

**REPORT OF PROCEEDINGS BEFORE**  
**GENERAL PURPOSE STANDING COMMITTEE No. 4**

**INQUIRY INTO THE CLOSURE OF THE CASINO TO  
MURWILLUMBAH RAIL SERVICE**

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**At Sydney on Friday 11 June 2004**

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**The Committee met at 11.00 a.m.**

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**PRESENT**

The Hon. Jennifer Gardiner (Chair)

The Hon. Jan Burnswoods

The Hon. Dr Arthur Chesterfield-Evans

The Hon. Catherine Cusack

The Hon. Kayee Griffin

Ms Sylvia Hale

**CHAIR:** I declare this public hearing of General Purpose Standing Committee No. 4 open in relation to our inquiry into the closure of the Casino to Murwillumbah rail service. This is the fifth public hearing of the Committee as part of that inquiry. Over the past couple of days public hearings have been held in Lismore, Byron Bay and Murwillumbah during which we heard from a broad range of community and business representatives about the closure of the rail line. This morning we have witnesses from the Rail Tram and Bus Union and this afternoon officers from RailCorp, CountryLink and the Ministry of Transport.

Evidence given to the Committee is protected by parliamentary privilege. This means that witnesses are given broad protection from action arising from what they say and that the Parliament has the power to protect them from any action that disadvantages them on account of their evidence given before the Committee. I remind witnesses that the giving of false or misleading evidence to the Committee may constitute contempt of the Parliament. The Committee prefers to conduct its hearings in public. If there are matters that witnesses wish to raise in private, the Committee will be pleased to consider a request to conduct the proceedings in camera. I welcome our witnesses this morning from the Rail Tram and Bus Union, that is, New South Wales branch secretary Mr Lewocki, assistant secretary Mr Schmitzer and publicity officer Mr Murphy.

**MICHAEL SCHMITZER**, Assistant Secretary, Rail Tram and Bus Union, 33 Gordon Avenue, Hamilton, on former oath:

**NICK LEWOCKI**, Secretary, Rail Tram and Bus Union, Level 4, 321 Pitt Street, Sydney, and

**PETER ANDREW MURPHY**, National Publicity and Research Officer, Rail Tram and Bus Union, 83-89 Renwick Street, Redfern, affirmed and examined:

**CHAIR:** Mr Lewocki, are you appearing before the Committee in the capacity of Secretary of the Rail Tram and Bus Union?

**Mr LEWOCKI:** Yes, I am.

**CHAIR:** Mr Lewocki, we have received a submission from the union. At the outset, would you highlight the main points that you would like to bring to the attention of the Committee?

**Mr LEWOCKI:** The first thing to say is that the submission we have made has been a rushed submission because of the timeframes that were available to us, but we certainly welcome the upper House inquiry. Our document gives a bit of an introduction by way of background of our organisation. The number of employees that we represent in the rail industry is about 13,000. We say from the outset that the union is opposed to the closure and the loss of the XPT service from Casino to Murwillumbah because of obviously the impact on our own members' jobs in that area and the impact we say it will have on the regional communities and the reduction in the quality of transport services to that regional area. We are also concerned that this is part of a broader strategy to reduce, if not eliminate, country rail services both in the passenger area and the closure of freight services.

In looking at what we might submit here this morning, we are mindful of how what is happening in New South Wales is different to what other State governments are doing, particularly in Queensland, Victoria and Western Australia where the State governments in recent years are expanding and putting money into rural rail services. What we are arguing in the submission is that we support the retention of the Casino to Murwillumbah line both as a service providing rural employment and as an essential transport link to the people in that area. We have been joined by Mr Peter Murphy, who has done the research on this paper and will be supplementing where necessary some of the statistics and recommendations that we will be making.

**CHAIR:** Mr Murphy, in what capacity are you appearing before the Committee?

**Mr MURPHY:** As National Publicity and Research Officer of the Rail Tram and Bus Union.

**CHAIR:** You may proceed, Mr Lewocki.

**Mr LEWOCKI:** In looking at the reasons behind the decision to close the service from Casino to Murwillumbah we tried to understand how it came about. What we say in our submission is that it appears to us

that the closure was as a result of the mini-budget announced by the Treasurer on 6 April. We, the union, are unable to quantify or identify the economic reasons for the \$5 million per annum saving that is claimed will occur. We are unable to find any evidence that there has been any community consultation about that. We have also been unable in our submission to this inquiry to indicate what some of the added costs might be—for example, the cost of replacing train services with bus services. We understand that Sunstate Coaches of Ascot in Brisbane were the successful contractors. In trying to identify the additional costs of putting bus operations on versus rail, our inquiries to the company were deflected back to CountryLink and to the ministry. We were unable to get that information, so we were unable to make any sort of submissions to say that rail costs were this and bus costs were that.

We are concerned that the New South Wales Government has entered into a contract with a private coach operator that we cannot identify has any sort of industrial instrument agreement with its employees. We understand that there is a decision by the New South Wales Government when contracting out that anyone who contracts for work is to have in place the appropriate employment instruments that would allow the work to take place. We have a concern that New South Wales award employees' jobs are being threatened by the work being given to a private sector bus company that we cannot even identify is paying proper award rates of pay and we have no idea what the costs are. We are hoping that this inquiry can demand from the Treasury and the Minister for Transport Services those files so that we or the Committee can make a proper assessment if there are savings and what are the additional costs in providing the alternate road coach services. That is our concern. I would say that our submission in that area is a bit weak because that information is not available to us.

We are also concerned that we think some of the rationale or the thinking to introduce this sort of rationalisation really stems from the Parry report on sustainable transport in New South Wales. Whilst the final report did not go to the question of closing the Casino to Murwillumbah line, we do know that in relation to the Parry report, which was announced by the Minister for Transport Services, we spent a considerable amount of money engaging economists to put submissions to that inquiry. We thought it was an inquiry that would look at alternate funding models and how we might have a sustainable transport policy developed. We are very disappointed that the Parry report actually attacked the whole viability of our country XPT services. We quote from that report in our submission.

It is clear from the Parry report that there was an emphasis on challenging the retention of rail services and suggesting that perhaps CountryLink coaches would be the way to overcome what they perceived to be the inefficiencies in country rail. Of course, as a union we dispute that. There is money that needs to be spent on upgrading the XPT fleet to make it competitive because it is quite a few years old. As part of the community concern about the Parry report and the threat to lose country services, there were quite a number of meetings held throughout New South Wales, quite vocal meetings of community groups. We understood that there was a government announcement that there would be no elimination of country services for at least 12 months to allow a number of things to occur. One of those was further consultation with user groups and community groups. The other one, of course, was to allow examination of whether there were ways in which CountryLink could become more efficient.

Some of those areas which we do not agree with but we know the Government is looking at was, for example, closing the central reservation centre in Sydney—which we say has a very efficient, modern and well-trained work force delivering reservations to people using CountryLink services—and opening up a smaller centre in the Newcastle region and perhaps some smaller call centres throughout New South Wales. It was also to look at our travel centres right across New South Wales, including those at Lismore and Murwillumbah. The chief executive officer [CEO] had indicated in discussions with the work force and the union that they had not quite made up their mind as to which ones would survive and which ones would not but the criteria that would probably apply is to look at the revenue that the travel centre generates, take 10 per cent—because that is what they pay as a commission to private agents—and see whether that then covers the cost of maintaining those travel centres.

If that criteria were applied our estimation is that very few travel centres will survive—I will come to why we think they have been disadvantaged through direct policy in just a moment. The other area is there is to be a review of CountryLink stations, looking at the manning level on those stations and whether they should be reduced or eliminated. So when the announcement after the mini-budget came that the Casino to Murwillumbah line was to close that came as a shock to the workforce, the union and I dare say the community.

We go on to highlight that the Parry report talks about subsidies that are paid for the various costs associated with travel.

On page five of our submission we say that Professor Parry noted that the 2002-03 CountryLink recovery recovered 20 per cent of costs from fares and a further 20 per cent from community service obligation payments for concessional and free travel. The remaining subsidy of 60 per cent represented 14¢ per passenger kilometre compared to 20¢ for CityRail and 7¢ for Sydney buses. We would have thought that rural New South Wales was not such a drain on the New South Wales economy if we can subsidise—and quite rightly and we should—our CityRail fares to the tune of 20¢ per passenger kilometre, 14¢ for country travel is not an outrageous cost. I do not think the taxpayers would be complaining about that. We think that in its final recommendations whilst the Parry report did not say that Casino to Murwillumbah should be closed we believe that the foundations were set based on what came out of the Parry report.

We say that there has been very little community consultation and certainly there has been no consultation with the workforce or the unions. We are getting used to that since corporatisation of State Rail, the merger of State Rail and RIC now being run under the SOC as a board as there is very little consultation taking place with the union. Decisions are made and we are informed of those decisions but that is an industrial issue that we need to look at.

The other problem in relation to the Casino to Murwillumbah line is viability. We understand that when access charges are levelled against operators, the more operators on a particular line the more you can spread those access charges. We understand that and what we have highlighted in our report is that a number of operators who previously operated have now vacated that line. There was certainly a tourist operator who did not quite make it, and then we had inter rail carrying some freight, some fly ash, on that line and that is now being carried by road. If black and white economics—if there were such a thing—were applied you would say that prima facie Country Link has to carry the whole access calls for the maintenance of that line. The union and our members would argue that it is the taxpayers of New South Wales who built that line and they are the ones that maintain it. This is hardly a private consortium that owns that line and we have got to pay some money. It is in turn our money that we are saving it is an unfair way to compare and say that Country Link is now unprofitable because it has to meet the full cost of the access charges. That is what we are trying to do there.

In relation to \$5 million per year savings on the line, we have tried to look at the XPT fleet. Peter has looked at the costings and what is happening in that sort of area. We touched on the Australian Rail Track Corporation [ARTC]. It is important to understand what has happened there. The Commonwealth Government has set up the Australian Rail Track Corporation to manage and look after interstate rail tracks and encourage road business onto rail. I am not exactly sure of the tracks that they look after but I think it is from Kalgoorlie across the old Australian National rail into Dynon in Victoria. Now there has been a 60-year lease signed in New South Wales for the ARTC to take over our interstate tracks and Hunter Valley tracks.

When you look at potential savings to the New South Wales Government it means that the responsibility for interstate and Hunter Valley tracks that were previously funded by the New South Wales Government has now been shifted to the ARTC and guaranteed by the Federal Government. The savings in round figures to the New South Wales Government would be \$72 million in CSO payments and something in the order of \$300 million in maintenance costs. If you look at that sort of ongoing savings, even if the \$5 million for the Casino to Murwillumbah line is accurate, the capacity to pay cannot be argued because of the huge savings to the New South Wales Government from the ARTC. We said that in a media release on 13 May the Minister for Transport Services claimed that it would cost \$118 million to maintain the Casino to Murwillumbah line—

**CHAIR:** \$188 million.

**Mr LEWOCKI:** That is a cost of \$9.4 million a year. There is no documentation to show where that figure came from, if it is a real figure or can it be tested? Because when we look at costs of that it becomes fairly important. We looked at the economic and social impacts on North Coast communities and we produced the number of full-time and part-time staff at the stations and locations that will be affected, that is, Murwillumbah, Mullumbimby, Byron Bay, Lismore, Casino and Grafton. We have shown in each of those areas what the current staffing levels are and what we believe will be the impact of the closure of the Casino to Murwillumbah line. We believe that is a total number of 40 full-time jobs and a total number of part-time jobs lost. We try to say, what does that mean when you look at the costs? These are country jobs and there is not a lot of overtime or weekend work. We have looked at very basic rates of pay at \$40,000 for full-time job and that means that \$1.8 million would be lost in that region in wages that these people would spend.

We went a bit further because we have had some experience in looking at costings of the impact on job losses or contracting out. When there was a proposal to contract all track maintenance some years ago we

engaged the University of Newcastle to do some research for us and it produced a report called "On the wrong track". The report showed that there is a multiplier effect of job losses in rural areas of 1.86. I think that is real when you look at what impact this will have, it is not just the rail jobs that will be lost but flow-on jobs. If you take 40 families with children out of a town it will impact on the number of school teachers, et cetera. Academics who have looked at this say that the multiplier of 1.86 is a fair way to look at job impacts. If you then look at what that means to the area again in lost flow-on wages and what is spent in the community, that is about another \$3.9 million to the Northern Rivers per year.

It is not just a matter of closing the line and saving \$5 million. There are job losses associated with that and once people lose a job in these sorts of areas it is very hard to get another job. Normally you have to find work in another town. There are no railway jobs in these towns so redeployment is not an option and quite often redundancy is the only option left to these people and again there is no steady income that is being spent in those towns. We also say that there is an impact on tourism and this is an area where tourism is growing, although we cannot quantify exactly what impact it has on it and whether it will turn people away from the area. We know from figures provided to us by our CountryLink staff members that the number of people using buses compared for the same period with the number of people using trains that there has been a significant decrease. We have provided a table that shows on average that 85 people less are using coach services than were using train services.

**The Hon. CATHERINE CUSACK:** Is that seasonally adjusted?

**Mr LEWOCKI:** Yes. This is the quiet period coming into winter. If we were to do the same exercise in the peak period the numbers would be a lot higher. So we have tried to be accurate for the purposes of say, what is it today and what was it in the same period and that is the numbers that were put to us. I do not know, but those people might travel by car or they might find some other way to get there but it may be that they just do not go to the area at all. So the impact on tourism and the viability of those towns we say is a significant impact. Then again looking at, is this a smart economic decision? We say it is not, and it is not good policy. By cutting out the Casino to Murwillumbah line service means that the remaining rail service and our on-board service staff now spend an extra 83 hours in barracks for which they are paid.

Instead of driving the train on the Casino to Murwillumbah line they are waiting in barracks because our awards provide that once they have been in barracks for a certain period of time they are back on the payroll. We cannot expect people to be away from home for three or four days waiting for trains. So it has been estimated by our members who have looked at these rosters that there is now an extra 83 hours in barracks detention paid every day on the rosters. You would have to say "Let's weigh up this economic argument?" I do not think anyone has done that, and we certainly have not got the time to do that, unless Peter can help me out there and say that we have. Again, taking into consideration how much of New South Wales' taxpayers money is going to be saved in this, it is just not there.

**The Hon. CATHERINE CUSACK:** Are you referring to the Grafton crew?

**Mr SCHMITZER:** We are referring to Sydney crews coming to Grafton. The Grafton crews are short on time and they get paid their guaranteed hours. We have not worked that out, but that is quite a number of hours.

**The Hon. CATHERINE CUSACK:** Additionally?

**Mr SCHMITZER:** Probably 40 hours or something similar per fortnight.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** 83 hours per day are lost?

**Mr SCHMITZER:** This is barracks detention.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** That is total hours of train driver and guard time, is it?

**Mr SCHMITZER:** On board crew.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** On board crew times, 83 hours a day is the total time lost because those people are making up hours that they would otherwise be working, is that right?

