

# **PORTFOLIO COMMITTEE NO. 5 – INDUSTRY AND TRANSPORT**

**Friday, 31 August 2018**

**Examination of proposed expenditure for the portfolio area**

## **TRANSPORT AND INFRASTRUCTURE**

**CORRECTED**

**The Committee met at 2.00 p.m.**

### **MEMBERS**

The Hon. Robert Brown (Chair)

The Hon. Rick Colless

Ms Cate Faehrmann

Mr Scot MacDonald

The Hon. Matthew Mason-Cox

The Hon. Daniel Mookhey

The Hon. Peter Primrose

The Hon. Penny Sharpe

### **PRESENT**

**The Hon. Andrew Constance, *Minister for Transport and Infrastructure***

## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

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

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

**UNCORRECTED**

**UNCORRECTED**

**The CHAIR:** Welcome to the public hearing for the inquiry into Budget Estimates 2018-2019. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of the land, and I pay my respects to the elders past and present of the Eora nation and extend that respect to other Aboriginals present. I welcome Minister Constance and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Transport and Infrastructure.

Before we commence, I will make some brief comments about today's procedures. Today's hearing is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming. I remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses might say outside their evidence.

There may be some questions that a witness could answer only if they had more time or certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or the Minister's staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers seated at the table behind you.

A transcript of this hearing will be available on the website tomorrow. To aid the audibility of this hearing, I remind both Committee members and witnesses to speak at about 160 to 170 millimetres from the microphones. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties. If there are any such persons in the public gallery, they should inform the secretariat staff and they will be seated in an appropriate place. Finally, I ask everyone to please turn their mobile phones to silent. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

**TOM GELLIBRAND**, Acting Chief Executive, Sydney Metro Delivery Office, Transport for NSW, sworn and examined

**ANDREW SUMMERS**, Project Director, Sydney Light Rail Delivery Office, Transport for NSW, sworn and examined

**MARGARET PRENDERGAST**, Coordinator General, Transport for NSW, sworn and examined

**STEPHEN TROUGHTON**, Deputy Secretary, Infrastructure and Services, Transport for NSW, affirmed and examined

**RODD STAPLES**, Secretary, Transport for NSW, sworn and examined

**CLARE GARDINER-BARNES**, Deputy Secretary, Freight, Strategy and Planning, Transport for NSW, sworn and examined

**HOWARD COLLINS**, Chief Executive, Sydney Trains, Transport for NSW, sworn and examined

**JIM BETTS**, Chief Executive Officer, Infrastructure NSW, affirmed and examined

**STEFFEN FAURBY**, Chief Executive, State Transit Authority, sworn and examined

**The CHAIR:** I declare the proposed expenditure for the portfolio of Transport and Infrastructure is now open for examination. Minister, as there is no provision for an opening statement, I will proceed directly to questions. I will not be asking any questions, so questions will be asked by the crossbench, being The Greens, and the Opposition. The Government members have forgone their time for questions, hence the process has been truncated. Ms Faehrmann will start.

**Ms CATE FAEHRMANN:** Thank you, Chair. Minister, the National Cycling Participation Survey 2017 shows that New South Wales has the lowest rate of cycling in the country. There has been a significant decrease in cycling participation in New South Wales since 2011. As transport Minister, how do you explain this?

**Mr ANDREW CONSTANCE:** Since coming to office, this Government has invested close to a quarter of a billion dollars in active transport. We are supporting communities across the State to deliver a program of pretty much shovel-ready works that local councils have brought forward with the objective, as you have stated, of getting more people participating in either walking or riding cycles. There are some tremendous projects in the list. I am happy to provide that list to the Committee. We are going to continue to invest in active transport because it is about healthy communities and delivering great outcomes. Projects, particularly in regional areas where traditionally they have not had that support, are really important, and we will continue to encourage councils to bring forward shovel-ready projects to get on with the job. In terms of the inner city, I am very keen to make sure that with every major investment we make in terms of our major infrastructure projects we also combine and integrate active transport, be it cycling or walking.

**Ms CATE FAEHRMANN:** Do you know how much of that quarter of a billion of dollars is spent on separated cycle infrastructure?

**Mr ANDREW CONSTANCE:** It is a combination. It is largely shared pathways and—

**Ms CATE FAEHRMANN:** Do you have a figure though?

**Mr ANDREW CONSTANCE:** We can get you the specifics in relation to cycling infrastructure. One thing I would observe is that there has been a significant increase in the number of people utilising bicycles in and around the city. I can hand over to Marg Prendergast in this regard, but we are very conscious to make sure that as we have major construction work happening across the city, we are able to try to cater for all users. But there is no doubt that by working in partnership with local councils we should be able to get the best outcomes possible for communities, and not only those in the inner city. We have got other projects like the GreenWay project through the inner west, which I have been very happy to support over a number of years to be able to provide connections to the Bays Precinct.

**Ms CATE FAEHRMANN:** New South Wales does spend the least per capita on cycling infrastructure around Australia; is that correct?

**Mr ANDREW CONSTANCE:** Again, let us talk about what period. We have the active transport program in place, which we are able to support through our Restart infrastructure fund. I am very keen to make

sure that we continue to invest. Obviously, as a government we have had to make some very significant decisions around major infrastructure projects, but the key requirement that we have from a transport agency perspective is making sure that we integrate the infrastructure with walking and cycling.

**Ms PRENDERGAST:** The City of Sydney strategy that was recently released on cycleways showed incredible growth through the city. We have now got the continuous lane and we are working with the City of Sydney to see what else we can do: accessibility to the Harbour Bridge; links to Moore Park. We want to see more cycling and we want to see safer routes, be it with infrastructure or other measures. That is what we want to see in the city.

**Ms CATE FAEHRMANN:** In relation to the shovel-ready projects which you mentioned before, Minister, I understand that the cycleway along Moore Park Road was recently rejected. That was shovel-ready, was it not?

**Mr ANDREW CONSTANCE:** Again, I am assessing that at the moment. My observation for those communities is it is a highly utilised area for walking and for cycling. That decision will be reviewed. There was an application. The key point out of that is we are yet to reject it because I think it is certainly a project that has merit.

**Ms CATE FAEHRMANN:** Are you saying it is being reviewed? I am hearing from the community that they think it has been rejected.

**Mr ANDREW CONSTANCE:** I can assure you, watch this space.

**Ms CATE FAEHRMANN:** What about the targets for increasing cycling participation; what are they?

**Mr ANDREW CONSTANCE:** Again, as Ms Prendergast has alluded to, we work with local councils trying to cater for some of those infrastructure gaps. But at the same time, having mandated targets of trying to encourage people to walk and cycle when it is a joint initiative and responsibility across local and State governments, is something which we all need to work on. We have a plan, as Ms Prendergast alluded to, and we are happy to provide you with a copy of that. The key element in all of this, my expectation around this infrastructure is it has to integrate into public transport.

**Ms CATE FAEHRMANN:** Surely as the Minister for Transport it is your responsibility to set cycling targets for this State. Are you suggesting it is local government's responsibility or Roads responsibility?

**Mr ANDREW CONSTANCE:** I am suggesting it is a joint responsibility.

**Ms CATE FAEHRMANN:** Have we had cycling targets in the past?

**Mr ANDREW CONSTANCE:** I would have to go back and have a look at what the previous government did regarding cycling targets. The key element out of this, I can assure you, is we want to be able to support those who cycle and those who walk. We want them to do it safely and we want to be able to spread the funding right across New South Wales, particularly those country communities who missed out previously.

**Ms CATE FAEHRMANN:** Cycling, as I understand it, is decreasing.

**Mr ANDREW CONSTANCE:** I am not sure that is the case. In the inner-city areas it is certainly not the case.

**Ms CATE FAEHRMANN:** My first question was that the last national cycling participation survey found it is decreasing sharply in New South Wales and we have heard that quite a few people say the reason why is because the roads are quite unsafe and they think there is not enough cycling infrastructure. Cycling rates are decreasing; the Government is not setting a target to increase cycling participation. Is the New South Wales Government taking cycling as a legitimate form of transport seriously and doing everything it can to increase cycling on our roads and ensure that cyclists are safe?

**Mr ANDREW CONSTANCE:** Again, as I made the point in my opening remarks, close to a quarter of a billion dollars has gone in from this Government since we have been elected. We have also made available infrastructure funding through Restart NSW to bolster that. We will keep focused on making sure that our cycling community is safe. I will go back and have a look at the exact numbers and I am happy to give you an answer on notice.

**Ms CATE FAEHRMANN:** Yes, please. Going to the CBD and South East Light Rail project, what is the intention for cycle access around George Street?

**Mr ANDREW CONSTANCE:** Around George Street?

**Ms CATE FAEHRMANN:** Yes, along George Street.

**Mr ANDREW CONSTANCE:** There is a one-kilometre pedestrian zone down the heart of George Street. This is going to be an incredible boulevard. We also have the cycling initiatives from the City of Sydney, whom we will work with on, because there has been a massive uptake of cycling over the last five years in the inner-city area. For us, it is about working with the council, making sure we get the balance right between keeping the city moving and those who have to deliver freight into the city. We want to be able to cater for public transport with the new metro project and the light rail project and at the same time making sure it is an integrated network. It is not just about cycling; it is about every mode of transport and ensuring we can make it work for the city.

**Ms CATE FAEHRMANN:** Absolutely, it is about all forms of transport. I have read recently that cycling will not be allowed along the tram routes or anywhere in the light rail precinct, is that correct?

**Mr ANDREW CONSTANCE:** I will hand that over to Ms Prendergast about what is safe around a light rail project with other transport modes.

**Ms PRENDERGAST:** In 2014 and 2016 we implemented and then expanded a 40-kilometre speed limit which has made it far safer for cyclists and, of course, pedestrians. With the light rail route, what we have done throughout the route is create bicycle paths or reinstated better shared paths along the route to the east. We are looking at routes through Surry Hills. We are creating a new cycleway through Chalmers Street, or a shared path, to get access. We built the continuous route that goes Liverpool, Castlereagh and on to the Kent Street cycleway. The Sydney City Centre Access Strategy looked at Castlereagh as the main spine down through Pitt. That is what we are looking at with council. Once light rail is operational, we will be able to review the buses, because we will be able to move some buses out of Castlereagh Street, potentially. We can revisit what we do to create another cycle route through the city.

**Ms CATE FAEHRMANN:** Are there any plans to ban cyclists from light rail precincts?

**Ms PRENDERGAST:** As the Minister alluded to, a kilometre of it is pedestrian zone, and the interaction of cyclists and pedestrians within a zone and trams and in some sections vehicles accessing driveways could be problematic. We prefer to promote other corridors, the Kent Street corridor, and potentially in the future Castlereagh Street.

**Ms CATE FAEHRMANN:** That is one kilometre of that light rail precinct that you are referring to, but does the Government plan to ban cyclists from all light rail precincts?

**Ms PRENDERGAST:** No, they will be able to use the traffic lanes on the rest of the route.

**Ms CATE FAEHRMANN:** Have you thought about the impact of such a ban in that area on cycle couriers, for example?

**Ms PRENDERGAST:** Freight and delivery is a different aspect, because there are three driveways. If they deliver into the driveway, that traffic will be allowed. It is really intense pedestrian activity in that kilometre zone, and cyclists—particularly couriers, who are known not always to abide by the current speed limit—could be an issue for pedestrians. It is about pedestrian safety and it is about tram movements, with a tram every four minutes in each direction. It is a matter of balancing the streets we have for different uses.

**Ms CATE FAEHRMANN:** Bicycle couriers will be able to access the light rail precinct in the central business district [CBD]; is that what you are confirming today?

**Ms PRENDERGAST:** Anyone delivering to a driveway and delivering within that driveway will be able to access.

**Ms CATE FAEHRMANN:** They will have to access the light rail precinct, therefore, because some of those driveways I would think—help me out here—are in those precincts?

**Ms PRENDERGAST:** There are four or five driveways—if they deliver within that driveway. But you have to understand that bicycles and having a path through a pedestrian zone is not the ideal in the middle of the city. What we really want to encourage is Kent Street, access via King Street where cycleway infrastructure is being developed and further explored and then in the future look at Castlereagh Street, and whether we do it with speed limits or infrastructure, that will be up for us working with the City of Sydney in the future.

**Ms CATE FAEHRMANN:** Does the New South Wales Government have a requirement to provide for active transport when new road and rail infrastructure is built?

**Mr ANDREW CONSTANCE:** Some of our key projects have integrated, shared pathways to them, such as the B-Line. We are also looking throughout Parramatta, in particular, and what can be achieved there. We, very sensibly, look across all modes, not just cycling, to ensure that we can achieve the best integration.

**Ms CATE FAEHRMANN:** Is it a requirement or just a nice thought for some of the projects? You have only mentioned a couple.

**Mr ANDREW CONSTANCE:** It is not only a nice thought, it is reality.

**Ms CATE FAEHRMANN:** For some. It is not a requirement for all new rail and road infrastructure to consider cycling.

**Mr ANDREW CONSTANCE:** Cate, I think you miss the point. We have to work with local government, who have responsibility for shared pathways. We are happy to fund. We are happy to build and be part of the process and with our major infrastructure projects we consider all modes, including cycling.

**Ms CATE FAEHRMANN:** Given that the Government has recognised, as you are saying, that cycling is a legitimate mode of transport, including for commuters in its regional district and transport plans, how much funding has been allocated to inner-city and metro cycling infrastructure and which projects have been funded?

**Mr ANDREW CONSTANCE:** Again, there is a raft of projects. I am happy to give you the breakdown on some of those projects, such as Sutherland to Cronulla.

**Ms CATE FAEHRMANN:** In metropolitan Sydney, for example?

**Mr ANDREW CONSTANCE:** That is metropolitan Sydney. Parramatta, again in metropolitan Sydney; the Northern Beaches, again in metropolitan Sydney. Of course we want to assist those councils, particularly. I notice a lot of questioning on the inner city here, but councils right across the State. It would not matter if you are a senior in a coastal community or a bike rider in Bathurst, we want to be able to support those forms of transport, active transport and the like, to ensure that we do encourage an active, healthy community.

**Ms CATE FAEHRMANN:** Moving on to the Sydney Airport Master Plan, what is the peak capacity per hour on the Airport Link line currently?

**Mr ANDREW CONSTANCE:** I will hand that question to Mr Collins, but the observation I make is that the demand across the rail network is off the charts. Five years ago the number was about 308 million passenger trips per year. It is now at 406 million passenger trips per year. If we think about the life of the railway, that is a 30 per cent increase in patronage. We have been through a period in our history where, if we think about the life of the railway over 150 years, we have a 30 per cent increase in five years across the network—and, again, the airport line is one of the rail lines which has been off the charts.

We have invested in new trains; we have the new Waratah trains, which will be in service in the next week or so; we have major investments in terms of upgrades; we have put \$1.5 billion into More Trains, More Services to provide substation and signalling outfits; and we have \$880 million in this year's budget for signalling—and of course the airport line will be targeted as a part of that. Mr Collins can probably give some specifics in relation to the airport line.

**Mr COLLINS:** On this specific question, there is a train every six minutes at the moment. We are looking at upgrading that line as a part of More Trains, More Services to give us greater capacity, because we know that is a particular growth area not only in terms of airport use, which has gone through the roof, but also as Green Square and Mascot stations are now residential areas as well. We are working through the plan. That is on the top of our agenda when it comes to upgrading those lines. We are looking to make some changes even at the end of September to add in two peak hour services, reversing at Revesby, and provide greater capacity.

**Ms CATE FAEHRMANN:** What is the average number of passengers travelling during peak hour on the line currently?

**Mr COLLINS:** I will take the actual number on notice, but we have seen extra loading on those trains increase by 30 or 40 per cent in the last two years alone. We are certainly working closely with Airport Link. My team had a meeting with it only last week. We spoke about our additional staff being on platforms to assist in boarding and alighting. As the Minister says, with the arrival of the new Waratah fleet, some of those new B-sets—the 24 new trains which are about to arrive—will provide more modernity, more capacity and more room for luggage on the airport line as well as on other lines. There will be greater reliability. They will be 10 times as reliable as the existing trains, silver sets, which go down the airport line.



**Ms CATE FAEHRMANN:** Thinking about the recently released Sydney Airport Masterplan 2039, it forecasts that there will be a 51 per cent increase in passenger numbers at the airport by 2039. That is an extra 22.3 million people using the airport each year, but when we look at the plan there is not much detail about how our already pretty overcrowded train network will cope with that increase. What responsibility does the Government have to ensure that public transport infrastructure can cope with that increase in that time?

**Mr ANDREW CONSTANCE:** We are a transport and infrastructure Government. We will spend \$51 billion in the next four years. We have developed a 40-year future transport document, which is designed in alignment with the Greater Sydney Commission work to better plan our infrastructure needs over the next four decades. There is no doubt with major precincts such as the airport that we need more reliable and frequent services. That is what we are doing. That is why we are digitising the signalling, with \$880 million in this year's budget, to give greater capacity and reliability to the network. We have invested \$1.5 billion already in more trains and more services. We are delivering 24 brand-new Waratah trains with a clear purpose of trying to cater for the growth that we have experienced.

The reason I gave you the numbers before of growing from 300 million to 400 million in the last five years is that no Minister for Transport in this State's history has had to grapple with such an incredible growth in patronage on the rail network. We are expecting more than 20 per cent in the next three years, let alone in the next 20, as you are alluding to. As part of that, we are now building a standalone passenger network called Sydney Metro. The future transport document, again, looks at how we might take that metro network and turn it into a true network right across metropolitan Sydney. We will continue to invest in the airport line because it is the most sensible way to get to the airport.

