and, therefore, in terms of congestion, travel times and speed and safety, it really does not have an impact.

Ms SYLVIA HALE: Except that it has an impact because buses carry so many more people than an individual car. We have had experience in the past where major bus crashes have obviously been the cause of a lot of concern.

Mr COLLINS: And indeed on the Pacific Highway, so you are right. I think Vince Graham said that nothing is risk free. The road system and driving any type of vehicle has a risk about it, and there is no doubt it is the same thing on the trains.

Ms SYLVIA HALE: But I am concerned that we are increasing the risk for particularly vulnerable people, elderly people, very young people and holidaymakers, who tend to use the railways. For them the risk is being increased by being forced off rail onto the road, and they have no choice in the matter.

Mr COLLINS: If your question is: Is it safer to travel on the rail than the road, the answer is probably yes. But if I look at these statistics for bus crashes versus other crashes, bus crashes are very small. For this calendar year for the whole State of New South Wales, I think there has been three bus crashes and usually bus crashes involve another vehicle and invariably that other vehicle is the cause of the crash.

Ms SYLVIA HALE: But would you not agree that there would be a tendency for elderly people now to travel by car rather than go by coach because of the convenience in travelling to or from the area and that there will be greater numbers of elderly people on the roads and a consequence heightening of the risk of their causing accidents rather than simply being the victims of accidents?

Mr COLLINS: Are you suggesting that older people are more risky at driving?

Ms SYLVIA HALE: No, I am suggesting that they are the people who tend to use public rail services because they may be reluctant to drive long periods or they may find coaches to be extraordinarily uncomfortable because of the restrained nature of the vehicle and that now there will be greater pressure on these people to drive than might otherwise have been the case.

Mr COLLINS: I would suggest that if they have the capacity to drive now instead of catching the train, they would probably do that anyway, given the fact that it is more flexible, depending on where they want to go. I think I have answered the question about the safety of buses versus rail.

Ms SYLVIA HALE: I am concerned also about the safety of people who are driving the buses and coaches. As you are aware there has been a lot of pressure on State Rail to look at the health of drivers. There does not seem to have been a similar pressure to look at the health and capacity of private vehicle operators, particularly bus operators and truck drivers?

Mr COLLINS: I guess the question of how much do we test people licensed to drive a vehicle is a vexed question. How far do you go? Do you retest people regularly, annually, et cetera? It comes down to what is a sensible balance. What you are asking me, in essence, is a policy decision of the Government of the day as to whether they change what is currently in place, and I cannot give you an answer on that.

Ms SYLVIA HALE: It would appear to me that the balance is wrong because I think you said earlier that rail is a safer mode of transport than road, yet here we are totally preoccupied with the health of rail drivers

whereas with the riskier mode of transport we are not concentrating on the health of drivers who may be transporting significant numbers of people.

Mr COLLINS: So are you only concentrating on bus drivers?

Ms SYLVIA HALE: No, it is not just bus drivers because the passengers in the bus are going to be subjected to errors by other motorists and semitrailer drivers, B-doubles or whatever.

Mr COLLINS: So I guess the question includes all drivers, because you can be the best driver in the world in meeting standards, health and so forth, but you can still make a silly decision, you can still fall asleep. You cannot cocoon out a certain type of driver.

Ms SYLVIA HALE: Except that we all know that drivers of lorries, heavy vehicles and possibly coach drivers have a great deal of pressure placed on them to meet schedules and to perform on time, which leads to a cutting of corners. This seems to have been responsible for quite a few accidents in the past.

Mr COLLINS: I cannot confirm that that is the case. I do not do the coronial inquiries into crashes.

Ms SYLVIA HALE: But you agree that it is highly likely to be the case?

Mr COLLINS: But it is equally likely that people who drive cars take stupid risks as well. The issue of cocooning out heavy vehicle drivers or bus drivers is probably the wrong way to look at the testing issue of drivers generally. Many more drivers of light vehicles are involved in crashes and cause crashes with heavy vehicles, so you cannot just say that it is all the fault of heavy vehicle drivers.

Ms SYLVIA HALE: But it would seem to me, particularly since State Rail runs the greatest number of buses throughout the State—

Mr COLLINS: About 500 buses.

Ms SYLVIA HALE: From the point of view of community safety do you think that it would be desirable for at least the drivers of those buses to be subject to more stringent health checks?

Mr COLLINS: I think I will go back to my earlier answer. It is a vexed question of how much we test all drivers and the community has to come to a balance. The Government of the day has to read what the community desires are and make a decision. Again, it gets back to policy.

