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GENERAL PURPOSE STANDING COMMITTEE No. 4

Friday 5 March 2004

Examination of proposed expenditure for the portfolio area

TRANSPORT

The Committee met at 10.30 a.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. J. Burnswoods
The Hon. M. J. Gallacher

Ms S. P. Hale
The Hon. D. E. Oldfield

PRESENT

Ministry of Transport

Mr J. Lee, *Director-General*

Mr R. Lucarini, *Director, Corporate Services*

Mr R. Christie, *Chairman, Independent Transport Safety and Reliability Regulator*

Mr M. Duffy, *Director, Sustainable Transport Policy*

State Transit Authority

Mr J. Stott, *Chief Executive Officer*

Mr L. Lee, *Manager, Corporate Policy*

Mr G. Baldwin, *General Manager, Human Resources*

State Rail Authority

Mr V. Graham, *Acting Chief Executive Officer*

Ms H. Willoughby, *Acting Executive Director, Communications*

Mr N. Al-Malah, *Freedom of Information Officer*

Rail Infrastructure Corporation

Mr V. Graham, *Chief Executive Officer*

Ms I. White, *Company Secretary*

Mr M. Greenhill, *Manager, Industrial Relations*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

**Budget Estimates
General Purpose Standing Committee Secretariat
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I welcome witnesses and members of the public to this supplementary budget estimates hearing of General Purpose Standing Committee No. 4. I thank departmental officers for attending. At this meeting the Committee will examine the proposed expenditure for the portfolio area of Transport. Before questions commence, some procedural matters need to be dealt with. Part 4 of the resolution referring the budget estimates to the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines for broadcasting are available from the attendants.

I point out that in accordance with the Legislative Council's guidelines governing the broadcast of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee the media must take responsibility for what it publishes or what interpretation is placed on anything that is said before the Committee.

With respect to the delivery of messages to members, the usual arrangements prevail: there is no provision for members to refer directly to their own staff while at the table. In respect of allocation and order of questions, the Committee has previously determined that the allocation will be left in the hands of the Chair. A number of departmental officers from various agencies comprise the Transport portfolio and the Committee will call witnesses to the table as the hearing progresses. I encourage witnesses to answer questions put to them during the hearing today. The Committee's reporting date is Thursday 11 March, and it has resolved that any questions that need to be taken on notice must be responded to in writing and delivered to the Committee secretariat by 9.00 a.m. Tuesday 9 March 2004.

I declare the proposed expenditure area opening for examination.

The Hon. JAN BURNSWOODS: Madam Chair, as you know, I could not be here until 10.30 a.m. and, as you also know, no other Government member is able to be here because of conflicting committees, et cetera. I apologise on behalf of Hon. Tony Catanzariti and the Hon. Kayee Griffin and for any member who may have substituted for them.

The Hon. DAVID OLDFIELD: I note that Mr N. Al-Malah is not present.

CHAIR: That is noted. Ms Willoughby, do you know where he is?

Ms WILLOUGHBY: He is on his way.

The Hon. MICHAEL GALLACHER: An unresolved issue from the last hearing that was of concern to the Opposition and was of equal concern to the crossbenchers was the potential conflict of interest with the Labor Party affiliations of some officers. I ask people from the Ministry of Transport and the State Rail Authority about that. Ms Willoughby, is it correct that you are still a member of the Australian Labor Party?

Ms WILLOUGHBY: Yes, it is.

The Hon. JAN BURNSWOODS: Point of order: I have looked at the transcript from the last hearing and am aware of where these questions are going. I remain concerned about an estimates committee process that concentrates on what people do in their private lives. I wonder whether there are boundaries to this process. People may well be members of the Willoughby scout group or the Woop Woop parents and citizens association. Could some guidance be given on this process before we spend three hours asking people what they do in their private lives?

CHAIR: There was no intention of spending three hours asking people what they do in their private lives, and that is not what occurred at the last hearing.

The Hon. JAN BURNSWOODS: I know it was not, but I was present when the Committee decided to call witnesses and there was some slightly unguarded discussion as to why certain people were called. I was not present at the last hearing; I was away. Given the tone and nature of the question, I am not sure whether there is a structure towards the different agencies that are represented.

There may be some problems for Hansard with some people sitting at the front and others sitting at the back. I would like to know if there are any ground rules for this process.

CHAIR: First, the only reason there are two rows of people is because it was difficult for the microphones to be set up for the first six witnesses. It was a logistics issue. As for party affiliation, that was that a perfectly legitimate line of questioning.

The Hon. JAN BURNSWOODS: Maybe it is, but I am asking for some ground rules. We can go around the room and ask everyone what party they belong to. Will we then proceed to ask questions about what people do outside their work in the Transport area?

CHAIR: No, the Committee will do what it did at the last hearing, and that is to restrict questioning to matters pertaining to employment or arrangements with Transport services.

The Hon. MICHAEL GALLACHER: Ms Willoughby, to be sure your answer is recorded, I ask you again whether you are still a member of the Australian Labor Party?

Ms WILLOUGHBY: Yes, and I answered that at the last hearing.

The Hon. MICHAEL GALLACHER: Mr Graham, have you been or are you a member of the Australian Labor Party?

Mr GRAHAM: Madam Chair, I have not been a member of any political party for the past 35 years and anything going back before that time should be regarded as an errant youth decision. My major problem, Mr Gallacher, is that I am Catholic.

The Hon. MICHAEL GALLACHER: Mr Lee, are you or have you ever been a member of the Australian Labor Party?

Mr JOHN LEE: No, I am not a member of the Labor Party, but I was in previous times.

The Hon. MICHAEL GALLACHER: When did you take up your current position as director-general?

Mr JOHN LEE: On 9 May 2003.

The Hon. MICHAEL GALLACHER: Could you give a rough idea of when you resigned from the Australian Labor Party?

Mr JOHN LEE: I actually spent some time working in the private sector as managing director of a bus company. I was no longer participating in the democratic processes within the party, so at that time I chose not to renew my membership. I cannot recall the exact date, whether it was late 2002 or early 2003. It was before taking up this position.

The Hon. MICHAEL GALLACHER: Mr Lucarini, are you or have you ever been a member of the ALP?

Mr LUCARINI: No.

The Hon. MICHAEL GALLACHER: Mr Christie, are you or have you ever been a member of the ALP?

Mr CHRISTIE: I am not a good joiner, Mr Gallacher. I am also an Anglican, that seems to be important today, and a member of the St George football club. Other than that I am not a good joiner.

The Hon. MICHAEL GALLACHER: I take that as a no; is that correct?

Mr CHRISTIE: That is correct.

The Hon. MICHAEL GALLACHER: Mr Al-Malah, have you ever been or are you a member of the Australian Labor Party?

Mr AL-MALAH: As I answered the last time I was here, whatever I may or may not do with my leisure time is a matter for me.

The Hon. MICHAEL GALLACHER: I have a couple of questions for you based on the answer you have just given. You might recall that last time we met we spoke about your career prior to taking up the position of Freedom of Information Officer for the State Rail Authority. Do you recall that conversation?

Mr AL-MALAH: I do.

The Hon. MICHAEL GALLACHER: Do you recall that we spoke in general terms about your previous employment?

Mr AL-MALAH: I think you were referring to my background.

The Hon. MICHAEL GALLACHER: Yes. Mr Al-Malah, during the course of your professional career have you ever worked for a member of Parliament?

Mr AL-MALAH: Yes.

The Hon. MICHAEL GALLACHER: For how many members of Parliament have you worked?

Mr AL-MALAH: At least three.

The Hon. MICHAEL GALLACHER: Who are those three members of Parliament?

Mr AL-MALAH: The honourable member for Cabramatta, the honourable member for Bankstown and the honourable member for Fairfield.

The Hon. MICHAEL GALLACHER: In what capacity did you work for them?

Mr AL-MALAH: I worked in those offices as a relief electoral officer for a very brief period.

The Hon. MICHAEL GALLACHER: How did you get those positions?

Mr AL-MALAH: I applied for the positions.

The Hon. MICHAEL GALLACHER: Were they advertised?

Mr AL-MALAH: I cannot recall.

The Hon. MICHAEL GALLACHER: You cannot remember how you got those three positions?

Mr AL-MALAH: They were relief positions. I was temping.

The Hon. MICHAEL GALLACHER: You obviously knew the members of Parliament quite well?

Mr AL-MALAH: No.

The Hon. MICHAEL GALLACHER: Not at all?

Mr AL-MALAH: Not quite well.

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The Hon. MICHAEL GALLACHER: When you took up your position as the FOI officer did any of those three go as referees for that job?

Mr AL-MALAH: I do not believe so, no.

The Hon. MICHAEL GALLACHER: Ms Willoughby, were you on the selection committee for Mr Al-Malah's job?

Ms WILLOUGHBY: No, I was not.

The Hon. MICHAEL GALLACHER: Can you tell the Committee who was?

Ms WILLOUGHBY: I believe it was my predecessor, Michael Gleeson, and the former FOI officer, Darren Holder. That is from my memory, but I could not be sure.

The Hon. MICHAEL GALLACHER: Would you come forward, please, Ms Willoughby.

The Hon. JAN BURNSWOODS: Madam Chair, while this is happening, I would assume that I do not need to declare an interest exactly, but—

The Hon. DAVID OLDFIELD: We know you are a member of the Labor Party.

The Hon. JAN BURNSWOODS: Thank you, David, but I was not actually about to go through my history of membership of organisations. As a member of the board of the University of Western Sydney, I know Mr Al-Malah, who was a student representative on that board. I guess also, when I think back, I also know that as a student he was also involved in temporary work. So I hope that does not exclude me in the person of the Government from participation in this Committee.

The Hon. MICHAEL GALLACHER: No.

The Hon. JAN BURNSWOODS: I would just stress that at the time he was a university student and that temporary and relief work, as we all know, under the Howard Government, is perhaps not an unusual way for students to be making ends meet.

The Hon. MICHAEL GALLACHER: Ms Willoughby, could you explain to me the method by which Mr Al-Malah is employed?

Ms WILLOUGHBY: Mr Al-Malah at the moment is a temporary employee. He is on contract. We, as you are probably aware, are going through a transition process. State Rail and the former Rail Infrastructure Corporation are coming together, and there is a new organisation called RailCorp, and any position that is filled by a temporary employee on a contract will need to be externally advertised.

The Hon. MICHAEL GALLACHER: My understanding, as a result of what I have been told, is that Mr Al-Malah's contract is a six-month contract. Is that correct?

Ms WILLOUGHBY: That is correct. And he needs to apply for extensions if that is to be furthered.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee how many times Mr Al-Malah has been the subject of a renegotiation of his contract?

Ms WILLOUGHBY: I have signed on at least one occasion, and that is due to the fact that we are doing through a transition, and I do know that the position needs to be externally advertised in the near future.

The Hon. MICHAEL GALLACHER: So, in the context of re-employment, you therefore have re-employed Mr Al-Malah? You did not initially employ him, but you have continued with that employment?

Ms WILLOUGHBY: We have extended his contract under the guidelines of our employment policies. And the reason for that is we are going through a transition, and we will be advertising those jobs externally, and they will be merit-based appointments.

The Hon. MICHAEL GALLACHER: Sir, how long have you been employed in your present capacity?

Mr AL-MALAH: Since August 2002.

The Hon. MICHAEL GALLACHER: How long do you expect this temporary imposition to carry on with his position?

Ms WILLOUGHBY: I expect to be in a position to be able to advertise those jobs within the next month.

The Hon. MICHAEL GALLACHER: Mr Al-Malah, from memory, last time you mentioned you had been a law student. Is that correct?

Mr AL-MALAH: That is right.

The Hon. MICHAEL GALLACHER: You are a qualified solicitor?

Mr AL-MALAH: No, I am not.

The Hon. MICHAEL GALLACHER: What qualifications do you have?

Mr AL-MALAH: Academically?

The Hon. MICHAEL GALLACHER: Yes.

Mr AL-MALAH: I completed a combined degree in economics and law from the University of Western Sydney. I am currently undergoing my graduate diploma in legal practice.

The Hon. MICHAEL GALLACHER: Ms Willoughby, is there an essential qualification that is required for the position of FOI officer?

Ms WILLOUGHBY: My understanding of the Act—and I only have limited knowledge of the Act—is that it is written in a way such as you do not need lawyers processing applications, so that they can be processed by a technician. So, again, I was not there at the time when Mr Al-Malah was first appointed. I do not know the basis and, I am sorry, I cannot further my answers in that respect. However, I understand that he does have the necessary skills based on the FOI Act.

The Hon. MICHAEL GALLACHER: I am sure he does. Sir, I take you still refuse to indicate whether you are a member of the Australian Labor Party or not?

Mr AL-MALAH: I have answered your question twice now, sir.

The Hon. MICHAEL GALLACHER: That is fine. I am just giving you an opportunity, that's all. Having your longstanding ALP background, having worked with various members, I thought it might have been an opportunity for you to reflect on your answer.

The Hon. JAN BURNSWOODS: Point of order: There are many people who work for many of us, including probably Mr Gallacher and myself, who are not necessarily a member of any political party and not necessarily a member of the political party of the member they work for. I think the innuendo is unwarranted.

The Hon. MICHAEL GALLACHER: In reply to Ms Burnswoods'—

The Hon. JAN BURNSWOODS: I addressed the point of order to the Chair.

CHAIR: I think our witness has decided what his answer is, so I presume Mr Gallacher is not going to pursue that line.

The Hon. MICHAEL GALLACHER: One last question to Ms Willoughby.

The Hon. JAN BURNSWOODS: So, is that a ruling on the point of order?

The Hon. MICHAEL GALLACHER: I have finished my line of questioning on that, Chair.

The Hon. JAN BURNSWOODS: I think, given what you said earlier when I asked about the parameters of this, that it is unfair to go on from someone not answer a specific question to this sort of throw-away line, "Oh, well, we all know." In fact, we do not know. It is certainly not necessarily the case, if there were a survey all the members of this Parliament, that just because someone works for a member of Parliament they are a member of that party or a member of any political party. We all know that to be the case. I just ask that we keep some of this within some bounds.

CHAIR: Mr Gallacher?

The Hon. MICHAEL GALLACHER: Ms Burnswoods has given me an opportunity, during her contribution, to reflect, and as a result of that I actually will return to Mr Al-Malah—

The Hon. JAN BURNSWOODS: Presumably after the Chair gives some ruling.

The Hon. MICHAEL GALLACHER: Once the Chair gives a ruling. What I will be looking at, Madam Chair, is the importance of this position and the need for, as Michael Cost calls it, transparency in everything to do with transport.

CHAIR: My belief is that Mr Gallacher is perfectly within his rights to give Mr Al-Malah another opportunity to answer a straightforward question.

The Hon. JAN BURNSWOODS: Madam Chair, I do not doubt that. I do not question that for a minute. My point was about the remark that Mr Gallacher made, which was not a question. It was a remark which virtually gave the lie to what the witness was saying. He just said, "Well, we all know", basically, "you work for a member of Parliament," et cetera. That was my point.

CHAIR: This is a parliamentary Committee, so the rules of the House apply. Obviously, at times members will be asking questions with a certain flourish. That is perfectly in order.

The Hon. JAN BURNSWOODS: It was not a question. My point was about the comment that he made.

CHAIR: Mr Gallacher might put a question mark at the end of his comment.

The Hon. MICHAEL GALLACHER: I will clarify that.

The Hon. JAN BURNSWOODS: Can I ask also—because, as I said and as you knew, I could not get here till 10.30—will we all have a chance to ask questions? Is there a period of time set down?

CHAIR: If you have got some questions, yes.

The Hon. JAN BURNSWOODS: Yes, I have quite a lot of questions. So have we set 20-minute bursts, and for the crossbenchers as well, or what is to happen?

CHAIR: No. We will just do what we did in the last hearing.

The Hon. JAN BURNSWOODS: I was not at the last hearing.

CHAIR: I am happy for you to get the same time.

The Hon. JAN BURNSWOODS: So you will keep some sort of a count?

CHAIR: Yes.

The Hon. JAN BURNSWOODS: That's fine.

CHAIR: Mr Gallacher?

The Hon. MICHAEL GALLACHER: Mr Al-Malah, you do agree with me that the position of FOI officer, in terms of the public's confidence and also the question of transparency, is extremely important?

Mr AL-MALAH: I have always believed that the role of a FOI officer is a very important role, and I fully support the spirit of the Act, and I always conduct myself in accordance with the Act and the spirit of the Act.

The Hon. MICHAEL GALLACHER: Do you agree with me also therefore that the public, as you are acting as a representative of the public as the FOI officer, should have 100 per cent confidence in your independence in that position? Do you agree with me on that?

