

# **GENERAL PURPOSE STANDING COMMITTEE NO. 2**

**Monday, 29 August 2016**

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

## **ROADS, MARITIME AND FREIGHT**

**CORRECTED PROOF**

**The Committee met at 14:00**

### **MEMBERS**

The Hon. G. Donnelly (Chair)

Dr M. Faruqi

The Hon. P. Green

The Hon. M. Mason-Cox

The Hon. D. Mookhey

The Hon. Dr P. Phelps

The Hon. P. Sharpe

The Hon. B. Taylor

### **PRESENT**

**The Hon. Duncan Gay, Minister for Roads, Maritime and Freight**

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

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

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



**The CHAIR:** Welcome to the public hearing for the inquiry into budget estimates 2016-2017. Before I commence, I acknowledge the Gadigal people who are the traditional custodians of this land and I pay respects to the elders past and present of the Eora nation, and extend that respect to other Aboriginal people present or those who may be joining us today on the internet. I welcome Minister Gay and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Roads, Maritime and Freight. Today's hearing is open to the public and is being broadcast live on the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available.

In accordance with the broadcast guidelines, I inform members of the media who are here or who may be joining us that while Committee members and witnesses may be filmed or recorded, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at this hearing. So I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could answer only if they had more time or with certain documents at hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers who are accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Finally, would everyone please turn off their mobile phones or set them to silent for the duration of the hearing.

All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of this Parliament.

**GRANT GILFILLAN**, Chief Executive Officer, Port Authority of New South Wales, sworn and examined

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

**TIM REARDON**, Secretary, Transport for NSW, sworn and examined

**KEN KANOFSKI**, Chief Executive, Roads and Maritime Services, affirmed and examined

**BERNARD CARLON**, Executive Director, Centre for Road Safety and Maritime Safety, Transport for NSW, sworn and examined

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

**DENNIS CLICHE**, Chief Executive Officer, Sydney Motorway Corporation, sworn and examined

**JEFF MCCARTHY**, Director, Infrastructure Development, Roads and Maritime Services, sworn and examined

**The CHAIR:** I declare the proposed expenditure for the portfolio of Roads, Maritime and Freight open for examination. The questioning of the portfolio of Roads, Maritime and Freight will run from now, 2.00 p.m. until 4.40 p.m. As there is no provision for a Minister to make an opening statement before the Committee commences questioning we will begin with questions from the Opposition.

**The Hon. DANIEL MOOKHEY:** Minister, what is the date that the M4 toll on the widened section will apply next year?

**Mr KANOFSKI:** The toll will apply when the widened section is open and that is slated around about the first quarter of next year.

**The Hon. DANIEL MOOKHEY:** How much notice are you going to provide motorists with the exact date in the early part of next year the toll will apply from?

**The Hon. DUNCAN GAY:** They certainly will get plenty of notice.

**The Hon. DANIEL MOOKHEY:** What is the meaning of "plenty", Minister?

**The Hon. DUNCAN GAY:** Could you allow me to finish please?

**The Hon. DANIEL MOOKHEY:** I am just asking you the question.

**The Hon. DUNCAN GAY:** Will you allow me to finish?

**The CHAIR:** Please proceed, Minister.

**The Hon. DUNCAN GAY:** We will give, as we already have, a lot of notice because no-one is in any doubt that we are going to have a toll on that road. What they are not sure of is the Labor Party who have promised to do the same on that road and have not told how they are going to fund theirs.

**The Hon. DANIEL MOOKHEY:** Thank you for answering the question, Minister. Can I go back to my first question, which is what is the meaning of the term "plenty" when you say that you are going to be providing plenty of notice? Are you meaning one month, two months, three months, four months? How much?

**The Hon. DUNCAN GAY:** We will give a large amount of time. No-one is in any doubt that when the road is completed and when it is opened that they will be paying a toll. I would imagine it is at least a month.

**Mr KANOFSKI:** I do not have the document to hand but there is a statutory period. We will certainly be complying with that statutory period and there will be notice for all motorists on the road.

**The Hon. DANIEL MOOKHEY:** Minister, can I refer you to page 38 of the updated strategic business case that you released in November last year in which you say that in 2013 the flag fall for the M4 widened section was \$1.04 but in the updated business case for 2015 it is now listed as \$1.12. Why the 8¢ increase in price?

**The Hon. DUNCAN GAY:** Can I tell you that it did not change, but I will allow Mr Kanofski to explain the difference?

**The Hon. DANIEL MOOKHEY:** Minister, are you saying that the flag fall did not change between the business cases?

**The Hon. DUNCAN GAY:** Yes.

**Mr KANOFSKI:** Through you, Minister—

**The Hon. DANIEL MOOKHEY:** The Minister has answered my question. Can I ask you about the toll per kilometre—

**The Hon. DUNCAN GAY:** Just let us finish answering that question.

**The Hon. BRONNIE TAYLOR:** Point of order: The Minister and the staff need to be able to answer the question. Continuously badgering them in the middle of their answers is not going to allow them to answer. From the beginning we need to adhere to the rules.

**The Hon. DANIEL MOOKHEY:** The Minister answered the question.

**The Hon. DUNCAN GAY:** No, we had not completed answering that question.

**Mr KANOFSKI:** The original \$1.04 was in 2012 dollars and the \$1.12 is the same number adjusted to 2015 dollars.

**The Hon. DANIEL MOOKHEY:** So you are saying that it did not change? That is the evidence that you are giving, that the flag fall has not changed?

**The Hon. DUNCAN GAY:** That is correct.

**The Hon. DANIEL MOOKHEY:** Can I ask about the toll per kilometre? In the business case that was released in 2013 was the toll per kilometre listed at 38¢?

**The Hon. DUNCAN GAY:** Finish your question.

**The Hon. DANIEL MOOKHEY:** That is the question.

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

**The Hon. DANIEL MOOKHEY:** And in the 2015 updated strategic business case is it now listed as 42¢ per kilometre?

**Mr KANOFSKI:** That is correct.

**The Hon. DANIEL MOOKHEY:** In the 2013 updated strategic business case was the toll cap listed as \$7.35?

**Mr KANOFSKI:** Yes.

**The Hon. DANIEL MOOKHEY:** And in 2015 is it now listed as \$7.95?

**Mr KANOFSKI:** Yes.

**The Hon. DANIEL MOOKHEY:** So your argument is that each of those variations is a CPI adjustment?

**Mr KANOFSKI:** I am not arguing. I am just saying that the original numbers were in 2012 dollars and the updated numbers are in 2015 dollars.

**The Hon. DANIEL MOOKHEY:** And that would account for the CPI variation at that time?

**Mr KANOFSKI:** Yes.

**The Hon. DANIEL MOOKHEY:** Minister, what is the proposed escalation on the M4 widened section annually?

**Mr KANOFSKI:** The—

**The Hon. DANIEL MOOKHEY:** Minister, are you referring to the question?

**The Hon. DUNCAN GAY:** Yes, I am.

**Mr CLICHE:** It is 4 per cent or CPI, whichever is greater.

**The Hon. DANIEL MOOKHEY:** Minister, do you know what the escalation measure is on the M2?

**The Hon. DUNCAN GAY:** We can get that for you.

**The Hon. DANIEL MOOKHEY:** Is it 1 per cent or CPI?

**The Hon. DUNCAN GAY:** We will come back to you.

**The Hon. DANIEL MOOKHEY:** Is it factual that the escalator on the M7 is either escalated or de-escalated by quarterly CPI?

**Mr REARDON:** Sorry, could you repeat that question?

**The Hon. DANIEL MOOKHEY:** Is it factual that on the M7 the escalator contained in the concession agreement provides for either escalation or de-escalation using quarterly CPI?

**The Hon. DUNCAN GAY:** I am informed that is correct.

**The Hon. DANIEL MOOKHEY:** Is it factual that on the M5 the escalator contained in the concession agreement is also escalated quarter by quarter, so quarterly CPI, and the toll cannot be lowered as a result of deflation? However, until inflation counteracts the deflation of the toll it cannot be increased?

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

**The Hon. DANIEL MOOKHEY:** Is it factual that on the Logan motorway in Queensland tolls are escalated annually at the Brisbane CPI?

**Mr REARDON:** We will take that on notice as well.

**The Hon. DANIEL MOOKHEY:** Is it factual that on the Gateway, motorway tolls are escalated annually at the Brisbane CPI?

**Mr REARDON:** I believe if you are going to ask us about any other tolls in other jurisdictions we will probably give you the same response at this point in time. But we are happy to respond.

**The Hon. DANIEL MOOKHEY:** Thank you for the advice, but I am asking the question. Is it factual that on the Gateway, motorway tolls escalate annually at the Brisbane CPI?

**The Hon. DUNCAN GAY:** We will take that on notice.

**The Hon. DANIEL MOOKHEY:** Is it the case that with a 4 per cent escalator or maximum CPI you have, in fact, signed up the people of New South Wales to the most generous concession agreement available to a private operator?

**Mr CLICHE:** CityLink in Victoria is 5 per cent or CPI, whichever is greater.

**The Hon. DANIEL MOOKHEY:** So it is the second greatest?

**The Hon. DUNCAN GAY:** You just stated it was the greatest. We have already shown you that there is more—

**The Hon. PENNY SHARPE:** You know this one, but you did not know the other ones?

**The Hon. DANIEL MOOKHEY:** What is the Consumer Price Index [CPI] currently?

**Mr REARDON:** Which CPI are you referring to?

**The Hon. DANIEL MOOKHEY:** The CPI released by the Australian Bureau of Statistics [ABS], the CPI that is contained in the Treasury—

**Mr REARDON:** There is a range of CPIs, there is Sydney CPI—

**The Hon. DANIEL MOOKHEY:** If you wish to be specific, let us be specific.

**Mr REARDON:** Well there is a range of CPIs that are used for pricing.

**The Hon. DANIEL MOOKHEY:** What is the CPI rate that was used in the Budget papers that we are currently enquiring into in Estimates?

**Mr REARDON:** For the entire New South Wales Government?

**The Hon. DANIEL MOOKHEY:** Yes, Budget Paper No. 1.

**Mr REARDON:** I suggest you refer that to the Treasurer.

**The Hon. DANIEL MOOKHEY:** Is it factual that the CPI that is listed in the Treasury documents is 2 per cent?

**The Hon. DUNCAN GAY:** Well, we will have to take your word.

**The Hon. DANIEL MOOKHEY:** Thank you. So, it is the case that, in the escalation agreement, you are allowing a 2 per cent real price increase available to the private operator who buys it. Why is that the case?

**Mr KANOFSKI:** Obviously one of the purposes of tolls is to ensure that infrastructure that is required can be funded and financed, and the concession agreement is set out to allow the concession holder to raise

sufficient funding from tolls in order to finance the toll road. There is a whole range of mechanisms put in place. It is not unusual for them to have a CPI with some sort of minimum arrangement. As you pointed out, there is a whole range of different arrangements in place and those are organised on a case-by-case basis when those concessions are negotiated. And it is to do with the requirement to fund the motorway and to finance that motorway construction.

**The Hon. DANIEL MOOKHEY:** So your evidence, if I understand it correctly—

**The Hon. DUNCAN GAY:** We have more to add to that.

**Mr CLICHE:** I would like to add that, if you use a lower escalation rate you start with higher tolls. The modelling that has been done that enabled the business case to generate the volume-capacity ratios [VCRs] that have been published require a certain return over a certain period of time. If you did not have a higher escalation rate, by definition, you would have to start with a higher toll at the beginning.

**The Hon. DUNCAN GAY:** The difference between the roads that we are doing and previous ones is that we are actually putting a large amount of money in there and not taking money back from the deal up front. The ones that were done by the previous government, there was virtually no money put in and they took a large amount of money up front. To build the infrastructure and pay money up front, someone has to pay for it and it would have been put into the tolls.

**The Hon. DANIEL MOOKHEY:** Can I ask—and a second question in relation to this to Mr Kanofski as well—when you say "rate of return" whose rate of return are you referring to?

**Mr CLICHE:** Initially it is the New South Wales Government, until the proceeds of the road, the Business Case will generate return for the State, that return is based on what the tolls are and what the traffic is.

**The Hon. DANIEL MOOKHEY:** You said initially for the New South Wales Government so subsequently, who for?

**Mr CLICHE:** When the assets are sold, it will be the State that will benefit from it.

**The Hon. DANIEL MOOKHEY:** No, I am asking you, when you say a rate of return, when you said that the 4 per cent was calculated in order to reach rate of return targets, I understand from what you have just said that the initial rate of return target was the New South Wales Government's rate of return target.

**Mr CLICHE:** Yes.

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

**Mr CLICHE:** No, it is always—the sale will be by our shareholders, which is the New South Wales Government.

**The Hon. DANIEL MOOKHEY:** So does the New South Wales Government actually have a rate of return target for the WestConnex project?

**Mr CLICHE:** I did not say a target, I said to generate a return. You have to, in order to sell it.

**The Hon. DANIEL MOOKHEY:** So why was the 4 per cent required? What level of return is it meant to be producing?

**Mr CLICHE:** A rate of return that is sufficient to enable it to be sold.

**The Hon. DANIEL MOOKHEY:** Okay, to be sold. So the reason why there is a CPI escalator that is 2.5 per cent above real time is to make it attractive for sale?

**The Hon. DUNCAN GAY:** No, that is part of it. As we were developing this we were developing it in stages, each one of them initially, when it was put together, was to be put to market and then to fund the next stage. The second part, as was detailed earlier, is that we need to get the balance right so the tolls are not too steep. And there are a number of different ways motorway projects can be funded, which will normally include both public and private investment, as well as toll revenue. This means taxpayers are getting much-needed infrastructure for a relatively small initial outlay. By adopting this approach, the people of New South Wales reap huge economic benefits, with minimal up-front costs by the Government. New South Wales has a long history of providing infrastructure through tolling. One example being that fantastic icon, the Sydney Harbour Bridge. The vast majority of people accept that delivery of high-volume corridors need to be offset with tolls. Contracts in place for tolled corridors in New South Wales are based—



**The Hon. DANIEL MOOKHEY:** Mr Chair, if the Minister is reading an answer, can you invite the Minister to just table his answer? If the Minister wishes to continue reading his document, can you just invite him to table it? It will make things a lot quicker.

**The Hon. DUNCAN GAY:** The questions have been on a strategy and where we were going and tolling. And, apart from the scattergun, rude interruptions, we needed to actually talk about it in detail. And I have some notes that help me talk about it in detail and put a proper background.

**The CHAIR:** I think the member has a further question he wishes to raise and, given the limited time, I will ask the member to proceed.

**The Hon. DANIEL MOOKHEY:** Under the escalation mechanism, what will be the cap in 2022 on the M4-1 section?

**The Hon. DUNCAN GAY:** It would be in the business case, so I refer you to the business case.

**The Hon. DANIEL MOOKHEY:** Is it \$5.54?

**The Hon. DUNCAN GAY:** Well, if you knew it, why did you ask?

**The Hon. DANIEL MOOKHEY:** To make sure I am accurate. What is it in 2027?

**The Hon. DUNCAN GAY:** We do not know.

**The Hon. DANIEL MOOKHEY:** In 2027, is it going to be \$6.74? Sorry, it won't be, it will be \$9.16.

**The Hon. DUNCAN GAY:** Are you sure?

**The CHAIR:** If there is a question to put, put the question and allow the answer to come back. If there is a specific question, put that question.

**The Hon. DANIEL MOOKHEY:** Minister, what is actually meant to be the starting day volumes on the toll, by the way, on the M4 widened section—day one? What is the anticipated volume?

**The Hon. DUNCAN GAY:** By "volume", what are you asking?

**The Hon. DANIEL MOOKHEY:** The number of, the average weekday volumes on day one on the widened M4 motorway east of James Ruse Drive section.

**The Hon. DUNCAN GAY:** We might need to take that one on notice. I am sure it is in the business case but we are happy to take it on notice and come back with an answer.

**The Hon. DANIEL MOOKHEY:** It is not in the business case. The only volumes that are contained in the business case are from 2031 onwards.

**The Hon. DUNCAN GAY:** We will take it on notice.

**The Hon. DANIEL MOOKHEY:** Has any modelling been undertaken as to when precisely the \$500 million outlay on the widened M4 motorway east of James Ruse Drive will be recouped by tolling volume, tolling revenue? How long will it take to earn back the \$500 million?

