

GENERAL PURPOSE STANDING COMMITTEE NO. 2

Tuesday, 30 August 2016

Examination of proposed expenditure for the portfolio area

TRANSPORT AND INFRASTRUCTURE

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-Cos

The Hon. D. Mookhey

The Hon. Dr P. Phelps

The Hon. A. Searle

The Hon. P. Sharpe

The Hon. B. Taylor

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

TIM REARDON, Secretary, Transport for NSW, on former oath

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

RODD STAPLES, Program Director, Sydney Metro, Transport for NSW, sworn and examined

MARG PRENDERGAST, CBD Coordinator General, Transport for NSW, on former oath

HOWARD COLLINS, Chief Executive, Sydney Trains, sworn and examined

ROBERT MASON, Chief Executive, NSW TrainLink, affirmed and examined

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

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 my 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 Constance and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Transport and Infrastructure. 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 they may make to the media or to others after they complete their 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 witnesses 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. I remind Mr Reardon and Ms Prendergast from Transport for NSW that they do not need to be sworn as they have been sworn at an earlier budget hearing yesterday. I declare the portfolio of Transport and Infrastructure open for examination. The questioning will run from now, just after 2:00 p.m., through to 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. PENNY SHARPE: Minister, can you inform the Committee how much it costs per year for a full-time worker to commute from the Illawarra to the city five days a week?

Mr ANDREW CONSTANCE: That is available through the various apps and from *transportnsw.info*. If you want to ask specific questions about individual train trips I indicate to you that as of 5 September this year the fares will be remaining as is, the distance fare bands will be remaining as is and the daily and weekly caps will remain as is and the gold Opal will remain at \$2.50.

The Hon. PENNY SHARPE: Until 1 July 2017, is that correct?

Mr ANDREW CONSTANCE: As you know these are assessed on an annual basis and we have done incredibly well to put downward pressure on fares.

The Hon. PENNY SHARPE: Thanks, Minister.

Mr ANDREW CONSTANCE: I remind you that Labor increased fares by 87 per cent in its time in office. We have done a fantastic job ensuring that we continue to put downward pressure on fares.

The Hon. PENNY SHARPE: Minister, you are not aware that it currently costs \$2,880 per annum for a commuter from the Illawarra to travel to the city for work five days a week?

Mr ANDREW CONSTANCE: You are going to choose a scenario and methodology that suits the Labor Party.

The Hon. PENNY SHARPE: No, I am asking you as the Minister.

Mr ANDREW CONSTANCE: The Labor Party was making claims of \$1,000 fare rises.

The Hon. PENNY SHARPE: I am asking you a question as the Minister about your awareness of the cost for public transport fares. I would think that is something you care about.

Mr ANDREW CONSTANCE: As of 5 September the fares remain as is, the distance fare bands remain as is and so too do the daily and weekly caps. The point I make is that for people who have to travel longer distances we have a \$15 daily cap and a weekly fare cap to continue to make public transport fares affordable.

The Hon. PENNY SHARPE: You cannot tell me whether it is \$2,880, but I can tell you that that is the case. Minister, are you aware that since the introduction of Opal the same commuter who has been travelling from the Illawarra is paying an extra \$480 per year.

Mr ANDREW CONSTANCE: Depending on your methodology.

The Hon. PENNY SHARPE: It is pretty straightforward.

Mr ANDREW CONSTANCE: Labor was making claims that fares would increase by \$1,000. You made those claims; I would like Labor to justify that to the community.

The Hon. PENNY SHARPE: A yearly ticket was \$2,400 and people are now paying \$2,880. Do you accept that is a difference of \$480?

Mr ANDREW CONSTANCE: Again, depending on the nature of the commuters concerned, the number of trips they might take per year, there is any number of ways that Labor will slice and dice the fares.

The Hon. PENNY SHARPE: You can dodge the scenario, Minister. If you do not want to accept that you are charging people more, that is up to you.

Mr ANDREW CONSTANCE: I reiterate that the fares will remain the same as at 5 September.

The Hon. PENNY SHARPE: Will fares rise from 1 July 2017?

Mr ANDREW CONSTANCE: I will make an announcement about fares at the appropriate time in 2017. Again I remind you and the Committee there were no fare increases on 1 January this year. In fact, we have done a fantastic job.

The Hon. PENNY SHARPE: But there will be fare increases on Monday for some commuters?

The Hon. BRONNIE TAYLOR: Point of order: I find it very hard to hear the Minister give his answer.

The Hon. PENNY SHARPE: That is because he is putting a Dixier in the middle of his answer.

The Hon. BRONNIE TAYLOR: Please allow the Minister to finish the question before jumping in with another one.

The Hon. PENNY SHARPE: As long as the Minister does not speak for hours and hours.

The Hon. Dr PETER PHELPS: Technically at estimates he is supposed to speak for hours.

Mr ANDREW CONSTANCE: I note your cup says "Don't tread on me."

The Hon. PENNY SHARPE: That is what Dixers were for and your time was for.

Mr ANDREW CONSTANCE: To assist the member I reiterate that there are no fare increases on 5 September. On 5 September there are no changes to the distance fare bands or changes to the daily, weekly and Sunday caps. One point I make which I know will excite the former shadow transport Minister is that on 5 September, for the first time in the State's history, we are introducing a discount for those who transfer to intermodal travel. That is something that is exciting for transport planners. It is a first for the State.

The Hon. PENNY SHARPE: Minister, I have read the media release.

Mr ANDREW CONSTANCE: I am glad you have.

The Hon. PENNY SHARPE: Are you saying to this Committee that on 5 September no commuters will pay any more as a result of the changes you are going to make?

Mr ANDREW CONSTANCE: I have made it clear to the Committee that the fare bands remain the same.

The Hon. PENNY SHARPE: That is not what I am saying. Are there commuters who will be paying more for public transport fares as of Monday?

Mr ANDREW CONSTANCE: You have read the press release.

The Hon. PENNY SHARPE: That would be a "yes". You are trying to spin that somehow there is no change but you accept there are going to be commuters paying more?

Mr ANDREW CONSTANCE: I announced a change which, after eight journeys, removed free travel. I did so with very good reason. Everybody knows that in order to deliver more services they have to be paid for. Those who travel more than eight journeys a week will enjoy the benefit of half price fares thereafter. What you are refusing to acknowledge is that we are introducing a \$2 transfer discount for those who change modes.

The Hon. PENNY SHARPE: I am not asking you about that; I can read the media release. I am asking you specifically about commuters paying more for their public transport fares, which you accept but you will not say.

The Hon. BRONNIE TAYLOR: Point of order: It is the same point of order. The member is interjecting when the Minister is trying to answer the question. Members should ask questions and then wait for the answers.

The CHAIR: Proceed, Minister, and answer the question directed to you.

Mr ANDREW CONSTANCE: Absolutely. The press release makes it crystal clear.

The Hon. PENNY SHARPE: Minister, the Independent Pricing and Regulatory Tribunal [IPART] determination is usually for three years. As you have said, you have frozen it until 1 July 2017. When you look at the recommendations for next year and what happens post 1 July 2017, will you look at implementing recommendations as set out in the year one, year two and year three IPART determinations?

Mr ANDREW CONSTANCE: We saw from the Opposition, in advance of the 5 September change, the claim that we would increase fares by \$1,000 for the people of Western Sydney. That has been proven incorrect.

The Hon. PENNY SHARPE: That is not the question that I am asking. I am asking you about your determination.

Mr ANDREW CONSTANCE: We are yet to make a decision in relation to the fares on 1 July. The record speaks for itself. In the past five years the Liberal-Nationals Government has done an incredible job to increase the number of services. There are an additional 16,500 additional weekly services. They have to be paid for.

The Hon. PENNY SHARPE: Minister, I am asking you about the IPART determination. If you wanted a Dorothy Dix question you could have done it at another time.

Mr ANDREW CONSTANCE: You asked me a Dorothy Dix question.

The Hon. PENNY SHARPE: No. My question was about what determinations you will be using and whether you will be using the years one, two and three determinations and implementing the IPART recommendations.

Mr ANDREW CONSTANCE: As you would know, we did not follow the determination this year.

The Hon. PENNY SHARPE: I hope Malcolm thanked you for that.

Mr ANDREW CONSTANCE: Labor was the party that increased the price of pensioner excursion tickets from \$1.10 to \$2.50. We have kept it at \$2.50.

The Hon. PENNY SHARPE: That is good, Minister. Are you planning to increase gold card fares from \$2.50 to \$3.60?

Mr ANDREW CONSTANCE: We did not.

The Hon. PENNY SHARPE: Given that it is one of the recommendations from IPART, will you be revisiting that in due course, when you make an announcement about what happens after 1 July 2017?

Mr ANDREW CONSTANCE: I am sorry to disappoint you but I will be making a decision about fares at the appropriate time in the lead-up to 2017.

The Hon. PENNY SHARPE: Will that be before the end of this year or at the beginning of next year? Would you give an indication, so the people will know how much the fares will be?

Mr ANDREW CONSTANCE: It will be when I think it appropriate. As you know, three months ago we made an announcement about the change in the 2016 financial year, which commenced on 5 September.

The Hon. PENNY SHARPE: Minister, you have talked about reviewing the eligibility criteria for seniors and pensioners. Would you tell me where that the review is up to?

Mr ANDREW CONSTANCE: As a former Minister for Ageing I am determined to continue to provide affordable travel for seniors across New South Wales, given the enormous contribution they make socially as volunteers. Many of them also take on a childcare role within the family. We will continue to deliver great value. We are not the party that took pensioner excursion fares from \$1.10 to \$2.50.

The Hon. PENNY SHARPE: Are you ruling out a tightening of eligibility for the gold card?

Mr ANDREW CONSTANCE: We will continue to work with seniors groups around the State to deliver value for money for seniors accessing public transport.

The Hon. PENNY SHARPE: That sounds like a no. Is work being done in Transport for NSW on eligibility for seniors and pensioners? If so, where in Transport for NSW is that work occurring?

Mr ANDREW CONSTANCE: I expect the agency to engage with seniors groups—the Council of the Ageing, the Combined Pensioners and Superannuants, National Seniors—

The Hon. PENNY SHARPE: That is not what I am asking. Mr Reardon, are you able to provide me with some information about this?

Mr ANDREW CONSTANCE: I think this is an important point.

The Hon. PENNY SHARPE: Are you going to let the secretary answer the question?

Mr ANDREW CONSTANCE: If you care about the issue then allow me to answer the question.

The Hon. PENNY SHARPE: You can blather on about how you are going to do something, but I want to know whether you are tightening the eligibility and whether the seniors and pensioners that you care about—

Mr ANDREW CONSTANCE: You were very disappointed when we did not increase the fare to \$3.60. You were crying in your teacups over that.

The CHAIR: Order!

The Hon. PENNY SHARPE: I am asking what you are doing now. I am asking about a review that you have referred to. Mr Reardon, are you able to provide any information about this?

Mr ANDREW CONSTANCE: I am happy to allow the secretary of the agency to talk about the specific staff who deal with the seniors community.

The Hon. PENNY SHARPE: That is not what I am asking. I will be very clear, Mr Reardon. I am asking whether there is a review into the eligibility of seniors and pensioners for the gold card. If so, who in Transport for NSW is doing that?

Mr REARDON: Your question, to begin with, was: Where in Transport for NSW are these things done? There is a strategy and planning group that will look at those things, in consultation with our customer service division, which undertakes a lot of our work, including our liaison with the Independent Pricing and Regulatory Tribunal. Those two groups will consider any policy reviews. To be clear, and to the Minister's point, with anything that we look at we have to communicate with customers and key stakeholder groups. We do that across a range of areas, including with pensioners, seniors and disability groups. To your specific question about whether we are doing any work on the eligibility of pensioners and seniors for concessions, the clear answer is no, we are not. These matters come up from time to time as IPART recommendations. At those

times we consider what it has said. As a matter of government policy we have not made any changes in that regard. We are not examining anything at this point in time.

The Hon. PENNY SHARPE: Great. Minister, can you confirm that the metro fares will be subject to IPART determinations?

Mr ANDREW CONSTANCE: It is important to note that you have just made a claim about seniors that seems to be baseless.

The Hon. PENNY SHARPE: No. I asked for an answer from your secretary. He has given me an answer. I said that was great.

Mr ANDREW CONSTANCE: You were suggesting that we were going to increase fares and reduce the eligibility requirements.

The Hon. PENNY SHARPE: No. That is absolutely irrelevant. I am asking now about metro fares and IPART determinations. Are you able to answer the question—yes or no?

Mr ANDREW CONSTANCE: Yes.

The Hon. PENNY SHARPE: They will be subject to IPART determinations?

Mr ANDREW CONSTANCE: The approach to metro fares is exactly the same as to every other fare arrangement across the transport network.

The Hon. PENNY SHARPE: Will metro fares be similarly structured to heavy rail fares?

Mr ANDREW CONSTANCE: Of course. What is the premise of your question?

The Hon. PENNY SHARPE: Will there be a different fare structure for metro passengers as opposed to heavy rail passengers?

Mr ANDREW CONSTANCE: I have just indicated that that will be subject to determination by IPART.

The Hon. PENNY SHARPE: So there could be a difference?

Mr ANDREW CONSTANCE: No. I just said it would be subject to determination by IPART.

The Hon. PENNY SHARPE: We will see what IPART says.

The Hon. DANIEL MOOKHEY: Minister, how long will the Bankstown line be closed for the conversion to the metro?

Mr ANDREW CONSTANCE: Thank you for your interest in the Sydenham to Bankstown component of the metro. It will be very exciting for the people of the south-west, in the same way that it has been exciting for the people of the north-west.

The Hon. DANIEL MOOKHEY: I am asking how long they will have to wait for the excitement of the line closing.

Mr ANDREW CONSTANCE: We will be making an appropriate determination once we—

The Hon. DANIEL MOOKHEY: Have you made a decision about when the Sydenham to Bankstown line will close or are you keeping the excitement to yourself?

Mr ANDREW CONSTANCE: Allow me to respond to your question. I will ask the project director to add to my answer. There is going to be a degree of disruption for the people of Bankstown as a result of us "metrofying" the line between Sydenham and Bankstown. It will be incredibly exciting but there will be a period where we will have to work with commuters to do that.

The Hon. DANIEL MOOKHEY: How long will that period be?

Mr ANDREW CONSTANCE: I will hand over to the project director to answer your technical questions. We will be undertaking the project in a way that is designed to cause minimal disruption to people. We will be releasing the environmental impact statement later this year in relation to this component of the metro. I urge you to read that report cover to cover when it is released.

The Hon. DANIEL MOOKHEY: Thank you. Will Mr Staples answer that question now? How long will the Bankstown line be closed?

Mr STAPLES: We are working through a range of options on the detail of the construction method for upgrading each of the 11 stations. As the Minister indicated, an environmental impact statement will be released next year. We will be putting out more information about the construction method and the time frame required for the construction as part of the environmental impact statement.

The Hon. DANIEL MOOKHEY: Is it envisaged that the line will close in 2017 or 2018?

Mr ANDREW CONSTANCE: It will not be closed in 2017 and 2018. It will be closed later on in the project.

The Hon. DANIEL MOOKHEY: Is contingency planning for the closure underway?

Mr ANDREW CONSTANCE: As indicated by the project director, we will work through the technical elements to this build and do the necessary transport planning around it.

The Hon. DANIEL MOOKHEY: Thank you. How many people per day use the Sydenham to Bankstown portion of the line at peak times on a week day?

Mr ANDREW CONSTANCE: I will hand that question over to the Chief Executive of Sydney Trains. I am sure he can take it on notice.

Mr COLLINS: I will have to provide the figure on notice. We have been working with Mr Staples on looking at how we minimise the impact of the closure. Once the closure takes place it will allow us to simplify components and look at promoting better performance in the rest of the network. It will benefit from the "metrofication" of the Bankstown line.