The Hon. JAN BURNSWOODS: Earlier you took on notice a question relating to the number of crashes that occur on the Pacific Highway. I am not sure what you intended to provide us with, but it seems to me that it would be relevant to have figures relating to before and after the opening of the Yelgun to Chinderah freeway. Given the previous appalling crash and death rates around the Burringbar ranges, I assume that the number of crashes would have dropped for that reason. I know that there have also been population increases and so on.

Mr COLLINS: I do not have figures for before and after the opening of the Yelgun to Chinderah freeway, but I can provide you with them.

The Hon. JAN BURNSWOODS: I know that you do not have those figures here. However, you have taken that question on notice.

Mr COLLINS: Yes. I do have the total number of crashes between Ballina and Tweed Heads on the Pacific Highway. We usually work in five-year periods. The greater the sample the more certain is the trend analysis. For that section of the Pacific Highway there were 1,128 crashes over that five-year period, of which 42 were fatalities.

The Hon. JAN BURNSWOODS: Forty-two individuals, or 42 crashes?

Mr COLLINS: There were 42 fatal crashes but 52 people were killed.

The Hon. JAN BURNSWOODS: That is over the five-year period?

Mr COLLINS: Yes.

Ms SYLVIA HALE: What five-year period are you referring to?

Mr COLLINS: From 1998 to 2003. There were 427 injury crashes, resulting in 642 injuries, and there were 659 non-injury crashes.

The Hon. JAN BURNSWOODS: Do we have any idea how those statistics compare with statistics for other major highways and roads in this State?

Mr COLLINS: I said earlier that we like to talk about crash rates rather than total numbers. Total numbers do not reflect the amount of usage on that road. I referred to the number of crashes per 100 million vehicle kilometres travelled. Along that section the rate of crashes works out to be 41.5 crashes per 100 million vehicle kilometres. That is about the State average. The section, for instance, between Grafton and Ballina has a higher crash rate. Even though there are not as many vehicles on that length of road, the actual crash rate is higher. We suspect that it is mostly to do with fatigue.

The Hon. JAN BURNSWOODS: When you provide us with figures in relation to the question you took on notice earlier, you will be able to make a comparison. Earlier there was some considerable discussion about the increase in heavy vehicles. I think you referred to a 20 per cent increase in the past 18 months or so. What does that number represent? The figure has increased by 20 per cent, but with what do you compare it?

Mr COLLINS: I said that the 20 per cent increase was over about an 18-month period after we opened the Yelgun to Chinderah freeway. It bypassed a very poor piece of highway through the Burringbar ranges south of Murwillumbah. I refer to the total number of heavy vehicles. We class a heavy vehicle as any vehicle over 4.5 tonnes gross mass. That includes not only semi-trailers; it includes small rigid trucks, large rigid trucks, buses and the whole lot. On average, there are about 2,500 heavy vehicles on that length of the Pacific Highway each day.

The Hon. JAN BURNSWOODS: Is that in both directions?

Mr COLLINS: It is roughly half in one direction and half in the other direction.

The Hon. JAN BURNSWOODS: Those figures are obviously relevant to earlier discussions we had about the number of buses that will now be on the road in the place of trains. In relation to the basic service, that represents 10 each way each day. I noted the figures you gave earlier for various segments of the highway, for example, Bangalow to Murwillumbah 10,000 a day. We are arguing about an increase in traffic and a possible increase in risk. Improved services, such as buses that will run from villages, the use of taxis, and improvements in community transport and client services in general, would add up to more vehicle movements than there would be if buses replaced the trains. Would you comment on the balancing act that we have to do? There will be a considerable improvement in services for people in a variety of centres as they will be able to access buses, which will result in a small increase in the amount of road traffic. However, they will add more to the road traffic than will the buses that will directly replace the rail service.

Mr COLLINS: In answering that question I have to ask whether those people travelled by some other form of transport before this bus service was available. If they did, most likely it was by car. Therefore you would have to say that there would be more passengers in total than the buses can carry now.

The Hon. JAN BURNSWOODS: So it might result in a reduction in the number of vehicles?

Mr COLLINS: It could do. I do not know how they travelled or whether they travelled before. The numbers are still small in the context of the traffic that is currently using the network. Therefore, the impact would be infinitesimal.

The Hon. JAN BURNSWOODS: Earlier reference was made to consultations and so on. I am more familiar with a discussion about changing bus routes in the city area. Is the Roads and Traffic Authority [RTA] normally involved in detailed consultations about bus routes?

Mr COLLINS: No, we are not. Bus routes are generally part of the portfolio of the Department of Transport. I guess we get involved if a safety issue is involved. Usually that is not the case. As I said earlier, unless there is a weight limit on a public road, legal vehicles are entitled to use that road.

The Hon. JAN BURNSWOODS: So there is no need for other sections of the transport portfolio to discuss with the Roads and Traffic Authority whether or not to put a bus on a particular road?