**Mr SCHMITZER:** The 83 hours is barracks detention time. They have their roster when they worked to Grafton. Because of the decision to cut the Casino to Murwillumbah part of the journey, the people who would normally have brought one of the trains back cannot because they are not long enough in barracks. They have not had the time to rest, so we have had to adjust the three trains that ran up the coast and that has now added 83 hours of barracks detention time to rosters out of Sydney.

**Mr LEWOCKI:** That means people are being paid 83 hours a day to sit in barracks and do no productive work because there is no train that they can work back.

**The Hon. CATHERINE CUSACK:** The Grafton crew have had their roster cut in half?

**Mr SCHMITZER:** The Grafton crews are still working to their rosters that they have had but they are getting paid guaranteed time, which they are entitled to under the award, but there is a lot of unproductive time.

**The Hon. CATHERINE CUSACK:** They are only working half that time?

**Mr SCHMITZER:** Yes.

**Mr LEWOCKI:** Again, when the union looked at whether this was a good economic decision for the people of New South Wales, there has been no consideration of the road costs. Passengers, if they are not using trains, must be using cars or buses and what is this doing to the Pacific Highway. This trend will increase over time, we believe, and you have to look at those costs for highways and main road maintenance, accidents, fatalities, and one can go on and on. It is not just a matter of saving money. There are formulas that we have looked out over the various years but we are not putting costs on it at this stage because it has been too short a time.

But you cannot ignore that by saying, "We are going to save \$5 million." Is it really \$5 million saving? What are the other costs and how does it stack up or balance when you make that sort of decision? That is the point we are making. We highlight what is happening in other States. The Victorian Government is spending \$550 million to upgrade their country regional services; they are committed to it. We highlight the Queensland Government, which is upgrading what we say are the non-suburban passenger services, and also in Western Australia.

Other governments throughout Australia are looking at their regional rail services and where they have previously either let them run down or vacated the area, they are now coming back into it and they are actually spending money to upgrade the rolling stock, providing new trains and upgrading the tracks. New South Wales seems to be going in a completely different direction altogether. We understand that we do not have a comprehensive land transport policy like other States, which have plans for 10 to 20 years in advance. I understand that we do not have an integrated national and State land transport policy, which makes it very difficult for long-term planning. Therefore, we get this knee-jerk reaction, "Can we save \$5 million?" "Yes, let's look at a line that we, as a government, think is underutilised. We have lost freight trade. Let's close the Casino to Murwillumbah line." That is the way we think the decision has been made and we are challenging that approach.

Peter has put together some information on what money is being spent up in the south-eastern Queensland area and I will ask him to go through some of the costing because it is important to look at what is happening around the region. You cannot deal with this in isolation. One of the options is to look at whether or not we can extend the line into Queensland and what that may mean.

**CHAIR:** Mr Murphy, you may proceed.

**Mr MURPHY:** I draw your attention to chapter 5 of the submission. I have tried to summarise all the information I could gather about transport planning in the Gold Coast area and some other decisions dealing with the Northern Rivers area of New South Wales. There is a lot of money being spent now on the Gold Coast Brisbane connection and there are projections of funds up to \$250 million more being spent to extend that Brisbane Gold Coast rail link from Robina to Tugun. This is something that the Queensland Government is talking about doing. It has not committed to it but the date for completion is 2009, which is not that far away now, so they are moving forward with the planning process and there will probably soon be some commitment in that regard.

Tugun is where the Pacific Highway link across to New South Wales—the Tugun bypass—is proposed, another massive commitment of money already made by the Federal Government in the last month. Tugun is the place where most likely a rail link between the New South Wales rail system and the Queensland rail system would meet. The Queensland Government is moving now to put in infrastructure, which would help to encourage New South Wales to take forward-looking decisions for the Northern Rivers area. Those figures are there for you.

Most important are the population projection figures for the Tweed and Richmond valleys, which are based on the projections from the 2001 census used by the New South Wales Department of Health. The census shows figures for different age groups in the northern and central parts of the Northern Rivers and what they are projected to be in 2016. There are two important points. First in the central area, which is really around Lismore, the population of those aged up to 19 years is set to decline by 6 per cent in that 15-year period. The proportion of people aged 20 to 64 is projected to grow strongly and those aged 65 years and over to grow by over 50 per cent. Aged care and infrastructure, including transport infrastructure for that age group, needs to be enhanced not diminished.

We can all project the reasons behind the departure of young people from this region of New South Wales. One of them has to be economics, opportunities for education and so on. Again, the withdrawal of highly symbolic and substantially important State assets like rail services from Casino north is again a very negative message to that community and will accelerate these trends that have been projected rather than reverse them or leave them as they are. This is the sort of picture that the Committee needs to take on board when looking at this decision that the Minister for Transport Services has taken.

It is an expensive issue apparently to build the extra rail link from Murwillumbah to Tugun. It is not very far in distance but there are hills, difficult terrain and sensitive environmental zones, but some of these issues have already been addressed with the road link, which has already been committed to. The other issue is the condition of the track between Casino and Murwillumbah, which has some long-length wooden bridge structures that need renewal. All I can say on this is: of course, they are expensive but if the money is spent, it is good for 50 to 100 years, which is what these wooden bridges have done. Sometime long ago the people of New South Wales, with perhaps one-quarter of the present population, managed to invest and pay for these assets. Now we are really being told that in 2004 New South Wales really cannot do it. It shows a myopia and it would be really good if the Committee could call the Government's attention strongly to this problem of perspective and commit to this next planning framework of 15, 20 or 30 years for the Northern Rivers region and for the greater region of south-eastern Queensland and the Northern Rivers.

There is further information about the amount of money spent on roads under the Roads to Recovery Program in the Northern Rivers region, which has amounted to nearly \$4 million per year since the program started in January 2001. We think that under the latest announcements to do with the Roads to Recovery Program by the Federal Government there is a \$100 million a year facility within the budget for groups of local government authorities to apply for transport investments that are not necessarily roads. They just called strategic transport investments.

Again, looking at the finances, we think that here is an opportunity—and I know that the shires in the region would be keen on addressing this problem of the railway—whereby the New South Wales Government could support them to apply for access to that funding to renew the track and to make the service viable. There is also information about the amount of money being spent up to now on the Pacific Highway. That is actual completed works on the Pacific Highway since 1996 just to this area in the Northern Rivers between Casino and Murwillumbah, and it is \$560 million. Even at the maximum that the Minister has put on this line of \$9 million per year, you can see the great disparity of resources that are being allocated. Now everybody in land use planning and transport planning recognise that these corridors need both rail and road assets. You cannot just dispense with rail and think you can meet the needs of these communities in the future or even the broader economic needs of New South Wales. I think that concludes what I want to say.

**Mr LEWOCKI:** It is important that we look at the costs of where money has been spent, how it has been spent, how it fits into any long-term strategic planning and how it fits in, as Peter correctly highlighted, with what is happening with community needs such as the ageing population, and what that does to those balances if it is not properly thought through. In the time available to us we have tried to put together a submission that says we understand why you might not want to look at the Casino-Murwillumbah line based on the amount of rail track that has been lost there, but to suggest a \$5 billion saving without a cost analysis or what

it costs to put the coaches on, environmental issues, road costs, alternate funding models, what it mean for an integrated strategy across the border, why is New South Wales so far as a step with every other State when it comes to country rail. We say that there should really be an opportunity for the Government to have further consultation with people, not by ripping the tracks out or stopping services, but genuine consultation to see whether or not there is an opportunity for partnership between local government, community people and even the Federal Government; and also look at the way money has been allocated or spent and some long-term planning.

We go on to say that we do not believe you can look at the Casino to Murwillumbah line in isolation from what is happening right across the rail industry. I know from the terms of reference that that is what this inquiry is looking at. We are concerned about the trend and where the Government will go in closing down travel centres across New South Wales, including those at Lismore and Murwillumbah. If they apply the formula that I mentioned before—what is the revenue and take out 10 per cent to see whether it covers the costs—most of our travel centres would fail. Twelve months ago the Government directed that these centres would stop selling third-party products. They said, "We used to sell holiday packages and airline packages and we wanted to bid more on government contracts for travel arrangements. But we were directed to concentrate on our core business." Management made the decision some time ago that these very dedicated country people who were trying to grow their businesses—they realise that they have to be viable—would have their capacity to do that reduced. In some situations travel agents next to a travel centre were commissioned to compete against our own business.

Look at the costings. We own the building. I know you have to depreciate that. But when you start saying that you have to pay internal rental of \$1,000 or \$2,000 a week and that goes onto your costs, our members right across the State, not just in the Casino and Murwillumbah area, say, "Hang on, we're never going to meet that sort of criteria". So workers at central reservations that services the Casino to Murwillumbah line when trains are running—it is a very professional area—were told, "If we're going to be efficient you have to accept more part-time employment". Workers kept saying that they wanted to work full time. But we understood that there are peaks and troughs. So after many years of only full-time employment these workers accepted, through enterprise negotiations, the concept of part-time workers coming in to meet the peaks in demand. There were multi-skilling issues. Then a contract was let to a call centre in Victoria to deal with the overflow—I think we mentioned that in our submission. We said, "In preference to closing the Sydney centre, which is very efficient, why wouldn't the Government cancel the contract in Victoria, move that to the Hunter Valley and have the overflow centre operate up there?"

When you look at how the railways operate, what do other organisations say? What are New South Wales farmers saying? They are also concerned that branch lines are under threat. There is a policy that you only fix the lines if they are unsafe. We have trains running around at 10 or 20 kilometres an hour. Farmers want to maintain their grain on rail and there at least 15 branch lines that are under consideration for closure. So the Casino to Murwillumbah closure is just the spark. It requires a broader look at the New South Wales system. What are we doing? As to ARTC, our early indications are that there will be 400 surplus jobs. That means that we must look at what the State Government is prepared to fund for what they call residual lines—we say branch lines; the rural lines. Can those jobs be absorbed? If they cannot what is the future of those areas? Quite a number of small country towns will have whole groups of workers taken out. For example, 29 jobs are proposed to come out of Yass, and 89 out of Goulburn. Places like Parkes will lose 12 jobs—that means the whole rail depot there will close.

We need to discuss the Casino to Murwillumbah line in the context of the broader picture of what is happening, where government policy is going and what the real cost analysis and cost benefits are for the people of New South Wales. This is a knee-jerk reaction—we can save \$5 million on the Casino to Murwillumbah line. Quite frankly, if they get away with that the Canberra service will be the next to go. Then the Gunnedah service will go. Then we will start to see the branch lines go for the carting of wheat. We will start to see more and more traffic on roads, whether it is the Pacific Highway by way of coaches or B-doubles carrying grain. We will see the absolute destruction of the rural New South Wales rail system with the exception of our main lines and the Hunter Valley. That is our concern. We hope that the information we have put before you in the time available will assist you.

We strongly advocate that the Casino to Murwillumbah line should remain open. We should look at some of those alternatives. We should look at some of the savings that the Government is making in regard to ARTC. Look at the social and economic benefits that flow from the information that Peter has put before you. Look at whether there is any prospect of linking the Queensland and New South Wales sides of the border. What does



that mean? Local government and the shires are very keen to do that, and I would have thought that is a far better approach than the crisis situation of closing the Casino to Murwillumbah line, upsetting the people of northern New South Wales and not allowing for debate to take place. Who knows, we may end up with a transport policy. This area could be used as a model of how you can improve rail services, grow business, enhance job security and tourism and link into a national strategy of linking rail services. I believe the Casino to Murwillumbah presents an ideal opportunity—if we can retain that service—to spend some time over the next 12 months looking seriously at some of those alternatives. That is our submission to the inquiry.

**CHAIR:** Thank you. I appreciate the expensiveness of your comments. You paint a very grim picture of country services in general. But am I correct in saying that you do have some optimism that, if there were concerted multilateral discussions in the immediate future between State and local governments, this could line be kept open. Is that a fair assessment?

**Mr LEWOCKI:** We believe that. In some areas of the State because of dieselisation we have said that we cannot retain old steam depots. We have been pragmatic and said, "They've got to close; you've got to move forward". But we do not believe the Casino to Murwillumbah line is in that case. It is exactly as you have put forward. We are very optimistic that, given the right circumstances and given the good will and participation by the various organisations and community businesspeople, this could be a real goer. You only have to look at the rally that was held outside the Premier's office at Governor Macquarie Tower. People travelled for 14 hours to attend that rally. An 80-year old travelled to Sydney to present 600 handwritten letters complaining about the closure. That is the feeling up there. This is not an emotional issue of saying, "We want to see trains go past". People use the line and they understand, as Peter says correctly, that if you take away that sort of infrastructure the community and the town will start to shrink.

**The Hon. CATHERINE CUSACK:** Thank you very much for that submission. The figures are invaluable. I refer to some evidence that Vince Graham gave to the inquiry. When he was asked about the 16 May closure date for the service—we say 16 May because the train left on that date but obviously terminated in Sydney on 17 May—he indicated that he had nominated that date in order to achieve financial savings straightaway rather than waiting until December. He said that he was able to achieve savings earlier rather than later. The second reason he gave was so that the employees were not left wondering about their future. He said that he wanted to be fair to his employees and he wanted to ensure that the savings would come straightaway. Do you have any comments about that? When he was asked about this issue Mr Graham said, "I think it would have been unfair if the organisation had not allowed people currently maintaining the Casino to Murwillumbah line to participate in any redeployment opportunities that they might have wanted to pursue as part of that process". That is the ARTC process. Do have any comments about that? Did that make 16 May a vital date to stop the service?

**Mr LEWOCKI:** I cannot comment on what Mr Graham may have been thinking and what his economic advice would be. As to the question of redeployment into ARTC, I am not sure that depended on the XPT service running. We are working with ARTC, negotiations are taking place and we are identifying the skills mix and the classifications they required to operate their parts of the track. We were looking at the number of people they required. I do not know about that. Mr Graham was quoted in the press as saying that the 30 per cent cut in weekend train services was to ensure that drivers did not have to work overtime. Maybe he is a caring, sharing CEO who thinks of his employees. I will leave it at that.

**The Hon. CATHERINE CUSACK:** The employees indicated to me that they would have preferred to continue in their jobs and that they do not feel that this decision has been fair to them.

**Mr LEWOCKI:** We know—Mick Schmitzer is out of Newcastle; he spends time there and he can confirm this also—from surveys that we have done of our members that they prefer full-time employment. I am not sure about the age profile, but a number of members I spoke to were in their fifties. They have been working up there for a long time. They understand that if their railway job disappeared their opportunity to be re-employed in the private sector was very low. A number of them indicated to me that they would be forced into early retirement because they did not want to leave the area. That would have a significant financial impact on their retirement planning. It is all very well saying that there are no forced redundancies but what are the workers to do? We were not able to get that sort of information from Mr Graham. Mick might be able to supplement my answer.