**Mr KANOFSKI:** The modelling is not based on that, the modelling is based on the whole of the scheme and the financing of the scheme is for the whole of the scheme. So there is the M4 widening; there is the M4 East from Haberfield to Rozelle; there is the new M5; and there is the M4 to M5 link. So the whole of the business case is based upon a progressive tolling regime that funds the non-State-funded or Federally funded proportion of the entire roads. It is not a question of when will the M4 widening be paid for. The strategy that has been very clearly articulated is that the toll roads will come on stream progressively and each stage will fund the next stage.

**The Hon. DANIEL MOOKHEY:** Can I refer you to the executive summary, which is page 39 of the business case, in which you say:

The traffic on the surface network along Victoria Road at Rydalmere and the Parramatta Road at Auburn is predicted to increase due to traffic growth generated and the introduction of the toll on the widened M4.

What is the volume growth that is anticipated on those roads?

**Mr KANOFSKI:** To give you a precise number, I would have to take it on notice. But it is true and the EIS and the business case have been clear that a reintroduction of a toll when the M4 is widened and improved will mean that some people will choose to not use that toll road and will use other roads. What the EIS also makes clear is that we understand that issue and that appropriate mitigations will be put in place. We are

required under the Environmental Impact Statement [EIS] to put in place appropriate mitigations, to have a plan that is to the satisfaction of the Secretary of the Department of Planning and Environment.

**The Hon. DANIEL MOOKHEY:** I only have two minutes left so if you want to take that on notice, thank you for taking it on notice.

**The Hon. DUNCAN GAY:** Well, we are not taking it on notice, we answered it.

**The Hon. DANIEL MOOKHEY:** Mr Kanofski just said he was taking it on notice.

**Mr KANOFSKI:** No, I said if you want a precise answer to the number of vehicles it is in the EIS, which is obviously a very big document.

**The Hon. DANIEL MOOKHEY:** On the third point on page 39 of the executive summary, when you say that Concord Road shows an increase in volume of 8,500 vehicles on an average weekday, is that also because of the introduction of the tolls?

**Mr KANOFSKI:** I would have to look to see whether that is precisely because of the introduction of the tolls. But, as I said to you before, it is very clear in the environmental impact statement and in the business case that, with the reintroduction of tolls, some people will exercise their right to drive on the free network, rather than on that toll road. We think the majority of people will take the toll road because the toll provides good value.

**Mr REARDON:** I will clarify that there are a range of numbers in the environmental impact statement [EIS] and the strategic business case and final business case that are on the public record already and we will refer to those where we may have taken things on notice.

**The Hon. DANIEL MOOKHEY:** Minister, are you concerned that with respect to the anticipated increase in traffic on Victoria, Rydalmere and Parramatta roads, the anticipated increase on the Anzac Bridge of 20,000 vehicles, and the 8,500 you list on page 39, it will catalyse the public concerns that you were advised of when you received the Newgate research polling into people's perceptions of the M4 WestConnex—specifically, people have a belief that the WestConnex high tolls will not solve Sydney's congestion, and they are concerned about local environmental impacts including diversion of traffic on to local roads?

**The Hon. DUNCAN GAY:** What is your question?

**The Hon. DANIEL MOOKHEY:** I am asking you: Do the facts and figures in the EIS confirm the warning you received in the Newgate report? Are people right to be worried that the introduction of the tolls is going to divert traffic to local roads or are the public wrong on this point?

**The Hon. DUNCAN GAY:** They are not right to worry about the outcome for improving the infrastructure in the city of Sydney. The fact is that for 16 years nothing was done and the Government has bitten the bullet to put a mixture of transport and road infrastructure in place to look after the city into the future. There will be over one million extra people in the city. In the short-term people will try to avoid tolls. We accept that we have to provide a free alternative, but as has happened in the past people will evaluate it and make the decision whether it is worthwhile to use the toll roads or not. My feeling is that the majority of them will go back to the toll road, as we seen in other pieces of infrastructure across the city.

**The Hon. PAUL GREEN:** Minister, in terms of road toll statistics, are they higher than previous years and, if so, why—given the safety initiatives?

**The Hon. DUNCAN GAY:** Thank you for that question. Yes, they are higher than they have been for at least two years. I will go to Mr Carlon in a moment. We have record funding at the moment and, whilst I am not happy with where they are, you have to ask the question if we were not doing what we are doing in fixing the infrastructure, spending the money to alert people and putting high visibility around schools and police cars where it may have got to. The increase is Australia-wide at the moment; it is not just New South Wales. There are similar increases across the ditch in New Zealand. I will ask Mr Carlon to answer that question.

**The Hon. PAUL GREEN:** Can I ask, while you are answering, are there findings that mobile devices are contributing to it?

**Mr CARLON:** The answer to that question is, yes, there is an indication that distraction is a factor in the road toll currently. I point out that when you compare last year with the year to date we have had 266 fatalities as of today, which is up 38 on the fatalities at the same point last year. The significant increases in those fatalities are drivers, in particular. We have a 42 per cent increase in pedestrian fatalities as well. We have a significant increase in speed-related fatalities, at 41 per cent—which is 48 more lives lost compared with the

same period last year. Fatigue is figuring very high at 67 per cent, which is an increase in 30 fatalities from last year.

The Government has taken strong action in addressing the mobile phone issue with regard to distraction. In January it was increased to four demerit points rather than three and mobile phone offences have been added to the double demerit period as well. The Government announced recently that all provisional licence holders, green Ps, as of the beginning of December will be prohibited from using mobile phones in the same way that L and red P drivers are. We are working closely with police in terms of enforcement.

They conducted a two-week campaign between 8 and 22 August—a couple of weeks ago—and they infringed more than 2,000 drivers who were using their mobile phones illegally. We are continuing to focus on the enforcement activity. We know we have a good recidivism rate in terms of reducing the number of people who use their mobile phone illegally when we enforce and police get out there. There were around 38,000 fines issued last year for the illegal use of mobile phones. We have a range of programs that we are targeting.

**Mr REARDON:** I remind the Committee that the community road safety fund means that we now have a legislated funding source where we can apply our resources in a nimble fashion. We have tried to do that over the last few years. Where a new risk emerges, such as mobile phones or our drug-testing regime, we can do that. It is transparent about how we go about that and it has given us an ability to move our resources around as we need to.

**The Hon. PAUL GREEN:** With regard to WestConnex, the *Sydney Morning Herald* reported that a landmark \$100,000 review of the compulsory acquisition laws by David Russell, SC, was handed to the Government about two years ago and noted that the Government has chosen not to implement the majority of the recommendations. Could you update the Committee on the compulsory acquisition of the homes? Is the process complete? I note you have made media comment. How many homes have been forcibly acquired and have you any more homes to purchase?

**The Hon. DUNCAN GAY:** With regard to the Russell review and the release of the report, the Government fully intends to release the Russell report and the Government's response in the coming months. We have conducted a review.

**The Hon. PAUL GREEN:** Before Christmas?

**The Hon. DUNCAN GAY:** It is a matter for the Minister involved.

**The Hon. PAUL GREEN:** "Coming months" could be two or three years away.

**The Hon. Dr PETER PHELPS:** Point of order: It is unfair to ask a Minister who does not have direct responsibility for the portfolio for that document.

**The CHAIR:** Point taken.

**The Hon. PAUL GREEN:** I thought it was in your portfolio.

**The Hon. DUNCAN GAY:** Taking up the point—it is not my portfolio.

**The CHAIR:** It is Mr Perrottet.

**The Hon. DUNCAN GAY:** Yes, Minister Perrottet.

**The Hon. Dr PETER PHELPS:** An excellent Minister.

**The Hon. DUNCAN GAY:** The Government has conducted a review of existing practices and enacted many of the recommendations already, looked at how we can better balance the need to proceed with important infrastructure projects, and the unfortunate impacts on property owners of the acquisitions that may subsequently be required. We have improved the way that property acquisitions are managed and we continue to seek to improve things further. We have been honest with communities about the impacts of these large projects and we have been fair in our dealings with the affected property owners. As I have stated already, various Russell review recommendations have already been implemented and the full report, along with the Government's response, will be released. As far as the number of dwellings with the stages of WestConnex, I will hand that over to Mr Kanofski.

**Mr KANOFSKI:** The question was the new M5?

**The Hon. PAUL GREEN:** WestConnex.

**Mr KANOFSKI:** In total?

**The Hon. PAUL GREEN:** Can you tell me whether there is a shift in the views of compulsory acquisition?

**The Hon. DUNCAN GAY:** Over 84 per cent of what we acquired has been done by voluntary agreement. When we talk about compulsory-

**The Hon. PAUL GREEN:** There are no more surprises?

**The Hon. DUNCAN GAY:** We do not believe there will be. We believe that every dwelling that we need to take in this process has been identified.

**Mr KANOFSKI:** Can I just say that around 75 per cent of the identified properties have already been acquired. The total identified across the whole of the scheme is 427, and 316 have currently been acquired. As the Minister said, 85 per cent of those acquired have been by voluntary agreement rather than compulsory acquisition. The balance of the properties will be acquired as they are required, to fit in with construction schedules. No properties have been acquired yet for the M4 and M5 link because that construction is some way off.

**The Hon. PAUL GREEN:** Thank you. Is the budget for WestConnex on track or has it blown out? Will NorthConnex be completed on budget?

**The Hon. DUNCAN GAY:** Currently, both NorthConnex and WestConnex are on track to be completed within their budgets.

**The Hon. PAUL GREEN:** One of my favourite topics is the Shoalhaven River Bridge. The Government allocated \$1.6 million for investigations to finalise the location some time ago and a further \$10 million for the following three years. Given that the location was finalised two years ago, have you started on work for the concept of the bridge and investigations into the intersections of Bolong Road, Illaroo Road and Bridge Road? Would you update the Committee on its current status?

**The Hon. DUNCAN GAY:** I will hand over to Mr McCarthy.

**Mr McCARTHY:** This year \$3 million has been set aside for planning for the Nowra Bridge and studies for the replacement of the existing bridge, which was built in 1881—so it is 130 years old. The review of environmental factors [REF] is in preparation, and work will continue on that this year.

**The Hon. DUNCAN GAY:** A preferred option for the project will be displayed later this year.

**The Hon. PAUL GREEN:** How are the funding negotiations with the Federal Government progressing?

**The Hon. DUNCAN GAY:** So far that has not come to fruition, but negotiations continue. We are always keen to move money from Canberra to New South Wales.

**The Hon. PAUL GREEN:** I note that \$48 million has been allocated for work to improve the Bells Line of Road. Would you please update the Committee on the scope of works associated with that \$48 million program? What is the expected time line for the remaining works? What other plans are there to upgrade that road, given its importance to the west?

**The Hon. DUNCAN GAY:** In general terms we are doing a huge amount of work. Anyone who has travelled along the Great Western Highway recently will see the work that is taking place at Mount Victoria and through Forty Bends. On Bells Line of Road we have already opened three new passing lanes. We have improved the tarmac. It created some community angst, but we have removed some of the undergrowth and bigger trees beside the road, acknowledging that the road is quite often covered in fog, sleet and frost, and we needed to put in place safety measures so that if vehicles have an accident or lose traction they are able to run off the road.

Five projects have already been completed. There is a 700-metre westbound overtaking lane west of Val Wheeler Drive at Kurrajong Heights. There is a 940-metre long eastbound overtaking lane east of Tadrosse Lane at Bilpin. There are road-widening and safety improvements at two crash cluster sites east of Bell. There is a 700-metre long westbound overtaking lane just past Berambing Crescent at Berambing. There is an extension of the existing eastbound overtaking lane on Chifley Road west of Bell, by about 380 metres. Work is currently underway on a one-kilometre eastbound overtaking lane at Kurrajong Heights, on a 1.4-kilometre section of road past the Pierces Pass turnoff and on a 1.2-kilometre westbound overtaking lane west of Tadrosse Lane.

**The Hon. PAUL GREEN:** What about planned future upgrades?

**The Hon. DUNCAN GAY:** There is a lot more to go. We are also looking at the corridor.

**Dr MEHREEN FARUQI:** I want to talk about the budget and costs for WestConnex. The official project cost has gone from \$10 billion in 2012 to almost \$17 billion in 2016.

**The Hon. DUNCAN GAY:** May I correct that? You say that the costs have gone up. The costs have not gone up, or blown out, as you like to say—

**Dr MEHREEN FARUQI:** Could I finish my question, Minister?

**The Hon. DUNCAN GAY:** Certainly. I apologise.

**Dr MEHREEN FARUQI:** The cost in 2012 was \$10 billion. The cost now is \$17 billion. That is a 70 per cent increase. As far as I know, the scope of the project has not increased by 70 per cent, so would you explain the 70 per cent increase in cost?

**The Hon. DUNCAN GAY:** Certainly. In general terms, what we had in the initial cost was an idea that came out of Infrastructure NSW [INSW]. Then we went to properly sourced costings and a change in route. It was a considerable change in route. Had we included an ability to get to Anzac Bridge and link around that way, it would have cost a lot more than the increase. We have also added the Sydney Gateway on the south.

**Mr REARDON:** We have discussed previously here the budget envelope of \$16.8 billion for the WestConnex scheme. We put that out in the business case and made it quite clear that that is the budget for WestConnex stage 1A, stage 1B, stage 2, the connection of stages 1 and 2 and Sydney Gateway, as the entire scheme of WestConnex.

**Dr MEHREEN FARUQI:** Could I confirm that the cost of the Sydney Gateway is included in the \$16.8 billion?

**Mr REARDON:** Yes.

**Dr MEHREEN FARUQI:** Would you tell me how much that is?

**Mr KANOFSKI:** It is approximately \$800 million.

**Dr MEHREEN FARUQI:** Thank you. Minister, the updated strategic business case from November 2015 explicitly states that the WestConnex cost of \$16.8 billion excludes land acquisition, network enhancements and development costs. That is on page 240 of that business case. Given that the acquisitions and network enhancements could cost hundreds of millions of dollars, why have they not been included in the \$16.8 billion budget?

**Mr KANOFSKI:** The cost of the project is the complete cost, including the cost of land acquisitions and all the associated costs of the project. As with any project there is an interface between the road network and any major road or rail projects. Those costs are costs on the network and are handled within the normal course of the Roads budget.

**Dr MEHREEN FARUQI:** Are they not part of WestConnex, though? You will have to make those enhancements as part of the WestConnex project.

**Mr REARDON:** Can I clarify that? No, they are not. We have made that clear. Around the WestConnex scheme or, as Mr Kanofski said, around any of our major projects, there will be associated network integration projects. Some are brought forward at the appropriate time, but they are broader network integration upgrades. They are outside the scheme.

**The Hon. DUNCAN GAY:** As an example, with the hospital at Frenchs Forest there is around \$500 million of roadworks. That is not included in the hospital costs.

**Mr REARDON:** They are well underway right now.

**Dr MEHREEN FARUQI:** The hospital and the roads are two different things.

**The Hon. DUNCAN GAY:** It is the same with light rail. I know you used to be a great champion of that.

**Dr MEHREEN FARUQI:** I am still a great champion of light rail, but not the way you are doing it.

**The Hon. DUNCAN GAY:** You change on those things.

**The CHAIR:** Thank you, Minister. This is drifting towards being a question time answer.

**Mr REARDON:** We need to make sure that the context of the project is dealt with in the broader network.

**Dr MEHREEN FARUQI:** Could I confirm that the widening of Campbell Street and Euston Road in St Peters is not part of this network enhancement? It is part of the \$16.8 billion WestConnex budget.

**Mr KANOFSKI:** The exact interface point is onto those roads. The extension of the ramps onto those roads is a cost of the project. The cost of widening those roads further away from the project, which is part of making the network work properly for the long term, is a normal cost. One of the interesting things about St Peters is that, as people would be aware, the area is already a heavily congested part of the network. There will be substantial improvements to the overall network, not just improvements to the traffic on the motorway. There will be substantial improvements to all traffic in that area due to the works that are being done. That is why they are termed "network" works because the benefits of those go well beyond the project.

