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GENERAL PURPOSE STANDING COMMITTEE No. 4

Monday 1 September 2003

Examination of proposed expenditure for the portfolio areas

TRANSPORT SERVICES, AND THE HUNTER

The Committee met at 5.30 p.m.

MEMBERS

The Hon. Jennifer Gardiner (Chair)

The Hon. Tony Catanzariti
The Hon. Kayee Griffin

Ms Sylvia Hale
The Hon. David Oldfield

PRESENT

The Hon. Michael Costa, *Minister for Transport Services, Minister for the Hunter, and Minister Assisting the Minister for Natural Resources (Forests)*

Ministry of Transport

Mr J. Lee, *Director-General*

Mr P. Scarlett, *Executive Director, Finance*

Rail Infrastructure Corporation

Mr G. Seabury, *Acting Chief Executive Officer*

State Rail Authority

Mr V. Graham, *Acting Chief Executive Officer*

Mr B. Lovat, *Officer*

State Transit Authority

Mr J. Stott, *Chief Executive Officer*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded by 30 September 2003 to:

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

CHAIR: I declare this meeting open to the public. I welcome our guests to this public hearing by General Purpose Standing Committee No. 4. I thank the Minister and departmental officers for attending this evening. At this meeting the committee will examine the proposed expenditure for the portfolio areas of Transport Services and the Hunter. Before questions commence, some procedural matters need to be dealt with. Firstly, in relation to the broadcasting of proceedings, part 4 of the resolution relating to the budget estimates examined by the Committee requires evidence to be heard publicly.

The Committee previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of guidelines for broadcasting are available from the attendants. I point out that in accordance with the Legislative Council's guidelines for the broadcasting of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, you must take responsibility for what you publish or the interpretation that you place on anything that is said before the Committee. In relation to the delivery of messages, there is no provision for members to refer directly to their own staff while at the table. Witnesses, members and their staff are advised that the messages should be delivered through the attendants on duty or the Committee clerks. Note also that no food or drink is to be brought into the Chamber.

For the benefit of members and Hansard, I ask departmental officers to identify themselves by name, position and departmental agency before answering any question referred to them. When a member is seeking information in relation to a particular aspect of a program or a subprogram, it would be helpful if the program or the subprogram is identified. This Committee has resolved that the allocation of questions will be left in the hands of the Chair. Ladies and gentlemen, I declare the areas of Transport Services and the Hunter open for examination. Minister, do you wish to make any brief opening statement?

The Hon. MICHAEL COSTA: No.

CHAIR: Are there any questions?

The Hon. MICHAEL GALLACHER: Minister, do you agree with me that, prior to your taking over responsibility of the Transport portfolio, rail in New South Wales and the management of rail in New South Wales was pretty much a basket case?

The Hon. MICHAEL COSTA: I do not normally agree with you, and I do not intend to agree with you on this occasion.

The Hon. MICHAEL GALLACHER: I thought you were about to break with tradition by the way you started. I thought that we were off to a good start. But you have been appalled at many things you have seen and many things you have heard, and you have called for a number of reports. I think at last count it was 19 reports, most of which relate to safety. There are not too many shining lights among those 19 reports. Minister, when will you get to the point of saying that enough is enough and that you are going to be serious about recognising that it was a basket case prior to your taking over the portfolio?

The Hon. MICHAEL COSTA: Madam Chair, as I understand it, the estimates committees are to go through the line items in the budget. All of the documents referred to by the Leader of the Opposition have been made publicly available. They are on the web site. I do not intend to add anything further to that.

The Hon. MICHAEL GALLACHER: Minister, I would have thought anything that relates to safety, bridges, Millennium trains, dead man's handles on trains, or Tangaras would have an impact not only on the budget but indeed on the confidence of the travelling public of this State. What I am after from you is this transparency that we hear about, a recognition that things need to be improved. Is it the fact that what you were given following the last State election was a basket case?

The Hon. MICHAEL COSTA: Madam Chair, I have made publicly available a number of documents pertaining to various aspects of the portfolio, particularly the rail section of my portfolio.

They are publicly available for the Leader of the Opposition to examine and draw his own conclusions.

The Hon. MICHAEL GALLACHER: What caused you to call for the 19 reports, the results of which you have occasionally referred to as appalling? What was it that has caused you to say, once you became a Minister, "I am going to have these reports conducted"?

The Hon. MICHAEL COSTA: Madam Chair, this line of questioning is not very productive. It does not relate to any of the budget estimates. I reiterate my answer. I have made available a number of reports about various aspects of the portfolio. They are public documents. If the honourable member has any questions about those documents, I can certainly refer him to the appropriate person.

The Hon. MICHAEL GALLACHER: Minister, have you ever spoken to the previous Minister for Transport with regard to the diabolical state of the rail system that you inherited?

The Hon. MICHAEL COSTA: Madam Chair, whether I speak to anybody or not is really not a matter for budget estimates. I again ask the honourable member to focus on what the process is to make sure that the taxpayer gets value out of this session because clearly this line of questioning is not very fruitful.

CHAIR: Minister, I remind you that the budget estimates process allows for a wide latitude in the questions that are being asked. They do not necessarily have to relate to a particular line item.

The Hon. MICHAEL COSTA: With due respect, a question that asks me whether I spoke to somebody has very little relevance in terms of the budget process.

CHAIR: It could have a lot of relevance.

The Hon. MICHAEL COSTA: I suggest, Madam Chair, that you chair the meeting rather than seek a line of inquisition that, as I have already pointed out, is not very relevant to this process. As I have already indicated, I have said all I want to say about this. The documents are all public.

The Hon. MICHAEL GALLACHER: I am sure you have. This is my last question on this matter since the Minister is concerned about public perception and value for money. Minister, as a member of the public who travels on trains, would you like to see Carl Scully returned as the Minister for Transport in New South Wales?

The Hon. MICHAEL COSTA: Madam Chair, again I do not understand the relevance of the question.

The Hon. MICHAEL GALLACHER: I think you do, Minister. I will give one of the other members a chance to ask questions.

The Hon. DAVID OLDFIELD: I think he is suggesting that you are doing a better job.

The Hon. MICHAEL COSTA: The public of New South Wales will make judgments about the performance of both the Government and the Opposition. They did that at the last election, and that is why the Government was re-elected.

The Hon. DAVID OLDFIELD: And the one before.

The Hon. MICHAEL COSTA: And the one before. Thank you for reminding me.

The Hon. DAVID OLDFIELD: And the one after.

The Hon. MICHAEL COSTA: And the one that is coming as well, I am sure, if this is the line of questioning.

The Hon. DAVID OLDFIELD: When do you see the scenario with The Spit Bridge occurring?

The Hon. MICHAEL COSTA: That is a Roads issue.

The Hon. DAVID OLDFIELD: I am sorry.

Ms SYLVIA HALE: Minister, have any of your overseas trips in the past year been paid in part or in full out of public money? If so, did any of your relatives or friends accompany you on those trips?

The Hon. MICHAEL COSTA: I do not mind the Greens asking questions, but one would have thought that a little bit of initial research would have been appropriate. That would have enabled them to ascertain that I have not had any overseas trips. The question is absurd. It is a waste of time.

Ms SYLVIA HALE: Minister, can you tell me how many staff you have?

The Hon. MICHAEL COSTA: I can provide the numbers of staff.

Ms SYLVIA HALE: Has your department carried out a study of the cost of removing the Hamilton-to-Newcastle railway, disbanding the track and building a bus transitway? If so, what is the figure?

The Hon. MICHAEL COSTA: As the honourable member would be aware, because I have made a number of statements about this, a lower Hunter transport review is currently being undertaken. I have indicated that I will make public the results of that review.

Ms SYLVIA HALE: Can you tell me the estimated cost of retaining the link? How much does the operational maintenance of that section of track cost?

The Hon. MICHAEL COSTA: I refer to my previous answer.

Ms SYLVIA HALE: In that case, when you are answering that question would you also tell me what is the revenue generated by trips to and from those stations each year? I might run through these questions because you might take them all on notice. Has the Government commissioned any studies on the value of the land on which the Newcastle rail link now runs? Has the Government given any private undertakings to any development companies building in the vicinity, such as the Becton Corporation, that the rail line will be removed? Considering that you are backing the removal of the rail line into Newcastle, are you committed to retaining the land occupied by the rail line as a bus transport corridor? If so, what safeguards will you put in place to achieve this?

The Hon. MICHAEL COSTA: A number of those questions ought to be taken on notice, and they will be, but I make the general point that I have already made in relation to Greens scaremongering. There is no intention to sell off the transport corridor. I have made this clear during question time in the Parliament—I think that was in response to the honourable member's question in the previous sitting of Parliament. I do not understand the relevance of asking exactly the same question that you have asked me before. I again reiterate that there is no intention to sell off the transport corridor that currently houses the railway line. In relation to my particular views, as I have already indicated there is a transport review going on. We will have to await the outcome of that.

Ms SYLVIA HALE: Will you take those individual questions on notice?

The Hon. MICHAEL COSTA: I am happy to take all of your questions on notice. I hope that will ensure that the same question is not asked repeatedly.

The Hon. MICHAEL GALLACHER: My question is directed to the Executive Director, Finance. Mr Scarlett, how much did the ministerial office spend on media monitoring from Rehome Australia Monitoring Services in 2002-03, as outlined in the Premier's Department circular in 2002-03, and what is the estimated expenditure for 2003-04?

Mr SCARLETT: I do not have the detailed information that the member is asking for. I will have to take the question on notice.

The Hon. MICHAEL GALLACHER: Are you responsible for monitoring the expenditure within the Ministry of Transport?

Mr SCARLETT: My role includes managing finances of the Ministry of Transport. That is the role I took up a week ago.

The Hon. MICHAEL GALLACHER: You have done that for only a week, have you?

Mr SCARLETT: Yes. I can provide that.

The Hon. MICHAEL COSTA: Madam Chair, I just make this point: There will be questions of detail that, no matter how competent our officers are, may well appropriately be taken on notice. They are entitled to do that.

The Hon. MICHAEL GALLACHER: I would have thought that a finance director—excusing Mr Scarlett because he has only just arrived—would at least know how much was spent during the past 12 months.

The Hon. MICHAEL COSTA: The Transport budget is a large budget. We certainly have to provide the answer, but we may well choose to take the question on notice. I think that is appropriate. You want the answer, and this is not an inquisition.

The Hon. MICHAEL GALLACHER: I understand that, Minister, but I suspect that you do not know the answer either.

The Hon. MICHAEL COSTA: I have indicated that if you have detailed questions we will provide you with information.

The Hon. MICHAEL GALLACHER: Do you consider asking how much was spent on media monitoring to be a detailed question?

The Hon. MICHAEL COSTA: Yes, I certainly do. We may have a difference of opinion on that, but ultimately it is about the answer. You provide me with the question and we will give you the answer.

The Hon. MICHAEL GALLACHER: Mr Scarlett, if we are going to work on notice, will you also look at how many media and public relations advisers were employed by the ministerial office? Do you know the answer to that question?

Mr SCARLETT: No. I will take that on notice.

The Hon. MICHAEL GALLACHER: Minister, for each of your portfolio agencies do you know how many media and public relations officers or advisers are employed?

The Hon. MICHAEL COSTA: Again I will take that on notice, but I just make the point that we are in the process of restructuring the portfolio. I am sure the honourable member has noticed some of the public comments in relation to that restructure. That process needs to go ahead. We are merging the Rail Infrastructure Corporation [RIC] and the State Rail Authority [SRA]. As part of that process there are ongoing reviews about staffing issues. If you want me to be more specific about a particular date that you want to know about, I will provide that information.