**Mr SCHMITZER:** As I said yesterday, there are probably three or four workers to whom redundancy packages may be attractive. The rest of the employees on that line want a job. The redeployment options are

very minimal. I am a bit like Mick, I do not like to try to look into a crystal ball on some of the thinking, but externally in government positions their options are very minimal. The only option for some of these people up that way to be able to continue in railway employment—in RailCorp, CountryLink or whatever we want to call it these days—is to transfer somewhere else. That transfer would be to a metropolitan area. There are no jobs in country areas.

**Mr MURPHY:** That comment by Mr Graham about giving people an opportunity to take part in some redeployment gives me feelings of foreboding that there is a bigger unloading of jobs coming down the track because of what is going on with the ARTC lease and the so-called "residual" network. There are hundreds and hundreds of maintenance workers jobs involved in that as well as all those jobs we have seen involved in CountryLink. He might have been expressing a good intention but it is a scary scenario that he is expressing it in.

**Mr LEWOCKI:** Another very important point is that, with the formation of the new rail corporation, there are still three entities out there: RailCorp, the State Rail Authority [SRA] and the Rail Infrastructure Corporation [RIC]. Employees are vested into RailCorp. But you are only vested into RailCorp if you are deemed to be an efficient employee—in other words, if you have a job. At this stage out of 18,000 employees only 3,500 are vested into RailCorp. The rest of them sit in SRA or RIC. These people who have been made redundant their jobs are surplus. They would never be vested into RailCorp. They would remain as a separate group with those who are injured and on workers compensation. They would sit outside RailCorp. The decision has been made that they will only take the efficient people and in that way there will be no additional burden on the cost structure. The pressure on those people to take redundancy will be immense.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Surely they do not think they can run the entire rail system on 3,500 employees?

**Mr LEWOCKI:** No, they do not. But they are saying to station staff, "We have some reform packages for you. When we finish that, those of you whom we identify will be vested in RailCorp." Progressively they will vest them over. At this stage the only people who are vested are the train drivers, guards, signallers and train controllers. All the rest of the work force sit in their old organisations.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** They are in God's waiting room, so to speak?

**Mr LEWOCKI:** Yes. And that is causing more angst and more family concerns than Mr Graham saying that their future is secure. Their future as they know it now is that they will not be vested in RailCorp. It is the old Pacific Power model. When they rationalise that, they did exactly the same there. I understand from meetings I have had at the Labor Council that 37 employees are still sitting out there in the lost children's tent, as they call it, because they were not vested across into Pacific Power. Those figures might be slightly out, but we suspect the same strategy is going to be used. To be suggesting that this is a caring, sharing employer who wants these people to be made redundant so that somehow they will have a future—their future will be that they will never be vested in RailCorp unless they can transferred into a RailCorp job.

**Ms SYLVIA HALE:** Does that mean that their prospects for advancement or permanent location in any one space have diminished?

**Mr LEWOCKI:** We are trying to clarify whether, if you are not part of RailCorp, for example, you can provide relief in RailCorp, whether you can relieve someone for holidays. That is unclear. The longer you are away from the main work force, the more difficult it is to take a promotion. It is all merit-based promotion; you have to demonstrate competencies and skills to do the job. If you have not been in that particular stream for 12 months or six months, your skills and competencies are very quickly overtaken by the new organisation. So it makes it much more difficult to apply against, say, an internal applicant to get the job. That is my belief.

**The Hon. CATHERINE CUSACK:** I think we are all still catching up a little on the latest restructure of RailCorp and how the services are organised. Is CountryLink now a division of RailCorp? I would like to understand which CountryLink employees, if any, are part of the 3,500 vested employees.

**Mr LEWOCKI:** Only the CountryLink drivers, I believe. They have been vested in RailCorp. The rest of them are under the old SRA banner of the CountryLink division of the SRA.

**The Hon. CATHERINE CUSACK:** That would include train crews?

**Mr LEWOCKI:** No. The onboard services people. They see train drivers as essential. I believe that the CountryLink train drivers have been vested into RailCorp, but the people on the train itself are not; they are still part of the old SRA.

**The Hon. CATHERINE CUSACK:** We might be talking about fewer than 100 people, or perhaps 120 people?

**Mr LEWOCKI:** Yes, only the CountryLink drivers.

**The Hon. CATHERINE CUSACK:** And no other CountryLink rail employees are vested?

**Mr LEWOCKI:** Not to my knowledge, no. The country signallers have not been vested because they are under a rationalisation because of the new technology that will come to Broadmeadow. There are something like 40-odd smaller signal boxes; the employees know that those jobs will disappear in the next 12 months. It is just a matter of when the new technology comes online. I do not think those signallers have been vested. But the metropolitan signallers have been vested into RailCorp, yes.

**Ms SYLVIA HALE:** As I understand it, many of the employees, particularly those in Casino and Murwillumbah, have been offered a "take it or leave it" redundancy package, but they have not been given any other information as to their future prospects or, if they are to be redeployed, where they would be redeployed, so it is extraordinarily difficult for them to make an informed decision as to whether to accept the redundancy.

**Mr LEWOCKI:** It is. The employer wanted the union to negotiate what they called the enhanced redundancy package. A current redundancy package, which is covered by government policy, is three weeks for every year of service, capped at 13 years. What they are offering is what they call an enhanced redundancy package of four weeks for every year of service, uncapped. But there is a limit on that; there is a window of opportunity for you to take that. Once you are offered it, you have seven weeks to make up your mind whether you will take it. If you choose not to take it, if you say, "I would rather seek redeployment and retraining," and you go down that path and then say, "I will take redundancy," you then get the old redundancy package, at the lower rate.

The union said, "We are not prepared to negotiate an enhanced redundancy package. We would much prefer to negotiate an enhanced transfer and resettlement policy." In other words, "What happens if I shift house? Will you buy the house, pay the stamp duty, help me relocate, and give me cheap housing loans?" We spoke about saying that the emphasis should be on redeployment as the first option, but even before you offer redundancy there should be one-on-one counselling with these people, offering realistic alternative redeployment opportunities. We have had some success in that, in so far as we understand that the employee information package handbooks going out will now have an emphasis on saying that redeployment and retraining will be the issues that should be looked at first, and if you are not interested in that you then go into a redundancy phase.

We have also spoken about having a case manager for those people so that it is done properly. Yes, there is an enhancement redundancy package. It is the carrot: take it, or if you do not take it, you will then get the old package.

**Ms SYLVIA HALE:** Are the retraining opportunities genuine?

**Mr LEWOCKI:** I think to be fair to the people in the training area, they are very committed and dedicated people. Once people are processed in there, they are very good.

**Ms SYLVIA HALE:** I was asking whether it is difficult to be processed into it.

**Mr LEWOCKI:** The training is available, and it is good training. But the issue is: Training for what? Are there real jobs out there? The number of vacancies are predominantly in the metropolitan area, so it is not very attractive. With regard to opportunities for people who work in white-collar positions in travel centres on the Casino-Murwillumbah line, they would need to go into labouring jobs or onto a station. But the jobs would be very limited; I do not think there are any vacancies in the area. On the North Coast, moving down towards Newcastle, there would not be vacancies that could accommodate those people.

What the Minister is saying, to be fair to the Minister, is that perhaps some of these travel centres could do the overflow call centre work. In other words, if we close the Sydney Reservation Centre and displace 100 workers here, that may create 100 vacancies in the bush. It is a pretty rough way to treat people: displacing jobs in Sydney to create vacancies in the bush.

We are not aware whether there is a considered plan that maybe we can have a smaller call centre located on the North Coast somewhere, and create jobs for some of these surplus people. But that was discussed. I do not want to be completely negative. I do not agree with the proposal, but that was one of the options put forward as to how we might try to accommodate some of the surplus people.

**The Hon. CATHERINE CUSACK:** Are all employees eligible for the redundancy? Is there any restriction relating to age?

**Mr LEWOCKI:** No. If your job is deemed to be surplus, and you are displaced, you are then entitled to look at redeployment, retraining or redundancy. I am not aware that if you are 61 years of age you are not entitled to it.

**Mr SCHMITZER:** Yesterday I was made aware of material that was obtained from the Intranet, from human resources, that if you are over 65 a redundancy package is not available, but in its place there would be a termination payment. I am not sure just what that would be. If we go back in time, when redundancies first came into this industry, if you were over 65 you were not eligible. But that has been changed and, as Mr Lewocki said, there has never been an age barrier, until I saw that material yesterday.

**Mr LEWOCKI:** We will get back to you on that.

**The Hon. CATHERINE CUSACK:** If you could provide that information, it would be helpful. Are all Rail Infrastructure Corporation employees in the same situation as CountryLink employees? Does the one process cover the RIC employees on the line, as well as the CountryLink station staff?

**Mr LEWOCKI:** Do you mean the RIC employees on the Casino-Murwillumbah line?

**The Hon. CATHERINE CUSACK:** Yes.

**Mr SCHMITZER:** There are two different management groups; they are two different identities.

**The Hon. CATHERINE CUSACK:** Can you give us similar information for what is happening in relation to the RIC employees in Lismore? They are probably more affected by the ARTC proposal.

**Mr LEWOCKI:** The Labor Council of New South Wales has been co-ordinating a combined union working party with the ARTC. The ARTC takeover has been put back on a number of occasions, and it is now due on 1 July, or the end of July, to be taken over. It is only more recently that we have been able to identify what ARTC management is saying about the actual number of jobs required to do the leased amount of track and how many they want. As late as last week, 30 of our country delegates came in and we did what we call a mapping exercise. We looked at every depot that exists today and the number of employees there, and compared that with what the ARTC requires.

The list that I saw showed that there are 404 surplus jobs. That is not to say that all those employees would be given a redundancy, because we then had to identify what work on the branch lines has to be done. ARTC management will be paid to also manage the work on what they call the residual lines. That will depend on how much the State Government allocates in the budget to the branch lines, and we will try to marry that up to the work. So we are still in limbo as to exactly how many jobs will be surplus. We know that there will be surplus jobs. We also know that the ARTC is saying that after it takes over, it will look at the work force and refine it over the next three years to see whether it is appropriate; in other words, whether it can be downsized any further.

Rail Infrastructure Corporation employees have been advised that they will also be entitled to an enhanced redundancy package, which would be the four weeks. They are also entitled to transfer and resettlement, as well as retraining and redeployment. For example, there are about 220 people in Hamilton, in the Newcastle area, and the ARTC says we do not need that number. They convert them into the metropolitan working, so they will do metropolitan track, because Newcastle is part of the metropolitan area. So it is not

absolutely clear what the final numbers are and how they will fall out; we are still working with our delegates and management to try to work that out. But there will be surpluses. A lot of those surpluses will be at small depots where you have 10, 15 or 20 people, but they will completely close and that work will be allocated to another depot.

There is the real problem in identifying what is ARTC work under the lease and what the branch line work will be. They are going to establish a board to look at that, and they have offered to put a Labour Council representative on that board. We are asking that that board be formed quickly so that we can identify what is happening, because it is causing a considerable amount of concern for country members. Of all the phone calls we get in our office, every second phone call is about the impact of ARTC on country jobs. We do not have the final numbers; we have some broad numbers. It is a little like a jigsaw puzzle. We have now identified what the ARTC wants and the numbers it wants. We now need to have a look at what the State Government wants with regard to its branch lines, and then put numbers in there, and that will tell us how many jobs will fall out.

**Mr MURPHY:** You asked about Lismore in particular. It has been identify that 12 track maintenance jobs will be lost as a result of the decision to close the service, and there will be no operations on the line. Three jobs in Grafton were identified also.

**The Hon. CATHERINE CUSACK:** Could you remind me of the number of jobs involved?

**Mr MURPHY:** I just said 12 for Lismore, but overall we have identified 40 full-time jobs and four part-time jobs.

**The Hon. CATHERINE CUSACK:** Mr Graham refers to fewer jobs. Can you give me a breakdown of your jobs?

**Mr MURPHY:** In our submission it is on page 10 under "Direct Jobs". There are station staff, track maintenance, train crew and travel centre. We tried to do it for full time and part time, but most of them are full-time jobs. More data is available about how old they are and how long they have been employed.

**The Hon. CATHERINE CUSACK:** At this stage they probably have not included the travel centre staff. Obviously, ceasing the rail service will have a big impact on the viability of those officers?

**Mr MURPHY:** Yes.

**The Hon. CATHERINE CUSACK:** We talked hypothetically about the Byron Bay station and the travel centre there. Mr Graham indicated that two staff members were there and he had to look at the fare box revenue that they were getting at that centre and work out whether it was viable to continue that. That is the assessment he was using. I suggested to him that those staff were also assisting at the station at the time the train came in, which was other work. He indicated that the on-board staff are the ones that were meant to undertake that work. At some of these stations, particularly Lismore station and, obviously, Murwillumbah station, you can have more than 100 passengers boarding in one night. Could you clarify the role of the on-board staff, particularly at stations where large numbers of people are boarding and not boarding? Can they really check in the luggage and load the luggage? Is that part of the job description?

**Mr SCHMITZER:** Byron Bay is the one you are focusing on?

**The Hon. CATHERINE CUSACK:** Yes, that was the one we discussed.

**Mr SCHMITZER:** Byron Bay is not a travel centre booking office. It is classed as a booking office. There is one booking clerk there full time and the other guy who comes on does that type of work, plus he does the station work. He is a senior customer attendant in other words. There is part of the station commitment. The third employee is a relief position who does holiday relief all over the place. I guess the third position is what we call reducing time. There are nine shifts at Byron Bay and 10 shifts at Murwillumbah and because we work a 28-day operation that gentleman covers works half and half at two stations. So far as the on board, in the past they have not been responsible for any of that work at Byron Bay. There has been a customer attendant there to look after the luggage and get it on the train. What they do once you get on the train is put it in appropriate places, et cetera. They have to get the passengers on safely and that type of thing, which they assist in, but there is no specific allocation, to my way of thinking, for any of that luggage-type work or that sort of thing being given to on board.

**Mr LEWOCKI:** When we asked a question about taking station staff off, Mr Graham indicated that it was his belief that the on-board service could actually pick up that additional work. What we indicated was, "Hang on, we are not sure about that." We would need to have some consultation and discussion with our on-board service people because they do work on the train. That is the first time I heard about the on-board service staff taking over functions performed by station staff. When we asked that question Mr Graham's indication to us at that stage was, "I believe that those the on-board service staff could actually take over and assist with the luggage if we remove the platform staff." But it does not happen now. There are platform staff.

**The Hon. CATHERINE CUSACK:** It is a proposal. If he says, "We employed as part of CountryLink operations on-train staff who are capable of dealing with all the on-train and off-train issues" I guess they would do that as a station attendant on the CountryLink network now. I have received complaints from people boarding the train at various stations, struggling with luggage and staff watching them but not assisting them. It was my impression that that was not the role of on-board staff.