Mr AL-MALAH: I do, and I am fully independent.

The Hon. MICHAEL GALLACHER: You are fully independent. So, do you agree with me that the answer you have given—albeit how you interpret it and wish to give it today—is not, truly speaking, giving a clear indication to the public who will read the *Hansard* from today forward that they can have complete confidence in your independence from the Government?

Mr AL-MALAH: I believe the public will reflect on the work that I have done and form a judgment based on my determinations. I believe that the public is concerned and will be interested to see that I am exercising my democratic right to not answer questions that concern my private or leisure time, things that I may or may not do.

The Hon. MICHAEL GALLACHER: The question is, however, based on an answer that you gave at an earlier estimates hearing that you, sir, have the right to make a call in terms of which matters will be referred to the Minister, through your senior officer, and which ones will not. And, as the Committee was told earlier, there is in fact a determining factor, and that is whether it comes from a member of Parliament or members of the media. The issue of your membership of the Australian Labor Party and your obfuscation in answering once and for all whether you are a member or not, is in fact diluting as we speak the confidence that the community can have in your independence. Irrespective of what you feel, your obfuscation in terms of not clarifying yes or no, and the right that you have to make a call who will be subject to a ministerial notification and who will not, gives you incredible power.

Mr AL-MALAH: I am sorry, is that a question?

The Hon. MICHAEL GALLACHER: I am just about to put the question to you. What I am after from you is yes or no—do not play games with it: Are you a member of the Australian Labor Party or not?

Mr AL-MALAH: I have answered this question on at least three occasions, and my answer is what I may or may not do in my leisure time is a matter for me.

CHAIR: Do you not agree that it is in the public interest, given the importance of freedom of information legislation, which was placed on the statute books by a Labor government, of Neville Wran, that it is an important tool for members of the Opposition and the media and others trying to find out what is going on inside the government of the day, that it is a matter of public interest as to whether or not the management of freedom of information applications is in the hands of a person

who might be perceived to be not neutral in such matters? That is the point of Mr Gallacher's question. It is a very important question, and you would help us greatly if you answered it.

Mr AL-MALAH: Madam Chair, I have answered the question. There are mechanisms contained within the Act, enshrined in law, which give applicants a right to review internally and externally to the Ombudsman and the Administrative Decisions Tribunal. Those mechanisms are there to ensure that the decisions that I make are in accordance with the Act.

The Hon. MICHAEL GALLACHER: You still don't see it. Actually, I think you do see it. I have one last question, and then I will hand over to my colleagues on the crossbench. Mr Graham, I note that John Cairns is not here. Is that correct?

Mr GRAHAM: I have not sighted him this morning, Mr Gallacher, no.

The Hon. MICHAEL GALLACHER: Has John Cairns got a job elsewhere?

The Hon. JAN BURNSWOODS: We did not call Mr Cairns.

The Hon. MICHAEL GALLACHER: My understanding is that all of the people who were asked before, except for Fran McPherson, were asked to attend again. Is that correct?

The Hon. JAN BURNSWOODS: Perhaps this could be clarified, but he is not on the list.

Mr GRAHAM: Mr Cairns is no longer employed by the Rail Infrastructure Corporation, State Rail or RailCorp.

The Hon. MICHAEL GALLACHER: Is it true that he has now gone to work for a Minister in Victoria?

The Hon. JAN BURNSWOODS: Can we clarify whether we called this man or did not call this man? As you all knew, I could not be here till 10.30, et cetera. But, again, we have this innuendo. Was this person called? And, if he is not employed, regardless of whether he was called or not, what are we doing talking about him?

COMMITTEE OFFICER: He was requested to attend, but we were advised that he no longer works for the organisation. We advised the Committee of that this morning.

The Hon. MICHAEL GALLACHER: My last question, Mr Graham, on this issue is: Is it correct that he has now gone to work for a Labor Minister in Victoria?

Mr GRAHAM: Madam Chair, I do not know where Mr Cairns currently lives or who his current employer is. I have no knowledge of that. I have had no reason to have knowledge of that.

The Hon. MICHAEL GALLACHER: Actually, he has gone to work for Bracks. I have just been corrected. I apologise.

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Ms SYLVIA HALE: Mr Al-Malah, is your contract with the department or with a private agency?

Mr AL-MALAH: It is between me and State Rail.

Ms SYLVIA HALE: Is it appropriate for me to ask questions of Mr Stott at this stage?

CHAIR: Yes. Mr Stott, please come forward.

Ms SYLVIA HALE: I have some questions regarding buses. When will the Unsworth review team release its final report?

Mr STOTT: State Transit is not part of the Unsworth review team. State Transit is a bus operator. That is really a question for the Ministry of Transport.

Ms SYLVIA HALE: So I should direct my questions to Mr Lee?

Mr STOTT: Yes.

Ms SYLVIA HALE: Mr Lee, can you tell me when the Unsworth review team will release its final report?

Mr JOHN LEE: Yes. The Unsworth report was released in November last year following detailed consultation with the community and with major operators within the industry. It is proposed to have that report published in the month of March. Ultimately it is a matter for Government as to when it releases the report. I think it is fair to say, in short, that the interim report has a lot of concepts, if you like, and some draft recommendations that were canvassed. Mr Unsworth and the review team considered a number of submissions based on that interim report. I am also aware that the industry had some concerns about parts of the interim report, mainly centring around how the contract regions were defined and whether there could be some amendments to those contract regions. Ultimately, a number of electronic and other pathways have been used to get input from those major players. The Ministry has a relationship with a lot of the operators on a day-to-day basis, be it through the normal contracting arrangements. So we saw it as being very important that after the interim report we should take some steps to have ongoing dialogue with them about what should be the preferred model and the way in which services should ultimately be delivered in the future.

Ms SYLVIA HALE: So the expectation is that the report will be finalised sometime in March. The interim report proposed the introduction of competitive tendering for bus service contracts and new funding arrangements for all bus operators in New South Wales. Does this include the STA? Does this proposal mean that private bus operators could, in theory, begin operating bus routes currently held by the STA?

Mr JOHN LEE: I would not want to in any way draw conclusions about how the Government might interpret a ministerial review. I think it is important though that the concepts that are available for the contracting and servicing of public transport in our jurisdiction should be fully investigated. It was very clear from the interim report that there were different jurisdictions. I specifically refer to the Western Australian model where they have introduced performance benchmarking as part of the contracting model, which therefore does not submit the existing operator to a fully competitive process. In Western Australia they have a series of standards and performance measures that are clearly articulated for the delivery of service and customer satisfaction and, in many respects, efficiencies—marginal, operational and capex costs. That bundle of information is then assessed as to whether the contract should be rolled over.

I would not want to in any real sense foreshadow what Government might consider to be the appropriate policy but there are a number of examples. If the Committee will allow me, one of the major lessons learnt from the privatisation of public transport in the United Kingdom is that now there tends to be—especially in the bus area—more of a partnership approach to service delivery and service planning rather than saying, "Let's go to the market every five years"—or whatever the defining period is as part of a legislative or a contracting arrangement. Let us not second-guess what might come out of final Unsworth but it is fair to say that there are some operators at the moment who run very good services. I think people living in the eastern suburbs of Sydney, for example, would commend the level of service they currently have and probably would not want to see a change to that operating regime. Ultimately, if they were able to demonstrate that they are good operators it would make sense to retain them.

Ms SYLVIA HALE: Therefore, you anticipate that the report will suggest that it is possible for private bus operators to operate on STA routes.

Mr JOHN LEE: No, I did not say that.

Ms SYLVIA HALE: That is not a possibility?

Mr JOHN LEE: No, I said that I was not here to foreshadow what possibilities there might be. My role is to inform the Committee about information relating to policy positions currently in

place within the Ministry. This means that at the moment we have a contracting regime under the Passenger Transport Act that is very prescriptive in its requirements. But also, as you probably know, it has section 23, which states that operators will get automatic renewal. Whether or not the Government wishes to examine the automatic renewal clause or condition is ultimately a decision for Government and for Parliament. It is not something that a director-general would have views on.

Ms SYLVIA HALE: If STA is part of the tendering regime would it be permitted to tender for new contracts? In other words, would the Ministry support the STA if it decided to seek tenders for services currently operated by private operators?

Mr JOHN LEE: Again, I refer to my previous answer. You are now extending the hypothetical nature of what might or might not be. Let us look at history and history will tell you that the most recent contracts to go to the markets were two types of contracts. There was the Liverpool-Parramatta transitway contract, which STA was successful in bidding for. So already in the current environment we have both the private sector and the public sector actively engaged in a competitive process, and STA was lucky enough to win that tender. If I look at the other rounds of contracts recently released they were to do with the Olympic site. If the Committee wishes, I can go through each one of those contracts. I have 1A and 1B in front of me. 1B commenced at Warriewood and comes via Mona Vale, Terrey Hills and St Ives right into the Olympic Park site. The STA bid for that contract in a competitive process against the private sector and it was successful. Let us not test the hypotheticals as to whether the regions suggested by Unsworth will be that type of process. Ultimately that is a decision for Government.

The Hon. DAVID OLDFIELD: I do not have any questions for Mr Lee. Mr Al-Malah, a moment ago in answer to a question from Michael Gallacher you said that you had worked in three positions as a relief electoral officer for the member for Fairfield, the member for Cabramatta and the member for Bankstown. Is that correct?

Mr AL-MALAH: Yes.

The Hon. DAVID OLDFIELD: You said that you did not really remember how you got the positions as such. Could you clarify that comment as it is a bit difficult to understand?

Mr AL-MALAH: I do not think that was my answer.

The Hon. DAVID OLDFIELD: You were asked whether the position was advertised and you said that you did not really remember. Let me put it this way: How exactly did you get those jobs?

Mr AL-MALAH: I am not quite sure whether the position was advertised. I have to recall how I got the job. I believe friends of mine who were either working in those offices, in different offices or in the area advised me that a position had become available. At this time I do not know whether the position was advertised.

The Hon. DAVID OLDFIELD: Did you have friends in all three offices and on all three occasions they advised you that jobs were coming up?

Mr AL-MALAH: No.

The Hon. DAVID OLDFIELD: Do you remember any more about it than that?

Mr AL-MALAH: About what exactly?

The Hon. DAVID OLDFIELD: About how you got the jobs?

Mr AL-MALAH: I cannot remember exactly which friend in which instance, but one person was working in the office at the time.

The Hon. DAVID OLDFIELD: Which office was that?

Mr AL-MALAH: The office of the member for Cabramatta. I believe I was advised after I had worked in one office that positions had become available in various other offices.

The Hon. DAVID OLDFIELD: So you basically got one position in the first instance through a friend and the other positions as a consequence of the first position?

Mr AL-MALAH: That is right.

The Hon. DAVID OLDFIELD: Did you start out in Cabramatta?

Mr AL-MALAH: I honestly do not recall. The time that I spent in those electoral offices was so brief that I do not recall.

The Hon. DAVID OLDFIELD: What sort of period was it?

Mr AL-MALAH: It was about a week for the member for Bankstown during my university holidays, and for the member for Cabramatta it was a couple of days here and there when someone was sick or away. It was a very brief period of time.

The Hon. DAVID OLDFIELD: What about Fairfield?

Mr AL-MALAH: I do not recall exactly. I do not think it would have been more than a month on a couple of days a week—my days off from university.

The Hon. DAVID OLDFIELD: You started in this position in August 2002, is that correct?

Mr AL-MALAH: Yes. I do not know the precise date but I think it was 8 August.

The Hon. DAVID OLDFIELD: When was the month spent at Fairfield, a few days at Cabramatta and a week at Bankstown in relation to the commencement of this job in August 2002?

Mr AL-MALAH: I think I started work as an electoral officer from about—I do not want to mislead the Committee—2001.

The Hon. DAVID OLDFIELD: So sometime during 2001 you held those three positions, albeit for short periods?

Mr AL-MALAH: That is right.

The Hon. JAN BURNSWOODS: And you were still a student at that time?

Mr AL-MALAH: That is right; I was studying.

The Hon. DAVID OLDFIELD: I do not understand the relevance that being a student has to this line of questioning.

The Hon. JAN BURNSWOODS: It is relevant in terms of it being just the odd day here and there. I would have thought it was fairly obvious.

The Hon. DAVID OLDFIELD: I would not think it is of any consequence and has any relationship of any kind, anywhere, any time.

The Hon. JAN BURNSWOODS: We obviously differ.

The Hon. DAVID OLDFIELD: Yes: you are wrong and I am right. There is the difference.

The Hon. JAN BURNSWOODS: Why did I think you would say that?

The Hon. DAVID OLDFIELD: It is a matter of consequence and there is none in this case.

The Hon. JAN BURNSWOODS: Thank you for the lesson in logic.

The Hon. DAVID OLDFIELD: My pleasure, I am happy to teach you at any time.

The Hon. JAN BURNSWOODS: It is a bit different from our last couple of conversations about logic.

The Hon. DAVID OLDFIELD: We have had some wonderful conversations. This just is not one of them.

The Hon. JAN BURNSWOODS: He is an arrogant man, isn't he?

The Hon. DAVID OLDFIELD: No, just straightforward. Michael Gallacher has questioned you fairly heavily about this matter and about the degree of transparency that is expected under the circumstances of the job that you hold. Do you understand that the perception is that you are member of the Labor Party, that you have been given this position through those contacts and that in this position you are politically motivated with regard to freedom of information? Do you understand that that is the perception being given by your lack of denial of being a member?

Mr AL-MALAH: I understand that some people have that perception. My understanding is that I was given the job based on my qualifications as a person who has completed a combined economics and law degree, as someone with extensive experience in communication skills—both written and verbal—and in light of my experience in other positions that I outlined to the Committee the last time that I appeared before it. My understanding is that I got the job because I was qualified for it.

The Hon. DAVID OLDFIELD: When did you complete the combined economics-law degree?

Mr AL-MALAH: At the end of 2002. I was in my final semester.

The Hon. DAVID OLDFIELD: So you did not have that qualification when you got the job?

Mr AL-MALAH: I had completed my economics degree and I was in the final semester of my law degree.

The Hon. DAVID OLDFIELD: I think it is unfortunate the way that you have chosen to respond to these scenarios. I am not trying to besmirch you—you may have a particular personal reason for wanting to answer the question in the way you have—but generally "no comment" and what you have said means "yes". There is a tremendous attachment of a political nature to the job that you are doing. Do you see a problem with the way that you have answered thus far?

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Mr AL-MALAH: I do not want to lecture the Committee on discrimination or the Anti-Discrimination Act or any other legislation to protect individual citizens, but my understanding is whether I am a member of a trade union, whether I am a member of a political party or whether I am a member of a particular religious group or any other group within society, that is a matter for me and it has no bearing on my capacity as a public servant.

The Hon. DAVID OLDFIELD: It may have no bearing, I agree with you, in regards to how the job may be carried out but it has a great deal of bearing with regards to what the public perception would be as to how you carry the job out with regards to its political ramifications. That does not mean you should be precluded from the job necessarily because of a membership of the ALP, just as Ms Willoughby has not been precluded on the basis of such a thing. It is not a matter of discrimination; it is a matter of transparency, public confidence and the media, for example, being of an understanding nature that they can contact you and know that you are not simply a funnel to the Premier's Office at any given time. That is what it is. It is not a question of discrimination.

Mr AL-MALAH: I am not, and I act in accordance with the Act and the spirit of the Act at all times.

CHAIR: Ms Hale, would you like to proceed?

Ms SYLVIA HALE: Mr Lee, I note that three members of the working group—namely, Lord Mayor John Tate; Trades Hall chief Gary Kennedy; and Hunter business chamber chief Glenn Thornton—are also members of the Honeysuckle Development Corporation Board.

Mr JOHN LEE: Yes.

Ms SYLVIA HALE: Is the ministry concerned about this conflict of interest and about the conflict of interest in the light of this finding of the working group on page 7 of its first report that:

The Honeysuckle Development Corporation could be appointed by the Minister for Infrastructure and Planning and Natural Resources to act as the agent for urban renewal in the project area. The current Honeysuckle Growth Area includes all potential interchange and urban development sites—meaning that Honeysuckle could undertake this task without seeking additional powers.