Mr COLLINS: There is no need but it is usually a courtesy to let it know what are our plans. In this case I had no inkling of the closure of the rail line and converting to bus services, but I can understand the sensitive nature of that issue.

The Hon. JAN BURNSWOODS: So there will be new community transport services—bus services—to villages such as Uki and Eltham. I would have thought that in growing communities such as Uki there would have been more risk of accidents on winding and narrow roads than there would be for trunk route buses directly replacing the trains.

Mr COLLINS: I do not know exactly where these buses will be going. I imagine that most people would be travelling on what we would call a classified road. Those classified roads generally are constructed to a certain standard and that enables things like bus movements to occur. If I do not know the exact roads I cannot totally guarantee that that would be the case.

The Hon. JAN BURNSWOODS: I was not suggesting that there would be a great level of risk. I am referring to the fact that the buses that will place the trains will be on major upgraded roads, but the additional services that will be provided will be on smaller and more dangerous roads?

Mr COLLINS: Let us take the examples of the villages that you have mentioned. Uki is not on a State road; it is on a council regional road, but it is a classified road. I have driven along that road. There are certain parts of that road where you have to be extremely careful. There are some sharp crests and some curves that are fairly tight. If you are in a bus the old rule is to drive to the conditions that you are meeting. Generally that means that the behaviour of the driver is important, as is the case in most driving activities. But there is no reason why a bus cannot safely travel to Uki between Murwillumbah and Uki, or wherever it is going.

The Hon. JAN BURNSWOODS: School buses travel backwards and forwards frequently?

Mr COLLINS: That is right.

The Hon. JAN BURNSWOODS: I am not sure whether the Roads and Traffic Authority has information that enables it to make any judgments in relation to seasonal variations. Questions relating to that issue should have been referred to Vince Graham.

Mr COLLINS: Are you talking about seasonal variations of buses as an alternative to the train?

The Hon. JAN BURNSWOODS: I am talking about the number of passengers or travellers.

Mr COLLINS: I am only going on what I heard. There are roughly 180 each way.

The Hon. JAN BURNSWOODS: It might be 250 in summer and 150 in winter.

Mr COLLINS: If you were talking about two fewer buses a day it would not really make any difference to the road network.

CHAIR: Earlier you referred to the Ballina stretch and you gave us some crash-rate statistics. You said that those rates were about the State average. Has the Roads and Traffic Authority broken down those figures for metropolitan versus non-metropolitan areas?

Mr COLLINS: Are you referring to Ballina verses the rural parts of the highway?

CHAIR: I am thinking more of New South Wales to Wollongong verses the rest of the State.

Mr COLLINS: We have statistics for the Sydney metropolitan area verses country areas.

CHAIR: How would that stretch of Ballina rate with the statistics for non-metropolitan crash rates?

Mr COLLINS: For the stretch from Ballina to Tweed Heads I mentioned a figure of about 41 crashes per 100 million vehicle kilometres, which is about the State rural average.

CHAIR: You referred earlier to the State average.

Mr COLLINS: I am sorry.

The Hon. CATHERINE CUSACK: The crash rate does not reflect the number of fatalities, does it? I make this point because on the Pacific Highway often more people are killed in a fatal accident than perhaps is the case in the city.

Mr COLLINS: Not necessarily. The number of people killed is probably unfortunate luck. It depends on how many people are in the vehicles involved. Sometimes there could be one in each, or there might be a family in both.

The Hon. CATHERINE CUSACK: I can think of a large number of multiple fatalities that occurred. On two consecutive weekends last year two triple fatalities occurred in Ballina. Six people were killed but that would count as two accidents. Does the crash rate reflect the number of fatalities or the number of accidents?

Mr COLLINS: It reflects the number of crashes. For instance, on the Pacific Highway in question between Ballina and Tweed Heads over that five-year period I said there were 42 fatal crashes, but 52 people were killed.

The Hon. CATHERINE CUSACK: Do you have similar figures for the Grafton to Ballina stretch?

Mr COLLINS: Yes, but I do not have them here. We can get those.

The Hon. CATHERINE CUSACK: There are 2,500 heavy vehicles a day using the highway. B-doubles comprise a substantial number of those vehicles. They were not permitted on the highway previously because of the Burringbar range.

Mr COLLINS: They were permitted a couple of days after we opened the Yelgun to Chinderah freeway.

The Hon. CATHERINE CUSACK: It appears as though there has been a massive increase in the number of vehicles using that section of the road, but is that because people are seeing those B-doubles for the first time?

Mr COLLINS: I guess that could be the case.

The Hon. CATHERINE CUSACK: There has been a 20 per cent increase in heavy vehicles, but that would account for a lot of B-doubles.

Mr COLLINS: Yes, because they were not allowed on that stretch before. From memory, the number of B-doubles is about 200 a day.