**Mr LEWOCKI:** Over the years there has been significant rationalisation of on-board services. In the old days we had conductors. We used to have one conductor for every car. These are the old mail trains. Over the years the function has changed. On the XPT there is no longer a dedicated employee called the train guard. The train guard and the skills of the train guard have now been absorbed into one of the passenger attendants who actually work on the train assisting customers. The staffing levels on the trains that we have set have been done through consultation, quite often by riding the train with the management and the union to look at the workload associated with that. To suggest that Mr Graham has this view or may have a view and he suggest that they could actually pick up the additional work may not be right. It may be that we have to put extra on-board service staff on those trains. That has not been determined yet because we have not got to those negotiations. But the staffing on the trains that are being set through consultation and negotiations are the industrial framework we operate in and does not provide for just simply saying that they can pick up additional work at Byron Bay, Lismore or Casino where you currently have station staff that assist the passengers. Large numbers of people get on there and the next day they may not without delaying the train.

**The Hon. CATHERINE CUSACK:** It is still unresolved?

**Mr LEWOCKI:** Yes.

**The Hon. CATHERINE CUSACK:** Who is making the decisions in CountryLink? I ask that question because yesterday we heard from a former manager of a CountryLink travel centre in Murwillumbah who talked about its advertising budget and how, up until 1998, he had control over his own advertising budget and he could place little advertisements on the radio. Then it appears he lost power over that budget and he indicated that he needed to ask the head of RailCorp to place an ad. There must have been a process that he needed to go through. But he clearly indicated that it was a centralised system. It seems that there are a lot of complaints from people about centralised decision making in relation to maintenance on the line, CountryLink and the way it works in the sense that it has got right away from the local people into Sydney, where sometimes decisions that are not necessary for that particular area are being made.

**Mr LEWOCKI:** Part of the work force now is suffering because of bad policy decisions that have been made previously. We had a rail industry going back to the 1960s that was very centralised. You had district superintendents in each district and you went through those sorts of district superintendent structures. Then, for various reasons, and again it was because of deficiencies, we started to split the railways up. We decentralised it. The work force was told it had to participate, it had to have more responsibility in its own area to run the show, to do the advertising that you talk about, to make decisions. We broke it up into four segments with the old Rail Access Corporation [RAC], the Rail Services Authority [RSA] the State Rail Authority [SRA] and then FreightCorp.

We created four separate managers. After Glenbrook and Waterfall we started to bring this industry back together. The management structure is very hard to follow. Depending on what phase we are in it could be a decentralised management structure where we have business groups and business group managers who then devolve responsibility to the central managers. When we are going through this amalgamation of the SRA and the RIC it does not surprise me that it has now become centralised again. The poor people out there who are trying to do the job and provide the best customer service they can are really caught in between this management style, "We want you to be aggressive. We want you to be proactive. We want you to sell the holiday packages. We want you to link in that with local airlines."

They go out and do this but then there is a change of management decision, "We are not going to do that" and you have these poor managers out there trying to do the best they can with their staff never knowing what they need to do. That is just this rotation of managers at the chief executive officer level—we have had eight CEOs in 10 years. We have a change of government policy where we split the railways up, we centralised and decentralised it. Yes, I am sure that manager would feel very frustrated and I would say today that it would be a very central decision-making body because they are going through a restructure. They want to control it all from Sydney. Whether that will change in the future, who knows?

**CHAIR:** Could you update the Committee on the discussion we had yesterday in relation to some employees in the rail system who may wish to give evidence and who have been—?

**Mr SCHMITZER:** I cannot at this point in time. I have been trying to make contact this morning and yesterday, but I have not been able to verify that. As I indicated before, the indication from most of the people and the way they spoke to me was that if they were current employees they really could not make comment. Whether that has come from the management side or others, I am not really sure at the moment. As I said yesterday, I will try to clarify that and let you know for sure.

**CHAIR:** We would appreciate that. I know that some members have to leave for a commitment, but I would like to extend the thanks of the Committee to the union and all three witnesses. I can assure you that the information you have given to us is very helpful. Thank you very much for your time and your evidence. If we do not already have the union's submission to the Parry inquiry, could we have a copy of it?

**Mr LEWOCKI:** Yes, we can make that available to you.

**(The witnesses withdrew.)**

**GREGORY PATRICK RUDD**, Computer Systems Officer, affirmed and examined:

**CHAIR:** You are appearing as a private citizen interested in this inquiry?

**Mr RUDD:** That is correct, both as a former resident of the area—

**CHAIR:** The Northern Rivers?

**Mr RUDD:** Yes, the Northern Rivers, and I still have a connection to the area as I travel to see my family and friends in the area.

**CHAIR:** You have provided the Committee with a submission. Would you like to briefly highlight your main points?

**Mr RUDD:** Yes, with pleasure. The aim of my submission was to provide some assistance to the inquiry, possibly on some other points of view that may not have been submitted by the people who have given evidence to the inquiry, which I feel probably should be of interest to both this inquiry and the public at large to give a broader view of what is actually happening out there. I shall address my submission to this inquiry in terms of what I originally submitted. The first is that the Murwillumbah line has been singled out for attention. There are two other branch lines in the State of a similar standard that were closed for a number of years that were reopened in 2000. One of those branch lines was the Cowra to Blayney section of the line and the other is the Kandos to Gulgong section.

Since that time those two branch lines were reopened we have seen sporadic traffic on both sections of track, as evidenced in the working timetables. We see rarely scheduled freight traffic and/or passenger traffic. The vast majority of the users of these two lines have been heritage train operators once a month, or that sort of frequency. It is also interesting that these lines have a unique type of timber trestle bridge, which is different to that on the Murwillumbah line and is called ballasted deck timber trestle. It was moved away from as a design before the Murwillumbah line was built, around 1891, to a transom deck design due to cost of construction and also cost of maintenance. One of these branch, the Belubula River at Carcoar, we see that repairs have been done to these bridges. It is one of the biggest bridges on the Blayney to Cowra section of the line.

That is evidenced when you look at it from the Blayney end of the line because the first three piers have had their ballasted deck renewed whereby the underlying timber has been replaced and heavy gauged galvanised guardrail has been replaced and the ballast has been relayed upon it again. It is a rather interesting point. Many of the smaller openings have had various remedial work done as part of its reopened schedule. The Kandos Gulgong section is an interesting point for the inquiry. The line was reopened in 2000. What is unique about the line is that it has quite a large number of ballasted deck timber bridges. It also suffers from sporadic traffic. The majority of users, to my knowledge, are rail preservation groups. It is interesting to note that if we look at the speed restriction notices as at 8 June 2004, which I will table, just between Kandos and Gulgong was the approximately 3.75 kilometres of ballasted trestle under track observation, which is under 40-kilometre per hour speed restrictions.

And if goods traffic was encountered it was counted in that figure that I have quoted, which is the second figure; the first number is the goods number and the second figure is the passenger numbers. So even if goods traffic is considered in that calculation it is still the amount of distance of bridge 40 kilometres or below in speed limit; it is still less than between Kandos and Gulgong, a line which sees very sporadic traffic in the State.

**The Hon. CATHERINE CUSACK:** What does "under observation" mean?

**Mr RUDD:** It means that it has been inspected and that the bridge inspector is aware that there is a problem with the bridge and it is being constantly monitored.

**The Hon. CATHERINE CUSACK:** And what would the speed restriction be?

**Mr RUDD:** That is the coding for what they put the speed restriction on for. The code "BW" in the glossary of the track watch report actually says "bridge work being undertaken".

**The Hon. CATHERINE CUSACK:** And on Murwillumbah that was 2.55 kilometres last year?



**Mr RUDD:** For passenger trains, which would be the XPT.

**The Hon. CATHERINE CUSACK:** For 2003?

**Mr RUDD:** As at the eighth of this month.

**The Hon. CATHERINE CUSACK:** And for Kandos-Gulgong, what was that figure?

**Mr RUDD:** Approximately 3.75.

**The Hon. CATHERINE CUSACK:** And these are basically timber bridges?

**Mr RUDD:** Yes. There is also another interesting point to note that in that track speed restriction report a number of the restrictions, if the line was still open for traffic, were due to be lifted at the end of this financial year which, if you look, offhand, a number of them where BW is quoted actually have projected lift date of the restriction as 30/6/04.

**CHAIR:** Do you know if that lift date is one that, generally speaking, turns out to be right, that when they put that statistic in there that they do in fact lift the restrictions according to that sort of timetable?

**Mr RUDD:** In most cases, yes. Often in some other cases they will extend it for another period of time. It depends on how long they are going with the work that is in question, or observation. If it is under observation, my understanding of that number is that that number will be reinspected, then if it is clear they are lifted; if not, the bridge inspector, in conjunction with the civil engineer, will then put another period of line.

**CHAIR:** But it is not just some sort of notional figure that gets rolled on year after year?

**Mr RUDD:** No, but you will notice that on the Murwillumbah line there are some speed restrictions that have been in place since 1989.

**The Hon. CATHERINE CUSACK:** Does that strike you as being unusual?

**Mr RUDD:** Yes.

**The Hon. CATHERINE CUSACK:** So that really is not normal?

**Mr RUDD:** No. To me it is either a maintenance budget has been lower than what it should have been or other priorities have been chasing that; it has been competing against other priorities.

**The Hon. CATHERINE CUSACK:** You mean within that same area?

**Mr RUDD:** Yes. Also I would like to now discuss, moving on to point two of my submission, which is direct costs associated with running the XPT service itself, in particular the crewing costs of the actual train. CountryLink crews, to the best of my knowledge, are generally paid a fixed roster, which could be 9.5 to approximately 10 hours. I think one of the previous speakers would probably be able to provide the exact figure for that. But what is interesting to note is that under the new rostering arrangements, as a result of the new timetable, the hours that they are spending on trains actually halved. So one gets the feeling that they are still being paid the same to do half the work that they used to. The Government figures of actual on-train crew costs has not changed.

As to my submission at point three I think that pretty much explains itself because, if you read that timetable, the XPT actually refuelled at Murwillumbah before its return journey, but from the year 2000 it refuelled at Grafton, both on the forward journey and on the return journey, and, as a result, the timetable was slowed by approximately 60 minutes.

**CHAIR:** That is helpful because we have had some different evidence about why the timetable was changed. So you have filled in the picture a bit for us there.

**The Hon. CATHERINE CUSACK:** Do you know why they did that?

**Mr RUDD:** The closure of the fuelling point?

**The Hon. CATHERINE CUSACK:** Yes.

**Mr RUDD:** I am not too sure, but from rumours I have heard, it was due to environmental concerns.

**The Hon. CATHERINE CUSACK:** At Murwillumbah?

**Mr RUDD:** Yes. That is one rumour that I have heard.

**The Hon. CATHERINE CUSACK:** Are you aware if the infrastructure is still at Murwillumbah?

**Mr RUDD:** I travelled on the last train and I did not see the fuelling point there. As a previous traveller in the Murwillumbah area in 1994 I do recall seeing the fuelling point being in use in 1994 with the local fuel distributor coming up with his local truck on the mainline, plugging in and fuelling as part of the layover period in Murwillumbah where the crews would then clean the train, rearrange the seats, and then the driver would refuel as part of their duties.

As to the timetable, another interesting point that I think will be of interest to the inquiry, we have seen evidence that CountryLink has been saying in the publicity leading to the 17 May timetable, that the new bus arrangements are quicker than what the previous train timetable was. The time that is quoted at 20.40 is still later than in 1996 where the train actually arrived at 20.30, and the difference has become even more pronounced when Lismore is taken into account, whereby the now combined XPT bus service now arrives up to 30 minutes later than what the direct train service did to Lismore in 1996, with the previous timetable in 1996 being 18.40 versus approximately 19.12 as is in the new one.

**The Hon. CATHERINE CUSACK:** Does anyone have a new timetable by any chance?

**Mr RUDD:** It is available online electronically through the CountryLink web site.

**The Hon. CATHERINE CUSACK:** The new timetable is becoming increasingly perplexing. Part of the new timetable shows the bus issue. I think that CountryLink has pledged a faster, more efficient service and that is why they are producing timetables that show the bus as being faster than the train. But, of course, they cannot do more than they can do, so they are slower and the train has been delayed. Have you looked at the new timetable at all?

**Mr RUDD:** I have seen it briefly.

**The Hon. CATHERINE CUSACK:** On the new timetable the Brisbane XPT from Casino to Grafton takes one hour and 20 minutes.

**Mr RUDD:** That is correct.

**The Hon. CATHERINE CUSACK:** However, the new Casino XPT from Casino to Grafton is taking 14 minutes longer to make that same journey.

**Mr RUDD:** That must mean that it is crossing a freight train somewhere between that section of line at an intermediate passing loop.

**The Hon. CATHERINE CUSACK:** And that would be the type of delay that you would expect?

**Mr RUDD:** Yes, that is a standard delay that is in the timetabling that you would expect. When you timetable a train you arrange where the delays are going to cross trains; it is worked out.

**The Hon. CATHERINE CUSACK:** Why would you not leave Casino 14 minutes later?

**Mr RUDD:** It is to do with the passing loops, the design of the actual arrangement of the yard in Casino itself. The XPT stops on the platform itself, which is considered in railway parlance as the main. Therefore the XPT for 1½ hours is blocking the main line while it is doing the layover situation.

**The Hon. CATHERINE CUSACK:** That would have implications for everybody-else?

**Mr RUDD:** Yes. In relation to paragraph 4 of my submission, bridge replacement costs are overstated. In my submission I state "the figures quoted seem to be for all bridges on the line to be rebuilt to gold-plated standards". When I say "gold-plated", I mean to main line standards designed to take 82 and NR class locomotives, of that range of heaviness. In the case of the branch line and its present standards, or even for a fledgling short line operator, it is simply not required. Also some of the smaller bridge openings, where they are timber, could actually be replaced by Guardall or pre-stressed concrete box culverts, similar to that used in road construction purposes, at cheaper cost. For example, some of the smaller viaducts between 0 and 15 metres could easily be replaced by Guardall openings or pre-stressed concrete box culverts. I also made mention that in some places low-level causeways could be used. I have given in my submission two of the better known examples of that. One of the benefits of low-level causeways is that they can be cheaper to construct and cheaper to maintain in the case of a flood situation. If the causeway gets flood damage, the track can often be repaired quicker and at cheaper cost than certain bridges.

**CHAIR:** Which may be relevant in the Northern Rivers.

**The Hon. CATHERINE CUSACK:** There is a major problem out of Lismore in the Bangalow direction. Although everything is elevated, we have had evidence from the State Emergency Services [SES] that they are closing the railway line during flood. You say there is not any benefit in having those kilometres of timber bridges.

**Mr RUDD:** Since the cessation of steam services the maximum you can run a locomotive is the water level across the top of the rail, 5 to 10 millimetres on top of the rail head.

**The Hon. CATHERINE CUSACK:** Why is the track built up so high? Does it relate to something that was relevant 110 years ago?

**Mr RUDD:** I think some of the ideas of bridge construction at the time were to do with that and also the construction of some of the bridges was to do with the line itself. The railway line was designed to be the main line to Brisbane. The original idea of our pioneers who built the line was that this was going to be an integral part of a line through to the Gold Coast. Of course, we are now going to be missing a certain section.

**The Hon. CATHERINE CUSACK:** Do you think they wanted the line to be operational during a flood?

**Mr RUDD:** In the time of steam it probably would be possible to operate, but depending on the current and flow of water probably not due to dangers.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Are you talking about the existing infrastructure.