The key point in all of this is that, given the very nature of the airport—you asked about weekdays, but the weekends are just as busy on the airport line as on any other day of the week—we will continue to monitor it, as we should every rail line in the city. The point of this is that we have invested, we will continue to invest and we will continue to have that focus. One of the key challenges of all of this is that it is not only about the airport precinct, but also about the decisions of local government between the city and the airport in terms of growth, particularly in terms of the high concentration of apartment dwellings that we also have to find mass transit solutions for.

**Ms CATE FAEHRMANN:** Minister, part of Sydney Airport's master plan is the ground transport development plan overview, and pretty much the only time that public transport is mentioned there is in a little paragraph. Everything else is about roads connecting cars to the airport. However, it does say that Sydney Airport continues to advocate for improved public transport to the airport, including additional buses and reducing station access fees. How is that going? Is its advocacy falling on deaf ears?

**Mr ANDREW CONSTANCE:** No. There are investments happening.

**Ms CATE FAEHRMANN:** Particularly in terms of reducing the station access fees and direct buses to the airport.

**Mr ANDREW CONSTANCE:** I will absolutely give you the increase in the number of services. I do not have that number offhand in terms of the airport line, but also we are delivering and have gone from 10 trains per hour to about 16—I think, from memory—as a part of More Trains, More Services, which we are looking to roll out. We will continue our focus in that regard, but there has been an incredible increase in demand right across the whole network, not just the airport line.

**The CHAIR:** Before I hand over to the Hon. Daniel Mookhey for his 20 minutes, I will use the Chair's prerogative to slip one in. Minister, during the debate and the eventual assent to the light rail bill for Newcastle, one of the conditions placed on the Government was that it would provide a business case for the westward extension of that line and that the Premier at the time had the money to do it. Are you able to provide the Committee with a copy of the business plan? I realise that you may take this question on notice, so if you are not able to provide that business plan when do you think you could do that for us?

**Mr ANDREW CONSTANCE:** I thank you for your question and your support in the Parliament in relation to that project.

**The CHAIR:** It was conditional on that.

**Mr ANDREW CONSTANCE:** That is true. Anybody who has visited Newcastle lately will see what has transpired into an incredible project. The civil work on light rail will be completed in the next month or so.

We will have trains being tested and then commissioned for revenue service in the first quarter of next year, so it will be very exciting.

**The CHAIR:** I look forward to an invitation to come and inspect the works.

**Mr ANDREW CONSTANCE:** Hopefully, you will be able to bring your surfboard and you can put it on the light rail.

**Mr SCOT MacDONALD:** I would like that.

**The CHAIR:** A lot of people would like to see that.

**Mr ANDREW CONSTANCE:** In all seriousness, one of the key elements of this is that this is the first stage of what will need to be an extension to the west. The question we have been asking internally is: What is the best way to do that? There has been some commissioning of consulting work in relation to the number of routes and the best way to build it before we inform the strategic business case. I am happy to provide you with the documentation that has been completed up until now in relation to that. I am hopeful that the department will be able to get you that strategic business case development work by the end of the year. That is what is happening at the moment.

**The CHAIR:** We will look forward to that. Mr Mookhey, you have the lemon.

**The Hon. DANIEL MOOKHEY:** Just two weeks ago, Transport for NSW came before the Parliament and said that the CBD light rail would open to passengers at the latest in March 2020. Can you assure us that that remains the opening date for the CBD light rail?

**Mr ANDREW CONSTANCE:** This project will transform Sydney when it opens. We know how much light rail is loved, because you only need to look at the inner west light rail project to see that commuters love light rail. Along the way, we have had to, on an ongoing basis, put pressure on Acciona to get a wriggle on in terms of the work that they are doing in relation to the project. The last program in terms of the advice from ALTRAC, as the public private partnership [PPP] company, is March 2020. That advice has gone out publicly.

**The Hon. DANIEL MOOKHEY:** When did ALTRAC provide you with that advice?

**Mr ANDREW CONSTANCE:** I will have to take that on notice, but the key point out of it is that there have been ongoing commercial negotiations between us and ALTRAC in relation to the program. They have made a clear statement in relation to that date and as to, also, the dates that they will remove the barriers to allow the city to breathe.

**The Hon. DANIEL MOOKHEY:** In the past two weeks has Transport for NSW received any further advice from ALTRAC as to the opening date of the CBD light rail?

**Mr ANDREW CONSTANCE:** There have been ongoing commercial discussions between Transport for NSW and ALTRAC, which it would be inappropriate to go into here. But the key point out of that is that programs form part of those discussions.

**The Hon. DANIEL MOOKHEY:** So in terms of those discussions that you just made reference to, the commercial discussions—

**Mr ANDREW CONSTANCE:** Which have gone on for many, many months.

**The Hon. DANIEL MOOKHEY:** Indeed, and some of those discussions have taken place in the last two weeks; is that correct?

**Mr ANDREW CONSTANCE:** They are ongoing.

**The Hon. DANIEL MOOKHEY:** In the past two weeks, has Transport for NSW received any further advice from ALTRAC as to the opening date of the central business district [CBD] light rail?

**Mr ANDREW CONSTANCE:** There have been ongoing commercial discussions between Transport for NSW and ALTRAC, which would be inappropriate to go into here. But the key point out of that is that programs form part of those discussions.

**The Hon. DANIEL MOOKHEY:** In terms of the commercial discussions to which you just referred—

**Mr ANDREW CONSTANCE:** Which have gone on for many, many months.

**The Hon. DANIEL MOOKHEY:** Indeed, and some of those discussions have taken place in the past two weeks. Is that correct?

**Mr ANDREW CONSTANCE:** Well, they are ongoing.

**The Hon. DANIEL MOOKHEY:** In those commercial negotiations—which, as you say, are ongoing—in the past two weeks, has Transport for NSW been advised by ALTRAC or Acciona that Ausgrid's failure to perform essential works to facilitate the undergrounding of local power supplies in Kensington and Kingsford has delayed the completion of the CBD light rail by a further two months, to May 2020?

**Mr ANDREW CONSTANCE:** The last program date that has been in the public domain is March 2020.

**The Hon. DANIEL MOOKHEY:** Indeed, and I am not asking about the public domain.

**Mr ANDREW CONSTANCE:** Could I please finish my answer?

**The Hon. DANIEL MOOKHEY:** Has Transport for NSW been advised by ALTRAC or Acciona that Ausgrid's failure to perform essential works undergrounding the local power supplies has delayed completion by a further two months?

**Mr ANDREW CONSTANCE:** As I have said, I gave you my answer. The delivery date is March 2020 and—

**The Hon. DANIEL MOOKHEY:** Thank you for giving me your answer.

**The CHAIR:** Order! Allow the Minister to complete his answer.

**Mr ANDREW CONSTANCE:** March 2020. Again, there are ongoing, and there have always been regular, discussions of a commercial nature around program delivery. But I make the point to you: I am not going to in any shape or form do anything other than try to get this program completed in 2019. Therein lies the challenge. We are hopeful that the major civil works will be complete very soon to give the city the opportunity to breathe as the barriers come back, and then we move into the next phase with Alstom and Transdev commissioning and testing the vehicles.

**The Hon. DANIEL MOOKHEY:** I welcome, as does all of New South Wales, your efforts to have it completed by the end of 2019, which, to be fair, is still a year later than you promised. But let us not look too far down that pathway. Can you rule out Transport for NSW receiving advice from ALTRAC or Acciona that the project is now at a further risk of two months delay? It is a simple question. Two weeks ago Transport for NSW came before Parliament and gave a completion date of March 2020. In just two weeks, has the date changed?

**Mr ANDREW CONSTANCE:** The date is March 2020 and there are ongoing commercial discussions, which include discussions around program. I am not going to go into them with you.

**The Hon. DANIEL MOOKHEY:** Will you resign if there is another change to the opening date?

**Mr ANDREW CONSTANCE:** If that question is designed to solicit a response, I will tell you this: I am building four Metro projects, three light rail projects and major motorway projects. I am delivering services with uplifts of 30 per cent on city trains and I am going to stay the course. I have one of the largest transport infrastructure budgets in the nation—if not, in some cases, around the world. We are going to continue our focus. As a Government, we have already opened well in excess of 800 projects. We are going to stay the course in terms of challenges that can beset major infrastructure builds. The last Labor Government did not ever experience this because it did not build anything.

**The Hon. DANIEL MOOKHEY:** I presume the answer is no.

**Mr ANDREW CONSTANCE:** Have you lost your notes?

**The Hon. DANIEL MOOKHEY:** Have you recently asked the Treasurer for an additional \$500 million to prevent ALTRAC, the light rail consortium, from becoming insolvent?

**Mr ANDREW CONSTANCE:** As I have said and will continue to say, we are going to build a fantastic light rail project for this city. We have entered—

**The Hon. PENNY SHARPE:** At what cost?

**Mr ANDREW CONSTANCE:** —some very significant commercial discussions with the builders, ALTRAC. I have repeatedly explained and I am not quite sure that the Labor Party understands how public-private

partnerships [PPPs] work. But there are equity players in the PPP company. They have financial risk and, of course, they have gone and engaged the subcontractor in a joint venture between Alstom and Acciona to build the project. Then, of course, Transdev will operate the services. So that is what a PPP is.

**The Hon. DANIEL MOOKHEY:** Thank you for telling me what a PPP is.

**Mr ANDREW CONSTANCE:** You are welcome.

**The Hon. DANIEL MOOKHEY:** But I presume someone such as you, who is so familiar with how PPP finances work, would not be reckless about borrowing \$500 million to stop the CBD light rail. I imagine if you did indeed request—

**Mr ANDREW CONSTANCE:** The premise of your question is wrong.

**The Hon. DANIEL MOOKHEY:** Let me finish the question. I imagine if you did indeed ask the Treasurer for \$500 million to stop the CBD light rail from falling into insolvency, that is something you would remember. Did you?

**Mr ANDREW CONSTANCE:** Let me tell you this: The premises and assertions of your questions are wrong.

**The Hon. DANIEL MOOKHEY:** Then just deny it, if it is not true.

**Mr ANDREW CONSTANCE:** Absolutely wrong. The premise of your question is wrong. What you are demonstrating in your question—

**The Hon. DANIEL MOOKHEY:** Have you recently written—

**The CHAIR:** Order! The member will allow the Minister to answer the question, and then ask the next question.

**Mr ANDREW CONSTANCE:** What you are demonstrating very clearly is a lack of understanding as to how PPP companies work. First of all, we make the payment to the PPP company when the first revenue service is in operation. You can put money on account through the build but that is how a PPP works. So the financial risk sits with them, so their incentive is to get on and build it as quickly as possible and that remains the case today.

**The Hon. DANIEL MOOKHEY:** Have you recently written to the Treasurer seeking approval to borrow up to \$500 million to prevent the insolvency of ALTRAC?

**Mr ANDREW CONSTANCE:** The premise of your question is wrong. I think—

**The Hon. PENNY SHARPE:** Have you written to the Treasurer?

**Mr ANDREW CONSTANCE:** I am not going to go into my engagement with the New South Wales Treasurer in relation to this Committee.

**The Hon. PENNY SHARPE:** It is quite a reasonable question to ask what—

**The CHAIR:** Order! The Hon. Daniel Mookhey has asked the question.

**The Hon. DANIEL MOOKHEY:** The Hon. Penny Sharpe is welcome to intervene.

**The CHAIR:** We will do it that way. Just remember interjections are disorderly at all times.

**The Hon. DANIEL MOOKHEY:** So you are not prepared to say whether you have written to the Treasurer, seeking a \$500 million loan to prevent the CBD light rail from going bankrupt?

**Mr ANDREW CONSTANCE:** What I have indicated to you is that we are going to get on and build this project. We are going to give the city the opportunity to breathe when we get those barriers back. It is going to be a world-class project.

**The Hon. DANIEL MOOKHEY:** In 2014 Transport for NSW and Astra SLR struck a joint finance arrangement to raise the debt finance needed for ALTRAC to construct the light rail. That is correct, is it not?

**Mr ANDREW CONSTANCE:** Again, I was not aware of the arrangement that Transport for NSW had at that time. But again—

**The Hon. DANIEL MOOKHEY:** You are the master of PPPs. In 2014 Transport for NSW and Astra SLR struck a joint finance arrangement to raise the debt finance needed for ALTRAC to construct the light rail. Is that correct?

**Mr ANDREW CONSTANCE:** As I indicated—

**The Hon. PENNY SHARPE:** You were the Treasurer.

**The Hon. DANIEL MOOKHEY:** As Treasurer, using your authority under the Public Authorities (Financial Arrangements) Act, you personally approved the joint financial arrangement. That is correct, is it not?

**Mr ANDREW CONSTANCE:** If you say so.

**The Hon. DANIEL MOOKHEY:** You recently wrote to the Treasurer, seeking to modify this arrangement, did you not?

**Mr ANDREW CONSTANCE:** Look, as I indicated before, we are going to get on and build this project. You need to get a very real—

**Ms CATE FAEHRMANN:** This is not a good look.

**The Hon. PENNY SHARPE:** We know you are embarrassed, Minister.

**The CHAIR:** Order! You have asked a question; allow the Minister to answer.

**The Hon. PETER PRIMROSE:** We cannot help it.

**The CHAIR:** Allow the Minister to get it on the record. That is what Hansard are here for; they are sitting here, recording.

**The Hon. PENNY SHARPE:** But he is not answering the question.

**Mr ANDREW CONSTANCE:** I indicated to you—

**The CHAIR:** Order! The witnesses are allowed to answer the question in whatever way they deem fit.

**The Hon. PETER PRIMROSE:** Absolutely.

**The CHAIR:** Allow him to answer the question, then—

**The Hon. PETER PRIMROSE:** But I cannot help have some mirth when he makes—

**The CHAIR:** I am not calling your mirth an interjection. I am saying to allow the witness—

**The Hon. MATTHEW MASON-COX:** Distraction.

**The CHAIR:** I do not need any help from the Hon. Matthew Mason-Cox. Allow the witness to answer the question.

**The Hon. DANIEL MOOKHEY:** I will repeat the question, in case we have forgotten it. You recently wrote to the Treasurer, seeking to modify the joint financial arrangement that you had approved as Treasurer. Is that correct?

**Mr ANDREW CONSTANCE:** As I indicated to you, I am not going to go into the commercial sensitivities and the ongoing negotiations between the Government and ALTRAC, particularly in front of this Committee this afternoon.

**The Hon. DANIEL MOOKHEY:** The modification—

**Mr ANDREW CONSTANCE:** What you are suggesting and the game you are playing demonstrates clearly that you do not understand how PPPs work.

**The Hon. DANIEL MOOKHEY:** Thank you, Minister. And the modification that you sought—

**Mr ANDREW CONSTANCE:** And what is telling about this is that you do not want to listen to the response that I am giving. It is very clear that your fishing expedition is not working. I will again make clear to you that we are going to deliver this project, hopefully, in 2019. It is a world-class project. You do not understand PPP financing because you never built anything when you were in office.

**The Hon. DANIEL MOOKHEY:** Thank you, Minister. The modification you sought in the letter you wrote to the Treasurer was to establish for ALTRAC an interim liquidity funding facility up to the value of \$500 million. That is correct, is it not?

**Mr ANDREW CONSTANCE:** If you have a letter, table it.

**The Hon. DANIEL MOOKHEY:** And the facility—

**Mr ANDREW CONSTANCE:** No, have you got the letter that you are referring to?

**The Hon. DANIEL MOOKHEY:** That facility was needed to prevent ALTRAC's insolvency, which would expose the New South Wales Government to legal claims from third parties. That is correct as well, is it not?

**Mr ANDREW CONSTANCE:** Could you table the letter that you are referring to?

**The Hon. DANIEL MOOKHEY:** And the Treasurer—

**Mr ANDREW CONSTANCE:** No, you cannot.

**The Hon. DANIEL MOOKHEY:** The Treasurer granted immediate approval for \$200 million, with \$300 million subject to further approval. That is correct as well, is it not?

**Mr ANDREW CONSTANCE:** Have you got the letter?

**The Hon. DANIEL MOOKHEY:** You have not been prepared to answer a single question. You have not been able to tell us whether or not there has been a secret bailout of \$500 million. Why should we not conclude that you have organised a secret \$500 million bailout of the consortium that is suing New South Wales for \$1.2 billion?

**Mr ANDREW CONSTANCE:** You do not understand the structure of the PPP given these questions.

**The Hon. DANIEL MOOKHEY:** Simply rule it out. If you are that convinced your understanding of PPPs is superior to everyone else's, simply say there is no insolvency risk at ALTRAC and that you have not asked for \$500 million for a secret bailout.

**Mr ANDREW CONSTANCE:** Your performance this afternoon is very special. I think you should either table the letter you are quoting from—

**The CHAIR:** Order! Stop it there.

**Mr ANDREW CONSTANCE:** You have made your statement.

**The CHAIR:** Order! The Minister will come to order.

**Mr ANDREW CONSTANCE:** Please table the letter.

**The CHAIR:** Minister, I have called order if you do not mind. Mr Mookhey, the Minister is not going to answer the question I think you want him to answer. That is obvious. You still have some time left and I suggest you move on.