The Hon. DANIEL MOOKHEY: Is it envisaged that the replacement solution during the period of closure will be buses?

Mr ANDREW CONSTANCE: Without wanting to pre-empt the necessary technical and scoping work, I can say that that will be a consideration. There will be an incredible turn up and go service for the people of the south-west when it is opened.

The Hon. DANIEL MOOKHEY: Are you considering taxis? Are you considering cars? Are considering buses?

The Hon. BRONNIE TAYLOR: Let the Minister finish.

Mr ANDREW CONSTANCE: As I indicated—

The Hon. Dr PETER PHELPS: Airships.

The Hon. DANIEL MOOKHEY: Are airships an option?

The CHAIR: Order!

The Hon. DANIEL MOOKHEY: Hot air balloons? Drones?

The Hon. Dr PETER PHELPS: Keep going. Why not helicopters?

The CHAIR: Order!

Mr ANDREW CONSTANCE: Again, depending on the very nature of the build and the potential staging, there are any number of potential options. The point I would make is that the people of the south-west are going to get a fantastic turn-up-and-go train service that will move 45,000-plus passengers per hour.

The Hon. Dr PETER PHELPS: Hear, hear! Much better than they have ever had before.

Mr ANDREW CONSTANCE: I notice that Labor is opposed to it, so I am very disappointed.

The Hon. DANIEL MOOKHEY: Minister, how many properties have to be acquired for Sydney Metro?

Mr ANDREW CONSTANCE: I will again hand that question over to the project director.

Mr STAPLES: We require about 150 properties to be acquired. Within that, there are obviously a number of potential ownerships and leases, depending on the nature of the individual premises. But overall there are about 150 properties.

The Hon. DANIEL MOOKHEY: Has the money for the property acquisitions been included in the \$12.5 billion budget for the project?

Mr STAPLES: The funding for the property acquisition is included in the \$11½ billion to \$12½ billion budget.

The Hon. DANIEL MOOKHEY: Minister, was Transport for NSW on the interdepartmental committee on the Russell report?

Mr ANDREW CONSTANCE: I will hand that over to the secretary of the agency.

Mr REARDON: The question was responded to yesterday.

The Hon. DANIEL MOOKHEY: Minister, can you commit to ensuring that all of the recommendations of the Russell report will be implemented well before the 150 acquisitions are commenced?

Mr ANDREW CONSTANCE: These questions are appropriately directed to the Minister for Finance. Again, there were answers given in the estimates hearing—

The Hon. DANIEL MOOKHEY: In that case, can you commit to making representations to the Minister for Finance that all recommendations will be implemented before the 150 properties are acquired for the Sydney Metro?

Mr ANDREW CONSTANCE: In completing my answer to your first question, I was saying that the Minister for Roads appropriately answered your questions yesterday in relation to the Russell review.

The Hon. DANIEL MOOKHEY: Minister, was the business case for the Sydney Metro presented to a Cabinet meeting in February 2016?

The Hon. Dr PETER PHELPS: Point of order—

Mr ANDREW CONSTANCE: I am not going to disclose Cabinet discussions.

The Hon. DANIEL MOOKHEY: I will ask it a different way. Has a business case been prepared for the Sydney Metro?

Mr ANDREW CONSTANCE: Yes, and we will be releasing the business case summary very soon.

The Hon. DANIEL MOOKHEY: Will you be releasing the full case or are we only going to—

Mr ANDREW CONSTANCE: The business case summary.

The Hon. DANIEL MOOKHEY: Is there a reason why you are not prepared, for a \$12.5 billion project, to release the full business case?

Mr ANDREW CONSTANCE: Yes, we do so for commercial reasons.

The Hon. DANIEL MOOKHEY: What are those commercial reasons?

Mr ANDREW CONSTANCE: Competitive tension in the bidding process for the contracts.

The Hon. DANIEL MOOKHEY: Can you confirm that, for the duration of the Sydney Metro project, it will be subject to the major project assurance framework that is administered by Infrastructure NSW?

Mr ANDREW CONSTANCE: It will, and we also of course have an appropriate assurance function over the Metro project. It has an independent assurance function and committee in the same way that one has been in place for the north-west component of the project. It is an incredibly exciting project, one that will be a steep change for this State and city, and—

The Hon. DANIEL MOOKHEY: Yes, I can see you are struggling to curb your enthusiasm.

Mr ANDREW CONSTANCE: I am very excited about it.

The Hon. Dr PETER PHELPS: We are all very excited, Minister.

The Hon. DANIEL MOOKHEY: Minister, in respect to the questions about the disruptions—how many people will be disrupted—were any of those details canvassed in the business case that you are not releasing?

Mr ANDREW CONSTANCE: If the Labor Party is going to mount a scare campaign during the Canterbury by-election, bring it on—because I think most people see enormous benefit out of the Metro project.

The Hon. DANIEL MOOKHEY: Do you think disrupting a major—

Mr ANDREW CONSTANCE: And I am sure there are a lot of property owners in the south-west who are very mindful of what has been happening with the north-west project. If Labor thinks there are votes in running a construction disruption campaign, it is kidding themselves. We are building this project.

The Hon. DANIEL MOOKHEY: Minister, thank you for that, but are you suggesting—

Mr ANDREW CONSTANCE: There will be disruption. I apologise for that—when it happens later on in the project. But, when it is complete, there is going to be a metro train, a turn-up-and-go service, one every four minutes, moving 45,000 passengers per hour. I know that, as a former TWU member, you will not like this.

The Hon. DANIEL MOOKHEY: "Former"?

Mr ANDREW CONSTANCE: But there will not be drivers on the trains. It will be a fully driverless train.

The Hon. DANIEL MOOKHEY: Slanderous!

Mr ANDREW CONSTANCE: No union members.

The CHAIR: Order!

The Hon. Dr PETER PHELPS: You have been booted there.

Mr ANDREW CONSTANCE: So I am very upset for you.

The CHAIR: Order, Minister! Minister, I have been pretty generous and lenient.

Mr ANDREW CONSTANCE: Thank you, Chair.

The CHAIR: My leniency is on the decline. I have given you a fair go. I ask that you respond to the questions. If you are not able to answer them, you can refer them to an officer.

Dr MEHREEN FARUQI: I will continue with the theme of the Metro. It is not a project that I am very excited about.

The Hon. Dr PETER PHELPS: Not trams down Parramatta Road?

The CHAIR: Order!

Dr MEHREEN FARUQI: Minister, will any stations along the Bankstown line be shut down permanently once the Metro is built?

Mr ANDREW CONSTANCE: We have indicated we are going to build 31 stations as part of the Metro project.

Dr MEHREEN FARUQI: Will any be shut down on the Bankstown line? For example, will Hurlstone Park station continue to operate?

Mr ANDREW CONSTANCE: I am happy to throw over to Rodd Staples, but we have indicated very clearly that we are building—

Dr MEHREEN FARUQI: There was a report on Channel 7 in July that stated that the Government was considering shutting down Hurlstone Park station. Can you rule this out?

Mr ANDREW CONSTANCE: Project director?

Mr STAPLES: We are planning to upgrade all 11 stations along the Bankstown line and to keep them open and operational.

Dr MEHREEN FARUQI: So you are confirming that the Hurlstone Park station will remain?

Mr STAPLES: All our plans are to keep all stations functioning.

Mr ANDREW CONSTANCE: Which is why I said there are going to be 31 stations.

Dr MEHREEN FARUQI: Minister, some figures have been released for an overall cost of stage 2 of the Metro line, but not specifically for the section relating to the Bankstown line—from Sydenham to Bankstown. Are you able to give us a ballpark figure for what this cost will be?

Mr ANDREW CONSTANCE: We are very clear in terms of the overall costing of the project in the business case summary. Again, we have to be mindful that we will be going to tender for construction work on components of the project—and we want to ensure that we get the best outcome for the taxpayer as a result of that.

The Hon. Dr PETER PHELPS: Hear, hear!

Mr ANDREW CONSTANCE: Again, as indicated, we are only in the stages of doing the technical and design work for the project. We are cracking on with it at a very good pace. Everyone has seen the enormous amount of construction work on the north-west component. We are also doing the necessary work with the second stage.

Dr MEHREEN FARUQI: Minister, you just said that you were trying to get the best value for money for the taxpayer dollar. Do you think that replacing an existing line is the best value for money for taxpayers? If so, on what basis?

Mr ANDREW CONSTANCE: The existing heavy rail network moves about 24,000 passengers per hour. You would be fully aware that the legacy nature of the system does result in a lot of capacity constraints, particularly in the morning and afternoon peaks, on a number of the lines. One of the great advantages of the Metro is that it takes a line out of the City Circle, which enables us to move more trains in and out of a CBD that is going to grow by 150,000 people in the next 10 years. It enables us to move what has been a traditional heavy rail network into a modern era with a fully automated train.

Dr MEHREEN FARUQI: I know about that, but did the business case actually consider alternatives—like, maybe, better automating to increase the frequency of the current trains? Were any comparisons of cost done?

Mr ANDREW CONSTANCE: We are doing that as well.

Dr MEHREEN FARUQI: You are doing that as well—after making the decision that you would build the Metro. Should alternatives not be considered before the Government makes a decision?

The Hon. Dr PETER PHELPS: You tell me how you would get better throughput through Wynyard and Town Hall.

Dr MEHREEN FARUQI: I am actually not asking you.

The CHAIR: Order!

Mr ANDREW CONSTANCE: I thank you for your interest in terms of the capacity issues, but there is greater capacity served by the Metro train than by the existing network. We are dealing with a very significantly growing city—1½ million expected in this city in the next 15 years. We have to invest in the most modern technological advances when it comes to trains. As we know from elsewhere around the world, everyone is moving to metro trains. These are high-frequency, turn-up-and-go services.

Dr MEHREEN FARUQI: No, we actually do not know that, Minister. I do not think that is an accurate statement.

Mr ANDREW CONSTANCE: There are new stations being built in Crossrail in London—

Dr MEHREEN FARUQI: London already has a metro system, Minister, for your information.

Mr ANDREW CONSTANCE: —and for the metro in New York. Shanghai is building 11 new metros in the next 10 years, Hong Kong is doing new lines and Singapore is doing more. So I beg to differ.

Dr MEHREEN FARUQI: Could I ask you another question now? I did not ask the question you were responding to.

The Hon. Dr PETER PHELPS: Maybe the Greens just hate public transport.

Dr MEHREEN FARUQI: In terms of the Bankstown line being replaced, there was a story in the *Sydney Morning Herald* yesterday that between 6.00a.m. and 9.30 a.m.—during that peak hour period—there are 25,000 passengers travelling on trains. Based on your estimates, is that accurate?

Mr ANDREW CONSTANCE: Again, the CEO of Sydney Trains has indicated he will come back to the Committee—hopefully by the end of the budget estimates hearing this afternoon—with an exact patronage number for you. But the point is that we need to do the technical work. That is underway at the moment. There will be an EIS issued and, at the appropriate time, the community will be able to assess that—and so too will your good self and the Labor Party. Again, I reiterate: You are asking me questions that I cannot give you specifics on at this point in time.

Dr MEHREEN FARUQI: Let us assume that 25,000, the figure quoted, is accurate enough. It will take 360 buses in those three hours to carry those passengers. I am just wondering how you think that is going to be possible? If you have not considered that now, when will you consider it?

Mr ANDREW CONSTANCE: As I said, we will do the necessary technical and scoping work and see what the best transport planning advice is, but there is going to be—

Dr MEHREEN FARUQI: What are the alternatives, Minister?

Mr ANDREW CONSTANCE: Just let me answer the question. I am happy to acknowledge as Minister that during construction there will be some disruption. I think we are going to see an enormous benefit to the people of the south-west. They will have to bear with us as we get the building done.

Dr MEHREEN FARUQI: My question is how will you manage that disruption?

Mr ANDREW CONSTANCE: To the article to which you refer, we will do everything humanly possible to minimise the time of that disruption. Again, as flagged in that story, we are going to look at design improvements to deliver the outcomes. That work will happen. I have to say to you that I cannot point to a stronger project team in government than the Sydney Metro team. They are doing an amazing job.

Dr MEHREEN FARUQI: In their amazing job have they actually done some traffic modelling to assess the impact of these additional buses on the road network?

Mr ANDREW CONSTANCE: I am happy to throw over to Mr Staples.

Mr STAPLES: I think it is worth just stepping back. We have said that we will give more detail as part of the environmental impact statement next year, so all sorts of things—

Dr MEHREEN FARUQI: But do you admit that buses will replace the train as in the North West Rail Link end?

Mr STAPLES: What I can acknowledge is that if you look globally around the world about how lines are upgraded to become high performing in the way we are going to do along the Bankstown line, Paris Metro Line 1 is the standout example. It was the busiest line running through the middle of the city that was converted to automatic platform screen doors and they were able to keep the trains running and manage large volumes of people with alternative transport along the way. There are examples and we are looking very closely at all those example to make sure that we do the best to minimise our impact on customers going forward.

Dr MEHREEN FARUQI: You might know that in Paris they closed no lines while they were doing that work. It would be good if you could take a leaf out of their book and not close lines at all.

Mr STAPLES: That is a very good example. We will look to see where we can keep train services running during the construction. Also remember as part of this work we are upgrading every one of the stations so that they are fully accessible for people with disabilities. Lifts will be provided at all those stations. Those benefits will come progressively during delivery of the project.

Dr MEHREEN FARUQI: My particular question was about buses but I will move on from there as no-one is willing to respond to that.

Mr ANDREW CONSTANCE: It is too early to. We made that clear.

Dr MEHREEN FARUQI: Isn't the environmental impact statement [EIS] coming out in a couple of months?

Mr ANDREW CONSTANCE: If you want me to crystal ball this situation I am not willing to.

Dr MEHREEN FARUQI: You will not even say whether buses will replace the trains during that time.

Mr ANDREW CONSTANCE: But you have not listened to the questions Mr Mookhey asked.

Dr MEHREEN FARUQI: Moving on, MTR Corporation has the tender to operate the North West Rail Link or the Sydney Metro Northwest as it is now called. Does this make them the presumptive operator of the Sydney Metro and Sydney Metro Southwest as well?

Mr ANDREW CONSTANCE: No.

Dr MEHREEN FARUQI: You will be tendering out for that?

Mr ANDREW CONSTANCE: I have to say to you that I am not quite sure what you mean by "presumptive operator" in that question. What do you mean by that?

Dr MEHREEN FARUQI: I mean does that give them an advantage, let us say, over the operating—

Mr ANDREW CONSTANCE: No.

Dr MEHREEN FARUQI: You do not see an advantage in the same company running the two arms of the metro?

Mr ANDREW CONSTANCE: Because ultimately we will ensure that we deliver competitive tension in the issuing of all our contracts.

Dr MEHREEN FARUQI: Do you think there could be problems in two operators running the same line? How would you overcome those problems in terms of integration?

Mr ANDREW CONSTANCE: I am happy to throw over to Mr Staples but again my observation around the world is there are quite a number of metro systems which have a number of operators running them.

Dr MEHREEN FARUQI: Could you give an example of the same line being run by different operators and where it has worked well?

Mr STAPLES: Just to go back to your original question about MTR Corporation, the contract for Sydney Metro Northwest has provisions for the possibility of augmentation. It is quite clear in the contract. That contract is available. We will explore with MTR whether or not there is a value for money outcome that would allow the Northwest Rapid Transit organisation to operate the whole line, but that will be put through a value for money assessment and we will have independent assessment of that. If that is not proven to be value for money we will use other market processes to procure an operator.

The Hon. PAUL GREEN: Has the Federal Government allocated any funding for the Sydenham to Bankstown metro?