The Hon. MICHAEL GALLACHER: The 2002-03 budget allocation, which has expired—do you know how many public relations officers were employed?

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The Hon. MICHAEL COSTA: If you want to know at a particular date, today, how many people are employed, I am happy to do that. I make the general point, and it is a general point, that currently we are in the process of restructuring not only the Ministry, as you would be aware—we have moved to a Ministry model, which I have announced publicly—but we are also in the process of merging the Rail Infrastructure Corporation [RIC] and the State Rail Authority. Providing that precise level of detail would probably require you to give me an indication of the particular day for which you want that information, because it may change.

The Hon. MICHAEL GALLACHER: Minister, did you look at the concluding stages of the 2002-03 budget? Do you understand that the budget for 2003 expired on 30 June?

The Hon. MICHAEL COSTA: As I indicated, I will not be led down a path that appears to be fruitless. If you have a specific question and you want specific information, I am happy to provide it.

The Hon. MICHAEL GALLACHER: I asked you a question about the 2002-03 budget. You flipantly said, "Do you want to know today?" Minister, I did not want to know today; I wanted to know between 2002 and 2003 and then 2003 and 2004, to find the allocation.

The Hon. MICHAEL COSTA: If the honourable member wants a comparison between this year's budget estimate and last year's actual, I am sure we can provide that. Could you indicate whether that is what you are asking?

The Hon. MICHAEL GALLACHER: Yes, Minister, I indicated that to you.

The Hon. MICHAEL COSTA: I will take it on notice and provide the information.

The Hon. MICHAEL GALLACHER: On 23 July you said that State Rail and the RIC had spent more than \$34 million on legal advice and \$6.7 million on advertising during the last two years. You said at the time: "Quite frankly I am disgusted at the level of expenditure on these external consultancies. I have ordered a freeze and there will be a review of all the portfolio guidelines in relation to external advice." Do you remember saying that?

The Hon. MICHAEL COSTA: No, I do not remember saying that. I have said a lot of things, and I certainly did make some comments in relation to consultants and other matters.

The Hon. MICHAEL GALLACHER: Do you stand by the fact that you were disgusted with the level of expenditure on consultants?

The Hon. MICHAEL COSTA: I certainly made some comments about consultants. I do not know what document you are quoting from. Given the track record of my experience with you, it could be a quote from anywhere. The fact is, and I make a general point again, that I did make some general comments about the level of expenditure on consultants and legal advice. I have certainly asked for a review of the protocols in relation to that.

The Hon. MICHAEL GALLACHER: While you are on that subject, can you explain to the Committee, with your level of disgust over the expenditure on external consultancies, why the expenditure of your own department, the Department of Transport, on external consultancies and advertising was not included in the \$43 million?

The Hon. MICHAEL COSTA: I am not sure that is correct. I am not sure whether that figure included or did not include that. I will take advice and come back to you.

The Hon. MICHAEL GALLACHER: Minister, can you indicate how much was spent by State Rail from January to March this year on the Keep on Training Sydney advertising campaign? Perhaps one of your officers would be able to advise you, because it might require some level of detail.

The Hon. MICHAEL COSTA: I do not have that detail. I will take advice and provide it to you.

The Hon. MICHAEL GALLACHER: What did you bring with you, Minister?

The Hon. MICHAEL COSTA: I brought sufficient information to answer questions, or provide a process to—

The Hon. MICHAEL GALLACHER: Is there any officer behind you who might be able to answer?

The Hon. MICHAEL COSTA: I have answered that question.

The Hon. MICHAEL GALLACHER: No, you have not. You said that you do not know.

The Hon. MICHAEL COSTA: I have answered that question. I did not say I did not know. I said I did not have the details here. I will provide you with the details you want.

The Hon. MICHAEL GALLACHER: Do you think it is worthwhile asking—

The Hon. MICHAEL COSTA: Madam Chair, this is a session to obtain information. I wanted to provide the most accurate information.

The Hon. MICHAEL GALLACHER: It is not going real well, is it?

The Hon. MICHAEL COSTA: It certainly is. All the questions you have asked me will be taken on notice and you will have detailed information. However, if you are going to play inquisitorial games, I will not be drawn into that. This is about providing public information. I have demonstrated my commitment to transparency, and I will continue to do that.

The Hon. MICHAEL GALLACHER: You were asked a fairly straightforward question in relation to advertising. You could have at least turned around and asked one of the officers with you whether anyone had the answer. But, no—you do not know and therefore no-one else dares to put their hand up.

The Hon. MICHAEL COSTA: We will provide you with information in response to the question that you have asked.

The Hon. DAVID OLDFIELD: It has been indicated in that recent statement that the Government now wants to implement parts of the Christie report from 2001; namely, remove cross-over points between tracks and improve sectorisation. Page 44 of the report states that even if the full Parramatta to Epping to Chatswood relief line were constructed, the combined capacity of the west, north and North Shore corridors into the city is still expected to be exhausted by around 2015, necessitating a new route through the central business district if Rail is to be able to cater for future growth in the west. I imagine you are familiar with that report. Given that it will take about 10 years to bring about the sectorisation that is wanted, will the network face gridlock by that time if you do not start building extra railways?

The Hon. MICHAEL COSTA: I will respond generally. First, I acknowledge the genesis of my recent comments about sectorisation in the Christie report. Sectorisation is an important strategy. Recently I indicated that we are working up plans. We are not in a position at this stage to present precisely what those plans are in relation to sectorisation. We have indicated that we will do so in the future. Those questions that you are addressing will be canvassed within those plans. It is certainly the public position that sectorisation is an important strategy, and one that will provide a strategy to deal with reliability; that is the focus of it. Certainly the Christie report will be one of the important documents that will be factored into our discussions about sectorisation.

A number of questions need to be answered in relation to any analysis of sectorisation. The questions will include appropriate sectors; gridlock points—what is the capital works program required to remove those gridlock points; and what is a sensible cost benefit analysis that would provide prioritisation of those projects. That is the work that the SRA and Ministry planners are working on at the moment.

The Hon. DAVID OLDFIELD: Page 14 of the Parramatta Railway Link West report notes that only the environmental impact statement option, for example Parramatta to Epping, allows for increased patronage at Parramatta station past 2021. What do you say to the suggestion that the cancelling of the western end of the railway seems to be a matter of deferring dealing with the problem until it simply becomes worse?

The Hon. MICHAEL COSTA: I made some public comments about that and I asked for a view from experts on how we can get the best value out of our current system. Those comments are public. I make this point: The process that we have announced is a process to secure the relevant corridor, to enable that particular component of the project to go ahead in future if it is so deemed to be cost effective, and more importantly operationally effective, at some point in future.

The Hon. DAVID OLDFIELD: This next question may seem to be someone's cynical sense of humour: Given that the Government has now abandoned the idea of a new railway to Parramatta, when will you change the name of the Parramatta Rail Link Company? Are you aware of section 52 of the Trade Practices Act, which prohibits misleading and deceptive conduct in trade or commerce? Is it not misleading and deceptive to use a name that suggests a railway will be built to Parramatta when it will not be?

The Hon. MICHAEL COSTA: It is a proposed rail link.

The Hon. DAVID OLDFIELD: My local paper, the *Manly Daily*—often called the bible of the peninsula, maybe for the unbelievers—reported in quite an horrific, almost scaremongering manner about the unbelievable increases in public transport costs to and from the peninsula for ferries and buses. What general feedback have you had with regard to any apparent public outrage on the northern beaches?

The Hon. MICHAEL COSTA: What were they referring to? I have not seen a report from the *Manly Daily*.

The Hon. DAVID OLDFIELD: You are only getting Rehome; you should be getting the print coverage too.

The Hon. MICHAEL COSTA: It might surprise you.

The Hon. DAVID OLDFIELD: The report referred to fare rises and used words similar to "phenomenal". There was a huge hue and cry about fare rises of between 5 per cent and 7 per cent.

The Hon. MICHAEL COSTA: I take it you are talking about the recent Independent Pricing and Regulatory Tribunal [IPART] determinations. I again make the point that those determinations were by an independent umpire. That umpire took submissions from a range of groups, including our agencies, and came up with those determinations. At that time I said I thought they were modest increases. I have also indicated that I believe we do have funding problems in the long-term sustainability of public transport. That is why we have asked Tom Parry, independently of his IPART role, to be involved in a ministerial inquiry into sustainable public transport. My advice is that that report should be available next week. I look forward to a full and public report about the options covered by Tom Parry.

I make the general points that I do not have the precise figures in front of me. It has been estimated that public transport subsidies have increased over the past four years by roughly \$200 per taxpayer, from a figure of around \$600 to around \$800. Blind Freddy could tell you that that is not sustainable. We need to get the relationship between the users of the system and what they contribute and the public subsidies right. That is part of what Parry is looking at. He is also looking more broadly at how to fund a public transport system over a medium- to long-term period. All those options will be canvassed within the report.

The Hon. DAVID OLDFIELD: My original question was, are we talking largely scaremongering speculation and related activities in regard to those fare increases?

The Hon. MICHAEL COSTA: The fare increases have occurred.

The Hon. DAVID OLDFIELD: What is the feedback to your officers? Are you being inundated by public outrage?

The Hon. MICHAEL COSTA: Again, how can I judge those things? My personal view is that the public fairly well accepts the process of annual fare increases. It is something that occurs under governments of both political persuasions. It is certainly something that will continue to occur under governments of both political persuasions. It is fairly unlikely that we will get a government of one of the other persuasions for a long time. Having said that, it is part of the normal process. If you use a public service, you contribute either directly or indirectly. That refers to all public services. We have chosen historically to fund our rail and general public transport system by user contributions. Those user contributions are highly subsidised. They do not meet the full cost of operating the system.

These are not-for-profit operations, by and large. That means that the public purse has to fund the gap. Most people accept that. The comments that I have heard, generally, are that people want to see service improvements. In Rail, for example, what I have heard on a repetitive basis is that people want improvements in safety and cleanliness, and they want greater reliability. The plans that we have announced in Rail are seeking to address that: transit officers in relation to safety; mobile cleaners in relation to cleanliness; and the sectorisation plan, which will bring forward more details in the future, is aimed very much at reliability. I am very cognisant of what the public wants, but by and large fare increases are inevitable.

The Hon. DAVID OLDFIELD: Given your general answers on fare increases and your comment that it would be an unsustainable situation without further public sector contributions, how do you see, in a general sense, the Government avoiding a scenario in which fewer people use public transport as a consequence of the costs? What is the cost benefit or loss relating to that?

The Hon. MICHAEL COSTA: People make those judgements about how elastic the demand for public transport services is. I have asked Tom Parry to look at that, and I am sure that the report, which should be released next week, will contain some very detailed answers about that.

Ms SYLVIA HALE: Minister, will you categorically rule out using private sector funding to build, maintain and operate new or existing CityRail services?

The Hon. MICHAEL COSTA: I do not understand the question. Obviously it is based on the usual Greens lack of research. Currently we have a range. What is your definition of private sector funding? Again, someone has written a bunch of questions that have no relevance to any research, even superficial research, of the rail system, which you asked me about.

Ms SYLVIA HALE: But you will endeavour to provide a full answer?

The Hon. MICHAEL COSTA: My only qualification to the proposition that I can provide you with full answers is that your questions be intelligible. The question was bizarre. Currently all over the public sector, broader than Rail, we have private contractors that provide services to government. I do not understand what your question is aimed at. I think you should clarify the question.

Ms SYLVIA HALE: Perhaps you might care to answer this question. Will you categorically rule out selling off any or all of the CityRail lines to the private sector in future?