**The Hon. DANIEL MOOKHEY:** Indeed I will, Mr Chair. Thank you for your advice.

**The CHAIR:** Good.

**The Hon. DANIEL MOOKHEY:** I always appreciate character advice from Mr Chair. Minister, you are refusing to rule out seeking a \$500 million bailout of ALTRAC. Is ALTRAC at risk of insolvency? What is the status of ALTRAC's solvency?

**Mr ANDREW CONSTANCE:** Are you saying ALTRAC is insolvent?

**The Hon. DANIEL MOOKHEY:** I am asking you.

**Mr ANDREW CONSTANCE:** That is an interesting approach to take.

**The Hon. DANIEL MOOKHEY:** I am asking you as the Minister. You have to allow me to ask the question.

**Mr ANDREW CONSTANCE:** You just asked me in a budget estimates hearing whether ALTRAC is insolvent.

**The Hon. DANIEL MOOKHEY:** You have to allow me to ask the question.

**Mr ANDREW CONSTANCE:** ALTRAC is not insolvent, mate. What is your point?

**The Hon. DANIEL MOOKHEY:** What is the state of ALTRAC's solvency? What is the status of its cash flow?

**Mr ANDREW CONSTANCE:** Excuse me.

**The Hon. DANIEL MOOKHEY:** I am asking a question.

**Mr ANDREW CONSTANCE:** Do not come in here under privilege and make a claim—

**The Hon. DANIEL MOOKHEY:** This is one of the forums to deny it.

**Mr ANDREW CONSTANCE:** —that it is insolvent when it is not.

**The Hon. DANIEL MOOKHEY:** Then deny it.

**Mr ANDREW CONSTANCE:** ALTRAC is not—

**Mr SCOT MacDONALD:** Point of order—

**The Hon. DANIEL MOOKHEY:** Deny having sought a secret \$500 million bailout.

**The CHAIR:** Order! I will not tolerate anyone interrupting when a point of order is being taken.

**Mr SCOT MacDONALD:** I think this has moved beyond a question to harassing the witness. The question has been asked and answered. You have suggested that the Hon. Daniel Mookhey move on, but that is not happening.

**The CHAIR:** I will not uphold the point of order, but I will say that this is a senior Minister who is quite capable of answering a question in any way he sees fit. Of course, the Hon. Daniel Mookhey has the right to keep asking questions but I will not tolerate badgering.

**The Hon. DANIEL MOOKHEY:** In respect of the class action launched by 60 businesses this week saying your 20-month delay is the reason they are out of business, will Transport for NSW be filing a defence in that litigation?

**Mr ANDREW CONSTANCE:** We have only just been served with the claim and the appropriate legal assessment will be undertaken. Can I respond to your behaviour before?

**The Hon. DANIEL MOOKHEY:** No, I do not think you can. I am sorry, you cannot.

**The Hon. PENNY SHARPE:** No.

**Mr ANDREW CONSTANCE:** You said ALTRAC was insolvent—

**The Hon. DANIEL MOOKHEY:** Point of order: The Minister is not allowed to do that.

**The CHAIR:** Order!

**Mr ANDREW CONSTANCE:** —and it is not.

**The CHAIR:** Order!

**Mr ANDREW CONSTANCE:** I need to put that on the public record.

**The CHAIR:** Hansard has so noted it. We will now move on.

**The Hon. DANIEL MOOKHEY:** Should you win the litigation against those 60 businesses, can you commit today that you will not be seeking costs against them?

**Mr ANDREW CONSTANCE:** This line of questioning is hypothetical and ridiculous. The Government has an assistance program in place for businesses. My message and my public statements have indicated that we will continue to support businesses and residents as we continue to build the project. The matter is before the court.

**The Hon. PENNY SHARPE:** I want to confirm something after all that. It is very unclear because you have refused to answer any questions. Has the Government entered into agreements to secure the financing of the CBD light rail, and when will you tell the New South Wales public that you have done so?

**Mr ANDREW CONSTANCE:** Again, we have been in ongoing commercial discussions in relation to this project. They will continue as commercial in confidence and I will not breach that confidence. The Labor Party's suggestion this afternoon that ALTRAC is insolvent—I will say this clearly for everybody to hear—

**The Hon. PENNY SHARPE:** That is not what he said.

**Mr ANDREW CONSTANCE:** It is an absolute misleading of the people of New South Wales.

**The Hon. PENNY SHARPE:** Trying to verbal Committee members is unhelpful as well, Minister.

**Mr ANDREW CONSTANCE:** Mr Mookhey said ALTRAC was insolvent.

**The Hon. PENNY SHARPE:** We are asking legitimate questions about taxpayer money and you are refusing to answer them.

**Mr SCOT MacDONALD:** Point of order: The Minister is trying to answer.

**The Hon. PENNY SHARPE:** Not the question I asked.

**Mr SCOT MacDONALD:** He needs a fair go to answer.

**The Hon. PENNY SHARPE:** No.

**The CHAIR:** Have you finished the point of order?

**Mr SCOT MacDONALD:** He must be given a chance to answer the question.

**The Hon. PENNY SHARPE:** To the point of order: That is not the question I asked. The Hon. Daniel Mookhey has asked those questions and I am asking different questions. The Minister cannot go back to questions he wishes I was asking.

**The CHAIR:** The Minister can go anywhere he likes and he is quite capable of answering questions. However, I draw him to the questions being asked by the Hon. Penny Sharpe.

**Mr ANDREW CONSTANCE:** As I said, ongoing commercial-in-confidence discussions are being carried out between us and ALTRAC. That has been the case now for many, many months, and they will continue. We will continue to work with them to build this great project. I note that when the Hon. Penny Sharpe was shadow Minister she supported it. It is interesting that the Labor Party has changed its view.

**The Hon. PENNY SHARPE:** This project was already \$500 million over budget. You must now use another \$500 million for a bailout, and you are in court over another \$1 billion worth of claims. Can you confirm that the project will be opened by March 2019?

**Mr ANDREW CONSTANCE:** As I indicated in the light rail inquiry—and I will indicate it again here this afternoon—the program that has been presented by ALTRAC to the Government is March 2020. We will continue to negotiate with ALTRAC to try to get it delivered in 2019.

**The Hon. PENNY SHARPE:** But you are not guaranteeing that it will ready to go in March 2020?

**Mr ANDREW CONSTANCE:** As I indicated, we will try to have this built in 2019, given that the community will love the project when it is complete.

**The Hon. PENNY SHARPE:** When will Mr Howard Collins no longer be the acting head of TrainLink?

**Mr ANDREW CONSTANCE:** One of the reasons Mr Collins is in the acting role and also obviously his permanent role at Sydney Trains is that we went through a major timetable change earlier this year.

**The Hon. PENNY SHARPE:** We are very aware of that.

**Mr ANDREW CONSTANCE:** Yes.

**The Hon. PENNY SHARPE:** It is not going so well.

**Mr ANDREW CONSTANCE:** It is a good timetable that will deliver 1,500 services to the people of Western Sydney, which the Labor Party is going to cancel.

**The Hon. PENNY SHARPE:** I am asking you about regional trains. You do not seem to know very much about them. I want to know when you will fill that position.

**Mr ANDREW CONSTANCE:** Mr Collins will remain in the acting role. We are yet to fill that position.



**The Hon. PENNY SHARPE:** What do you say to the people Wagga Wagga whose trains have not met the on-time benchmark of 78 per cent for the past year?

**Mr ANDREW CONSTANCE:** I would tell them to look at the on-time running that the Labor Party delivered when it was in government, which was 60 per cent. We will continue our focus. One of the key challenges of regional rail—in which this Government has invested \$1 billion—has been the interface with the freight network, which is controlled by the Australian Rail Track Corporation [ARTC].

**The Hon. PENNY SHARPE:** If you wanted a Dixer about that you should have had one of your members ask a question. My question is when will on-time running improve for the people of Wagga Wagga?

**Mr ANDREW CONSTANCE:** We work around the clock.

**The Hon. PENNY SHARPE:** But it is not improving, is it?

**Mr ANDREW CONSTANCE:** One of the key challenges is the interface with the freight rail.

**The Hon. PENNY SHARPE:** When was the last time you caught a CountryLink train?

**Mr ANDREW CONSTANCE:** I will think about that and come back to you.

**The Hon. PENNY SHARPE:** You cannot remember.

**Mr ANDREW CONSTANCE:** The electorate of Bega has coach services.

**The Hon. PENNY SHARPE:** I am very aware of that.

**Mr ANDREW CONSTANCE:** No, you do not seem to be.

**The Hon. PENNY SHARPE:** As Minister for Transport and Infrastructure, I thought you might be interested in the very poor on-time running for regional rail. It does not sound as though you have been on a train any time recently, which suggests that you are not aware of that.

**Mr ANDREW CONSTANCE:** We are investing \$1 billion in the country rail network. We are investing in new XPT fleet trains.

**The Hon. PENNY SHARPE:** The people of Wagga Wagga are late more often than not.

**Mr ANDREW CONSTANCE:** We will continue to invest. One thing I can tell you is that the network was heavily neglected by the Labor Party when it was in government. Like everybody else in country New South Wales—

**The Hon. PENNY SHARPE:** You have been in government for eight years.

**Mr ANDREW CONSTANCE:** That is how bad the Labor Government was for country New South Wales.

**The Hon. PENNY SHARPE:** Rubbish.

**Ms CATE FAEHRMANN:** I refer again to the Sydney Airport rail link. What has your response been to Sydney Airport apparently advocating for reduced station access fees to encourage more people to use those trains?

**Mr ANDREW CONSTANCE:** First, patronage is up. There is very clear evidence of that, particularly given that we have had to add 200 services during non-peak times. We are doubling the frequency and people are using the train line. Obviously the station access fee, which applies to the stations at the airport, was part of a PPP arrangement that allowed the infrastructure to be built. That said, we have added great value in terms of Opal by having caps in place. We will continue to incentivise people on the airport line.

**Ms CATE FAEHRMANN:** I understand that those are for people who use the train line. What are the caps? Are they more than once a week?

**Mr ANDREW CONSTANCE:** We have both daily and weekly caps across the network.

**Ms CATE FAEHRMANN:** What about for the airport?

**Mr ANDREW CONSTANCE:** I will have to provide the specifics on notice. One of the key things is that there is no suggestion that there has been a drop-off in patronage on that line, given the fact that we have had to add 200 services a week.

**Ms CATE FAEHRMANN:** There are still a lot of people who are choosing to catch taxis to the airport because of how expensive those fares are. Have you heard that feedback?

**Mr ANDREW CONSTANCE:** I think you will find that catching a taxi to the airport is probably three times the cost of catching the train. Some of the costs associated with catching a taxi to the airport far exceed catching a train.

**Ms CATE FAEHRMANN:** For a couple and a child, for example, it is more than \$50 to take it from the CBD to the airport.

**Mr ANDREW CONSTANCE:** As I alluded to, the station access fee is there so that we can get the infrastructure built more quickly through the use of the private sector.

**Ms CATE FAEHRMANN:** Has the Government undertaken any modelling as to the cost of removing or reducing station access fees for both airport stations?

**Mr ANDREW CONSTANCE:** I will take that on notice, but a lot of work is done in relation to modelling right across the transport network.

**Ms CATE FAEHRMANN:** What about the revenue that the Government has received over the past four years from the station access fee on the rail link.

**Mr ANDREW CONSTANCE:** We invest that back into growing our services. I just spoke of the—

**Ms CATE FAEHRMANN:** Do you have the details of how much that is?

**Mr ANDREW CONSTANCE:** Yes. I am happy to provide that, but the key point is that we have had a massive increase in the growth of services, and we use those funds to grow our services.

**Ms CATE FAEHRMANN:** In 2011 the New South Wales Parliamentary Budget Office did an analysis showing that the Government could buy out the rail line for \$300 million. Given that we have the Sydney Airport Masterplan 2039 predicting such an increase in passengers and you have this PPP arrangement, which suggests that we will not have direct bus routes to the airport until 2030, and we will have these expensive fares to 2030, do you think something like \$300 million is a pretty fair price to pay to ensure we have more people using those rail lines?

**Mr ANDREW CONSTANCE:** First of all, I cannot speak to 2011 in terms of the report you allude to—

**Ms CATE FAEHRMANN:** Just the \$300 million figure.

**Mr ANDREW CONSTANCE:** The State's financial situation back in 2011 was that we were left a massive hole in the budget courtesy of the Labor Party. We have been able to get on and recycle capital, which has given us a lot more infrastructure headroom. We have grown the services there by 200 extra services a week. We will continue to support all those commuters who want to get to the airport. We have to remain that focused. As I indicated during your line of questioning before, it is a growing precinct and we are very keen to make sure that we have good mass transit to the area. We have a very real focus in terms of digitising the signalling across the network. The airport line is one of those lines which will benefit from that process. But there is no doubt, certainly in terms of what we are receiving from a station access fee, it goes straight back into growing more services. That is what we have to continue to do.

**Ms CATE FAEHRMANN:** That does not include, for example, an express bus from the city to the airport because of that PPP. You cannot do that because of the PPP.

**Mr ANDREW CONSTANCE:** We are running more services on the train line now than ever before. There is no doubt that it is better to have people on rail than clogging the roads between here and the airport, particularly given the high concentration of apartments that—

**Ms CATE FAEHRMANN:** But the roads are clogged already, Minister, because the airport fees are so expensive at those airport stations, and people cannot get direct access to the airport on a bus. So the roads are congested already. Would you admit that?

**Mr ANDREW CONSTANCE:** Yes, but what counters your claim in that regard is the fact that the growth in that line is so high. We have put 200 extra services onto the rail line per week. Think about that. That is an extraordinary delivery of service. I have some comparisons which Mr Staples has just provided to me. We want to make sure that it is affordable. In Melbourne the SkyBus is \$18. It is \$18.70 from Town Hall to the

international airport here in Sydney. In London it is £22—so, \$38. In New York, it is \$19.90 and in Tokyo it is \$30. We are obviously trying to keep it affordable relative to other stations which service airports around the world from their major CBDs but, at the same time, we were able to get that infrastructure in place earlier because we had that PPP arrangement.

**Ms CATE FAEHRMANN:** Considering that the Government has to reimburse—it subsidises passengers now at Mascot and Green Square as a result of that PPP; I think it is \$20-something million a year—has the Government learned anything about the way it manages PPPs as a result of the airport rail link PPP?

**Mr ANDREW CONSTANCE:** I think it is fair to say that we have to deploy a number of innovative financing models to deliver the infrastructure program that we are delivering. Government will always learn from every build in terms of their financing models. There is no point in pretending otherwise. The key elements out of all of this is that we have the infrastructure earlier and it is affordable. We have been able to cater for Green Square and Mascot in that sense. There is already significant taxpayer subsidy attached to the operation of the railway. Fare box revenue contributes roughly 20 per cent; 80 per cent is funded by the taxpayer. That is just to run the operation. So for us it is very important that we keep it affordable. That is what we have been doing in terms of fare box.

At the same time, we are building new infrastructure, which I think people can relate to. We have to make sure that the model is right, and that means making sure the business case development is right and applying the right financing model. One thing that I would observe is the public-private partnerships have been playing and will play an ongoing important role in terms of developing the infrastructure that we are delivering across the State because of the very strong relationship that we have with the private sector to achieve that.

**Ms CATE FAEHRMANN:** On to a different topic—safety on trains. I understand that about 200 fires occur each year on trains and at stations across Sydney's rail network. Is this figure correct?

**Mr ANDREW CONSTANCE:** I will hand over to Howard in relation to that assertion.

**Mr COLLINS:** I will take on notice the actual figure. I think this is fires on the network, and not on trains or at stations. The majority of those fires tend to be in the rail corridor. Quite often they are connected with more regional or intercity routes, where fires occur. It is very rare to have a fire on the station but obviously we have full procedures and processes to deal with that. We even have our own railway emergency response unit, and we also have a lot of procedures and processes for our staff to follow. I do not know if there is anything more specific that you want to ask but—

**Ms CATE FAEHRMANN:** Have there been any fires on trains or at stations over the last two or four years?

**Mr COLLINS:** Occasionally, some of our customers decide to ignite fires on our trains. The good news is that our trains have a number of facilities. The most modern ones have fire detection equipment facilities. The materials we use are fire resistant. Guards are on hand to assist with that. We have an extensive CCTV network. I cannot think, in the last three or four months, that we have had a fire on a train that has affected the railway. There are occasions when people do those things. Generally, they are about other people importing that risk.

**Ms CATE FAEHRMANN:** So you are not sure whether there have been any on trains, in tunnels or in underground stations.

**Mr COLLINS:** I will take that on notice. We have an extensive record of every incident on the network. I certainly do not want to mislead anyone by not including the facts, but I will get back to you. It is quite a rare occurrence. We do an extensive job of removing litter and rubbish from tunnels. The recent bushfire that we had near our rail corridors is a typical example where fires affect our operation.

**Ms CATE FAEHRMANN:** What about ventilation systems for Sydney's underground rail tunnels? Do we have a good ventilation system, or a ventilation system for reducing the risks of a bad fire incident?

**Mr COLLINS:** On the T8 line, the airport line, a tunnel ventilation control system was installed when it was built. That was built to the standards at the time. On the current city underground network there are a lot of fire mitigation flash points. There is not a ventilation system—mainly because it is a sub-surface railway as opposed to a deep tube tunnel. We have fire screens, fire detection systems, evacuation points and a significant amount of modern measures in place to deal with fires either on stations or within tunnels.