The Hon. CATHERINE CUSACK: Has the size of B-doubles been extended recently?

Mr COLLINS: No.

The Hon. CATHERINE CUSACK: So their size has been consistent for some time?

Mr COLLINS: There are two types of B-doubles. There is the 19-metre B-double that essentially is allowed to travel on any of the classified road systems because it is no longer than many other semitrailer combinations. B-doubles track just as good as, if not better than, semitrailers. There are also 23-metre B-doubles

that must be licensed to travel on roads, and therefore they cannot travel on all roads. By way of example, we do not allow B-doubles to travel from Casino to Tenterfield on the Bruxner Highway? It does not meet the standards.

The Hon. CATHERINE CUSACK: People in Casino complain about that quite a bit. On the issue of older drivers, we have an older population in our area. Does the RTA consider that issue? When considering educating the driver population and licence renewal, is the fact that we have an older population a particular issue for our area?

Mr COLLINS: It can be. For instance, there is an older population in Port Macquarie. As recently as last week I ran a voluntary course for people to attend about driving for senior citizens. It was about educating people on how to be risk averse in driving and mixing with traffic on the Pacific Highway. For example, there can be semitrailers and other vehicles. Many people live at Wauchope but come to Port Macquarie to shop, play bowls or whatever and they are doing some silly traffic manoeuvres when they could have used much safer manoeuvres—for instance, using the elevated bridge over the Pacific Highway rather than using a couple of intersections either side that involved mingling with the highway traffic. The answer to your question is: Yes, it depends on the circumstances of the population mix. Although if you look at the statistics on crashes you will see that elderly drivers are not overrepresented in the crash rates. At the moment it is middle-aged drivers, aged 40 to 55 years, who are overrepresented. But it is cyclical; it varies.

The Hon. CATHERINE CUSACK: They would probably be greater users of the highway?

Mr COLLINS: Probably, yes. I do not have the numbers to confirm that.

Ms SYLVIA HALE: What are the projections for population increases in the Casino-Murwillumbah area over the next five or 10 years? Are you aware of them?

Mr COLLINS: No, I am not. I do not keep population statistics.

Ms SYLVIA HALE: Would the RTA need to be aware of that so that it could plan for future road improvements or expansion?

Mr COLLINS: Yes, we liaise with groups such as the local government people and the old Department of Planning, now DIPNR, to look at the projected growth of settlements. What often happens, especially with things like the Pacific Highway, is that when you build the highway that generates its own desire to change land use around the highway. So we are cognisant of that.

Ms SYLVIA HALE: Do you build that into your projections?

Mr COLLINS: We control access on our new roads so that we reduce the conflict points, and therefore improve safety. That also helps us to ensure that the life of that road is realised.

Ms SYLVIA HALE: We heard evidence earlier that once people switch from one mode of transport to another they tend not to go back. The example of car and plane travel was given. We are looking at a scenario whereby rail has been closed as an option and, even if it were reopened, we could still expect increased numbers of road users. I would think that will be coupled with increased population projections.

Mr COLLINS: We assume that there will be a growth of traffic on the Pacific Highway. I do not think there is any doubt about that. Even if the railway line is open there will still be a growth of traffic on the Pacific Highway.

Ms SYLVIA HALE: Do you think any sector of that traffic—whether heavy vehicle traffic, bus or individual cars—will increase more rapidly than another?

Mr COLLINS: No, I think there will be a general increase in all sectors—light vehicles, heavy vehicles and tourist traffic.

Ms SYLVIA HALE: The increase will be uniform across all sectors?

Mr COLLINS: That is my guess. You are never always right; if you were, you should be in a different game.

Ms SYLVIA HALE: Can you give us any figures as to the projected increases in road usage?

Mr COLLINS: As I said earlier, we are looking at annual growth of between 1 per cent and 2 per cent.

Ms SYLVIA HALE: What is the capacity of current roads to absorb that increase? At what point will they become totally saturated?

Mr COLLINS: No transport authority can plan for unlimited growth. It is an idiotic suggestion. So when you get to a certain size you must then look at how you dampen demand and make sure that there are no unnecessary trips. I suggest that that is happening in other parts of the State.

Ms SYLVIA HALE: Do you think maintaining the rail system as an alternative means of conveying people would be a useful way of dampening demand?

Mr COLLINS: That question refers to something that is not part of my brief as regional manager for the RTA.

Ms SYLVIA HALE: But it would be a reasonable issue for this Committee to take into account.

Mr COLLINS: I am not giving a personal view.

CHAIR: Mr Collins, thank you for your time today. As I said to our other witnesses, we propose that you answer by Friday 4 June the questions that we have put on notice. That would be greatly appreciated.

(The Committee adjourned at 5.06 p.m.)