**Dr MEHREEN FARUQI:** I understand that a lot of the cost that is incurred because of WestConnex is not being attributed to the WestConnex budget.

**The Hon. DUNCAN GAY:** We could equally say that within the gamut of the City of Sydney through Alexandria, Erskineville and Green Square where there are more cranes per square metre than anywhere else in the city. They are building new apartments with new people coming in.

**Mr REARDON:** The significant upgrades that are going on with WestConnex or, as I said, other major projects such as the metro or light rail mean that they work within a broader network. That broader network needs to be upgraded.

**Dr MEHREEN FARUQI:** I do understand that. Minister, the Treasurer's press release on 18 June 2016 announced that \$140 million from the Housing Acceleration Fund is being used to build the Hill Road off and on ramps in Lidcombe. Why is the Housing Acceleration Fund being used as part of the WestConnex works?

**The Hon. DUNCAN GAY:** Well, it is not, and I will hand over to Mr Kanofski in a moment. The fact is that there is a hell of a lot of houses being built there. I do not know if you ever leave Parliament House, but if you did—

**Dr MEHREEN FARUQI:** More than you do—

**The Hon. DUNCAN GAY:** You would notice that there is a lot of housing planned for that area. That is why we are making those improvements.

**Mr KANOFSKI:** When the WestConnex scheme was put in place a study was done with regard to Hill Road and it was decided what the scheme needed for the functioning of the WestConnex scheme was an on ramp. Those costs were included as part of that.

**The Hon. DUNCAN GAY:** So we are paying for one.

**Dr MEHREEN FARUQI:** But they are not part of the WestConnex \$16.8 billion, they are on top of that?

**Mr KANOFSKI:** The off ramp is a later decision not related to the WestConnex scheme. It was funding that was bid for as part of the Housing Acceleration Fund because of the very substantial increase in housing supply that is predicted on the Rhodes peninsula.

**Mr REARDON:** And it is giving it access to the broader network.

**Dr MEHREEN FARUQI:** How many homes have actually been demolished as part of that work being funded by the Housing Acceleration Fund for the off ramp?

**The Hon. DUNCAN GAY:** The Hill Road?

**Dr MEHREEN FARUQI:** Yes.

**Mr KANOFSKI:** None.

**The Hon. DUNCAN GAY:** I don't think any.

**Mr KANOFSKI:** No, there are no residential properties impacted—

**Dr MEHREEN FARUQI:** —or being demolished for that?

**Mr KANOFSKI:** There are no residential properties impacted.

**The Hon. DUNCAN GAY:** Where that is, it is all industrial. You said you had been out there.

**Dr MEHREEN FARUQI:** Yes, I have been many times. Recently the Government announced an additional one kilometre tunnel connecting the Rozelle interchange with the Iron Cove Bridge.

**The Hon. DUNCAN GAY:** Yes, not to be tolled.

**Dr MEHREEN FARUQI:** In a statement you said that this will not cost a cent more.

**The Hon. DUNCAN GAY:** Yes.

**Dr MEHREEN FARUQI:** How will you manage to add a one kilometre tunnel without adding a cent to the cost of WestConnex or is it coming from other funds?

**The Hon. DUNCAN GAY:** No, it is not. There is no Labor Party money, moving the nuts across the table, or trickery in this. It is putting a better structure of infrastructure together. What our guys have done is just terrific. You have got to applaud a great outcome because for the first time since it was built—Eric Roozendaal's bridge to nowhere, that horseshoe bridge across Iron Cove—will actually serve a purpose. Finally Eric stands for something, except paying \$22 million to fit out a building in North Sydney which I am happy to come to, if you want.

**Dr MEHREEN FARUQI:** Not really.

**The Hon. DUNCAN GAY:** This picks up, and because of the better structure it allows us to bring people around that need to go onto Anzac Bridge. The outcome is great for Victoria Road. We looked at going under Darling Street, and on the back of the envelope it was about \$400 million. The two key things you need on Victoria Road are to fix the Lyons Road intersection and to fix the Darling Street intersection. This does one of the two and enhances Eric's bridge and gives us that green space in the middle of the Rozelle area, which is outstanding.

**The CHAIR:** The time has expired.

**The Hon. PENNY SHARPE:** Minister, you can take it on notice if you want to tell us more about that.

**The Hon. DUNCAN GAY:** Was that a question?

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

**The Hon. DANIEL MOOKHEY:** Has the design of the Sydney Gateway been completed?

**Mr KANOFSKI:** No.

**The Hon. DANIEL MOOKHEY:** When is the design of the Sydney Gateway meant to be completed?

**Mr REARDON:** We have got the business case for that and feasibility for that underway at the moment.

**The Hon. DANIEL MOOKHEY:** What is the time line for that to be completed?

**Mr KANOFSKI:** When that is completed it will be brought to Government so it will be completed in due course.

**The Hon. DANIEL MOOKHEY:** What is the meaning of "due course"? Will it be completed this year?

**Mr KANOFSKI:** It will be completed in due course, and it will be considered by Government when it is completed.

**The Hon. DANIEL MOOKHEY:** The budget for the Sydney Gateway tunnel you said earlier was approximately \$800 million?

**Mr KANOFSKI:** Correct.

**The Hon. DANIEL MOOKHEY:** How much money has been set aside for design and construction?

**Mr KANOFSKI:** There is not money set aside. What you have got is a strategic business case estimated at \$800 million for the link. The precise construction costs, and the project costs—when you build these projects they clearly need to be designed, there is property acquisitions to be had, and a whole range of things that need to be done. Those details will become available when the business case is finalised. At the moment we have a strategic estimate of \$800 million.

**The Hon. DANIEL MOOKHEY:** On page 186 of the updated Strategic Business Case, when you say "at least stage 2 of the Sydney Gateway design and construction", and there is a redacted figure, and then there is "property resourcing and associated projects" and a redacted figure. What are the figures that have been redacted?

**The Hon. DUNCAN GAY:** They are commercial in confidence.

**Mr REARDON:** They have been redacted for a reason.

**The Hon. DUNCAN GAY:** Your trick question has been delivered.

**The Hon. DANIEL MOOKHEY:** But figures have been prepared?

**Mr KANOFSKI:** You have got the document in front of you.

**The Hon. DANIEL MOOKHEY:** Has a gantry been installed on the Hill Road off ramp?

**Mr KANOFSKI:** The Hill Road off ramp has not been constructed.

**The Hon. DANIEL MOOKHEY:** Will a gantry be installed on it?

**Mr KANOFSKI:** The Hill Road off ramp will be part of the M4 and so when you enter the M4 you will need to pay the toll for the widened section of the M4.

**The Hon. DANIEL MOOKHEY:** What about when you exit on the Hill Road?

**Mr KANOFSKI:** We have distance-based tolling, so we need to know when the vehicle entered the road and when it left the road.

**The Hon. DANIEL MOOKHEY:** Fantastic, thank you. In terms of the revenue that is collected through the gantry on the Hill Road, will that revenue be sold as part of the concession agreement? It will not be ousted from the concession agreement. The concession agreement is part of the Hill Road?

**The Hon. DUNCAN GAY:** No, we are not collecting revenue on the ramp. We are collecting revenue on the travel on WestConnex.

**The Hon. DANIEL MOOKHEY:** As a point of entry, all movements recorded as exiting through the Hill Road exit and all the vehicles that have been detected to have exited will be charged a toll?

**The Hon. DUNCAN GAY:** Yes, everyone who travels on WestConnex will be charged.

**The Hon. DANIEL MOOKHEY:** Is that revenue at all isolated or otherwise separated from the revenue collected at all the other exit points for the purpose of sale?

**Mr REARDON:** The scheme is stage 1, stage 2, stage 3, so I am not quite sure what your question is. But at the end of the day it is a distance-based tolling regime. If you enter or exit at that point it will be measured by distance as per the rest of the scheme.

**The Hon. DUNCAN GAY:** If there were not a gantry there and you left there you could have been charged for going further. So it is to minimise the tolling; that is why you have distance based.

**The Hon. DANIEL MOOKHEY:** Does that mean that the \$140 million that has been invested by the Housing Acceleration Fund will be recovered when the concession is sold?

**The Hon. DUNCAN GAY:** No.

**The Hon. DANIEL MOOKHEY:** Is it the case that the Housing Acceleration Fund will pay \$140 million that is not going to be recovered?

**The Hon. DUNCAN GAY:** No, this money is to allow a connection to a major piece of infrastructure for people who live in that area. As part of WestConnex we did the other one. The provision of this one was indicated that unless there was a proper connection there it was not a good idea to go ahead with the extensive housing that was going to be put in there, and that is why it is there. It is to look after the people that will be in the housing. This is an overall decision of Government that we are doing. There is not a toll on it. It is a decision to put a piece of infrastructure in there for the people that will be moving into the housing.

**The Hon. DANIEL MOOKHEY:** Thank you, but my question is whether or not the \$140 million from the Housing Acceleration Fund is expected to be recovered in addition to the \$500 million that has been set aside for the M4 widening.

**Mr REARDON:** I think we have gone into this previously.



**The Hon. DUNCAN GAY:** I have answered it.

**The Hon. DANIEL MOOKHEY:** I am not sure you did, Minister.

**The Hon. DUNCAN GAY:** I said no.

**The Hon. DANIEL MOOKHEY:** What was the contract value of the contract awarded to the Rizzani De Eccher Leighton joint venture for the purposes of widening the M4?

**Mr KANOFSKI:** I would have thought that was commercial in confidence.

**The Hon. DANIEL MOOKHEY:** Can I take you to page 184 of the strategic business case, where it says that the current cost estimate for the M4 widening is \$497 million?

**Mr REARDON:** We do not have it in front of us but we will take your reference.

**The Hon. DANIEL MOOKHEY:** Page 184 of the updated strategic business case says that the current cost estimate for the M4 widening is \$497 million. Do you understand that to be accurate?

**Mr REARDON:** It is in the strategic business case so I will take your word for it.

**The Hon. DANIEL MOOKHEY:** Minister, do you or any of your officials have with them a copy of the document entitled "Sydney Motorway Corporation Pty Limited Directors' Report and Consolidated Financial Statements for the period ended 30th June 2015"?

**Mr REARDON:** Not in front of us.

**The Hon. DANIEL MOOKHEY:** I am happy to table this if you quibble with its accuracy. I will take you to page 3, which says, "... SMC's wholly owned subsidiary, WCX M4 Pty Ltd signed a \$0.3 billion contract package for the M4 Widening with Rizzani de Eccher Leighton Joint Venture." Why is there a \$197 million discrepancy between the figure reported in that financial report and the number that is contained in the updated strategic business case?

**Mr KANOFSKI:** Can I just take that in general terms.

**The Hon. DANIEL MOOKHEY:** I asked in specific terms, if you could.

**Mr KANOFSKI:** I think I was explaining this before. There is a construction cost to a project. There are project development costs. There are property acquisition costs. There are a whole range of costs that make up a project cost. It is very normal. In fact, on every Roads project across the portfolio—be it through our motorways or all of the roads that we build—you would find the actual design and construction cost of the contract awarded would be less than the budget because it needs to include all of those other costs.

**The Hon. DUNCAN GAY:** Can we also note that the Sydney Motorway Corporation [SMC] reporting is outside the scope of budget estimates because it is not a State-owned corporation.

**The Hon. DANIEL MOOKHEY:** You are saying that you cannot answer questions before Parliament about the Sydney Motorway Corporation?

**The Hon. DUNCAN GAY:** Well, we do not have to.

**The Hon. DANIEL MOOKHEY:** Are you going to refuse to answer those questions, Minister?

**The Hon. DUNCAN GAY:** We did not.

**The Hon. DANIEL MOOKHEY:** Then I will continue asking the questions. Mr Cliche, it is the case that the Sydney Motorway Corporation directors' report that I referred to was signed by the chair of SMC at the time, Mr Tony Shepherd, on 25 September 2015 and it is the case that the updated strategic business case was released in November 2015—four weeks away? Why was there a \$197 million discrepancy between the figures that were reported in that report and in the updated business case within those four weeks?

**Mr KANOFSKI:** I think I have already answered that question.

**The Hon. DANIEL MOOKHEY:** Did all the factors that Mr Kanofski just referred to present themselves in those four weeks?

**Mr REARDON:** I think we have answered that question.

**The Hon. DANIEL MOOKHEY:** In terms of the answer that you provided, did all of the factors you just alluded to present themselves in those four weeks?

**Mr KANOFSKI:** It is not a question of whether they presented in those four weeks. All of the factors I talked to are present on all projects at all times. There is nothing special about the fact that the cost estimate for a project—any Roads project—exceeds the amount of the design and construction contract. There is nothing special about that. That is completely normal and presents itself in fact at all times during every Roads project. The difference between those two dates is actually irrelevant to the issue.

**The Hon. DUNCAN GAY:** Mr Chairman, can I indicate that we will take questions on SMC on notice because, as I indicated earlier, it is outside the scope of budget estimates. We are happy to take them on notice and treat them appropriately.

**Mr REARDON:** But for the total scheme of \$16.8 billion that is in the business case that is in front of the member, that is on the public record. I make that clear as well.

**The Hon. PENNY SHARPE:** In previous answers you have said that there were 420 households in relation to acquisitions. Can you provide to the Committee how many businesses and other landholdings are to be acquired for WestConnex?

**Mr KANOFSKI:** I did not actually say there were 420 households. I said the current estimated number of total properties is 427.

**The Hon. PENNY SHARPE:** That includes businesses and other landholdings?

**Mr KANOFSKI:** That includes businesses, residential, full acquisitions and some partial acquisitions. It includes council land. It includes a whole range of things.

**The Hon. PENNY SHARPE:** That is what I wanted to clarify; it was unclear. Did Roads and Maritime Services [RMS] participate in the Russell review at the time in 2011 or 2012 when it was set up?

**The Hon. DUNCAN GAY:** I am sorry, I missed the question.

**The Hon. PENNY SHARPE:** Did RMS participate in the Russell review—that is, did you provide a submission to Mr Russell or did you meet with Mr Russell?

**Mr KANOFSKI:** I am not clear on whether we met with Mr Russell at the time but RMS would certainly have been consulted as part of the process.

**The Hon. PENNY SHARPE:** Did you provide a submission to the review?

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

**The Hon. PENNY SHARPE:** If you did, could you provide a copy of the submission to the Committee?

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

**The Hon. DUNCAN GAY:** We will take it on notice.

**The Hon. PENNY SHARPE:** Yes, and I am asking if there is a submission will you provide it to the Committee?

**Mr KANOFSKI:** I will take it on notice.

**The Hon. PENNY SHARPE:** That there is a submission or that you will provide it to the Committee? This is very *Yes Minister*, but I am asking a specific question.

**Mr KANOFSKI:** I am taking your question on notice.

**The Hon. PENNY SHARPE:** My question is: Is there a submission?

**Mr KANOFSKI:** I am taking that on notice.

**The Hon. PENNY SHARPE:** If there is a submission will you provide it to the Committee?

**Mr KANOFSKI:** I am taking that on notice as well.

**The Hon. PENNY SHARPE:** In that case, in relation to the review an interagency committee was set up once the Government received the report in 2014. Is RMS on that interagency committee?

**Mr REARDON:** The transport cluster was engaged at that time in terms of the Russell review. The Government had considered the report at that point in time and continues to consider the report. There were, I believe—

**The Hon. PENNY SHARPE:** Is Transport for NSW or RMS on the interagency committee?

**Mr REARDON:** At this point in time, no.

**The Hon. PENNY SHARPE:** Never have been?

**Mr REARDON:** Yes, we have been and I have made that clear.

**The Hon. PENNY SHARPE:** Have been but are not currently?

**Mr REARDON:** Correct.

**The Hon. PENNY SHARPE:** How many recommendations has Transport for NSW or RMS been required to implement for the Russell report?

**Mr REARDON:** I believe there were two required to be implemented and that has been done.

**The Hon. PENNY SHARPE:** Only two?

**Mr REARDON:** The rest is under consideration by Government.

**The Hon. PENNY SHARPE:** Are there going to be further recommendations?

**Mr REARDON:** I think the Minister made a comment on where that review is up to previously in this hearing.

**The Hon. PENNY SHARPE:** You have waxed lyrical about how well you have been doing in relation to the recommendations. I am interested in specifically how many recommendations in the Russell review you expect Transport for NSW or RMS to implement.