**Ms CATE FAEHRMANN:** How much has been invested in fire safety improvements since the Transport for NSW 2015 Fire and Life Safety report, which I understand identified some alarming safety risks at Town Hall station?

**Mr COLLINS:** I will take on notice the actual amount, but if you are talking about that specific area, we have worked very closely with the City of Sydney on some recommendations with which we have made significant progress at Town Hall station. We are up to date with that program of works, including training of our staff, removal of fire materials and improving the fire panels, which have been renewed and updated. There is a list of activities and programs. We have a current fire certificate. We have had positive comments from both the fire brigade and the City of Sydney in terms of our progress to date. I have a specific fire safety engineer who is monitoring and managing the project.

**Ms CATE FAEHRMANN:** Have any of the recommendations from the 2015 report not been implemented, that you are aware of?

**Mr COLLINS:** Some of them are significant in nature and—

**Ms CATE FAEHRMANN:** Which ones are they?

**Mr COLLINS:** Again, we can give you on notice the progress reports that we have, but everything is on program and up to date. We are obviously working through that extensive program. I use Town Hall station most days, and it is still being upgraded and modernised not just to do with the fire safety works but also with the improvements we are making to a very busy station. That includes removal of materials and upgrading some of the CCTV systems. I am very happy to give you on notice the report and updated progress.

**Ms CATE FAEHRMANN:** When was the last time evacuation training occurred at Town Hall station?

**Mr COLLINS:** We do that on a very regular basis. Sometimes an evacuation exercise takes place because we have to carry out that exercise. We have refreshed and recently done an extensive evacuation process for a lot of our mainline stations like Central, Town Hall, Wynyard. I will take on notice the actual date of the last one, but it is a regular occurrence.

**Ms CATE FAEHRMANN:** You said that sometimes passengers like to light fires. If there was a fire, say, on a train in a tunnel between Epping and Macquarie Park on the existing Epping to Chatswood [E-C] rail line, how would passengers disembark from the train and make their way to safety exits?

**Mr COLLINS:** That E-C rail line was built at a time when tunnel control and ventilation and detection systems were installed. There are procedures in place to decide on the best form of evacuation. As you may be aware, I have had a lot of experience in deep-level tube environments, 35 years of dealing with the whole series of actions regarding tunnel ventilation and fire systems. There is a good process in place. You treat every scenario live. I have a rail management centre, response teams and a dedicated fire unit working very closely. We carry out a number of joint exercises with our colleagues in emergency services to ensure we are able to respond to those incidents. The good news is that most modern trains have very sophisticated detection systems. The important thing is to deal with people in a safe way. Sometimes it is remaining on the train or evacuating via the nearest route. The best thing is to get the train to a station or an appropriate intervention point.

**Ms CATE FAEHRMANN:** If they were in a tunnel between two stations and there was a fire, say, that required passengers to disembark, talk me through how they would disembark and how long it would take for a full passenger train to disembark. You would have the statistics in your head surely.

**Mr COLLINS:** In general terms, our trains have fire evacuation exit points at the front and back of trains. The most important thing is to ensure the evacuation is done in an orderly manner. We can have up to 1,800 people on our trains. The average time to evacuate people from trains could take 30 minutes. You have to understand it is a significant decision, and then obviously the controller calls in which direction the train is evacuated from. The reason we have tunnel ventilation systems is not so much for fire but to deal with the prevention of smoke affecting customers who are involved.

**Ms CATE FAEHRMANN:** Are the exits at the end of each train and not every door?

**Mr COLLINS:** There are certain points where you can get side intervention along with the fire brigade. The other thing to remind ourselves of is that once the metro system takes over that line—and it is less than a month before we start the works to retrofit—there are even greater performance and improvement characteristics of the metro system. There is an integrated control system from the location, the most modern trains with the most

sophisticated fire detection and evacuation ramps, lots of support, and this is the next step in the improvement of fire and life safety on the below-ground railway system.

**Ms CATE FAEHRMANN:** I now get to the evacuation ramps for the metro. How does the evacuation of passengers in the event of an incident on the metro differ from the current system for evacuation of passengers from trains?

**Mr COLLINS:** I will pass this question to Rod Staples, who is familiar with the metro as well as being the secretary.

**Mr STAPLES:** Having worked on the development of the fire and life safety strategy for the metro, there is a clear set of protocols under a range of different incidents for the metro train. One of the real benefits of the metro train is that by being single deck it is easier to move passengers through the train to evacuate, which is a real benefit. There are options to move passengers out of the ends of the train, because the doors stand down and passengers can walk through the tunnel. There are also options for passengers to step off the side of the train onto the side walkway, which is adjacent to the train at the same level. It depends on the scenario.

As Mr Collins alluded to, the preferred approach always is to get the train to the next station, and that is usually the default scenario. In a highly unusual scenario when that cannot occur, there are a range of options to intervene, and station staff are trained in those options. One of the benefits of the metro is the screen doors being placed in the stations substantially reduce the risk of people being able to access the tunnels. That substantially reduces the risk of a fire actually occurring in a tunnel. All of those scenarios are tested in extreme detail. Exercises will be undertaken with emergency services as the work is completed and the commissioning and testing is done on that line.

**Ms CATE FAEHRMANN:** What about elderly passengers and people with disabilities who need to evacuate a train?

**Mr STAPLES:** The same as for thousands of kilometres of rail around the world that are operated in this way, there are a range of measures for people to get in and provide assistance to those people. It depends on the circumstance and where the train is. As I said, the preferred option is to get the train to the nearest station, in which case the station staff can immediately assist people with limited mobility. If the incident occurs in a tunnel, there will be people to get to people with limited mobility as quickly as possible. The fact that there are twin tunnels gives a huge amount of opportunity to ensure that even if a fire occurs in a tunnel, with the ventilation systems and the way the venting occurs, the fire can be kept away from the train to allow people to get to the train and allow the firefighters to access the fire from a point of safety in the other tunnel. There are cross passages roughly every 250 metres to be able to intervene. A number of measures are in place to provide assistance to people with limited mobility

**The Hon. PENNY SHARPE:** Minister, the timetable is getting worse in relation to on-time running. Are you comfortable with that?

**Mr ANDREW CONSTANCE:** Can I congratulate Sydney trains for 99.7 per cent on-time running this morning.

**The Hon. PENNY SHARPE:** Today?

**Mr ANDREW CONSTANCE:** This morning's peak. There you go. One train out of 350 was late, no cancellations. Our worst day in office—

**The Hon. PENNY SHARPE:** Given it has been getting progressively worse every month, I am glad that you are pleased, Minister.

**Mr SCOT MacDONALD:** Point of order: At the start of this round of questions, can we have a framework in which the Minister is allowed to answer the question? Three or four people piled in as the Minister was trying to answer a question.

**The Hon. PENNY SHARPE:** He is able to answer his questions.

**The CHAIR:** I uphold the point of order. The Minister is doing a fair job trying to get to the nub of the question. We do not seem to be wasting a lot of time but, by the same token, once the Minister completes answering a question members can feel free to go.

**The Hon. PENNY SHARPE:** I will.

**Mr ANDREW CONSTANCE:** In terms of the performance of the timetable, our worst day in office in terms of running the railways is better than any day that you ran the railways in 16 years. You had years when you ran trains at 60 per cent.

**The Hon. PENNY SHARPE:** Minister, you have been the Minister for seven years. People who are trying to get to work on time or get home on time are not interested in what was happening seven years ago; they want to know what is happening now and why they are late. I want to know if you are satisfied with the deteriorating performance of the train timetable?

**Mr ANDREW CONSTANCE:** Let me be clear—and I am going to repeat this—in five years we have had a 30 per cent growth in patronage on the railway. That is why we had to put 1,500 services back into Western Sydney to cater for that growth, which I have noticed the Labor Party is going to reverse—it is going to cut those 1,500 services. Last month the on-time running performance of Sydney Trains was 93.6 per cent; this month it was 92 per cent.

**The Hon. PENNY SHARPE:** I want to talk about the average since the timetable was introduced.

**Mr ANDREW CONSTANCE:** No, hang on a second. You do not like to hear this news—

**The Hon. PENNY SHARPE:** You are picking the figures. You are picking the last month; I think we need to look since the timetable started and I am happy to go through those with you.

**Mr ANDREW CONSTANCE:** You have made an assertion against the railway and its staff, which is wrong.

**The Hon. PENNY SHARPE:** I am working off your figures, which I know that you are about to change, but—

**Mr ANDREW CONSTANCE:** In five years we have gone from 300 million to 400 million passenger trips. Last month it was 93.6 per cent. I did not see the Labor Party issuing a statement. In terms of August, we are at 92 per cent. Unfortunately, on occasion we can have incidents across the railway network. You would remember those well from the Labor years when we had on-time running for a whole 12 months at 60 per cent in one case. For us, carrying 100 million more passengers in the last five years, we are investing in more trains and services. With those 1,500 services, which the Labor Party has announced it is going to cut because it is reversing back to the old timetable—that is what you said—we are going to stay the course and continue to support this growth.

**The Hon. PENNY SHARPE:** Minister, your on-time running average for Western Sydney over the past nine months is 85 per cent; it has been as low as 77 per cent. Do you really think the people of Western Sydney who are battling to get into work everyday want to hear you cherry-picking these figures when they know they are late more times than they are not.

**Mr ANDREW CONSTANCE:** I think the commuters on the railway network are showing it through their customer satisfaction, which is significantly higher than what it was when you were last in office.

**The Hon. PENNY SHARPE:** Oh, so they have never had it so good. Is that what you are saying?

**Mr ANDREW CONSTANCE:** No, that is not what I am saying. What I am saying very clearly is that when you have a 30 per cent growth in patronage like we have had and there are major investments into the rail network, including a government-built standalone passenger rail network called Sydney Metro, which the Labor Party opposes—

**The Hon. PENNY SHARPE:** Yes. I am talking about current on-time running for the people who are battling to get to work everyday. Minister, on the news last night you said that a few more minutes does not matter in relation to trains being late. What do you think that means to people? Have you seen the women who are battling every day to get out of the city to try to get home and back to child care to pick up their kid before six o'clock? You are saying to them that a couple of minutes does not matter. Is that what you think?

**Mr ANDREW CONSTANCE:** What I am saying is that we have had a 30 per cent growth over the past five years—100 million extra passenger journeys.

**The Hon. PENNY SHARPE:** So the passengers are to blame, are they, Minister?

**Mr ANDREW CONSTANCE:** We ran at 93.6 per cent last month.

**The Hon. PENNY SHARPE:** How dare they actually use the service.

**Mr ANDREW CONSTANCE:** Interestingly, you are attacking the staff.

**The Hon. MATTHEW MASON-COX:** Point of order—

**The CHAIR:** There is no need for the point of order.

**Mr ANDREW CONSTANCE:** Your ongoing denigration of the service, which is provided by drivers, guards and by Mr Collins and his team, takes the cake.

**The Hon. PENNY SHARPE:** If you want to get into how you speak about the staff on this network—I do not think we really want to go there. I am asking about on-time running. They are your figures and I am asking you to explain whether you believe they are reasonable, given that your own benchmark says that it should be 92 per cent and eight out of 13 lines are not meeting that benchmark?

**Mr ANDREW CONSTANCE:** You made a statement that I denigrate the staff. I reject that outright. I ask you to point to when I have made a statement denigrating the staff of Sydney Trains. They do a wonderful job. This morning it was 99.7 per cent.

**The Hon. PENNY SHARPE:** Yes, that is today—terrific. That is great. But eight out of 13 lines in the last nine months have not met the 92 per cent.

**The Hon. RICK COLLESS:** Point of order: The member is clearly attempting to arrest the Minister by constantly speaking over the top of him. I ask that the Chair ask the member to allow the Minister to answer the question.

**The CHAIR:** I uphold the point of order and suggest that the Minister tries to restrict his answers to the core of the questions being asked.

**Mr ANDREW CONSTANCE:** As I indicated, there has been a 30 per cent increase over the past five years and there was a 93.6 per cent on-time running rate last month. Mr Collins and his team are working around the clock to move 1.3 million passenger journeys a day. Incidents can happen and it is unfortunate when they do, but I can tell you now that the professionalism of our staff and the work that they do is phenomenal and they deserve to be applauded. When you attack the railways, you attack the staff.

**The Hon. PENNY SHARPE:** Minister, I am asking you about whether you think it is reasonable that eight out of 13 of your lines are not meeting the 92 per cent on-time running benchmark.

**Mr ANDREW CONSTANCE:** We have had the last two months above 92 per cent.

**The Hon. PENNY SHARPE:** I am talking about since the new timetable came in. If you want to cherry-pick the figures that is fine. You have had several meltdowns. As we know, people have been stranded all over the city and you want to pick particular figures. I am trying to ask you about what you are doing to make sure that people can actually go about their lives and get to work on time.

**Mr ANDREW CONSTANCE:** Thank you for that. We are delivering brand-new Waratah trains, starting with a new train back in revenue service this week. We have \$1.5 billion being invested in more trains and services to deliver the 1,500 services that you are going to reverse, as you have indicated in your policy.

**The Hon. PENNY SHARPE:** Do you believe that the current on-time running is acceptable? That is my simple question. We have been going around this for eight minutes now.

**Mr ANDREW CONSTANCE:** Could you please let me answer your question?

**The Hon. PENNY SHARPE:** Yes. It is: Do you believe that is acceptable?

**Mr ANDREW CONSTANCE:** Please let me answer your question. You asked me what we are doing. I have indicated that we are investing in more trains and more services—\$1.5 billion—and we are digitising the railway at \$880 million in this year's budget, with more to come. We are going to continue to try to inject more capital in the railway to deliver reliability. We are building a standalone passenger rail network called Sydney Metro. I point out to you that for the past two months we have been running at above 92 per cent. There is a raft of incidences that can happen across a railway—

**The Hon. PENNY SHARPE:** I point out to you that since the new timetable came in, eight of the 13 lines are not meeting their 92 per cent benchmark. They are your figures. It is okay if you want to talk about the last two months but it has been getting progressively worse.

**Mr ANDREW CONSTANCE:** How can you say it is getting progressively worse when it is getting progressively better?

**The Hon. PENNY SHARPE:** You are saying that this morning was great—that is terrific—but I am talking about the people who got stuck on the train last Saturday.

**Mr ANDREW CONSTANCE:** If you are going to ask me that question I am actually going to give the answer to the Committee and I would ask you to allow me to answer it. Last Saturday one of our staff took the absolute right decision when they had a safety concern in relation to points and a signal. They stopped the train and engaged with Sydney Trains. It took time to investigate that. If you are asking Sydney Trains to forego the safety of our rail commuters with silly statements like that when—

**The Hon. PENNY SHARPE:** I am talking about the ongoing disruptions and the failure of your timetable. If you want to try to pick it and try to verbal me you can try all you like, but that is not what I am asking—and you know that. Can we move on? In the lead-up to the new timetable you were given advice from Sydney Trains that said that the timetable had reduced fleet maintenance windows, increased demand on maintenance as a result of the fleet doing more kilometres and created shorter maintenance windows for the repair of the rail tracks. Mr Collins, given the increase in disruptions and the at times catastrophic network shutdowns, do you believe that you have the level of investment you need to be able to run this timetable?

**Mr COLLINS:** Thank you very much. I do have the right level of investment. Talking about maintenance, I am pretty proud of the team for achieving much better performance. I know it might feel like cherrypicking, but we have had a good two months of solid performance due to my staff going the extra mile, whether it is through detecting quickly, cutting out a rail just to save the morning peak or changing a train stop in record time at North Sydney. I want to commend and thank the staff who are doing all they can. Yes, we are utilising the maximum amount of our assets but we do not have a choice. I certainly believe that we have had to increase the timetable service. I do understand that people were frustrated early in the year by the performance; the performance is turning around. This is not just cherrypicking figures; we are seeing solidly for the last two months, due the hard work of individual staff and teams, an improvement. It is an amazing \$40-billion, 160-year-old asset and with what we are doing now we are starting to see some real improvements.

**The Hon. PENNY SHARPE:** But you do accept that even if we just want to look at the last two months, the Western line, Richmond line, Liverpool line, Leppington line and South line are still not meeting the benchmarks?

**Mr COLLINS:** I do not know what figures you have. I can take the question on notice and give you figures right up to this morning's peak to give you the accurate figure.

**The Hon. PENNY SHARPE:** No, I can look on the website.

**Mr ANDREW CONSTANCE:** It is at 99.7 per cent, to help you out.

**Mr COLLINS:** What you are seeing over time is that all those lines are improving. We recognise that the challenge for us every day is the 1.3 million journeys and trips on our network. It is busier. I appreciate the patience of our customers who are travelling on this network every day. My job is to see that investment through. We are about to see another 24 Waratah trains arriving.

**The Hon. PENNY SHARPE:** I am very aware of that. Would you be able to provide to the Committee the costs of overtime paid broken down by month in relation to Sydney Trains?

**Mr COLLINS:** I am sure we can provide information—

**The Hon. PENNY SHARPE:** You can do it on notice.

**Mr COLLINS:** —on notice, but obviously the important thing is to understand which parts do you want to know; every single bit of overtime?

**The Hon. PENNY SHARPE:** However much information you want to provide me with is very welcome. I want to know the overtime of train drivers and guards, I want to know the overtime of maintenance staff, broken down by months since the new timetable has been in place.