**Mr RUDD:** With the existing infrastructure I do not believe in a flood they would operate, because anywhere the water level goes 5 to 10 millimetres above the height of the rail they must suspend services.

**The Hon. CATHERINE CUSACK:** Out of Lismore around the Showground area where it is built up, so that the flood goes underneath, the SES has told us that the whole bridge could collapse so they close it even though the train would be way above the water level. There is a conservatism about what might be happening.

**Mr RUDD:** Due to the actual structure of the bridge and its piers.

**The Hon. CATHERINE CUSACK:** Whether the bridge is going to fall over.

**Mr RUDD:** How its piers are secured into the ground.

**The Hon. CATHERINE CUSACK:** Correct. It is not about washing the train off the track; it is about the stability on the ground.

**Mr RUDD:** That is why I suggested in my submission that the Showground series of viaducts one and two could be cheaply replaced by a causeway.

**The Hon. CATHERINE CUSACK:** It sounds wonderful. Has that ever been looked into?

**Mr RUDD:** That is also part of my question in my submission. Has RailCorp, which means the RIC division, looked at various solutions to get across this problem? If diesel, electric or locomotives cannot operate with water being 5 millimetres or more above the track, we might as well look for a cheaper solution to replace these bridges and cheaper to repair.

**Ms SYLVIA HALE:** My knowledge of railway technology is zero. You say instead of having a high bridge we have a structure that is more or less level with a culvert underneath?

**Mr RUDD:** For instance, a maximum height of say 2 metres would be all right for lower flood. But in the case of a major flood the line would be closed in any case. If damaged, the cost of repairing that damage would be cheaper.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** The causeway would not wash away forming a dam because there would be a culvert or major pipes going underneath?

**Mr RUDD:** Yes, exactly.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** And they would be sufficient for the flows?

**Mr RUDD:** Yes, for lower level flows and lower floods. However, when it got to higher levels of flood, the floodwater will just flow over it.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** You would simply say that it loses the ability to run trains in floods?

**Mr RUDD:** Yes.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** We already have that now. But presumably the bridges had that ability when they were designed and built.

**Mr RUDD:** When they were operating steam they would have had that.

**The Hon. CATHERINE CUSACK:** We have heard from the SES that they do not allow trains to run. I am not sure if you are aware, but there was an accident where a bridge collapsed with a train going over it during a flood.

**CHAIR:** I think there were two accidents—at Casino and another place.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Is that because the bridges are old?

**The Hon. CATHERINE CUSACK:** No, they occurred during a flood. A train might be washed down the river and it is taking out the base.

**Ms SYLVIA HALE:** It seems to be more a precautionary approach in case there is undermining of embankments.

**Mr RUDD:** That is one of the things we could look at to suggest.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Obviously a big saving there.

**Mr RUDD:** Yes. It is also interesting to note that we look at the actual numbers in the speed restriction notice that I have tabled. Approximately less than 20 per cent of the bridges the CEO of RailCorp has quoted in his submission are actually under a speed restriction less than 40 kilometres per hour. That is counting goods traffic, not XPT passenger traffic. In a lot of cases traffic could still resume on the line.

**The Hon. CATHERINE CUSACK:** Would you say it is puzzling to know why so many bridges need to be replaced so quickly?

**Mr RUDD:** Why is it that the whole 198 need to be replaced urgently? As a member of the public seeing that speed restriction report I would expect to see 198 separate entries for the Murwillumbah to Casino line. We are not seeing 198 entries.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** They have just maximised the cost in order to get the result they want? That would be a conclusion I might draw from what you say, but you are not saying it personally.

**Mr RUDD:** I think that is probably best left for the Committee to make that decision. Also, at various other locations, it is interesting to note that the RIC in the upgrading of the Cobar line used causeway-style with culvert arrangements. That line, which was a true branch line standard, is now up to a similar standard in axle loadings as the Murwillumbah line is.

**CHAIR:** Was that done after the Nyngan floods?

**Mr RUDD:** I think that was done on the Cobar branch. A number of sections outside Cobar have been rebuilt with concrete sides with Guardall culverts inside them. Being in semi-arid conditions, in their calculations they have obviously designed those capabilities in the case of a flood. Also, many places both on the trans-Australia and north Australia lines use that causeway-style approach for when they have intermittent flooding, which can do large amounts of damage. It is a quick and economic way of replacing the track if there is track damage as a result of flood.

**Ms SYLVIA HALE:** Why is it quick and economic? Is it pre-cast?

**Mr RUDD:** In cases of concrete, if there is any sort of washout trains and crews can come along and reballast the line, reset it back in and the engineer will then inspect the culverts themselves to see if they are in order.

**Ms SYLVIA HALE:** It is a speedy way, if there is any interruption, to get it functioning again without any danger to the public or further deterioration?

**Mr RUDD:** Yes.

**The Hon. CATHERINE CUSACK:** I show you page 37 of a submission by Mr Battersby. Is that what you are referring to?

**Mr RUDD:** Yes, that is what I am referring to. That is an example on the Leigh Creek line in Port Augusta.

**CHAIR:** If we checked out west of Broken Hill we might find the same response to floods.

**Mr RUDD:** I move to the final point of my submission, which is paragraph 5, Costs. As we are aware, since 1 July 1996 with the formation of the then Rail Access Corporation [RAC], an open access model was introduced in line with the Hilmer competition reforms. As a result, all rail operators have to pay access fees to the access company. As a result of this, all infrastructure costs were then borne by the access provider—RAC, RIC, now the Access division, or RIC itself of RailCorp—which is paid a CSO subsidy to maintain the lines where it is deemed to be necessary. For instance, for CountryLink to access the Murwillumbah branch—or any other person, including myself—we have to pay. We have to pay an access charge to use that infrastructure, the same as every other rail operator. It is interesting to note if we look at table 5.1 on page 46 of the Parry report that we have total quotes from access costs to CountryLink as being \$13.6 million. “That means that the total cost of operating just the Murwillumbah service must consume around 41 per cent of the total access costs being charged to CountryLink”.

**The Hon. CATHERINE CUSACK:** Where did you get the figure for Murwillumbah from?

**Mr RUDD:** The amount of cost savings from the CEO's statement.

**Ms SYLVIA HALE:** Is that page 13 of the evidence he gave to the inquiry?

**Mr RUDD:** It is on page 12.

**The Hon. CATHERINE CUSACK:** Does this relate to CSO funding?

**Mr RUDD:** Yes.

**The Hon. CATHERINE CUSACK:** The second paragraph on page 16 talks about \$285 million not being allocated on a per line basis. However, on the basis of the allocation of costs and access revenue of this particular line we would assess it to require in the order of \$3.9 million of the low rail CSO funding allocation.

**Mr RUDD:** I arrived at that number by taking the figure of access costs from the Parry report and calculating that to the cost savings. On page 46 it is \$13.6 million for the financial year 2002-03 for the entire business group, it looks like from the submission provided by the State Rail Authority to that inquiry.

**The Hon. CATHERINE CUSACK:** Have you calculated the Murwillumbah access costs?

**Mr RUDD:** No, it would be good for the inquiry to know the true costs of how much of \$13.6 million is just for the Murwillumbah line alone.

**The Hon. CATHERINE CUSACK:** As I understood it, the Parry report questioned the \$13.6 million figure in any event?

**Mr RUDD:** Yes. As a lay person my reading is that some of the costs that have been given are a bit on the high side.

**The Hon. CATHERINE CUSACK:** That the costs seem excessive and you could not understand how RIC had calculated it?

**Mr RUDD:** Or how CountryLink negotiated that deal with RIC.

**The Hon. CATHERINE CUSACK:** Is it possible that whatever its share is it could be a fiduciary saving anyway?

**Mr RUDD:** Yes. The actual costs of keeping the line open in a fit-for-purpose state to the Government would be the maintenance costs of the actual physical line and bridges, less access fees which would arrive at the total community service obligation subsidy that would be required from the Government to keep the line operating. As a lay person it is my understanding that the access division of the former RIC operated as a profit centre role.

**The Hon. CATHERINE CUSACK:** Yes, paying dividends to government.

**Mr RUDD:** Paying dividends, whereby to obtain its role, that were not commercial, the Government then paid a CSO subsidy back to RIC to maintain that line or series of lines. It is interesting to know what are the costs of Country Link? As a lay person I want to know what the costs of CountryLink for using the line between Casino and Murwillumbah would be—the access fees payable to RIC, the actual building maintenance of its stations and the costs of its staff of the travel centres and the on-train staff. That would be the real costs to the CountryLink business division because moving to an open access model with CountryLink being an operator like a freight company or anything else paying access fees to RIC to use the line.

**The Hon. CATHERINE CUSACK:** But they negotiate?

**Mr RUDD:** Negotiate, depending if normal business processes were taking place that CountryLink would try to negotiate the best possible price it could. RIC being a profit centre and being operated on business principles one would like to think that CountryLink would have.

**The Hon. CATHERINE CUSACK:** The pricing means that CountryLink is very disadvantaged by being the only customer using that branch line, but CountryLink cannot help that because it is up to RIC to organise other business with branch lines.

**Mr RUDD:** Yes, the Government could do that by access regimes like offering a discount for a certain line to get business on that line. There are a number of schemes RIC could use to attract business to the line.

**Ms SYLVIA HALE:** The Committee heard evidence from, I think Ritz Rail, that the amount of public liability insurance they were required to take out separate from the access fees discouraged it. Would that be a major deterrent to any other operator wanting to use the line?

**Mr RUDD:** It depends on from where they get their insurance. For a smaller operator just running a couple of locomotives the liability could be different because Ritz Rail is a passenger carrier. It was covering passengers. One would imagine that public liability insurance for a goods freight operator would be different to that of a passenger operating company.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** That is a policy consideration whether one would decide to cover rail given its good cover at a government level?

**Ms SYLVIA HALE:** The important consideration was the absence of commuter services in the area was obviously having a really bad effect upon communities living in the area so they seemed to be more anxious to have rail passenger services.

**Mr RUDD:** Yes.

**Ms SYLVIA HALE:** You said that the Blayney to Cowra and Kandos to Goulburn lines were closed.

**Mr RUDD:** They were subsequently reopened.

**Ms SYLVIA HALE:** Why were they closed and subsequently reopened?

**Mr RUDD:** In the previous term of the present Government it decided for various reasons as an emergency entrance into Sydney if the main south was blocked during the Olympics and the way to bypass freight from the Sydney area during the Olympics.

**Ms SYLVIA HALE:** Was it a precautionary move prior to the Olympics?

**Mr RUDD:** Yes.

**Ms SYLVIA HALE:** Yet those lines have been maintained sufficiently for them to be used by—

**Mr RUDD:** Tourist operators at relatively slow speeds.

**Ms SYLVIA HALE:** One of the suggestions is that there would be an interest in the tourist aspects of rail near the Northern Rivers region. Would the replacement of some of the heritage bridges with causeways, culverts or whatever be contrary to that heritage focus if tourists wish to make that a selling point?

**Mr RUDD:** I do not believe that to be the case because a lot of these trains go into an area where not many trains run to begin with, in an area where passenger trains have not run for a great many years. In the case of between Cowra and the Blayney it is 21 years since the last regularly scheduled passenger services.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** They would be mainly interested in the rolling stock?

**Mr RUDD:** Yes, mainly interested in the rolling stock.

**Ms SYLVIA HALE:** Rather than the bridges?

**Mr RUDD:** And the experience of actually riding in a heritage train, for instance, a heritage rail motor, steam or diesel tour.

**The Hon. CATHERINE CUSACK:** Rail people have their special bridges but they all know which it is whereas you are looking at a solution to kilometres of bridges that are causing the whole line to close.

**Ms SYLVIA HALE:** Would you select one or two bridges for their particular interest but the rest you would upgrade?

**Mr RUDD:** A good example of bridge heritage is Grafton. There are two examples of bridge heritage, the bridge at Lewisham being put aside for people of an engineering bent and also about five spans of the old timber trestle at Grafton that has been preserved for tourist purposes.

**(The witness withdrew)**

**(Luncheon Adjournment)**



**GARY GEORGE SEABURY**, Group General Manager, Infrastructure, RailCorp,

**GREGORY NEIL McLEOD**, General Manager, CountryLink, RailCorp, and

**GRANT CHRISTOPHER FRASER**, Acting General Manager, Asset Management, RailCorp, sworn and examined:

**CHAIR:** Obviously, we are still in the state of gathering our information base and building up a picture of what has been happening in relation to the closure of the rail service between Casino and Murwillumbah. Firstly, can you give the Committee RIC's assessment of the latest announcements in relation to the ARTC and the Auslink announcement that was made recently in terms of the funding and upgrades to the Sydney to Brisbane rail line and what impacts they will have on the cost of running XPT services on that line between the capitals?

**Mr SEABURY:** I think that is outside the ability of any of the three of us to answer. We do not have that information.

**CHAIR:** As managers you have not really looked yet at what that will do to your particular operations?

**Mr SEABURY:** The announcements of the ARTC and Ausrail are only really recent information. RailCorp as a whole is still assessing the impacts of that and as it flows through. Speaking for myself, I have not assessed the implications of that.

**Mr McLEOD:** From a CountryLink perspective I cannot foresee how that would impact on the operation of our train. It may impact on costs or access charges but certainly not on the operation of it, at this stage.

**The Hon. CATHERINE CUSACK:** How are you planning your budget, given that it is June and you have no information about those sorts of costs for the next financial year?

**Mr SEABURY:** Are you talking about the implications of Ausrail?

**The Hon. CATHERINE CUSACK:** Correct.

**Mr SEABURY:** Our budget at this stage is based prior to the announcement of Ausrail. My understanding of Ausrail itself is that it is being channelled through sources such as the ARTC that are outside of my area. There are other parts of RailCorp that will assess how that comes through but, as I understand it, it will be capital improvements of main interstate routes, so we have yet to see what ARTC's proposals are, how that comes through and what changes that would mean for those particular interstate routes.

**The Hon. CATHERINE CUSACK:** Can you advise us, then, who in RailCorp would have that information?

**Mr SEABURY:** Sharon Gregory, who is the group general manager, strategy and planning, deals with these things.

**The Hon. CATHERINE CUSACK:** At the moment you are proceeding on the basis of, I suppose, historical patterns of spending and you are planning your budget for next year on that basis, is that correct?

**Mr SEABURY:** Yes—well, not just historical. We are planning what the infrastructure—sorry, but are we actually talking about the country network here? The main interstate route is actually being transferred to ARTC, which is a different company. They would be planning their requirements and implications of the Ausrail funding through to that. RailCorp actually transfers ownership to ARTC—

**The Hon. CATHERINE CUSACK:** Correct.

**Mr SEABURY:** So, whilst we would be aware of what is going on, the actual decisions and budgets for the interstate lines would be prepared by ARTC, as commercial decisions by them.

**The Hon. CATHERINE CUSACK:** As we understand it, the State Government will not have to fund the maintenance on those lines any longer, is that correct?