**The Hon. DUNCAN GAY:** I did answer that question in detail earlier from your colleague.

**The Hon. PENNY SHARPE:** We disagree whether that was in detail or not. Minister, you have been aware that the Premier has made many comments in relation to the acquisitions process and, in particular, said that they are trying to do it as compassionately and with as much care as possible.

**The Hon. DUNCAN GAY:** Just repeat that.

**The Hon. PENNY SHARPE:** You are aware that the Premier has said on numerous occasions that acquisitions should be done in a compassionate and caring manner.

**The Hon. DUNCAN GAY:** I am aware of that and I totally agree with him. One of the toughest things in what we are doing is having to on occasions take people's property. It is awful for them and it is hard for us. I have to say there would have been a lot less if the Labor Party had not sold the routes.

**The Hon. PENNY SHARPE:** Thank you, Minister. In that case—

**The Hon. DUNCAN GAY:** The Neville Wran hollow logs, where he sold the route for the new M4.

**The Hon. PENNY SHARPE:** I am not asking about what happened many years ago. My question then is if it is supposed to be compassionate and caring is it true, and are you aware, that security guards accompany your officers when they are issuing land acquisition notices to households?

**The Hon. DUNCAN GAY:** I am aware of one occasion where we had female staff out at night in a rather quicker than normal way than we do things following a media exposé that people's properties were going to be taken.

**The Hon. PENNY SHARPE:** If you are sending people out in the middle of the night then that does not sound very caring and considerate

**The Hon. BRONNIE TAYLOR:** Point of order: The Minister should be allowed to finish his answer without constant interruption.

**The CHAIR:** Please proceed, Minister.

**The Hon. DUNCAN GAY:** On the contrary, the reason we made that decision was that we were aware that an unsourced media story, which was close to being right, was to go to air on people who were affected. So rather than leaving them not knowing what their situation was we had our people out doorknocking the premises affected, and given that it was late and dark when a large number of the people were doing the doorknocking in a situation that on some occasions may become emotional we did have security staff with them on that occasion. I am unaware of any other occasion.

**Mr KANOFSKI:** It was very specific to that occasion and it was for the reasons that the Minister outlined. It was quite a unique set of circumstances in that—

**The Hon. PENNY SHARPE:** Where were the security guards when people were doorknocking on the houses?

**Mr KANOFSKI:** My understanding is—and I was not there at the time—that the security officers were in the street. They did not enter the people's properties. They were there to provide security to staff members.

**The Hon. PENNY SHARPE:** Are you able to provide on notice how much it cost for those security officers?

**Mr KANOFSKI:** Yes, we will take that question on notice.

**The Hon. DUNCAN GAY:** Are you going to applaud us for taking the necessary steps to protect our staff?

**The Hon. PENNY SHARPE:** No, I am interested in why you are sending security guards.

**The Hon. DUNCAN GAY:** I have got to say, if we had put our staff out there without these safeguards I would really expect a question.

**The Hon. PENNY SHARPE:** I am interested when you say you have been compassionate and caring and you have security people following others around.

**The CHAIR:** Order!

**The Hon. DUNCAN GAY:** Are you suggesting that we let our staff, in particular our female staff, operate at night without proper protection?

**The Hon. PENNY SHARPE:** I am not suggesting anything, Minister. I am asking a question and asking for an answer from you.

**The Hon. DUNCAN GAY:** That is great from the left wing of the Labor Party.

**The CHAIR:** Order!

**The Hon. DANIEL MOOKHEY:** Minister, has any agency for which you are responsible prepared any advice, proposal or plan to create a concession agreement for the Sydney Harbour Bridge and let it to the private sector?

**The Hon. DUNCAN GAY:** Not that I am aware.

**The Hon. DANIEL MOOKHEY:** Not that you are aware?

**The Hon. DUNCAN GAY:** No.

**The Hon. DANIEL MOOKHEY:** Have you commissioned or otherwise requested such advice to be created?

**The Hon. DUNCAN GAY:** No.

**Mr REARDON:** No, we have not.

**The Hon. DANIEL MOOKHEY:** Can you rule out creating any form of a concession agreement to apply to the Sydney Harbour Bridge?

**The Hon. DUNCAN GAY:** Oh, come on? Dear me.

**The CHAIR:** The question has been put to the Minister and the Minister will be provided with the opportunity to answer the question.

**The Hon. DANIEL MOOKHEY:** I have asked the question; the question stands.

**The Hon. DUNCAN GAY:** He is asking me if I can rule out someone doing something in the future? Of course, I cannot rule that out. But you have specifically asked me if we have done that and my definitive answer is no. Am I planning to do that? No.

**The Hon. DANIEL MOOKHEY:** Has any agency outside your control ever made a request to any agency inside your control to create such an agreement?

**Mr REARDON:** Not that I am aware of.

**The Hon. DUNCAN GAY:** Is that as good as you get?

**The Hon. PENNY SHARPE:** No, I have a question. Minister, are you aware that your colleague the Minister for the Environment, Mark Speakman, has signed up to a national clear air agreement that has a lower standard than what is recommended by the World Health Organisation for particulate matter 10, that is, the standard that goes to regulating car exhaust fumes?

**The Hon. DUNCAN GAY:** Off the top of my head I am not, but the largest contributor is diesel vehicles and when you look at Euro 5, 6 and 7 you come into an area that will bring it within those parameters. The exhaust that comes into the city at the moment is decreasing every year because of the changes in emission standards and efficiency and the fact that we are building better roadways to stop people sitting at traffic lights and spewing material into the air.

**The Hon. PENNY SHARPE:** That goes to my next question. Minister, did the Roads and Maritime Services [RMS] or the Sydney Motorway Corporation participate in the discussion in the lead-up to the Minister's decision in relation to air quality standards?

**Mr KANOFSKI:** We will take that question on notice.

**The Hon. DUNCAN GAY:** That is really a question for the Minister for the Environment—

**The Hon. PENNY SHARPE:** No, it is not. We will come back to this Minister.

**The Hon. DUNCAN GAY:** —but we are happy to take it on notice.

**Dr MEHREEN FARUQI:** Minister, how does the Government ensure that contractors working on the various stages of WestConnex are paying their subcontractors on time?

**The Hon. DUNCAN GAY:** Thank you for that question. That is a really good question and one that concerns me. As I have detailed in the House and with others, we need to make sure—in fact, recently at a meeting of our contractors and subcontractors I reinforced the point that as much as anything else they need to be doing this.

**Dr MEHREEN FARUQI:** Is there a process for ensuring that it does happen?

**The Hon. DUNCAN GAY:** I am advised that the Sydney Motorway Corporation has a robust payment approvals process for each of the WestConnex projects, which includes a requirement for a statutory declaration from each design and construction contractor confirming all subcontractor payments are up to date.

**Dr MEHREEN FARUQI:** How does that explain that the subcontractors on the M4 widening were not being paid for months? Was there a process failure? What was the reason?

**Mr CLICHE:** That was what was reported in the media. As the Minister explained, when we deal with our subcontractors they have to provide a statutory declaration that they have made payments. We have met with their senior management and they have confirmed with us that they have made payments. In the one or two instances where payments were not made it was because there were irregularities that the independent certifier had not signed off on payment of those invoices. So in terms of our process, everything that the Minister just said—processes have been followed and we have not found any indication whatsoever that people who should have been paid on time were not paid.

**Dr MEHREEN FARUQI:** Do you think that the subcontractors are not giving accurate information in this case? Is that what you are suggesting?

**Mr CLICHE:** I repeat, we follow our processes, we have audited our processes, and our processes have been found to be correct.

**The Hon. DUNCAN GAY:** It is not just WestConnex; it is the work that we are doing in Western Sydney and the work that we are doing on the Pacific Highway.

**Mr REARDON:** Indeed, with the scale of work that we are doing across the transport cluster that same issue is being monitored.

**The Hon. DUNCAN GAY:** So we need to make sure that we hit this as hard as we possibly can. My office, I and local members are interacting on this because when people do work they need to be paid. We need to make sure that that happens and certainly I know that in his capacity Mr McCarthy has been following through for me on that. We are pretty vigilant. Do you want to add something on that?

**Mr MCCARTHY:** Yes.

**Dr MEHREEN FARUQI:** The question has been answered, thank you.

**The Hon. DUNCAN GAY:** Okay.

**Dr MEHREEN FARUQI:** I have a last few questions on WestConnex and then we will move on. Minister, is the construction of the Western Harbour Tunnel predicated on the full completion of the WestConnex?

**The Hon. DUNCAN GAY:** It works better when you have stage 3 completed. Each one of the stages will help the congestion in the city but the absolute key to making it hum and to look after—the greatest benefit will come to the people of Newtown, Alexandria, Erskineville and Glebe when stage 3 is done. We will remove those rat runs that are currently there with people congesting those suburbs, heavy vehicles and couriers, et cetera, going through back streets day after day after day. So the key to really making it work is stage 3, but stages 1 and 2—

**Dr MEHREEN FARUQI:** After stage 3 you mean?

**The Hon. DUNCAN GAY:** Sorry?

**Dr MEHREEN FARUQI:** After stage 3, the Western Harbour Tunnel.

**Mr KANOFSKI:** The Government is currently committed to three stages of WestConnex, as you would be aware.

**Dr MEHREEN FARUQI:** So you are not committed to the Western Harbour Tunnel?

**Mr REARDON:** We are basically saying that we are currently going through the feasibility stages of that as well. The Minister has just recognised that we are focused on stages 1, 2 and 3 of WestConnex and Mr Kanofski is now going to elaborate how that enables the Western Harbour Tunnel.

**Dr MEHREEN FARUQI:** That is fine but that was not part of my question.

**The Hon. DUNCAN GAY:** I am sorry, I misunderstood your question. I thought it was just on WestConnex, not on the Western Harbour Tunnel, but it is a great piece of infrastructure.

**Mr KANOFSKI:** And certainly the Western Harbour Tunnel, because the Government is committed to WestConnex, assumes that WestConnex is completed prior to the tunnel.

**Dr MEHREEN FARUQI:** So is that at feasibility stage at the moment?

**Mr REARDON:** Yes.

**Dr MEHREEN FARUQI:** So there is no budget or anything attached to it at the moment.

**Mr REARDON:** There has been certain funding for us for project development et cetera, as is the case for many other projects and we are going through that work right at the moment.

**Dr MEHREEN FARUQI:** What is the project development fund? How much is it?

**Mr KANOFSKI:** The budget papers will outline what is allocated.

**Mr REARDON:** Yes, it is in the budget papers. I just do not have the exact number.

**Dr MEHREEN FARUQI:** Could you take that on notice?

**Mr REARDON:** Yes.

**The Hon. DUNCAN GAY:** We will come back to you.

**Dr MEHREEN FARUQI:** Minister, now coming to your favourite topic—cycling.

**The Hon. DUNCAN GAY:** They are all favourite topics. This is one of my favourites.

**Dr MEHREEN FARUQI:** Minister, at last count around 468,000 New South Wales adults do not carry photo identification. I am just wondering what advice the Government received in making the decision to require cyclists to carry photo identification.

**The Hon. DUNCAN GAY:** First of all, currently it is not compulsory to carry; it is a recommendation—and for a very good reason it is a recommendation to carry photo identification. If you were to have an accident you would like your family to know where you are, what your condition is and, importantly, modern medicine needs patients' records to understand their family history, what their allergies are et cetera. Like wearing a helmet to protect your head from damage when you hit a car or the tarmac, carrying ID is just as good. But we are really excited about the interaction that we have had from the new road rules. We think it is terrific. The acceptance by cyclists has been outstanding, and I pay tribute to them. I think we are getting a good result.

**Dr MEHREEN FARUQI:** But, Minister, just coming back to the ID, particularly because that has not been introduced—

**The Hon. DUNCAN GAY:** Do you not like good news? This is all good news.

**Dr MEHREEN FARUQI:** I actually want you to answer my questions—good news or bad news. You said it has not been introduced yet but the Government is committed to introducing it in March 2017. Am I right?

**The Hon. DUNCAN GAY:** Yes, that was correct.

**Dr MEHREEN FARUQI:** Will the Government introduce legislation in order to require cyclists to carry identification?

**The Hon. DUNCAN GAY:** We will be looking at that when we make the decision on how we introduce it and what sort of identification we need to put in place.

**Dr MEHREEN FARUQI:** Are you considering that again or is the Government committed to introducing ID next year?

**The Hon. DUNCAN GAY:** The Government indicated that next year we were going to make it compulsory.

**Dr MEHREEN FARUQI:** And are you still going to do that?

**The Hon. DUNCAN GAY:** Yes, but we need to make sure that as we go through we do it appropriately.

**Dr MEHREEN FARUQI:** Minister, do you know of any other countries or any States that have compulsory ID for cyclists?

**The Hon. DUNCAN GAY:** I could not tell you off the top of my head.

**Mr REARDON:** In the last few years we have looked at a range of measures that have been put in a number of jurisdictions. A lot of those are on the public record about those that have trialled various measures including registration and licensing. Where we ended up was somewhere that we thought was fair and balanced. In terms of foreshadowing what we would do next year, the Minister is outlining that we have got a number of measures, including the one-metre passing rule, and we are just looking at how all of those trials work together. That is where we are up to at this point in time.

**The Hon. DUNCAN GAY:** And we are currently working with the cycling organisations to look at less confrontational ways—people feel confronted by ID and we are having a good dialogue with them at the moment—to be able to find out who someone is to be able to protect them going forward.

**Dr MEHREEN FARUQI:** So there is a chance, I am thinking, that the ID rule may not come in, which would be the sensible decision to make.

**The Hon. DUNCAN GAY:** It all depends on sensible dialogue and discussions on addressing the issues that are there.

**Dr MEHREEN FARUQI:** Does anyone have any figures on how many people have gone out and got an ID card in anticipation of these changes next year?

**The Hon. DUNCAN GAY:** One of the things that we are certainly looking at is better and cheaper ways to be able to do it, along with, as I indicated, less confrontational ways.

**Mr REARDON:** The Minister in the last few years has started to look at a whole range of measures, including photo ID for various groups in the community and trying to make that easier through RMS and the Service NSW outlets.

**Dr MEHREEN FARUQI:** Just on one of those rules, how many drivers have been fined for not passing cyclists at a safe distance since 1 March this year? Would you have figures on that?

**The Hon. DUNCAN GAY:** I might have to go to the police, but can I say that it is one of the best things we have done—the Metre Matters. Cyclists, in particular, are feeling a lot more confident and, increasingly, car drivers are telling me it has removed a source of frustration. When there are two or three cyclists beside each other along a long incline with unbroken lines and they cannot pass they have felt frustrated. Now they can, provided it is safe, pass—they can cross the unbroken line.

**Dr MEHREEN FARUQI:** Could you take that on notice, Minister?

**The Hon. DUNCAN GAY:** Yes. It has removed that frustration between the two, and that has got to be a great outcome. Do you not agree?

**Dr MEHREEN FARUQI:** Of course safety is a great outcome, but I do not think the rules that you passed are all—

**Mr CARLON:** On the minimum passing distance, I do not have the exact number but we were aware that the police have actually been active in this space. They have been working with the cycling organisations as well as the operations they have been conducting. We do have a figure we can present, but it was in the first six-month period of that—double the amount of infringements that were issued during the Queensland trial for that period as well. So police have been active in this space.

**The Hon. PAUL GREEN:** Minister, a little while ago I asked you some questions about the system of having no rego stickers and that particularly the elderly are missing opportunities to realise that their car needs registering. Can you give us an update on how that is going because I hear it is still an issue for some elderly people?

**The Hon. DUNCAN GAY:** Before I go to that, I probably was less than generous to our Federal colleagues because I am sure you are aware, but I had forgotten, we have allocated \$3 million for the planning of the Shoalhaven River Bridge and it is part of \$10 million committed by the Federal Government to progress. The Federal Government had put some money in. We always welcome money from them on the Princes Highway—that is the only money they have put in there.