Mr ANDREW CONSTANCE: In terms of the State Infrastructure Strategy you will be aware that the Commonwealth has offered an incentive to the States in terms of the recycling capital initiative. Its genesis ironically is in New South Wales under the leadership of Premier Baird. There is a flow of funds from the Commonwealth to the State Infrastructure Strategy. Specifically to the funding of Metro stage two, \$7 billion from the poles and wires transaction is being allocated to Metro stage two and the remainder of the funding comes from the transport 10-year capital works plan.

The Hon. PAUL GREEN: What is the mix of public versus private funding for the project?

Mr ANDREW CONSTANCE: In terms of the construction of it, it will be funded through, as I said, the poles and wires transaction and our 10-year capital works plan.

The Hon. PAUL GREEN: What is the total budget for it?

Mr ANDREW CONSTANCE: At this stage we have released a cost estimate of between \$11.5 billion and \$12.5 billion. There was a change in that estimate as a result of us including Barangaroo station and Waterloo station. The business case summary will outline the cost estimate of the project. I hope to see a good saving attached to it in the same way that we have with Sydney Metro Northwest. Again, we will apply that discipline to this project in the same way we have seen with the north-west project.

The Hon. PAUL GREEN: Have you done some work on the economic loss and hardship implications for shopkeepers along the Bankstown, Punchbowl, Wiley Park, Lakemba, Belmore, Campsie, Canterbury, Hurlstone Park, Dulwich Hill and Marrickville route and commuters caused by the suspension of the line for at least 12 months?

Mr ANDREW CONSTANCE: Again, I understand the concerns that have been raised by members of the Committee. We have a very strong customer service focus that was engendered through the work done in the Sydney Metro Northwest project under Mr Staples's leadership. We will apply those learnings to the south-west. I wish we did not have to see people being disrupted as a result of our construction but it is a necessary evil across the city. My expectation is that we must have an individualised and personalised customer service focus when dealing with individual circumstances. I do continue to point communities to the bigger picture.

I think if anybody has seen the potential economic uplift associated with Sydney Metro Northwest people will have an eye to the future in that regard. That does not alter the fact that particularly during those difficult stages people can be adversely affected. My expectation is that the metro team will deal with people on a one-on-one basis. I have an expectation that people will be assisted with some of the challenges associated with moving and identification of, in some cases, alternative living options. We want to get personalised in our approach. I think it is certainly the way to go and that is the expectation that I have as the Minister.

The Hon. PAUL GREEN: Has the department considered how 8,500 commuters on the Bankstown line in peak hour will commute on buses for 12 months or more?

Mr ANDREW CONSTANCE: Just to reiterate, we are at a very early stage in the technical and planning work around this section of the project. There is no doubt that there will be disruption. We are not hiding that fact but we will ensure that the transport planning is robust enough to assist commuters. As indicated by the project director, if there are options to maintain rail services in parts of the project as we do the construction that is exactly what we will do.

The Hon. PAUL GREEN: Can you assure commuters on the Bankstown line between Bankstown and Sydenham that they will pay the same fares as commuters on the publicly funded State Rail trains?

Mr ANDREW CONSTANCE: As I indicated before, the metro fares will be subject to the Independent Pricing and Regulatory Tribunal [IPART].

The Hon. PAUL GREEN: Have you explained to commuters on the Bankstown line that they will lose their direct service? I know you made mention of this in relation to Museum, St James, Circular Quay, Wynyard and Town Hall stations. What was the feedback?

Mr ANDREW CONSTANCE: Again, it is too early to say but I will throw over to the project director.

The Hon. PAUL GREEN: What was the initial feedback?

Mr ANDREW CONSTANCE: I will throw over to the project director in terms of the public submissions that we have received to date.

Mr STAPLES: I think you need to look at the broader benefit you get because we are delivering a faster service to the city and to Central into the Town Hall area and into the Martin Place area with opportunities to interchange at Central and Martin Place with direct access to the new Barangaroo station that will be built there, direct access to the North Shore and direct access to Macquarie Park. In the CBD, for people who go to individual stations and walk there is very little impact in regard to negative travel time but there are lots of positive benefits in regard to accessibility for people coming from Bankstown as a result of the metro service.

The CHAIR: Mr Staples, that was not the question. I am giving a fair bit of latitude here. A direct question was put to you by the member in regard to initial feedback and you have gone straight into an answer that deals with a general proposition.

Mr STAPLES: The feedback we have had is that once people understand the nature of the service they are getting, the frequency, the directness and the broader benefit, they appreciate the benefit that they are going to get. There will be individuals who are not happy about a change in service, but broadly speaking once people understand the service I have just outlined they appreciate the service they will get.

Mr ANDREW CONSTANCE: Also with the new stations at Pitt Street and Martin Place there is not that great a walking distance to those stations.

The Hon. PAUL GREEN: Was that feedback electronic, through petitions, emails or submissions?

Mr STAPLES: We have had a range of engagements. We have run information sessions where members of the team have met with people in the community. We do have Facebook feeds so we get a range of feedback through there. We have also received written submissions, which we requested through consultation processes last year.

The Hon. PAUL GREEN: Many of the stations that you are talking about, including the rail platforms and Bankstown line, are heritage listed. What are you intending to do to preserve those? Are any of them going to be demolished?

Mr ANDREW CONSTANCE: I am again happy to hand over to the project director.

Mr STAPLES: We have spent a lot of time, and will continue to, looking at the nature of the Bankstown line. It has quite an interesting history. It was built in the late 1800s and has gone through a couple of very significant changes since that time, including being extended from originally Belmore out to Bankstown and it then had the freight line imposed adjacent to it around the 1915 to 1920 period, which had a number of impacts. I guess the point I am making here is that we have studied the history quite closely; we are looking at all the individual heritage items there. Our aim is to complement, where we possibly can, the heritage that is there but there will be some things that we will need to move around as a result of the work.

Mr REARDON: Mr Chair, do you mind if I just add to that? As a transport cluster everyone is working with Mr Staples' team on this. We take into account every aspect of the project. So Sydney Metro, in the context of the broader passenger rail network and the broader transport network in its entirety, we go through a very detailed process—as has been undertaken for every part of the project. We are into that detail

right now and, as the Minister and Mr Staples have said, we will bring more detail into the public domain in due course. We are bringing to bear the expertise across the cluster, and that includes the operational expertise of the chief executives of Sydney Trains and NSW Trains within that. So it is certainly bringing every component to bear in what are areas that have old train stations and bringing forth a metro and a brand new train service within that context.

The Hon. PAUL GREEN: Minister, have you been advised of the 44,000 dwellings already up-zoned in Canterbury Local Environmental Plan 2012, which was gazetted on 1 January 2013?

Mr ANDREW CONSTANCE: No, I have not been advised.

The Hon. PAUL GREEN: Are you aware of that in your planning?

Mr ANDREW CONSTANCE: Again it is a matter for the Minister for Planning in that regard.

The Hon. PAUL GREEN: The fact that is patronage one would think was a direct—

Mr ANDREW CONSTANCE: He is doing the necessary planning work around this. Again, it is an incredibly vibrant part of the city in its growth and development.

The Hon. PAUL GREEN: Can you quickly give the Committee an update on George Street?

Mr ANDREW CONSTANCE: Yes. This is going to be an incredibly transformational project for George Street.

The Hon. PAUL GREEN: Is it on time and on budget?

Mr ANDREW CONSTANCE: Yes, it is on time and on budget. The point that I make is that it is an incredibly complex project. To give you an example, we have discovered an additional 400 utilities under George Street, which we were not expecting to, and that has obviously caused enormous challenge. At the moment it is largely a utilities project in identifying the appropriate utilities, taking the time to identify the owners and knowing the impact of it. We are working through those complexities but in due course it is going to turn George Street into one of the great boulevards of the world—you need only to see the development opportunities that are happening alongside the project to see what uplift there will be in the city.

The Hon. DANIEL MOOKHEY: Minister, I would like to ask about contracts. I ask the attendant to provide two copies of this document to the witnesses. For identification purposes it is contract award notice detail view 417193—provision of systems integration services, for the ERP and EAM programs and provision of and CoE services.

Document tabled.

Minister, you will agree that this contract was entered into by Transport NSW—Corporate, for the provision of systems integration services, including ERP, EAM and CoE and specifically provision of ERP program services; provision of EAM program services; and operational setup and Centre of Excellence services. The original contract duration was 9 December 2013 to 8 December 2016; the amended contract duration is 9 December to 30 June 2017. What occasioned the six-month extension of this contract?

Mr ANDREW CONSTANCE: You have just presented this material here. I will hand over to the secretary of the agency to answer your question.

Mr REARDON: The enterprise resource program, otherwise known as Transport Equip, is something that we have been rolling out across the transport cluster for the past few years. It is a program that is multidimensional; it covers all our operating agencies in Transport for NSW. In the last couple of years we have rolled it out successfully across Transport for NSW itself. It basically provides human resource services, financial services and the underpinning and bringing together of the transport cluster across 25,000 people and providing them with payroll services, human resources and financial services. In regard to the need for this, the Auditor-General made it clear that our cluster needed to upgrade its services across the board.

The Hon. DANIEL MOOKHEY: I am sorry to interrupt you, but I will come to the Auditor-General later.

Mr REARDON: I am coming to your question. In regard to the rollout, as I have said, we have gone through Transport for NSW and most recently we have rolled out to Roads and Maritime Services. We are now into the detail for the rollout to Sydney Trains and NSW Trains.

The Hon. DANIEL MOOKHEY: Just to bring you again to the question: Why was the original contract duration extended from 8 December 2016 to 30 June 2017?

Mr REARDON: I am responding to your question.

The Hon. DANIEL MOOKHEY: Can you specifically respond to that point?

Mr REARDON: I am responding to your question. In regard to the rollout now to Sydney Trains and NSW Trains, Sydney Trains and NSW Trains have a range of ICT that they are rolling out right at this point in time, again, to modernise how they go about their work across the technology spectrum—that is, in enterprise asset management and the upgrade of their enterprise resource program as per the rest of the cluster. In us going through our detailed program design for the interdependence between those two functions, both the enterprise resource program [ERP] and the enterprise asset management [EAM] program, we have looked at that in a detailed program rollout.

We have looked at the risks and the issues associated with that rollout and based on where we have got to in the success to date we are rolling that out over the next six to 12 months. We have a range of milestones that we have to hit. As I have said, on the ERP program we have successfully hit both Transport for NSW and RMS rollouts, and we are now moving to the trains. The EAM started its rollout in about March this year, it has continued to rollout and will do so through the second half of this calendar year. To ensure that we accurately reflect and ensure that it is delivered in detail, as per any other ICT program, we will run that through for the first half of 2017. So the interdependence of the ERP—

The Hon. DANIEL MOOKHEY: Thank you. I do have other questions about this.

Mr REARDON: —and the EAM program are the reason for the time frames we have. In regard to the document you have raised—

The Hon. DANIEL MOOKHEY: Thank you. I appreciate your answer.

The CHAIR: Mr Reardon, the member wishes to proceed to other questions.

Mr REARDON: Could I just clarify about this document? I do not know the form of this document so I will take it on notice and verify it.

The Hon. DANIEL MOOKHEY: Thank you. Feel free to do that. Minister, on the same document you will see that the original contract value was \$70,445,100 and the amended contract value is \$147,868,538.95. Why is it that the cost of this particular contract has gone up approximately 110 per cent since the integration of the contract?

Mr ANDREW CONSTANCE: Again, that is your claim based on the document you have just presented us.

The Hon. DANIEL MOOKHEY: Are you suggesting that this document is fraudulent, Minister?

Mr ANDREW CONSTANCE: That is not what I said.

The Hon. DANIEL MOOKHEY: In the event that you are questioning the veracity of the document, Minister, has the contract award entitled "Provision of systems integration services"—

Mr ANDREW CONSTANCE: I am happy to answer your questions one at a time.

The Hon. DANIEL MOOKHEY: —has that increased from \$70 million to \$147 million?

Mr ANDREW CONSTANCE: Again, I am happy to take your questions. As indicated by the secretary of the agency, he is happy to look at this contract and will no doubt need to come back to take your questions on notice and give you an answer, given that you have just bowled it up willy-nilly in a Committee hearing this afternoon.

The Hon. DANIEL MOOKHEY: I appreciate that, Minister.

The CHAIR: Excuse me, Minister, it has not been bowled up willy-nilly.

Mr ANDREW CONSTANCE: It was. I have just received it actually, Mr Chair; so that is bowled up.

The CHAIR: Minister, this is budget estimates and the Opposition, as indeed other members, may ask questions. You may take them on notice, but I do not expect you to refer to questions as being willy-nilly.

The Hon. DANIEL MOOKHEY: Minister, either to you or through you to Mr Betts, has this contract, which has increased by approximately \$77 million through its duration, ever been subject to a major assurance review?

Mr REARDON: Firstly, I want to clarify that—

The Hon. DANIEL MOOKHEY: Sorry, Minister, are you referring this to Mr Reardon or Mr Betts, because I was asking you whether you would take it yourself or refer it to Mr Betts?

Mr ANDREW CONSTANCE: You asked a series of questions about this and the secretary answered the questions.

The Hon. DANIEL MOOKHEY: The reason I am asking about Mr Betts is because Mr Betts, as we went through yesterday, is the chair of the Infrastructure NSW Investment Assurance Framework Committee, which has a responsibility to review contracts, particularly those which are over \$10 million. So I am asking whether or not a \$77 million increase in the size of a contract prompts a review according to the investor insurance framework, which I understand you, as Treasurer, put in place.

Mr REARDON: As the person accountable for those programs I will respond to it first and then you can ask Mr Betts a question. But to your second point first, Infrastructure NSW is not accountable for assuring deeds ; it is the Department of Finance, Services and Innovation and you could seek to ask them.

The Hon. DANIEL MOOKHEY: Thank you, that was my question. I am grateful for the answer.

The Hon. BRONNIE TAYLOR: Let him answer the question.

The Hon. DANIEL MOOKHEY: The question has been answered. Thank you. You have said to me that Infrastructure NSW is not responsible for assurance. I appreciate the answer.

Mr REARDON: But DFSI is and assures these projects, as they do for ICT projects. To your first point, the clarification and the question on notice that was taken about this contract and your claim about variations to it, and I responded with the interdependence between an enterprise resource program and an enterprise management program, I will come back to you; they are two separate projects with two separate budgets.

The Hon. DANIEL MOOKHEY: I appreciate the answer. I look forward to seeing it in 21 days. Can I please present to the witnesses two further contracts? I table them and, for the purposes of Hansard, I will read them. This one is titled "Data Migration Services for ERP and EAM Programs".

Documents tabled.

Again, for the purposes of Hansard, I will commence reading what exactly this contract is for: "The goods and services provided under this contract include provision of data migration services (1) data migration services for ERP program, (2) data migration services for EAM program". Minister, if you wish to take 30 seconds to review the document you are welcome to.

Mr ANDREW CONSTANCE: I am not going to take 30 seconds to review the document.

The Hon. DANIEL MOOKHEY: You will see that the original contract value is listed as \$12,863,873 and the amended contract value is listed as \$29,853,823, which constitutes an increase of approximately 270 per cent in the course of this contract. Can you explain why that contract has increased by 270 per cent?

Mr ANDREW CONSTANCE: The secretary of the agency just gave you an answer to a question, which you acknowledged and you thanked him for.

The Hon. DANIEL MOOKHEY: I am asking now about a different contract.

Mr ANDREW CONSTANCE: You asked about the interaction between ERP and EAM, you have asked about the interaction between those IT functions, and we are happy to take the specific questions on notice and get back to the Committee.

The Hon. DANIEL MOOKHEY: Just to be clear, the question that you are taking on notice is my question about why the contract value on this contract—and this is a different contract to the one I provided you before—has gone from \$12,863,873 to \$29,853,823.

Mr ANDREW CONSTANCE: Yes. You are asking questions about ERP and EAM.