Mr JOHN LEE: I suppose there are two parts to that answer, the first one being: let us take a step back and understand how the Lower Hunter Transport Group was actually convened. It was actually a process undertaken by DIPNR, not an area directly accountable to me, the ministry, or this Committee. They took the decision to engage a number of different stakeholders in the process. Yes, the mayor of Newcastle was one of those. I am not aware as to the nature of, if on an ex officio basis or otherwise, that position will also put a seat at the table of Honeysuckle Corporation. Taking a step back, there was a process that was worked through with the community of Newcastle. There has been substantial debate about the options being canvassed for that area and there is now a whole-of-government response with RailCorp, DIPNR and representatives of the ministry because ultimately we do not have a direct operational role that we will chair that solutions team. On that basis we are working through a process with those major stakeholders to assist the Government in coming up with a new policy position for that area.

It is a very complex area of public policy, I think you are right, and one of the things that the interim Unsworth report highlighted was a need in that area to develop something similar to what occurs in Fremantle with a CBD bus service that has worked up at Newcastle around Christmas time for a couple of years. There was a view from the community that that needs to be extended over a great period of time. That is just one element. There is the other element regarding the rail line and ultimately Mr Graham will be able to provide you with some advice on that if you have some specific questions on it, but I think what the community of Newcastle is seeking from the Government is better delivery of public transport in that area. Whether or not a particular person was part of a corporation who also had a role as a public official, I am not in a position to make a judgment on that because ultimately that decision was taken by DIPNR; it was not a decision taken by the Ministry of Transport.

Ms SYLVIA HALE: Assuming that the Lord Mayor, Gary Kennedy from the Trades Hall and the Hunter business chamber chief Glenn Thornton are members of the Honeysuckle Development Corporation Board, would you concede, if that is the case, that there is the potential for a conflict of interest?

Mr JOHN LEE: Ultimately they presented a series of options. They have not actually taken any decisions so, no, I could not agree with that.

Ms SYLVIA HALE: But you do not think there is any reason for concern about the conflict of interest in light of the finding on page 7 of the working group's report?

Mr JOHN LEE: As it works out, I only know one of the gentleman you have mentioned, and that is John Tait.

Ms SYLVIA HALE: It is not a question of personal knowledge,

Mr JOHN LEE: You seem to be referring to conflicts.

Ms SYLVIA HALE: It is a question of people who have a particular interest in one area also being, apparently, favoured in another area. That seems to me to be not exactly an open and transparent situation.

Mr JOHN LEE: And I refer to my previous answer. As I was just pointing out, Mayor John Tate is a very active community member. He has the views of the community of Newcastle at heart and if he is actively involved in a process to deliver better transport solutions for Newcastle, I think that is a good thing and ultimately the Government decides who will participate in that process.

Ms SYLVIA HALE: I refer to some information supplied by the State Rail Authority [SRA] to the Lower Hunter Transport Working Group. In that information the SRA stated that Newcastle railway station is used by 3,020 passengers each day. This is the most of any station in the Hunter network and is the 125th busiest station of the 302 within the CityRail network. As a CityRail boundary terminus Newcastle is busier than Richmond, Bomaderry, Lithgow, Port Kembla, Goulburn, Dungog and Scone. Only Bondi Junction and Cronulla are busier. That is the factual information that the SRA supplied to the group. On the basis of that I wish to ask you a series of questions. Why is a station—

Mr JOHN LEE: Madam Chair, it might be more appropriate for the head of RailCorp to answer this question if it is to do with operational issues relating to the operating of the railway.

Ms SYLVIA HALE: Who would that be?

Mr JOHN LEE: That is Mr Vince Graham.

CHAIR: We will come back to Mr Graham a little later. Ms Burnswoods?

The Hon. JAN BURNSWOODS: Mr Lee, I wish to ask a question about the Unsworth review and the Parry inquiry. There are some major recommendations in both of those about the need to provide better public and community transport in rural and regional New South Wales. What is the Government doing in response to those needs?

Mr JOHN LEE: Yes. It was very noticeable when the review team toured regional New South Wales that in meeting with various transport players, if you like, in some of those more remote towns, just how important the task of community transport has become, especially with a more ageing population. We all know in those towns that most people use their motor vehicle as their primary mode of transport but as people become older and more fragile, there is a need for a number of different community organisations to assist them. I suppose the first point I would make is that in defining what community transport is, we really need to look at historically how it has been managed.

It has mainly been managed by not-for-profit or for government organisations. We ultimately see this kind of transport as part of a broader definition that includes people who are affected not only by their immobility but also by remoteness and financial difficulties. For that reason we thought we really needed a clear functional definition that cuts across all of those needs. You would understand, as a member of Parliament, that some people literally need transport from the bedroom to the surgery. It is not a matter of point to point or bus stop to the town centre. It has become very intensive and for the most needy, they need special management.

The Hon. JAN BURNSWOODS: The social issues committee, which I chair, has looked at different aspects of community transport, particularly during its disability inquiry, in rural areas. I am very much aware, which is one of the reasons I wanted to ask this question.

Mr JOHN LEE: What is amazing when you visit some of these community transport organisations is that a lot of these people have retired and want to give something back to the community and to see their logistical capabilities and how they receive a number of requests, be it through an electronic pathway, through email, telephone, or friend of a friend, they then take a weight of demands or requests and manage that against the limited resource of drivers and how those drivers can be deployed in a way that maximises the transport effort.

I spent a day sitting in Lithgow in winter and it is a very, very tough task for these volunteer people. We really need to do a lot more to recognise their good work and that is why, as part of Unsworth seeing an ageing population in New South Wales, we need to focus a lot more on that. It is important, therefore, within the ministry that we have seen the need to set up a local and community transport division. We see that within our structure it is important to actually ensure that as demand grows, we have the available resources to manage that task. To quote some figures, by 2021 older people in New South Wales are expected to represent over 24 per cent of the population but then within a 20-year period to 2041 that will grow to 30 per cent or 2.3 million. They are big numbers and a lot of people having to be transported for assistance, be medical assistance or to be in contact with family members.

If the family or friends are not available, that task ultimately falls onto a community organisation and it is the Government's responsibility to help them. There are myriad different funding programs and if you meet with someone who actually is a registered CTO and you look at the administration attached to their role to get Home and Community Care [HACC] funding or better fares funding to be able to better utilise that minibus or that car, which is the HACC-funded bus, it can be quite a bureaucratic event for them on any given morning. It is fair to say, let us face up to the facts, there is too much bureaucracy as part of that progress. It is being aware of that and trying to come up with a better system for those good volunteers to be deployed in a useful way. We want to call on all the transport operators to think how they might better integrate these services with those groups.

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I can say, having been a private bus operator in the Maitland, Singleton and Muswellbrook area, a lot of school buses—nearly 60 per cent of your buses—get put to use in the morning and afternoon school peaks, but a lot of them sit idle during the middle of the day. For a marginal cost—because you are already paying for the capital expense of the bus, and it is really just the wages of the driver and a bit of fuel and tyres—there is a resource sitting there waiting to be deployed. We also need to overcome some of the relationships and, if you like, the competitive tensions that exist in some towns between taxi operators and the CTOs and even the local clubs. We need a better way of harmonising that rather than having a silo effect to the provision of transport.

The way forward is about defining community and caring transport. The Unsworth report went some way to putting that concept out there, and it is our job now to take that concept and make it deliverable. Our plan is to set up local-level working groups. We want them to participate at the local level to map demands with the CTO providers. It is also about prioritising where the resources should be deployed and utilised. We are planning to employ regional transport co-ordinators dedicated to that specific task. In essence, they will be the local brokers. We had a trial in Dubbo that was very successful. A major taxi operator there did not even have a relationship with the local bus operator. Now they are working together to assist the Aboriginal community come in on Friday nights to go to the pictures or to participate in community events. That trial has been very successful.

I shall give another example. When I was at Dubbo we heard of a woman who did not mind getting the bus into town but when she had purchased all her groceries she could not walk from the bus stop to her house with all the groceries. She was looking for a more flexible solution. She could get to the bus stop in the town but not from the bus stop to home. To get that flexible arrangement needs co-operation with councils to allow that bus to run down her local road, and a lot of work was done on that. They are the sorts of examples I think these brokers, the local transport co-ordinators, will work hard on.

The Hon. JAN BURNSWOODS: Could I ask you a question on a different matter. I gather there are plans for introducing e-tags for taxis in metropolitan Sydney. Can you tell us about the progress of this and the benefits that are expected to flow from such a scheme?

Mr JOHN LEE: Yes. I suppose one of responsibilities of the Ministry for Transport is the management of the Taxi and Hire Car Bureau. It concerned me when I was looking at the number of compliments and complaints that came into that organisation that there was a growing frustration from customers who would phone a taxi network wanting to travel across the Sydney Harbour Bridge, for example—that is probably the most pertinent example—from Mossman and even the northern beaches to find that even if they requested an e-tag taxi, the taxi did not have an e-tag because it is not compulsory in New South Wales. This has meant for some people an extra cost to travel. We all know

the highly successful e-tag lanes have meant that people can whiz through those lanes to get into the city, but ultimately there is a cost for having to queue in a cab to go to a cashier to cross the Sydney Harbour Bridge. The New South Wales Taxi Council gave us an estimate of about 50 per cent of cabs with e-tags, and it was taken as a good policy position to make that a mandatory arrangement. Without wanting to demand it in a short period, we took the decision of a phase-in period, and the ministry was working very closely with operators to see what would be the best mechanism for introducing compulsory e-tags on all taxis.

We think it should be part of the accreditation process, so to be accredited you have to ensure you have your e-tag. The only stumbling block to that, as we learned during consultation, is that some of the product is only offered to people with credit cards. As we know, some taxi drivers are just entering the workforce and we thought it would be better to have other types of products similar to what they have in Melbourne, where you can have a 30-day account. In New South Wales we only have what is called auto prepaid, and I think those people with e-tags would know this, where, to get an e-tag, you have to have a certain amount on you and then run it down. Obviously the customer is paying for the toll, but it is important for the operators to build that up over time.

Alternately, we think we are working through those issues with the industry. We are confident that the major providers—that is TollAust for the M2, Macquarie Infrastructure Group for the M4 and M5, and the Roads and Traffic Authority for the Sydney Harbour Bridge and the tunnel—will come up with other products, if you like, for people to purchase. I do not know if you have been to Melbourne, but multilane free flow, as they call it—that is an easy ability to get from A to B without having to stop at a booth or to queue at a booth and by not having to stop so reduce emissions—is a good thing. We are treating this issue very seriously. Consultation is complete and we are now just wanting to finalise what products are going to be available and make them part of the accreditation.

The Hon. JAN BURNSWOODS: Perhaps if I ask you another question now, that may be easier than coming and going. This is important and obviously getting very close. Can you tell us about the arrangements for transport for this year's Royal Easter Show?

Mr JOHN LEE: Absolutely. I think most people know that in moving the Easter show out to the Olympic Park site it was important to make sure that people did not struggle to get to and from that event. I think the initiatives undertaken for the regional bus links as well as the semi-submerged station at Olympic Park and train services running into Olympic Park have meant that the Royal Easter Show is firmly entrenched in that area and has been very successful. We have had negotiations with the Royal Agricultural Society about integrated ticketing similar to that which we trialled last year for the National Rugby League grand final. That is where the cost of transport is built into the ticket. I never wish to be referred to as a public transport seller, but that means you spread the total cost of the provision of services across all purchases. It worked for the Olympics and it worked for the National Rugby League grand final. It started to drop off a bit. We got down to about 47 per cent or 48 per cent of people using public transport. For some of the major rugby events the rugby people were choosing to use their private motor vehicles, but with the trial of this integrated ticket we were again back over that 65 per cent mark for the rugby league grand final.

Roger Perkins at the Royal Agricultural Society is very keen to make this integrated ticket work. Depending on how people purchase it, they avoid the cost of car parking and it saves money for families, which is very important for people getting to the show. This year again there will be an advertising campaign encouraging people to use those services. We will have the eight different route buses operating from different areas and, if the Committee wishes, I will be happy to go through each of those routes and talk specifically about each bus stop, but there might not be a thirst for that sort of information today

The Hon. JAN BURNSWOODS: There is probably a bit of a thirst for someone like me who lives in Ryde, where they come together and sometimes there are congestion problems—from the northern beaches, from the North Shore through Ryde and then obviously down to Olympic Park.

Mr JOHN LEE: That reminds me, there was a real horror story last year. Australia played Wales in a rugby preliminary game and there were more than 2,500 drive-ups to Olympic Park. It gridlocked all that area, going way back up Devlin Street, right through Top Ryde and Lane Cove

Road and it ruined routes 1A, 1B and some route 4s that come down from Macquarie. That is when we took the decision to work very hard, only allowing presale car parking, so people could not just drive up, and to reinforce the message to get integrated ticketing as it was for the Olympics, to get people back on buses and trains to those events. No system is perfect, you are forever tweaking it but there will be plenty of buses available for people coming from those areas that have not been historically served by public transport in the past to get to the show this year.

The Hon. JAN BURNSWOODS: In relation to the show and the increasing congestion in that area, has any more work been done on ferry transport to the Homebush and Olympic Park sites?

Mr JOHN LEE: I suppose what we learned out of the Olympics is that that is pretty much a premium service. A lot of package tours and deals are done for people wanting to access Homebush via pleasure craft. A number of vessels were engaged during the Rugby World Cup and they are heavily presold mainly for rugby games. At one of the earlier estimates hearings I gave some rough percentages—with rugby, 85 per cent of people come from east of the precinct and about 15 per cent from west of the precinct. For rugby league, it is about 55 per cent from out west and 45 per cent from the east. There is less demand from people wanting to use that premium service for games other than international rugby fixtures.

The Hon. JAN BURNSWOODS: Mr Christie, in relation to the Independent Transport Safety and Reliability Regulator [ITSRR], I wonder if you can tell us about both the current and projected levels of staffing and how that is all going?

Mr CHRISTIE: Yes. The new Independent Transport Safety and Reliability Regulator has an approved permanent staff establishment of 83 positions. The old Transport Safety Bureau [TSB], which existed up until 1 January, had a permanent staffing of approximately 25 from 2001 until September 2003. So, at the moment the new organisation is gradually moving up towards that 83 positions. The number of staff employed by ITSRR at present is 50, with an additional 26 who are either seconded or contracted, and full-time recruitment is continuing. The majority of the new staff will work in the field. In 2001 there were approximately 13 staff within the TSB designated as authorised officers to go out and exercise powers under the Rail Safety Act. By January 2004, with the establishment of ITSRR, this number has risen to 32 authorised officers and we are working towards having a figure of 46 authorised officers in the final establishment. I think that answers the question.

The Hon. MICHAEL GALLACHER: Mr Christie, I note in the Ministry for Transport's analysis of contractors that the Committee has available to it that you received \$31,250 for professional services as listed. Can you indicate to the Committee in what capacity and exactly what you did for the \$31,250 professional services?

Mr CHRISTIE: Certainly. I was employed by the Ministry as a contractor between April and December last year. For that I was to provide advice on the setting up of the new regulator, which I did over that period.

The Hon. MICHAEL GALLACHER: Are you still paid as a contractor?

Mr CHRISTIE: I am not a contractor now. I am the chairman of a part-time advisory board of the new regulator. I am not paid as a contractor.

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee, Mr Christie, the remuneration package available for that part-time position?

Mr CHRISTIE: No, I cannot. I am not aware of it. I am not aware that any decision has been made about that payment. That position is not made by me and I have not been made aware of any decision on a payment yet.

The Hon. MICHAEL GALLACHER: How long have you been in that position?

Mr CHRISTIE: Since 1 January.

The Hon. MICHAEL GALLACHER: Therefore, given the answer, I take it you have not been paid since 1 January?

Mr CHRISTIE: That is correct.

The Hon. MICHAEL GALLACHER: That is remarkable.

Mr CHRISTIE: Is it?

The Hon. MICHAEL GALLACHER: Considering that you have not been paid since 1 January and you have not bothered to ask how much you are going to be paid.

Mr CHRISTIE: It is not my No. 1 consideration at the moment.

The Hon. MICHAEL GALLACHER: I recognise that, but it is still a factor.

The Hon. JAN BURNSWOODS: We have many dedicated public servants.

The Hon. MICHAEL GALLACHER: I have no doubt. I just find it remarkable that you have been there since 1 January.

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Mr CHRISTIE: They will pay me in due course. Somebody will decide the level, and it will appear somewhere in a *Government Gazette*.

The Hon. MICHAEL GALLACHER: Have they given you a rough idea of what sort of SES grade it will be?

Mr CHRISTIE: No, I do not have any rough ideas.

The Hon. JAN BURNSWOODS: Do you get lunch money?

Mr CHRISTIE: No. You find that remarkable, do you?

The Hon. MICHAEL GALLACHER: I do find it quite remarkable. You have taken on this position in goodwill, which is a good thing. It is remarkable that the Government is employing people without indicating to them what their remuneration will be.