**Mr SEABURY:** The lines that are being leased to ARTC?

**The Hon. CATHERINE CUSACK:** Yes?

**Mr SEABURY:** That is correct.

**The Hon. CATHERINE CUSACK:** Are you aware of what savings that will be?

**Mr SEABURY:** Not personally, no. I am aware that proposals were put to the Government and they worked them through. That was part of the decisions about that transfer, but I do not have the specific details of that.

**The Hon. CATHERINE CUSACK:** In relation to, say, the Grafton office, they would not have a budget or they are not expecting to get a budget. They must have to pay their staff in a couple of weeks' time.

**Mr SEABURY:** Correct, in a couple of weeks time. The transition to ARTC, as I understand it, has been deferred until about 4 September. That is currently what we are planning through. I will continue to keep the depot at Grafton, the work and maintenance activities on those lines going through until that stage. The actual program of activity taken by ARTC and their investment strategy beyond that is something that they would work out. ARTC have advised us of where they require staffing in depots for their future business. We are going through a matching process at the moment with our staff to help them deal with that. One of the issues is the Grafton office, which they have identified for their business that they no longer require.

**The Hon. CATHERINE CUSACK:** So the Grafton office is looking at closing, the depot there?

**Mr SEABURY:** For the purposes of maintenance of that area, that is what ARTC have explained to us, yes.

**The Hon. CATHERINE CUSACK:** And where will the operations be relocated to—Casino?

**Mr SEABURY:** I understand Casino is one of the depot sites. I am not sure if that is one of their major ones. One of their locations is Casino.

**The Hon. CATHERINE CUSACK:** And which of the other depot sites on that main line?

**Mr SEABURY:** I could not tell you off the top of my head. Can I take that question on notice? We get a list of those from ARTC. We are dealing with that in detail as a matching process to advise the staff. We have a whole series of depots at the moment. Some of those have been identified for attention by ARTC and some have not. I would not like to go through off the top of my head and guess which ones. We have a list that I can provide.

**The Hon. CATHERINE CUSACK:** Thank you very much. So the redeployment options for staff at Lismore obviously would not include Grafton?

**Mr SEABURY:** That is right.

**The Hon. CATHERINE CUSACK:** When can they expect to be given their redeployment options?

**Mr SEABURY:** We are working away at the moment briefing the staff on what we call the matching process, which is, for staff, which locations are available. They are actually going around the country at the moment saying, "This will be the process", working that out with the staff, the unions and the people involved. The next step is to say, "These are the possible options, including relocation". I think Casino is the closest one for the people of Lismore. If ARTC does not identify Grafton as a depot then it is not an option for them.

**The Hon. CATHERINE CUSACK:** Are you looking at the Lismore staff having any preference over Grafton staff with the Casino redeployment? That will be the only area in the region.

**Mr SEABURY:** There is an agreed process for how jobs are offered and matched against that. I am not aware that preference is given to particular areas, but I will take that question on notice and find out the exact arrangements reached with the staff of the units about that matching process.

**The Hon. CATHERINE CUSACK:** When will that matching process begin?

**Mr SEABURY:** The process has started in terms of communicating to staff. Unions and management are going around talking about the process. I am not sure which day they will start, but it should be within the next few weeks. If they are out there explaining that the next step will be to commence the process of matching available competencies, available staff and where they are based with what locations ARTC would like them to work at.

**The Hon. CATHERINE CUSACK:** Has RIC incurred any savings since the XPT ceased running on 16 May?

**Mr SEABURY:** I will answer in a couple of ways. Talking about the Murwillumbah line, from an infrastructure point of view we have incurred maintenance savings. The team is still working on that line but it is undertaking overbridge repairs. If we had still been running traffic on that line we would have had to bring in additional staff to undertake that work. While they are still there, they are focused on that work so there are some savings there. I will let Greg talk about operating cost savings.

**Mr McLEOD:** From a staffing perspective, on the stations they are still doing their current rosters. That is expected to cease in the next few weeks and we will save some labour costs at that stage. Progressively, once people take up either their redeployment or their voluntary redundancy options, further savings will flow from that. In terms of the train, there has been a minor saving in fuel costs for the miles that it is not running between Casino and Murwillumbah. The crew costs are much the same at the moment. But that will be modified also in coming months once we stabilise the rosters. We have to draw up new onboard staff rosters and new driver rosters to suit Grafton to Dubbo.

**The Hon. CATHERINE CUSACK:** We understand that the new timetable includes a lot of down time—detention in barracks time. Is that inflating the cost of operating that service at the moment?

**Mr McLEOD:** Marginally it may but it is probably offset by the relaxing in some of the penalties that will come to us. At the moment there would be some additional costs in barracks time for some of the onboard staff. That will disappear when we redo the rosters in the next month or two. We have had to negotiate that with the unions. There is obviously a lot of opposition from the unions to changing some of the rosters. It is a process that could take several months to work through.

**The Hon. CATHERINE CUSACK:** I think we were given the figure of 89 additional hours.

**Mr McLEOD:** Per fortnight or per month?

**The Hon. CATHERINE CUSACK:** I think it was per week.

**Mr McLEOD:** I will take that question on notice. I do not know. I can get the rosters and get the answer for you.

**The Hon. CATHERINE CUSACK:** The service ceased on 16 May—or 17 May when the train arrived in Sydney. We are trying to understand what savings have accrued by closing it on that date. We cannot identify where those savings are at the moment. We can see increased costs in the above-rail operation. There is a sense that no preparations were made to achieve savings. So we are trying to understand why the service was closed so quickly when it seemed that people were not ready. We can see an extra \$1.44 million in buses, and there was no time to contract. Yet the cost of running the train has gone up as well. Was there any financial value to you in ceasing the service?

**Mr McLEOD:** I must plead ignorance of that. I have been in this position for about seven weeks. I believe you have spoken to John Shields, the former general manager of rural services. He would have been across those figures. I came into this position on 13 April and the decision had already been made. So I cannot tell you anything about the decision-making process or the financials to that point. I can only discuss what has happened since then as far as staffing goes.

**The Hon. CATHERINE CUSACK:** It has been indicated that there is 83 hours a day extra barracks detention.

**Mr McLEOD:** I do not know whether the figure is that high. I will take the question on notice and confirm it.

**Ms SYLVIA HALE:** Mr McLeod, could you provide the Committee with details of the building maintenance costs for each station—Lismore, Mullumbimby, Murwillumbah, Byron Bay and so on?

**Mr McLEOD:** I will take the question on notice and provide those answers.

**Ms SYLVIA HALE:** Can you give me a figure for the access cost per kilometre that CountryLink is paying?

**Mr McLEOD:** Yes, we can provide that figure. I will take that question on notice.

**Ms SYLVIA HALE:** While you are taking questions on notice, Mr Seabury, could you provide the Committee with itemised bridge reports for all timber trestle bridges not only at Murwillumbah but some other lines such as Cowra to Blayney or Kandos to Gulgong?

**Mr SEABURY:** We have bridge inspection reports —

**The Hon. JAN BURNSWOODS:** Point of order: I looked carefully through the Committee's terms of reference earlier as some of the questions being asked seemed to be straying a long way from Murwillumbah. I wonder how questions seeking such detail about individual bridges on railway lines in western New South Wales relate to our terms of reference.

**Ms SYLVIA HALE:** To the point of order: One of the major arguments for closing the line is the cost of maintaining bridges. So it seems to me to be particularly relevant to be able to compare the costs of similar bridges—timber trestle bridges—on this line with those on other lines, which are still open and on which trains are operating and where there is, as of now, no proposal to close them. That would seem to be a very relevant and significant fact.

**The Hon. JAN BURNSWOODS:** I defer to the experts who are here but—

**The Hon. CATHERINE CUSACK:** To the point of order: The bridges that Ms Sylvia Hale is asking about have been brought to our attention by way of submission in written and verbal evidence. We are unable to make an assessment of those submissions unless we put the question to RailCorp. First, I believe the question is relevant; and, secondly, we cannot process that information unless we put the question to RailCorp and invite its response.

**The Hon. JAN BURNSWOODS:** Further to the point of order: I was not here earlier but the Hon. Kayee Griffin tells me that a witness made this comment prior to lunch. I do not know what qualifications he has to make those comparisons. I defer to the experts.

**The Hon. CATHERINE CUSACK:** That is what we are trying to do.

**The Hon. JAN BURNSWOODS:** The terms of reference are very specific. They do not refer to comparisons between bridges. I would have thought that there could be an enormous number of variables, such as the age of the bridge, the climatic conditions, the annual rainfall or the likelihood of floods. It seems to me that many of these questions are a bit of a fishing expedition about rail issues all over New South Wales that I cannot relate in any way to the specific terms of reference that this Committee adopted.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** It seems to me that it is reasonable to ask the Rail Infrastructure Corporation about the plans for each bridge. One hopes that they would have available the costs and plans for each bridge and that that information could simply be provided off the shelf. As such, it would not involve a huge amount of work. If one is closing one rail line and not another it is of course reasonable to ask for comparative data on the two rail lines.

**The Hon. JAN BURNSWOODS:** There are 169 timber bridges on the Casino to Murwillumbah line alone.

**CHAIR:** I will now rule on the point of order. Item (d) of the terms of reference states: "Any other matters arising from the Government's decision to terminate the rail services."

**Ms SYLVIA HALE:** It was a request for itemised interim reports on timber trestle bridges—not just those on this particular line but on other lines that are relevant?

**Mr SEABURY:** May I seek clarification on that? Are you seeking all data on all timber bridges?

**Ms SYLVIA HALE:** With regard to the other lines in the examples I gave, I understand there are timber trestle bridges on the Cowra to Blayney line and the Kandos to Gulgong line.

**Mr SEABURY:** Specifically those two lines?

**Ms SYLVIA HALE:** If there are any other lines where there are timber trestle bridges, they might be useful, but if you could provide information on at least those two lines.

**Mr SEABURY:** You are seeking condition reports?

**Ms SYLVIA HALE:** Condition reports and maintenance requirements for those bridges.

**Mr SEABURY:** We will have the inspectors' notes about their condition, if that is what you are seeking. You also mentioned comparative cost ratios. That does not actually come from the condition reports.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** There is no point in getting a condition report that says the condition is good, bad or indifferent, or documentation indicating its condition is good, bad or indifferent. One would have to ask: What is the cost of repairing these bridges and how urgent are those repairs? We are talking about the cost of repairing bridges. If you are closing one line because it is expensive to repair the bridges, and you are not closing another line because it is also expensive to repair the bridges, the merits of those decisions are based on the relative cost for those bridges. The question being asked is: Why was one line being kept open which has less passenger traffic than another line?

**Mr SEABURY:** Would a useful comparison be the asset management plan or budget plan, which is how much is going to be spent on timber bridges for this line compared with that line?

**Ms SYLVIA HALE:** Yes. I was told there were bridge reports. I am not sure what is encompassed in those bridge reports.

**Mr SEABURY:** Inspectors go out and do inspections of bridges, and they come back and say, "This is the defects of componentry on the bridge." They will then rate that componentry, and say that certain ones need to be done in a certain time, in a certain priority order. In terms of building up the program of works, there are two levels. The first is responsive maintenance, which comes out of the routine maintenance budget. The other is major repairs, which would flow through to an annual budgeting program, in which you would say on a larger scale some of these need to be replaced and a certain amount of money needs to be put aside. The root of both of those comes back to the annual budget that is established for each line for that item of timber bridge repairs.

I am not aware that we actually do an analysis on comparative rates bridge for bridge, because every bridge is different and it really depends upon the conditions that the bridge is working under and things of that nature. We build up condition information on how they are, and then work back against that. The unit rates for repairs are pretty much the same for materials and labour rates. It is more a matter of the state of the bridge. If you look at the budget, you will get the analysis of which line needs more repairs on which bridges.

**Ms SYLVIA HALE:** If I were to seek some further advice and forward the question to you as a question on notice, it may save time now and clarify what is wanted.

**Mr SEABURY:** Yes.

Presumably you have a maintenance cost, which assumes that the same bridge will be there and you will only replace certain planks, sleepers or other components. Otherwise you say that bridge is pretty well unfixable, the cost of this type of timber is getting very high, so we will replace it with some other type of bridge. At what point is the decision made as to how many old timber bridges on the Murwillumbah line will remain and how much bridge work is required?

**Mr SEABURY:** It comes down to a financial decision. You could continually replace the same components forever. The cost of doing that reaches a point where it becomes more expensive to continue to replace it than to build a different type of structure.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** That would never be true for any single year, though, would it? Obviously it would be cheaper to replace it with a concrete bridge than to fix it every year for 20 years. At some point you would say, "This is the year we bite the bullet."

**Mr SEABURY:** That is correct. But it becomes quite exponential in terms of repair rates, because you have to be doing quite extensive repairs to keep replacing them. You also get to the point where some of the components become difficult to replace, such as the piles under the ground. Some of those components could be replaced, but it starts to get quite expensive. Some components are easier to replace than others. For example, they are used to replacing the girders and some of the other components, but you do reach a point where it is not feasible.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** What is the point at which you go from repairing it on an annual basis to saying you have to replace the entire bridge? What is the trigger for the decision that the bridge has to be replaced, as opposed to repaired?

**Mr SEABURY:** Looking at the financial evaluation, primarily the net present value, it is saying that the annual cost of repair is becoming too high. That is one of the triggers, probably the primary one. The other one is the component replacement gets to the point where it becomes quite unreasonable to do it that way, and replacement is done by another method.

A considerable number of these bridges, particularly the timber ones, are starting to reach the point where the viability of replacing timber componentry is getting questionable, and we are looking at replacing them with steel. We have looked at either a complete replacement, or in some cases replacing, say, a deck with steel and leaving the timber, so it is a composite, progressive replacement. Eventually all those things, over the medium haul, become basically the replacement of the configuration of the design of that bridge, so we would be moving away from timber to either a steel or semi-steel composite type construction.

**The Hon. CATHERINE CUSACK:** Concern has been expressed that the \$188 million over 20 years option may be a greater figure than is necessary to keep the line in working condition. Have you looked at the most efficient ways of maintaining the line to a good standard, and can you demonstrate that you have looked at different options and have come up with the most efficient method of doing this?

**Mr SEABURY:** I believe the company can. With regard to the staff who have put this together, their process of saying how they manage the line and make decisions—I am confident that it does meet that requirement. What they have looked at is not just to continually spend money in one year but to say what is the most efficient way to run this line, whether it is for track or bridges or other aspects. The very reason they are saying that it is getting too expensive to keep replacing components is an example of those types of decisions. In putting together that program of \$188 million, they are building a time frame of replacing the structures, not because they want brand-new structures or a gold-plated solution but simply because they have analysed that as the cheapest and most effective way to keep that viable.

**The Hon. CATHERINE CUSACK:** For example, I understand the program replaces every single bridge on the line, because all the bridges require replacement. Yet the community has said that a number of those bridges are concrete bridges that will not necessarily need to be replaced. Have you done an estimate of

the number of bridges and worked it out in a rough way, or has each individual bridge been looked at? What is the cheapest and best way we can do this and how can we maintain this as cheaply as possible?