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The Hon. MICHAEL COSTA: I can only rule it out whilst I am in a position to influence the decision, and I certainly will rule it out whilst I am transport Minister, as that is the only thing that I can rule out. To ask me to rule out anything when I have left the Transport portfolio is a little absurd.

Ms SYLVIA HALE: In relation to the Parramatta rail link, in your media release of 21 August 2003 you stated that you had instructed the Parramatta rail link project team to "secure the space necessary for future further Parramatta interchange development consideration." Does this mean

that the excavation of the Parramatta rail link station box will proceed as part of the Parramatta transport interchange construction?

The Hon. MICHAEL COSTA: I will ask John Lee, the director-general, to answer that question. He will be able to provide a very precise answer.

Mr LEE: With regard to the Parramatta transport interchange, part of that proposal will be the provision to preserve the corridor—that is, the substrata—underneath any development on the surface.

Ms SYLVIA HALE: I understand that you must excavate now because if you do not conduct the excavation work for the box now it will be almost impossible to do it at a later date, which would make the rail link unfeasible.

Mr LEE: No, the engineering solution is such that they can apply piers to a certain level that will allow the excavation to be undertaken at a later date.

Ms SYLVIA HALE: Minister, what is the total amount of money allocated by State Transit in 2002-03 to purchase new buses in Sydney accessible by people with a disability? How much will be allocated for this purpose in 2003-04? When will all State Transit buses be accessible by people with a disability?

The Hon. MICHAEL COSTA: I will ask John Stott, the Chief Executive Officer, to give a detailed reply.

Mr STOTT: State Transit's commitment for buses in Sydney in the present financial year is \$24 million. State Transit's policy is to buy only accessible buses. The fleet is presently 30 per cent accessible, and at a replacement rate of approximately 80 buses per year we can look forward to having a fully accessible fleet in just over a decade.

Ms SYLVIA HALE: How long will it take to achieve a similar result for Newcastle?

Mr STOTT: Newcastle is presently receiving an order of 30 accessible buses. They will join the 22 low-floor buses that have been in service for some years. So by the end of this year we will have 50 accessible buses from a fleet of 180. That will put us on par with Sydney and I expect the overall replacement rate to be the same.

Ms SYLVIA HALE: In terms of the rail Easy Access Program, what was the total amount of money allocated by State Rail in 2001 to improve the accessibility of trains and railway stations for people with a disability? How much money will be allocated for this purpose in 2002-03?

Mr GRAHAM: The Easy Access Program for the 2003-04 budget year is \$18.5 million. To date, State Rail has upgraded 66 stations under the Easy Access Program. A further 22 are targeted to be undertaken or completed under the four-year program, commencing in 2003-04, and seven stations are currently under construction as part of that program. I can name those if you would like.

Ms SYLVIA HALE: What criteria does the department use to determine which stations are selected?

Mr GRAHAM: There is a prioritisation of the 302 stations in the CityRail network. A prioritisation has been established of 125, and they are being dealt with in priority order against the criteria broadly established under the Commonwealth legislation.

The Hon. MICHAEL GALLACHER: Minister, I noted your comments last week about the integrated ticketing project when you referred to "a worse example of expenditure gone mad" in the first stages of the project. Can you explain the reason behind the decision, as indicated in Budget Paper No. 3, Volume 3, to capitalise the \$4.7 million spent last year and other costs related to the project?

The Hon. MICHAEL COSTA: That is another very detailed question. As no-one present appears to have that information we will take the question on notice and provide the details you have requested. In relation to integrated ticketing—

The Hon. MICHAEL GALLACHER: That will do fine. I have further questions. What is the department's total expenditure on the ongoing litigation with Cubic Transportation Systems?

The Hon. MICHAEL COSTA: I have been advised that we do not have that quantum here but we will obtain that information for you.

The Hon. MICHAEL GALLACHER: This will be an opportunity for you, Minister. I understand that you asked Department of Transport officers to give you eight reasons why you should not scrap the tender and I am told that you rejected seven of the eight reasons given in response to your request.

The Hon. MICHAEL COSTA: I do not know where you are getting your information.

The Hon. MICHAEL GALLACHER: Perhaps one of your officers might be able to help. I want to know what the problems are—

The Hon. MICHAEL COSTA: You have made the assertion that I asked people to provide eight reasons. I cannot understand why I would ask anybody to provide a specific number of reasons. I do not know where you have got that information—I would be interested to know. Perhaps I am wrong and I did make that request but I do not remember asking anybody to provide eight reasons. I certainly did ask the agencies to explain to me the rationale behind the integrated ticketing process, and we are presently in the process of reviewing that rationale. I have made some public comments about that. I have also indicated—to make it easier for the Leader of the Opposition—that every section of my portfolio will be reviewed. These will not be the only questions we ask about programs. When taking up a new portfolio I think it is prudent to ask questions about various activities, and certainly integrated ticketing is a critical area.

The Hon. MICHAEL GALLACHER: As the department was under the command of Mr Scully, it is probably wise to ask a lot of questions about previous activities—or should I say inactivities.

The Hon. MICHAEL COSTA: If the Leader of the Opposition has issues about leadership he should look a little closer to home, given the result of the last State election. The fact of the matter is that we will undertake a review of integrated ticketing. I think it is prudent to ask questions. I said publicly—I do not have the exact words in front of me so do not hold me to them—that I thought it was a dumb idea to look at wrapping technology around a very complex fare structure. Part of the Parry process will involve looking at what constitutes a sensible fare structure. I have also asked the Ministry to look at the fare structure. I believe we should have a much more simple fare structure, and that would certainly be a critical component of any review process.

The Hon. MICHAEL GALLACHER: Minister, to the best of your knowledge, has ERG indicated to the Government that it is having difficulty raising funds for the project?

The Hon. MICHAEL COSTA: I have no information to that effect, and it appears that no-one else here does either.

The Hon. MICHAEL GALLACHER: I will leave the issue of integrated ticketing for a moment and refer to the outer-suburban railway carriages for the Illawarra and the Central Coast. Perhaps Mr Graham will be in a better position to answer these questions. Why was the completion date for this project put back to 2007 when it was originally scheduled for 2005?

Mr GRAHAM: I take it that you are referring to the contract for the 41 outer suburban cars that Goninans are building?

The Hon. MICHAEL GALLACHER: Yes.

Mr GRAHAM: My understanding is that the delivery of those cars will commence in 2005 and then they will be delivered progressively from that point. We can accelerate or decelerate the rate of that delivery at the time.

The Hon. MICHAEL GALLACHER: My understanding is that the original total cost estimate in the 2001-02 budget was \$120 million. There appears to be a \$51.5 million blow-out in the budget as the total cost of the project is now \$171.5 million. Can you give the Committee an indication of the reasoning or the problems behind that blow-out?

Mr GRAHAM: Yes. The original estimate for the outer suburban cars was based on the tendered price for the Millennium cars. The reasonable expectation of the project managers at that time was that the rate per car would be an understandable way of estimating the future acquisition cost of the outer suburban cars. However, when we put the contract to the marketplace that expectation was not realised. The tendered price as opposed to the earlier estimated price is the price that now constitutes the estimate. One was a preliminary view of what the market would set and the last was a tendered view of what the market submitted for the project.

The Hon. MICHAEL GALLACHER: It is interesting that you referred in your answer to the Millennium cars. I think Mr Howard Lacy referred to the trains as the "Millennium trains with a toilet". I recognise that they are being built by Goninans, not EDI, but what other steps are you taking to ensure that the problems we have seen with the Millennium trains are not repeated with the "Millennium trains with a toilet"?

Mr GRAHAM: You would be familiar with the report that the Minister initiated from the independent expert, Mr Chris McKeown?

The Hon. MICHAEL GALLACHER: Yes.

Mr GRAHAM: That report, which has been completed and made public, identified a number of areas where, in his view, we need to consider future rolling stock contracts. Even though the outer suburban car contract had already been let when McKeown made his recommendations, we are putting in place those recommendations over the outer-suburban car contract. We are actively ensuring with the contractor that some of the complexity associated with the train operating system of the Millennium trains is reviewed well ahead of the outer-suburban cars going into their production runs.

The Hon. MICHAEL GALLACHER: So the travelling public of the Central Coast, the Hunter and the Illawarra can be assured that the problems that have befallen the Millennium trains will not affect them when they travel on the new trains after 2005 and beyond?

Mr GRAHAM: The delivery of new rolling stock to any operating railway, whether it is in New South Wales, Victoria or indeed the United Kingdom, obviously has infancy issues associated with the technology. It is important to ensure that the recommendations of the McKeown report are applied to the outer-suburban car contract. I think the secondary issue that the Minister has dealt with publicly is, rather than buying big lumps of rolling stock every 10 years and being on the leading edge of technology, it may be more sensible to take a considered longer term view of how that rolling stock is purchased. That particular issue is currently under consideration as well.

The Hon. MICHAEL GALLACHER: Thank you, Mr Graham. I will return to that point a little later.

Ms SYLVIA HALE: Minister, given the closure of the arterial route through the northern Illawarra—the Lawrence Hargrave Drive—will you ensure that during that closure State Rail services to Wollongong stop at every station between Helensburgh and Thirroul—that is, Otford, Stanwell Park, Coalcliff, Scarborough, Wombarra, Coledale and Austinmer?

The Hon. MICHAEL COSTA: Why?

Ms SYLVIA HALE: It is during the period of the road closure.

The Hon. MICHAEL COSTA: I understand that a road is being closed, I just do not understand the connection with rail services.

Ms SYLVIA HALE: I want to know whether you will ensure that appropriate and sufficient services will be provided to the people of Wollongong—

The Hon. MICHAEL COSTA: Do you have any evidence that the services provided are not appropriate?

Ms SYLVIA HALE: Will you ensure that trains stop at every station between Helensburgh and Thirroul?

The Hon. MICHAEL COSTA: Again, I do not understand the question. I do not understand the relationship between the closure of an arterial road and train services. Anyone who knows the Illawarra knows that there is an alternative route to Sydney and I do not understand your logic in linking those two transport areas. However, if you have some information that we should factor into our train timetabling I will be happy to consider it.

Ms SYLVIA HALE: Minister, presumably when you close a major road you put enormous pressure on other transport services. In those circumstances it would seem to me to be appropriate to increase rail services. You could do that by requiring trains to stop at every station.

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The Hon. MICHAEL COSTA: I will ask Mr Graham to respond from an operational point of view, but I again question the logic behind the question. I would have thought that if people make a choice to use a motor vehicle, and one particular road is closed, they logically use the other road. Given that the other road is still available, you still have not provided any evidence that there is any connection between the two phenomena, but I will hand over to Mr Graham.

Mr GRAHAM: It is important to recognise that passengers on that corridor have multiple origins, multiple destinations. We have a significant number of interurban, intercity passengers who, of course, are getting on for their peak hour travel from Wollongong through to the city. Their transport needs are satisfied by not stopping at all en route. We have other passengers who are getting on at the less patronised stations whose transport objectives are clearly having the maximum number of trains stop to pick them up and to let them off. The construct of any timetable, therefore, is always a balance between the competing demands of the longer distance passengers who want the faster non-stop service and the smaller stations where the passengers are obviously wanting frequent stops. Right now I think the balance is there. The number of passengers associated with those other stations are all served by the differential stopping patterns that we have on the Illawarra.

Ms SYLVIA HALE: Minister, would you consider providing other services, such as extending the Wollongong shuttle trains from Coalcliff to Helensburg?