Mr CHRISTIE: It has always paid me in the past and it has paid me well. I am confident that, in due course, I will hear what the result of the determination is. I do not make the determination. Somewhere it is made in Government. I do know how chairmen are remunerated, because I have not been a chairman previously.

The Hon. MICHAEL GALLACHER: Following on your comment about being remunerated well in the past, how long has it been city that State Rail?

Mr CHRISTIE: Three years. I was not with State Rail.

The Hon. MICHAEL GALLACHER: Could you refresh my memory as well as other committee members as to when you left, from where you left and what happened until you took on this contracting position?

Mr CHRISTIE: I left in early June 2001 and I was Co-ordinator General of Rail.

The Hon. MICHAEL GALLACHER: After that or at the time?

Mr CHRISTIE: At the time.

The Hon. MICHAEL GALLACHER: What did you do between June 2001 and coming in as a contractor?

Mr CHRISTIE: I retired.

The Hon. MICHAEL GALLACHER: You got a retirement package?

Mr CHRISTIE: No, I did not get a retirement package at all. What sort of package are you talking about?

The Hon. MICHAEL GALLACHER: Could you explain to us exactly what sort of package you left the Co-ordinator General's position with?

Mr CHRISTIE: I retired. There is no package. You do not get a package when you retire. You retire. Are you not familiar with these things?

The Hon. MICHAEL GALLACHER: Yes. Can you indicate to the Committee how much you received when you retired in 2001?

Mr CHRISTIE: No, I cannot. I do not know the exact figure. It is made up of superannuation and long service leave. There is no package. They are the normal entitlements of any public service person has a number of years service. You accumulate your long service leave if you do not take it and you get paid for that, and you have superannuation. There is no package.

The Hon. MICHAEL GALLACHER: You do not know how much you got when you retired and you do not know how much you are going to get paid in this current position, is that what you are telling the Committee?

Mr CHRISTIE: I do not know what I am going to be paid for this position because I am not aware that a decision has been made. I will get a decision in due course.

The Hon. MICHAEL GALLACHER: When?

Mr CHRISTIE: I do not know.

The Hon. MICHAEL GALLACHER: Is it correct that you do not know how much you retired with?

Mr CHRISTIE: No doubt I can find that figure for you if you are so interested. It was made up of long service leave and superannuation over a period of—

The Hon. JAN BURNSWOODS: And untaken recreation leave and all the other bits and pieces.

Mr CHRISTIE: I had been employed, one way or another, since 1954. What would you expect other than an accumulation—?

The Hon. DAVID OLDFIELD: More than a gold watch.

Mr CHRISTIE: Yes.

The Hon. MICHAEL GALLACHER: Was it more than \$1 million?

Mr CHRISTIE: I am not going to answer that question. I do not know the exact figure. It is made up of a number of things. Are you trying to insinuate that there was some golden handshake or something?

The Hon. MICHAEL GALLACHER: I am asking you a logical question of money.

Mr CHRISTIE: Of what interest is my superannuation? Of what interest is that?

The Hon. MICHAEL GALLACHER: What do you have to hide with your superannuation?

Mr CHRISTIE: I have nothing to hide.

The Hon. MICHAEL GALLACHER: You were on the public purse.

Mr CHRISTIE: Yes.

The Hon. MICHAEL GALLACHER: It is public money. It did not come out of Carl Scully's pocket, did it?

Mr CHRISTIE: Hang on, I earned that.

The Hon. JAN BURNSWOODS: Come off it. This is getting really offensive.

The Hon. MICHAEL GALLACHER: No, it is not. We have a senior executive who is now in charge of the Independent Transport and Safety Reliability Regulator. Yet he says he does not know how much he got in his superannuation, and he does not know what he is getting paid now.

Mr JOHN LEE: Could I ask what the relevance of Mr Christie's retirement package might have to do with estimates in the financial year 2002-03?

The Hon. MICHAEL GALLACHER: It all comes out of the public purse.

Mr JOHN LEE: Except that Mr Christie was paid as a consultant for part of that time, and it is appropriate to ask on the basis on which Mr Christie was asked to do that work. I think that is fair and proper. But for a person who spent nearly 50 years working in the public sector I do not know that it is appropriate to direct that type of question to this person. I would ask that the Chair rule that way.

The Hon. MICHAEL GALLACHER: Mr Lee, it is not your call.

Mr JOHN LEE: Madam Chair, I have asked a question of the Chair.

The Hon. JAN BURNSWOODS: Mr Gallacher, can we let the Chair answer the witness?

CHAIR: Order! In answer to a question Mr Christie said that he would be able to provide that information to the Committee.

Mr CHRISTIE: If you want me to take it on notice, I will go and find out. But I do not carry it around in my head, if that is what you think.

The Hon. MICHAEL GALLACHER: Could I ask, therefore, Mr Christie, that you come back to the Committee with a complete figure based on what you received when you left the position of co-ordinator in June 2001?

Mr CHRISTIE: Right.

The Hon. JAN BURNSWOODS: I would like to seek some advice, or ask you, Madam Chair, to seek some advice. I know that we are free to range over all sorts of things here, but for a public servant who retired in 2001 on the ordinary superannuation arrangements that apply to all public servants, I wonder whether it is our role as an upper House committee inquiring into the budget estimates for 2002-03 to drag out that kind of personal information relating to 2001. I would like some guidance. I guess we can force anyone to do all sorts of things, but I really wonder whether we are stepping way beyond our terms of reference.

CHAIR: I am advised that the Committee can ask such a question. Mr Christie has indicated that he is prepared to answer that question on notice, and that would be appreciated.

The Hon. JAN BURNSWOODS: Perhaps if I could add to my question asking for your guidance—

The Hon. MICHAEL GALLACHER: Is it a point of order?

The Hon. JAN BURNSWOODS: Yes, it is a point of order.

The Hon. MICHAEL GALLACHER: Rather than diatribe.

The Hon. JAN BURNSWOODS: Mr Gallacher, I think most people here are being polite to you. I would ask you to be polite to other people.

The Hon. MICHAEL GALLACHER: You are sitting there soaking up the time, which is exactly what you have been instructed to do.

The Hon. JAN BURNSWOODS: As I said, I would ask that you be polite to other people. Perhaps you could turn off your microphone.

CHAIR: Mr Gallacher.

The Hon. MICHAEL GALLACHER: Thank you, Madam Chair.

The Hon. JAN BURNSWOODS: Could I ask you to ask him to turn off his microphone so that I can continue with my point of order, rather than his deliberately using the volume as well as wasting time. I will not be distracted, I will continue taking my point of order.

The Hon. MICHAEL GALLACHER: I ask that the clock be stopped.

CHAIR: Yes.

The Hon. JAN BURNSWOODS: Given that we are talking about 2001, I would like to be clear on whether we are seeking a figure or a superannuation sum. Are those different components such as untaken recreation leave, long service leave, et cetera, being taken into account, or what are we asking Mr Christie to provide?

CHAIR: A breakdown of the sum of money he received at the time he retired.

The Hon. DAVID OLDFIELD: In fairness to Mr Christie, could Mr Gallacher give some explanation as to why he seeks this information and its relevance?

The Hon. MICHAEL GALLACHER: I have been given certain figures in terms of a payout figure. Rather than put it on to the public record and have it out there—a very small figure at this stage—I would prefer that Mr Christie come back to the Committee to indicate exactly the package he was given as a result of his Co-ordinator General position. It is a reasonable question. It is based on public scrutiny of superannuation packages. All of us are open to scrutiny. All public servants are open to scrutiny as well. It was a very senior position. When I asked a question earlier about how much he was getting paid now he did not know. I then asked a question about how much he got when he left, but he did not know. It is reasonable to get some figures on what we are talking about.

The Hon. JAN BURNSWOODS: Is the clock on or off?

CHAIR: It is off.

The Hon. MICHAEL GALLACHER: It is still off because we are talking to a point of order.

The Hon. JAN BURNSWOODS: I think it should be on. This is actually part of our deliberations. The clock has not been turned off when points of order have been taken by other people. I wonder why it is off now.

The Hon. DAVID OLDFIELD: I understand what you have said.

The Hon. JAN BURNSWOODS: I am sorry, Mr Oldfield, I am asking partly for your sake as well. You are making a fair point but, for some reason, the clock is not on. I do know what that will achieve, given that I assume our witnesses will depart at 1.30 p.m. I wonder why the clock is not on.

CHAIR: Because you are taking up Government member's time.

The Hon. JAN BURNSWOODS: Are you accusing Mr Oldfield of doing that?

CHAIR: No, he is asking a question.

The Hon. JAN BURNSWOODS: As I said, at 1.30 p.m. we cease. I do not know what it is all about. I wonder why there seems to be discrimination as to when the clock is on and when it is off.

The Hon. MICHAEL GALLACHER: Mr Christie has agreed to come back to the Committee, and I will not go over the issue any further.

The Hon. JAN BURNSWOODS: Once again, Mr Gallacher appears to try to run the Committee. I do not know whether you or Mr Gallacher chairs the Committee. Perhaps you should work that out with him.

CHAIR: Order!

The Hon. MICHAEL GALLACHER: Madam Chair, I have indicated—

The Hon. JAN BURNSWOODS: Could I ask Madam Chair to answer my question, please, Mr Gallacher? Can I find out why the clock is not on and when it is going on?

CHAIR: It is going back on now.

The Hon. JAN BURNSWOODS: Thank you.

The Hon. MICHAEL GALLACHER: Mr Christie—

The Hon. JAN BURNSWOODS: And presumably Mr Gallacher has the call, even though he has given it to himself.

The Hon. MICHAEL GALLACHER: I would like to ask you some further questions. I apologise for the inane interruptions coming from the side.

The Hon. JAN BURNSWOODS: Sorry about the answer to your question, Mr Oldfield.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee how you got the consultancy job last year, how it evolved that you had it?

Mr CHRISTIE: Yes, I am happy to do that. I was asked by the Minister for Transport Services, Mr Costa, to do that job.

The Hon. MICHAEL GALLACHER: He rang you up?

Mr CHRISTIE: One of his staff asked me to come in and see him about it, and I did that.

The Hon. MICHAEL GALLACHER: In that position was the \$31,250 contractual agreement based on a daily rate?

Mr CHRISTIE: That was based on a daily rate, which was the rate that I was doing other work for a number of people in the private sector and that rate was \$2,500 per day, total figure.

The Hon. MICHAEL GALLACHER: Therefore would you expect a similar rate in your current capacity?

Mr CHRISTIE: Not at all. But, as I indicated earlier, I am not aware of any decision that has been made on the payment for a chairman.

The Hon. MICHAEL GALLACHER: Mr Greenhill, I note in answer to earlier questions to this Committee that on 12 January you took up the position of Manager of Industrial Relations within State Rail. Is that correct?

Mr GREENHILL: It is.

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee what band the remuneration figure of ML5 is?

Mr GREENHILL: I get \$120,000 a year total package. That is everything, total figure

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee whether you are currently a member of the Australian Labor Party?

Mr GREENHILL: Yes.

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee your previous experience working for Labor Party Ministers?

Mr GREENHILL: Yes, I can. I started employment in 1997 with the Minister for Fair Trading, Faye Lo'Po. I then worked for the Premier of New South Wales as an adviser. I then worked as a senior adviser to the Minister for Community Services. I worked as a senior adviser to the Minister for Police and I ended up as Chief of Staff to the Minister for Gaming and Racing.

The Hon. MICHAEL GALLACHER: When did you leave that position?

Mr GREENHILL: I started this job on 12 January, which was a Monday. I completed my role on 9 January at 5.00 p.m.

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee your qualifications in industrial relations to head up the industrial relations within RailCorp?

Mr GREENHILL: Yes, I am a triple graduate. I have an honours degree, I have a law degree and I have a masters degree. I also worked for several years as an industrial advocate and coordinator with a large trade union.

The Hon. MICHAEL GALLACHER: When you worked as a staffer for the respective Ministers and, indeed, the Premier, can you give an indication of the number of subordinates you had in those positions?

Mr GREENHILL: Certainly. As chief of staff, if I recall, I would have had 12 staff at that time. It ranged, actually. I had departmental people seconded to my office as well. It probably ranged between 12 and 15.

The Hon. MICHAEL GALLACHER: What number of subordinates do you have now in your position in IR?

Mr GREENHILL: I have three industrial officers and one personal assistant.

The Hon. MICHAEL GALLACHER: Were you involved with the negotiations over the \$5,000 deal to get the drivers back to work?

Mr GREENHILL: No.

The Hon. MICHAEL GALLACHER: What sort of work do you do in your capacity as Manager of IR?

Mr GREENHILL: Manage industrial issues that come up on a day-to-day basis in the train services area of RailCorp, which covers passenger fleet maintenance, drivers, guards, roster clerks, and train controllers and signallers. As industrial issues occur in those areas, or if concerns are raised by workers on the shop floor, I and my team work through those concerns with those workers on a day-to-day basis.

The Hon. MICHAEL GALLACHER: I note your early desires to get into politics in the seat of Penrith.

Mr GREENHILL: That is a sad territory. It breaks my heart.

The Hon. MICHAEL GALLACHER: Do not worry: it will get sadder soon. Have you been preselected for any of the forthcoming Federal seats?

Mr GREENHILL: No, I have not.

The Hon. MICHAEL GALLACHER: And you will not seek preselection?

Mr GREENHILL: No, I will not. If I could offer it up, as I suspect you will get there, I have held elected office as a councillor in the Blue City Mountains Council.

The Hon. MICHAEL GALLACHER: Yes, I know.

Mr GREENHILL: On receiving news that I would be appointed to the position I announced that I would not recontest that seat, even though I had been preselected to do so. I was also the President of the Western Sydney Regional Organisation of Councils. Again, on receiving notice that I had this job I resigned that position immediately midterm.

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CHAIR: The Committee asked a number of questions on notice about State Rail contractors. The answers the Committee received are that State Rail spent in the order of \$20 million on contractors but that based on the information available from within the financial systems of State Rail, and given time constraints that was only an approximation. Were you unable to detail contractors notwithstanding the fact that this Committee has asked other large government departments for similar information and has been able to obtain that information? Can such information be forthcoming from State Rail?

Mr GRAHAM: We would be able to provide detail of several thousand contractors who may, indeed, sit behind that. Given the timeframes that the Committee had previously set for answers to questions, it is obviously an extensive administrative task. Should the Committee wish for us to do that, we will certainly take that question on notice and provide that level of detail. However, given your earlier statement, that level of detail would not be available by Tuesday morning as you have asked for other questions to be answered.

CHAIR: What is it about the financial systems of State Rail that mean that you can only make an approximation even of the total figure of \$20 million?

Mr GRAHAM: Again, it is a matter of interrogating the various data basis. The whole issue of the financial system of State Rail is a substantial matter that we are dealing with in the integration of both the Rail Infrastructure Corporation metropolitan area with State Rail. I would expect that getting a modern, up-to-date financial system that would be able to generate that information in a relatively short period of time is certainly a significant matter for financial systems for Rail Corp and certainly one that is well and truly in focus.

CHAIR: Could that figure be out by \$1 million or several million dollars?

Mr GRAHAM: I would mislead you to suggest that I am aware of a range on that matter.

CHAIR: Is Mr Stuart Snell a public affairs officer with the Ministry?

Mr JOHN LEE: No longer, no.

CHAIR: He is no longer there?

Mr JOHN LEE: No, with the changes to the transport portfolio there was less of a need for media services in the new Ministry because ultimately we did not have an operating function as the older Transport New South Wales did. You will note in the questions that we provided on notice that there has been a decrease in the number of officers, and Mr Snell was one of those officers.

CHAIR: When did he leave?

Mr JOHN LEE: I cannot recall the exact date. I will take that on notice. Would an estimate assist you?

CHAIR: Yes.

Mr JOHN LEE: It would have been sometime in May or early June 2003.

CHAIR: After he went to a story telling master class?

Mr JOHN LEE: That is correct.

CHAIR: At a cost of \$2,495?

Mr JOHN LEE: Again, that course or conference was undertaken before I arrived at the Ministry. I will take the question on notice if you have issues you need exploring on that one.

The Hon. MICHAEL GALLACHER: He probably used it to prepare the timetable that the Minister called a fairytale?

CHAIR: Was that the sort of work—advising the Minister on lines that he might be able to use—that he did?

Mr JOHN LEE: Again, that was before my time and I cannot really add anything further to my previous answer.

CHAIR: You provided information about Mr Joe Riordan, a former Whitlam Government Minister, who was paid \$32,000 by your department for "fees for attending meetings". Will you enlighten the Committee as to why he was paid fees for attending meetings? In what capacity was he attending those meetings?