I understand, for example, there are different views amongst maintenance crews as to what level of work is required to maintain a bridge. Three people can give you three wildly different quotes as to what would be required over the next 20 years. Has the advice you have been given been tested in any way?

**Mr SEABURY:** I believe it is sound advice. People in the business who are making these decisions all the time have put that together. You speak of the staff providing information. They are part of that process. They are the people who make the decisions and look at what are the actual costs of replacing these types of structures. Perhaps I could take that question on notice, so I can demonstrate how they have done that.

**The Hon. CATHERINE CUSACK:** Have you done a bridge by bridge analysis? Is that how this figure has been calculated?

**Mr SEABURY:** I am not aware of that.

**CHAIR:** The Committee has been told that the estimate is \$92 million for the replacement of the timber under bridges on that line. How is that broken down, bridge by bridge?

**Mr SEABURY:** I would have to take that on notice, to find out how they have built that up. I could talk to how they used to build them up, but I would have to confirm that that is how it has been done in this case.

**CHAIR:** I point out that the Committee invited the regional officers because we wanted to ask specific questions. I note that the Minister advised the Committee that we would be able to get that sort of detail from the officers here today. If we could get a detailed breakdown of how that \$92 million figure has been calculated, it would be appreciated.

**Mr SEABURY:** Certainly.

**Ms SYLVIA HALE:** Could you indicate whether the replacements are to be replicas of what is there, or whether there has been any provision for replacing bridges with cheaper structures?

**Mr SEABURY:** Every time we look at replacing a bridge, we asked what is the best way to do that. I cannot think of a case where we would say let us do exactly the same. We always analyse which is the most cost-effective way of doing it.

**The Hon. CATHERINE CUSACK:** Cost-effective can mean one of two things: It can mean cost-effective for this financial year or it can mean cost-effective over 100 years. So, two completely different decisions can be reached, depending on the criteria of cost effectiveness.

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** That is where the disagreement appears to be coming in.

**Mr SEABURY:** We do not look at it in a one-year period; we look at it over the life of the asset.

**Ms SYLVIA HALE:** I have been given an example of the bridge around the Lismore Showground, which apparently has a viaduct. There is a suggestion that the bridge might be far more cheaply and easily replaced and then maintained by causeways. Can you indicate whether those sorts of considerations were taken into account when arriving at the cost of replacing the bridges?

**Mr SEABURY:** I would have to find out the details of that particular bridge.

**The Hon. CATHERINE CUSACK:** You cannot give us any details on that bridge at Lismore at the moment?

**Mr SEABURY:** No, I cannot.

**The Hon. CATHERINE CUSACK:** In answer to questions on notice I understand the RIC says that the cost of maintaining overbridges on the line is estimated at \$150,000 per annum. I calculate that as being \$3 million over 20 years. Yet the cost of maintaining overbridges in the \$188 million figure we were given is \$4 million. I wonder why it will cost \$1 million more than what we are currently spending over a 20-year period.

**Mr SEABURY:** One was built up from an asset management program, which is gone through in detail. The other one was an approximate unit rate. I think you asked Vince Graham what does it cost per overbridge, so they made an approximate figure. I think the \$150,000 is —

**The Hon. CATHERINE CUSACK:** The question was, "Please provide an indicative cost per kilometre of maintaining the overbridges for public roads."

**Mr SEABURY:** Which means indicative.

**The Hon. CATHERINE CUSACK:** Yes. And the answer was, "RIC does not record those costs per kilometre. The total direct cost of maintaining overbridges for public roads on the line is estimated at \$150,000 per annum."

**Mr SEABURY:** As a guide in one year.

**The Hon. CATHERINE CUSACK:** You are saying that is not a figure that you could rely on as a future or past level of expenditure? Is that figure more or less than what was spent on them last year?

**Mr SEABURY:** There are two questions there. If I can answer the first one about indicative, there are a number of ways to determine how much it costs to maintain these in the short term. By building up what you require to do over 20 years you look at ultimately whether you have to replace any of these bridges. Have any of them reached the end point? For overbridges you are looking at both cyclic maintenance plus would you get to the point of that. There would be more detailed information in terms of what is the program for those bridges. The second part of the question was, I am sorry, could remind me of it?

**The Hon. CATHERINE CUSACK:** Is that \$150,000 more or less than what you spent last year?

**Mr SEABURY:** I do not have the figures with me for last year.

**The Hon. CATHERINE CUSACK:** Could we have the program for those bridges?

**Mr SEABURY:** The program for?

**The Hon. CATHERINE CUSACK:** For the overbridges you have just referred to.

**Mr SEABURY:** For next year?

**The Hon. CATHERINE CUSACK:** No, for the next 20 years.

**Mr SEABURY:** You want the method by which we have built up the estimate?

**The Hon. CATHERINE CUSACK:** No, I want the program for the overbridges, which shows which ones need to be replaced over the next 20 years.

**Mr SEABURY:** We do not do it in program form. We do not say exactly this bridge and this method. That is worked out from conditions which ones need to be done and a method to determine the amount. A program would say in any one year which one would be done.

**The Hon. CATHERINE CUSACK:** How have you identified the bridges that need to be replaced?

**Mr SEABURY:** It would be from the components, which ones they can continue to maintain by replacing the components, which ones where there could be problems with, say, the substructure and where it just does not become viable to keep replacing, say, a timber deck or a timber approach. That has to be replaced altogether.



**The Hon. CATHERINE CUSACK:** Obviously, that has been looked at over a 20-year period?

**Mr SEABURY:** It would be looked at looking at the conditions of the bridges as they stand today and then saying which ones are going to last.

**The Hon. CATHERINE CUSACK:** That is the information I would like.

**Mr SEABURY:** We can provide that.

**The Hon. CATHERINE CUSACK:** That shows the \$4 million acquired over the next 20 years for the overbridges. Would a similar document be available for the \$92 million of underbridges?

**Mr SEABURY:** I understood that you asked that earlier.

**The Hon. CATHERINE CUSACK:** It can be in similar terms so that we can identify which bridges will need to be completely replaced?

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** During our time in Lismore we heard about the Eltham bridge, a steel bridge that a team came up to paint. All sandblasting had been done but it was only semi repainted when everybody was told to stop work on that bridge and the crew was recalled. Are you familiar with the bridge I am referring to?

**Mr SEABURY:** I believe I know Eltham bridge, yes.

**The Hon. CATHERINE CUSACK:** And the state it is in at the moment?

**Mr SEABURY:** I would not know the exact state of the bridge as it stands. Eltham bridge was one of a number of bridges that we programmed steel repairs upon. What you have explained is that they were in the process of doing that. Clearly, if we are halting maintenance then we just suspend that while this process goes through.

**The Hon. CATHERINE CUSACK:** The concern about the bridge at Eltham is that a large part of it is now exposed to the atmosphere and there is no steel or paint on it at all.

**Mr SEABURY:** I was not aware of that.

**The Hon. CATHERINE CUSACK:** I would like to know the intention. Is that going to be sealed so that the bridge does not suffer enormous damage in a very short time?

**Mr SEABURY:** I would have to take it on notice and have someone look at the bridge and say what the risk of that occurring is. It is not our intention to leave them in a state where they rapidly deteriorate. If it is exposed to that then we would have to look at doing something with it. Normally, they do not clean the whole bridge down and leave a whole bridge exposed. It might have been the current bit they were working on at that time

**The Hon. CATHERINE CUSACK:** I will show you a photograph.

**Mr SEABURY:** Okay.

**CHAIR:** With respect to the \$188 million, the Committee was given information at our first hearing that that was made up of a number of tasks, but the total of the items, which I can read out to you, does not come to \$188 million, it comes to \$162.2 million for replacing the timber sleepers and steel, replacing the underbridges for the \$92 million we just talked about, replacing the timber overbridges, repairing and painting the steel bridge, repairing geotechnical problems and routine maintenance. Can you tell us why it does not add up to \$188 million?

**Mr SEABURY:** I will have to refer to the original table. I do not have that with me, I am sorry. It was in relation to what Vince Graham went through?

**CHAIR:** Yes, this is part of Vince Graham's fax to us. I will show it to you.

**Mr SEABURY:** I will have to take it on notice. I assume that these are the major items and that they have not allowed for other ones. But I need to check that.

**CHAIR:** If you could fill in that gap that would be appreciated.

**The Hon. CATHERINE CUSACK:** During the hearing Mr Graham indicated the track maintenance budget was about \$3.5 million for the current year. I questioned him whether it was not more in the order of \$1.6 million and he said, "I think we can provide satisfactory evidence to you and we can also go back to the accounts of the maintenance expenditure for the last financial year, which would be 2002-03 which would indicate a figure of more than \$3 million spent in maintenance on the Murwillumbah branch line. I am happy to provide a breakdown of that information." In response to questions on notice—

**Mr SEABURY:** Which one was that?

**The Hon. CATHERINE CUSACK:** This relates to—

**Mr SEABURY:** Question number?

**The Hon. CATHERINE CUSACK:** Question No. one. That is the detailed breakdown that he was giving us as satisfactory evidence that more than \$3 million has been spent on the branch line. Do you have the answer to that in front of you?

**Mr SEABURY:** Only the one provided, I am sorry.

**The Hon. CATHERINE CUSACK:** It simply says that track maintenance expenditure for 2002-03 was \$3.7 million.

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** Would you agree that that figure is not broken down?

**Mr SEABURY:** Clearly, it is a single figure. It could be broken down further.

**The Hon. CATHERINE CUSACK:** Why has it not been broken down?

**Mr SEABURY:** I do not know the answer to that question.

**The Hon. CATHERINE CUSACK:** Who prepared the answer to this question?

**Mr SEABURY:** I went through the answer. It was actually prepared by, I believe, our financial people. They worked through how much had been spent against it.

**The Hon. CATHERINE CUSACK:** Do they know the answer to the question?

**Mr SEABURY:** In our accounts we actually have how much is spent, so they would know. In fact, I could find out the information.

**The Hon. CATHERINE CUSACK:** You do not know why they declined to provide that?

**Mr SEABURY:** No, I do not.

**The Hon. CATHERINE CUSACK:** It is pretty clear.

**Mr SEABURY:** And I believe that information is readily available, so I do not understand why. I can only assume that it is a slip up in terms of providing information.

**The Hon. CATHERINE CUSACK:** Would you have information on how that \$3.7 million was spent?

**Mr SEABURY:** I can take that on notice and get that information for you.

**The Hon. CATHERINE CUSACK:** Can you tell us whether any sleepers were laid on the line during that financial year?

**Mr SEABURY:** 2002-03?

**The Hon. CATHERINE CUSACK:** Yes.

**Mr SEABURY:** I think one of the answers to one of the other ones talks about the number of sleepers laid—and sleepers were laid over the last two years—and has the number of sleepers laid. This refers to 2000-01 and 2001-02. It talks about the sleeper installation.

**The Hon. CATHERINE CUSACK:** In 2002-03 were there any sleepers laid?

**Mr SEABURY:** I do not know the answer to that, so I will have to find out.

**The Hon. CATHERINE CUSACK:** Can you tell me what the maintenance budget was for the current financial year?

**Mr SEABURY:** No, I have not got that with me. I could tell you the figure actually bid for work through 2004-05. I do not have the figure with me for the current year.

**CHAIR:** Can you tell us what the bid was?

**Mr SEABURY:** For the basic level of maintenance, that actually worked it up at \$5.838 million. But that is not the complete maintenance required for line, that is where the other aspects come in, that is the cyclic maintenance; the actual replacement activities of the work on the bridges come on top of that, which takes it up to about \$13.2.

**The Hon. CATHERINE CUSACK:** In relation to people putting in bids—

**Mr SEABURY:** Bids is a budget process.

**The Hon. CATHERINE CUSACK:** I understand that, but what would they normally expect to get as a percentage of the amount that they bid?

**Mr SEABURY:** The actual build-up is from an asset point of view what work is required to do that. The bid comes from the issue of is in that year there are insufficient funds available then they actually can only do what funding comes through for that. So it really depends upon that.

**The Hon. CATHERINE CUSACK:** What funding is available in any given year? Say this year, what funding was available in relation to funding requested?

**Mr SEABURY:** For that same activity, that is what you asked me earlier?

**The Hon. CATHERINE CUSACK:** Perhaps if we just look at it wholistically and then look at that activity.

**Mr SEABURY:** I'm sorry, I do not know the exact routine maintenance budget for that line for this year. I would expect it would be somewhere between the amount required to maintain the line and what had been historically provided. The budgeting process they work through is what would be required to keep the line in a sustainable manner and to actually deal with the backlog of maintenance that has built up over a few years.

**The Hon. CATHERINE CUSACK:** How do you define what is required and how do you define keeping the line in a sustainable manner?

**Mr SEABURY:** two different ways of working these out: one is to look at simply fix when fails; so when it falls down you basically just do the repairs of that. The trouble with that approach is that the costs start

to get extremely high and it becomes very reactive and responsive to that. The other way is to look at, say, over a number of years what is required to actually keep this as a stable investment and what is the best way of maintaining this over that period.

**The Hon. CATHERINE CUSACK:** So the Murwillumbah line has been on a fix when fails regime, would that be a fair comment?

**Mr SEABURY:** No. There are two different extremes of doing it. We do have some wheat lines which are really quite close to that sort of method, but the Murwillumbah line they would be working through somewhere between those in terms of how it is worked out. So the people managing that would work out that this is the amount of activity required on a yearly basis and then that would be worked through in terms of overall what funding is available to keep that there.

**The Hon. CATHERINE CUSACK:** Can you just explain what that means, "what is required"? When they are working out what is required is that what is required to stop the bridge falling down this year or what is required assuming that bridge had a life of 100 years?

**Mr SEABURY:** Not of 100 years.

**The Hon. CATHERINE CUSACK:** Or 50 years say?

**Mr SEABURY:** More likely looking at five to 20 years.

**The Hon. CATHERINE CUSACK:** What is required for what, is what I am saying? They are putting in a funding bid for what is required to keep the line going today or to keep the line going in five years time?

**Mr SEABURY:** Both.

**The Hon. CATHERINE CUSACK:** So in the case of Murwillumbah their funding requests would have been to maintain the line on a medium to long-term basis?

**Mr SEABURY:** Yes. There are two parts to that budget they have put forward: one is the 5.8, which is simply repairing things that are failing on that line; the other bid is how do they carry out the significant bridge repairs to keep it stable for five years out to be able to do work in that order. So one is almost cyclic and corrective maintenance and the other one is looking at how do we deal with preventative work, doing work to stop things failing, how is work being planned to ensure that there is efficient investment in terms of looking after those assets.

**The Hon. CATHERINE CUSACK:** Can you tell me what was requested for this branch line for the last financial year and for this year?

**Mr SEABURY:** I would have to find that out. I will have to take that on notice. More than what has been available.

**The Hon. CATHERINE CUSACK:** And perhaps 2002-03 as well. Secondly, has there generally been a gap across RIC between what funding has been requested for what is required versus what funding has been available?