The Hon. DANIEL MOOKHEY: Can I again present to the Minister and the person he so wishes—and I table this—another contract?

Document tabled.

Again, for the purposes of Hansard, I will read this. This is a contract award notice ID—I will not read that one, it is too big a number—for the basis professional services and the contractor is a company by the name of Craicon Pty Ltd. This was a contract entered into on 10 February 2016 and it runs to 10 February 2017. Its

contract value is \$266,062.50. Minister, the valuation criteria here was the ability to provide architectural solution design and execution in relation to a complex SAP ERP deployment. Why was it necessary to pay \$266,000 to a contractor to provide architectural solution design and execution in relation to a complex SAP ERP program? Is there a problem in that program that requires the introduction of a specialist contractor?

Mr ANDREW CONSTANCE: Again, let us be clear: the Auditor-General highlighted that transport agencies were being held back by outdated systems and technical limitations.

The Hon. DANIEL MOOKHEY: I will be getting to the Auditor-General, so if you wish to hold this answer for that—

Mr ANDREW CONSTANCE: We have a massive task ahead of us in terms of upgrading and consolidating separate IT networks across 25,000 staff working at hundreds of locations around the State. We are happy to come back to the Committee on notice to answer your specific and technical questions in relation to three contracts.

The Hon. DANIEL MOOKHEY: I appreciate that. I look forward to reading your reply in 21 days. I table these two as well and present these two to the witness.

Documents tabled.

Minister, this is a contract of Transport NSW—Corporate and it says the particulars of the goods or services to be provided under this contract are integration of RMS systems to transport equips, and that goes precisely to the point that the secretary was making before. The contract value on this one is \$18,031,978.45. This was a contract that was given to Deloitte, as was the contract that went up in price from \$70 million to \$147 million. In turn, Deloitte has subcontracted this to a firm called Incumbent Integrator. Why was subcontracting required and why, incidentally, was this work not provided for in the contract that went up by \$70 million and had an extension of the period of time available? Was this a need that was foreseen after the original design?

Mr ANDREW CONSTANCE: As I indicated before, we are busily upgrading the IT system across 25,000 staff across hundreds of locations in the State. We are very busy. But I am happy to take on board your allegations this afternoon—

The Hon. DANIEL MOOKHEY: No allegations have been made, Minister; I am asking questions.

Mr ANDREW CONSTANCE: —and we will come back to the Committee with the specifics in relation to your questions on notice.

The Hon. DANIEL MOOKHEY: Thank you. Can I table this one too?

Mr ANDREW CONSTANCE: It looks like he has downloaded the entire e-tendering website, from what I can see this afternoon.

The Hon. PENNY SHARPE: Except that it is part of the e-tendering website and it is an official government document, even though you are pretending you have got no knowledge.

The Hon. Dr PETER PHELPS: It is great that we are so open in our Government, is it not? All these contracts are available. Openness and transparency are a feature of our Government.

The Hon. DANIEL MOOKHEY: This one was published yesterday on the contract website and it was entered into on 1 March 2016 and it goes to 31 May 2016, so it is a three-month contract. This one has a total contract value of \$497,200. It has been given, again, to Deloitte. It is for the "install and config of Oracle IAM Suite on AWS infrastructure, knowledge transfer to BAU team", and this is listed as "EIAM Release 2 (ERP W1.2)". So it is part of the ERP program. Are you able to explain why this \$500,000 was not included in the \$147 million that was being paid for by Deloitte earlier?

Mr ANDREW CONSTANCE: The Transport cluster has a budget of more than \$20 billion in the next 12 months. If you are going to ask specific questions about the hundreds of contracts that we have running, then we are happy to come back with the specifics to you but, as I said, it is a big budget. If you are going to ask about a \$497,000 contract issued yesterday, then we will take that on notice.

The Hon. DANIEL MOOKHEY: Do you not consider that \$497,000 expenditure of public money significant?

Mr ANDREW CONSTANCE: No I am making the point that you are asking a question specifically about one contract, in which there are hundreds issued to deliver fantastic services to the people of New South Wales.

The Hon. DANIEL MOOKHEY: Minister, what work is being performed in the business system improvements that are listed in Infrastructure Budget Paper No. 2? Do you have the budget papers with you?

Mr ANDREW CONSTANCE: I will refer you to the secretary of the agency.

Mr REARDON: I think we responded to those already.

The Hon. DANIEL MOOKHEY: No, I am actually asking you about the business system improvements. Does that capture the ERP and EAP program?

Mr REARDON: Yes, part thereof.

The Hon. DANIEL MOOKHEY: Do you have the budget papers with you? I did not bring these to the table, so I am hoping that you have them.

Mr ANDREW CONSTANCE: I am sorry, I do not walk around with the budget papers under my arm all day every day.

The Hon. DANIEL MOOKHEY: You didn't think to bring budget papers to budget estimates—that is quite a surprise.

The CHAIR: Order!

Mr ANDREW CONSTANCE: I have a note in front of me.

The Hon. DANIEL MOOKHEY: What is the estimated total cost for the business system improvements program? It is not listed in the budget paper.

Mr ANDREW CONSTANCE: In terms of the 2016-17 allocation, the advice before me is—

The Hon. DANIEL MOOKHEY: No, I am not asking you about the 2016—

The CHAIR: The Minister has been asked a question. Please proceed, Minister.

Mr ANDREW CONSTANCE: As I indicated, the 2016-17 allocation towards the business system improvements is \$22,780,000.

The Hon. DANIEL MOOKHEY: And what is the estimated total cost, not the allocation for 2016-17, what is the estimated total cost? Because it is listed here as—

Mr REARDON: I am happy to take that on notice. All I can say is that the program remains on time and on budget.

The Hon. DANIEL MOOKHEY: Thank you, I appreciate that. Minister, in the 2012 budget papers, the estimated total cost of the business systems improvement program was listed as \$151,000,300, listed in budget paper page 451 of Infrastructure Statement 2012-13. In budget paper 2016-17, page 546, infrastructure statement 2016-17, estimated expenditure to 30 June 2016—the June just past—was \$163,000,213 with the additional \$22 million that you have just referred to. Why is it that the amount of expenditure that has occurred to date that is reported in the budget paper exceeds the total estimated cost of the program that was contained in Budget Paper No. 2 in 2012?

Mr REARDON: They are your figures. You are referring to figures in front of you.

The Hon. DANIEL MOOKHEY: I am referring to your budget papers. These are your budget papers.

Mr REARDON: I can tell you, you have just outlined three different numbers.

The Hon. DANIEL MOOKHEY: Would you like me to repeat them?

Mr REARDON: No, you don't need to.

The CHAIR: Order! Please let Mr Reardon answer the question.

Mr REARDON: I have made the comment to you that the roll-out of that program remains on budget. That is my response. If you have any other specifics, including these contracts, we will take them on notice.

The Hon. DANIEL MOOKHEY: Thank you. Let us go to the Auditor-General. In Volume 7, 2014, Financial Controls, the NSW Auditor-General's Report to Parliament, it was stated that this is a \$151 million project and at 30 June 2014 it was \$76.5 million. The original completion date of 31 December 2015 has been revised to 2 January 2017. In the New South Wales Auditor-General's Report to Parliament Volume 6, 2015—the exact same report that appears a year later—the Auditor-General says it is now a \$196 million project

underway to replace these systems. Indeed, he also says that Transport for NSW management advises that this project is on budget and will be completed on time, which presumably is the same assurance you just gave us. Why is it that in one year the Auditor-General says this is a \$151 million project and in the very next year he says it is a \$196 million project?

Mr ANDREW CONSTANCE: You can ask the Auditor-General.

The Hon. DANIEL MOOKHEY: I am asking you. Who provided the assurance—

Mr ANDREW CONSTANCE: Well, I am not the Auditor-General so—

The Hon. DANIEL MOOKHEY: Minister, did you provide that assurance to the Auditor-General?

Mr ANDREW CONSTANCE: Look, I think—

The Hon. DANIEL MOOKHEY: Did Mr Reardon provide the assurance to the Auditor-General?

The CHAIR: Please ask one question at a time and allow the Minister to answer, and then we can proceed with another question after that.

The Hon. DANIEL MOOKHEY: My question is: Who provided the assurance to the Auditor-General that he then reported in the report that was tabled to Parliament?

Mr ANDREW CONSTANCE: That is different from your initial question.

The Hon. DANIEL MOOKHEY: It is now my question.

Mr ANDREW CONSTANCE: So, you are not wanting to take an answer on your first question?

The Hon. DANIEL MOOKHEY: Well, you are not answering it so I am moving on. So can I ask, who provided the assurance—

The CHAIR: Let us just have a question followed by the opportunity for the Minister to answer.

Dr MEHREEN FARUQI: Going back for a few minutes to MTR Corporation Limited [MTR] and privatisation. As you well know, the privatisation of public transport experiment has not worked that well in Australia, given what is going on in Melbourne where hundreds of millions of dollars have been paid in subsidies and keep increasing every year to the private operator, MTR, and that commuters are not happy. Why should we not consider keeping public transport operated by the public sector? What is the issue with that for your government?

Mr ANDREW CONSTANCE: I do not know if you have caught a ferry lately but the customer satisfaction has improved. I also do not know if you have made a comparison between—

Dr MEHREEN FARUQI: Well, if you run services into the ground and you use that as an excuse, that is not a good way.

Mr ANDREW CONSTANCE: You have made an allegation against the private sector and I draw your attention to the fact that the private sector operates a very significant majority of the bus contracts in this State and there is a clear difference again in the performance of the private sector. With ongoing public ownership of the assets, private sector management can deliver fantastic outcomes in circumstances specifically to the point that you are looking to make in relation to the operational expertise that MTR brings to the operations of a driverless, fully automated train. I am confident that the people of this State will be very pleased with the service and the infrastructure that we are building to transform this great city.

Dr MEHREEN FARUQI: Do you think it is ironic that MTR is owned by a Hong Kong government majority? Do you think it is ironic that a company that is a government-owned company is going to run a government service for New South Wales?

The Hon. Dr PETER PHELPS: Point of order: I am not sure the Minister's interpretation of irony is directly relevant to the budget estimates process.

Dr MEHREEN FARUQI: I will move on.

The CHAIR: The member has withdrawn the question.

Dr MEHREEN FARUQI: Minister, it was reported in January that the reason the Government selected Waterloo station over Sydney University station for a Metro stop was the capacity for more development. It was reported that you were opposed to that decision and preferred the Sydney University stop. Are you confident that that decision to build the Waterloo station, which is really walking distance from Redfern station, is the right transport decision and on what basis?

Mr ANDREW CONSTANCE: I have been involved in a few decisions around Government in the past few years as a , but that was possibly one of the toughest decisions because both options were right and it was a very tough decision, to choose. I am not going to go into the Cabinet discussions around that decision, but suffice to say that members of the Government supported both options. They present two alternative outcomes. The decision of the Government to assist the community at Waterloo with a mass transit solution and to be able to transform a part of the city that has some significant challenges is what this Government is going to do.

And we want to work with those individuals who live in that community; we want to deliver a fantastic transport outcome for Waterloo; and we want to deliver better housing solutions to a community that has had enormous challenges. That is the decision that was made. It is a compassionate decision, without doubt, and one that the Government is committed to. We have an enormous opportunity as a result of providing a transport solution to a part of the city that just needs that injection of confidence and support and change, and that is exactly why we made the decision.

Dr MEHREEN FARUQI: Given that same logic, you know there is going to be massive development at Green Square, tens of thousands of people are set to move into that area over the next decade or so. Why wasn't a metro station considered around that area, Zetland for instance?

Mr ANDREW CONSTANCE: Because obviously the metro is going to Sydenham. I find it frustrating that a previous government has allowed such significant development in that precinct without planning a mass transit solution because we have to play catch-up. Obviously, to that end a metro will start to ease the pressure there. We know that the City of Sydney has been advocating for a light rail project through that part of the city. One point I would make is that we cannot continue to put buses on the streets because it gets to a tipping point in terms of on-road congestion. We are committed to that task. We are dealing with very significant legacy issues, but I am proud that this Government has made a decision to put a Metro stop at Waterloo, given the enormous benefits.

Dr MEHREEN FARUQI: Even though it is a walk of only minutes away from Redfern.

Mr ANDREW CONSTANCE: But we are trying to optimise the benefits for people who work within a 10 minute walking radius of the station location. That is the other factor in transport planning advice to the Government.

Dr MEHREEN FARUQI: But that logic again does not work in North Sydney where the North Sydney station for the Metro is quite a distance away from the North Sydney train station, it is not walkable.

Mr ANDREW CONSTANCE: What, the Victoria Cross station?

Dr MEHREEN FARUQI: Should there be a consistency in planning in terms of integration or is transport planning just based on opening up more and more land for development? What is pushing these decisions? Is it good public transport for people who already live there and, of course, looking to the future? Or is it just trying to open up more and more land for over development?

Mr ANDREW CONSTANCE: We are a global sweet spot for infrastructure investment at the moment. There is a lot of global interest in what we are doing here. This State has never been in this position before given the unprecedented levels of investment in infrastructure. We are dealing with a legacy system and we are bringing on new networks. Never before in the history of New South Wales have we seen such a degree of significant investment like this. We have to meet the challenges of how new networks interface with existing legacy networks and the topography of Sydney, which is no easy feat. Look at what is happening: two brand new motorways, a brand new metro and light rail.

Dr MEHREEN FARUQI: Minister, can we move on to the next question.

Mr ANDREW CONSTANCE: And you are opposed to it.

Dr MEHREEN FARUQI: You did mention the light rail for Green Square.

The Hon. Dr PETER PHELPS: The Greens hate public transport.

Dr MEHREEN FARUQI: The City of Sydney has been advocating for it and earlier this year Infrastructure Australia also put light rail connections between Sydney CBD and Green Square amongst the country's top infrastructure priorities. Would you agree that it should be a priority for New South Wales?

Mr ANDREW CONSTANCE: I have asked my agency to have a look at the proposal of the city. We are open to looking at how to deal with some of these legacy issues and bad planning decisions. The point I would make is that in 2017 we will be releasing the long-term transport master plan.

Dr MEHREEN FARUQI: Will that include the light rail at Green Square?

Mr ANDREW CONSTANCE: I will not pre-empt what is in or out of that plan. We will go out to the community with a draft and people such as you will be able to give input.

Dr MEHREEN FARUQI: Moving outside Sydney now, the outgoing general manager of Hunter Development Corporation, Bob Hawes, was quoted in the *Newcastle Herald* at a lunch in Newcastle on 9 August saying in relation to the so-called revitalisation of Newcastle that people should "let the Government get on with the job". Mr Hawes said, "If we stuff up and we have to change things in 20 years time, if it is not really working, then we do it then." He also said, "Hopefully we are getting past this thing of things being wrong or right or good or bad." Minister, do you think it is fair to stuff up things for the next 20 years and are we past the point of considering whether things are good or bad?

The Hon. MATTHEW MASON-COX: This is as good as it gets.

Mr ANDREW CONSTANCE: That is an interesting question you ask me. I want to invest public moneys to deliver fantastic outcomes. In Newcastle I challenge anybody to have a look at what that city was like under the last Government compared to what is happening now. There is major development, there are cranes in the sky, and there is a degree of confidence in our second largest city. It is a major economic contributor to the State. The Hunter region is 14 per cent of the State's economy. There is a major export port in place and we are reinvesting in the area. Do not quote me, but I believe there are 28 residential developments happening in that city at this time. That is encouraging. That is growth. That is confidence and job creation. You will be pleased to know that the work we are doing around light rail includes active transport such as cycling and walking and we will deliver an incredible outcome for that city.

Dr MEHREEN FARUQI: Concerning the Port of Newcastle and light rail, in the 2013-14 budget, after the Port of Newcastle was sold, the Government committed \$10 million to preparing a light rail master plan for Newcastle, not a 2.1 kilometre line. This should have been the first action if you want to revitalise Newcastle. Where is that plan at? If other cities can do it why cannot we?