**Mr COLLINS:** I certainly can provide that on notice.

**Mr ANDREW CONSTANCE:** Happy to. Here to help.



**The Hon. PENNY SHARPE:** Minister, why did you pick Dubbo as the preferred location for the maintenance and assembly plant when there are empty rail maintenance facilities in other regional centres, such as Bathurst, Taree and Goulburn?

**Mr ANDREW CONSTANCE:** Again, the key point that I made there is that we are moving jobs into the bush, and we are very proud to be doing so. I am very pleased that Dubbo has been selected.

**The Hon. PENNY SHARPE:** That is terrific, but why Dubbo as opposed to the other places?

**The Hon. RICK COLLESS:** You would have said why Goulburn if it was not in Dubbo.

**The CHAIR:** Order!

**Mr ANDREW CONSTANCE:** Again, we are very proud to be relocating jobs from the city to the bush, and well done to Dubbo.

**The Hon. PENNY SHARPE:** How do you explain that decision to the member for Myall Lakes, Stephen Bromhead, who publicly called for the trains to be built in the UGL facility in Taree and told you specifically that there is an old site there that would help in that area?

**Mr ANDREW CONSTANCE:** Again, the agency works through the requirements and feedback they get through a tender process. It just goes to show, I think, it is healthy that we have local members out there advocating for jobs to move to the bush. We cannot be all things to all communities in that sense, but very pleasingly Dubbo is set to benefit.

**The Hon. PENNY SHARPE:** You have not corresponded with Mr Bromhead about your decision to go to Dubbo?

**Mr ANDREW CONSTANCE:** As I said, congratulations Dubbo.

**The Hon. PENNY SHARPE:** Bathurst, Taree and Goulburn, of course, are thrilled. I now address some question to Mr Betts. The State Infrastructure Strategy emphasises the need to shift investment to the west. Is it still the view of Infrastructure NSW that the investment needs to shift westwards?

**Mr BETTS:** Yes. The starting point is the excellent work of the Greater Sydney Commission in terms of the Greater Sydney Region Plan, which was published in March at the same time as Future Transport and the State Infrastructure Strategy. That identifies the concept, the organising principle of three cities. The established city in the east, where we are now, the emerging central city around Parramatta, around Westmead, around the Olympic peninsula, and in the longer term around the new aerotropolis at Badgerys Creek. Progressively, transport investment will shift westwards over the 24-year time frame of our strategy and the transport strategy as those two new cities take shape. That is why projects such as Metro West and why the investments that are going into support for the new airport in Western Sydney are so important. They are genuinely city-shaping projects.

**The Hon. PENNY SHARPE:** Is it still the view of Infrastructure NSW that the F6 and the northern beaches tunnel may mean the deferral of other projects in Western Sydney?

**Mr BETTS:** It is an arithmetic statement of fact that if you invest in projects like that, then in a constrained fiscal environment that represents a choice, which will mean that other investments may need to come later.

**The Hon. PENNY SHARPE:** Minister, in light of the recommendations of Infrastructure NSW about the need to move infrastructure westwards, are you comfortable with the commitment to build the Premier's pet projects, the northern beaches tunnel and the F6 ahead of those projects?

**Mr ANDREW CONSTANCE:** I am very proud of what we are doing in Western Sydney.

**The Hon. PENNY SHARPE:** That is not my question, Minister, with respect.

**Mr ANDREW CONSTANCE:** This class-based game that the Labor Party is playing between the northern beaches and the western suburbs, there are hundreds of people coming from the western suburbs to work on infrastructure builds right across this city, and they will be working on the northern beaches tunnel. For the Labor Party to oppose infrastructure and cancel projects like you are—50,000 families depend on our mega projects and the Labor Party will cancel the lot.

**The Hon. PENNY SHARPE:** I am interested in why you continue to ignore the advice of your own infrastructure department in relation to this.

**Mr BETTS:** Perhaps I can clarify the advice of the infrastructure agency, which is not that the Government should not be investing in the eastern suburbs where there is large population growth that needs to be responded to. We are saying that over that 20-year time frame to the 40-year time frame that needs to be balanced against the emerging investment needs of the west. The good news is that through projects such as Sydney Metro and including the city and south west component of Sydney Metro and the investments that are going into Western Sydney, we are seeing investment in all three aspects of the metropolis. We are not arguing that investment should be cut short in the eastern suburbs, which remains absolutely critical—and when I say "eastern suburbs", I mean the eastern city, the global economic corridor that remains absolutely critical to the economic performance, not just of Sydney but of New South Wales and Australia more generally.

**The Hon. DANIEL MOOKHEY:** In the infrastructure investor insurance framework that Infrastructure NSW oversees, at what gate is the development of the northern beaches tunnel and the F6?

**Mr BETTS:** Those projects have been the subject of final business cases.

**The Hon. DANIEL MOOKHEY:** Strategic or final?

**Mr BETTS:** Final.

**The Hon. DANIEL MOOKHEY:** Are those final business cases in respect of those two projects public?

**Mr BETTS:** No. The trigger for the publication of business case summaries by Infrastructure NSW is a final investment decision by the Government. The business cases are ready, but the Government has not taken that final investment decision.

**The Hon. DANIEL MOOKHEY:** Has Infrastructure NSW convened the expert review panel to assess the final business case in respect of the F6 and the northern beaches tunnel?

**Mr BETTS:** We have run a whole series of reviews, yes, across those different projects over a number of months, in accordance with the published framework.

**The Hon. PENNY SHARPE:** Minister, it is my understanding that Infrastructure NSW has recommended that Transport for NSW complete the Sydney Metro West business case before the end of 2018. When is that going to be completed? We do have a metro person here.

**Mr ANDREW CONSTANCE:** Metro West is your question?

**The Hon. PENNY SHARPE:** Yes.

**Mr ANDREW CONSTANCE:** We are building our fourth stage of metro projects. Metro West is going to be built by this Government and as part of that we said we would complete the final business case in relation to the project. In doing so we have also set aside \$3 billion in this year's budget as the first down payment on starting the work.

**The Hon. PENNY SHARPE:** Is it going to be finished by 2018, that is my question? Perhaps Mr Gellibrand can tell us.

**Mr ANDREW CONSTANCE:** We have indicated that we are going to complete a final business case.

**The Hon. PENNY SHARPE:** By the end of 2018?

**Mr ANDREW CONSTANCE:** When it is ready.

**The Hon. DANIEL MOOKHEY:** What is the budget for the development of the final business case for the Metro West?

**Mr ANDREW CONSTANCE:** We can take that on notice. The key point I make is that given the Labor Party's opposition to Metro and cancelling Metro projects you are not really in a strong position in relation to Metro, is my observation. Northwest you promised three times when you were in government.

**The Hon. DANIEL MOOKHEY:** With your level of confidence, has a budget appropriation for the development of the final business case been agreed to by Transport for NSW?

**Mr ANDREW CONSTANCE:** I do not understand the question.

**Ms CATE FAEHRMANN:** Minister, how many children use public transport, particularly the rail line, in New South Wales each week?

**Mr ANDREW CONSTANCE:** I can get you the exact numbers.

**Ms CATE FAEHRMANN:** Does anybody know what percentage, roughly?

**Mr ANDREW CONSTANCE:** In terms of school kids across the whole network, or just on trains?

**Mr STAPLES:** We will take it on notice.

**Ms CATE FAEHRMANN:** I have a statistic of 250,000 across Australia. That is on your website.

**Mr ANDREW CONSTANCE:** Divide it by three and you get a rough number.

**Ms CATE FAEHRMANN:** About 80,000 students or 90,000 students. I have some photos of advertising taken in Martin Place and some other train stations around Sydney.

**The CHAIR:** Are you seeking to table them?

**Ms CATE FAEHRMANN:** Yes.

**The CHAIR:** Leave is granted.

**Ms CATE FAEHRMANN:** They are two advertising campaigns; gambling advertisements for the TAB and alcohol advertisements for Jack Daniels. Are you aware that these types of advertisements are being displayed quite extensively at train stations on the rail network, Minister? These documents show two big advertising campaigns: one for the TAB, so gambling ads; and one for Jack Daniels; so alcohol ads. Were you aware that these types of ads are being run in train stations quite extensively on the rail network, Minister?

**Mr ANDREW CONSTANCE:** There is an advertising policy in place. I do remember The Greens sneaking an ad in there at one point and we had to get it taken off. The point I make is that there is an advertising policy in place.

**Ms CATE FAEHRMANN:** Do you think that is appropriate? Like ads on television, there are regulations for alcohol and gambling ads not to be displayed during times that children will probably be watching television, which is a certain period in the morning and a certain period in the afternoon and evening. These ads stay up the whole time. So do you think it is appropriate that the train and transport system is advertising alcohol and gambling to such an extent with schoolchildren walking past those ads every single day during the school week?

**Mr ANDREW CONSTANCE:** As I said, there is an advertising policy in place, and we have advertising for a lot of industries across our community at all points. The key point I would make in relation to this is that I would expect transport to be sensitive to the needs of our community, and the point out of it is that we have this policy in place.

**Ms CATE FAEHRMANN:** That is the policy, but you have just been made aware that gambling and alcohol are being advertised quite prominently, as you can see, at train stations with students and children walking past them everyday. We have standards for advertising, for good reason, at a national level in terms of television. Now that you have been made aware that these advertisements are in the stations, which you have responsibility for, will you at least commit to having a look at that policy to see whether it is appropriate?

**Mr ANDREW CONSTANCE:** As I said, there is an advertising policy in place. I will check the number of complaints we have had in relation to these ads, but the key point is that people are exposed to advertising right across our community.

**Ms CATE FAEHRMANN:** Minister, we are talking about children.

**Mr ANDREW CONSTANCE:** Children and adults alike are exposed to advertising across the community.

**Ms CATE FAEHRMANN:** Will you take on notice a question in terms of the amount of complaints you have received?

**Mr ANDREW CONSTANCE:** Sure.

**Ms CATE FAEHRMANN:** Just one last question on that. When I saw it, I was pretty shocked that the TAB is advertising as far as you can see on every spare surface in certain stations in the city, with school students walking past the ads every afternoon and every morning—as well as Jim Beam, Jack Daniel and other alcohol advertising, I am sure. Now that you have been made aware of it and given that it is pretty shocking, will you commit to at least having a look at the policy to see whether it is appropriate in terms of the alcohol advertising and gambling advertising that young people are subjected to on the transport system in New South Wales?

**Mr ANDREW CONSTANCE:** I note your concerns. In terms of the advertising policy, it is constantly looked at. The Government will continue to do that.

**Ms CATE FAEHRMANN:** So you think it is appropriate? Do you think the policy is appropriate in allowing that?

**Mr ANDREW CONSTANCE:** I noted your concerns and I indicated to you that the policy is constantly assessed. I look forward to reporting back to the Committee on the number of complaints.

**Ms CATE FAEHRMANN:** At least you are aware of it now. Regarding Newcastle light rail, why were small businesses in Newcastle who were impacted by the light rail construction, including restaurants, cafes and other hospitality operators, not provided with a rent relief scheme similar to those impacted in Sydney?

**Mr ANDREW CONSTANCE:** The answer to that is quite simple. The delays in the construction zones on the CBD light rail are extensive and I took a decision alongside the CBD Coordinator General in this regard to be able to provide rental assistance to those businesses where there has been a prolonged delay in terms of the construction zones. As a project, Newcastle has been phenomenal in terms of its delivery. Pleasingly, over the next couple of months we will see civil works completed and we will have passenger rail supporting those businesses. The other point that I would make is that typically, in terms of this type of infrastructure and this type of passenger transport, businesses thrive once the work is complete. They have not experienced the extensive delays that the CBD in Sydney has, and that is the reason why we have taken that decision.

**Ms CATE FAEHRMANN:** I understand some businesses have closed, though. Is that correct? Do you have the number of businesses and shopfronts that have become vacated since the project has begun?

**Mr ANDREW CONSTANCE:** In Newcastle?

**Ms CATE FAEHRMANN:** In Newcastle. This is all Newcastle.

**Mr ANDREW CONSTANCE:** I will have to take that question on notice in terms of the number, but one observation I make that does happen again around these projects is that landlords often do not renew leases. We saw a high-profile example of that in the CBD last week with VIVO Café, where the landlord has decided to develop the building. As a result of that, we are conscious that we see tenants who are exposed to the construction disruption and then of course their lease ends and then the building owners tend to want to redevelop their site in light of the infrastructure being there. We have teams on the ground and we have done everything we can to undertake the activation of precincts. I know that in Newcastle that has been handled by Mick Cassel and his team in the same way that Mark Prendergast has handled that for the activation of precincts in the city. We are sensitive to encouraging people to support those businesses during construction disruption, but the beauty with Newcastle is that we have not experienced the same delay in terms of the timing.

**Ms CATE FAEHRMANN:** Minister, can you tell me approximately the number of businesses that have had to close or shopfronts that have been vacated since the project has gone ahead? You said that there are a number. I am not sure if someone around the table can answer this.

**Mr ANDREW CONSTANCE:** We have not seen the mass closure of businesses. We might have a small number that have been affected, and I am happy to take that on notice. I think one of the elements to this is that not only will I provide you with that information but I will also provide you the information in relation to the number of businesses that have opened. There are positive signs there. We have seen \$2 billion of private sector investment into Newcastle since we made this decision as a government. The Labor Party did not make these decisions, but we have. The town and the city are thriving. We are proud of what we have achieved there because it has been part of a complete revitalisation of the city, not just in terms of light rail but the overall city.

**Ms CATE FAEHRMANN:** Did the Government offer any other measures to mitigate economic impact to small businesses, such as low-interest loans or anything else?

**Mr ANDREW CONSTANCE:** No, but, again, we have done a number of other things. We have activated precincts, and as a part of that we have made the Small Business Commissioner available to also assist in terms of supporting small business. It is disruptive. We are talking about construction at street level. Metro projects are built underground; light rail is built at ground level. That can pose challenges, but we work tirelessly to maintain the activation of precincts—everything down to the signage on hoardings to encourage people to enter through business doors. The key point is that what we are finding, and the same goes for the light rail in the city, is that the vacancy rate has typically remained the same for businesses along the corridor. We are seeing a lot of new businesses pop up. That said, I am also conscious of those small businesses that are affected, and that is why we have again continued to invest in the activation of precincts.

**Ms CATE FAEHRMANN:** This activation of precincts, I am not sure how successful it is for all the businesses along the route that have been affected, given that there is a class action against the Government by those businesses. How many Newcastle businesses have joined the class action to date? Do you have that figure?

**Mr ANDREW CONSTANCE:** As I indicated, this matter is before a court and I will not provide running commentary on it.

**Ms CATE FAEHRMANN:** The number of businesses is not.

**Mr ANDREW CONSTANCE:** Again, it will be a matter for the person who has brought the class action to answer that question, because we simply do not know.

**Ms CATE FAEHRMANN:** Therefore, a lot of businesses must be feeling a fair bit of pain in Newcastle if they are launching a class action, surely?

**Mr ANDREW CONSTANCE:** The project is not late. I am not convinced that anyone from Newcastle has joined the class action. You are implying that businesses in Newcastle have joined the class action. I have not seen any evidence of that. In fact, the Newcastle businesses are now seeing barriers pulled away, the city breathing, and soon they will see passenger rail services supporting their city. I think also it is fair to say that if we have seen over 30 businesses open in Newcastle, that is a success story.

**Ms CATE FAEHRMANN:** Are those 30 businesses around the Newcastle light rail precinct, or is that for all of Newcastle?

**Mr ANDREW CONSTANCE:** I will get you the exact numbers. I think you will find that ultimately we are going to see businesses transformed and people making investments in their businesses as this infrastructure provides a great transport project to their door.

**Ms CATE FAEHRMANN:** How much money does Transport for NSW receive from gambling and alcohol advertising?

**Mr ANDREW CONSTANCE:** As I have said, there is a policy in place. I am normally happily to provide anything on notice about that.

**Ms CATE FAEHRMANN:** Can you provide those figures to me on notice?

**Mr ANDREW CONSTANCE:** Yes.

**Ms CATE FAEHRMANN:** Thank you. In relation to the light rail construction in the CBD near Circular Quay, why did it take over a year to get the light rail tracks over Bridge Street?

**Mr ANDREW CONSTANCE:** I am happy to hand to Mr Summers in this regard. One of the elements and the challenges with George Street has been the utilities. As part of that work, there literally had to be a redesign of the pits that service those utilities around the light rail corridor. If you throw in one of the busiest intersections in the city and the size of the pit—I think it is "pits", plural, when it comes to Bridge Street—it has been an extensive job. One of the challenges with light rail is not necessarily what is going on above the ground; it is what is going on in terms of the utilities. That is why there has been extensive work to keep the city moving at the same time. Building light rail and reconfiguring the utilities under that intersection has obviously been a significant undertaking, which explains the reason for the extensive work—which of course, is part of your question.

**Ms CATE FAEHRMANN:** I understand part of the reason that it took over a year to complete those light rail tracks was because Bridge Street was never closed temporarily over that whole time. Is that right? It kept having traffic through it at certain times.

**Ms PRENDERGAST:** We had certain weekends where we could restrict it. But it is the busiest intersection; it is the feed of the Harbour Bridge. It is a very complex junction, very busy. So we only allow limited access in terms of occupation at that intersection. We have had weekend closures, but we always try to maintain a lane of traffic through because of its significance. That is why it has taken so long, because you do not give a full occupation of that intersection because it is a key east-west link down in the northern part of the city.