Mr JOHN LEE: I am more than happy to take that on notice. Again, it was before I actually arrived at the Ministry. I started on 9 May. I do not want to guess what Mr Riordan might have been doing but there were a number of reviews or issues in relation to the tow truck industry or other such matters that he might have been attending to. But again that was in the first half of 2002-03.

The Hon. MICHAEL GALLACHER: Mr Graham or Mr Lee, as you are aware following the Waterfall accident Justice McInerney raised some real questions about whether the Tangaras should have been on the track. He based that on the defects in a number of safety critical systems on the train. Do you know what the evacuation times are for a Tangara train?

Mr GRAHAM: The issue raised by Justice McInerney in his interim report is really twofold. In terms of the matters related to the Tangara train, he has certainly raised concerns about the lack of fail-safe nature of the dead man's pedal that is part of the dead man's braking system. That particular braking system on a Tangara train has two modes of operation. The throttle that the driver uses to accelerate the train looks like a T-bar of an automatic car and when that T-bar is not being used actually has a spring loading to turn the T to approximately 45 degrees. When it is operated by a driver, the driver turns the T to 90 degrees and the driver physically holds out against the spring pressure, the T-bar from returning to its 45-degree position. That is designed such that if on its own—

The Hon. MICHAEL GALLACHER: Point of order: I was specifically after the evacuation times, not the operation of the dead man's handle. What evacuation times would you have available to you on the Tangara trains? I therefore want to discuss with you the concerns that I have raised in the past over the evacuation times and procedures of the Millennium trains. I am not so much worried about the operation of the dead man's handle at all.

The Hon. JAN BURNSWOODS: Further to the point of order: The Opposition time has now expired. Perhaps we could come back to that after the questions from the crossbench and Government.

Ms SYLVIA HALE: Mr Greenhill or Mr Graham, how many jobs will be lost in the New South Wales rail network as a result of the lease deal with the Australian Rail Track Corporation?

Mr GRAHAM: The proposed arrangements between the New South Wales Government and the Australian Rail Track Corporation [ARTC] are actually in two parts. The first part is an intended commercial lease of the interstate track network—that is, the network coming from Albury through to the extremity of the metropolitan area, which is in the vicinity of Macarthur-Glenfield on the south, and through to the North Coast, through to the main western corridor to Broken Hill, and the secondary line that runs from approximately Cootamundra, through Stockinbingal and through to Parkes to join the main western line. That designated interstate route, together with the Hunter Valley coal operation, is intended to constitute a commercial lease that will be leased by the New South Wales Government for a period of 60 years to the Australian Rail Track Corporation. They will then be responsible for all of the operations and maintenance on that network for the period of that lease.

Ms SYLVIA HALE: My question was: How many jobs do you anticipate being lost as a result of this 60-year lease?

Mr GRAHAM: In order to explain the answer to the question, it is important for the Committee, I believe, to understand the two discrete parts of the ARTC arrangement. The second part of the proposed ARTC arrangement obviously excludes the metropolitan area which will be owned and maintained by RailCorp and is currently intended to include all of the residential lines throughout country New South Wales, obviously excluding the interstate and Hunter Valley routes. The second part of the proposed ARTC arrangement is referred to as the residual lines component. The intention there is that the funding for the residual lines network will continue to be paid for by the New South Wales Government, and the maintenance of that for a period of approximately five years will be contracted to ARTC. In every sense the New South Wales Government will continue to own and be responsible for the cost of maintenance of that residual line network.

Ms SYLVIA HALE: Do I draw from that answer that you expect there to be no job losses at all as a result of the lease?

Mr GRAHAM: No, I am attempting to come to the answer to the question. If you could just be patient I think that explanation of the background was important. I would expect that all up we probably have country-based staff of approximately 2,000 employees across both the commercial and the residual lines network. ARTC has recently completed its due diligence to look at the appropriate staff numbers by geographical location by classification that it would require not just on day one, but through the first four years of the proposed arrangements. Those numbers have not been finalised but my understanding is the initial year one requirements are probably of the order of 1,800 or certainly between 1,800 and 1,900 against a total staff complement currently of somewhere near 2,000. I would expect the year four numbers to be lower than that but I do not have a precise year four number in my mind at this point of time.

Ms SYLVIA HALE: Given it is approximate, how many do you think it might be by year four?

Mr GRAHAM: I would expect that the year one numbers for both of these arrangements would probably be somewhere between 1 and 200 of that number approximately.

Ms SYLVIA HALE: Is there a suggestion that in the first year there would be somewhere between 1 or 200 people who might lose their jobs, and there will be between 1 and 200 job losses each year up until year four?

Mr GRAHAM: The precise nature of the quantum year by year up to year four, I cannot give you at this stage.

Ms SYLVIA HALE: Do you think it would not be unreasonable to expect it could be anywhere between 500 and 1,000 people?

Mr GRAHAM: No, I think that is certainly going beyond the lines.

Ms SYLVIA HALE: Do you want to provide some parameters?

Mr GRAHAM: I would expect that over the period of time year one numbers are between 1 and 200. I expect that we could see over a period of time something of the order of several hundred, may be 400 or 500 staff.

Ms SYLVIA HALE: How many of those 400 or 500 people do you expect to be relocated from their present position to another town?

Mr GRAHAM: I could not answer that. Obviously there is a policy here in place of no forced redundancy for any of these employees. I have already been on the public record about the discussions that we have had with the Government about appropriate transitional voluntary redundancy arrangements that would apply to people who are affected by this. Our experience has been that given the age profile of some employees who are involved, a number of them would opt for voluntary redundancy.

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Ms SYLVIA HALE: Given that not everyone of those 400 to 500 people would want to retire, what arrangements will be made for people who work at Grafton, Goulburn, Bathurst or Parkes who are reluctant to transfer to Wagga Wagga or Newcastle? What fate do you expect will befall them?

Mr GRAHAM: At this point in time, of the locations you have nominated I am not personally aware of the differences between current local employment levels and the number of people nominated both in year one and year four by the ARTC.

Ms SYLVIA HALE: But you would be putting something in place to ensure a reasonable transition for them?

Mr GRAHAM: Obviously under a government policy of no forced redundancy those arrangements are implicit.

Ms SYLVIA HALE: Is the deal signed between the New South Wales Government and the Australian Rail Track Corporation similar to the one analysed by BIS Shrapnel Pty Ltd for the Labor Council last year?

Mr GRAHAM: At this point in time there is no signed executed legal document between the New South Wales Government and the ARTC. Those documents are, clearly, in progress and have been drafted and commented on by parties from both sides.

Ms SYLVIA HALE: Let us assume that the deal is similar to the document that was analysed.

Mr GRAHAM: I am sorry, I certainly have not made that assumption, and am not making that assumption.

Ms SYLVIA HALE: But I would like to make that assumption. If it were similar, I believe one of the findings of that analysis was that the Government's plan underestimated the cost of

maintaining the track and infrastructure by up to one-third, leading to an \$800 million shortfall in rail maintenance. Do you have any comment on that?

Mr GRAHAM: No. What was the date of the report that you referred to?

Ms SYLVIA HALE: It was prepared last year, but I do not have the specific date. Would you rather take those questions on notice and come back with the answers?

Mr GRAHAM: No, I am happy to answer them on the basis that the BIS Shrapnel report, to which you referred, was not undertaken for State Rail.

Ms SYLVIA HALE: It was undertaken by the Labor Council, and its analysis showed that there was a major underestimation of the cost of maintaining the track and infrastructure.

Mr GRAHAM: Yes. I note you said earlier that this is your assumption. I am struggling with your question.

Ms SYLVIA HALE: I am suggesting that if the deal to be entered into by the Government and the ARTC is similar to the deal that was analysed by BIS Shrapnel last year for the Labor Council, and that analysis indicated an \$800 million shortfall in rail maintenance, what is your response to that?

Mr GRAHAM: On the basis that that assumption in the BIS Shrapnel report was that there was a shortfall in the estimates of the ARTC to maintain the commercial network as proposed at that time, clearly that would be a matter for the Commonwealth Government. The Commonwealth Government is undertaking to lease the commercial network. If its 100 per cent owned agency, the Australian Rail Track Corporation, has underestimated the cost of that asset, and is totally operationally and financially responsible for that asset, it seems to me that the logic would be that the Commonwealth Government's 100 per cent owned agency has underestimated—that is the assumption, and I am not agreeing with it. Clearly, the Commonwealth Government would have put itself in a position of needing to stand behind its 100 per cent owned Australian Rail Track Corporation.

The Hon. DAVID OLDFIELD: Ms Willoughby, the Hon. Michael Gallacher asked you a question, which you answered, but I did not take in your full answer. I apologise if I am reiterating his question: Essentially, was it your place to undertake the employment of Nageb Al-Malah?

Ms WILLOUGHBY: No, I was not there at the time.

The Hon. DAVID OLDFIELD: Who was responsible for that employment?

Ms WILLOUGHBY: My predecessor, Michael Gleeson. He was the director of communications at the time.

The Hon. DAVID OLDFIELD: Are you aware of the circumstances under which that employment was undertaken?

Ms WILLOUGHBY: No, I am not. I know he was employed as a temporary employee, and that is his current position. As I explained earlier, his contract has been extended and the reason for that was that we will be in a position to advertise the job externally within the month.

The Hon. DAVID OLDFIELD: You may not be able to answer this question, and I am hoping someone present today can answer it: Was the job originally advertised?

Ms WILLOUGHBY: I cannot recall. I will have to take that on notice.

The Hon. DAVID OLDFIELD: You will be able to chase that up?

Ms WILLOUGHBY: Yes.

The Hon. DAVID OLDFIELD: Could you advise whether the job was advertised and, if so, where? Otherwise could you explain how Nageb came to be employed, under what circumstances, through what measures, what communication with known persons, that sort of thing?

Ms WILLOUGHBY: I reiterate that there are a number of employment policies and he was employed as a temporary employee, it was not a permanent position at the time.

The Hon. DAVID OLDFIELD: How does that relate to what I asked?

Ms WILLOUGHBY: There are guidelines under which temporary employees can be engaged. I will take that on notice and come back to you.

The Hon. DAVID OLDFIELD: Whatever the guidelines may be, I would like to know the circumstances under which he was employed. Was it advertised or, if not, how did it happen? If it was advertised, how many other applicants were there?

Ms WILLOUGHBY: Certainly.

The Hon. DAVID OLDFIELD: Mr Graham, could you advise to whom these questions should be directed? They relate to questions I asked previously to which written responses were provided regarding the numbers of drivers, what was happening in 2000, the shortfall, the changes in the months, the Olympics, overtime, and those sorts of things. Who would best answer those?

Mr GRAHAM: I will try.

The Hon. DAVID OLDFIELD: Reflecting on the written responses, I note that Ms McPherson was fairly clear in saying that they were an additional 200 drivers employed through 2000 to cope with the Olympics, whereas the number of State Rail drivers and trainers employed in June 2000 was 1,241, according to the written answers. As at February 2004, the number went down a few to 1,223. I know there is some misunderstanding as to exactly when the 200 were engaged, whether late 1999 into 2000, or through 2000. Do you know when they were engaged and how the 200 relates to the 1,241 that were there in June? Of course, in November there were 1,278, after the Olympics.

Mr GRAHAM: My understanding is that because of the driver traineeship period leading up to the Olympics in September 2000, drivers who were recruited to undertake driving duties for September 2000, I would have expected that those numbers would have been substantially in place by June, if not relatively shortly thereafter in order to undertake driver-only CityRail driving duties for the Olympics. Whatever that recruitment was prior to the Olympics, you would have that substantially reflected in the June 2000 number of 1,241.

The Hon. DAVID OLDFIELD: From what you have said about those figures, prior to June 2000 and perhaps as far back as late 1999, there were as few as perhaps 1,040 or 1,050 drivers?

Mr GRAHAM: No, you cannot assume that at all. If it were of interest to go back to 30 June 1999 or 30 June 1998 for the number of train drivers, I would be happy to do that for you.

The Hon. DAVID OLDFIELD: I am trying to work out where the 200 came in. You are indicating that the 1,241 represents that 200 were taken on.

Mr GRAHAM: It would represent all of the recruitment and training that would have gone on in the previous 18 months or two years leading up to the Olympics. With 1,241 drivers at June 2000, and look at the June 2001 number of 1,237—

The Hon. DAVID OLDFIELD: The Committee did not get that information.

Mr GRAHAM: I am sorry. Perhaps I will give the breakdown. At 30 June 2000, there were 1,241. At 30 June 2001, there were 1,237. The movement of four people in that financial year was the result of an attrition of 38 and new graduates of 34. The net reduction of four takes you from 1,241 to 1,237.

The Hon. DAVID OLDFIELD: That is 38 down, 34 up. What was the figure in June 2002?

Mr GRAHAM: It was 1,206, through an attrition of 57 and new graduates of 26. That explains the net difference between 1,237 and 1,206.

The Hon. DAVID OLDFIELD: In 2002 there were 1,206?

Mr GRAHAM: That is correct. We are getting a net through attrition. I can give you the remaining 30 June numbers. June 2002, it was 1,206; June 2003, it was 1,246, so it had gone up by 40; and February 2004, it was 1,223, as you stated in your question. Those numbers are for CityRail drivers and do not include the 90-odd CountryLink drivers.

The Hon. DAVID OLDFIELD: Where does the 1,278 in November 2000 come in, in relation to the differences between June 2000 and June 2001?

Mr GRAHAM: I am happy to go back to earlier years and keep that correlation going for you, if you would like to put that question on notice.

The Hon. DAVID OLDFIELD: Yes I would, in the sense that it is difficult for the Committee to know where the 200 came in. If you say that it is not correct that in June 1999 there were about 1,050, it is difficult to know where the 200 came in.

Mr GRAHAM: You will find the number prior to the Olympics in the previous years, when we start netting off attrition and graduation. I am more than happy to go back to earlier years and provide that level of historical detail.

The Hon. DAVID OLDFIELD: From what has been said today and from earlier transcripts, it would indicate a net increase of 200 in the build-up to the Olympics?

Mr GRAHAM: No, the 200, if I understand the way that Ms McPherson phrased it, she was referring to the number of graduates or trainees.

The Hon. DAVID OLDFIELD: You are suggesting that she meant there were 200 graduates, not necessarily an increase of 200?

Mr GRAHAM: If we are talking net increase or graduates, it is important to be specific.

The Hon. DAVID OLDFIELD: With regards to 2000, Ms McPherson said, "I do not believe there was a reliance on overtime in 2000. As I said, in 2000 we had an excess of drivers because of the recruitment campaign leading up to the Olympics. We recruited, I think, approximately 200 additional drivers." There is an indication there that "additional" means that you finished up with about 200 more.

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Mr GRAHAM: Sorry. Go back one word. She said "recruited".

The Hon. DAVID OLDFIELD: She did. But when you add the word "additional", does she mean you recruited 200 additional drivers to those you would normally recruit, or does she mean that you finished up as a consequence of recruitment with 200 additional drivers?

Mr JOHN LEE: The former. That is the way I have interpreted the comment: that there was that level of recruitment in the years leading up to the Olympics.

CHAIR: It is now time for Government questions.

The Hon. JAN BURNSWOODS: Mr Christie, I would like to follow up my previous question about staffing, and so on, for the Independent Transport Safety and Reliability Regulator by asking: What arrangements were made for the provision of expert technical advice to the regulator?

Mr CHRISTIE: One of the weaknesses that was clear to me in relation to the Transport Safety Bureau, which existed up till the end of December, was not necessarily the lack of safety

experience and expertise as such but the fact that there was other technical advice that was not necessarily available to that organisation. From time to time that organisation had to get advice from consultants about issues such as bridges, signalling and areas like human factors. There was not what you might call an in-house consultant available to those people who could make judgments about whether the advice they were getting from the private sector was sound advice or not. So, in setting up the new Independent Transport Safety and Reliability Regulator we saw the need for a technical panel to be available to the people in the organisation to consult about areas of special expertise.

That panel has been established. It is currently staffed by Mr Bob O'Loughlin, who is an operations and safe working former rail person; Mr John Gorman, who is a track and civil expert; Mr Mike Lane, who is a signals and communications expert; Mr Wal Lyneham, who is a performance management expert; and Mr Ian Cochran, who is a bridge engineering expert. It is to have an additional human factors person added to it this month, because it is increasingly clear that the previous organisation did not have expertise available to it in the human factors area, and that obviously is an area that is increasingly relevant in safety regulation and investigation.