**The Hon. PAUL GREEN:** A very welcome \$300 million from the Minister.

**The Hon. DUNCAN GAY:** Exactly, but it is most welcome. On the registration stickers, there are a small number of people who find it a frustration not knowing when their registration is due. The bulk of people do not have a problem. I know in my own instance when my registration is due I receive a new registration from RMS and if I do not register I receive a reminder—so that is two. Also, you get a letter for your green slip. So there are three contacts with every individual when that happens. I know if people are members of the NRMA they have a little reminder sticker that people can put on their windscreen.

**The Hon. PAUL GREEN:** I understand the system. Have you got stats of just how many people have been held accountable for not having an up-to-date rego and it is indicated that it is probably for that reason?

**Mr KANOFSKI:** The number of people fined for having an unregistered light vehicle has declined. In 2014 it was 63,241 and that is down to 43,860 in 2015. The other thing that has declined in the two years since this scheme has been introduced is the number of people being late with their registration. There is a streamlined process for pensioners: They do not need to go online, they do not need to go into the contact centre or into the registry office, but they clearly need to demonstrate that they have compulsory third party because that is a fundamental part of the system. But there is a streamlined process for pensioners and certainly the number of late payments and the number of unregistered vehicles have declined.

**The Hon. PAUL GREEN:** Do your statistics put the pensioners in a category?

**Mr KANOFSKI:** No.

**The Hon. PAUL GREEN:** If you could do that for next season, Minister, for the next year, I would be interested in the pensioners being pinned for that particular situation.

**The Hon. DUNCAN GAY:** We will come back, in the questions that we take on notice, to see if our technology allows us to do that. Having said yes we will do it, it will be subject to being able to do it.

**The Hon. PAUL GREEN:** Minister, do you know if motorcycle helmets are standardised yet to a safety standard? A couple of years ago they were not and you told me you would be working on it.

**The Hon. DUNCAN GAY:** We have done work on that which has also allowed some of the overseas helmets to come in and that was the problem.

**The Hon. PAUL GREEN:** That was what it was about because some of them were not approved.

**The Hon. DUNCAN GAY:** People could see these great helmets that they could buy online but could not buy them online and use them. We still prefer they buy Australian-made helmets.

**Mr CARLON:** Yes, we have changed the rules in New South Wales, enabling motorcyclists to purchase the United Nations Economic Commission for Europe [UNECE] standard helmets that are a worldwide standard. That has made those helmets available and we have also got rid of the barrier that the



Australian Competition and Consumer Commission [ACCC] had around the sale of those helmets within our jurisdiction. They are now available to motorcyclists.

**The Hon. DUNCAN GAY:** The great outcome—and we were able to do it with help from Senator Williams following your interaction with us—is that it is fixed for all jurisdictions in Australia. It is national, it is not just New South Wales. That initiative has gone Australia-wide.

**The Hon. PAUL GREEN:** In regards to hoon behaviour, can you enlighten us as to what the Government is doing in terms of addressing hoon behaviour? I am wondering if initiatives go as far as burnouts? Do such initiatives include surveillance like the Regional Illegal Dumping [RID] Squad does with illegal dumping?

**The Hon. DUNCAN GAY:** I will refer it to Mr Carlon in a moment but I also indicate that within our Maritime area—

**The Hon. PAUL GREEN:** I have a question on that. This is about burning up the roads, not the water.

**Mr CARLON:** We do have laws within New South Wales now around excessive speed.

**The Hon. PAUL GREEN:** I know there are laws; I am asking about initiatives to catch them.

**Mr CARLON:** Yes and police are very active in this space as well. There are a number of operations the police are conducting where there is known behaviour, in terms of the highway patrol but also local commands. There are joint operations which are conducted for noisy vehicles where there are joint operations with the Environmental Protection Authority as well.

**The Hon. PAUL GREEN:** That is metro. Do you have a few police in regional, rural and coastal communities? You do not have the police there run off their feet doing other more important jobs?

**Mr CARLON:** The highway patrol is regionalised, so there are regional operations which are happening in those regions as well around that sort of behaviour we are seeing.

**The Hon. DUNCAN GAY:** We fund a large amount of it.

**The Hon. PAUL GREEN:** You cannot have a police officer at every corner obviously but you can have a GoPro. I am wondering what you are doing in terms of some sort of remote control camera, like the RID Squad does.

**The Hon. DUNCAN GAY:** Certainly, in that Maritime area we are using—

**The Hon. PAUL GREEN:** I will come back to that. I will stick with freight next. In light of the fact that in New South Wales our freight network generates, apparently, nearly \$60 billion a year for our State's economy, will the Minister please outline the priorities for the \$2 billion investment for the regional road freight corridors and what is the order for prioritising these particular corridors across New South Wales?

**The Hon. DUNCAN GAY:** I will hand to Ms Gardiner-Barnes in a moment. The first thing we have done is to put Lieutenant General Ken Gillespie out to identify the main freight hubs, where we are going to put our intermodals, and the key, particularly in regional New South Wales, is to be able to identify that. Intermodals have become the new black. Everyone wants one and local government and communities see that the best way to keep their community is to have an intermodal. Given that we have scarce resources that we are using to help these areas, we need to make sure that we pick the best strategic ones. So we are waiting for his report and, linked to that, we are doing two things that are new initiatives. One program is Fixing Country Roads and the other is Fixing Country Rail.

Both of them have a high freight input into them, whether it is the first or last mile, and it is also dictated by getting outside funding put with ours—so local government, our money and some other body to be able to work with it. In fact, we have recently announced the first \$15 million of that Fixing Country Rail which, for the first time in a couple of decades, there is money going towards the reopening of a regional branch line. That is the branch line that goes from the Southern line into Young and it potentially allows the whole of that line going in as far as Cowra. They are great initiatives and upping the freight quotient into it. Anything that we have not answered on that, we are more than happy to come back.

**The Hon. PAUL GREEN:** Particularly in Cowra, I would be very interested in that.

**Mr REARDON:** The Minister has outlined Fixing Country Roads and Fixing Country Rail and the scale of those activities which are outlined in the State Infrastructure Strategy in 2014. We also have in the regional freight programs that you have referenced significant highway upgrades for the Newell, Great Western

and the Golden highways, just to name a few. A lot of those are on the public record, so we will be happy to furnish you with further if you need it.

**The Hon. DANIEL MOOKHEY:** I want to return to the issue of the design of the Gateway aspect of the WestConnex. Has the business case you have referred to there been referred to the WestConnex Interdepartmental Steering Committee?

**Mr REARDON:** The WestConnex Interdepartmental Steering Committee is chaired by my role as Secretary of Transport for NSW and involves representation from Roads and Maritime Services and a range of other agencies across government, including Planning, amongst others. We track basically each stage of WestConnex from a whole-of-government perspective. So certainly we discuss with the Sydney Gateway business cases, amongst many other activities on the entire scheme.

**The Hon. DANIEL MOOKHEY:** So it has been discussed?

**Mr REARDON:** Of course.

**The Hon. DANIEL MOOKHEY:** Has it been discussed by the Investment Assurance Committee, the whole-of-government assurance committee that is Infrastructure NSW [INSW] chaired and supported?

**Mr REARDON:** The WestConnex scheme, in its entirety, is one of many projects out of the transport cluster and indeed across government that Infrastructure NSW assures in its independent role of assurance and they certainly go through the Infrastructure Investment Assurance Committee.

**The Hon. DANIEL MOOKHEY:** Given that the Airport Gateway was one of, I believe, the top three reasons why Infrastructure NSW in its 2012 report argued for the WestConnex, can you explain why that aspect of the design has been relegated towards the end of the design process and not the start?

**Mr REARDON:** I am happy to make a couple of comments and then I will hand over to Mr Kanofski from a network perspective. Stages 1, 1A and 1B are well underway, being delivered by Sydney Motorway Corporation. Stage 2 is well underway, being delivered by Sydney Motorway Corporation. We are working through stage 3, the linkage between stages 1 and 2 and, within that context, Sydney Gateway as the link to the airport and the port. That is the sequence we are working through. I am happy to hand over to Ken Kanofski to talk about traffic arrangements as we develop each part of the network.

**The Hon. DANIEL MOOKHEY:** I did not actually ask about the traffic arrangements. I was asking why the design process—

**Mr REARDON:** It goes to the heart of the question you have asked.

**The Hon. DUNCAN GAY:** But also not forgetting that the Eastern Distributor and Foreshore Drive provide an uninterrupted connection to the port.

**Mr KANOFSKI:** The design process has not been relegated, the design process is underway, as part of the business case that we brought back to Government. So that process will meet the time frames that the Government has outlined for the delivery of the project.

**Mr REARDON:** In the sequence that is outlined.

**The Hon. DANIEL MOOKHEY:** The airport link was one of the main reasons cited for construction of the WestConnex. Do you think the fact that it has been delayed until after the M4 creates a public perception that one justification was used for another project.

**The Hon. DUNCAN GAY:** That is not correct.

**The Hon. DANIEL MOOKHEY:** In respect of the sale of the concession agreement for the widened M4, is that going to be facilitated through the Sydney Motorway Corporation?

**The Hon. DUNCAN GAY:** Could you repeat that?

**The Hon. DANIEL MOOKHEY:** In respect of the concession agreement that will be sold to the private sector for the widened section of the M4, is the Sydney Motorway Corporation going to be lead agency for that sale?

**Mr KANOFSKI:** When the Government chooses to sell down concessions there is a process, and Cabinet will obviously consider what is the appropriate mechanism for selling that concession.

**Mr REARDON:** Inclusive of which agencies are involved in that process.

**Mr KANOFSKI:** And that has not happened at this point.

**The Hon. DANIEL MOOKHEY:** When is the concession agreement going to be sold?

**Mr KANOFSKI:** It is a matter for the Government.

**The Hon. DANIEL MOOKHEY:** In respect of the funding model to support stage two, it does depend on the sale of the concession agreement, does it not?

**Mr REARDON:** I think the Government has made it clear how it will recycle for the WestConnex scheme and has put that on the public record. We made that clear in various instruments such as the business case.

**The Hon. DANIEL MOOKHEY:** Referring to that business case, is it the case that the timetable of the business case for sale of that concession is towards the end of 2017-2018? Has work commenced by the Sydney Motorway Corporation on the preparation of that concession agreement?

**Mr KANOFSKI:** Just so we understand how the concession agreements work—I think that is important—there is a concession agreement in place right now today.

**The Hon. DANIEL MOOKHEY:** Between the Sydney Motorway Corporation and subsidiary number one, WCX M4 Pty Ltd?

**The Hon. DUNCAN GAY:** Could you let him answer?

**The Hon. DANIEL MOOKHEY:** I know the answer; that is why I am trying to push you along.

**The Hon. DUNCAN GAY:** Then why ask the question?

**The Hon. DANIEL MOOKHEY:** I know that detail. I am asking the question: Has the Sydney Motorway Corporation commenced preparation for the sale of the concession agreement to the private sector?

**The Hon. DUNCAN GAY:** We will take that on notice. I refer you to my previous comments on the Sydney Motorway Corporation.

**The Hon. DANIEL MOOKHEY:** Has the Government reached any decision about what is going to be the sale method for that concession agreement?

**Mr KANOFSKI:** I answered that question before.

**The Hon. DANIEL MOOKHEY:** No, you did not.

**Mr REARDON:** Yes, we did.

**The Hon. DANIEL MOOKHEY:** I am asking the Minister.

**Mr KANOFSKI:** It has not been considered by government.

**The Hon. DANIEL MOOKHEY:** Did you say it has not been considered by government?

**Mr KANOFSKI:** I said before that when the Government chooses to do that it will consider what the process will be.

**The Hon. DANIEL MOOKHEY:** Will the Government be retaining financial advisors for the sale of that agreement?

**Mr REARDON:** You can refer to our previous answers in terms of processes for the sale. I can only support Mr Kanofski's previous comment.

**The Hon. DANIEL MOOKHEY:** Has a budget been set aside for the obtainment of advisory services for the sale of the concession agreement?

**The Hon. DUNCAN GAY:** I refer to our previous answers.

**The Hon. DANIEL MOOKHEY:** Does the concession agreement contain any guarantee around minimum patronage levels? Does the current concession agreement contain any guarantee around minimum patronage levels?

**Mr KANOFSKI:** The current concession agreement is required to be made publicly available through the Government Information (Public Access) [GIPA] Act process, with appropriate redactions of commercial in confidence.

**The Hon. DANIEL MOOKHEY:** Is that Government Information (Public Access) Act process through the Sydney Motorway Corporation?

**Mr KANOFSKI:** No. That is through Roads and Maritime. Roads and Maritime is the concession granter and when we enter into major contracts—and this is a major contract—we have a range of disclosure requirements and those disclosure requirements have been met in full.

**The Hon. DANIEL MOOKHEY:** Is the Sydney Motorway Corporation subject to the commercial framework administered by New South Wales Treasury?

**Mr REARDON:** Sydney Motorway Corporation is a corporations law company and you might want to refer that question to the Treasury.

**The Hon. DANIEL MOOKHEY:** In respect of a specific detail—I will ask it now because we are speaking of it now—in relation to the financial report that I mentioned earlier, page 27 if you have obtained a copy since, it lists key management personal compensation and says that post-employment benefits of \$63,000 of the provision have been put aside. What post-employment benefits have been put aside and who receives them in the Sydney Motorway Corporation?

**Mr REARDON:** I will need that clarified or repeated.

**The Hon. DUNCAN GAY:** I missed it as well.

**The Hon. DANIEL MOOKHEY:** The Sydney Motorway Corporation Pty Limited financial report 2014-15, signed by Mr Tony Shepherd on 25 September 2015, contains on page 27 a note that says, "key management personal compensation is as follows": short-term employee benefits \$1.4 million, post-employment benefits \$63,000. I am asking what precisely is the meaning of "post-employment benefits" and who receives it?

**Mr REARDON:** We made it clear on Sydney Motorway Corporation. We will take it on notice.

**The Hon. DANIEL MOOKHEY:** I will return to the costs of the proposed WestConnex. Minister, do you recall in 2011 issuing a press release in which you said that the cost of WestConnex was \$11.5 billion?

**The Hon. DUNCAN GAY:** If you have a copy of it I am sure it is accurate.

**The Hon. DANIEL MOOKHEY:** Thank you. Do you recall that 2014-15 budget papers had the out-turn construction cost of WestConnex at \$14.9 billion? Do you recall?

**The Hon. DUNCAN GAY:** Can you tell us what your question is?

**The Hon. DANIEL MOOKHEY:** That was my question. We will move on. Do you recall that in the 2015-16 budget the out-turn construction cost was listed as \$15.4 billion?

**The Hon. DUNCAN GAY:** If you are going through a series of different figures, that question was asked earlier by Dr Mehreen Faruqi.

**Mr REARDON:** We went to put the entire scope in its context, which is \$16.8 billion. We have made that clear previously.

**The Hon. DANIEL MOOKHEY:** Minister, do you recall guaranteeing this Committee last year that the cost would not rise above \$15.4 billion?

**The Hon. DUNCAN GAY:** I would have to see the question and answer to test whether you have got that statement right.

**The Hon. DANIEL MOOKHEY:** Would you like me to table the *Hansard* exert?

**The Hon. DUNCAN GAY:** That is fine.

**The Hon. DANIEL MOOKHEY:** In the current budget the estimated project cost is \$16.8 billion. Can you itemise the \$1.4 billion variance between the 2016-17 and the 2015-16 cost? What are the scope changes or adjustments that account for the \$1.4 billion variation in the past year?

**Mr REARDON:** You will recall that we talked about putting the business case out at this hearing last year and we have done exactly that. I refer you to the business case, including the copy you have in front of you.

**The Hon. DANIEL MOOKHEY:** I will. That is helpful. In respect of those scope changes, I believe there are three of them and they are listed with respect to St Peters was one of them, or something to do with that?

**Mr REARDON:** You have the document in front of you.

**The Hon. DANIEL MOOKHEY:** Were those variations considered by the WestConnex Interdepartmental Steering Committee?

**Mr REARDON:** The entire scheme and the context within which WestConnex fits absolutely are monitored by the WestConnex Interdepartmental Steering Committee. I make it clear, in terms of governance, Sydney Motorway Corporation are responsible for delivering on its contracts. Roads and Maritime Services is the concession provider, as Mr Ken Kanofski has made clear. The WestConnex Interdepartmental Steering Committee is to do exactly that: Keep it within context across government.