**Ms CATE FAEHRMANN:** Do you know what additional cost that entailed, having to allow cars to drive over every day?

**Ms PRENDERGAST:** What I can say is what was really crucial about this project is that we keep Sydney moving; that we actually keep enabling the business hub of this State operationally, getting the freight and deliveries in, trying to maintain the traffic in. We have worked with all the businesses to ensure that they can

continue, that we can get their goods and services delivered, that patrons can get their—it is about keeping the city moving while we juggle this project. It is not easy building in the centre of the city. We are a balancing act between keeping the city moving and functioning, supporting the economics of this city, keeping events happening, keeping businesses getting what they need and managing the traffic works we have had to do.

We are very proud of what we have achieved in terms of traffic in the city. Since 2015 we have had a 12 per cent reduction in the number of vehicles entering the CBD in the A.M. peak, at the same time that we have had an 11 per cent increase in public transport. We have done that by working with businesses, getting them to travel on the edge. What we really want to do is to be able to turn the centre of the city over to pedestrians, cyclists and those who need to be there such as freight and delivery servicing agents and, of course, rideshare.

**Ms CATE FAEHRMANN:** How long do you think it would have taken if you had closed Bridge Street temporarily, as opposed to having to do it over the year?

**Ms PRENDERGAST:** What I can say is we put this into the original contract. We knew that Bridge and Grosvenor was a crucial east-west link, as were King and Park streets, being a major bus corridor. We knew the crucial junctions that we needed to maintain and restrict access to just to keep traffic moving. So the contractors knew that when they went for it. It is a juggling act. We try to give full occupation and greater occupation when traffic volumes are low. That is why you see so many works over the holiday periods. That is why we only do those intersection works on weekends and we balance them against all of the special events. There are so many special events in this city and we want those to continue. So we balance against everything else happening to make sure that Sydney keeps functioning in terms of traffic, people, getting around, access and supporting the business whilst we build this really complex project.

**Ms CATE FAEHRMANN:** Minister, are there any plans to electrify the train line between Kiama and Bomaderry?

**Mr ANDREW CONSTANCE:** No.

**Ms CATE FAEHRMANN:** There has not been any study of the cost of electrifying the line?

**Mr ANDREW CONSTANCE:** Electrification is a fairly extensive exercise; it would not matter if it was through the Macarthur region or the region to which you refer. At this stage, the Government has no plans to electrify those lines.

**Ms CATE FAEHRMANN:** Has the Government done any feasibility or cost studies?

**Mr ANDREW CONSTANCE:** I would have to take that on notice in terms of any studies that might have been undertaken in that regard.

**Ms CATE FAEHRMANN:** How many coal trains currently use the Illawarra line daily?

**Mr ANDREW CONSTANCE:** I do not know if Mr Collins has that number off the top of his head. I am sure it is the type of question that we could come back to the committee—

**Mr COLLINS:** I am afraid I do not, Minister. But we have, on average, 140 freight trains using the metropolitan railway network—that is the Sydney Trains 812-kilometre electrified network. Most of those coal trains come down from the Blue Mountains, heading for Newcastle or other destinations. I can provide the Illawarra freight train services on notice. Most of them are steel from Kembla. The Bomaderry link uses a lot of freight. But I will give you that detail on notice.

**Ms CATE FAEHRMANN:** Minister, I think at one stage you said that the Illawarra line was at capacity. Is that correct?

**Mr ANDREW CONSTANCE:** Again, I am working off numbers so do not quote me on this. But I think we have introduced about 180-odd additional weekly train services from the Illawarra since coming to Government. We are forever looking at ways to improve the capacity, such as increasing the number of train carriages. Mr Collins will continue that work by working with the community. We are very sensitive, particularly, to the fact that one of the things that needs to happen to improve the travel times from the Illawarra into the city is the reconfiguration of the junction at Sydenham. As part of the work we are undertaking with the Sydney Metro Southwest project, we are reconfiguring that junction at Sydenham for the benefit of the Illawarra customers. Of course, that is opposed by the Labor Party so we are very sensitive to getting on with that work. At the same time, there is no freight in the peak periods, when we are running at capacity from the Illawarra. So it is part of an ongoing management between our operators and the freight network.

**The Hon. DANIEL MOOKHEY:** Minister, given your announcement that the new intercity fleet will not have any train guards, do you have any plans to remove train guards from any other train service?

**Mr ANDREW CONSTANCE:** The premise of your question is wrong. You have had a habit of that this afternoon. I have not made any announcement about guards on the new intercity fleet and I ask you to tell me where I have done that.

**The Hon. DANIEL MOOKHEY:** Then will you rule out removing train guards from any service?

**Mr ANDREW CONSTANCE:** That is a much more sensible question. We are consulting very extensively with Alex Claassens from the Rail Tram and Bus Union [RTBU] in relation to the new intercity fleet. One of the key things that I would observe, in terms of the roles that guards have traditionally undertaken, is that we want to try to ensure that we do more customer interface because we are a customer-focused Government when it comes to public transport.

**The Hon. DANIEL MOOKHEY:** Indeed, what propositions have you put to Mr Claassens?

**Mr ANDREW CONSTANCE:** He is engaged in a consultation process with Transport for NSW in this regard. No decision has been made.

**The Hon. DANIEL MOOKHEY:** What have you asked him about his views in the consultation process? About what propositions have you asked him to give you feedback?

**Mr ANDREW CONSTANCE:** I will not go into the personal discussions I might have had with the union. We value its input. As I have indicated, there is a number of options in terms of what we can do. I note that the Labor Party introduced driver-only operations in the Waratah fleet when it was in government. We still have guards on that fleet. In terms of the New Intercity Fleet, we will work with our staff to ensure customer safety is the number one priority. One of the great advantages we have is new technology.

**The Hon. DANIEL MOOKHEY:** Are you intending to have a public naming competition for the new fleet?

**Mr ANDREW CONSTANCE:** The key point I make in relation to the New Intercity Fleet is that, unlike the Labor Party, which wanted V sets retained on our network, we are introducing a new \$2.8 billion fleet—

**The Hon. PENNY SHARPE:** The V sets actually fit the tracks, too.

**Mr ANDREW CONSTANCE:** —called the New Intercity Fleet. It is interesting that the Labor Party is opposed to the New Intercity Fleet servicing the Blue Mountains.

**The Hon. DANIEL MOOKHEY:** I think the answer to my question is that you are yet to make a decision.

**Mr ANDREW CONSTANCE:** Thank you for your interjection.

**The Hon. DANIEL MOOKHEY:** Transport for NSW has acquired 6 Grand Avenue, Camellia, for the purpose of providing depot, maintenance and stabling facilities for the Parramatta Light Rail, has it not?

**Mr ANDREW CONSTANCE:** I will have to check the exact home address of the facilities in Camellia.

**The Hon. DANIEL MOOKHEY:** Is Mr Staples in a position to answer?

**Mr ANDREW CONSTANCE:** I will have to check the exact status of that acquisition, given the significant number of acquisitions we are making to build public transport infrastructure in the city because when the Labor Party was in government nothing was done.

**The Hon. DANIEL MOOKHEY:** Can Mr Staples or any other official confirm that Transport for NSW has acquired 6 Grand Avenue, Camellia for the purpose of providing depot, maintenance and stabling facilities for the Parramatta Light Rail?

**Mr ANDREW CONSTANCE:** As I said, we will take on notice the exact property acquisition status. But we are going to need stabling facilities in Camellia. You are on the money there; you have uncovered something.

**The Hon. DANIEL MOOKHEY:** On what date was 6 Grand Avenue, Camellia, acquired?

**Mr STAPLES:** We will have to take that question on notice once we confirm that that is the property to which you are referring.

**The Hon. DANIEL MOOKHEY:** Sure. What was the acquisition cost of 6 Grand Avenue, Camellia?

**Mr STAPLES:** To the extent we can make that available, we will provide that information as part of the response to the question on notice.

**The Hon. DANIEL MOOKHEY:** Was it \$53.5 million?

**Mr STAPLES:** I think I have answered that question.

**The Hon. DANIEL MOOKHEY:** From whom was it acquired?

**Mr STAPLES:** We are yet to confirm the address. Once we have gone through the process of confirming the address, which we obviously can, we can confirm the ownership.

**The Hon. DANIEL MOOKHEY:** Was it acquired from a property developer?

**Mr ANDREW CONSTANCE:** Are you inferring something?

**The Hon. DANIEL MOOKHEY:** No, I am asking you directly.

**The Hon. PENNY SHARPE:** There is no inference.

**The Hon. DANIEL MOOKHEY:** Was it acquired from a property developer?

**Mr ANDREW CONSTANCE:** I think we are going to check the property address you are asking about, and we have indicated that we will check its acquisition status. We are happy to come back to the Committee, being mindful of the commercial nature of this issue.

**The Hon. DANIEL MOOKHEY:** Do you not know the address of the property acquired? Or do you not know that it has been acquired? Which one is it?

**Mr SCOT MacDONALD:** Point of order: I think the Minister has directly answered exactly that question a number of times. The member is badgering again.

**The CHAIR:** There is no point of order. A number of different questions has been asked. I remind members that they must wait until the Minister has answered the question before rolling another question over the top.

**The Hon. DANIEL MOOKHEY:** I have just asked those questions.

**Mr ANDREW CONSTANCE:** I am happy to come back to the member's misleading of the Committee in relation to Sydney light rail. When we are investing more than \$50 billion over the next four years on public transport and infrastructure, we need a lot of property. This cat-and-mouse game is quite silly.

**The Hon. DANIEL MOOKHEY:** I appreciate your feedback.

**Mr ANDREW CONSTANCE:** Well take it.

**The Hon. DANIEL MOOKHEY:** In March 2015 the Finance and Investment Committee of Transport for NSW approved \$30 million-plus GST to acquire 6 Grand Avenue, Camellia, did it not?

**Mr ANDREW CONSTANCE:** I have answered your question.

**The Hon. DANIEL MOOKHEY:** Later that year or early the next year, the developer who sold Transport for NSW the site bought it for \$26.5 million. Is that correct? Minister, you must answer the question. Hand gestures cannot be recorded in the transcript. You know that.

**Mr ANDREW CONSTANCE:** I have answered your question. If you want me to continue to repeat my answer—

**The Hon. DANIEL MOOKHEY:** In an out-of-session meeting of the Finance and Investment Committee convened on 13 May 2016, the committee authorised the purchase of the site for \$53.5 million, did it not?

**Mr ANDREW CONSTANCE:** I said we would take that question on notice.

**The Hon. PENNY SHARPE:** Perhaps Mr Staples can confirm that. He was on that committee.

**Mr STAPLES:** Yes, I am on the Finance and Investment Committee of Transport for NSW. At the time you refer to I was quite focused on the delivery of Sydney metro program. But I think we need to go back to the



original question on notice, which is to confirm the property address. On the premise of that we can provide the details the member wants in relation to other aspects.

**Mr ANDREW CONSTANCE:** We acquire hundreds of properties.

**The Hon. PENNY SHARPE:** This is a pretty important one that I think you would remember.

**The Hon. DANIEL MOOKHEY:** Effectively, the developer made off with a 100 per cent return on the investment in three months. Do you want to explain why you bought it for \$53.5 million when the developer paid \$26 million just months earlier?

**Mr ANDREW CONSTANCE:** This afternoon you have misled the Committee by saying that ALTRAC is insolvent, and you do not know the difference between loans and guarantees. I do not like the inference in your question that I have done something untoward.

**The Hon. DANIEL MOOKHEY:** No.

**Mr ANDREW CONSTANCE:** That is your allegation.

**The Hon. DANIEL MOOKHEY:** There was no inference contained in the question. I am asking for an explanation.

**Mr ANDREW CONSTANCE:** That is the inference in your question.

**The Hon. DANIEL MOOKHEY:** No allegations have been made.

**Mr ANDREW CONSTANCE:** It reflects on you, actually.

**The Hon. DANIEL MOOKHEY:** There was no inference.

**Mr ANDREW CONSTANCE:** The days of Eddie Obeid and Ian Macdonald are over.

**The Hon. DANIEL MOOKHEY:** What about the days of Daryl Maguire? Are they over? The developer made off with a 100 per cent return in three months. Do you or do you not wish to provide an explanation to the Committee?

**Mr ANDREW CONSTANCE:** I indicated that we have taken the questions on notice about the property concerned. I think that is pretty obvious.

**The Hon. DANIEL MOOKHEY:** Thank you. The property at 6 Grand Avenue, Camellia, is contaminated, is it not?

**Mr ANDREW CONSTANCE:** I think your questions are contaminated, actually.

**The Hon. PENNY SHARPE:** Point of order: I have been listening very carefully and the Minister continues to debate every question asked. That is outside the standing orders; he is not allowed to do that.

**Mr ANDREW CONSTANCE:** I apologise.

**The CHAIR:** I uphold the point of order.

**The Hon. DANIEL MOOKHEY:** Can I ask him to withdraw that?

**The CHAIR:** No, we are not playing that game. I ask the Minister either to answer the question or to go back to the point at which he agreed to take the questions on notice and leave it at that.

**The Hon. DANIEL MOOKHEY:** I will ask the question again: 6 Grand Avenue, Camellia, is contaminated, is it not?

**Mr ANDREW CONSTANCE:** Through you if I may, Mr Chair. May I answer the question?

**The CHAIR:** Yes, certainly.

**Mr ANDREW CONSTANCE:** I indicated that we are unaware of the exact location of the street address to which Mr Mookhey is referring. We will endeavour to come back to the Committee in relation to that property. That answer stands for every other line of questions about this matter.

**The Hon. DANIEL MOOKHEY:** The site at 6 Grand Avenue, Camellia, is contaminated and it is listed on the Environment Protection Authority register, is it not?

**Mr ANDREW CONSTANCE:** My answer stands.

**The Hon. DANIEL MOOKHEY:** At the same meeting of the Finance and Investment Committee at which \$30 million was approved to buy the site in 2015, the committee imposed a condition that the seller of the land would have to pay for the clean-up. That is correct, is it not? Mr Staples or Ms Gardiner-Barnes, I do not know whether you were on the committee at the time. Is that true?

**Mr ANDREW CONSTANCE:** I think we have responded to your questions. I do not like the inferences you are making.

**The Hon. DANIEL MOOKHEY:** I am sorry about that. When Transport for NSW bought the site for \$53.5 million, in addition to handing the developer a \$26 million windfall, Transport for NSW agreed that taxpayers would pay for the clean-up, did it not?

**Mr ANDREW CONSTANCE:** Mr Mookhey, you are making some serious allegations.

**The Hon. DANIEL MOOKHEY:** No, the only question I am asking—

**Mr ANDREW CONSTANCE:** You are inferring or implying that something untoward has happened.

**The CHAIR:** Order! This has gone on long enough. The member will allow the Minister to answer the question. Do not ask another one until he has finished.

**Mr ANDREW CONSTANCE:** As I said, we will take the questions about the address to which you have referred on notice. We have a significant process around property acquisitions through Transport for NSW. We will take any questions in relation to this property on notice.

**The Hon. DANIEL MOOKHEY:** In May you awarded Ventia a \$121 million contract to clean up 6 Grand Avenue, Camellia. You issued a press release about it; it is on the Transport for NSW website. That is true, is it not, Mr Staples?

**Mr STAPLES:** I am happy to go and confirm that.

**The Hon. DANIEL MOOKHEY:** So clarifying that there was a \$121 million contract to remediate 6 Grand Avenue, Camellia, might settle this issue of whether or not you bought the property. I can only presume that you would not have issued a press release announcing that you were paying to clean it up if you had not bought it.

**Mr STAPLES:** As we said, we will confirm—it was the first question you asked—whether or not that property was part of the Camellia site. We will confirm that and then we are able to confirm the other aspects of the question you have asked. I think we need to be clear around valuations and processes that there is clearly a process that we go through when we acquire sites. That is complicated by legacy contamination. It is something that all of us have to deal with on many sites.

**The Hon. DANIEL MOOKHEY:** Indeed, particularly on Camellia.

**Mr STAPLES:** I have had to confront that on many occasions on projects. We have a job to clean those up. That is factored in to the acquisition price at the time. As part of the negotiation there is an independent valuation process that is undertaken for the sites, as a general approach. I am very confident that we will have documentation to support what we have done in that area.

**The Hon. DANIEL MOOKHEY:** Thank you, Mr Staples. I look forward to seeing it. Minister, do you wish to take this opportunity to explain how we have managed to go from the developer paying to clean up the site to the taxpayers paying \$121 million to clean up the site in the span of one year?

**Mr ANDREW CONSTANCE:** I stand by my first answer. I will go and check the address.

**The Hon. DANIEL MOOKHEY:** Moving on, when will Sydney Metro West open for passengers?

**Mr ANDREW CONSTANCE:** A lot quicker than when the Labor Party would ever bother to build it.

**The Hon. DANIEL MOOKHEY:** Do you have a date yet?

**Mr ANDREW CONSTANCE:** Again, we are finalising the business case. But one observation I would make is that we have put \$3 billion into this year's budget. Given the Labor Party's track record in cancelling metro projects such as Sydney Metro Northwest, which we are opening in the second quarter of next year, and the Sydney Metro Southwest, which you have now just walked away from—you are going to cancel contracts—I do not think you are in a particularly strong position to be questioning anyone on metro west.