The technical panel is virtually an in-house consulting part of the organisation, and it is available to all divisions with the Independent Transport Safety and Reliability Regulator and to the other areas of investigation which come under the chief investigator. So that, if an investigator is doing an investigation on an accident or an incident, and there are technical issues—which there are bound to be in many of these investigations—that person has access to a group of people who can provide advice on the technical aspects that are relevant to their particular expertise. So I am very pleased that we have been able to get people of some eminence to give up their time to work on this technical panel and to make their expertise freely available to the safety people working within the new regulator.

The Hon. JAN BURNSWOODS: Is that a part-time or on-call sort of panel? Is that how it operates?

Mr CHRISTIE: So far, most of the people are full-time. If we can convince a person eminent in their field to come and work for us, sometimes part-time work would be satisfactory. But it is really a matter of getting the expertise from somebody who has had wide experience in that area which is important to us.

The Hon. JAN BURNSWOODS: Did I understand you to say that there is a particular interest, as part of the role of this panel, in being able to check advice coming from the private sector?

Mr CHRISTIE: Yes, I think that is important. I saw examples last year of advice being sought from various consultants, and two consultants about the same issue, and the possibility is there that they would give conflicting advice to the authority. Like any principal, under a contract it is important that the principal in this case is an informed buyer and has expertise to know whether what is being provided by the private sector is sound or not.

The Hon. JAN BURNSWOODS: So when you refer to private sector advice you are not talking about say private sector products?

Mr CHRISTIE: No.

The Hon. JAN BURNSWOODS: Or private sector contracts, say in terms of building a bridge or whatever it might be?

Mr CHRISTIE: Inevitably, the organisation will be seeking advice from experts in various fields. For example, we are very interested in the human factors area, and there are people out there working in universities and other areas that have that sort of information. They will not necessarily wish to come and work for a regulator because of other considerations. So we will from time to time seek their advice. I think it very sound that in-house there is a group of people who have some of that expertise available and can make judgements about the information that is being given to them before it becomes an issue in a particular report that is issued from the regulator.

The Hon. JAN BURNSWOODS: Mr Graham, could you give us an indication of what you believe might be the financial impact of a proposal to make every Monday a fare-free day on the network?

Mr GRAHAM: I think the approximate cost of making every Monday a fare-free day on our network would be in excess of \$40 million—somewhere between \$40 million and \$50 million. You might recall that recently, during the disruptions that we were experiencing to the CityRail network as a result of driver overtime matters, we did announce that as some compensation for our customers we would be offering two groups of customers free travel. First of all, our weekly-ticketed customers were able to exchange a weekly ticket for a free weekly ticket, and those arrangements were put in place. We also announced at the time that at some future date we would have a fare-free day for our irregular travellers. Many of our irregular travellers of course would have experienced that same disruption. I will be announcing later on today that Thursday 25 March will be a fare-free day for our irregular travellers, who otherwise would be purchasing a single or a return ticket for that day.

Clearly, our weekly travellers have already had the benefit of a free weekly ticket, and our periodical travellers, who have monthly, three-monthly or longer tickets, have also had the opportunity to have a week's free travel. So the intention is that on Thursday 25 March there will be a fare-free day to compensate the irregular travellers for any inconvenience that they personally experience. The intention to do this was part of the announcement at that time. The free travel, both for weeklies and for this single fare-free day, I would expect would be approximately \$5 million.

The Hon. MICHAEL GALLACHER: Which was the suggestion that the Opposition made at the time.

The Hon. JAN BURNSWOODS: Would you expect a rush of passengers on 25 March?

Mr CHRISTIE: I would hope that any of our passengers who have experienced the difficulties during that fortnight of disruption—to whom I have already publicly apologised—would take the opportunity, if they are able to do so.

The Hon. JAN BURNSWOODS: The cost of that, you anticipate, will be some \$5 million.

Mr CHRISTIE: Yes. I would expect the cost of the weekly fare-free week would be approximately \$4 million, and the cost of the day's free travel on Thursday 25 March would be a little over \$1 million. So, all up, it would be of the order of \$5 million.

The Hon. JAN BURNSWOODS: If I could ask you a question on a different matter, but also related to estimates of cost. How much would it cost to recruit interstate drivers on short-term contracts?

Mr CHRISTIE: We would not, as a matter of policy, seek to recruit any drivers from outside the network on short-term contracts. Clearly, the cost involved in training drivers with the route knowledge that is necessary over our track and signalling system would mean that the cost of training over an extended period would significantly outweigh any benefits one would get from a short-term contract. We do, however, regularly advertise for experienced drivers in other States, and last year we also advertised in the New Zealand press. Indeed, we have very successful applicants as a result of New Zealand advertising who will be joining the organisation, one would hope. We will obviously pay for their removalists' costs and the moving expenses associated with bringing them to learn our network as full-time drivers. So, obviously, our preference is to invest in permanent full-time drivers. The cost of training is significant, and in order to get a satisfactory return on that, employing drivers permanently is certainly the preferred direction.

The Hon. JAN BURNSWOODS: What sort of period of training and what kind of costs are we talking about, for say these experienced New Zealand drivers that you would bring in? How much training do they need in terms of learning the network, signalling and so on?

Mr CHRISTIE: Depending on their own background and experience, whether it was freight or passenger, and the type of train that they are used to driving, there is a component of training that is necessary to get them used to the train itself. But certainly the more extensive period of training is on

our very complex network, to get them to understand the route knowledge, the position of signals, and the location of signals, which is very fundamental to the training of a driver; and that route knowledge component of training, before they are competent to drive on their own, would certainly be over many months.

The Hon. JAN BURNSWOODS: So when you recruit these people is there a minimum sort of period that they undertake to work?

Mr CHRISTIE: Yes, and that very much depends on the competence and experience that they bring.

The Hon. JAN BURNSWOODS: No. I meant: Do you insist that, in return for the training and so on, they undertake to work for you for so long?

Mr CHRISTIE: Certainly not. There is no defined contract term. They are employed under the enterprise agreement conditions that apply to all employees, but drivers and guards in particular.

The Hon. JAN BURNSWOODS: So sometimes the investment in training, if someone chooses to leave, as is their right—

Mr CHRISTIE: That is right. Obviously, in this day and age, we spend a lot of money at the point of recruitment of our drivers to ensure that they have the aptitude in particular for the ongoing role of train drivers.

The Hon. JAN BURNSWOODS: Mr Lee, I might ask you a broader question—but, again, on estimates of cost of proposals that have been talked about or thought about. What is the estimated cost of developing high-speed rail links between Wollongong and Sydney and Newcastle and Sydney? Can you give us any idea of that?

Mr JOHN LEE: Yes. Ultimately, there are a number of feasibility studies and much planning work that would have to be undertaken to give you that information. So I would take that question on notice today.

The Hon. JAN BURNSWOODS: So you do not want to say anything about the possibilities there at this stage?

Mr JOHN LEE: No. I would not like to speak in the hypothetical.

The Hon. MICHAEL GALLACHER: Has that not already been done?

The Hon. JAN BURNSWOODS: If I may continue, as it is time for Government questions, with you, Mr Christie. What are the criteria used to determine the type and level of an investigation into a rail safety incident?

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Mr CHRISTIE: The Rail Safety Act sets out two broad categories of investigation into incidents. Section 66 inquiries are inquiries where an accredited operator is required to undertake the inquiry of the incident and section 67 inquiries are undertaken by the Office of Transport Safety Investigation, which is part of the new authority. In the case of section 66 inquiries, the chief investigator monitors progress and requires that the findings of significance for either the operator or the industry are reported for his consideration for wider reporting and putting into things like safety bulletins and so on. The operator records of section 56 inquiries are reviewed by Independent Transport Safety and Reliability Regulator [ITSRR], particularly the accreditation and compliance section as part of the compliance auditing function, so that they can keep a watchful eye on a particular operator. All section 67 inquiries are forwarded to the Minister for Transport for tabling in Parliament and are published on the ITSRR web site. Audited and compliance monitored implementation are the recommendations of a section 67 inquiry. So we follow through on those recommendations.

The following factors are taken into consideration in making decisions about what should be a section 67 inquiry. It is based on the nature and scale of the incidents, including whether there were

fatalities, serious injuries and damage to equipment and infrastructure; the impact on public safety interests and the extent to which the incident is likely to attract public attention; industry and public safety risks associated with not investigating the incident and the extent to which an investigation will contribute to enhancing safety awareness and knowledge in a particular mode. The requirement to investigate the incident could be at the direction of the chairman. So I could direct the chief investigator to launch an investigation if I think it is in the public interest.

For clarification, I indicate that the target investigations undertaken by the chief investigator are called in the safety business "just culture investigations". They used to be called "no blame investigations" but that is a difficult term to explain to people because ultimately people are responsible in certain circumstances. They are just culture investigations that are designed to encourage the full, free flow of safety-related information. Further information is gathered with a view to finding the root cause of the incident and using that information to improve transport safety. However, in the case that some sort of sanction will emanate from an investigation, the regulator will do a separate investigation of the incident, when the chief investigator has reported, to see whether further actions are required in relation to an individual operator where some sanctions are required because of some breach of accreditation. So there is a distinction between the two types.

In relation to bus and ferry incidents, the chief investigator undertakes those investigations under section 46B of the Passenger Transport Act. As we mentioned during the last hearing of this Committee, at least two ferry incidents and I think now two bus incidents are the subject of investigations by the chief investigator at the present time.

The Hon. JAN BURNSWOODS: In relation to bus and ferry incidents, is there provision to have one kind of inquiry or another depending on the same criteria?

Mr CHRISTIE: It is right. It depends on the magnitude of the incident. In some minor incidents the police and the Roads and Traffic Authority [RTA] and even the Ministry have an involvement in the investigation. Particularly when bus services are contracted to the Ministry they have a role in looking at the incident as well. But on occasion the chief investigator will decide that he alone will do the investigation based on information received from the police, the RTA and the Ministry.

The Hon. JAN BURNSWOODS: If an investigation starts at one level under section 67 or section 66 and things merge and develop, is it possible for an investigation to shift from one category to the other?

Mr CHRISTIE: It is not usual. Once the chief investigator starts an investigation under section 67 it must go through to finality and the report must be provided in the final analysis to Parliament.

The Hon. MICHAEL GALLACHER: I ask Mark Duffy to come to the table. Are you currently the Director, Sustainable Transport Policy?

Mr DUFFY: I am.

The Hon. MICHAEL GALLACHER: Is that position a public service position or a contracted position? How exactly do you fill that role?

Mr DUFFY: It is a public service position.

The Hon. MICHAEL GALLACHER: When did you take up that role?

Mr DUFFY: I started on 5 January.

The Hon. MICHAEL GALLACHER: What band is that position?

Mr DUFFY: It is SES 4.

The Hon. MICHAEL GALLACHER: What sort of remuneration are we looking at for an SES 4 position?

Mr DUFFY: I think the band goes up to \$190,000.

The Hon. MICHAEL GALLACHER: When was the position of Director, Sustainable Transport Policy advertised?

Mr DUFFY: I think it was advertised in early November.

The Hon. MICHAEL GALLACHER: I note that in the 1990s you were a member of the Australian Labor Party and very close confidant of Michael Costa. You were subsequently expelled from the party following a document that you wrote about Greinerism. Is that correct?

Mr DUFFY: No.

The Hon. MICHAEL GALLACHER: Could you please correct the record?

Mr DUFFY: The document that was written by me and Michael Costa was a very wide-ranging document. It touched on Greinerism but it dealt with predominantly industrial relations issues at a Federal level, the state of the economy, the possibility of a recession and other issues such as that. I have never been expelled from the Australian Labor Party.

The Hon. MICHAEL GALLACHER: So you are currently a member of the Australian Labor Party?

Mr DUFFY: I am a member of the Australian Labor Party.

The Hon. MICHAEL GALLACHER: So all media reports that members care to look at regarding your history are incorrect: you have never been expelled from the party.

Mr DUFFY: I have never seen a media report that said I had been expelled from the Labor Party.

The Hon. MICHAEL GALLACHER: I will have to show you some after.

Mr DUFFY: I would like to add them to my file.

The Hon. MICHAEL GALLACHER: How long have you been a continuous member of the Labor Party?

Mr DUFFY: Since I was about 15 or 16.

The Hon. MICHAEL GALLACHER: When did you say your position was advertised?

Mr DUFFY: I think it was advertised in early November 2003.

The Hon. MICHAEL GALLACHER: Could you please put on the record your qualifications? I recognise that you are well qualified.

Mr DUFFY: I have a Bachelor of Economics from Adelaide University and a Bachelor of Law from Adelaide University. I have a Master of Arts from the University of New South Wales and I think I have a Diploma of Industrial Relations, one-year course, from the law school of Sydney University. They are my formal qualifications. I also studied for a period at the London School of Economics.

The Hon. MICHAEL GALLACHER: If I may correct my misinterpretation, you are expelled from the Labor Council.

Mr DUFFY: Yes, I was expelled from the Labor Council. "Expelled" is probably the wrong word; I was not an elected official but an employed official and my employment was terminated.

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee your background in transport, particularly the bus service, that has brought you to your position of working with the private bus operators?

Mr DUFFY: I guess transport is a generic concept and many economic principles in transport will apply more or less across the field. I did some work for Max Moore-Wilton when he was at the MSB on waterfront transport issues. I also worked for a period with the PWCS in Newcastle on amalgamating the then publicly owned coal loader with the privately owned coal loader and learnt quite a bit about freight and rail and waterfront reform generally during the late 1980s. As a policy adviser to the Treasurer, I have sat over transport reform for three years in government and was interested in it from Opposition. More recently, I worked with Professor Tom Parry on his interim and final reports into sustainable transport, particularly focusing on funding issues across all arms of public and private transport in New South Wales.

The Hon. MICHAEL GALLACHER: Could you put on the record your career working for members of Parliament or Ministers?

Mr DUFFY: In about June 1991 I started working for the Opposition in the Legislative Council on Michael Egan's staff as well as doing work for the then Opposition leader, Bob Carr, on economic matters in the broad. I suppose you could summarise my role for three and half years as being an economic adviser to the Leader of the Opposition in both Houses.

The Hon. MICHAEL GALLACHER: You left that job in approximately 1994?

Mr DUFFY: No, I went through to government in March 1995 and was appointed to Michael Egan's staff as his chief policy adviser and later during that period I became the joint chief of staff for him before leaving his office in 1998.

The Hon. MICHAEL GALLACHER: What did you do from 1998 until your current position?

Mr DUFFY: Between then and now I have had my own consulting business. I have done work for a range of public entities, in particular we have done some work in the electricity area. I was a board member of Pacific Power during its wind-up period, overseeing the sale of PowerCoal and also the Pacific Power International entities. I currently sit as an unpaid trustee of the First State Super board—a position in which I hope I am allowed to continue for a while because it is a particularly useful adjunct to everything economic, which obviously has to do with the management of funding. That is a potted history.

The Hon. MICHAEL GALLACHER: Who were your referees when you applied for the position that you now hold of Director, Sustainable Transport Policy?

Mr DUFFY: I put forward Professor Parry and Michael Lambert. I felt that as they were both appointees of the previous Greiner-Fahey Government it would be useful to establish my independence and bipartisan approach to becoming a permanent member of the public sector.

The Hon. MICHAEL GALLACHER: Do you agree it is drawing a long bow to claim independence if you are currently a member of the Australian Labor Party and have had a fairly long career within the ALP?

Mr DUFFY: I suppose that if your suggestion until five or 10 minutes ago that I had been expelled from the Labor Party indicated that somehow I was bound in some narrow and inflexible way to the position of the ALP, I guess that you must take it from referees and those who have worked with me to know that I think independently, issue by issue, and do not necessarily favour a view that is favoured by the Australian Labor Party at any particular point in time.

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The Hon. MICHAEL GALLACHER: I still think it is probably a bit rich to say, "I want to establish my independence. That is a bit difficult. Be that as it may, could you indicate to us that you met with private bus operators today?"

Mr DUFFY: I have.

The Hon. MICHAEL GALLACHER: Where are we up to?

Mr DUFFY: I think it is fair to say that the conversation we are having is in confidence and on behalf of the task force I represent and particularly on behalf of the bus operators I would be loath to open a public conversation about quite detailed and in-confidence negotiations we are having, but I do not think they would have an objection if I said that the negotiations generally are travelling very well.

The Hon. MICHAEL GALLACHER: Who do you represent in these negotiations?

Mr DUFFY: I represent the Ministry of Transport and ultimately, I suppose, the Government.

The Hon. MICHAEL GALLACHER: So it is yourself who is handling the negotiations, not Mr John Lee?

Mr DUFFY: The director-general has agreed to a structure, which allows in-principle issues to be sorted out with the industry, subject to the director-general's agreement as issues are dealt with issue by issue. I think it is a structure that is working very well so far.