The Hon. MICHAEL COSTA: Again, I do not understand the logic of the question. Does the honourable member have evidence to show either a relationship between the closure of that road and an increased demand on those services? I have not seen that and I do not think Mr Graham has seen it either. It would be useful if the honourable member has that information to provide it and we can send it to our railway timetablers and they can deal with it. At this stage there does not appear to be information that would warrant even that question being asked.

Ms SYLVIA HALE: Minister, surely this committee is an ideal opportunity to persuade people of the virtues of public transport, and provide services that show that rail can more than adequately substitute for automobiles.

The Hon. MICHAEL COSTA: I again point out, as I have to the Greens on many occasions, it is not up to the Government to mandate that people use public transport or private transport. These are individual decisions that people make and I support their right to make that decision. Certainly we have a responsibility to provide a reliable, safe and clean rail system. We will do that with the strategies that we have enunciated and individuals will make choices, as they are free to do under our system of government and our system of public administration, about what mode they use.

Ms SYLVIA HALE: Surely trains that are late, faulty and run infrequently is not the ideal way to proceed to encourage people to leave their cars behind and use public transport services?

The Hon. MICHAEL COSTA: I have already indicated that there are problems we are seeking to address, and we will elaborate on a set of strategies. The proposition that initiated this discussion that somehow a closure of one particular road was leading to an increase demand for rail services in a particular area, given that the other road is the major freeway, I have not seen any evidence. We are in evidence-based ministry and if there is evidence to this effect I would like to see it and I will get the appropriate people to analyse it.

Ms SYLVIA HALE: What are the current passenger numbers to the international and domestic terminal rail stations to Sydney airport?

The Hon. MICHAEL COSTA: We do not have that perhaps but we can certainly provide it. There was reference made to it in some recent comments. We have total patronage. Is that what you want?

Ms SYLVIA HALE: Yes, the number of passengers.

The Hon. MICHAEL COSTA: Is that total patronage?

Ms SYLVIA HALE: Yes.

The Hon. MICHAEL COSTA: We have made that publicly available. I am advised that it is somewhere between 12,000 and 13,000 per day to the airport link.

Mr GRAHAM: I can get the precise numbers for you. The current patronage is 30 per cent of the patronage estimates that were made at the time of the Government approving the project.

Ms SYLVIA HALE: If it is only 30 per cent, what are the current operating and capital losses for the Government on the airport rail line?

Mr GRAHAM: Again, the actual capital construction of the airport line project is a mixture of both government and private sector funds. The detail of that can be provided to you but it is a complex set of relationships involving a number of parties that I think is best dealt with in detail.

Ms SYLVIA HALE: What is the projected passenger traffic to the airport terminals in 2003-2004? What will be the budgetary impact of these passenger numbers on the Government?

The Hon. MICHAEL COSTA: Could you be a bit more specific? Are you talking about per train or per day? We are happy to provide information but there needs to be a certain degree of clarity in the way that questions are put so that we can provide the information.

Ms SYLVIA HALE: Presumably when the contract for the airport link was entered into their were estimates of passenger numbers.

The Hon. MICHAEL COSTA: That has been dealt with.

Ms SYLVIA HALE: What are the estimated passenger numbers for the coming year, based on previous experience? Currently it appears to be only 30 per cent of what was anticipated—and it may well be declining for all I know—and what impact will that have on the Government's budget?

Mr GRAHAM: The absolute number of passengers on the airport line is steadily increasing. However, as a proportion of the estimated passengers we cannot identify any reason why there would be a significant lift in the utilisation of the airport line. On that basis—the question you asked earlier about the financial implications of that to government—we would expect that trend to continue for some little time.

Ms SYLVIA HALE: Had the Government done some specific planning regarding rail access to a second or replacement airport for Sydney?

The Hon. MICHAEL COSTA: That question is best directed to the new Department of Infrastructure and Planning. You may not be aware that new portfolios were structured after the recent State election and long-term planning issues now come under the Department of Infrastructure and Planning and not within Transport.

Ms SYLVIA HALE: Will railway passengers access the possible sites at Wilton or Darkes Forest?

The Hon. MICHAEL COSTA: That is a matter for the Department of Infrastructure and Planning. We are not going to engage in uninformed speculation, no matter how useful it may well be to the Greens' re-election strategy.

The Hon. MICHAEL GALLACHER: Why has the total cost of the Hunter Valley railcars to Maitland, Scone and Dungog virtually doubled from \$61 million to about \$102 million, given that there are only 14 rail cars involved in the deal?

Mr GRAHAM: Again, the issue lies in estimates versus the tendered price. As to the tender price for these cars, whether it is the Hunter cars, the diesel multiple units or the outer suburban cars, the contracts for both of which had gone to Goninans, there is a competitive tendering process that establishes what the market rate may be. The Hunter Valley cars, of course, is a relatively small contract, with only 14 diesel cars involved, and clearly estimating the unit cost in such a small number is a difficult process. The actual market will tender on the basis of the work that they have on their order book at the time and clearly you are always open to where the market is at a particular time when you go to tender for a product. As with the outer suburban cars, therein lies the reason for that.

The Hon. MICHAEL GALLACHER: The blow-out is from \$61 million to \$102 million for the project for 14 cars. Can we be assured that the money is there and there will not be a threat on the delivery of those 14 cars within the promised time frame?

Mr GRAHAM: Yes, the 14 Hunter cars; the tender amounts of money are in the budget for that, and that contract is under way with Goninans.

The Hon. MICHAEL GALLACHER: Can you guarantee to the long-suffering members of the community in the upper Hunter area—

The Hon. MICHAEL COSTA: You must be talking to the ones who voted Liberal because the ones that I talk to are not suffering.

The Hon. MICHAEL GALLACHER: Can you give an undertaking to the long-suffering members of the community in the upper Hunter area, who have been waiting for these cars since the debate started in the mid-1990s, that the first cars will be open for revenue service in 2005?

The Hon. MICHAEL COSTA: I do not understand the question. I do not know to whom you are referring. If you have a specific question about the estimated date of delivery, I think that is already on the public record.

The Hon. MICHAEL GALLACHER: I want your guarantee to ensure there are no delays and further delays.

The Hon. MICHAEL COSTA: There are no guarantees in life other than that the Liberal Party will not get elected at the next election.

The Hon. MICHAEL GALLACHER: That shows how flippantly you treat the people in this area. The Millenium train was promised prior to the Olympic Games and this one is now budgeted in 2005 and you will not guarantee that the rolling stock will be available.

The Hon. MICHAEL COSTA: That shows to me what a waste of public money this process is. The fact of the matter is that estimates have been made of delivery dates, and that is all that I can add. These are the estimated dates. These are publicly available. They are on the public record.

The Hon. MICHAEL GALLACHER: In other words, if they are not there in 2005 you guarantee they will be there just in time for the next State election. Is that what you are saying?

The Hon. MICHAEL COSTA: Clearly, that is not a serious question.

The Hon. MICHAEL GALLACHER: Pump your heart and have a go, Minister. You represent the Hunter, remember that. You might remember the little furphy in the 2002-03 budget paper, when \$3.3 million was provided from your department in relation to the Newcastle high-speed rail link project. The promise was made in 1998. I know it was before your time but you still have to carry the ball. Can you indicate to the Committee how much of the \$3.3 million was actually spent and how it was spent?

The Hon. MICHAEL COSTA: I have been advised that we can provide you with that information.

The Hon. MICHAEL GALLACHER: You do not know?

The Hon. MICHAEL COSTA: I can advise that we will provide you with that detail—

The Hon. MICHAEL GALLACHER: Tell us what you know Minister. You are the Minister for the Hunter and Minister for Transport Services. What do you know?

The Hon. MICHAEL COSTA: I have answered the question. If the honourable member has any other questions about detail, I have already indicated that I am happy to provide him with precise answers. If he has come here to grandstand he will get similar responses to the ones I have just given.

The Hon. MICHAEL GALLACHER: Minister, I hope you deal with matters before Cabinet with more enthusiasm than you deal with these important issues.

The Hon. MICHAEL COSTA: At least I will have the opportunity to deal with matters before Cabinet, but you never will.

The Hon. MICHAEL GALLACHER: I suppose this question is a waste of time, given your ignorance of the previous answer. What is the current status of this project? You might remember your Government promised about \$1.2 billion for the high-speed rail link between Newcastle and Sydney—or did you miss those numbers?

The Hon. MICHAEL COSTA: I am not sure that this is a precise figure. If the honourable member has a document that has precisely those words, I would be interested to see it. As I understood what occurred in relation to that, there is a planning process being undertaken about a range of projects in the transport area. These matters are now clearly within the Department of Infrastructure and Planning. Again, if the honourable member is looking for a headline grandstanding statement, he can misconstrue anything he likes.

The Hon. MICHAEL GALLACHER: Would you indicate to the people of Warnervale whether stage one will be completed by 2007, as your Government promised?

The Hon. MICHAEL COSTA: I refer to my previous answer. It is precisely the same type of question and it requires the same response. Where is the precise document? I am happy to take the documents and refer them to the appropriate planning agencies.

The Hon. MICHAEL GALLACHER: In the 2002-03 budget papers, \$1 million was provided for the department to conduct an investigation into the Government's Action for Transport 2010 promise to build a high-speed rail link between Sutherland and Wollongong. Mr Graham, are you in a position to indicate to the Committee how much of that \$1 million was spent? How was it spent?

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Mr GRAHAM: No, I am not, but I am happy to get that information for you.

The Hon. MICHAEL GALLACHER: Minister, do you know?

The Hon. MICHAEL COSTA: I have indicated that if you have a specific question we will get the detail for you.

The Hon. MICHAEL GALLACHER: Minister, you came here to give answers. You have not answered too many questions so far.

The Hon. MICHAEL COSTA: I came here to engage in a process to provide public information.

The Hon. MICHAEL GALLACHER: So the people of the Central Coast, Hunter and Wollongong are not the public?

The Hon. MICHAEL COSTA: We have indicated, on every single question that has been asked, that where we can provide details we will provide those details. Surely this is a process of providing accurate and detailed information, rather than engaging in a grandstanding process, which the honourable member seems to be engaging in.

The Hon. MICHAEL GALLACHER: Minister, I might change tack then—or should I say track—to the Epping to Parramatta rail link. You indicated on 2GB on 21 August that "that line itself cannot be justified by the patronage levels", levels that you indicate were 15,000 new passengers. Is that correct?

The Hon. MICHAEL COSTA: I am not aware. Can you provide me with that quote? I do not know whether it is an accurate reflection of what I said or not.

The Hon. MICHAEL GALLACHER: Is 15,000 passengers correct?

The Hon. MICHAEL COSTA: Can I finish my answer? The Opposition has misquoted me on a number of occasions. I am happy, if you have what purports to be a transcript of something that I have said, to have that examined and provide you with the appropriate response. But I am not going to be led down a path of your choosing, based on potentially inaccurate observations or quotes.

The Hon. MICHAEL GALLACHER: I just flows out of your mouth, Minister. Whether it is 2GB or the Committee, it just pours out—because you said it, Minister. You said 15,000 was not good enough. You cannot remember saying 15,000 passengers was not good enough?

The Hon. MICHAEL COSTA: If I said 15,000 passengers, I am happy to take that on board. It may well be that we are talking about journeys. Is that what you are referring to? What are you referring to?

The Hon. MICHAEL GALLACHER: I am asking you to indicate what exactly you were referring to, Minister. What are you referring to now—15,000 new passengers on the train is not good enough?