**The Hon. DANIEL MOOKHEY:** Does the \$1.4 billion variation in cost constitute a major variation outside the business case?

**Mr REARDON:** No, we made it clear and the final business case has been released and it has made the cost clear in scope at \$16.8 billion.

**The Hon. DANIEL MOOKHEY:** Is the updated strategic business case the final business case?

**Mr REARDON:** The business case we released late last year is what I am referring to.

**The Hon. DANIEL MOOKHEY:** Is that the final business case? There is no additional business case being contemplated with respect to WestConnex?

**Mr KANOFSKI:** In terms of the total scheme, no.

**Mr REARDON:** In terms of the total scheme, that is what we put out. Can I be clear, because we have referenced previously because you have asked questions on it, matters such as Sydney Gateway will go through more detailed development and we will bring those forward as part of the scheme within the envelope of that funding.

**The Hon. DANIEL MOOKHEY:** Minister, was the \$1.4 billion variation ever subject to a quarterly investor review undertaken by the investment assurance committee?

**Mr REARDON:** I have commented previously that the WestConnex scheme in its entirety, as with all other transport cluster major projects and all major projects across government, is subject to assurance reviews by Infrastructure NSW. Any further questions along that line are probably a matter for Infrastructure NSW to respond to.

**The Hon. DUNCAN GAY:** And the Cabinet infrastructure committee, and ultimately Cabinet and the Expenditure Review Committee [ERC].

**The Hon. DANIEL MOOKHEY:** Did any quarterly investor review ever contain a warning about any aspect of the WestConnex project?

**Mr REARDON:** I am happy to answer that. I am not quite sure of your terminology "quarterly investor review". I make it very clear that Infrastructure NSW will take the WestConnex stages and all other major transport projects across the cluster through an Infrastructure NSW gateway assurance process. I am not sure about the language you are using on quarterly reviews.

**The Hon. DANIEL MOOKHEY:** Is WestConnex currently subject to the investor assurance framework?

**Mr REARDON:** Yes.

**The Hon. DANIEL MOOKHEY:** I believe you sit on the committee, but does the investor assurance framework require quarterly investor reviews for all projects over \$10 million?

**Mr REARDON:** No. The infrastructure assurance framework requires a range of assurance, depending on the scale of the project. For those that are considered tier 1 projects there is a monthly update, which the Minister has referred to, that goes to the Cabinet infrastructure committee of Government.

**The Hon. DANIEL MOOKHEY:** Therefore, why was a \$1.4 billion variation in cost year to year not considered by the investor assurance committee?

**Mr REARDON:** I would not know when the investor assurance committee was established by Infrastructure NSW, but the scope of the entire scheme was settled when the business case that you have referred to several times was released. Since that point in time we have tracked and monitored to \$16.8 billion.

**The Hon. DANIEL MOOKHEY:** Minister, the WestConnex project was criticised by the Auditor-General for not being in compliance with the major projects assurance framework. The Auditor-General said:

It is surprising that the agencies concerned held the view that the Major Projects Assurance Framework would not apply to such a major project as WestConnex.

Given that you have had two years to implement the Auditor-General's recommendations, I return to my question: Why was a \$1.4 billion variation not brought before the investor assurance framework? There was already a criticism from the Auditor-General, who said that it should have been.

**The Hon. DUNCAN GAY:** I turn first to the Auditor-General's criticism. That was a criticism of a process that was not in place at the time. At that stage, what we had done—

**The Hon. DANIEL MOOKHEY:** You are aware that the investor assurance framework has been in existence since 2012?

**The Hon. DUNCAN GAY:** Do you want an answer?

**The Hon. DANIEL MOOKHEY:** I am just saying that as a matter of fact—

**The Hon. DUNCAN GAY:** Of course you do not want an answer, but I am happy to give you an answer.

**The Hon. DANIEL MOOKHEY:** As a matter of fact, the investor assurance framework existed in 2012.

**Mr REARDON:** That may well be the case. To clarify, for the record, the investor assurance committee that you refer to was put in place and chaired by Infrastructure NSW during 2015. In the environment in which Infrastructure NSW works, it has been empowered to independently assure all the major projects across the transport cluster, as I pointed out previously. It has been undertaking that role since last year. It will continue to undertake that role on all of our major projects.

**The Hon. PENNY SHARPE:** Minister, I return to the issue with the security guards. Were the security guards present when land acquisition notices were given to residents in Rozelle on 18 July?

**The Hon. DUNCAN GAY:** I am unaware.

**Mr KANOFSKI:** We will have to take that on notice.

**The Hon. DUNCAN GAY:** We are happy to take it on notice.

**The Hon. PENNY SHARPE:** You were very clear earlier that it occurred on one occasion. I am trying to find out the date.

**The Hon. DUNCAN GAY:** That was the one on Victoria Road.

**Mr CLICHE:** It may have been 18 July. It might have been the same announcement.

**The Hon. PENNY SHARPE:** Is it the case that you or one of your officers previously stated that there were no security guards present?

**Mr KANOFSKI:** As we outlined earlier, there were security guards present. Forgive me, I do not recall the exact date. There were security guards present on the date when officers commenced speaking to the residents of Rozelle who were affected by the Iron Cove link. We have already said that there were security guards present then.

**The Hon. PENNY SHARPE:** I am checking whether this is the first time that we have heard this. My understanding is that either the Minister or one of your officers previously stated that there were no security guards.

**The Hon. DUNCAN GAY:** That is a fair question. I am advised that security people were with our staff on the evening of 21 July. You are correct that we were asked that question at a press conference and one of our officers indicated that there were no security guards. We checked straight after the press conference and found out that in fact there were, so we corrected that.

**The Hon. PENNY SHARPE:** Is that now two occasions?

**The Hon. DUNCAN GAY:** No, it is just one.

**The Hon. PENNY SHARPE:** Thank you. Minister, I return to the impact of WestConnex on air pollution. I know that you have taken on notice to find out whether any advice was provided to Minister Speakman prior to the signing of the National Clean Air Agreement. Would you tell me whether it was Transport for NSW or Roads and Maritime Services [RMS] or the Sydney Motorway Corporation that made submissions in relation to the air standard PM10 and what has been adopted by New South Wales?

**The Hon. DUNCAN GAY:** I am assuming PM10 is particulate matter?

**The Hon. PENNY SHARPE:** That is correct.

**The Hon. DUNCAN GAY:** We indicated earlier that we will take that on notice.

**The Hon. PENNY SHARPE:** I am just making sure that I am getting agreement from everyone.

**The Hon. DUNCAN GAY:** There is agreement from everyone and we will take it on notice.

**The Hon. PENNY SHARPE:** Would you be able to provide the Committee with detail on any modelling that has been done on the impact of air pollution and in particular the location of the ventilation stacks for WestConnex as a result of this discussion?

**The Hon. DUNCAN GAY:** That is part of the environmental impact statement [EIS]. It is out there, loud and proud in the EIS.

**The Hon. PENNY SHARPE:** I am seeking the advice that was given as part of this Government signing up to the National Clean Air Agreement.

**Mr KANOFSKI:** All of the modelling for WestConnex was part of the EIS. The air quality modelling for WestConnex—

**The Hon. PENNY SHARPE:** I understand that. I am asking whether that was provided prior to signing up to the National Clean Air Agreement. I understand the EIS. I have seen the EIS.

**Mr REARDON:** We are happy to take that on notice.

**The Hon. PENNY SHARPE:** Minister, do you know why Victoria and the Australian Capital Territory agreed to sign up to more stringent air quality standards than New South Wales?

**The Hon. DUNCAN GAY:** I suspect it is well outside the scope of New South Wales budget estimates to ask questions on the thoughts of the Victorian and Australian Capital Territory governments.

**The Hon. PENNY SHARPE:** No, it is not.

**The Hon. Dr PETER PHELPS:** I can give you my views on the Australian Capital Territory Government, if you like.

**The Hon. PAUL GREEN:** Is there any update on what I call "SouthConnex"—the idea of connecting the south of Sydney with the central business district?

**Mr REARDON:** As with the Western Harbour Tunnel, similarly for the southern link of the WestConnex scheme, we are going through the appropriate feasibility and business case work at the moment. We will continue to proceed with that and bring it back to the Government in due course.

**Mr KANOFSKI:** I do not have anything to add to that. The Government gave us planning money to go away and investigate and to bring the findings to Government, which we will do.

**The Hon. DUNCAN GAY:** Stage 2 has a stub to allow for that. We will complete stage 2, the new M5, and there is a stub to allow connection if the Government decides to go ahead. I hope it does.

**The Hon. PAUL GREEN:** Thank you. Minister, can you give me an update on the Bridges for the Bush program, particularly in light of the increasing mass of freight transport and the duplication of bridges at Grafton and at Dubbo over the Macquarie River.

**The Hon. DUNCAN GAY:** I had a meeting only last week with the administrator and the general manager of the council in Dubbo, who congratulated RMS on the work it is doing with the community on the options for the duplication of the LH Ford Bridge. As I have said in Parliament and elsewhere, it is incredible that the former mayor of Dubbo, L. H. Ford, was a Chevrolet dealer who drove a Chevrolet at the time.

The Bridges for the Bush initiative aims to enhance freight productivity in country New South Wales and is an investment in critical infrastructure to remove a number of significant freight pinch points or bottlenecks on the State road network. It also aims to improve the safety and reliability of some old bridge structures. Along with the Federal Government we have committed \$210 million to support the Bridges for the Bush Program, including \$27.5 million Federal funds towards the Kapooka Bridge, which is now completed and open, and \$135 million of Restart NSW funds. The 2016-17 New South Wales budget included \$63.8 million of funding for Bridges for the Bush to continue.

Recent progress includes: construction of the \$12.2 million new Tulladunna Bridge and approaches, which started in November 2014 and was opened to traffic on 23 May 2016 with the old bridge to be removed eventually. The timber truss bridge has been replaced at Crookwell, which is a good outcome for the people on

Main Road 254. Under forensic questioning by the former shadow Minister I was able to indicate that I do not live on Main Road 254 nor do I move stock along that road. It is working across the State. Recently agreement has been made on the bridge on the Victorian border with the Federal and Victorian governments.

**The Hon. PAUL GREEN:** Do you have an update on Grafton?

**The Hon. DUNCAN GAY:** Yes, a contract has been let, as I understand it. The Government is committed to delivering an additional bridge over the Clarence River at Grafton. We are also doing one on the Pacific Highway, so this is separate. There are two major bridges happening in that area.

**The Hon. PAUL GREEN:** The one with the ninety degree turn.

**The Hon. DUNCAN GAY:** That is the one in Grafton.

**The Hon. PAUL GREEN:** That is the one I am talking about.

**The Hon. DUNCAN GAY:** In fact, to be sensible we put out the tender for both bridges together, to see if we could get some economies of scale and someone to bid for both of them. It did not turn out that way. Fulton Hogan Construction has been selected as the preferred tenderer to design and build the one near the L-crossing. Roads and Maritime Services have entered into an early works agreement with Fulton Hogan to prepare the construction and environmental management plans, and the design of the new bridge. It is expected that major work will start before the end of this year and the bridge will be opened to traffic in 2019. The community has been looking for an additional crossing there for 30 or more years. That dog-leg bridge carries, on average, 27,500 vehicles on weekdays, with long traffic queues and delays often experienced by road users during morning and afternoon peaks.

**The Hon. PAUL GREEN:** What about the Dubbo duplication?

**The Hon. DUNCAN GAY:** The Dubbo duplication, as I mentioned earlier, is the LH Ford Bridge. We put out to the community a number of options, including either south or north of the existing bridge and maybe even moving to a different site. All the various routes, and there are several of them, are currently out for discussion in the community. As I said earlier, the general manager told me he is really happy with the interaction between our Roads and Maritime Services guys. We have a new office in Dubbo and a major office at Parkes. Do you want adding anything?

**Mr McCARTHY:** The new office in Dubbo is established. It is now up to speed and providing some good jobs for the Dubbo market and for the Parkes market.

**The Hon. DUNCAN GAY:** The bridge will go out for community consultation and then we will come back and go with a preferred option.

**The Hon. PAUL GREEN:** What about the Oallen Ford Bridge on which you did a great job on the Nerriga Road. Have you had any further proposals to upgrade that road given its importance to freight, tourism and defence?

**The Hon. DUNCAN GAY:** The Oallen Ford Bridge was one that was advocated by a lot of local people, including notably yourself. We were both at the opening, together with Pru Goward. I remember on the day that before we opened the bridge there was appropriately a minute's silence for a young motor cyclist who had been killed on that bridge before the opening. We continue to look at ways. The biggest problem is that Palerang shire, which was formerly Braidwood shire, has an idea on where the route should go once it hits the top, as does Queanbeyan, Goulburn and others, and they are all different. A couple of years ago we put a sum of money aside to devise a single route that everyone agrees with in that area and that is certainly my hope going forward. It could be the one that goes in through Currawang, I think it is past the Goulburn Airport in Goulburn, or it could be the one that goes through Tarago—for those of you who drive that Toyota vehicle, it is not a Tarago—or it could go through Nerriga to Braidwood. They are the three different ways that it could go.

**The Hon. PAUL GREEN:** Some time ago you talked about the Maritime Legislation Amendment Bill in relation to a camera detection scheme that would be rolled out in time for the 2016-17 boating system in the Georges River, Port Hacking River and Botany Bay. Will you indicate how the roll-out of cameras is going and is there signage throughout those areas? What additional measures will you take to put the cameras in place for this year's boating season? What support are you getting from the community to reduce hoon behaviour?

**The Hon. DUNCAN GAY:** Taking the last first, there is large community support. Families are quite distressed when they are on the beaches with their children, or young or elderly people in tinnies trying to fish, by particularly obnoxious behaviour from a small group of people who are using what we call PWCs or most people identify as jet skis. One of the things you asked in your earlier question on hoons is whether we are looking at cameras. In this particular area we are looking at cameras because we cannot always get our Maritime



boating officers or the water police into the area at the right time. We find when they are there the behaviour improves, but there is a series of what used to be called cockatoos, people watching along the river and reporting in when Maritime or police leave so they can then go and play. The placement of cameras will allow us not only to be able to get them during the day but also at night. The hoon legislation, as we call it, includes similar situations to the vehicle one where they will lose use of their prize toys for abhorrent behaviour.

**Dr MEHREEN FARUQI:** Recently Roads and Maritime Services granted Leichhardt Municipal Council, which is now part of the Inner West Council \$500,000 to do a study on the Lilyfield Road separated cycleway. Could I ask what this money is being used for? It seems a lot of money for just a design or study into a cycleway rather than the construction of the cycleway

**Mr KANOFSKI:** I am happy to take the detail on notice, but clearly the council needs to do detailed investigations. That is a pretty complex area there.

**Dr MEHREEN FARUQI:** Do you know how long the cycleway is?

**Mr KANOFSKI:** I do not know exactly, no. The council has been given a grant to do the investigation.

**Dr MEHREEN FARUQI:** I understand the cost of the cycleway, which is also being funded by Roads and Maritime Services [RMS], will be about \$1.1 million. Do you think it is justified that 30 per cent of the construction cost is design cost? It is massively larger than design costs usually are for projects.

**Mr KANOFSKI:** We will take on notice the detail of the \$500,000. It may have been that it included early works. It may have included other things. I will take on notice the detail of the \$500,000. I do not have a detailed cost break up of the \$500,000.

**Dr MEHREEN FARUQI:** It would be great if you could take that on notice. Does this cycleway have anything to do with the construction of WestConnex? Do you know if there is any connection between the cycleway and WestConnex?

**The Hon. DUNCAN GAY:** I am unaware. The only thing I can co-relate with the \$500,000 and WestConnex is that it is about the same amount of ratepayers' money from City of Sydney council that Clover Moore is using to fight the WestConnex project.

**Dr MEHREEN FARUQI:** Thanks for that extra bit of information, Minister.

**The Hon. DUNCAN GAY:** It is my great pleasure.

**Mr KANOFSKI:** There is a strategic cycleways network plan that is a matter of public record. Clearly between ourselves, Transport for NSW and local councils we are endeavouring to have a connected cycleway network.

**Dr MEHREEN FARUQI:** I am not questioning that. I am just questioning the massive amount of money for design compared with construction.