Mr ANDREW CONSTANCE: I have given an undertaking to the people of Newcastle that we want to look at how to extend the network into the future. You have to start somewhere.

Dr MEHREEN FARUQI: But, you have to start with a plan—

Mr ANDREW CONSTANCE: It is an enabler.

Dr MEHREEN FARUQI: —not a two kilometre line.

Mr ANDREW CONSTANCE: There are any number of venues you could potentially extend light rail to in Newcastle. We have started with a small section. It will revitalise the city. You need only look at the investment of the University of Newcastle in the heart of the CBD to see what is happening.

The Hon. PENNY SHARPE: That was happening well before you made that decision, Minister.

Dr MEHREEN FARUQI: Yes, that is right.

Mr ANDREW CONSTANCE: There is a lot of opposition from the Labor Party to this, but this is change and good change, and I am confident that our second largest city will have the transformation that this State so richly deserves.

The Hon. PAUL GREEN: Minister, can you give us an update on the Wynyard station upgrade?

Mr ANDREW CONSTANCE: The station is progressing well in terms of the upgrade. Some very exciting news is that we are going to be opening Barangaroo wharf next month.

The Hon. PAUL GREEN: Are we invited?

Mr ANDREW CONSTANCE: I am sure we can extend an invitation .

The Hon. PENNY SHARPE: I do not think I will get an invitation.

Mr ANDREW CONSTANCE: Do not be like that, you are no longer the shadow transport Minister.

The Hon. PENNY SHARPE: I know you will not invite me, I am living with it.

The Hon. PAUL GREEN: Just whether it is on time and on budget?

Mr ANDREW CONSTANCE: We have Wynyard Walk, Barangaroo ferry hub, the station upgrade at Wynyard and the light rail happening. We are excited about the opening of Wynyard Walk next month. The upgrade is progressing well. We are dealing with very old stations and it does cause a lot of disruption. I will ask

the CBD coordinator-general, who has been managing the commuter flow around the work, to give additional detail.

Ms PRENDERGAST: Next month we are opening Wynyard Walk, which is six minutes direct from Wynyard station straight down to Barangaroo. It will be fully accessible. Barangaroo has 9,500 employees and the second tower opens in another four weeks.

The CHAIR: Is there a date for that?

Ms PRENDERGAST: It will be later in September. At the same time we will open stage one of Wynyard, which is a major capacity and amenity upgrade. It has not been upgraded in decades. It is looking fantastic. Stage two will follow through into the new year with spot cooling ventilation and other customer improvements, including upgrading the escalators, which are problematic for guide dogs. We know they have heritage significance so we will be recording those. At the same time we are working on Museum Station and we will be opening that as fully accessible. It is the last station to be made accessible in the city. All the stations are fully accessible and we are doing a refresher of Town Hall. All those works are progressing well. The pilings for Barangaroo ferry hub for two new wharves are progressing and we will be opening that in the new year.

Mr REARDON: The team who have been project managing all of that are working with the CBD Coordinator-General, Ms Prendergast. It is an incredibly complex and busy part of the network and they have done a fantastic job.

The Hon. PAUL GREEN: Well done. I was down there the other week and it was busy but everyone was making do with the current situation.

Mr COLLINS: I was down there this morning for a site inspection and it all looks good. There is lots of activity. My station staff are delighted. We often get customers saying even the current ticket hall is now looking great. We are looking forward to the opening and access to Barangaroo.

The Hon. PAUL GREEN: Minister, in terms of other stations, I understand that Rooty Hill is after a lift. There is a lift program. Can you give us an update for Rooty Hill?

Mr ANDREW CONSTANCE: In terms of the transport access program we are currently investing \$890 million in that project. We are dealing with legacy issues but we are looking to invest as quickly as we can across the whole network. I will have to take on notice the question about the specific lift. The Government has delivered around 400 projects in this program. I am very conscious of the barriers to people with disability accessing the transport network. Unfortunately, there are stations around the network where we need to invest in lifts.

The Hon. PAUL GREEN: I would like an update on that one specifically. Would you update the committee on the Maldon to Dombarton line. Is there any movement on that?

Mr ANDREW CONSTANCE: The question is probably better directed to the Minister for Roads, Maritime and Freight. I am happy to hand over to the secretary on that.

Mr REARDON: We looked at an expression of interest process for the Maldon to Dombarton rail line recently. It is a question for the Minister for Roads, Maritime and Freight. I am happy to take the question on notice and provide you with more detail.

The Hon. PAUL GREEN: Thank you. I turn to the light rail construction at Randwick. Minister, would you put on record a comment about the destruction of the trees and what you have done to ameliorate the situation? Have there been opportunities to hand the trees over rather than cut them down?

The Hon. Dr PETER PHELPS: Destruction? It is refurbishment.

The Hon. PENNY SHARPE: That is a word, but it is not true.

Mr ANDREW CONSTANCE: Thank you for the question. I want to correct the public record about the removal of trees associated with this project. An inconvenient truth has been professed in relation to this. We have saved 120 trees. Where we can, we transplant the trees. Anybody who has seen the online video presented by the light rail team in the past 24 hours will have seen us relocating trees to Heffron Park. We are going to plant 1,800 trees through this project, in recognition of the fact that we have had to remove some vegetation. It disturbed me enormously when someone put a spike in a tree. I have been enormously disturbed by claims that I am cutting down the trees that line Anzac Parade. They are going to remain. We have gone tree by tree to try to ensure that, where possible, in the construction of the light rail project we save the trees. Not only have we transplanted some of the 120 trees; in some circumstances we have been able to save the tree removal. That includes 44 kauri pines from Alison Road, 11 palm trees in Wansey Road, 23 London plane trees on Alison

Road that will not be removed, more than 35 trees in High Cross Park that will not be removed and 15 semi-mature street trees of varying species that will be relocated from Moore Park to Heffron Park in Maroubra.

I am pleading with the community to look at the animation that we have released that clearly shows that we are not clear-felling Centennial Park or Moore Park. We are planting mature trees to replace some of the larger trees that we have, unfortunately, had to remove. Some of the trees were removed to allow the light rail to run along the edge of Moore Park. It will come up through a tunnel from Devonshire Street onto an alignment that is designed to maximise the light rail opportunities and access for communities. We had to remove some trees to allow the light rail project to extend to Kensington. That is the reality of life. Thank you for the question. There has been a lot of misinformation.

The Hon. PAUL GREEN: It saves me from running another inquiry.

Mr ANDREW CONSTANCE: Yes. I am very sensitive to this because I, like everybody else, do not want to see large trees removed. The trees that adjoin Anzac Parade today were planted when trees were removed in 1917 to widen what was then Randwick Road. They cut trees down to widen the road and then replanted. We have had to remove some trees 100 years on to allow for light rail.

The Hon. PAUL GREEN: Some in the community believe that decisions were progressed before agreements were reached.

Mr ANDREW CONSTANCE: I have been very surprised that those who have jumped up and down the loudest about this have not read the environmental impact statement from a couple of years ago. All the information was made available at that time. It seems to me that it became highly political at the time of the Federal election campaign. By the next State election the route will be greened up. We are looking to plant mature trees of varying species, of three to four metres in height. We have worked with the Centennial Park and Moore Park Trust on the types of trees. There are 140 trees that have already been replanted. We will continue the good work. I have also asked the central business district coordinator-general to work with the RSL so that we can formally plant memorial trees, which has never happened. We are very keen to do that. I ask that people please bear with us and please understand what we are trying to do.

The Hon. PAUL GREEN: Thank you. I have a quick question about the end of paper tickets. There is concern in regional and rural areas that people cannot purchase an Opal card at the station. Could the cards be purchased at the stations in those areas, given that the shops where one can buy those tickets are closed on Saturdays and Sundays?

Mr ANDREW CONSTANCE: Coming from regional New South Wales as well, I am sensitive to this. There are more avenues available for the purchase of the Opal card—2,100 outlets—than there were under the paper-based ticketing system. They can be bought at Woolworths, newsagents, and Service NSW outlets. We have had an incredibly successful campaign to encourage the State's seniors to purchase the gold Opal card. More than one million seniors have now accessed the gold Opal card. To that end, we have provided a product that is more accessible than the original paper-based tickets. I was not prepared to continue to run two ticketing systems. Given that Opal was first implemented in 2012, four years of running two ticketing systems was long enough. We continue to offer a single Opal ticket as part of the fare structure, for anybody who does not have an Opal card.

The Hon. PAUL GREEN: Is that available on site, at railway stations?

Mr ANDREW CONSTANCE: Yes, at stations. We have rolled out around 350 top-up and dispensing machines. We are very excited about the growing trend in the use of the smart phone application. You can walk around with a mobile top-up on your smart phone. Interest in that is growing. A lot of customers are using the automated top-up. That will continue. The rollout has been fairly successful. It has been well staged. It was not done within a 12-month period. This has been done over a four-year period.

The Hon. DANIEL MOOKHEY: Minister, who from Transport for NSW provided the assurance to the Auditor-General that the Auditor-General has repeated in his 2015 report that was tabled in Parliament?

Mr ANDREW CONSTANCE: Would you repeat the question?

The Hon. DANIEL MOOKHEY: Who from Transport for NSW provided the assurance to the Auditor-General that the single SAP solution program is on budget and will be completed on time?

Mr ANDREW CONSTANCE: I will hand over to the secretary.

Mr REARDON: We will take that on notice.

The Hon. DANIEL MOOKHEY: Will the employee assistance program [EAP], the enterprise resource management [ERM] and all other programs that are paid for from the business system improvements line item that is listed Budget Paper No. 2 be completed in 2017, as stated in the budget paper?

Mr REARDON: I have already responded to that.

The Hon. PENNY SHARPE: Minister, can you confirm whether the University of New South Wales has signed the development agreement regarding the light rail project?

Mr ANDREW CONSTANCE: I will hand over to the secretary.

Mr REARDON: We have a number of agreements with third parties as part of the CBD and South East Light Rail project. The University of New South Wales is one of them. We are having detailed discussions with the university on a couple of items at this point in time.

The Hon. PENNY SHARPE: So they have not signed it yet?

Mr REARDON: I will take it on notice to provide an answer on where we are up to. We are in the final stages on a couple of items.

The Hon. PENNY SHARPE: Are you able to tell us what the unresolved issues are?

Mr REARDON: I will take that on notice.

The Hon. PENNY SHARPE: Construction is underway, but you do not have a final agreement from UNSW?

Mr REARDON: I think the point has been made around third party agreements previously, and the resolution of some of the items within those is something that we have been working on very hard for the past 12 months. I am pleased to say that we are very much in the final stages of that third party agreement with the university. I am assured that we are just about there on that agreement, and—

The Hon. PENNY SHARPE: You are confident that, once this is agreed—although it is not agreed yet—there will not be any implications in relation to overall cost and time for completion of the project?

Mr REARDON: I think there are two separate matters. One is that I have indicated that our third party agreement with the university—I am assured that we are very much close to finalising the last of the details on that—

The Hon. PENNY SHARPE: Yes, I have heard that, and you have taken the rest on notice. I am asking whether you are confident about cost and time for completion.

Mr REARDON: As the Minister said, we keep delivering the CBD and South East Light Rail on time and on budget.

The Hon. PENNY SHARPE: You are confident there is not going to be a cost blow-out as a result of the discovery of the issue of utilities under the CBD?

Mr ANDREW CONSTANCE: The advice from the project director is that this project remains on time and on budget. As I said, there are 31 construction zones. There are very complex challenges, depending on where you are standing in relation to the project. We have been upfront and very honest about the challenges under George Street, which is why the project team is continuing to work with the consortium to ensure the project is on time and on budget. The CBD Coordinator General is working directly with businesses in terms of the activation of precincts. We will continue our focus. This project is an enormous challenge, but it is going to deliver a beautiful outcome.

The Hon. PENNY SHARPE: I wanted to ask about the current capacity for people travelling from the Eastern Suburbs into the city in the morning peak period. I see that Ms Prendergast is all ready to answer these questions; I know she is very familiar with this debate. But I am confused and I would like to get to the bottom of exactly what we are talking about. It seems to me that the numbers that are used are not consistent across a range of different documents. Minister or Ms Prendergast, in the Transport for NSW business case summary—I note not the entire business case, because you will not release that—it says that the CBD and South East Light Rail:

... will result in up to 220 fewer peak hour buses entering the city centre.

Are you aware of that claim?

Mr ANDREW CONSTANCE: I will hand over to the CBD Coordinator General.

Ms PRENDERGAST: But in the actual access strategy, published later, it talked about 220 buses within the CBD—which is a more accurate description.

The Hon. PENNY SHARPE: This is what I want to clarify. The initial claim was 220 fewer peak hour buses entering the city centre, but that has subsequently changed to being 220 fewer peak hour buses going in and out of, or around, the city centre. Is that correct?

Ms PRENDERGAST: The EIS stated 180, regarding the South East Light Rail. To clarify, you want a bit more detail on the capacity?

The Hon. PENNY SHARPE: I have a series of questions I want to ask you, but I just wanted to clarify that the initial claim was 220 buses entering the city—but that is not actually correct.

Ms PRENDERGAST: That is not purely South East Light Rail. That is both South East Light Rail and also broader CBD bus plan changes.

The Hon. PENNY SHARPE: Yes, I understand that, and I am trying to get to that. But the initial claim was "buses entering the city"—I am not saying from the south-east, necessarily. A lot of the figures that have been used are the figures for capacity both in and out of the city. Referring exactly to those coming from Kensington, Kingsford, Randwick and Coogee—say for the hour of 8.00 a.m. to 9.00 a.m.—is the one-way capacity of the light rail inbound anticipated to be 6,750 passengers per hour?.

Ms PRENDERGAST: Yes, it is—on light rail alone. But the full capacity is light rail plus bus, and the express bus services will still operate.

The Hon. PENNY SHARPE: At this point, what do you believe the capacity of the buses will be during that period?

Ms PRENDERGAST: The south-east is, obviously, an origin and destination. When we describe capacity, we talk about "inbound" and "outbound"—light rail plus bus.

The Hon. PENNY SHARPE: Yes, and I am talking about inbound to the city.

Ms PRENDERGAST: Inbound to the city, the capacity currently is probably about 8,500 per hour. With light rail—

The Hon. PENNY SHARPE: I am sorry—is that 8,500 currently on the entire bus network into the city from there?

Ms PRENDERGAST: From the south-east, from Kingsford and Randwick specifically, yes.

The Hon. PENNY SHARPE: Are you able to provide a breakdown—you do not have to do it now, obviously—to the Committee of the routes and the capacity on each of those routes?

Ms PRENDERGAST: We will take that on notice. If we are looking at it with light rail, we are looking at about 11,000 in one hour. That is with the 6,750—

The Hon. PENNY SHARPE: Can I stop you there? You said 11,000 in one hour. You have just confirmed to me that inbound on light rail is 6,750 passengers per hour.

Ms PRENDERGAST: Correct. That is 6,750 plus the express bus services and plus some all stops. It is really important to note that, of the buses currently servicing from the south-east, only 15.7 per cent are high-capacity buses—being articulated buses or 14.5-metre buses. Those buses will be redeployed for express services—

The Hon. PENNY SHARPE: Can I confirm that the number—

The Hon. BRONNIE TAYLOR: I think we need to hear the answer.

The Hon. PENNY SHARPE: No, it is important. These numbers are actually very important.

The Hon. BRONNIE TAYLOR: Point of order—

The Hon. PENNY SHARPE: I know that Ms Prendergast is well across this brief.

The CHAIR: A point of order is being taken.

The Hon. BRONNIE TAYLOR: Point of order: It is really important that we get to hear the complete answer. Maybe then, if we allow Ms Prendergast to answer the question, we will not have to keep interjecting with another question. That is the standard. I have let it go for quite a while, but I just needed to say that.