**The Hon. DANIEL MOOKHEY:** I appreciate your feedback.

**Mr ANDREW CONSTANCE:** No. You can take that as my answer.

**The Hon. DANIEL MOOKHEY:** What is the estimated total cost of Sydney Metro West?

**Mr ANDREW CONSTANCE:** The final cost will be the contracted cost, and that is yet to happen.

**The Hon. DANIEL MOOKHEY:** Is that still the \$16 billion you tweeted?

**Mr ANDREW CONSTANCE:** Again, the point that I would make is that the final cost will be the contracted cost.

**The Hon. DANIEL MOOKHEY:** In respect of the estimated \$16 billion cost that you tweeted, you have already said that \$3 billion is being sourced from Restart NSW. Is Transport for NSW intending to use any other aspects of its capital budget to help fulfil the requirements of the funding model?

**Mr ANDREW CONSTANCE:** I was interested to see that the Leader of the Opposition in New South Wales is cancelling metro southwest and thinks he can build metro west—

**The Hon. DANIEL MOOKHEY:** That is not the question, Minister.

**Mr ANDREW CONSTANCE:** It is my answer.

**The Hon. DANIEL MOOKHEY:** Okay, fair enough.

**Mr ANDREW CONSTANCE:** Fair enough; I know.

**The Hon. DANIEL MOOKHEY:** Is this week's Commonwealth Government making a contribution?

**Mr ANDREW CONSTANCE:** Again, I think you will see very clearly that the Government is going to develop a final business case. When you do that you resolve how you might finance a project. So until that work is complete that is the state of play.

**The Hon. DANIEL MOOKHEY:** Minister, if you are at the point where you are developing a final business case that means you have developed a strategic business case. Is that correct?

**Mr ANDREW CONSTANCE:** The point that I would make—

**The Hon. DANIEL MOOKHEY:** That is just by inference on the basis of the Infrastructure Investor Assurance Framework.

**The Hon. RICK COLLESS:** Let him answer.

**The Hon. DANIEL MOOKHEY:** I am just adding to the details.

**The CHAIR:** Order!

**Mr ANDREW CONSTANCE:** That is interesting, because the Labor Party could do well to learn from what the Liberals and Nationals have done in this State. There is my answer.

**The Hon. DANIEL MOOKHEY:** Thank you. Does the strategic business case that has been prepared envisage the use of value capture initiatives and mechanisms in the funding model for metro west?

**Mr ANDREW CONSTANCE:** I think that what matters is the final business case, and that resolves how you might finance the project.

**The Hon. DANIEL MOOKHEY:** Thank you.

**Mr ANDREW CONSTANCE:** You are welcome.

**The Hon. DANIEL MOOKHEY:** Minister, this question is either to you or to Mr Betts. Has Infrastructure NSW, in any assurance process, said, "The value-sharing model considered in the strategic business case appears to be over-reliant on the introduction of new taxes and levies?"

**Mr ANDREW CONSTANCE:** I will answer that because again you fail to understand—as you did with your questioning around Sydney light rail and the financing of the PPP—

**The Hon. DANIEL MOOKHEY:** I am not sure that your 20-month delay equips you with much credibility on PPPs.

**Mr ANDREW CONSTANCE:** We have a very clear process where you develop a final business case. You can look at a number of means to finance infrastructure. Value sharing—

**The Hon. DANIEL MOOKHEY:** Is one of the ones that you are examining—

**The CHAIR:** Order! The Hon. Daniel Mookhey will allow the Minister to answer.

**Mr ANDREW CONSTANCE:** —and value capture is part of that process. The key point out of it is that there are a number of methods that we can use. I note that you have just said, in essence, that the Labor Party will not support value capture as a mechanism to finance metro west.

**The Hon. DANIEL MOOKHEY:** No, no. I did not say that at all. I will repeat the question, Minister, because you may not have understood it. I simply asked: Has Infrastructure NSW, in any assurance process undertaken by them, said that the value-sharing models considered in your strategic business case appear to be over-reliant on the introduction of new taxes and levies? I enjoyed the soliloquy. The next question is: Are you considering the introduction of taxes and levies to pay for the western metro and, if so, what is the nature of those new taxes? I am not indicating support or our position against them. I am not quibbling with the need for them. I understand the process of value capture.

**Mr ANDREW CONSTANCE:** Just to assist you, we do not have a final business case. When you have a final business case is when you resolve the investment decision and the means to fund it.

**The Hon. DANIEL MOOKHEY:** But you would agree with me that the imposition of value capture on the western metro, when no such value capture model has been applied to the CBD light rail or any other metro that you have built, would appear to Western Sydney to be highly inequitable.

**Mr ANDREW CONSTANCE:** I would struggle to agree with you on anything, actually. The point is that we have a business case development. You assess every project in its own right. As part of that you apply a number of innovative financing models to achieve that. The key point that I would make is that we have a globally recognised program—four metro projects with a fifth around the corner with the link to the airport in Western Sydney and we have three light rail projects and major motorways. They all have different means of financing.

**The Hon. DANIEL MOOKHEY:** Does any of them include value capture?

**Mr ANDREW CONSTANCE:** Interestingly, the application of a special infrastructure contribution to Parramatta light rail is an example of what you are referring to.

**The Hon. DANIEL MOOKHEY:** So there is going to be one for Parramatta light rail and one, potentially, contemplated for western metro. So that is two for Western Sydney and not one for CBD light rail. Why is that equitable?

**Mr ANDREW CONSTANCE:** Again, you are playing a class-based game, and it is boring—really boring.

**The Hon. DANIEL MOOKHEY:** I am sorry that you are bored.

**Mr ANDREW CONSTANCE:** This whole east-west thing that the Labor Party runs with is boring.

**The Hon. DANIEL MOOKHEY:** In any assurance process of Infrastructure NSW has Infrastructure NSW said—Mr Betts, is here; he might be able to help—"To assist achievement of maximum value benefits from future investment in the corridor it is considered prudent and sensible to reassess all strategic land-use and possible density options and overall development potential in the corridor as a matter of urgency." If so, has Transport for NSW acted on that recommendation?

**Mr ANDREW CONSTANCE:** Unlike the Labor Party, we work in an integrated way with the Department of Planning and Environment in looking at land-use strategies around transport infrastructure. That is my answer.

**The Hon. DANIEL MOOKHEY:** In respect of the Westmead underground station that has been announced, is that going to be built on the existing Westmead station site or is a new site being contemplated?

**Mr ANDREW CONSTANCE:** As I indicated to you, we are still developing the final business case.

**The Hon. DANIEL MOOKHEY:** Does the proposed location of the underground Westmead station involve the dislocation of a cancer centre that is currently being constructed?

**Mr ANDREW CONSTANCE:** As I indicated to you, the point is that we are doing the final business case on Westmead. I have noticed that the Labor Party has been out there announcing stations along their proposal, ad hoc. It is just back-of-the-envelope stuff, which is very silly and true to form.

**The Hon. DANIEL MOOKHEY:** Thank you, Minister. Will you release the documents produced by the metro west project team in November 2016 called "total out-turned cost summaries", and will you also release the document entitled "Peer Review Cost Estimate" that was produced by a firm called Turner & Townsend? Will you also release the risk register that has been developed by the public team? And will you release all health checks that have been undertaken by Infrastructure NSW?

**Mr ANDREW CONSTANCE:** No.

**The Hon. DANIEL MOOKHEY:** Can you tell me when was the last time Infrastructure NSW undertook a health check of the metro west under the Infrastructure Investor Assurance Framework?

**Mr ANDREW CONSTANCE:** No.

**The Hon. DANIEL MOOKHEY:** Can you tell us whether or not any health checks are currently being contemplated by Infrastructure NSW into—

**Mr ANDREW CONSTANCE:** No, I cannot tell you and I am not going to reveal Cabinet-in-confidence processes.

**The CHAIR:** Ms Faehrmann, you have 15 minutes.

**Ms CATE FAEHRMANN:** Minister, I go back to the issue of the Illawarra. Why is it that you have refused to meet with a group of commuters down there who are frustrated with the train services to the South Coast? They are called Illawarra Rail Fail.

**Mr ANDREW CONSTANCE:** You can give me the specific details. I get requests by the truckload, in my role, as you can imagine. The point that I would make to any group calling itself "Rail Fail" when you have a Government that is investing like it is, is that we will continue to invest. There is a great advocate from the Illawarra by the name of Gareth Ward. He is a tiger in his representation of the Illawarra, and constantly talks to me about ways in which we can improve the services. We have given a significant uplift in the number of services for the Illawarra. We will continue to do so, and we will continue to invest in the Illawarra.

**Ms CATE FAEHRMANN:** I understand that this group had a petition of more than 2,000 signatures and they wanted to talk to you about the services down there. That is a significant number of people who are disillusioned with the train services in that part of the world.

**Mr ANDREW CONSTANCE:** Well, they are catching it.

**Ms CATE FAEHRMANN:** But there are not enough trains for the people.

**Mr ANDREW CONSTANCE:** That is the key point. We cannot be all things to all people across the rail network. We are doing our level best to grow the services and, at the same time, we are trying to reduce the impact of the inner city fleet services with the suburban fleet. That is what Howard Collins tries to achieve every day.

**Ms CATE FAEHRMANN:** You will not meet with Illawarra commuters who want to talk to you about the service they are receiving?

**Mr ANDREW CONSTANCE:** I meet with commuters right across the network.

**Ms CATE FAEHRMANN:** When will emissions from the New South Wales transport sector begin to reduce?

**Mr ANDREW CONSTANCE:** Emissions?

**Ms CATE FAEHRMANN:** Yes.

**Mr ANDREW CONSTANCE:** One of the great things about public transport is that it is a much greener and environmentally friendly way to get around because it is mass transit. The point that would I make is that we are very sensitive to reducing our impact on the environment. We will continue to obviously meet the requirements through planning in respect of our emissions and continue to work at that effort. The point that I would make is that we seem to have a lot of opposition to some of our public transport projects. These are incredible projects. They are designed to get people out of motor vehicles and onto a mass transit network, which is obviously far better in respect of the environment.

**Ms CATE FAEHRMANN:** Are there any plans to ensure, say, the electricity that is produced to power—for example, has the department looked at our trains using 100 per cent renewables?

**Mr ANDREW CONSTANCE:** I will hand over to Mr Staples, given his work around the metro.

**Mr STAPLES:** We constantly look at our sourcing strategies for energy on the rail network. We use a lot of power to move the millions of people on our trains. What we are doing is looking at the new initiatives and projects on how we can take on sustainable energy. Sydney Metro has a 100 per cent commitment to source the power supply for the metro services through renewable energy, and we are well in train to deliver that in the early years of the operation. I think that is an example of where we are looking at new initiatives within the metro project itself. We have a lot of solar panels on the new stabling maintenance facility at Rouse Hill and we are using renewable energy within the stations where we possibly can as well.

When you get the opportunity to start afresh, to start with new infrastructure and you have not got legacy issues to deal with, we take that opportunity very seriously and invest an enormous amount of energy. We all take the lessons out of that process in the sourcing strategy and we will look to see how we can deploy that more widely across the network as we learn those lessons. We need to do that in increments.

**Ms CATE FAEHRMANN:** Have you done anything like set targets to reduce the greenhouse emissions of the New South Wales transport sector within any of your strategies?

**Mr STAPLES:** At this stage, as I said, the target we have set is 100 per cent renewable energy supply for the operation of the metro line. As you would appreciate, that is a substantial commitment in its own right. What we want to do is use that as a pilot and a test on how we introduce more sustainable or more renewable energy into our public transport. Once we have been able to review that and the lessons out of that process, then of course we will look at how more widely we can apply that. We need to make sure we do that in steps because we are carrying millions of customers a day and we want to make sure that we maintain an adequate power supply in the meantime.

**Ms CATE FAEHRMANN:** Are there any plans to electrify the current bus fleet?

**Mr STAPLES:** We are looking at options for zero emission buses as well as part of that strategy, yes.

**Ms CATE FAEHRMANN:** Do you want to expand on what that strategy is? What are the plans?

**Mr STAPLES:** I understand that we have trials underway in the new region six bus contract at this stage. Mr Troughton will be able to give you some more information about that.

**Ms CATE FAEHRMANN:** Again, no targets as such in respect of the electrification of buses?

**Mr TROUGHTON:** Not at the moment. The electrification of buses is a reasonably new space and it is simply through how battery technology has evolved. Certainly the evolution of battery technology has allowed buses to be far more in use. We are doing some initial trials, so as part of region six we have four electric buses coming in. We will see how they perform and how they work. When that trial is moving through, we will start to look at how we roll that out across the rest of our network. Certainly it is a focus for us. We are also learning from other countries who have trials ongoing and are starting to move into this space. For us in the bus fleet, it is a real focus for us moving into the future.

**Ms CATE FAEHRMANN:** How much money is budgeted for programs to reduce emissions in the transport sector over the next four years? You might have to take that on notice.

**Mr STAPLES:** Yes, we would have to take that on notice.

**Ms CATE FAEHRMANN:** How much money has the New South Wales Government spent on programs to reduce emissions in the transport sector since 2011? This may be another one you have to take on notice.

**Mr STAPLES:** We will take it on notice. The only thing I will say is that sometimes these costs are contained within an overall procurement. The metro is a good example of that where the direct cost related to that element of the works may not be absolutely available to the extent to which we can extract those costs or payments. We will certainly look to do that.

**Ms CATE FAEHRMANN:** Minister, given that transport makes up 20 per cent of New South Wales greenhouse gas emissions—it is the second largest component after electricity generation—and transport emissions are increasing by almost 1 per cent per year, will you commit to setting emission reduction targets for the transport sector sometime in the near future?

**Mr ANDREW CONSTANCE:** There is an overall policy set by government and we will seek to adhere to that.

**Ms CATE FAEHRMANN:** Does the overall policy set by government have a component that is specifically for the transport sector to meet?

**Mr ANDREW CONSTANCE:** We are working around the clock, particularly with our new infrastructure, to reduce emissions and we will continue to obviously work with holistic government to achieve that.

**Ms CATE FAEHRMANN:** If you are working around the clock to reduce emissions, you would be working to some plan or target? That is how you guys roll.

**Mr ANDREW CONSTANCE:** Well, that is how the State rolls and we are part of the State.

**Ms CATE FAEHRMANN:** So you do not have a target? You are working around the clock to reduce your emissions.

**Mr ANDREW CONSTANCE:** Well, you have heard from the officials—

**Ms CATE FAEHRMANN:** The only thing I have heard so far is the 100 per cent renewables for the metro.

**Mr ANDREW CONSTANCE:** Right, but we have—

**Ms CATE FAEHRMANN:** What is the proportion of the electricity that the metro uses compared with the rest of the network?

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

**The Hon. PENNY SHARPE:** Mr Staples probably knows.

**Ms CATE FAEHRMANN:** That is the extent of your effort.

**Mr STAPLES:** I used that, I am quite certain—and if I did not, I apologise—as an example of the initiatives that have been undertaken. For example, on the rail network we have purchased some new trains. We will be looking at LED lighting on trains. There are a serious number of incremental things that are underway. The professionals within our organisation, our Asset Standards Authority, set standards and it has a focus on how we reduce power consumption in everything that we do. As you would appreciate, there are many complex components to the network that draw on the power. We are looking at all areas where we can reduce the demand on power across the transport sector. I gave you the metro as an example where we were looking beyond the demand side into the supply chain about how we change the sourcing.

**Ms CATE FAEHRMANN:** We have net zero emissions by 2050 for New South Wales. What kind of things will the transport sector be doing by 2050 to meet net zero emissions if there is no target now and no plan?

**Mr STAPLES:** I think the exciting thing for us, looking globally, is how rapidly technology is changing in the transport sector. We will look to the way that the world moves in that space, the different motor vehicles, the technologies that come with that. I think to jump on to a simple solution at this stage would be a bit naive. We need a broader response as we embrace the technologies. As I have said to you, wherever the opportunities go to reduce power demand on the network, that is our first priority. We will look to embrace new technologies where that occurs, whether it be with our own fleets or in the marketplace as well.

**Ms CATE FAEHRMANN:** Yes, but sitting back and relying on the rest of the world to come up with technologies when we know that the Government will have to start reducing emissions fast—as I said before, transport emissions are increasing by 1 per cent per year and contribute to 20 per cent of the State's entire emissions. The whole point of a strategy or a target is to get to that point. You cannot rely on the rest of the world. You are saying that the Government and you, Minister, have no intention of introducing any kind of a target for the foreseeable future to reduce transport emissions in New South Wales?

**Mr STAPLES:** Not beyond what we already have in public policy.

**Ms CATE FAEHRMANN:** Which is not a target and is not a plan. Transport for NSW has no desire to introduce a strategy to—

**Mr ANDREW CONSTANCE:** No, we are. We are introducing a future power strategy at some point.

**Ms CATE FAEHRMANN:** Will that future power strategy have requirements for transport to reduce its emissions? Will it set targets that include transport?

**Mr ANDREW CONSTANCE:** We are in the process of development.

**Mr STAPLES:** Can I be clear, because we have already put this on the public record so that we do not mislead the community. In future transport, we have made a commitment about a cost-effective pathway to net zero emissions. The sourcing strategy includes encouraging a shift from private cars to public transport usage, which is particularly a focus on the metropolitan area of Sydney, Wollongong and Newcastle. This strategy also includes promoting low-emission vehicles, which we do through our own fleet purchase policies within State Government and we encourage that within the industry as a whole.