The Hon. MICHAEL GALLACHER: According to some speculation I note that you are part of a committee made up of Michael Costa, Graham Ross Bunyon, Michael Egan, and I think it has been referred to as a bit of a razor gang. Can you give us some information as to what exactly you are doing in terms of this committee?

Mr DUFFY: I am not aware of any such committee.

The Hon. MICHAEL GALLACHER: So you are not part of a Government razor gang?

Mr DUFFY: No, I am not. I am not aware of any razor gang being established and I certainly have not been invited upon it.

The Hon. MICHAEL GALLACHER: But you are someone who has a very strong history in terms of looking at waste within government, are you not?

Mr DUFFY: I am interested in efficiency. I think that we all have a responsibility to not waste taxpayers' money and to achieve the best we can with the resources that are provided.

The Hon. MICHAEL GALLACHER: What position do you take, therefore, on the Subsidised Student Transport Scheme [SSTS] representing the Government, bearing in mind your previous comment about looking at waste? What position are you putting forward in terms of the future reforms of that scheme?

Mr DUFFY: My personal view? I do not have a personal view.

The Hon. MICHAEL GALLACHER: No, in your position?

Mr DUFFY: In our position, we have not really got to the issue of how, if any, changes will be made to the SSTS. That is one of a whole range of issues that are on the table for conversation and as I know that the task force is operating in confidence, again it would be wrong for me to be taking you any further down those issues.

Mr JOHN LEE: Madam Chair, could I assist?

The Hon. MICHAEL GALLACHER: But as you are representing the Government however—

The Hon. JAN BURNSWOODS: Point of order: Madam Chair, if the director-general is trying to say something, you should hear what he is trying to say.

The Hon. MICHAEL GALLACHER: No, the director-general does not have to answer the question unless I ask him.

The Hon. JAN BURNSWOODS: Mr Gallacher, you are not the Chair of this Committee. You might act like it but you are not the Chair of the Committee.

CHAIR: Mr Gallacher can direct questions to whomsoever he wishes.

The Hon. JAN BURNSWOODS: Yes, but the director-general is trying to get your attention, Madam Chair, and surely he has that right.

CHAIR: The witnesses are here to answer questions.

The Hon. JAN BURNSWOODS: The director-general may also answer the question if he chooses rather than the witness.

Mr JOHN LEE: I thought it would help the Committee and also help a better understanding for the community about this important area of public policy.

The Hon. MICHAEL GALLACHER: No, I am satisfied on the answer that we have been given by Mr Duffy that he does not want to broach any confidentiality with private bus operators.

Mr JOHN LEE: Madam Chair, what I was just going to articulate is that the Minister—

The Hon. MICHAEL GALLACHER: No, I do not need anything further, Mr Lee, thank you very much.

The Hon. JAN BURNSWOODS: Mr Gallacher, yet again may I point out that you are not the Chair of this Committee. Again I would ask the Chair to listen politely to the point being made by the director-general and to answer it herself as rather than you continually and very offensively attempting to answer for her or to speak over her. I know I have no microphone and I could speak more loudly if I wished because you continually leave yours on, but we have a Committee of which you are not a member and we have a Chair. I would ask the Chair to deal with the issue that the director-general is putting to her.

The Hon. MICHAEL GALLACHER: The Hon. Jan Burnswoods is well within her rights to ask her questions later on during her allotted time if she wants further elucidation.

The Hon. JAN BURNSWOODS: I am taking a point of order.

The Hon. MICHAEL GALLACHER: I am satisfied with the answer I have been given.

CHAIR: Mr Gallacher, you may proceed with your next question.

The Hon. JAN BURNSWOODS: Point of order: Mr Gallacher, could you turn your microphone off, please.

The Hon. MICHAEL GALLACHER: What is your point of order?

The Hon. JAN BURNSWOODS: You are not the Chair of this Committee.

The Hon. MICHAEL GALLACHER: You are just using up the time.

The Hon. JAN BURNSWOODS: My point of order is that the Opposition's time started at 12.48. I assume in this last period you are dividing the remaining period equally in three and, therefore, I would have thought that the Opposition time had expired. I am wondering, for the sake of the crossbenchers and myself, if you could give us an idea of the remaining time periods?

The Hon. MICHAEL GALLACHER: Soak up as much of the time as you can. You are doing a wonderful job.

CHAIR: I am using the clock in the Committee room as the master clock and Mr Gallacher's time has not expired.

The Hon. JAN BURNSWOODS: Can you tell me, please, how this last period, which is shorter obviously than the previous periods, is being divided?

CHAIR: We are just continuing in the way that we have, in a fair way.

The Hon. JAN BURNSWOODS: I think you are giving roughly 20 minutes each. If you gave 20 minutes each now, we would clearly go well over our finishing time. Are you, for instance, giving us 15 minutes?

CHAIR: No, I am giving Mr Gallacher until 10 past.

The Hon. JAN BURNSWOODS: That would be over 20 minutes and my point is that we on this Committee have tried to be fair.

CHAIR: We have.

The Hon. JAN BURNSWOODS: And we have a finishing time of 1.30 p.m.

The Hon. MICHAEL GALLACHER: We have shown that clearly, jobs for the boys are rife in State Rail and her job is to soak up the time as much as she can. It would be a lot easier for the people in this room who are not members of the Labor Party to put their hands up.

The Hon. JAN BURNSWOODS: We talked about Greinerism. Under Greinerism every Liberal Party member in New South Wales was dragged in here.

CHAIR: Order!

The Hon. MICHAEL GALLACHER: They are still worried about being exposed for jobs for the boys and girls. We have seen it and now she wants to soak up the last five minutes.

The Hon. JAN BURNSWOODS: Madam Chair, I implore you to use your authority over this interloper to answer the question about the fairness that we have traditionally used on this Committee.

CHAIR: We will continue to be fair. Mr Gallacher has the call.

The Hon. JAN BURNSWOODS: How can he have 20 minutes when that will only leave 20 minutes to be divided?

CHAIR: Because you have been taking up part of his 20 minutes. If you desist we can move on to the crossbenchers.

The Hon. JAN BURNSWOODS: Madam Chair, I did not take my point of order quite consciously until after the expiration of 15 minutes, which was his share of the time remaining for us. On behalf of myself and the crossbenchers—

Ms SYLVIA HALE: I do not think there is any need to speak on behalf of the crossbenchers. We are more than able to speak for ourselves.

The Hon. JAN BURNSWOODS: Therefore, on behalf of equity and fairness in relation to the functioning of estimates committees, I again ask you in relation to our finishing time of 1.30 p.m. how much time I, for instance, will get to ask my remaining questions?

CHAIR: I will give Mr Gallacher another question, then I will move to the crossbenchers and divide the time equally between the remaining segments of the Committee.

The Hon. JAN BURNSWOODS: It is nice to know that you are impartial, Madam Chair! The Leader of the Opposition clearly tells you what to do.

The Hon. MICHAEL GALLACHER: Now that we have qualified jobs for the boys are rife, my question is to Ms Willoughby—

The Hon. JAN BURNSWOODS: As I say, Greinerism was notorious in the history of this State for the employment of Liberal Party member after Liberal Party member. Mr Gallacher, you are so hypocritical. You used the word Greinerism. I have a list here, if you want it.

Ms SYLVIA HALE: Madam Chair, may I request that any interventions by the Hon. Jan Burnswoods be taken out of the time allocated to her.

The Hon. JAN BURNSWOODS: May I request that the Opposition leader cease to harass me during his period of question time?

Ms SYLVIA HALE: I would suggest that if you stop intervening while he tries to ask a question—

CHAIR: Order! We will proceed with the next question.

The Hon. JAN BURNSWOODS: I took a point of order, which the Chair of the Committee was unable to answer because Mr Gallacher kept trying to speak over her and speak for her. I am seeking to have a properly running committee and it is very difficult.

CHAIR: Mr Gallacher, you have the call.

The Hon. MICHAEL GALLACHER: Ms Willoughby, could you indicate to the Committee, have you been responsible for co-ordinating the witnesses for the last couple of days coming before the Committee?

Ms WILLOUGHBY: No, I have not.

The Hon. MICHAEL GALLACHER: You have had no interaction at all with any of the other witnesses who have appeared today?

Ms WILLOUGHBY: Some of them work for me. Mr Al-Malah works for me, so I have had interaction and of course I deal with the chief executive every day.

The Hon. MICHAEL GALLACHER: You are the communications director, is that correct?

Ms WILLOUGHBY: I am the group general manager of communications for RailCorp.

The Hon. MICHAEL GALLACHER: During the course of preparing for today did you prepare a series of notes in relation to issues across a wide variety of issues involving State Rail or RailCorp?

Ms WILLOUGHBY: Of course we did. We prepared notes in relation to the budget estimates hearings that we were coming before you and we got all the information pertaining to those estimates committees in 2002-03, plus any relevant recent years of which the Committee may wish to hear information and factual information about.

The Hon. MICHAEL GALLACHER: I take it you would be happy to supply a copy of those to the Committee this afternoon?

Ms WILLOUGHBY: I certainly cannot see—our information is briefing notes and they would be available to the Committee.

The Hon. MICHAEL GALLACHER: I take it, therefore, that you are prepared to supply them to the Committee this afternoon?

Ms WILLOUGHBY: I would like to take some advice on that, but certainly I do not have a problem with supplying that information.

The Hon. MICHAEL GALLACHER: As the communications manager I thought it was appropriate to ask you that question.

Ms WILLOUGHBY: They are normal briefing notes. Much of this information has been in the public for some weeks and I certainly do not have a problem with it personally.

The Hon. MICHAEL GALLACHER: When you say "seek advice on it", whom do you intend to seek advice from?

Ms WILLOUGHBY: Obviously, there are other parties involved in the preparation of notes. There is information relating to the human relations area, for example, and there might be personal information, which I need to seek advice on.

The Hon. MICHAEL GALLACHER: When will you be in a position to come back to the Committee and give us an answer in terms of the tabling of the briefing notes?

Ms WILLOUGHBY: We have tabled a number of briefing notes. You are essentially requesting our entire folders to be tabled? I can come back to you by the time you have allotted, by next Tuesday.

CHAIR: Ms Hale?

Ms SYLVIA HALE: Mr Graham, on 20 February Ms Lee Rhiannon asked you whether you have plans to cancel any CountryLink rail services. Do you recall your answer? I understand it was:

The Government has clearly made an announcement about maintaining the routes that are currently operated by CountryLink services. The intention of the Government by maintaining the routes that are currently operated is to focus on how we might improve the financial performance of the business.

I think that was your answer. When you said "routes" in this answer, did you mean rail services? In other words, does "maintaining the routes" include the possibility of replacing a rail service with the coach service on a particular route?

Mr GRAHAM: No, the context in which I gave that answer—and I trust you have read that from *Hansard* so it is verbatim from what I did say in my previous answer to the Committee—no, when I was talking about the Government's intention to continue to operate CountryLink services on the routes where rail services were operating, I certainly was not envisaging that there would be a replacement of rail services by road coaches. Clearly, CountryLink already operates a very substantial network of road coaches beyond the rail network terminuses throughout rural and regional New South Wales.

Ms SYLVIA HALE: Just confirming what you are saying, maintaining a route does not mean its replacement with a coach service if one is not already operating?

Mr GRAHAM: You asked me in the context that I used that terminology whether that is what I intended and the answer is no, I did not intend that there would be a replacement of CountryLink road coaches. What I would go on and say in response to your question: I think it is very clear in the transport market, particularly the interstate transport market at this particular time with the emergence of Jetstar, in particular, to go into low budget competition with Virgin Airlines on those routes, clearly

in the marketplace we are moving into a time of some instability. That instability could reflect itself in the utilisation of current services but obviously the utilisation of current services would not then reflect itself in replacement with road coaches.

Ms SYLVIA HALE: In your answer you said that the intention of the Government was to focus on how we might improve the financial performance of the business, meaning CountryLink. Given that the CountryLink subsidy is 14¢ per passenger kilometre and the CityRail subsidy is 20¢ per passenger kilometre, why is CountryLink being singled out for scrutiny for its financial performance?

Mr GRAHAM: I am sorry, I heard two numbers mentioned.

Ms SYLVIA HALE: One was a 20¢ subsidy for CityRail and a 14¢ subsidy for CountryLink. Why is the focus on CountryLink?

Mr GRAHAM: The question implicitly asked me to comment on the basis of differentiation between two numbers that are proffered as part of the question. I do not understand the source of the two numbers 14¢ and 20¢. I do not know whose numbers they are. I have never used them in previous representations to this Committee and prior to providing an answer to compare two numbers of which I have no knowledge of the robustness or accuracy, I would simply ask that the source of those be identified.

Ms SYLVIA HALE: So if I were able to provide you with the source of those some time this afternoon, you would undertake to respond to that question?

Mr GRAHAM: No, not at all. I am here to respond to questions that are asked of me. If you can identify for me the source of that information, the robustness of it right now, but I do not intend to take questions on notice after the conclusion of this Committee. I will respond in the time that the Chairman has indicated to questions that are asked within the Committee, but given the timetable the Chairman has asked for Tuesday morning, I think that is beyond it a little.

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Ms SYLVIA HALE: In 1988 Minister Scully boasted that Labor had increased CountryLink patronage more than 11 per cent in its first term of government, while the Coalition had presided over a 45 per cent decline. What is the increase or decrease in CountryLink patronage between 1999 and 2003, that is during the second term of the Carr Government?

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

Ms SYLVIA HALE: Could I ask Ms Willoughby, are you aware that when RailCorp's media unit was asked for data detailing the number of drivers trained in the past five years as well as the number of drivers who had graduated over the same time, the unit said that getting this data may need a freedom of information request?

Ms WILLOUGHBY: No, I am not aware of that.

Ms SYLVIA HALE: Can you provide to this Committee data on the number of train drivers the driver training unit has had enrolled in the driver training course each year to drive CountryLink trains and CityRail trains for the past five years, as well as the number of drivers who have graduated each year for the past five years?

Ms WILLOUGHBY: I do not have the numbers before me but I know at the moment we are intending to recruit in the order of 240, I think it is, for this year. That is trainee driver recruitment.

Ms SYLVIA HALE: So you will take that on notice for the past five years?

Ms WILLOUGHBY: Certainly. I can refer to my notes.

Mr GRAHAM: If I may be permitted, I will do my best to answer that question as asked if that is satisfactory?

CHAIR: Yes, thank you.

Mr GRAHAM: If I go back over the past four years, I will provide you with the numbers of graduate drivers. These are the number of drivers who are coming out of the training school in each of those years. Just to qualify the question as you have asked it, there is no specific training program for CountryLink drivers. Because of the nature of those jobs, they are highly sought after positions and they are drivers who come from CityRail on a seniority basis. This will give you the number of CityRail drivers.

Ms SYLVIA HALE: What I asked was figures for both enrolments for the past five years and graduates for the past five years.

Mr GRAHAM: Let me take you through the graduate issue. I do not know what law of Newton it is, but on the basis of what goes up comes down, what comes out of the graduate school you have to assume is an enrolment at the appropriate time. The graduations, if I can go through them, for the financial year that concluded in June 2001 there were a total of 34 driver graduates. For the concluding 30 June 2002—

The Hon. DAVID OLDFIELD: Twenty-six.

Mr GRAHAM: Thank you, Mr Oldfield—26. For the year concluding June 2003—Mr Oldfield?

The Hon. DAVID OLDFIELD: When you gave those figures you only gave me the up, you did not give me the down.

Mr GRAHAM: I will keep going then. It is 116, and for the period up to February 2004 the number is 50.

The Hon. DAVID OLDFIELD: You lost 76 in that year, then?

Mr GRAHAM: That is correct, yes.

The Hon. DAVID OLDFIELD: With regard to those figures, I note in the answers that we have been given there is a decision to increase the workforce of drivers to 1,350. That is just CityRail, is it not?

Mr GRAHAM: That is correct.

The Hon. DAVID OLDFIELD: Can we assume that 1,350 is the number you feel you should have, so you are currently about 100 short?

Mr GRAHAM: On the basis of the number of overtime shifts that are worked on a Monday to Friday basis, which at the moment would be of the order of 130 to 140 overtime shifts per day, I think the difference between the current 1,223 number and 1,350 is broadly of the order of the overtime shifts per day.

The Hon. DAVID OLDFIELD: So, we are about 127-odd short?

Mr GRAHAM: That is right, when you look at it on that basis.

The Hon. DAVID OLDFIELD: It also says in the answers that have been supplied that RailCorp expects to recruit 250 drivers into the driver traineeship this year. What is that based on? What background is there that reasonably presumes there will be 250 people recruited?