The CHAIR: Let us get back to it. If you proceed with a question, the answer can follow.

The Hon. PENNY SHARPE: There are 6,750 passengers per hour inbound from the south-east—is that correct?

Ms PRENDERGAST: That is on light rail alone, plus express peak bus services.

The Hon. PENNY SHARPE: Then the bus capacity currently, you are claiming, is 8,500?

Ms PRENDERGAST: Approximately, yes—that is for Kingsford and Randwick.

The Hon. PENNY SHARPE: You are going to provide a breakdown to the Committee of those. The inbound capacity, you are now saying—when the light rail is due to open—of buses plus light rail is what?

Ms PRENDERGAST: It is about 11,000 per hour. The EIS always predicated that there would be express bus services and there would be some all stops. It is also important to note the EIS was published in 2013. We have seen a change in travel patterns, some growth and some growth in service. We are going to use the latest Opal data, which really shows us the origin and destination, to create a new bus plan closer to the time. It is light rail plus bus. There will be express bus services. There will be additional capacity. We anticipate a 10 per cent increase in the capacity from Kingsford, 30 per cent from Randwick and more than a doubling from the city outbound. The beauty of the light rail is we provide for 12 hours—

The Hon. PENNY SHARPE: Let me stop you there. We started off that we were going to have 220 fewer buses going into the city between 8.00 a.m. and 9.00 a.m., but we now accept that they are coming from everywhere and they are going in and out. How many buses, inbound from the south-east, will be removed from the city centre?

Ms PRENDERGAST: We are envisaging that approximately 180 south-east buses will be removed. These are the standard capacity, the smaller buses—because the high-capacity buses will run the express services as they do today.

The Hon. PENNY SHARPE: To clarify, when you talk about that, are you doing so on the basis that there are 50 people on those buses or 70 people on those buses?

Ms PRENDERGAST: Fifty—given the high-capacity ones will stay in service or be redeployed.

The Hon. PENNY SHARPE: High-capacity buses being the bendy buses, the articulated buses?

Ms PRENDERGAST: They are the articulated ones, or the 14.5-metre ones—and only 15.7 per cent of the fleet from Port Botany or Randwick are those sorts of buses.

The Hon. PENNY SHARPE: Why is it that sometimes—for example where it says, "Transport for NSW states that there are 16,000 passenger movements"—you use 50 for the number of people on a bus and then sometimes you use the figure 70?

Ms PRENDERGAST: We have not used the 16,000 figure. That was a correction—it was actually an interpretation.

The Hon. PENNY SHARPE: You are saying that the correction that the *Sydney Morning Herald* gave was incorrect?

Ms PRENDERGAST: It was an interpretation based on an average assuming that a much larger proportion of the fleet was high capacity—when it is not. Only 15.7 per cent of the fleet is high capacity, being articulated or 14.5-metre buses. They will be redeployed to accompany light rail to provide additional capacity. We are providing additional capacity for the people of the south-east both coming to the city and travelling to the University of New South Wales and the Randwick hospital precinct.

The Hon. PENNY SHARPE: As I have said, I am interested in the inbound capacity. Do you accept that the current 50-passenger buses can actually take up to 70 passengers and are licensed to do so?

Ms PRENDERGAST: What is shown on the back of the bus is different from what is actually operationally deployed.

The Hon. PENNY SHARPE: You are saying that the signs on the inside of the bus that say that there can be up to 70 passengers on the bus are incorrect?

Ms PRENDERGAST: They are the enforced Roads and Maritime Services [RMS] limits for weight; however, often for a safety reason there are lower numbers. The average is 50 that are coming in on those buses. We are providing additional capacity. It is too early to do all of the maths and I am not quite following your maths. We will do a new bus plan based on real origin and destination data from Opal, which gives us the real

travel patterns. We are also seeing a lot of cross-regional growth, people travelling east to the growth centres to and from Green Square, Bondi and St Vincent's.

The Hon. PENNY SHARPE: I understand that. We have a whole new system coming into place in an area that has admittedly been well serviced by buses for a long time in a flexible way where there will be an increased interchange for people. There is growth in population, as you have outlined and I am well across. What I am trying to understand is the baseline capacity and the actual capacity and what people's travel times will be when this project opens.

Ms PRENDERGAST: It will be 6,750 on light rail plus whatever buses we need to service the demand that we see. There will be express bus services.

The Hon. PENNY SHARPE: But they will not all be coming into the city. You have just said you have got 180 coming out of the city.

The Hon. BRONNIE TAYLOR: Point of order: Ms Prendergast needs to be allowed to finish the answer but she cannot do that with this constant badgering. It is not right.

The CHAIR: Proceed with your answer.

Ms PRENDERGAST: There are 6,750 by light rail in each direction. The 180 are the smaller standard buses. They will be replaced comfortably by the light rail service but they are also going to be accompanied by the express bus services tailored to the demand at the time which will run peak express into the city. There will also be some redeployment of those buses to lead people to the light rail itself. We will also explore cross-regional services and indeed some all-stop services, especially those that service the travel patterns we will see which is people travelling from the south-east, for example, to St Vincent's Hospital. We will provide the capacity based on what people need and then some. The beauty of this is we provide it for 12 hours a day, which enables us to really meet the new flexible style of working and the broadening of the travel peaks and provide a service out to the university and Randwick across the day.

The Hon. PENNY SHARPE: I want to know about the traffic congestion impact of the light rail along the route and what that has shown for the journey time.

Ms PRENDERGAST: We were surprised at how people have accommodated it.

The Hon. PENNY SHARPE: I do not mean now. I mean what you anticipate the journey time to be once the light rail opens.

Ms PRENDERGAST: The EIS actually specified the journey time, as we discussed last year. We are currently modelling some of the signal prioritisation.

The Hon. PENNY SHARPE: You are confident that those figures stand and there is nothing new to add?

Ms PRENDERGAST: We will be reviewing it as we do the signal prioritisation and reviewing traffic modelling based on new demand. What I can tell you is traffic demand in Sydney is changing. One of the things we are amazed at is since last October when we compared the first six months of this year to last year we have reduced inbound traffic to the CBD by 7.5 per cent. That is the inbound peak one hour at 8.00 a.m. to 9.00 a.m. At the same time we have increased public transport phenomenally. Bus into the CBD in the first six months of this year versus last has increased by 14.6 per cent. Train has increased by 6.9 per cent. We are actually changing behaviours. The biggest growth is 6.00 a.m. to 7.00 a.m., which is showing people are now travelling outside the traditional peak and we are utilising our capacity far better. We can change traffic and we can reduce car travel. We think the light rail will be a game changer in this respect.

The Hon. PENNY SHARPE: What is the time frame for this revised modelling on the signals along the route?

Ms PRENDERGAST: The modelling is ongoing. It is going to be undertaken this year. It is obviously to inform the signal prioritisation.

The Hon. PENNY SHARPE: Will it be made public?

Ms PRENDERGAST: Obviously the revised timetable closer to operation will be made public based on the modelling.

The Hon. DANIEL MOOKHEY: Does the Government currently have a short list of possible routes for the Parramatta to Strathfield light rail?

Mr ANDREW CONSTANCE: I am glad you asked about the Parramatta Light Rail because it is a great project for the city's west. Of course, I have made the public comment that we are in the midst of finalising the routes. There is a whole raft of considerations as part of that. Obviously, we are going to be looking at various options for the route but we will be finalising the route and then we will be consulting the community on the route.

The Hon. DANIEL MOOKHEY: In respect to the part of that process to which you just referred, are you into the short list stage?

Mr ANDREW CONSTANCE: I do not quite understand what you mean by "short list".

The Hon. DANIEL MOOKHEY: Okay. I will move on. When will the possible routes be placed on public display for community comment? Actually, I have two questions. Will you put the possible routes on public display for the public to comment and, if so, when?

Mr ANDREW CONSTANCE: We are hoping to do that by early 2017.

The Hon. DANIEL MOOKHEY: As part of the Sydney Metro City and Southwest project will Hurlstone Park station be closed for any period?

Mr ANDREW CONSTANCE: I am happy to throw to the project director. He did answer that question earlier. You obviously were not listening.

The Hon. PENNY SHARPE: He was asked about whether it was staying open. It is a different question. You obviously were not listening, Minister.

The Hon. DANIEL MOOKHEY: Can we proceed to the answer?

Mr STAPLES: All of the stations on the Bankstown line will be upgraded as part of the project. Through the EIS we will outline the construction method and how those stations will be managed during the construction process.

The Hon. DANIEL MOOKHEY: That covers Hurlstone Park?

Mr STAPLES: That will cover Hurlstone Park as well, yes.

The Hon. DANIEL MOOKHEY: In relation to the proposed Kangy Angy rail maintenance facility, can you explain why the Government chose that site considering it was not part of the 24 originally proposed sites?

Mr ANDREW CONSTANCE: I am intrigued by your question on this because I am surprised that Labor has opposed up to 350 maintenance jobs on the Central Coast.

The Hon. DANIEL MOOKHEY: You are really criticising us for jobs on the Central Coast?

The CHAIR: Order!

Mr ANDREW CONSTANCE: You are opposing up to 350 maintenance jobs on the Central Coast.

The Hon. DANIEL MOOKHEY: You really want to open that can of worms?

The Hon. PENNY SHARPE: The member for Terrigal will love this.

Mr ANDREW CONSTANCE: There was a multi-criteria assessment for this site which considered a number of locations alongside an existing railway network and also the existing maintenance facilities that could potentially be utilised. A review of environmental factors [REF] was on public display from 6 June to 4 July 2016. The species impact statement was on public display from 7 June to 8 July 2016. Some 131 submissions that were received from the local community and interest groups are currently being reviewed with determination planned for early September 2016.

The Hon. DANIEL MOOKHEY: Was that the reason why you chose Kangy Angy and not one of the other 24 original sites on the list?

Mr ANDREW CONSTANCE: As I indicated, there was a multi-criteria assessment. We want to ensure that we get the best outcome. I am again intrigued as to Labor's opposition to the awarding of the new interurban fleet [NIF] contract and those up to 350 maintenance jobs on the Central Coast.

The Hon. PAUL GREEN: After paper tickets were abolished on 1 August it was reported in the *Daily Telegraph* that 28 Opal top-up machines failed on a single date during the previous month, while more than 100 faults were registered on another day and a lack of technicians meant few of the machines were fixed

by the target time of three hours. How does the Government deal with this situation and ensure a reduction in these sorts of incidents? On a month-to-month basis what is the average failure rate of the Opal machines?

Mr ANDREW CONSTANCE: As with the commissioning of any rollout of machines like this there was always going to be some inconvenience caused to our customers potentially if the software upgrades did not roll out as quickly as possible. We made sure that we fixed those as quickly as possible. Some of them were fixed in a matter of hours. There are 20,000 Opal card readers across the transport network. The reliability of those, on the advice provided to me, is around 99 per cent. The Auditor-General's report noted that there were 15,000 Opal card failures during 2014-15. That is compared with the 20,000 Opal card readers operating 365 days a year. That is 7.3 million Opal card reader days, which equates to 0.2 per cent. If you put that into the broader context of what we are talking about, no system is ever going to operate at 100 per cent but, given the number of commutes every day and the very nature of it, it is a much greater and improved system than anything else that has operated in this State before.

The Hon. PAUL GREEN: What do you do for a technician at, say, Bega—I know they do not have trains there, but if they did—or Broken Hill or in regional areas? I am trying to understand the technicality of you saying that you do not have enough technicians.

Mr REARDON: The Opal card system is delivered by Cubic Transportation Systems on behalf of Transport for NSW. It covers the geography of the Hunter, Blue Mountains, Illawarra and all of the Sydney Basin. In regard to where the placement of the maintenance regime is for that, they base that on the reliability rates that the Minister just went to and we hold them to account for meeting those reliability rates. If we believe that there is a reliability or availability issue we will take that to task with Cubic Transportation Systems. How they base, like any other operating system, where their maintenance facility will be is to ensure that they can reach each area in the broad extent of the operating system—that is, the Opal card system in the geography I have described within the time frames as outlined in the contract that we have with them. If they do not meet those the matter will be taken up by the project director on our side with Cubic.

The Hon. PAUL GREEN: So you have some benchmarks?

Mr REARDON: Absolutely.

Mr ANDREW CONSTANCE: The other point I would make, from the advice I have received, is that this is the largest geographic rollout of any electronic ticketing system in the world—and this Government has achieved that. To that end you are always going to have some glitches, particularly in the commissioning of new top-up machines, but I am pretty confident that we are through that now.

The Hon. PAUL GREEN: Are they cross-pollinated with buses at this point in time?

Mr ANDREW CONSTANCE: Given the very nature of the system on buses, and because the hardware is constantly moving, it does quite often mean constant software upgrades. There is obviously a situation where the drivers themselves need also to boot-up the system and we are fairly mindful of that. Again, the expectation on the provider is to continue to improve the system in that regard but the very mobile nature of the hardware on the buses has presented and can present challenges.

Mr REARDON: If I could just add to that? There are quite literally thousands of buses, both State Transit Authority and private buses, involved in the system across 25 bus contract areas within the greater metropolitan area. As the Minister said, you basically have four readers on a bus that are mobile and that means a download for the system has to occur when there is a new technology upgrade. When that occurs and the download has not issued the central system is alerted and, again, the contractor is asked to respond to that. In regard to assistance with your question, you can be assured that certainly customers will give us very direct and specific feedback immediately. We put all of the apps out there to provide opportunities for feedback from customers for the very reason that we want to hear from them when there is news to do with any of the Opal readers, and they certainly feed that back to us quite quickly. That is one of the reasons why customer satisfaction has improved quite a deal across all public transport operators—NSW Trains, Sydney Trains, ferries, light rail and bus—but we encourage that feedback because we are on a journey for continuous improvement.

The Hon. PAUL GREEN: So if there is a fault and customers cannot register their Opal card what happens?

Mr REARDON: For example, if people tag onto the system but cannot tag off and they receive a default fare we encourage them in the terms and conditions and, indeed, we promote it quite heavily on the website, that they are to contact the Opal customer care and we will deal with that. So if it was a hardware or a software issue that default fare will be rectified basically for the customer. When that does occur I can assure

you that the response is quite swift in how we try to turn those around. Again, I will say we are on a journey for continuous improvement but on the scale of the literally millions of cards that we have out there and the geography—as the Minister pointed out, it is the largest geographical rollout in the world in a smartcard ticketing system—we are responding quite well. Customer satisfaction is coming back to us; it is quite strong. But whenever we have an issue—and I am happy to hear any specifically that you may have—we seek to respond to them in kind.

The Hon. PAUL GREEN: How is the scamming issue with free rides going?

Mr ANDREW CONSTANCE: It certainly will not be continuing after 5 September. Several months ago we introduced a number of measures to make it more difficult for people to run between Opal readers down at Pyrmont and the tap-ons and tap-offs between Monday and Friday were quite stark. The key point for us with the changes we are making on 5 September is that, with the growth we are experiencing in Sydney, people are going to have to get used to interchanging modes, and that is why we are providing the incentive in the system for them to do so.

The Hon. PAUL GREEN: The Government will be delivering new trains in 2019 with modern features such as mobile phone charging stations, new wider 2 x 2 seat configurations and more room for storage, bicycles, prams and wheelchairs. While passengers will no doubt appreciate more modern facilities in trains, how will you deal with overcrowding in peak times with less seating made available for commuters, particularly for people travelling from the Blue Mountains, Central Coast and South Coast, many of whom already have to stand up in peak times?

Mr ANDREW CONSTANCE: This is a really important question. We are in the midst of probably one of the largest procurements of trains in this State's history. We announced funding in the budget for replacement trains on the suburban network. Last week I announced the winning tender for the new intercity fleet to which you allude—

The Hon. PAUL GREEN: Was it BlueScope that won that?