The Hon. MICHAEL COSTA: The Opposition has a very flippant approach to public expenditure, as we have seen with the airport link. Remember, this is the Opposition that gave us the airport link with patronage levels 30 per cent lower than were estimated. It is only prudent for any government, before it commits to massive public expenditure, particularly at a time when there are scarce resources, to have a look at a review of patronage figures to ensure that it has the most accurate patronage figures. If anybody can tell me that spending approximately \$1.2 billion for 15,000 journeys is a good usage of public money, I will be amazed. But, then again, given the track record of the Opposition with the airport link, this is an indication of the unfortunate state of our railways; if they ever got into government, they would be throwing money everywhere on low patronage.

The Hon. MICHAEL GALLACHER: Minister, you say 15,000 journeys today. How many passengers do you estimate to come up with a figure of 15,000 journeys?

The Hon. MICHAEL COSTA: These are always difficult things to estimate. Patronage estimates are very difficult. There are a number of ways that they can be dealt with. You can have 6,000 passengers that use it twice a day, which gives you 12,000 journeys, or you can have individual journeys that are outside the framework to and from a particular location.

The Hon. MICHAEL GALLACHER: In the speech you gave the other day you referred to "spending \$1.2 billion on a project providing only 15,000 new passenger trips daily". You mentioned 15,000 new passenger trips. Those are your words in your speech. That is 15,000 bums on seats is that what you are saying?

The Hon. MICHAEL COSTA: Again, given that the honourable member is also the shadow Transport spokesperson, I had hoped that he would have done some research in some of these areas. But the fact of the matter is—

The Hon. MICHAEL GALLACHER: At least I can ask the questions. You have no chance of answering.

The Hon. MICHAEL COSTA: I will provide to the public, through this process, detailed responses, not ill-informed, speculative, grandstanding, headline-grabbing commentaries.

The Hon. MICHAEL GALLACHER: The ones that Carl Scully used to provide, in other words?

The Hon. MICHAEL COSTA: The fact is that patronage estimates are very difficult to determine, as the previous Coalition Government should freely acknowledge, given its grossly inadequate estimation of the patronage journeys that ultimately eventuated on the airport link. Now, we are not going to engage in uninformed speculation.

The Hon. MICHAEL GALLACHER: That is all right then, Minister. Given this new direction of transparency and informing the public, and the like, whilst you are at it you might explain to the public why the Premier and Carl Scully were happy to continue their commitment to the Epping to Parramatta section prior to the election, when in their 2003 State election policy they said, "This section will add capacity for 12,000 new rail passengers to the CityRail network." That is 3,000 less than the number you are appalled at and that is what you have scrapped.

The Hon. MICHAEL COSTA: Again I take on board the fact that the honourable member is inexperienced in the way government works, but it is very prudent for anybody seeking to commit approximately \$1.2 billion of scarce public resources to do analysis, as recent as possible, of projected patronage levels before that expenditure is undertaken.

The Hon. MICHAEL GALLACHER: But your figures were higher than theirs! You said the Premier's figures were duds and that they were not good enough.

The Hon. MICHAEL COSTA: I do not know what documents you are purporting to quote.

The Hon. MICHAEL GALLACHER: The Labor Party's own document. It probably becomes invisible once you put it near light.

The Hon. MICHAEL COSTA: I am happy to take sensible questions. I am happy to provide information, as this process was designed to provide. But if this is going to end up in an exercise in which the Opposition is trying to score political points—and I emphasise "trying", because they have been very unsuccessful—it really is not a fruitful exercise.

The Hon. MICHAEL GALLACHER: Can you explain the 3,000 differential, Minister, considering that you have 3,000 more than what they said prior to the election was really good for the people using this train line?

The Hon. MICHAEL COSTA: The honourable member is obviously unaware of what the CityRail system carries on a daily basis.

The Hon. MICHAEL GALLACHER: I am interested in the difference between what the Premier said was great news for Parramatta and your figures.

The Hon. MICHAEL COSTA: There are approximately a million journeys undertaken daily on the CityRail network. It does not take much brain capacity to understand that spending money on improving the core system that benefits that approximately one million journeys is a better proposition than spending \$1.2 billion on patronage that has been estimated anywhere—anywhere—between 12,000 and 15,000.

The Hon. MICHAEL GALLACHER: So the Premier and Carl Scully were wrong in suggesting that 12,000 was a good figure?

The Hon. MICHAEL COSTA: Again I would make the point—

The Hon. MICHAEL GALLACHER: Come on! Have a go!

The Hon. MICHAEL COSTA: I would again make the point that I do not know what the honourable member is referring to, and it is not for me to make judgements about these sorts of things. What I am about is providing, through this process, as I understood the process was about, detailed information to the public about budget estimates. I do not know where this relates to the budget estimates.

The Hon. MICHAEL GALLACHER: It well and truly adds to the whole question of budget estimates, Minister.

The Hon. MICHAEL COSTA: Can you show me where it does?

The Hon. MICHAEL GALLACHER: Certainly. If you have a look at Budget Paper No. 4, \$420 million is allocated in 2003-2004 for the Epping to Chatswood section of the Parramatta rail link.

The Hon. MICHAEL COSTA: That is the first stage, which we are currently undertaking, as you know.

The Hon. MICHAEL GALLACHER: And the Parramatta transport interchange.

The Hon. MICHAEL COSTA: Yes. And the Parramatta transport interchange—if the honourable member had shadowed me as efficiently as he ought to have done, he would have realised this from my public comments—is going ahead. So, again, I make the proposition to you that you should not drag down in this forum all the people who are in this room. A bit more focus on getting information that is useful to the public would be appreciated.

The Hon. MICHAEL GALLACHER: These people should have a look at the way you operate in the Parliament, instead of this bleeding heart we are seeing here this evening. Can you inform the Committee how much money has already been expended on the Epping to Parramatta section of the link, including feasibility studies, planning, and purchase of properties? And please provide a breakdown of that expenditure.

The Hon. MICHAEL COSTA: I will provide you with that. I will get that detail back to you. That is also contingent on what is involved in securing the corridor, of course, which I have asked the relevant people to do. I make the point again that the decision is one of deferment. It may well make sense at some point in the future to undertake that project. But it is certainly very hard at the moment to justify the expenditure of approximately \$1.2 billion on patronage levels that have been estimated at anywhere between 12,000 and 15,000 journeys per day when you have a core system that carries approximately a million people a day that could be improved, and by improving that system you obtain a greater overall benefit to the users of the system.

The Hon. MICHAEL GALLACHER: Minister, you have had an opportunity to look at the Parramatta rail link west options review project director's report on the department's web site?

The Hon. MICHAEL COSTA: What document are you referring to?

The Hon. MICHAEL GALLACHER: The Parramatta rail link west options review project director's report.

The Hon. MICHAEL COSTA: That is a document that I in fact commissioned.

The Hon. MICHAEL GALLACHER: That is right. Have you had a chance to look at it?

The Hon. MICHAEL COSTA: Yes, I have looked at the document.

The Hon. MICHAEL GALLACHER: The options review indicates that the options assessed fall into two categories: either direct rail connection into Parramatta, or indirect connection either through Granville-Clyde or a bus-rail interchange at Carlingford. Is that correct?

The Hon. MICHAEL COSTA: I do not have the document in front of me, so without the document in front of me I do not know whether that is correct or not.

The Hon. MICHAEL GALLACHER: Minister, are you aware that there are a number of options in terms of land acquisitions?

The Hon. MICHAEL COSTA: I am certainly aware that there is a range of options in relation to alternatives, because I asked for the document to be commissioned. If you will be very specific about a particular matter, get to the detail of what you want to know and I will try to get the information.

The Hon. MICHAEL GALLACHER: I am trying to make it easy for you by at least finding out whether you know about it. If you do not, I will find somebody that does.

The Hon. MICHAEL COSTA: You are quoting from a document that I do not have in front of me.

The Hon. MICHAEL GALLACHER: No. I am asking you a straightforward question. That is: Are you aware that there are a number of options being examined for different land acquisition needs in relation to this project?

The Hon. MICHAEL COSTA: If that is from the document, and you are quoting it accurately, given I have seen the document, I would be aware of that.

The Hon. MICHAEL GALLACHER: I notice you have spoken recently—and you have even spoken this evening—on the question of land acquisition. Can you tell this Committee which of the corridors, which of the options—

The Hon. MICHAEL COSTA: That is a matter for the people who are involved in the technical acquisition of—

The Hon. MICHAEL GALLACHER: So no land has been acquired, Minister?

The Hon. MICHAEL COSTA: I can give you the details of that, but I am not able to sit here and give you details of every single piece of land that either has been acquired or is proposed to be acquired. And if you think that I ought to have that detail, I am sorry to disappoint you, but I do not have that detail.

The Hon. MICHAEL GALLACHER: Minister, relax. I am not asking you to tell me which street and which block of land you are buying. All I was after was an indication of which of the options you are now looking at, so that we have a clear indication where it is going—because right now we do not. It did come through the Parramatta media of recent times, when you announced in fact

it was only a matter of time; it was not a question of when. You might remember that interview. It came over very strongly that you were in the process of land acquisition. So where are we up to?

The Hon. MICHAEL COSTA: I am advised that there is land that will be acquired. I do not have here the specific details of that, and I would be surprised if anybody would expect me to have that detail.

The Hon. MICHAEL GALLACHER: Does somebody here have it?

The Hon. MICHAEL COSTA: No. A project team is looking after this particular project. It will make those assessments and acquire the appropriate land. But to come to an estimates committee hearing and start speculating—

The Hon. MICHAEL GALLACHER: You would bring the people with you, would you not? On a project on which you have just disappointed the people of Parramatta, you do think you would bring the people with you?

The Hon. MICHAEL COSTA: As the honourable member should know, because he did specifically request a number of officers to attend, if he had detailed questions that required that level of detail, he could have requested that the appropriate people be here. Now, there is no point, if you—

The Hon. MICHAEL GALLACHER: I am not the one that let them down. You are.

The Hon. MICHAEL COSTA: There is no point, if you fail to request the relevant people to answer your questions, to take it out on somebody who is sitting in front of you trying to provide information.

The Hon. MICHAEL GALLACHER: You are not, and you know that.

Ms SYLVIA HALE: Minister, on the Parramatta to Epping link, whether it was 12,000 or 15,000 passengers, I believe those figures related to the first year of operation. Do you think it is appropriate to judge the worth of a long-term project like a railway on a forecast of passenger numbers only on the first year, rather than a longer-term projection?

The Hon. MICHAEL COSTA: I have just been advised that in fact the 15,000 estimate is based on 2011. That will clarify that point and make sure it is accurate. In relation to the 12,000 estimate—given that you have asked the question in a way that I can answer it, as opposed to the question asked by the Leader of the Opposition—the 12,000 estimate was based on a 1997 patronage assessment. That is the difference between the figures. That is the advice that I have been given.

Ms SYLVIA HALE: Are you aware that the environmental impact statement that was prepared in 2000 showed that a rail line from Parramatta to Epping was more economically worthwhile than one from Epping to Chatswood, given that it had higher net present value, better benefit-to-cost ratio and a higher internal rate of return?

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The Hon. MICHAEL COSTA: I do not have that detail, but let me make a point and I am sure that Vince Graham will seek to amplify this point. I have been advised that the first stage of that particular corridor provides significant benefits to the operation of the rail system. It provides the ability to link the North Shore and the northern lines, thereby potentially increasing the capacity on the western line. From an operational point of view I have been advised that that makes a lot of sense, and that is why that project has been undertaken and that is why that particular project will continue. It has not been deferred or cancelled based on any other information that is currently available. It appears that we will obtain benefits in relation to the capacity on the western line.