Mr GRAHAM: In order to get to the 1,350 targets, clearly we have to undertake a recruitment program. We have advertised late last year and this year. We have received about 2,000 applications from people who are interested in becoming train drivers. So, we have an ample supply of people wishing to commence their training. On the basis of both supply and the intended training we would expect during the course of the year to start 250 new trainees through the training process.

The Hon. DAVID OLDFIELD: So it is a requirement to get the 250 to get to the 1,350 rather than an expectation of getting 250? You really need to get 250?

Mr GRAHAM: We want to get up to the 1,350, so there is not an overreliance. Clearly, beyond that point, when we start thinking of the next training, I would expect bringing on, for example, the first stage of Epping-Chatswood is going to require us to look further at that time.

The Hon. DAVID OLDFIELD: You are still expecting to lose 100 or so between now and next year, anyway?

Mr GRAHAM: If I look at the potential sources of attrition, history tells us that normal attrition—and it has been abnormal in the first six months of this year, and this is for normal retirement purposes—would be about 60 a year, normally about five a month, but I am also anticipating as a result of the new medical standard that we commenced on 2 February that there will be exponentially some attrition. If I can just provide a quick update to the Committee on that, the last information, which would have been current up until Wednesday, is that we have tested in the order of 117 of our target group of drivers. Of those 117, we have had of the order of 25 temporary health failures. Ten of those, as a result of further specialist medical assessment, have been cleared to resume normal duties. So, we probably have a net 15 at the moment who are between their medical examination and any specialist examination but, at this point in time, we have lost only two of the 117 as permanently medically unfit.

The Hon. DAVID OLDFIELD: What sort of problems do these people have?

Mr GRAHAM: Because of the privacy considerations associated with it, we are not entitled under the national standards to access personal, private medical information.

The Hon. DAVID OLDFIELD: Can I just be sure of what we are going to get as a follow-up from today. Can we take the drivers figures back to what they were during 1997, 1998, 1999?

Mr GRAHAM: I will attempt to get that information. We are starting to go back in history a little there, but let us do our best for you.

The Hon. DAVID OLDFIELD: I think that will help determine what occurred up to 2000 in the overall numbers. In that, can there be some sort of brief explanation of the increased services between that period and now, city services that is?

Mr GRAHAM: Yes. I am not sure in what form you might want that?

The Hon. DAVID OLDFIELD: Well, something that will correlate the driver numbers then to now in relation to changing services then to now—how many were required in 1997 and how many there were, as opposed to how many are required in 2004, which you are saying is 1,350, and how that relates to the changing services and the changed numbers.

Mr GRAHAM: I think in order to provide that to you by next Tuesday—obviously we will have to go back to 1997 timetables for CityRail and try to access the number of services or train hours or some other level of detail and, in all honesty, I do not think I can undertake to do that by Tuesday.

The Hon. DAVID OLDFIELD: Would you be able to do the numbers and timetable changes from 1999 forward?

Mr GRAHAM: Again, it is a matter of having the resources to go back over that period of time. Let me see what form I can give you. I understand what you are trying to establish, a relationship between driver numbers and network demand or services.

The Hon. DAVID OLDFIELD: Yes, exactly.

Mr GRAHAM: I will take that on notice, but I will qualify my ability to commit to Tuesday—not on the numbers, I can give you those.

The Hon. DAVID OLDFIELD: The other things were in relation to Nageb. We are looking for some understanding of how the position came to be allocated to him. If it was advertised, can we get copies of whatever advertisements appeared in newspapers or wherever? That is fine?

CHAIR: And the tabling of the briefing papers.

The Hon. DAVID OLDFIELD: And the tabling of the briefing papers for Mr Christie, Mr Graham and Mr Lee. Do you have briefing papers too, Mr Lee?

Ms WILLOUGHBY: On that matter, I said subject to consultation. Obviously briefing papers to other agencies are not my domain.

The Hon. DAVID OLDFIELD: What would there be that would be of concern?

Ms WILLOUGHBY: I am not responsible for the preparation of—I was asked about briefing notes that I hold.

The Hon. DAVID OLDFIELD: Would they relate to Mr Christie, Mr Graham and Mr Lee?

Ms WILLOUGHBY: No.

The Hon. DAVID OLDFIELD: Who would they relate to?

Ms WILLOUGHBY: My briefing notes relate to RailCorp.

The Hon. DAVID OLDFIELD: Which would be what, just Mr Christie's and Mr Graham's?

Ms WILLOUGHBY: Only Mr Graham's.

Mr JOHN LEE: We have some information on what we provided from the Ministry and from ITSRR.

The Hon. DAVID OLDFIELD: So you are happy to give those?

Mr JOHN LEE: It has been asked in previous estimates hearings.

CHAIR: Can they be provided today?

Mr JOHN LEE: We will make every attempt by Tuesday to have that to you. I would make the administrative point at this stage, Madam Chair, that there have been a number of requests today for information. It is now Friday afternoon and at this stage I do not know the quantum of work that will be required to get that in a satisfactory format to submit to the Committee. So, I reserve my rights in that regard.

CHAIR: Okay. So, you will do your best to get them to us?

Mr JOHN LEE: Absolutely. We will do 100 per cent, 110 per cent, to do our best.

The Hon. JAN BURNSWOODS: Mr Lee, I am interested in the smartcard-based ticketing system for public transport. I wonder if, in some of the time remaining, you can give us some details of the system and the kinds of cost savings it is expected to generate when it is up and running?

Mr JOHN LEE: Sure. I think the question begs a comment on what is currently in place. At the moment correctly in the public domain people have been saying there is a perverse incentive for private bus operators. That perverse incentive is that, through the current contract model, a model that has been in place for nearly two decades, there is an incentive placed on operators growing bus pass applications rather than providing the necessary capacity and demand management for the school student transport scheme [SSTS]. So, the policy for SSTS was very carefully examined upon my appointment, and one of the measures to come out of the interim Unsworth report was a view that we

need to move away from perceived travel to actual travel. To receive that data you have to change the mechanism currently in place.

At the moment we have an arrangement where operators are to provide 92 per cent capacity and they get paid, depending on whether it is a city or a regional area, somewhere between 77 per cent and 79 per cent. For any other business, if someone asked you to provide 100 widgets, they usually pay you for 100 widgets. What is very strange about the old arrangements set up in 1990 was that we said to people: Provide capacity for 92 kids out of 100 who will have bus passes and then you will get paid for 77. It is basically an algorithm that is produced based on concession travel. The idea of moving to T-card or the integrated ticketing system and bringing forward the rollout of that just to the school student transport scheme is definitely seen as a way to get better efficiency out of taxpayers money. Obviously there has been some media commentary about how that field study would be trialled.

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A private operator on the North Shore, a company by the name of Transdev, that has successful operations in other jurisdictions, including the rivercat in Brisbane and Yarra trams in Melbourne, we have asked them because they have been exposed to other forms of technology—they are a French-based company that uses integrated ticketing in other countries—to work with us on the trial. We will trial that with 2,000 students and a multiple number of schools on the North Shore. It will be a mix of primary and secondary school students, and we will need to deal with a number of issues. With any new system you really need a shadowing arrangement, so we are suggesting that we will still have the flash passes, or the bus passes that we currently fund, but within that little wallet will also be the smartcard, or the T card, as it will be known here in Sydney.

The industry has raised with me one or two concerns already about the speed of boarding. I must admit, having been at a few bus interchanges at schools in my time, there is one sort of behaviour that you do not want and that is the rushing behaviour of students trying to pop on the bus where they know they do not have to stop and pay. What will help with this new system is a transponder sitting just at the top of the stairs with the students being able to place that T card within about 10 centimetres of the transponder, and it will take approximately 0.4 of a second to register. I think the actual queuing and loading of passes will be safer. In an occupational health and safety sense this is an improvement. It is where technology will deliver a different loading capacity.

We expect that there will be teething issues, as there is with any technology, but this technology works very well in Hong Kong. It has worked very well in a number of regional centres in Europe. The trial will commence in July, and it will roll out for a number of months. We will probably expand that in September, depending on how the glitches go, as we expect. The trial will grow to a number of 10,000 students before the end of the year. The broader rollout will then commence in 2005, and we have had a series of meetings with operators and major stakeholders on the rollout. Just three weeks ago I was in Parramatta and we met with a lot of the secretaries who hand out the passes at the start of each year at a lot of schools. They were concerned about handing out bus passes separately to the T card. We are talking to operators about how we can co-ordinate. It would be like getting a pair of school shoes, one being sent one day and the other being spent another day. There are possibilities for problems. We are looking for an arrangement that will satisfy the schools. We have some issues to work through there. But the operators have had a lot of ownership in that distribution, and we want to use that knowledge that has been built up over the years to ensure that it happens efficiently. Ultimately—

CHAIR: We are just about at the conclusion—

Mr JOHN LEE: I was going to talk about cost savings.

CHAIR: We can always have another day.

The Hon. JAN BURNSWOODS: That is the end of the time for the session?

CHAIR: Yes. Mr Gallacher has one follow-up—

The Hon. JAN BURNSWOODS: I have several arising out of that. So far I think I have had 6 minutes of government questions compared with 20 or so for the Opposition and the crossbench.

The Hon. MICHAEL GALLACHER: You cannot help bad luck, can you?

The Hon. JAN BURNSWOODS: If there are more questions to be put, I would like to get mine in.

CHAIR: It is a point of clarification with Ms Willoughby.

The Hon. JAN BURNSWOODS: I thought you said Mr Gallacher had a question.

The Hon. MICHAEL GALLACHER: No, a point I wanted to raise.

The Hon. JAN BURNSWOODS: Sorry, he was speaking into his microphone. I did not quite catch what you said.

The Hon. MICHAEL GALLACHER: Your hearing is going.

CHAIR: Mr Gallacher.

The Hon. MICHAEL GALLACHER: Ms Willoughby, early I mentioned to you about tabling the file you have there. I would ask that it be tabled with the clerks now, that it not be available for members to read until such time as you have come back with the advice about personal information, as you said, that needed to be removed and that the document remain with the clerks until any personal details that might identify any sensitive areas have been identified.

The Hon. JAN BURNSWOODS: Can I ask on what basis that would be done? I have never heard of such a procedure before. On what basis would that be done and what kind of standing does such a request actually have?

CHAIR: Obviously, Ms Willoughby wants to get advice, which is fair enough.

The Hon. JAN BURNSWOODS: And she said earlier that it was confidential human relations material, and so on.

CHAIR: Which we do not wish to be privy to. But we are concerned that we get the briefing notes rather than a truncated version of them. If we place them in the hands of the clerks, unavailable to the members until such time as Ms Willoughby has had the chance to get her advice, that might be the best way to deal with it.

The Hon. JAN BURNSWOODS: I have some issues about that in terms of the form that they are in. Maybe we need the clerks' advice. Maybe the Committee needs to discuss this. But, for argument's sake, if some handwritten things have been added where, literally, if the material leaves the hands of the people responsible and goes into the clerks' hands, it is very difficult for them to ascertain what is confidential to the public servants and others involved, and what is not. As I said, I have never heard of this procedure. Maybe it is something that we should deliberate on with the clerks' advice following this hearing. But just off the top of my head there are aspects of this request that are of concern to me or I am just unclear on.

Ms SYLVIA HALE: Could I seek some clarification? If all the documents are now currently delivered to the clerk, that would not preclude Ms Willoughby from going through those documents in the presence of the clerk to ascertain the bits that she needed information on. So it would be the best of all possible worlds. They would have access, but we would not until the confidentiality matters have been determined.

CHAIR: Mr Graham, do you want to assist the Committee?

Mr GRAHAM: Madam Chair, if I could offer comment as Chief Executive of the organisations responsible, I have noted the request that Mr Gallacher has made, and I would decline

that request. At the start of these proceedings you nominated a process for further information to be provided to the Committee. If, as Chair of the Committee, you wish to direct otherwise I would simply ask that in relation to the issue that has been raised by Mr Gallacher, you might seek a ruling from the House prior to asking for that to be put in place. I understand the request that Mr Gallacher has made. We will abide by the request you made at the commencement of the proceedings, but decline that request.

The Hon. MICHAEL GALLACHER: The preparation of the files, I would suspect, was made out of the public purse. I think it is well within the rights of this Committee, as it is looking at expenditure of public money, to seek access to information that is the grounds upon which submissions are made to this Committee. What I am asking for is not outrageous. It is not anything other than simply requesting that the documentation that Ms Willoughby herself identified that she had no problem with being given. She said the majority of it was on the public record. She only raised concern about matters of a personal nature that may be arise from the human resource aspect.

Ms WILLOUGHBY: I gave that as an example.

The Hon. MICHAEL GALLACHER: As an example. It is well within the rights of the Committee, as an estimates committee that looked at expenditure of public money, to request that we are in a position to see information that is brought to the Committee. Anything that is of a public nature that can, of course, be removed between Ms Willoughby, her advisers and the clerks to ensure that there is no way that the public are aware of people's personal particulars. But, at the end of the day, if that file relates to the safety of our system, if there are things in there that relate to the safety of our system and the wellbeing of our passengers then I do not believe for one moment that anyone should stand in the way of the public knowing exactly what State Rail for RailCorp know. There is no way that we can allow—

The Hon. JAN BURNSWOODS: No one is suggesting that would happen.

The Hon. MICHAEL GALLACHER: If that is the case then I would suggest you bring the file forward to give it to the clerks. If the Hon. Jan Burnswoods is not suggesting that any attempt to stop the file being given to the clerks is the motive, and that there is nothing to do with any suggestion of cover-up or files being removed in the interim, if it remains with the clerks in a secured way then it is well within the purview of the clerks and Ms Willoughby to come back at a later stage to look at anything that is of a sensitive nature. Anything that relates to the ongoing development in terms of management, safety, good governance of rail or public transport in this State the Committee is entitled to look at.

CHAIR: What we might do is deliberate as a Committee. The witnesses would be excused and we will let you know of the deliberations of the Committee. Obviously, parliamentary committees have certain powers in relation to calling for documents. That is what I would suggest, if other that would be a way to progress.

Ms SYLVIA HALE: What happens to the file in the interim?

The Hon. MICHAEL GALLACHER: The files stay with the clerk!

The Hon. JAN BURNSWOODS: The other point I was going to make, which I think is relevant, if all the witnesses leave at the last meeting of this Committee, which was Thursday night, we resolved on the motion of David Clarke to seek advice from the clerks to committees generally on the entire issue of our powers in relation to ordering papers. As I said earlier, I have never heard of a request like this coming in this fashion. But it seems to me on Thursday night we resolved to seek advice from the clerks about our powers in relation to ordering papers. It seems to me that some of what now is being said falls very much within the resolution of this very Committee as we agreed at the time it applies to all of our committees.

The Hon. MICHAEL GALLACHER: She volunteered.

CHAIR: Yes, Ms Willoughby volunteered them.

The Hon. MICHAEL GALLACHER: I did not order it. She volunteered them.

The Hon. JAN BURNSWOODS: I know that, but I am also very conscious of the fact that Ms Willoughby works for only one of the agencies before us. But there are all these other issues. I agree that the witnesses should be excused and they should be discussed, but I think that we are aware of the situation where there are quite major issues of precedence and wanting advice on them.

CHAIR: I think I heard Mr Lee say that other parliamentary committees had requested the files.

The Hon. JAN BURNSWOODS: And they have been provided.

Mr JOHN LEE: What I really said is that I have a two o'clock appointment. I would really like to get going, if that is okay.

The Hon. MICHAEL GALLACHER: So have I. You cannot help bad luck.

Mr JOHN LEE: We were compelled to be here until 1.30 p.m.

CHAIR: Mr Graham, have you got something that can help us?

Mr GRAHAM: Could I make the point that we, as a group representing the transport agencies, have appeared before this Committee on four occasions for this round of budget estimates hearings. I certainly reject any suggestion by any member of the Committee that those who appeared before you, having been totally open in responding to both questions here and the questions placed on notice. I would also note for further deliberations of the Committee that the sitting times that we were advised for this Committee hearing were from 10.30 a.m. to 1.30 p.m. If you go back to the *Hansard* and if there is a record of Mr Gallacher's additional request, it was on the closing time of these proceedings and the closing time that you, yourself, had indicated. I think we have two very specific issues. We need some clarification on the issue that I have declined as Chief Executive Officer at the request of Mr Gallacher. I think there is also a procedural issue here to be dealt with as well the request being made after closing time.

CHAIR: We will deliberate upon that. We will let you know as soon as possible. We will have that deliberative.

The Committee proceeded to deliberate.

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