Mr ANDREW CONSTANCE: They produce aluminium, do they not? I continue: Also metro light rail trains and around the corner the XPT fleet. In regard to the new intercity fleet, the provision of those new carriages will provide a much improved customer experience for people from regions such as ours, through to the Blue Mountains, Central Coast and Hunter. We have two configurations—a 10 set train and an 8 set train. The 10 set train is designed to replace the V set, and the shorter train obviously will continue to work in conjunction with the OSCars. The customer feedback that we have received, particularly from regions such as ours, was that people did like the 2 x 2 seating. One of the issues that also affects the capacity on the shorter train—with the longer train it is like for like—we have to cater for people with disabilities, which means accessible toilets. We are also looking to improve the customer amenity, as you alluded to, with USB ports and the seating configuration. We will continue to grow these services.

Where we see a lot of standing in the intercity fleet trains is obviously once they are on the suburban network where people are accessing the intercity fleet trains as part of the suburban network. We are going to try to do everything we can as a government to continue to invest in the suburban network—and that is why we are going to procure new suburban trains as well—and in the future we will see the enormous benefits and upside in that enormous step change that the metro will bring as well. So there will be a step change in the next five to seven years in passenger rail in this State. That is very exciting. Indeed, if you were to stand on the moon and look down at what is happening around train procurement in New South Wales you will see that it is very exciting.

Dr MEHREEN FARUQI: Minister, in response earlier to a question by the Hon. Paul Green on the destruction of trees and the CBD South East Light Rail you said something along the lines of people should have read the EIS more carefully. Could I put to you that people did read the EIS quite carefully and that the original EIS selected the alignment on the south side of Alison Road and the EIS actually justified it by giving many reasons, one of which was "no impact on the trees on the northern side of Alison Road", many of which have now, of course, been chopped down.

Mr ANDREW CONSTANCE: They have been transplanted as well. Your party has been quite aggressive on this.

Dr MEHREEN FARUQI: Could you just listen to my question? A modification report was then issued later in December 2014, which suggested the alignment on the northern side, and many of the reasons that were given in the modification report contradicted the reasons that were given in the original EIS. For example, the original EIS said "good inbound bus and light rail interchange opportunities immediately adjacent to the proposed Royal Randwick Racecourse stop", which was on the southern side, and the modification report

said "potential impacts to the bus interchange area at the Alison Road entrance to Royal Randwick are completely opposite to each other and contradictory". Minister, that is why the community does not have trust in the Government on this project; that is why they want an inquiry. I am just wondering if you have any comments—

The Hon. Dr PETER PHELPS: Is there a question here or is this hectoring lectures?

Dr MEHREEN FARUQI: Could I ask you to comment on that?

Mr ANDREW CONSTANCE: I am not sure what you are asking me to comment on. Do you want me to comment on The Greens' opposition to the project?

The Hon. Dr PETER PHELPS: The well-known party of tree-spikers. It makes you wonder who tree-spiked along there, does it not?

Dr MEHREEN FARUQI: I would like you to comment on your earlier response that people should have read the EIS properly. I put to you that people did read the EIS properly; it was changed and the reasons given were not adequate. Could you comment on that?

Mr ANDREW CONSTANCE: Can I just make this point? I want to thank The Greens for supporting the project. I particularly want to acknowledge Jamie Parker and Jenny Leong, who have advocated very strongly for the project.

Dr MEHREEN FARUQI: Minister, do you mind just giving me a response to my question?

Mr ANDREW CONSTANCE: I am not sure what your question was. Could you please reword it?

Dr MEHREEN FARUQI: I asked you to comment on the changes in the EIS without good reasoning, because you raised the issue of people not reading the EIS properly.

The CHAIR: Just so we are clear. It is a very specific question, I think, to do with the EIS. Is that understood, Minister?

Mr ANDREW CONSTANCE: I am happy to throw over to the secretary or the coordinator-general to answer the technical specifics around the EIS. The observation I would make is that you cannot build a \$2.1 billion infrastructure project in the heart of the city without affecting vegetation, and at no point have The Greens acknowledged 1,800 trees are going to be planted and that I have also gone tree by tree to ensure that we either save, relocate, revegetate or redesign. That is what really bugs me about the dishonest campaign that has been waged by politicians about this.

Dr MEHREEN FARUQI: I do not agree with that.

Mr ANDREW CONSTANCE: I will hand over to the secretary—

Dr MEHREEN FARUQI: No, that is fine, I have a no response from you. I do not need another response, thank you. In an interview with the *Sydney Morning Herald* last week the New York City's parks commissioner, Mitchell J. Silver, was asked about the removal of the more than 100-year old trees for the CBD South East Light Rail and he stated this:

I saw that. My heart was broken. Whether you're state or federal, that could not have been done in the States. To remove heritage trees ... you've just wiped out 100, 150 years of history that cannot be gained back.

He went on to say:

Somebody would lose their job if that happened in New York.

If that can be the reality in other cities around the world, why can that not be the reality in Sydney?

Mr ANDREW CONSTANCE: We are not building a zig-zag railway. I think the point that needs to be made is that we have worked around the clock tirelessly to try to minimise the vegetation removal associated with this project. It would be fundamentally dishonest to say that we cannot deliver a light rail project to Randwick or to Kensington from Circular Quay without disrupting vegetation, and, as I indicated, we have saved 120 trees. I know that The Greens do not like that inconvenient truth but the reality is we will continue to work tirelessly tree by tree. The biggest challenge with the trees, I might add, is not what is above ground, it is the root balls; that, in itself, from an engineering perspective, has caused a challenge for the project team.

I am not willing to accept some of the actions that have been taken by protesters in this regard. If the argument was at least balanced from members of the Labor Party and The Greens about this then it would be a workable environment. You can have your fun as much as you like; we are going to be planting trees which are three to four metres high—

Dr MEHREEN FARUQI: Minister, trying to save the environment is not about having fun.

Mr ANDREW CONSTANCE: Hang on a second; 1,800 trees have been planted as part of this project. It is almost a trebling of the existing vegetation, and some of the vegetation removal is not big plants.

Dr MEHREEN FARUQI: Moving on, Minister, thank you for that: What is the current estimated total cost of the CBD South East Light Rail project?

Mr ANDREW CONSTANCE: In terms of the construction of the project, \$2.1 billion.

Dr MEHREEN FARUQI: Minister, how much has been spent so far on the project?

Mr ANDREW CONSTANCE: I will get you the latest numbers in terms of that, but I can assure you, the advice given to me—and I do keep in regular contact with the project team on a weekly basis—is that the program still remains on budget.

Dr MEHREEN FARUQI: In Budget Paper No. 2 on page 1-5, it allocates \$1.9 billion for the CSELR project over the forward estimates, which is the next four years, and it also notes that that does not include the \$332.9 million subject to public-private partnership arrangements. Page 5-4 also indicates that \$360 million has already been spent. This seems to add up to more than \$2.1 billion. Could you answer that? It adds up to more than \$2.1 billion—about \$2.26 billion. Could you account for that discrepancy or could you take that on notice?

Mr ANDREW CONSTANCE: I will have to take it on notice. I just had a note handed to me that has indicated we have spent around \$360 million on the project thus far. I indicate to you that we have got 7.2 kilometres that are currently under construction—that is about 61 per cent of the project.

Dr MEHREEN FARUQI: Coming back to the North West Rail Link or the Sydney Metro Northwest, is the Skytrain component of that project on schedule for completion?

Mr ANDREW CONSTANCE: In terms of the overall project—

Dr MEHREEN FARUQI: Minister, I just need to know about the Skytrain project specifically. I have limited time; I have a very specific question.

Mr ANDREW CONSTANCE: You seem to have quite significant knowledge about this part of the project—

Dr MEHREEN FARUQI: I have significant knowledge about all parts of the project.

Mr ANDREW CONSTANCE: I am happy to hand over to the program director in relation to it.

Dr MEHREEN FARUQI: Is that on schedule for completion and when?

Mr STAPLES: The contract, when we awarded it, we said would be completed in 2017 and we expect all the works to be completed in that time frame.

Dr MEHREEN FARUQI: So it is on time?

Mr STAPLES: The contract is to be concluded in 2017 and yes it will be concluded in that time frame.

Dr MEHREEN FARUQI: How much more than the original signed contract has been paid to the contractor for the Skytrain project?

Mr STAPLES: The value of the contract is in our contract disclosures. The estimated amount of the contract now is in the order of \$400 million.

Dr MEHREEN FARUQI: And how much more is that from the original \$50 million that was paid extra some time last year?

Mr STAPLES: There have been increases in the contract value, which we have commented on previously.

Dr MEHREEN FARUQI: By how much?

Mr STAPLES: The original contract value was in the order of \$340 million. The changes that were associated there, which we have talked about before, particularly relate to—and we foreshadowed this when we awarded the contracts—as we refine the interfaces between the major contracts, because there are a number of contracts on the project, that we would need to refine some of the elements of it, and particularly in the instance of this contract we also identified a significant amount of contamination on the site out near Rouse Hill, which

we needed to remediate and make sure that, given that this is a 100-year railway, we did not have contaminated land underneath the railway. So that was a substantial component for change in the costs.

Dr MEHREEN FARUQI: Are you anticipating any other costs, extra payments to the contractor, in the next year or so before the project is completed?

Mr STAPLES: We have always said that we will continue to refine details of the contracts. The main point I would make is that we are managing all of that within the \$8.3 billion budget.

Dr MEHREEN FARUQI: How much contingency is in that budget?

Mr STAPLES: We do not disclose individual contingency components, but we make contingency in the budget so that when we need to make adjustments we are in a position to be able to do that within the overall funding for the project.

The Hon. ADAM SEARLE: In relation to the minimum conditions of remuneration and working conditions enjoyed by people working in the taxi industry, does your Government have plans to weaken that or water that down at all?

Mr ANDREW CONSTANCE: Absolutely not. But the point that I would make here is that we have conducted a parliamentary inquiry over the course of the winter recess which you will be aware of. I saw an instance where the Transport Workers Union [TWU] could not even tell the committee how many members of the TWU are taxidriviers, which I found interesting. We want to see this industry grow, be sustainable and have a future and we set about reform, in a very sensible manner in the point-to-point transport market but, as part of that, one of the issues that did come up was the industrial relations environment in which taxidriviers are working. So I am looking forward to that committee work and to receiving a report from the committee to have a look at, because it is one which I am very keen to look at, as should all members of Parliament.

The Hon. ADAM SEARLE: What about people working in other parts of the point-to-point industry—drivers for Uber and the like—who do not currently have any minimum conditions of work, such as remuneration?

Mr ANDREW CONSTANCE: Again, it is interesting that members of the Labor Party 12 months ago promised a private member's bill in this regard and it never appeared. They were quick to support Uber but they were not willing to do the necessary homework.

The Hon. ADAM SEARLE: That was not the question, Minister.

Mr ANDREW CONSTANCE: It goes to the fundamental point around the industry, does it not? You are happy to support Uber but you are not happy to do the homework to put the right regulatory environment in place.

The Hon. ADAM SEARLE: Well, we tried when the point-to-point bill was going through the Parliament, Minister, but you got in the way.

Mr ANDREW CONSTANCE: That is an interesting predicament that you find yourselves in. Obviously, the arrangements that exist with contractors in that regard is something which is a matter for the national system. I note that you are looking to potentially unionise Uber drivers, which I am not quite sure is going to work in the shared economy.

The Hon. ADAM SEARLE: That was not the question; it was whether you believe that everyone working in the point-to-point transport industry should enjoy minimum conditions of work, such as remuneration—yes or no? It is a simple question and you should be able to answer it.

Mr ANDREW CONSTANCE: In the context of ride sharing it becomes a matter for those individual contractors with Uber and that is the fundamental point that you are not willing to accept from the Labor Party's perspective. Because I suspect that you are out there to try to drive the TWU membership, as opposed to trying to get the best outcome in regard to customers.

The Hon. ADAM SEARLE: No, it is about making sure that all workers have minimum conditions of work. I am hearing that you do not believe that all workers should enjoy minimum conditions. You do not think that people who work in the Uber system—

Mr ANDREW CONSTANCE: I am not going to take the bait.

The Hon. ADAM SEARLE: I think you just did.

Mr ANDREW CONSTANCE: No, I think your shameful behaviour, to go out and support Uber and not give a stuff about the conditions of anybody or to not put in place any regulatory framework says more about you.

The Hon. ADAM SEARLE: There were amendments before the Parliament to do that but your party voted them down.

Mr ANDREW CONSTANCE: Interestingly, you seem to be driven by the TWU and I am not a puppet to a union.

The Hon. ADAM SEARLE: Neither am I, Minister. In relation to the \$98 million of transition assistance to taxi plate owners, have you had any advice about the likely tax treatment of that money in the hands of the recipients, whether or not it is taxable and, if so, on what basis?

Mr ANDREW CONSTANCE: Again, in regard to the initial payment that is being made, we are in the midst of asking people to apply. That initial payment is designed to compensate the loss in lease payments associated with the regulatory reform and that is why it has been issued in the way that it has.

The Hon. ADAM SEARLE: Are we talking about the \$142 million or the \$98 million?

Mr ANDREW CONSTANCE: I am talking specifically in relation to the \$98 million. We are working with the Taxi Council and the Federal Government over the exact question you raise, but we have very deliberately established two components to the industry adjustment. One as an initial payment to everyone who has seen a loss in lease income associated with the regulatory change and then, of course, recognition that there are other plate owners out there who, through no fault of their own and, given the very nature of the plates and the long history of their existence in New South Wales, we have established a hardship panel to look at those individual circumstances.

The Hon. ADAM SEARLE: So to be clear, you will get taxation advice from the Commonwealth to make sure that plate owners understand that?

Mr ANDREW CONSTANCE: As I indicated to you, we will be working through this with the Taxi Council and the Federal Government.

The Hon. PENNY SHARPE: Ms Prendergast, I want to come back to one aspect that we were talking about before. You talked about 180 buses being removed along the south-east route. Can you clarify exactly how many are inbound in that peak time?

Ms PRENDERGAST: Two thirds inbound; one third outbound— 6,000 and 3,000, in regard to numbers.

The Hon. DANIEL MOOKHEY: Minister, I refer you to your previous answer in respect to a question asked by Mr Green about the procurement decision that you made last week. Why was it that you rejected the bid amount by the consortium led by the Swiss railway firm Stadler that had pledged to manufacture the cars in a new facility in Wollongong, creating more than 600 direct jobs in a region suffering from 15.8 per cent youth unemployment?

Mr ANDREW CONSTANCE: You have seen my public commentary on this. Again, let me be clear: These regions are going to benefit from new trains. The key points that seem to be lost on members of the Opposition in this regard is that the winning consortium has an Australian partner, UGL Limited [UGL], Hyundai Rotem, Mitsubishi Electric Australia and UGL—Australian partner. In regard to this it was very clear that we went with a winning tender which was cost-effective. Given the enormous procurement that is underway in regard to trains, I need to be investing every dollar I can, given the capacity constraints that exist across the network in new rolling stock. That is what I am going to do. We also have the benefit of a product that is delivered off the shelf and again, I am a little perplexed by the fact that Labor is saying that the jobs are lost in Wollongong and Newcastle at the same time. It is either Wollongong or Newcastle and I wish members of the Labor Party would come clean as to where they think the jobs are apparently lost.

The Hon. DANIEL MOOKHEY: In respect of the contract that was agreed with the Hyundai Rotem consortium, does that contract contain any requirement that there be a purchase of steel from the BlueScope facility or any other local content provisions, particularly given that that was a criteria that the procurement board suggests ought to be assessed when making these decisions. Does it contain any provision around local content and use of Australian steel?