Mr GRAHAM: The importance of the link from Epping through to Chatswood is that it will allow us to divert trains that currently run from Hornsby via Strathfield to the city and, therefore, in the morning peak compete for track capacity with peak-hour services coming from the west and south-west of Sydney. It will allow us to divert four trains an hour in the peak down to Epping and across to Chatswood, and bring those trains down the North Shore line where, in fact, they are running contra peak. Being able to eliminate those four trains an hour from the western corridor will enhance

our capability to grow capacity on that corridor as well as, obviously, enabling us to deliver more capacity for passengers coming from Hornsby, Epping across to Chatswood and down.

Ms SYLVIA HALE: I want to change the topic now, on to the Canberra line. Minister, are you prepared to guarantee unequivocally, at least for the period during which you are Minister, the future of the Sydney to Canberra rail line?

The Hon. MICHAEL COSTA: In light of the fact that the Parry report will come down next week, which will deal with long-term sustainability of rail funds, I would not comment on that. That is, by and large, an operational decision. The rail operators will make those decisions. It would be very silly for me to commission a report to look at public transport funding options and public transport strategies, then pre-empt that at a hearing one week before that report is released. I do not want to imply that I am guaranteeing or not guaranteeing. I am declining to answer it because the Parry report is due next week and I do not want to pre-empt that particular process. But, again, the question is for rail operations people, so I will ask Vince Graham.

Mr GRAHAM: By way of background, the reason that the Canberra services are currently in the public mind is that several weeks ago the service from Sydney to Murwillumbah was cancelled just after the departure time of the train. It was cancelled because of on-board staff shortages, not drivers but the people who were dealing with on-board catering and other passenger matters. That led us to an inevitable decision to put five coachloads of passengers on a 14-hour trip on the Pacific Highway. Obviously, as a consequence of the train cancellation through staff shortages, I was not, as chief executive, very comfortable at all with that circumstance. Having inquired as to the likelihood of any additional impact on passenger services in the ensuing weeks, I could not get any guarantees that there may not be additional staff shortages and, therefore, cancellations.

I took a controlled decision to cancel for a fortnight the services on the Sydney to Canberra corridor on the basis that a three-hour trip on a relatively good road was far better than an uncontrolled circumstance that put passengers on a coach on the Pacific Highway for a 14-hour trip. It was controlled versus uncontrolled and a longer duration trip. As a result of that decision, for a period of a fortnight coaches have replaced three services in each direction to Canberra. We have additional staff in training who come on at the end of this week, and on that basis we have taken a decision to restore two of the three services in each direction to Canberra as from today. The additional service that has not been restored will be reviewed at the end of October, and that review will be based on the dual issue of both on-board staff positions and patronage at that particular time.

Ms SYLVIA HALE: You are actually in the process of recruiting additional staff to service that line?

Mr GRAHAM: Yes, we actually have staff in training, seven staff who will be available to us at the end of this week or early next week. We have an additional four staff in training who will come onto our Albury on-board crewing facility and we are taking further steps to recruit additional staff at Dubbo to support the Sydney to Dubbo XPT, and therefore progressively ensuring that we are not relying on overtime at all in the crewing of our on-board services.

Ms SYLVIA HALE: On a slightly different matter, greenhouse gas emissions, Minister, what is the greenhouse gas reduction target for the Sydney Rail bus and ferry system?

The Hon. MICHAEL COSTA: I do not know why you ask me that question. You should know by now that I am a greenhouse sceptic.

Ms SYLVIA HALE: But you are a Minister.

The Hon. MICHAEL COSTA: I will hand over to the operators in each of those areas. You can get me going on a greenhouse gas debate all day, but I can see that we will follow the unity vote around the table on this one. I will let the agency people who are involved in that answer the question. One could argue that it is a waste of public money, but that is the cost of being in government in a democratic system.

Ms SYLVIA HALE: In the interests of having perhaps one answer to two questions, I will ask you my second question now. What funds have been allocated to reducing greenhouse gas emissions within the system?

The Hon. MICHAEL COSTA: John Stott is doing some stuff with buses and Vince Graham is involved in the electrics.

Mr STOTT: Over the past few years the greenhouse strategy of State Transit has been, wherever possible, to introduce buses running on compressed, natural gas. There are distinct advantages in emissions there. In areas where gas is not available and we resort to diesel, we operate with the latest technology diesel, which presently are Euro 2s, but our next round of buses will be Euro 3s. The technology for buses is defined by national legislation and we stand by that. I do not have in my mind at the moment the actual tonnes of carbon dioxide, but I would be pleased to provide that for you on notice.

Ms SYLVIA HALE: The second part was the funds that have been allocated to reducing greenhouse gas emissions.

Mr STOTT: In terms of State Transit's capital program there is a proportion of money that we spend on buses. If one is buying a bus that is powered by gas the incremental cost is something in the order of \$25,000 to \$30,000, but owing to the very competitive pricing of gas the whole of the life cost of the buses is lower than diesel-powered buses.

Ms SYLVIA HALE: Minister, in this context how can you justify the new Millennium trains that require 30 per cent more electricity to run than existing trains?

The Hon. MICHAEL COSTA: I am sure that Vince Graham could fill in the detail on this. I am not sure that 30 per cent figure is right. There was some uninformed speculation by the Leader of the Opposition, which he got caught out on. I hope you are not quoting that. Certainly they require more power but, by and large, that is due to the fact that these things are airconditioned and have additional safety features built into the framework of the trains.

Mr GRAHAM: Fundamentally, that is the reason. The cars themselves have a higher tare weight than some of the older cars, and that is principally to do with a range of issues including modern design and crash worthiness rules that apply equally to trains these days as they do to cars. But the passengers' requirement in this day and age is to ensure that new rolling stock delivered to the network is airconditioned, and airconditioning many trains is, obviously, a reasonable demand on power on the network. Over the past several weeks we have completed detailed examination of the overhead electrical supply capability on the network.

Several weeks ago there were three lines on our network we wanted to test further of—the Richmond, Carlingford and Cronulla lines. Subsequently we have tested in full service operation the Cronulla line, for example, with three Millennium trains back-to-back drawing full power on the line. We are satisfied now that the entire CityRail electrified network is unrestricted for the purposes of operating the Millennium trains. As more and more new trains come on, whether they are Millennium or the new outer-suburban cars that will service the inter-city markets, with airconditioning and other demands power demand will go up. We have a medium-term program in place to ensure that the electrical supply capability grows with demand.

The Hon. MICHAEL GALLACHER: Would Mr Barry Lovat be available to come forward for a short while? For the reference of the Committee, could you please tell us the total commitment of State Rail to underwrite specific costs incurred by EDI Rail for the second stage of the Millennium trains to ensure continuity of supply if the Government did not go ahead with stage two? I understand that EDI made a request for a progress payment, so that if you did not go ahead with stage two you would have made that progress payment.

The Hon. MICHAEL COSTA: Stage two?

The Hon. MICHAEL GALLACHER: With stage two, yes. I understand that this agreement was reached late last year. Perhaps I can assist you by approaching and giving you this document, which may be of assistance to you.

Mr LOVAT: Yes.

The Hon. MICHAEL COSTA: Could you repeat the question?

The Hon. MICHAEL GALLACHER: For the reference of the Committee, could you please tell us what was the total commitment by State Rail to underwrite specific costs incurred by EDI for the second stage of the Millennium trains to ensure continuity of supply if the Government did not go ahead with stage two?

Mr LOVAT: Barry Lovat, Project Director, Rolling Stock Delivery and Capital Works, State Rail. The commitment, as it says in that letter, was up to \$10 million.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee exactly what that was to cover?

Mr LOVAT: That was to allow advanced ordering of what was seen as long lead-time items.

The Hon. MICHAEL GALLACHER: Can you tell the Committee whether any negotiations of a similar nature have begun or had begun with EDI in relation to the third stage or the third tranche of the contract?

Mr LOVAT: No, there has not.

The Hon. MICHAEL GALLACHER: Given that M17, that is the seventeenth set of the Millennium trains, was delivered to Sydney on 15 July, can you tell us what the current status of this set is?

Mr LOVAT: Set 17 has been undergoing detailed testing, which is according to the terms of the contract.

The Hon. MICHAEL GALLACHER: It has not been released for revenue service at this stage?

Mr LOVAT: It has not been accepted at this stage, no, for revenue service.

The Hon. MICHAEL GALLACHER: How many other sets do you have—and dated back how far—that are not out there in revenue service?

Mr LOVAT: We have set 17 in Sydney on trial, which has not been accepted. We also have set 18, which is running at Newcastle on trial. It also has not been accepted.

The Hon. MICHAEL COSTA: Vince Graham can add something to that.

Mr GRAHAM: Could I just make it clear that sets 17 and 18 have not been accepted for practical completion under the contract. They are not, in that sense, the property of State Rail at this point in time.

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The Minister has announced that both of those sets are subject to a defect notification that was issued by State Rail on 12 August—a 21-day notification—that the defects that have been identified in the train's operating system need to be remedied before State Rail will consider issuing practical completion for any further sets. At that point in time set 16 was already delivered and accepted for practical completion. Sets 17 and 18 however are subject to that defects notification. There needs to be a response by EDI under the terms of that defect notification to deal with the train's operating system.

The Hon. MICHAEL GALLACHER: Those operating system problems, are they consistent with the recent problems? I know that we had problems as late as last Thursday. Train services are still experiencing problems with the operations system that are causing services to be cancelled. Are they the same problems that were on set 17 that you put the defect notice on? Do we have trains currently running around the system that you are having problems with?

Mr GRAHAM: All of the defects that occur on the Millennium trains are listed on State Rail's Internet site. The reasons for each are there for full public consumption shortly after the particular incidents occur. Some of the incidents that you refer to seem to have their cause in the train's operating system. Not all of the defects you refer to, however, are in that category.

The Hon. MICHAEL GALLACHER: Mr Lovat, I will show you a document that might be of assistance to you. Is it correct that the State Rail Authority [SRA] fire crib testing for the transform composite floor material, which is intended for the Millennium trains, revealed that excessive smoke was given out when it was burned and that, as a result, it was recommended not to use this material for the floor in the passenger compartment? What was the outcome of that? I recognise that these concerns were raised in 2000. What is the outcome? Is that composite floor material now available in the driver and guards compartments?

Mr LOVAT: I will probably have to take that on notice.

The Hon. MICHAEL GALLACHER: You are not aware whether that composite floor material—

The Hon. MICHAEL COSTA: As the Opposition has pointed out on a number of occasions, there are boxes and boxes and boxes of documents relating to the Millennium trains. It is a bit unreasonable to pop on someone's table a document dated 15 November 2000 and expect that person to make detailed observations about it. What has been offered is that the document will be taken away and a detailed response will be given. We have to be reasonable about this: it is about providing information. There is no intention of not providing information, but in the interests of fairness and in the interests of accuracy, a detailed response is sought.

The Hon. MICHAEL GALLACHER: Mr Lovat, while you are in the process of taking that question on notice, can you also address this issue: If that composite floor material transform is in the driver and guards compartments, and that is the express issue raised in that correspondence back in 2000, what has been put in place in the event of a fire? That is expressly what that is about, as you can see.

Mr LOVAT: Yes.

The Hon. MICHAEL GALLACHER: In the event of a fire, are you able to ensure that in the guards and drivers compartments, which are the two evacuation points on the train, passengers will be able to get through those areas with safety?

Mr LOVAT: Yes. This floor material has a covering over it which is also subject to the fire tests. It should also be noted that the flooring in the rest of the train is aluminium, which, of course, would not burn.

The Hon. MICHAEL GALLACHER: Yes, it does not burn, or at least not at that temperature anyway.

The Hon. MICHAEL COSTA: But he will take that question on notice.

Mr LOVAT: I will take that on notice.