We are also encouraging the transition to a cost-effective, lower-emission energy supply, and the metro example is one where we are putting that into practice now. We are also collaborating with industry on new fuel-efficient vehicle technologies, including a lower-emission fleet. I am pointing to the fact that we rely on a global supply chain; we are not alone in this space and we need to work with industry across the world. We are not just waiting for other countries to do this; we are walking very much at the challenge, but we need to do it in a global market.

**Ms CATE FAEHRMANN:** Minister, going back to the need for a strategy, you said you are in the process of developing a strategy. What is the strategy you are in the process of developing?

**Mr ANDREW CONSTANCE:** A future power strategy.

**Ms CATE FAEHRMANN:** Has your future power strategy been released?

**Mr ANDREW CONSTANCE:** It is being developed.

**Ms CATE FAEHRMANN:** Are you saying that it will have a significant component for transport in New South Wales?

**Mr ANDREW CONSTANCE:** One of the significant cost inputs into providing transport is electricity, so naturally we are going to do everything we can to reduce our running costs and take care of the environment.

**Ms CATE FAEHRMANN:** You have the metro coming onto 100 per cent renewables. Surely part of reducing the energy consumption of the transport network would be looking at renewables for the entire train system. Have you looked at that?

**Mr STAPLES:** That is an option that we will consider, but I think I made it clear when I talked about the metro that we want to go through that process and get the metro line up and running.

**Ms CATE FAEHRMANN:** What are the barriers to doing that?

**Mr STAPLES:** We want absolute confidence in our supply and the supply market. I guess we are in a space where we need confidence in the pricing and the energy supplies of other supplies that we currently purchase. We need to do this in increments. As I said, guarantee of supply is absolutely critical for the day-to-day operation of the network, and we do not want to compromise that in any way. We think we are taking a positive step forward with the initiatives we have for metro. Once we have that in place, we will reflect on and review those. Then we will look at how we can apply those more widely. In the meantime, we are considering options and what opportunities there may be to implement those options. We will not be doing that in the very short term.

**Ms CATE FAEHRMANN:** Minister, I go back to the future power strategy. Is that a whole-of-government strategy or a Transport for NSW strategy?

**Mr ANDREW CONSTANCE:** Transport.

**Ms CATE FAEHRMANN:** What is the estimated time for its release?

**Ms GARDINER-BARNES:** Probably before the end of this year; that is what our plan is at this stage.

**Ms CATE FAEHRMANN:** That is exciting. Hopefully there will be 100 per cent renewables across the entire network then.

**Mr ANDREW CONSTANCE:** Cycling is certainly 100 per cent renewable.

**The CHAIR:** Does the railway system have any priority over industrial users, consumers or anybody else for the guarantee of supply of electricity for the system?

**Mr ANDREW CONSTANCE:** I will ask Mr Collins to answer that.

**Mr COLLINS:** It may not be widely known that we have our own distribution network across our electrified business. We work with those bulk supply providers, which are distributed to ensure the maximum amount of guarantee of supply. On occasions we support the public network; certainly in the last series of bushfires



in the Blue Mountains, for example, it was the Sydney Trains distribution that kept houses with a supply of power. We have a very modern control system involved in that distribution. I work with a number of power electrical systems around the world and I think we have good supply. It is never 100 per cent guaranteed, as you could imagine, but we have very professional people—

**The CHAIR:** The more you move towards part-time power, the less reliability you are going to have. I look at the example of the Tomago Aluminium smelter: During the last electricity supply problems we had the smelter was asked to reduce its power intake so that the consumer market could be satisfied. Does the rail system have any guarantees from the bulk suppliers that you will get priority—in other words, is transport a priority?

**Mr COLLINS:** Absolutely, along with hospitals and other critical infrastructure, we work with those suppliers and we have people within that industry who support us there.

**The Hon. PENNY SHARPE:** Mr Faurby, I have a question about Waverley bus depot and whether options have been considered by the State Transit Authority [STA] in terms of the status of that site.

**Mr FAURBY:** Please clarify exactly what you mean.

**The Hon. PENNY SHARPE:** There has been a lot of discussion about Waverley bus depot, which I am sure you are aware of. What is the current investigation of the use and operation of that site?

**Mr FAURBY:** Waverley bus depot is one of eight bus depots that we use. It is a central, critical and important depot for services to the eastern suburbs. As far as I am aware, there is no consideration for any different usage of that location.

**The Hon. PENNY SHARPE:** STA has not looked at any options in relation to development of or changed use for that site?

**Mr FAURBY:** We constantly look at ways to improve our sites from the perspective of the footprint that we have as operators and the impact that we have in the local community. We work with community groups and with councils—not just the Waverley Council but for any other depot—to seek to operate most efficiently and with the least possible impact on community. From that perspective, we certainly continue to look at options.

**The Hon. PENNY SHARPE:** Are you not looking at any development or change of use for the site?

**Mr FAURBY:** Not that I am aware of, no.

**The Hon. PENNY SHARPE:** Ms Gardiner-Barnes, would you like to answer this question about the Waverley depot site as a planning issue? It is a significant public land site used currently by STA. Has there been further investigation for the development or changed usage of that site?

**Ms GARDINER-BARNES:** I am not aware of any.

**The Hon. PENNY SHARPE:** I turn to Newcastle buses. Changes to Newcastle bus timetables have been controversial, and I understand there has been a review of the network. Has that review been completed?

**Mr TROUGHTON:** The review has been completed. We have asked Keolis Downer to keep engaging with the community and reviewing how the network is functioning. As you are aware, with the new network we have the fast and direct services that service key parts of Newcastle.

**The Hon. PENNY SHARPE:** Has the review been publicly released? If not, is it going to be publicly released?

**Mr TROUGHTON:** I think the changes that are planned have been publicly released, and certainly they will be. We need to tell people, and trip planners and the like will be available.

**The Hon. PENNY SHARPE:** As you know there was a loud community outcry as a result of change to the buses and then there was a review to take on board, hopefully, the concerns of the community. You said the review is complete. Is that document going to be released to the public?

**Mr TROUGHTON:** I think it already has been released. I will take on notice to confirm.

**The Hon. PENNY SHARPE:** Terrific, thank you. Can you explain why buses to Northcote Drive have not been reinstated? Northcote Drive is one of Newcastle's busiest and most important as well as steepest roads. Cuts to this bus service mean people cannot use that road. Can you explain why that feedback has not been incorporated?

**Mr TROUGHTON:** I have no specific notes here on Northcott Drive, so I will take that on notice.

**The Hon. PENNY SHARPE:** The other issue is for people who live in Redhead, Whitebridge and Dudley, who finish work after 5.00 p.m. in the Newcastle central business district and are now no longer able to get home by a public transport because there is not a bus service that is servicing their area. Can you explain why that has not been incorporated into changes to the bus network?

**Mr TROUGHTON:** I do not have notes on those either.

**The Hon. PENNY SHARPE:** I am happy for you to take that on notice.

**Mr TROUGHTON:** I am also happy for you to provide that information to me and I will take it up directly with Keolis Downer and get an answer for you.

**The Hon. PENNY SHARPE:** As you can imagine, it is a big deal if you cannot get back out of work after 5 o'clock.

**The CHAIR:** Take it up with whom?

**Mr TROUGHTON:** Keolis Downer, Newcastle Transport and my own staff.

**The Hon. PENNY SHARPE:** So there is also a similar issue in relation to the bus service to Floraville and parts of, I think, Croudace Bay and Valentine after 6.00 p.m. There are many retail and hospitality workers who are now no longer able to get proper public transport home after finishing work after 6.00 p.m. Can you get me some information on that too, please?

**Mr TROUGHTON:** I am happy to arrange a meeting for you directly with my staff and Keolis Downer, if it would help.

**The Hon. PENNY SHARPE:** A meeting is great. The issue is that the services used to be there. They are no longer there and people are stranded, and not able to get to work. This is really an issue for the Minister rather than you, Mr Troughton, in relation to the impact of privatisation in Newcastle and people who are wanting to get to and from work. Do you want to respond to that, Minister?

**Mr ANDREW CONSTANCE:** We have undertaken review since we introduced the franchise. They need to constantly re-evaluate the services like any operator does. In terms of specific questions around those bus routes, we are happy to take them on notice for you.

**The Hon. PENNY SHARPE:** That would be great. Minister, will you be able to provide the Committee with the figures in relation to the number of jobs that will need to be cut in the agency as a result of the efficiency dividend job cuts. I am happy for you to do that as individual jobs and/or equivalent full-time [EFT].

**Mr ANDREW CONSTANCE:** Sure, I am happy to do that. I am happy to provide you any response in terms of question on notice, but I would make the observation that we are growing our bus drivers, we are growing our train drivers, and we are growing our captains on the harbour fleet. We are constantly investing in frontline services and frontline staff.

**The Hon. PENNY SHARPE:** Thanks. I wonder how many jobs are going to be lost as a result of the efficiency dividend. Minister, it is my understanding that transport is by far the largest employer of contingency labour in New South Wales. The figures that I am aware of are that approximately \$350 million is spent on contingency labour. Can you confirm that?

**Mr ANDREW CONSTANCE:** I am happy to take that on notice.

**The Hon. PENNY SHARPE:** Can anyone else confirm that? Mr Staples?

**Mr STAPLES:** We do have a number of contingent labour workforce within the organisation. We tend to use those where we have short-term needs or changes in our operating requirements. We bring those people in to fill those gaps. I do not have an exact dollar figure on how much we spend.

**The Hon. PENNY SHARPE:** Would you be able to provide the numbers, preferably for individuals and EFT?

**The Hon. DANIEL MOOKHEY:** By a labour-hire firm.

**The Hon. PENNY SHARPE:** By a labour-hire firm. Are you able to provide those figures to the Committee? It is a large number and we are trying to understand how big it is. Preferably if you can provide it over the past three years.

**Mr STAPLES:** Are you saying that you have the number already?

**The Hon. PENNY SHARPE:** No, I am asking you to provide the number.

**Mr STAPLES:** Yes, but I think I took the question on notice.

**The Hon. DANIEL MOOKHEY:** Mr Staples, to follow up on that, is contingent labour employed by Transport for NSW employed under the transport award or is it that they are utilising an enterprise bargain agreement that is in use between the workforce and the labour-hire firm?

**Mr STAPLES:** We use a standard contract form that the Government has for contingent labour-hire firms that are on a Government panel for contingent labour. Those individuals are employed with the contingent labour firm and then we have a contract with the firm to provide their services. The employment arrangements are between the individuals and the contingent labour firms; not with Transport for NSW directly. We have a contract and it is consistently applied across Government in that arrangement.

**The Hon. DANIEL MOOKHEY:** Indeed. As a result of the fact that you are utilising that system, are you able to guarantee us that there are not two people who are currently working for Transport for NSW who are performing the exact identical work and are being paid different rates?

**Mr ANDREW CONSTANCE:** If you have evidence to that effect, then we can provide—

**The Hon. PENNY SHARPE:** No, we are asking.

**Mr ANDREW CONSTANCE:** If you have evidence to that effect, bring it forward and we will have a look.

**The Hon. PENNY SHARPE:** No, we are asking and you should be able to tell us.

**Mr ANDREW CONSTANCE:** There are 30,000 employees across the agencies.

**Mr STAPLES:** I think we need to be clear: They are employed on different conditions because one that has permanent employment status may be under an award, a separate one will be on either a fixed term or possibly a notice period. So, there are different conditions that relate to that.

**The Hon. DANIEL MOOKHEY:** Are you able to tell us whether or not any of the contingent labour that has been working for Transport for NSW has been working as contingent labour for so long that they should have the right under the Fair Work Act to convert to formal employee award?

**Mr STAPLES:** I would have to take that on notice.

**Mr ANDREW CONSTANCE:** Can I help Mr Mookhey?

**The Hon. PENNY SHARPE:** We want to move on.

**Mr ANDREW CONSTANCE:** I have got a supplementary answer to one of your questions that Mr Mookhey would like me to respond to.

**The Hon. PENNY SHARPE:** You can do that at the end, Minister. I still have questions.

**Mr ANDREW CONSTANCE:** I would like to do that at the end because a big clarification needs to be made out of your question and your line of questions earlier and what you have been saying to the media outside. I would like to make that comment to the Committee.

**The Hon. PENNY SHARPE:** Minister, I want to talk about your IT programs. Is the budget for the Making IT Work For You IT program \$425 million?

**Mr ANDREW CONSTANCE:** I will take that on notice.

**The Hon. PENNY SHARPE:** Mr Staples?

**Mr STAPLES:** Yes, that is correct.

**The Hon. PENNY SHARPE:** Was this the original budget, or has it increased?

**Mr STAPLES:** When that program started, I was busy building the Sydney Metro project for Rouse Hill to Bankstown, so I am not familiar with the details. I am happy to clarify.

**The Hon. PENNY SHARPE:** Can you also clarify that if there has been change in budget, whether there has also been a change in scope?

**Mr STAPLES:** There certainly have been reviews and adjustments in the scope. Like any IT project that runs over a period of five years, where in the background even the technology changes, the organisational operation changes along the way, scope has to be adjusted. That is not unusual for an IT project of the scale that was undertaken.

**The Hon. PENNY SHARPE:** That is fine. I am wondering whether, when you provide the answer on notice, you can provide the changes in scope that have happened rather than just saying, "Yes, there has been a change."

**Mr STAPLES:** I can certainly confirm that there have been changes in scope, but I can also say that we have been keeping in close touch with the business case that was put up for the expenditure of that money and we have delivered on the benefits of the business case.

**The Hon. PENNY SHARPE:** Has there had to be a reduction in the scope of the project to fit within the budget, given the overruns?

**Mr STAPLES:** There have been adjustments to the scope. But as I just said, there has been a delivery of the overall benefits of the business case.

**The Hon. PENNY SHARPE:** That is terrific. Are you committing to providing us with the information about the actual changes to the scope that have happened as a result of the budget adjustments?

**Mr STAPLES:** I think we can provide a summary of the adjustments to the scope.

**The Hon. PENNY SHARPE:** Has the project had overruns, delays or underestimates?

**Mr STAPLES:** As I said earlier, I was not familiar with the project until I started in the role earlier this year. There have been adjustments to the delivery of the program schedule to manage the risks along the way. As I foreshadow, we will give you the detail on the adjustments to the scope and the delivery of the program. But what we now have is a significant part of the transport cluster having been brought on to an integrated server with far more robust backup of our systems and protection of our systems from attacks such as cybersecurity. A lot more of the workforce are on a consistent email and information sourcing database, so there are some significant positive outcomes for the cluster that we have been able to deliver with that program.

**The Hon. PENNY SHARPE:** Can you confirm that the original program started off being called NGIS? I do not know what the actual acronym stands for.

**Mr STAPLES:** I would have to take that on notice to confirm.

**The Hon. PENNY SHARPE:** I am confident that NGIS was the beginning of the project before it was renamed to Making IT Work For You. When you do that, will you be able to provide to the Committee the original budget for that project and what the final costs will be?

**Mr STAPLES:** Yes.

**The Hon. PENNY SHARPE:** The original acronym will also be useful.

**Mr SCOT MacDONALD:** Chair, I ask that time be allowed for that supplementary answer.

**The Hon. DANIEL MOOKHEY:** No.

**The CHAIR:** I will allow the member to continue the questioning. The more time you waste, the less time there is going to be for the supplementary answer.

**The Hon. PENNY SHARPE:** My last question is in relation to the IT program. With the delays that were experienced a few weekends ago—not the cracked line last weekend—were there issues about that IT program impacting on the delivery of the timetable and the operation of the timetable, given the problems that have existed?

**Mr STAPLES:** Not that I am aware of. We have a review underway of that incident to make sure that we avoid repeats of that particular circumstance, but I do not believe that there is a direct correlation with the delivery of that program.

**The CHAIR:** Thank you. Minister, you have one minute for your supplementary answer.

**Mr ANDREW CONSTANCE:** I want to respond to Mr Mookhey, who has been outside making allegations to the media—

**The Hon. DANIEL MOOKHEY:** Mookhey—it is pronounced Mookhey.

**The CHAIR:** Order!

**The Hon. DANIEL MOOKHEY:** Point of order—

**The CHAIR:** No, the point of order is not recognised.

**Mr ANDREW CONSTANCE:** Private sector banks are lending interim funds to the ALTRAC light rail partnership. This is a loan from the private sector and it will be paid back. It is not a loan from the New South Wales Government, as Mr Mookhey has been alleging this afternoon. It is there and we have provided a guarantee on the drawn down proportion of the loan. A guarantee does not change the budget, so Mr Mookhey's suggestion of a cost blowout is an outrageous claim. His suggestion that ALTRAC has gone into administration is another outrageous claim. If he understood PPP financing arrangements and the timing around the delivery of projects, he would not have carried on like this this afternoon. I want to make this very clear to the community: The New South Wales Government is not loaning the funds and to suggest otherwise—

**The Hon. PENNY SHARPE:** But you are guaranteeing the funds.

**Mr ANDREW CONSTANCE:** There is a difference.

**The CHAIR:** Order! The time has expired. Minister, before we get onto questions on notice, I ask you to leave the images tabled by Ms Fachrmann on the table for the Committee's use. Minister, there are obviously going to be questions on notice. We would like answers to those questions within 21 days. I thank you and your staff for attending today. It has been a very long session. I thank you for your contribution.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**