Mr ANDREW CONSTANCE: First and foremost we meet procurement guideline requirements. A fundamental dishonest campaign has been again waged by the Labor Party over the use of steel. I am happy

for the project director at north-west to give you a lecture on how much steel is being used in the north-west project.

The Hon. DANIEL MOOKHEY: I am asking you specifically about the contract that you announced last week.

Mr ANDREW CONSTANCE: You want to run a campaign that is suggesting we do not support the domestic steel industry when we do. We support the domestic steel industry.

The CHAIR: Minister, a specific question was directed to you. You are invited to answer the specific question.

The Hon. DANIEL MOOKHEY: I will repeat the question. I am asking whether or not, in the contract that you struck with Hyundai Rotem for the purchase of the carriages, there is a requirement for the use of steel from BlueScope in Wollongong or any other BlueScope facility and, if so, what is the local content requirement that is contained in that contract?

Mr ANDREW CONSTANCE: The observation I make is that train manufacturers such as Stadler, who you mentioned before, make some of their trains out of aluminium.

The Hon. DANIEL MOOKHEY: I am not asking you about Stadler, I am asking you about Hyundai. They are the people you signed the contract with last week.

Mr ANDREW CONSTANCE: I gave an answer about meeting procurement guidelines. In terms of the overall support of the domestic steel industry, 70 per cent of the Government's \$26 billion of construction spending over the past three years went to New South Wales based suppliers.

The Hon. DANIEL MOOKHEY: Does 70 per cent of this contract go to base suppliers?

Mr ANDREW CONSTANCE: We have a \$73 billion infrastructure program and we are supporting the Australian steel industry. If you want to acknowledge the enormous benefits delivered to the Australian steel industry because of the infrastructure program that would be a good thing.

The CHAIR: Minister, again I invite you to answer the question. If you do not wish to answer it you should say so or take it on notice. It is a specific question.

Mr ANDREW CONSTANCE: I gave the answer that we met procurement guidelines.

The CHAIR: That is the Minister's answer.

The Hon. DANIEL MOOKHEY: That was not the question. Minister, with respect to the claim you made last week that all other bids, the second bid presumably, was 25 per cent more expensive than the contract you entered. Was that 25 per cent figure reflective of any modelling undertaken by Transport for NSW or other agency you are responsible for or Infrastructure NSW?

Mr ANDREW CONSTANCE: First and foremost—

The Hon. DANIEL MOOKHEY: I have not finished the question. If not, where did you derive the 25 per cent figure from?

Mr ANDREW CONSTANCE: First and foremost, I am not going to go into the specifics of individual bidders because that would be entirely inappropriate. I will hand over to the secretary of the agency to answer the question.

The Hon. DANIEL MOOKHEY: I asked the question—

The Hon. BRONNIE TAYLOR: Will you let the Minister answer it?

The Hon. DANIEL MOOKHEY: The Minister did answer it, he said he would not go into the detail. I appreciate the answer. Minister, when you tweeted that it was 25 per cent more, where did you derive the 25 per cent figure from? You were happy to do that in Twitter, why are you not happy to do the same in the budget estimates Committee hearing?

Mr ANDREW CONSTANCE: I am happy to have the secretary of the agency go into the specifics of the question.

The Hon. DANIEL MOOKHEY: You can tweet the answer later if you wish.

Mr ANDREW CONSTANCE: There is a 25 per cent saving associated with the project.

Mr REARDON: In terms of procurement we look at what our procurement options are and the range of prices we achieve through the tender box. As per the Minister's comments I am not going to go into detail on a commercial contract process that we have just been through. To answer the specific question in terms of points: we go through a range of options about how we might procure and there has been a significant saving achieved. If you want more advice concerning that we will take it on notice. .

The Hon. PENNY SHARPE: This is a question for Mr Mason. I note that the on-time running figures for the old CountryLink network remain stubbornly at 78 per cent and have not changed in the last five to six years. Minister, or Mr Mason, what are you doing to ensure that regional commuters can get where they need to go on time?

Mr MASON: I appreciate the question because for the first time in 12 years we have beaten our target, 78.6 per cent.

The Hon. PENNY SHARPE: It has stubbornly been set at 78 per cent for the last six years.

Mr MASON: That is above the target we have been set.

The Hon. PENNY SHARPE: You should say that on the website.

Mr MASON: It is 1.6 per cent above last year, where we were close as well. The regional network has a number of issues to deal with, as you are well aware. We have to run on Australian Rail Track Corporation [ARTC] rails and on their formation. We have to deal with the freight trains which on the south line is the busiest freight corridor, apart from the Hunter, in the whole State. We are competing with freight trains that are sometimes not as reliable as I would like them to be. We have been working with ARTC and the country rail network to improve the network. We have, for the first time in 12 years I have been here, hit our target and I am very pleased.

Mr REARDON: Can I clarify that that is the target set by Transport for NSW based on customer feedback.

The Hon. PENNY SHARPE: Do you think customers are satisfied with a 78 per cent on-time running target?

Mr REARDON: No, I am sure they expect 100 per cent.

The Hon. PENNY SHARPE: Correct.

Mr REARDON: We have indicated previously we are on a journey and we are pretty pleased we are actually measuring what customers want.

The Hon. PENNY SHARPE: It has been 78 per cent for the past six years.

Mr REARDON: As per Mr Mason's comment he is achieving his target.

Dr MEHREEN FARUQI: Minister, what was the rationale for increasing public transport fares by scrapping the free end-of-week Opal travel ?

Mr ANDREW CONSTANCE: Again, we want to be able to deliver better services and the reality is that they have to be paid for. If you consider that fare box revenue for some modes of transport is below 20 per cent we have to get the funds from somewhere to pay for improved services.

Dr MEHREEN FARUQI: If no-one is using the services what is the point? No-one will use the train on weekends because of that.

Mr ANDREW CONSTANCE: You fail to acknowledge that I am part of a Government that has delivered over 16,500 new weekly services since coming into office. The money has to come from somewhere, we do not just print it.

Dr MEHREEN FARUQI: Minister, you would be aware that the Finder website found that there was a clear majority of people who would be worse off because of this decision to increase fares?

Mr ANDREW CONSTANCE: Let me be clear, I am not increasing fares. There is no change in the fare structure.

Dr MEHREEN FARUQI: It is effectively a 20 per cent increase for people.

Mr ANDREW CONSTANCE: The daily and weekly fare caps remain the same, and the Sunday fare cap remains the same.

Dr MEHREEN FARUQI: Does the Government have its own research or modelling that finds an outcome different to what the Finder website found, that people are worse off because of the decision?

Mr ANDREW CONSTANCE: I get to see some interesting assumptions used by the Labor Party such as the claim of a \$1,000 increase in Western Sydney when that was a blatant misrepresentation.

Dr MEHREEN FARUQI: Does the Government have its own modelling to show it is different? Does the Government have its own numbers or research on this to show anything different?

Mr ANDREW CONSTANCE: We have not adopted all of the Independent Pricing and Regulatory Tribunal's recommendations. We have growing patronage, we have seen a loss of revenue and that is unsustainable in the longer term. We want to be able to provide a fantastic service to people. I am a big advocate for seeing more people on public transport. You and I share a strong view in that regard.

Dr MEHREEN FARUQI: We do, but there are different ways of doing it.

Mr ANDREW CONSTANCE: I do not get to sit in an armchair and criticise, I have to try and deliver a system.

Dr MEHREEN FARUQI: We are sitting in the same chair, are we not?

Mr ANDREW CONSTANCE: We are responding to the Auditor-General and the Independent Pricing and Regulatory Tribunal who have said the existing arrangement, in terms of eight journeys, is unsustainable. That is why we are offering half-priced fares after eight journeys.

Dr MEHREEN FARUQI: Why did you introduce it in the first place? Has the Government received any advice from Treasury relating to the potential sale of the Casino to Murwillumbah rail corridor?

Mr ANDREW CONSTANCE: I am not aware of any advice to that effect. The secretary of the department has just indicated no.

Dr MEHREEN FARUQI: Could you commit today to keeping the Casino to Murwillumbah corridor in public hands in your term in Government?

Mr ANDREW CONSTANCE: One of the great elements of railway infrastructure is a Minister can turn off the service but cannot dispose of the assets; it requires an Act of Parliament to do that.

Dr MEHREEN FARUQI: There have been some changes in legislation.

Mr ANDREW CONSTANCE: I am not coming forward to dispose of any asset in this regard.

Dr MEHREEN FARUQI: That is good to know.

Mr ANDREW CONSTANCE: It is. I am mindful that there are some in the community who are pushing for the conversion of these assets into pathways, and what have you.

Dr MEHREEN FARUQI: Thank you, Minister.

Mr ANDREW CONSTANCE: You are welcome.

Dr MEHREEN FARUQI: Concerning the North West Rail Link; earlier this year it was revealed a few, maybe four, concrete spans of the Skytrain section of this rail line had cracks in them and they had to be taken down and replaced. Has the Government put in better quality assurance procedures or required the contractor to do that to ensure it does not happen again?

Mr ANDREW CONSTANCE: I will hand over to the program director to answer that.

Mr STAPLES: We have worked with the contractor. As you said, there were some spans where the quality was not to the standard we expected. We were very clear in the contract about what we require from the contractor. Those spans have been replaced. The contractor has put in place some further quality control processes.

Dr MEHREEN FARUQI: They have been put in place?

Mr STAPLES: Yes, they have.

Dr MEHREEN FARUQI: I understand that there is also a company, Arcadis, that has been contracted by government as an independent verifier for the North West Rail Link. Is that correct?

Mr STAPLES: For all of our contracts, including the Skytrain contract, we have an independent certifier that provides independent assurance about the quality of the works. Arcadis is the independent certifier on the Skytrain contract, yes.

Dr MEHREEN FARUQI: How much is its contract worth?

Mr STAPLES: I will have to take that question on notice.

Dr MEHREEN FARUQI: Thank you. Minister, what is the current budget for the replacement of the fleet of intercity trains? I know that a \$2.3 billion contract has been let recently. The budget is bigger than that overall, is it not?

Mr ANDREW CONSTANCE: Yes. As we indicated, the \$2.3 billion announcement last week was for the procurement of the trains and the maintenance services required over a 15-year period. We are in the middle of a live tender for the stabling and maintenance yard facility. It certainly will not be the price estimate given by the Auditor-General, which was around \$3.9 billion. We are very happy that potentially there will be up to 350 maintenance jobs on the Central Coast.

Dr MEHREEN FARUQI: Has another \$1.6 billion been budgeted for the replacement?

Mr ANDREW CONSTANCE: We will not be spending the money that you speak of. It is very pleasing that there was such competition in the tender process that we have just witnessed because it enables us to use the savings to invest in suburban fleet trains.

Dr MEHREEN FARUQI: So that money will be reallocated to another transport project?

Mr ANDREW CONSTANCE: Absolutely. I am trying to invest it back into the suburban fleet and we have fleet procurements underway.

Dr MEHREEN FARUQI: Thank you.

Mr ANDREW CONSTANCE: I have an update for the Deputy Chair on the Rooty Hill lift. It is in planning, and detailed design is underway.

The Hon. PAUL GREEN: Great, so when will it be working?

Mr ANDREW CONSTANCE: I will come back to you on that. We will make it quick. It is a long way from Nowra.

The Hon. PAUL GREEN: You have been full of good news this afternoon, Minister. I would like to round it off with an operating lift at Rooty Hill. That would be fantastic.

Mr ANDREW CONSTANCE: I am happy to help.

The Hon. PAUL GREEN: I turn to something more futuristic: fast trains. Consolidated Land and Rail Australia Pty Ltd has partnered with international companies to develop a proposal for a high-speed rail network that will connect Melbourne, Canberra and Sydney. It claims to require no Government funding. It is expected to cost about \$200 billion, but will not cost taxpayers a cent. Would the Government be inclined to provide any funding for a fast train network? At what point will the Government be involved, to ensure greater benefits and long-term affordability for New South Wales commuters who would use such a network?

Mr ANDREW CONSTANCE: We welcome any suggestions from the private sector. This country would love to see high-speed rail one day. Whether it is economically feasible and whether we have the necessary population density are critical questions. The sector is looking at this in the context of potential city building, such as the potential development of the Hume corridor. Other benefits that could be derived would include environmental benefits and commuter flow between cities, delivering people to the centre of cities. The Government welcomes that input from the private sector. The Government has an unsolicited proposal process that the private sector can work through. Given that this would be a nation-building project, it is very much in the hands of the Prime Minister and the Federal Government.

The Hon. PAUL GREEN: Would it be more helpful if it went from Melbourne via Canberra and Bega to Sydney?

Mr ANDREW CONSTANCE: And via Nowra.

The Hon. PAUL GREEN: Given that \$3.3 billion would be taken out of the economy and the Illawarra region if Australian steel products were not used in New South Wales infrastructure projects, will the Government commit to using 100 per cent Australian produced steel for its major infrastructure projects? This is a global sweet spot for infrastructure.

Mr ANDREW CONSTANCE: We are delivering opportunities to the domestic steel market and we will continue to do that. We have a \$73 billion program, and \$40.5 billion of that is for public transport and roads. That is just in the next four years and does not include the benefits from lease two and lease three of the

poles and wires. Through our finance Minister we are opening up as many opportunities as possible. That is against the backdrop of the Federal Government committing to free trade agreements. They flow through to procurement policy.

Look at the runs on the board. Steel manufacturers would not be getting these opportunities to provide Australian steel to our projects if we had not seen a change of government and the very real focus on infrastructure investment that we are delivering. Look at a project such as Sydney Metro Northwest, when 100 per cent of the steel used to reinforce the tunnels was Australian sourced. The structural steel in the Skytrain was sourced in Australia. The majority of road projects in our region are using Australian steel. We will continue to work with the industry in that regard. The finance Minister will continue to work on procurement policies to provide every opportunity to include local content.

The Hon. PAUL GREEN: Thank you. Is there any update on the desalination plant? I think that has been leased.

Mr ANDREW CONSTANCE: That question is probably better directed to the Minister responsible for that portfolio, or the Treasurer. The desalination plant was refinanced early in the term of this Government. The capital recycled from that has been invested back into our infrastructure projects across the State. That has been an important outcome in that it has freed up capital to build other projects and to get our economy moving, allowing us to become the number one economy. It is best to ask the Hon. Niall Blair for specific information.

The Hon. PAUL GREEN: Would you provide an update on the International Convention Centre?

Mr ANDREW CONSTANCE: Yes, I can provide a great update on that.

The Hon. PAUL GREEN: You are happy to comment on the \$1.5 billion development that will adjoin the 600-room luxury hotel, and residential and commercial opportunities.

Mr ANDREW CONSTANCE: It will provide a \$200 million uplift for the State economy. It will be open in September.

The Hon. PAUL GREEN: Are we invited to that?

Mr ANDREW CONSTANCE: I will make sure you are invited. We will be celebrating. The International Convention Centre is an enormous opportunity for this State. More than 200 events are already booked in, including international events. It is putting Sydney back on the global stage. It will give the Darling Harbour precinct an enormous uplift. It is not just about the provision of a world-class ballroom, an exhibition space and an 8,000-seat theatre. It is more than that. We are seeing the development of the Sofitel Hotel. We are seeing two lots of student accommodation being built. The Darling Park precinct, Tumbalong Park and the thoroughfare are incredible. It will ignite Sydney and the State. It is the first megaproject this Government has built. There is a lot of excitement about what the facility will offer in the future.

The Hon. PAUL GREEN: To finish on a high note, I will end my questioning there.

Mr ANDREW CONSTANCE: Thank you.

The CHAIR: Minister, is there anything you would like to add?

Mr ANDREW CONSTANCE: No. I look forward to answering the questions on notice.

The CHAIR: Thank you, Minister, for attending this afternoon, and thank you to all the officers who gave their time.

(The witnesses withdrew)

The Committee proceeded to deliberate.