The Hon. MICHAEL COSTA: We will provide some details.

The Hon. MICHAEL GALLACHER: He seems to be able to continue.

The Hon. MICHAEL COSTA: In the interests of accuracy—

The Hon. MICHAEL GALLACHER: Mr Lovat is pretty accurate.

The Hon. MICHAEL COSTA: Mr Lovat has already indicated that he will take it on notice. He is responding in a conversational way to your follow-up question. We will take it on notice and come back with the appropriate information.

Mr LOVAT: I have no problem there.

The Hon. MICHAEL COSTA: I suggest that if you have other documents that are three years old out of boxes and boxes of documents, it is very much—

The Hon. MICHAEL GALLACHER: Minister, you are talking about forwarding material and insisting that Mr Lovat forwards the material. Perhaps you will be able to get some information to the Committee. I understand that as part of the launch of the Millennium train, a series of commemorative stamps was produced—in particular 2002 stamp sheets containing 10 x 45 stamps. Do you remember those, Minister?

The Hon. MICHAEL COSTA: Oh.

The Hon. MICHAEL GALLACHER: I know you are being flippant, but be careful, because it was for good cause. The money was for a good cause. It was for an organisation called the First Step, which is a unique residential training program for homeless men and women in Sydney. I am just interested to see, since you are so keen to get all information out there, whether you can tell us how much the sale of the stamps made?

The Hon. MICHAEL COSTA: I wouldn't have a clue.

The Hon. MICHAEL GALLACHER: Will you take this on notice?

The Hon. MICHAEL COSTA: I wouldn't have a clue. What date was it?

The Hon. MICHAEL GALLACHER: In 2000, Minister, July 2000.

The Hon. MICHAEL COSTA: I do not think I was even in Parliament in 2000. I was not.

The Hon. MICHAEL GALLACHER: You were. I apologise: it was 2002.

The Hon. MICHAEL COSTA: I do not know what you are talking about. I will get some details about it. I am happy to provide you with that earth-shattering information. I am sure that the public of New South Wales will appreciate the time that we have put into that particular question.

The Hon. MICHAEL GALLACHER: Are you aware that the last batch of those stamps—I mention this just for your information while you are doing the search—reached \$3.25, which is actually below the face value of the stamps themselves. Considering that your Government was prepared to make a donation to the First Step organisation, I am just interested to see what you have done.

The Hon. MICHAEL COSTA: I stand condemned because I was not even aware of this matter. I am happy for you to issue a press release attacking me in relation to this matter. I will duly apologise because I was unaware of either of those two propositions, but I will find out that information and make myself aware.

The Hon. MICHAEL GALLACHER: In conclusion on the Millennium trains, I read in documents that were tabled in the Legislative Council in relation to Millennium trains that State Rail has considered selling advertising space on the outside of the Millennium trains. The documents contain photographic mock-ups of the trains with advertisements for well-known brands of soft drinks on board. I am wondering whether you can tell the Committee where we are up to in terms of that revenue raising?

The Hon. MICHAEL COSTA: Again—I take it this is one of the documents in the boxes that were made available—I have not seen that document. I do not know if there is a project to sell advertising revenue space.

The Hon. MICHAEL GALLACHER: Perhaps I can suggest that you are.

The Hon. MICHAEL COSTA: I will ask Mr Graham. I am sure that he probably is more aware than I.

Mr GRAHAM: I am sure you would appreciate that I am far more passionate about getting the Millenniums into service for revenue-paying passengers rather than for revenue-paying advertisers. It is not a matter on my radar screen at all.

The Hon. MICHAEL GALLACHER: So it is not a matter that you sent to the Parry inquiry? That is what I am after. It is not a suggestion or a request from the Parry inquiry to look at the introduction of alternative revenue streams into State Rail?

Mr GRAHAM: I have no knowledge whatsoever of any proposal for revenue advertising on the Millennium train. Given the serious issues currently associated with ensuring that those trains are made reliable for use for the purpose for which they were purchased, that is, as I say, my passion, not revenue advertising.

The Hon. MICHAEL COSTA: I think we are getting to the bottom of the boxes.

The Hon. MICHAEL GALLACHER: No. I am quite happy to continue on, if you would like me to.

Ms SYLVIA HALE: I have a number of questions. With regard to freight, I understand that a report written by BIS Shrapnell for the Labor Council of New South Wales indicated that the leasing of the freight lines to the Australian Rail Track Corporation [ARTC] will potentially short-change New South Wales by \$800 million. Have any steps been taken to ensure that this does not occur?

The Hon. MICHAEL COSTA: That is a report of the Labor Council. I suggest that you direct the question to the Labor Council. In relation to the ARTC, I made some public comments a week or so ago about having a number of meetings with the Federal Transport Minister, John Anderson, and they were fruitful meetings. Vince Graham and Ross Bunyon were then involved in more detail discussions with officers of the ARTC and the Federal Minister. I am optimistic that we can reach an agreement in relation to ARTC. I have said, and I will say it again, that I cannot argue against a national approach to rail. I think it would be very silly for anybody to argue against a national approach. Certainly in the process we would want to make sure that the interests of New South Wales—I mean in a general sense in terms of both economic interests and the specific interest of New South Wales workers—are taken into account as we go forward in any detailed agreement.

Ms SYLVIA HALE: When do you expect the result of those negotiations to be made public?

The Hon. MICHAEL COSTA: I have tried to keep the public informed as we have gone through. That is why I made the comments that there have been some in-principle positions reached in relation to the prospect of an agreement around a 60-year lease. I made that public a week or so ago. There are a lot of details that need to be finalised. There needs to be consultation with the unions and other stakeholders in the process. I give an undertaking that we will consult with all those parties. As it progresses, periodically at the appropriate point we will make that information available to the public.

Ms SYLVIA HALE: I have a number of questions on disabilities aspects. Minister, I am not sure whether this may be too specific for you to be able to answer immediately, but could you tell me what was the total expenditure under the taxi subsidy scheme for people with disability in 2002-03 and what it will be in 2003-04?

The Hon. MICHAEL COSTA: I will ask the director-general to come forward because that is within his direct management. The director-general does not have those details with him but he will make those available to you.

Ms SYLVIA HALE: When he makes those available, could he also inform us as to how many people currently receive assistance under the taxi subsidy scheme? He may be able to answer this question as well: What measures will the department take to address the inflexible eligibility criteria that exclude many people from accessing the scheme?

The Hon. MICHAEL COSTA: Again you have a question that defines a proposition as a statement of fact. What are these inflexibilities you are talking about? If you can tell us which things you regard as inflexible, maybe we can take it on notice and give you a response about whether there will be changes in that area. But just to say that it is inflexible does not mean that it is inflexible. It means that it is your opinion that it is inflexible.

Ms SYLVIA HALE: A number of issues were identified by the Human Rights and Equal Opportunity Commission's inquiry into wheelchair access for taxis, and those issues need to be addressed. Are you in the process of doing so?

Mr LEE: I do not have those details.

The Hon. MICHAEL COSTA: If you can provide us with precisely what you want a response to, we will provide a response.

Ms SYLVIA HALE: Can you tell me also how much funding was allocated for disability awareness and skills-based training for transport staff in 2002-03, and how much will be allocated for this purpose?

The Hon. MICHAEL COSTA: What? Across the agencies?

Ms SYLVIA HALE: Yes, I would think so. Yes, because it is transport staff in general.

Mr LEE: I can get that.

The Hon. MICHAEL COSTA: The director-general indicates that he can obtain the information.

Ms SYLVIA HALE: How much was spent by the Department of Transport as part of the country public transport infrastructure grants in 2002-03, and how many of these projects related to improvements to physical access? You can take that one on notice as well.

Mr LEE: Yes.

Ms SYLVIA HALE: What resources were expended in implementing strategies contained in the department's disability action plan in 2002-03? What were these strategies, and what were the outcomes of implementation? How much is allocated for implementation in 2003-04?

Mr LEE: I will take that on notice.

The Hon. MICHAEL GALLACHER: Mr Graham, you are aware, of course, of the Auditor-General's report into freedom of information applications handled by the ministry?

Mr GRAHAM: No, I am not. I am sorry, I am not responsible for the ministry's freedom of information.

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The Hon. MICHAEL GALLACHER: So none come before you, in your position?

Mr GRAHAM: Sorry, we do have a freedom of information officer who deals with freedom of information requests directed specifically at State Rail. I do not deal with the broader Ministry freedom of information matters.

The Hon. MICHAEL COSTA: Would that question have been better directed at the director-general?

The Hon. MICHAEL GALLACHER: I was trying to get some answers primarily about State Rail, the operation of procedures within State Rail, and how freedom of information applications are handled. Mr Graham, do I take it from your answer that freedom of information requests are not brought to your attention before they are processed?

Mr GRAHAM: No, I am sorry. Your original question to me was whether I am aware of freedom of information processes through the Ministry.

The Hon. MICHAEL GALLACHER: No. I asked whether you are aware of the Auditor-General's report into freedom of information applications handled within the Ministry—that should have been "within your department".

Mr GRAHAM: I am not aware of that Auditor-General's report. I am broadly aware of the freedom of information processes that are undertaken within State Rail. The broader issue can be dealt with by the director-general.

The Hon. MICHAEL COSTA: That report related directly to the Ministry, did it not?

The Hon. MICHAEL GALLACHER: Yes.

The Hon. MICHAEL COSTA: Maybe it was better directed to them.

The Hon. MICHAEL GALLACHER: That is fine. I am concerned about how the issues were addressed within State Rail. If Mr Lee would like to answer that, perhaps he can. Mr Lee, following observations made in the report, does what the report calls the standard practice of proposed determinations being referred to the CEO—a position to which you are currently appointed—still go on?

Mr LEE: Following a review of the departmental structure, we have also undertaken a review of the processing of freedom of information requests. There is a person now appointed to that position who is responsible for the timely reply and processing of all those requests through the Ministry.

The Hon. MICHAEL GALLACHER: When did that review take place?

Mr LEE: I commenced duties in mid-May. That review took place in the first month of my taking up the position.

The Hon. MICHAEL GALLACHER: Do you know when the Auditor-General commenced his inquiries into the application for determination?

Mr LEE: Some time before that.

The Hon. MICHAEL GALLACHER: The Ministry's response was following an indication that the Auditor-General had commenced an inquiry? It was not proactive, it was reactive, prior to the report?

Mr LEE: No, it was proactive. The Minister, in undertaking restructure, said that all issues relating to the then Transport New South Wales should be examined. Some of those functions were transferred out of Transport New South Wales to other agencies and departments. The one area that remained with the Ministry was freedom of information. In looking at the organisational structure, as the Act suggests, there should be lay people not lawyers involved in the processing of such requests. Accordingly, we took steps to recruit a person who would be able to process freedom of information

applications—and it happens to be a person recruited from Rail who had experience with such matters.

The Hon. MICHAEL GALLACHER: Have proposed determinations been referred to you during your current tenure?

Mr LEE: No.

The Hon. MICHAEL GALLACHER: Was it normal practice? Given that you have said that you commenced a review to look at procedures—

The Hon. MICHAEL COSTA: How can he answer whether it was normal practice if he was not there?

The Hon. MICHAEL GALLACHER: He has come in and asked for a review. He would have an understanding of the previous practice, surely. If he was operating under previous practices, and there is a review under way right now, surely the previous practices were still in place. Am I correct?

The Hon. MICHAEL COSTA: I think you just indicated that there was a review of some new practices that have been put into place.

The Hon. MICHAEL GALLACHER: What were the new practices, Mr Lee?