**Mr KANOFSKI:** As I said, I will take that on notice.

**Dr MEHREEN FARUQI:** Do you know if this was a priority for council?

**The Hon. DUNCAN GAY:** It is a fair question. Can I also add that we are delivering \$80 million over the next four years into cycling infrastructure and we committed \$39 million in the 2016-17 year for walking and cycling.

**Dr MEHREEN FARUQI:** I did not ask for those figures, but thank you anyway.

**The Hon. DUNCAN GAY:** I know you would like to congratulate us.

**Dr MEHREEN FARUQI:** It is peanuts compared with all the other road projects that you do.

**The CHAIR:** Order! Please proceed.

**Dr MEHREEN FARUQI:** Moving on to another project, and putting aside the issue of the koala colony that will be destroyed by the Pacific Highway Woolgoolga to Ballina upgrade—

**The Hon. DUNCAN GAY:** That is not true. I cannot let that statement stand. The examination by the State Government and the Federal Government as part of the environmental impact statement [EIS] indicates that the koala colony will not be destroyed by the Pacific Highway. Quite the contrary.

**Dr MEHREEN FARUQI:** We have seen flawed EIS reports before. My question is a bit different.

**The Hon. DUNCAN GAY:** It would want to be different to your preamble that was just wrong.

**Dr MEHREEN FARUQI:** My question is about the budget of the project. How much is the project costed at?

**Mr REARDON:** Could you clarify?

**Dr MEHREEN FARUQI:** How much is the Woolgoolga to Ballina upgrade of the Pacific Highway costed at?

**Mr KANOFSKI:** It is \$4.356 billion.

**Dr MEHREEN FARUQI:** Have there been any overruns recently or is this the total cost of the project?

**Mr KANOFSKI:** That is the total cost of the project.

**Dr MEHREEN FARUQI:** How many bridges does this section of the Pacific Highway have?

**Mr KANOFSKI:** Bearing in mind we are talking about a 155-kilometre stretch of highway in northern New South Wales, which obviously has many rivers and streams—

**Dr MEHREEN FARUQI:** I am just asking how many bridges that you know of.

**Mr KANOFSKI:** I think it is safe to say there would be a fair few.

**Dr MEHREEN FARUQI:** You do not know the exact number?

**Mr REARDON:** There would be a fair few.

**The CHAIR:** Would you like to take that on notice?

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

**Dr MEHREEN FARUQI:** Could the Minister confirm that the bridges on this project are being designed to a truckload that does not exist anywhere in the world and is almost four times the load used in the rest of the world?

**The Hon. DUNCAN GAY:** Sorry?

**Dr MEHREEN FARUQI:** Could you confirm that the bridges in this project are being designed to a truckload that does not exist anywhere in the world?

**The Hon. DUNCAN GAY:** What do you mean by a truckload? Is that a weight capacity?

**Dr MEHREEN FARUQI:** It is. Usually bridges are designed at 44-tonne truckload capacity. Could you confirm that these bridges are being designed at that capacity or a much higher capacity?

**The Hon. DUNCAN GAY:** We are happy to take that on notice. Do you want to say something, Mr McCarthy?

**Mr MCCARTHY:** No, I would rather take that on notice.

**The Hon. DUNCAN GAY:** You mentioned the koalas. The koala plan is the most extensive study ever carried out by Roads and Maritime Services on koala populations along the highway.

**Dr MEHREEN FARUQI:** I did not ask about the plan, Minister. I mentioned it.

**The Hon. DUNCAN GAY:** You brought it up.

**Dr MEHREEN FARUQI:** I did bring it up, but that was not my question.

**The Hon. DUNCAN GAY:** You distorted it and you have not let me go back and answer it.

**The CHAIR:** That was dealt with a moment ago. We have moved on and the member has the call.

**Dr MEHREEN FARUQI:** Thank you, Mr Chair. Through the Minister, the next couple of questions are to Mr Kanofski. Minister, if you want to comment please feel free.

**The Hon. DUNCAN GAY:** Thank you.

**Dr MEHREEN FARUQI:** In the RMS annual report of 2014-15 it was shown that workplace diversity continues to slip backwards in RMS. For instance, the representation of women in RMS has slipped over the past two years and is now down to about 33.3 per cent. The representation of people whose first

language is not English has also slipped down to 8.4 per cent over the same period. I would like to find out what accounts for the backwards movement and what is RMS doing to improve gender and cultural diversity?

**Mr REARDON:** I would like to communicate our response from a transport cluster wide perspective. Across the cluster, like other parts of government, we have a target to have senior executive women at 50-per-cent over the medium term. That is what we are aiming for. We know we have a long way to go within the transport cluster, but we are putting specific and targeted action in place. In our performance agreements and in our business plans across not just RMS but also Transport for NSW every division and every division deputy secretary has targets in place to be achieved over the next few years. Sydney Trains, NSW Trains and State Transit are all the same; they all have targets in place.

**Dr MEHREEN FARUQI:** When is the 50 per cent to be achieved by? Do you have timelines with targets?

**Mr REARDON:** Yes, we do indeed. Just to go down to the next level of detail, we have given ourselves interim targets that we want to achieve. If you consider at the moment across the transport cluster in the senior executive about one in four of our senior executives are female. We need to take that to one in two, as I have pointed out. We have given ourselves specific targets that we want to achieve by the end of 2017 to move towards that. We have given ourselves realistic and quite pragmatic approaches to do that. No senior executive across the cluster, female or male, is under any doubt about our commitment to achieve that. I am happy to report back in our annual reports for both Transport for NSW and across the cluster—for RMS, State Transit, Sydney Trains and NSW Trains—what our efforts are for diversity and inclusion and how importantly we take those targets and drive that within and across the cluster.

**Dr MEHREEN FARUQI:** I am interested in some of those approaches, if you could name a few. How are you going to do that? Is it affirmative action?

**Mr REARDON:** I could probably stay here all afternoon reporting on this.

**Dr MEHREEN FARUQI:** Could you outline just a couple of them?

**Mr REARDON:** In terms of the setting of targets and being clear on those, we have brought a whole range of people into our cluster to give us the environment and the right tools and techniques to seek to achieve those. First and foremost it is to make people accountable, it is to have the conversation at the most senior level that it is important and it is certainly my personal intent that they will be achieved. We put them into every business plan, as I indicated, across the cluster and people are held to account. Within our recruitment activities—and we are in a recruitment phase in certain areas right now—we have changed heavily how we go about our recruitment activity. We make it very loud and clear that we have a flexibility program in place. It is called Flexibility Works. You can find it on our website. We have a further program called Staying Connected. Whether a male or a female is away from our workplace on maternity leave, looking after a child or returning to work we make it very clear that people have to have a Staying Connected program in place so we are aware of what they are doing while they are away, which is one of those critical times when we actually have staff turnover. I am out of time, but I could outline many other projects that we have in place across the cluster.

**Dr MEHREEN FARUQI:** I just asked for a couple, so thank you. You will be reporting on these, I presume?

**Mr REARDON:** Every year in the annual report and probably more frequently.

**The Hon. DANIEL MOOKHEY:** My question is directed to either the Minister or to the Chief Executive Officer of the Sydney Motorway Corporation. How many meetings of the directors of the Sydney Motorway Corporation took place in the 2015-16 financial year?

**The Hon. DUNCAN GAY:** It is the same answer to the earlier ones: We will take the question on notice.

**The Hon. DANIEL MOOKHEY:** Are the directors of the board paid any sitting fees?

**The Hon. DUNCAN GAY:** We will take that on notice.

**The Hon. PENNY SHARPE:** Mr Cliche is here. You could probably ask him.

**The Hon. DANIEL MOOKHEY:** Can we ask the Chief Executive Officer of the Sydney Motorway Corporation whether he is capable of answering these questions?

**The Hon. DUNCAN GAY:** No, I have answered it.

**The Hon. DANIEL MOOKHEY:** Are you deliberating not referring to him?

**The Hon. DUNCAN GAY:** No.

**The Hon. DANIEL MOOKHEY:** Exactly what sitting fees are payable to directors of the Sydney Motorway Corporation?

**The Hon. DUNCAN GAY:** Mr Chair, I ask your indulgence. We have indicated that the SMC is in a different situation. We are politely taking these questions on notice to answer, if appropriate, because it is outside the government sector. We are really getting to the situation where some of these questions should be ruled out of order.

**The CHAIR:** I will not rule them out yet.

**The Hon. PENNY SHARPE:** That is not a point of order.

**The Hon. DUNCAN GAY:** I am just trying to help you so you can move on to questions that we can answer.

**The Hon. PENNY SHARPE:** Either you have the Sydney Motorway Corporation here to answer questions or you do not, or you say that you are going to allow them to answer questions or you do not.

**The Hon. DUNCAN GAY:** They have answered questions.

**The Hon. DANIEL MOOKHEY:** How many people are employed at the Sydney Motorway Corporation?

**The Hon. DUNCAN GAY:** It is in the annual report.

**The Hon. DANIEL MOOKHEY:** Actually, it is not.

**The Hon. DUNCAN GAY:** We will take the question on notice.

**The Hon. DANIEL MOOKHEY:** What is the current contracting budget for the—

**The CHAIR:** Just to be clear, is there a witness present who can answer that question or are you just going to take it on notice?

**The Hon. DUNCAN GAY:** We indicated earlier the situation with Sydney Motorway Corporation, that it is not part of the budget estimates. We indicated that we would take questions on notice and that where it was appropriate within the guidelines if we could give an answer we would. That is what we are doing, and I am nicely and politely taking them on notice.

**The Hon. DANIEL MOOKHEY:** Thank you. I will continue to ask them so that you can either answer them directly, refer to a witness or nicely and politely take them on notice. What was the \$228,000 in consulting fees for the Sydney Motorway Corporation, reported in the financial report that I referred to earlier, spent on?

**Mr REARDON:** The Sydney Motorway Corporation as a corps law organisation will report in its annual report what it is obliged to do. If you are asking any more detail they will either take it on notice, if it is commercial in confidence it will be commercial in confidence.

**The Hon. DANIEL MOOKHEY:** What was the \$219,000 in legal fees spent on?

**Mr REARDON:** I refer to my previous answer.

**The Hon. DANIEL MOOKHEY:** What was the \$34,000 in contractor fees spent on?

**Mr REARDON:** I refer to my previous answer.

**The Hon. BRONNIE TAYLOR:** Point of order: These questions have been answered. It does not matter which way they are asked, it is still going to be the same response.

**The Hon. DANIEL MOOKHEY:** I am asking about three categories.

**The CHAIR:** There is no point of order. The member has the call.

**The Hon. DUNCAN GAY:** We are happy to take the question on notice.

**The Hon. DANIEL MOOKHEY:** Minister, is an announcement imminent about the northern beaches tunnel?

**The Hon. DUNCAN GAY:** Not that I am aware of.

**The Hon. DANIEL MOOKHEY:** Not that you are aware of?

**The Hon. DUNCAN GAY:** No.

**The Hon. DANIEL MOOKHEY:** Are you able to explain why the Federal member for Warringah, Mr Tony Abbott, is saying that he is expecting an announcement on the long-awaited northern beaches tunnel this year?

**The Hon. DUNCAN GAY:** You would have to ask Mr Abbott that question.

**The Hon. DANIEL MOOKHEY:** It is the case then that no such project is—

**The Hon. DUNCAN GAY:** No, that is not correct. You asked was an announcement imminent and my answer was, "Not that I am aware of."

**The Hon. DANIEL MOOKHEY:** Is an announcement planned for this year?

**The Hon. DUNCAN GAY:** Not that I am aware of.

**The Hon. DANIEL MOOKHEY:** I return now to an earlier answer advanced by Mr Reardon about the \$16.8 billion. You said that was covering stage 1A, 1B and stage two, is that correct?

**Mr REARDON:** Plus more—plus stage three, which is a connection from the M4 to the M5 plus the Sydney gateway.

**The Hon. DANIEL MOOKHEY:** Does that \$16.8 billion include the \$140 million that has been spent on the M4 Hill Road upgrade?

**Mr REARDON:** We have answered that previously.

**The Hon. DANIEL MOOKHEY:** So it does not?

**The Hon. DUNCAN GAY:** We answered that earlier when you asked about it.

**The Hon. DANIEL MOOKHEY:** If that were to be added that cost would be north of \$17 billion?

**Mr KANOFSKI:** It is not appropriate for it to be added because it is not part of the project.

**The Hon. DANIEL MOOKHEY:** I am sorry, your hand was in the way.

**Mr KANOFSKI:** It is not part of the project and we have made that very clear.

**The Hon. DANIEL MOOKHEY:** I want to ask specifically about a different project. Minister, what funding has been allocated to planning for the Masters and Springhill roads interchange?

**The Hon. DUNCAN GAY:** We will take that on notice.

**The Hon. DANIEL MOOKHEY:** Are you able to tell us how many flashing lights are located at each primary and secondary school across the Wollongong electorate?

**The Hon. DUNCAN GAY:** We will probably have to take that detail on notice. I can indicate that we are excited that we have put flashing lights at every school in the State. I remember in previous budget estimates the former shadow Minister indicated that we could not and would not be able to do it. We have, and we are pretty damn glad about the fact that we are helping to protect young people. Earlier last week we were out at a Sydney school indicating—some schools are on two major roads—that they would be getting flashing lights on their second major road. The Illawarra is no different to anywhere else across the State. Every school in the Illawarra would have been done the same as every school across the State.

**Mr REARDON:** When the Minister announced that, he set RMS quite a specific and tight time frame to deliver it by December 2015. They worked really hard to achieve that; it is quite a commendable outcome for the scale of activity that was undertaken across New South Wales—more than 3,000 schools.

**The Hon. DUNCAN GAY:** I am still waiting for an apology from the Hon. Walt Secord for saying that we could not and would not do it.

**The Hon. PENNY SHARPE:** You can take that up with the Hon. Walt Secord. Minister, given the interesting way in which you have taken questions in relation to the Sydney Motorway Corporation today, what is the Government's policy on providing information from the Sydney Motorway Corporation?

**The Hon. DUNCAN GAY:** I am sorry, I missed that.

**The Hon. PENNY SHARPE:** What is your policy when it comes to providing public information to the Parliament and others in relation to the Sydney Motorway Corporation, given your novel approach today?

**The Hon. DUNCAN GAY:** It has been well documented for sometime now that the Sydney Motorway Corporation is a proprietary limited company defined under the Corporations Act 2001, and as such it is not a State owned corporation. It does, however, answer to its shareholders, the New South Wales Treasurer and the New South Wales Minister for Roads. There is a good reason why SMC was created under the Corporations Act—namely, it enables the corporation to borrow from the private sector, mainly from banking syndicates, without taxpayers—

**The Hon. PENNY SHARPE:** I understand that, but my question is very specific. My question is about providing public information to both the Parliament and the people of New South Wales in relation to a very large infrastructure program that you have. I understand the structure of the corporation. I am asking what your policy as Minister is in relation to providing information to the public?

**The Hon. DUNCAN GAY:** The structure of SMC was not designed to hide anything.

**The Hon. PENNY SHARPE:** But you can confirm that it is exempt from GIPA laws?

**The Hon. DUNCAN GAY:** It is designed to reduce the risk to taxpayers during the delivery of WestConnex. In terms of SMC disclosing information, again this is governed by the Corporations Act not—

**The Hon. PENNY SHARPE:** I understand that, Minister. My question to you is very specific. My question is: What is your policy as Minister? You have hinted and threatened the Committee today with this idea that they are here but they do not have to answer anything. You have then taken a novel approach—

**The Hon. Dr PETER PHELPS:** Point of order: The Minister has not threatened anyone or anything. He has indicated that he will take questions on notice to see whether they are able to be answered. That is a big difference from threatening.

**The Hon. DUNCAN GAY:** I did not think any of my statements were at all threatening. I did not see anyone threatened by me.

**The CHAIR:** Perhaps if the question is restated clearly then you will be provided with an opportunity to answer it.

**The Hon. PENNY SHARPE:** The question I have been attempting to ask, and not hearing the answer that I am seeking, is: What is the policy of you as the shareholder Minister for the Sydney Motorway Corporation in relation to providing information both to this Committee, the Parliament and the public of New South Wales?