Mr LEE: I think it is important when you take up this type of position that you have an organisational structure that suits the management strengths of those personalities. Therefore, we took a position very early to have a person to process freedom of information who has had experience in doing just that. Hence, we were able to recruit a person to undertake those duties.

The Hon. MICHAEL GALLACHER: Can you confirm whether it is, or has been, usual practice for information requested by Coalition members of Parliament to be released to one or more media representatives prior to it being physically received by the member who lodged the application?

Mr LEE: I am not aware of that practice.

The Hon. MICHAEL GALLACHER: Can you explain the circumstances surrounding the Minister for Transport Services being given copies of television advertisements produced by State Rail, but never publicly aired, immediately preceding a freedom of information application by the Leader of the Opposition, John Brogden.

The Hon. MICHAEL COSTA: Point of order: The Minister for Transport Services—and I leave aside the fact that I am the incumbent Minister—is entitled to any information he wants within his portfolio area. I do not understand the relevance of the question. It is not appropriate that a public servant be asked for an opinion about this matter. I am entitled to information. Is the member implying that I am not entitled to that information?

The Hon. MICHAEL GALLACHER: The next question will actually satisfy you, Minister. If you do not want to answer it and Mr Lee declines to answer the previous question, Mr Lee might be able to answer this question: Mr Lee, did you or your department inform the Minister that these advertisements were about to be released under freedom of information legislation and in doing so allow the Minister the opportunity to release them to the media first? It is all very coincidental.

The Hon. MICHAEL COSTA: What is the problem here?

The Hon. MICHAEL GALLACHER: I am asking a question. Did he inform you?

The Hon. MICHAEL COSTA: Are you concerned about an Opposition stunt that went haywire or something?

The Hon. MICHAEL GALLACHER: No.

The Hon. MICHAEL COSTA: This is a complete waste of time and taxpayers' money.

The Hon. MICHAEL GALLACHER: Minister, you were not asked the question. Mr Lee was asked the question.

The Hon. MICHAEL COSTA: I am entitled, as the Minister for Transport Services, to access information from my department and agencies in accordance with the law.

The Hon. MICHAEL GALLACHER: So the answer is yes or no?

The Hon. MICHAEL COSTA: It may be black and white in the Liberal Party, but there are responses that do not necessarily need to encompass yes or no. The question asked was whether I am entitled to have that information. Of course I am.

The Hon. MICHAEL GALLACHER: Mr Lee, did you or your department inform the Minister that these advertisements were about to be released under freedom of information legislation to the Opposition, to a member of the Opposition, in fact the Leader of the Opposition? In doing so, did you allow him the opportunity to release them? Did you inform him first?

Mr LEE: I refer to my previous answer. We have reviewed the policies under which we undertake freedom of information; therefore it is appropriate for the freedom of information officer to work within those procedures. And that is what occurred on that occasion.

The Hon. MICHAEL GALLACHER: Therefore, is the answer yes, the Minister was informed; or no, the Minister was not informed?

Mr LEE: I refer to my previous answer.

The Hon. MICHAEL GALLACHER: No, Mr Lee, your previous answer does not answer the question whether the Minister was informed by your department, or not?

The Hon. MICHAEL COSTA: No—

The Hon. MICHAEL GALLACHER: Minister, I recognise you feel that you need to be informed. I want to know whether they informed you.

The Hon. MICHAEL COSTA: Madam Chair, I will make this public so that there is no misunderstanding. I would expect all our officers to keep the Ministry and other agencies informed of requests in relation to freedom of information. I have made it my policy to put on the web site all relevant information. I am happy to continue with that policy. I cannot understand the relevance of the question. It is, again, an exercise in grandstanding. If the Opposition was preparing a stunt that went haywire, that is how the political cookie crumbles. I am sorry, but crocodile tears here are a waste of everyone's time.

The Hon. MICHAEL GALLACHER: Mr Graham, in your position as CEO did you or departmental staff under your responsibility inform the Minister that the freedom of information request was made and that the tapes were about to be delivered to the Opposition?

The Hon. MICHAEL COSTA: Madam Chair, again, I will answer the question. I expect agency heads and the Ministry to keep my staff informed of freedom of information requests. It is only sensible and is part of a process we have put in place. It will continue.

The Hon. MICHAEL GALLACHER: Good.

The Hon. MICHAEL COSTA: If the Opposition has information that it would like to see on the web site—and I have made that offer—I am happy to provide that via the web site. If the Opposition wants to take information, distort it for political gain—

The Hon. MICHAEL GALLACHER: You are refusing to answer the question. Minister, who informed you that the Opposition had made a freedom of information application?

The Hon. MICHAEL COSTA: I have a policy that freedom of information requests ought to be brought to the attention of my ministerial staff.

The Hon. MICHAEL GALLACHER: So it was. So the answer is yes.

The Hon. MICHAEL COSTA: I have a policy, I will repeat it.

The Hon. MICHAEL GALLACHER: You cannot be half pregnant, Minister. Yes or no?

The Hon. MICHAEL COSTA: Freedom of information requests are brought to the attention of my staff. That is completely appropriate. I hope the honourable member is not seeking to imply that it is not appropriate. If the Opposition had a political stunt that did not come off, I am sorry. That is another day in a political media diary that you will have to fill with something else.

The Hon. MICHAEL GALLACHER: I cannot believe what the Minister is saying. He is saying yes, that it is all right for him to be informed, but he does not have the guts to say that he was informed.

The Hon. MICHAEL COSTA: Madam Chair, I will say it again: I have a policy that my staff be informed of freedom of information requests. It is appropriate that they be informed to ensure that the information is provided in a timely way, in a manner that best suits the freedom of information legislation; which is to provide information to the public.

The Hon. MICHAEL GALLACHER: The Minister is just waffling on. Mr Graham, can you indicate whether State Rail or any other department has conducted real-life tests on the safety of rolling stock? For example, in recent years has any carriage been deliberately set alight to determine the rate and extent or spread of a fire within the carriage?

Mr GRAHAM: I am not specifically aware of deliberately torching an in-service carriage to determine that. However, I am aware of the very significant exercises undertaken with emergency services people for what I would broadly determine as fire and life emergencies. We have quite a comprehensive set of emergency procedures, particularly relating to underground stations in the central business district, where both the procedures and the practice of those procedures is undertaken on a regular basis. Periodically exercises are undertaken that involve not only our own personnel but also emergency services personnel. The recent White Cloud exercise on the Central Coast was an example of the emergency evacuation procedures that are provided.

The Hon. MICHAEL GALLACHER: Mr Graham, could you find out if any tests have been done on carriages in the past two years with regard to testing the extent of damage within the carriages and the findings?

Mr GRAHAM: To make it clear, your original question was whether I was aware. No, I was not aware. I am not clear about your specific question now, which I want to be in order to help us prepare an accurate answer for you. Are you asking whether or not a carriage has been torched?

The Hon. MICHAEL GALLACHER: I will be more specific. Has any testing been done on Tangarras, not with passengers in them. Has any carriage been taken away, obviously a carriage not used for revenue, and been tested for fire? If so, what were the results of those tests?

The Hon. MICHAEL COSTA: I suggest that if we are talking about Tangarras we go back to the introduction of the Tangarras and provide that information. I do not see the relevance of the past two years. Let us go back to the period they were introduced and see whether such tests were done. We can provide information on that, and you can extrapolate what you need.

The Hon. MICHAEL GALLACHER: Minister, make it from whenever you want. Take it back to the introduction of Tangarras. You do not understand what I am trying to find out. I do not care how long you go back. However, I would like to know whether fire tests have been done on

Tangarras. I would like a full list and the outcomes of those tests. We can come back with further questions, but obviously not tonight.

Mr Lee, on 21 August the Minister told 2GB listeners, "We've got problems in terms of patronage on some of our transitways." Given that there is really only one transitway, could you indicate the current patronage figures for the Liverpool to Parramatta transitway that would indicate the sorts of problems that the Minister is talking about?

Mr LEE: From what I understand, the patronage on the Liverpool to Parramatta transitway has increased at a rate of about 1 per cent to 2 per cent on a weekly basis. It is now averaging 3,500 trips per day. Also, State Transit runs a service between Parramatta and Strathfield, a fairly high-frequency service. That follows the transitway route for the majority of its in-service, with the exception of the section from James Ruse Drive across Duck Creek, where it uses Victoria Road.

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The Hon. MICHAEL GALLACHER: As to the 3,500 trips per day, are you talking about passengers travelling on transitways? What exactly are you referring to?

Mr LEE: Transitways are bus-only lanes, and the figure of 3,500 trips refers to the number of journeys undertaken on those buses in service on any given day.

The Hon. MICHAEL COSTA: The same people could make two journeys.

The Hon. MICHAEL GALLACHER: That is right. We are trying to determine the economic viability of the transitways. Bearing in mind the Minister's comments that we have some problems with transitways, we are trying to identify those problems and determine their economic viability.

The Hon. MICHAEL COSTA: That is easy to answer; I made the comments. I was advised that the original patronage estimate was in the order of 16,000 trips per day and the figure just cited is 3,500. So we can see clearly that some issues are emerging in that area.

The Hon. MICHAEL GALLACHER: Another Carl dud?

The Hon. MICHAEL COSTA: It is too early to make judgements about this issue. The positive element is that I have been advised—the Director-General can comment further about this—that patronage has been increasing. I point out that the Unsworth inquiry into buses that I have commissioned will consider whether transitways can be integrated better into the private and public bus system in order to deal with some of the potential problems. I will let the Director-General deal with that issue.

Mr LEE: We think two specific issues might be having a deleterious effect on patronage. One is the yet to be completed Hoxton Park Road section of the transitway, which under the environmental impact statement was earmarked as a major generator of patronage as it will take people directly from west Hoxton Park straight to Liverpool. Secondly, as to trying to achieve that level of patronage, at the moment the service is really only trunk operations. At this stage the private bus industry—there are four operators along that link—has not contracted to run integrated express services. If you look at the Brisbane busway, you can see that that would constitute up to 85 per cent of the total patronage.

The Hon. MICHAEL GALLACHER: Minister, we have growth in patronage of 1 per cent—or 2 per cent at best—and 3,500 trips when your predecessor promised 16,000. Six more bus-only transitways are outlined in Action for Transport 2010—that great document that you stand by. Are they doomed, and what will you do to resurrect them if they are not?

The Hon. MICHAEL COSTA: Let me make a general point. We have undertaken an inquiry—the Unsworth inquiry—to examine the whole bus system, and transitways and their integration is clearly part of that inquiry's brief. So before Opposition members comment further about this issue I suggest they await the findings of that inquiry. I also offer the Opposition the opportunity to make a submission to that inquiry. I note that it did not make a submission to the Parry inquiry.

The Hon. MICHAEL GALLACHER: I asked you for the information and you refused to provide it. That was a big mistake.

The Hon. MICHAEL COSTA: I was happy to provide a lot of information but you did not contact me. It is quite amazing that there have been about 100 submissions to that inquiry yet the Opposition, which purports to have a strategy and to be an alternative government, could not produce a document for that inquiry—which is probably one of the most significant in recent times. In relation to the portfolio, I have indicated that all areas are up for review, and that includes areas to do with buses and bus-related transport activities.

CHAIR: Order! That concludes the hearing. I advise the Minister for Transport Services, Minister for the Hunter, and Minister Assisting the Minister for Natural Resources (Forests) that the Committee has decided to request that answers to questions on notice be provided within 35 days. As there are quite a number of such questions I flag, as a courtesy, that we might have to hold another hearing before the Committee reports to the House. We will let you know about that when the Committee has concluded its deliberations.

The Committee proceeded to deliberate.