**The Hon. DUNCAN GAY:** In terms of SMC disclosing information, again, this is governed by the Corporations Act, not by the New South Wales Government and every year SMC files its accounts with the Australian Securities and Investments Commission [ASIC], including details surrounding the costs associated with senior management. As with any company, the public can source the information filed with ASIC.

**Mr REARDON:** Then for Roads and Maritime Services, as the entity providing those concessions to SMC, it has reporting accountability, as I have outlined previously. It reports once per month on the WestConnex scheme in its entirety—like we do for any other major transport project.

**The Hon. DANIEL MOOKHEY:** Through who?

**Mr REARDON:** Through Infrastructure NSW and through the Cabinet infrastructure committee of government.

**The Hon. PENNY SHARPE:** So none of those are available to the public or this Committee because of Cabinet in confidence?

**Mr KANOFSKI:** Roads and Maritime though, as the entity commissioning the WestConnex project, is subject to all the normal checks and balances of government, so within the bounds of GIPA, within the bounds of all of those parliamentary inquiries and all of the publicly available mechanisms. Then Roads and Maritime, as a State entity, is subject to all of those. So information can and has been and will be made available through those normal processes.

**The Hon. DANIEL MOOKHEY:** Is the Sydney Motorway Corporation subject to the Public Finance and Audit Act?

**The Hon. DUNCAN GAY:** We do not think it is, but we will take it on notice.

**The Hon. DANIEL MOOKHEY:** So your instinct, although you do reserve the right to correct, is that it is not subject to the Public Finance and Audit Act?

**The Hon. DUNCAN GAY:** We will take it on notice.

**The Hon. DANIEL MOOKHEY:** Is not the consequence of it not being covered by the Public Finance and Audit Act that the Audit Office and the Auditor-General cannot apply any of their powers in respect to those Acts to that organisation?

**Mr KANOFSKI:** That is correct.

**The Hon. DANIEL MOOKHEY:** So the Auditor-General and the Audit Office cannot utilise their powers in respect of the Sydney Motorway Corporation?

**The Hon. DUNCAN GAY:** If the answer to the first one is yes, but it is answerable through ASIC.

**The Hon. DANIEL MOOKHEY:** Is the Sydney Motorway Corporation and are Sydney Motorway Corporation staff subject to the Independent Commission Against Corruption Act?

**Mr KANOFSKI:** Those staff members are not public officials as defined by the Act, but all citizens of New South Wales are subject to the ICAC Act.

**The Hon. DANIEL MOOKHEY:** So as a consequence of them not being classified as public officials under the Independent Commission Against Corruption Act, it is the case therefore that the obligations placed on public officials under that Act do not apply to those staff?

**The Hon. DUNCAN GAY:** I do not believe that is correct. We will take it on notice.

**The Hon. DANIEL MOOKHEY:** What anti-corruption training has been given to Sydney Motorway Corporation staff?

**Mr CLICHE:** We have had full training sessions on ICAC; we have full probity training for all of our staff on a regular basis.

**Mr REARDON:** Which we do for all the major projects across the cluster.

**The Hon. DANIEL MOOKHEY:** The financial audit that was reported to ASIC that I have been referring to throughout this estimates, in which the Auditor-General has commissioned that audit and undertaken that audit, the Auditor-General simply did what any auditor would do under the Corporations Act. That is correct, is it not?

**Mr REARDON:** You will have to clarify the question.

**The Hon. DANIEL MOOKHEY:** Are you aware that the Auditor-General prepared the financial statements that were filed to ASIC last year for the Sydney Motorway Corporation?

**Mr CLICHE:** We use the Audit Office as our auditor. That is different.

**The Hon. DANIEL MOOKHEY:** I will accept that. Is it the Audit Office?

**Mr CLICHE:** Yes, we use the State Audit Office for all of our audited accounts.

**The Hon. DANIEL MOOKHEY:** And those audited accounts are prepared in accordance with the requirements of the Corporations Act?

**Mr CLICHE:** Yes, they were.

**The Hon. DANIEL MOOKHEY:** And not in accordance with the requirements of the Public Finance and Audit Act?

**The Hon. DUNCAN GAY:** We have already taken that on notice.

**The Hon. DANIEL MOOKHEY:** Is it correct for this Committee to conclude that the special requirements that are required under the Public Finance and Audit Act for public agencies the Audit Office in undertaking their audit last year did not check at all any aspect of those laws or compliance with?

**The Hon. DUNCAN GAY:** I do not think it is accurate to conclude that because we have already taken the premise of the question on notice.

**The Hon. PENNY SHARPE:** Something completely different, Minister. There has been a lot of discussion about preserving land around Bexley North as part of Wolli Creek and the implementation of WestConnex and there have been various answers backwards and forwards in relation to this matter. Given that the EIS for WestConnex, as I understand it, does not mention the need for the lands at lots 10, 13, 14 and 16 and part lots of 10, 11 and 12, will you now consider making those parts of the land part of the park?

**The Hon. DUNCAN GAY:** I am sure you acknowledge that to be able to go into that detail we would need to take it on notice—when you get down to particular lots—and I am happy to do that.

**Dr MEHREEN FARUQI:** Minister, as more and more roads are re-tolled and more and more people are forced onto these roads and Transurban takes control more and more of our road network, are you concerned that the profit margins of a private company are driving road planning in New South Wales?

**The Hon. DUNCAN GAY:** Where do I start in correcting the misinformation in the preface of the question? All the information that you led into this question was wrong.

**Dr MEHREEN FARUQI:** The M4 will not have a toll? NorthConnex will not have a toll?

**The Hon. DUNCAN GAY:** We indicated that they would, but I have not seen where the M4, the new M5 or stage three is part of the Transurban empire. Let us stop the rhetoric and be sensible about it. The only one there was the unsolicited bid for NorthConnex. You indicated that people would be forced from roads into paying the tolls. No-one is forcing anyone to pay the tolls; people will make their own decisions, because part of what we do in each of those situations is to provide a free alternative.

**Mr REARDON:** Could I just correct one comment you have made there about the guidance of planning for roads? We are guided by the transport links that we have got in the NSW Long Term Transport Master Plan. That has guided us since 2012 and it will continue to guide us on transport need.

**Dr MEHREEN FARUQI:** Sure, and you keep drawing lines on a map.

**The Hon. DUNCAN GAY:** Those lines on a map are integrated transport solutions. We are actually building things rather than putting out glossy brochures and coming up with thought bubbles like yours that the solution, instead of building WestConnex—

**The Hon. Dr PETER PHELPS:** Is trams down Parramatta Road, in the busiest section of it.

**Dr MEHREEN FARUQI:** And that would be a good thing. Minister, if there is a consistent distance pricing scheme for Sydney toll roads do you think the scheme will be run by Transurban?

**The Hon. DUNCAN GAY:** It is certainly our aim to have a consistent distance-based toll across our toll roads. Who it is run by is something for the future. At the moment it is not in our plans for it to be run by Transurban at all.

**Mr KANOFSKI:** Just to clarify: All toll roads happen under a toll road concession between Roads and Maritime, representing the Government, and the private entity – or Sydney Motorway Corporation. All of those concessions contain a maximum toll that is chargeable. So the toll road concession, whether it is Transurban or anybody else, is only entitled by law to charge the maximum toll available under the concession. Of course, they can charge less than that if they choose.

**Dr MEHREEN FARUQI:** Has that ever happened?

**The Hon. DUNCAN GAY:** Yes, it has happened. In fact, Transurban at my request—I actually went to the board on the M2 when they were entitled under the deed that was signed by the previous Labor Government to lift their tolls during the construction of the M2. I went and spoke to the board of Transurban and asked them to delay implementing that and they did. Nowhere else in the world has that ever happened. So we have no intention of putting all the roads into one entity, but one of the entities that is operating in the State and other States, Transurban, on this occasion, and I am sure on many other occasions, performed their civic duty pretty admirably.

**Dr MEHREEN FARUQI:** I am sure they do. The last couple of questions from me: I have been contacted by many, many people who are quite angry and frustrated at the almost \$40 million of public money that was spent on the Tibby Cotter bridge, as they see hardly anyone ever crossing that bridge. Do you still think that this is a cost-effective project that provides value for money?

**The Hon. Dr PETER PHELPS:** Let us apply that to bike lanes if you are going to talk about effective use of money.

**The CHAIR:** Order!

**Dr MEHREEN FARUQI:** The question was not directed to the Hon. Dr Peter Phelps, it was to the Minister.

**The Hon. DUNCAN GAY:** I do not know how many times I have answered that question in the House and elsewhere. Tibby Cotter cost a certain amount of money. It was not \$40 million; it was \$38 million. A large amount of that cost was because of the extra asks that were put on it by various groups.



**Dr MEHREEN FARUQI:** They say that that was not the case. Do you think it provides value for money, Minister?

**The Hon. DUNCAN GAY:** I believe it is a good outcome that helps the city. It is a great piece of architecture and it is designed to—

**Dr MEHREEN FARUQI:** That is a matter of opinion.

**The Hon. DUNCAN GAY:** We have numbers on the pedestrians that are using it.

**Mr KANOFSKI:** Between October 2015 and May 2016 we did surveys: between 5.00 a.m. and 11.00 p.m. 248,000 people crossed the bridge during that time, which is an average of about 980 people per day.

**Dr MEHREEN FARUQI:** How are those averages calculated?

**Mr KANOFSKI:** By dividing the total—

**Dr MEHREEN FARUQI:** How many days do you actually measure the people going across the bridge and then average it out? Do you measure it every day or just during sporting events?

**Mr KANOFSKI:** That is the average across all days. I have some information on sporting events. On 20 February 2016 more than 6,400 people used the bridge on a day when 40,000 people attended the A-League Sydney football. On 27 May 2016 more than 8,100 people crossed the bridge to attend the double-header between the NSW Waratahs and the Chiefs and the Sydney Swans and the Kangaroos. I think the important thing about the bridge is it provides a service to pedestrians and cyclists generally.

**The Hon. DUNCAN GAY:** For their safety.

**Mr KANOFSKI:** And it is part of the network. But one of its important features is that it is designed, particularly once light rail is completed, to be on the shortest and safest route between Central Station and the stadium. When the light rail is complete, that will be the preferred walking option for people and that bridge is designed specifically to—

**Dr MEHREEN FARUQI:** Is there a light rail stop around the bridge?

**Mr KANOFSKI:** The bridge is designed specifically—there is a light rail a bit further up.

**Dr MEHREEN FARUQI:** That is where the crossing should have been really.

**The Hon. DUNCAN GAY:** Could I ask Mr Reardon to answer one of the allegations in the preface?

**Mr REARDON:** The comment made around the long-term Transport Master Plan and lines on maps needs a response simply for the fact that across the transport cluster at this point in time—

**Dr MEHREEN FARUQI:** It is not a Tibby Cotter bridge response.

**Mr REARDON:** But the previous question was what projects we have underway and the response was about lines on maps. We do not have lines on maps. We are into the build phase across New South Wales at this point in time. We have a lot of delivery offices with a lot of very committed people across the State right at this point in time delivering those projects. So it is not quite accurate to say that we have lines on maps in the long-term Transport Master Plan. People are out there right now delivering across New South Wales and certainly across Sydney on a range of projects, many of which I could list for you. But I will just refer you to the plan and how we track against that plan, and almost every project we have referenced here today has a delivery office where there are literally hundreds of people out there pushing on those projects at this point in time. I thought it was fair, on their behalf, to correct that record.

**The Hon. PAUL GREEN:** Our local Roads and Maritime Services [RMS] store down in South Nowra has been sold off the land. I am wondering if that is a plan of rationalisation of the department or just a one off?

**The Hon. DUNCAN GAY:** No, it is not. I will hand over to Mr Kanofski in a moment. I acknowledge that he has just taken over the role of chief executive officer [CEO] in the last couple of weeks. The movement of the RMS across to Service NSW has been part of a government strategy for better customer interface and, by and large, the response has been pretty damn good as we have developed this one-stop shop and the staff that are working there. As we have moved them, some of these premises have become surplus to our needs with the new properties. So it is not a campaign of cutting costs; it is just a change of the delivery of those services.

**Mr KANOFSKI:** With the Service NSW rollout, it has far improved those shopfront facilities but, in some cases, the shopfront facilities are in a different location. Studies have shown that there are better locations than where some of the traditional properties were. Service NSW has been doing a lot of work on making sure

that their outlets are in the right place and on some occasions—and the one in question is one that fits into this category—is that then the previous property becomes surplus to requirements.

**The Hon. PAUL GREEN:** The one in South Nowra, will that be moving, because it is an appropriate place in terms of space needed for all those cars.

**Mr KANOFSKI:** I am not familiar exactly with South Nowra.

**The Hon. DUNCAN GAY:** We will be happy to take it on notice.

**The Hon. PAUL GREEN:** In terms of flooding across New South Wales and the movement of navigation aids, such as buoys that have been washed out of location, can you advise the Committee on how Roads and Maritime Services safety officers are working to ensure that all navigation aids are in place for the coming spring and the school holidays?

**The Hon. DUNCAN GAY:** We will take that on notice.

**The Hon. PAUL GREEN:** With the family safety issues, can you comment on the public safety awareness campaigns in terms of the previous Ride Right campaign which raised awareness of the necessity of life vests? What are the particular concerns of the Minister and the department at the time in terms of safety jackets and how does the Minister propose to address these issues over the coming months?

**The Hon. DUNCAN GAY:** Thank you. It is one of our problems and one of our successes, the life jacket one. The whole key is that we continue to promote safe and responsible maritime safety statewide. Life jacket wearing particularly is a major priority and Transport for NSW is leading a major campaign to promote life jacket wear, especially in small vessels. As I started to indicate, the initiative originally came from my Maritime Advisory Committee—a group that you will remember, under the previous Minister, used to spend their time at lunches at the best restaurants around town with Sir Lunalot. Now they are fully enhanced and working like steam. This initiative came from them. Darren Vaux is the chairman and Kay Cottee is the deputy chairman. They are an eminent group of people who really wanted to turn their heads to this and make a difference.

One of the keys issues is people older than Mr Vice Chairman and more the age of the Chair and myself; who are of a similar age. Gentlemen of a certain age believe they are bulletproof and have given up wearing life jackets, which is ridiculous. They should be setting an example and they need to be looking after themselves for their families. We have the life jacket exchange, we go to the boat ramps, we are advertising it and we have worked with *Sydney Weekender*, the Boating Industry Association and the boat show to raise awareness. We are having terrific results. The key message is that wearing a life jacket has never spoilt a day on the water.

**The Hon. PAUL GREEN:** Minister, do you wish to comment about my earlier question concerning buoys?

**The Hon. DUNCAN GAY:** No, I wish to correct an earlier answer.

**The Hon. PAUL GREEN:** Can I ask some without notice questions. Concerning Bells Line of Road, does the Government have further plans to upgrade the road after the \$48 million is expended?

**The Hon. DUNCAN GAY:** Bells Line of Road is an absolutely key road for us. You need the two crossings of the Blue Mountains. It is important if one is cut by fog, frost or fire that we have an alternate way of crossing the mountains. It is important to improve it. It is my intention to put more money into Bells Line of Road as we go forward. The major amount of money will continue to be spent on the Great Western Highway, as it is the major conduit. As part of the freight quotient we are looking at rail as much as anything. It is not just the road. Bells Line of Road is one area. One of the key commitments I made to The Chairman of the Bells Line Expressway Group, Ian Armstrong, is that we would lock the route in before the next election. It certainly is the plan. Mr Chair, I need to correct the record on a question. Do I do it now or later on?

**The CHAIR:** Is the answer short or long?

**The Hon. DUNCAN GAY:** It is a very short answer.

**The CHAIR:** Please proceed.

**The Hon. DUNCAN GAY:** Earlier I was asked about the deployment of security guards to accompany staff when approaching householders at Rozelle. I am advised that security assistance was only provided on one, which was on the evening of Monday 18 July. We thought it was one occasion and I have had confirmation it was only one.

**The CHAIR:** Thank you, Minister. I thank your officers for answering questions today.

**The Hon. DUNCAN GAY:** Thank you Mr Chair and members for your courtesy to our staff.

**(The Committee adjourned at 4.42 p.m.)**

**The Committee proceeded to deliberate.**