**Mr SEABURY:** That is a very broad question. Are we talking about the CSO network? It is different depending on which network we are looking at.

**The Hon. CATHERINE CUSACK:** Just a wholistic figure of what your managers are telling you is required to maintain a line and then that funding figure that you have been able to provide.

**Mr SEABURY:** In the metropolitan network they are balanced. So there is a long-term balance between what is available and what is in place. The CSO network has different components and it is a different answer depending on which components you are looking at for that network. But there are components of that where the funding does not meet the asset requirements.

**The Hon. CATHERINE CUSACK:** So the bottomline would be the funding has only been at about 65 or 70 per cent of what has been required?

**Mr SEABURY:** I would not like to say what percentage, but it is less than what is required, yes. And over a period of time that creates a backlog. Essentially, that is what we are looking at in this line, the amount of the larger maintenance replacement required exceeds the annual funds available and unless we address that you are in a position where you have larger issues such as steel bridges being repaired, painted or replaced is a large item rather than simply replacing a single component that fails.

**The Hon. CATHERINE CUSACK:** But your routine maintenance budget excludes those larger items, does it not?

**Mr SEABURY:** Yes, that is by definition.

**The Hon. CATHERINE CUSACK:** Your routine maintenance budget was projected or the bid was going to be for nearly twice what it is this year, which suggests more things are going wrong on the line all the time?

**Mr SEABURY:** Yes. There is a build-up, particularly in the bridges. If you are not replacing the components then that flows through to more immediate repairs. So the greater the backlog the more activity is required in terms of emergency response and minor repairs through the routine maintenance. So the two are linked; as it is deferred then the amount you need to spend on routine maintenance grows.

**CHAIR:** Is there a tendency on this line to do maintenance work on the weekends, which would boost the wages component?

**Mr SEABURY:** No. I was up there a few months ago. I am personally used to carrying out a lot of maintenance in the metropolitan area and in the metropolitan area where you can only do it on weekends or at night, the access to the system is quite at a premium so you are not disturbing the public. That is primarily related to the number of paths in the peak hours Monday to Friday and the number of paths, the number of freight trains. On this particular line I was struck by the fact that middle of the day, weekday, there was a team working and they actually had really good access. That is related to only having the one train go out and come back; they could actually do work in the most efficient time, which is during the day, probably more so than many other areas. Their access is not limited to doing it at weekends or odd times, they have good access to do maintenance.

**Ms SYLVIA HALE:** Would you use the one wage rate throughout the State? For example, when trying to cost works, presumably if you had to pay weekend penalty rates in the city would you use that rate to cost the work that you are doing during the week on this line, or is there an average that is made?

**Mr SEABURY:** No, there is not an average. The cost of rates actually build up from in the teams that work in those areas. There are some similarities in country teams for rates, but basically there are no timber bridges in the metropolitan area so the build-up of rates to do temporary bridge repairs we would not compare with the metropolitan area anyway. But the build-up of maintenance, a maintenance repair project for a bridge in Sydney, we are allowed penalty rates for the fact that we will be doing it in the middle of the night or in a congested period—

**Ms SYLVIA HALE:** You do not have those allowances in the country?

**Mr SEABURY:** No, we do not, because it is different types of access working through. There is some historical guidance in those areas how they do that. In fact that particular team is quite a good group of characters; they have been looking at efficient methods of doing repairs, getting examination using cherry pickers and other aspects. Their current budget is partly built on the fact that they have brought in new ways of doing it which matched that particular line to be able to do that. So the program going forward is built partly on how they have been able to achieve things to date too.

**The Hon. CATHERINE CUSACK:** You might be familiar with this report on the New South Wales Under Bridges Structural Safety Review Interim Overview Report by the Ministry of Transport?

**Mr SEABURY:** There have been a number of reports.

**The Hon. CATHERINE CUSACK:** It is August 2003 so it is relatively recent.

**Mr SEABURY:** I believe I am familiar with that one.

**The Hon. CATHERINE CUSACK:** This report refers to a site visit that they made to the Grafton office of RIC. It says:

The RIC regional staff advised that they had only been allocated 65 to 70 per cent of their request for MPM funding for 2003-04.

Could I ask what that MPM stands for?

**Mr SEABURY:** MPM stands for major periodic maintenance. We talked earlier about routine maintenance and what is the largest cyclic programs; MPM tends to be those larger cyclic programs. Often within that would be the repair of bridges. Also, in that category would be re-sleeping activities, but in general it is those larger things. It is often the activities not undertaken by that local team as well.

**The Hon. CATHERINE CUSACK:** The report says:

When funds are not approved for a particular MPM or capital bridge works the region determines the maintenance work required to continue safe operation of the bridge and diverts funds from MPM to RM —

Which I take it would be routine maintenance—

—to enable the maintenance to be carried out by the regular maintenance teams at the expense of other MPM works.

Then when it talks about the region's strategy it says:

The regional staff advised that replacement of timber sleepers with concrete sleepers provides the best payback for the commitment of funding and they plan to complete concrete sleeping of the mainline by 2010. This will substantially reduce annual track maintenance costs. Hence, major bridge expenditure, apart from central work, is on hold until the concrete sleeping is complete.

**Mr SEABURY:** I understand those were the auditor's comments, yes.

**The Hon. CATHERINE CUSACK:** It sounds very much as though money that was being allocated for bridges on the Murwillumbah line has been diverted into a concrete sleeping program on the mainline?

**Mr SEABURY:** As part of the strategy there it is all under the community service obligation [CSO], so they are actually balancing out an investment of how to put that money in. Both the bridge program and the re-sleeping on the main line are part of the same issue, as I understand it, and I actually took over after that period. But, as I understand, the decisions made then were doing work in one area and then, as that worked, that would release funds to do work in another area after that.

**The Hon. CATHERINE CUSACK:** But none of it ever made it back to the Murwillumbah branch line, did it?

**Mr SEABURY:** That was all based on RIC as an organisation continuing to maintain both interstate lines and these lines. Subsequent to that, the decision was made to actually split the two and the CSO arrangements for interstate line became part of the deal with the Australian Rail Track Corporation Ltd [ARTC].

**The Hon. CATHERINE CUSACK:** It is a pity, is it not?

**Mr SEABURY:** I can understand how the people made the decision at the time. I do not know that I would have made the same decision but I understand how they reached that, and I am sure when they made that they had no belief that the ARTC would change that coming through.

**The Hon. CATHERINE CUSACK:** If I can just reflect our Chairman's comments, we were hoping to put some of those questions to those people to get that information about the thinking behind that from the Grafton office. Is that a strategy that would have been something that was just being undertaken at Grafton or would that have been an officially condoned strategy of RIC?

**Mr SEABURY:** I do not know the answer to that. There was a General Manager Access at that time, I am not certain whether he was aware of it but I believe he was aware of it. So I believe it was a higher strategy than just Grafton. How high that strategy was I am not certain.

**The Hon. CATHERINE CUSACK:** But potentially branch lines around the State have been neglected because of this strategy?

**Mr SEABURY:** I do not know that I agree with the term "neglected". They have been balancing activities between two parts within the CSO program. They have been impacted by that decision, yes.

**The Hon. CATHERINE CUSACK:** Can you tell us how much bridge money for the Murwillumbah branch line has been diverted over recent years into concrete sleepers?

**Mr SEABURY:** I do not know how to answer that. I am not aware that there was a physical program for the bridges that was actively taken and put into concrete. I think in terms of prioritising that activity they have driven a particular strategy which, as I said, gives priority to those concrete sleepers in front of the bridges, but I am not aware that they actually took money from one particular program, to actively divert that from this to this. As I say, I was not in charge of that area. The individual who is no longer works for RIC.

**The Hon. CATHERINE CUSACK:** Who was that?

**Mr SEABURY:** That was the General Manager Access who was in charge of the entire country area of the State at that time within RIC.

**The Hon. CATHERINE CUSACK:** What was his name?

**Mr SEABURY:** Glenn Dawe.

**The Hon. CATHERINE CUSACK:** So the condition of the bridges on the Murwillumbah branch line would have been part of the bid?

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** And the funding allocated would have had some relationship to what the bid was?

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** Money has been allocated in reflection of need of funding for those bridges?

**Mr SEABURY:** In any particular year?

**The Hon. CATHERINE CUSACK:** In any year.

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** But money has not been spent on those bridges?

**Mr SEABURY:** No, that is the bit I am not sure I agree with. You say that money would be first allocated and then reallocated. I do not believe that is the case.

**The Hon. CATHERINE CUSACK:** I am saying that the region is putting in a bid and when it has to demonstrate its needs it puts in the Murwillumbah bridges as part of that need.

**Mr SEABURY:** Yes, they would develop what they believe was required.

**The Hon. CATHERINE CUSACK:** They are only getting 65 to 70 per cent funding in response to what they say is required.

**Mr SEABURY:** For the Murwillumbah line?

**The Hon. CATHERINE CUSACK:** No, for the region.

**Mr SEABURY:** I do not know if that is the right figure but some reduced amount, yes.

**The Hon. CATHERINE CUSACK:** They are then moving money. As you said earlier, they are trying to do a balancing act between the different buckets of money.

**Mr SEABURY:** I suppose the difference we have on this is that I do not think they are physically moving money from one part to another. In terms of determining priorities and strategies I think the decision has been at that point in time in terms of how they allocate available funds.

**The Hon. CATHERINE CUSACK:** For the Murwillumbah bridges to be featuring in the bid, the condition of the bridges seems to have been a State priority.

**Mr SEABURY:** A stated priority?

**The Hon. CATHERINE CUSACK:** Yes, otherwise they would not bother putting them into the bid if the bridges were not a State priority, if fixing up timber bridges was not part of the State plan. They cannot put in building a new garage next to a station for passengers' cars because they know no-one will fund it. So that does not go in as something that is required. But maintaining the bridges is considered to be part of what is required, so that goes into the bid.

**Mr SEABURY:** All the standard elements of a budget are required to maintain the assets. All of those elements would be in there, not just the bridges.

**The Hon. CATHERINE CUSACK:** It is worthwhile putting the bridges in because they are considered when working out the total amount of funds to come to the region. Is that correct or not?

**Mr SEABURY:** I do not quite understand.

**The Hon. CATHERINE CUSACK:** Otherwise they would not put them on the list of needs, would they? The bridges are attracting funding, surely.

**Mr SEABURY:** No.

**The Hon. CATHERINE CUSACK:** The bridges a part of the package that attracts funding?

**Mr SEABURY:** That is correct.

**The Hon. CATHERINE CUSACK:** It is obviously integral to the package to have the bridges in there.

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** Because they improve the overall amount of money that comes back.

**Mr SEABURY:** An amount of money is provided by the Government to the CSO program, which is the community service obligation, to run out across the assets. Against that they prioritise maintaining assets, the different lines and different strategies.

**The Hon. CATHERINE CUSACK:** That is statewide prioritising?

**Mr SEABURY:** On the CSO networks.

**The Hon. CATHERINE CUSACK:** Correct. Then we go to the region, and the region determines its priorities.



**Mr SEABURY:** Yes, although some priorities come through above the region. How those budgets were worked out within Access, which was the different part of RIC in the past, I am starting to speculate here. I would need to get some information on that. It was prior to my taking over that particular area.

**The Hon. CATHERINE CUSACK:** Again, that is why we were interested in getting local advice.

**Mr SEABURY:** The local guys could only give you the information at the level they were working at. You are asking about broader issues.

**CHAIR:** They might have a corporate memory.

**Mr SEABURY:** The information is there. We would have to find out as to the specific questions. I have to take what information is available as to how those decisions were made at that time.

**The Hon. CATHERINE CUSACK:** Can you tell us what work has been done on the Murwillumbah line in the last 12 months?

**Mr SEABURY:** We have been doing bridge repairs, steel bridge repairs in locations. That has been going ahead.

**The Hon. CATHERINE CUSACK:** Is that the painting you are referring to?

**Mr SEABURY:** There is painting but there is also component replacement. There were some critical components corroded through, seriously corroded. They replaced those components. That is part of it. There has been routine maintenance.

**The Hon. CATHERINE CUSACK:** Can you describe that? Would the steel bridge repairs involve someone coming from outside?

**Mr SEABURY:** Partly. Outside the Lismore team or outside contract employees?

**The Hon. CATHERINE CUSACK:** Who does the painting? Is it someone based in Sydney?

**Mr SEABURY:** No. There are teams of RIC staff who do steel bridge repairs. Some of those men have been working on that line. In regard to where there is more work than one team can handle or there are other priorities, I would also supplement that with contract steel repair teams.

**The Hon. CATHERINE CUSACK:** Is that steel bridge team based on the Murwillumbah line?

**Mr SEABURY:** No.

**The Hon. CATHERINE CUSACK:** Where is it based?

**Mr SEABURY:** I do not know the answer to that.

**The Hon. CATHERINE CUSACK:** Do you know where the steel bridge painting team is based?

**Mr SEABURY:** No.

**The Hon. CATHERINE CUSACK:** Can you tell us the cost of those projects?

**Mr SEABURY:** No, I could not tell you.

**The Hon. CATHERINE CUSACK:** Can you tell us what work the Lismore team has been doing over the last 12 months?

**Mr SEABURY:** The primary focus of the Lismore team is routine maintenance—the inspection of the line, examining the line on a frequency basis primarily to say that the track is safe, checking the gauge of the track and obstructions on the track. That is their primary focus. They then develop a list of things they observe to do repairs, corrective repairs. Some of those would be track-based, some would be clearing vegetation or

trees that have fallen down on the line. A significant part of work on that particular line comes back to monitoring of the bridges and adjustments and repairs to the timber bridges on the line.

**The Hon. CATHERINE CUSACK:** Can you tell us which bridges they have repaired? They would be only minor repairs, would they not?

**Mr SEABURY:** Yes, they would not be replacements.

**The Hon. CATHERINE CUSACK:** They would not replace a transom or something like that?

**Mr SEABURY:** I have not got the detail. I would have to find out the detail. It is quite a competent team and it is well within their capacity to replace transoms or timber components on those bridges. Sometimes they put in props to support the bridge through different stages. It is within their capacity to do that. Sometimes they replace girders, timber girders.

**The Hon. CATHERINE CUSACK:** Are the props hired?

**Mr SEABURY:** I do not have the detail of that. It would not surprise me either way. For the number of projects, that team may have access to their own equipment which could include props. But it would be quite common for us to allow them to hire props or equipment as they needed it. I would not see it as a significant issue either way.

**The Hon. CATHERINE CUSACK:** Once a prop was required how long would it take before that bridge was repaired?

**Mr SEABURY:** That would come back to the prioritising of the repairs on the entire line. The team manager would keep a list of the priorities and repair aspects. It can be not unknown to have a prop in position for a long period of time, more than 12 months.

**The Hon. CATHERINE CUSACK:** What about more than three or four years? Would that be unusual?

**Mr SEABURY:** It would not surprise me if that was the case. I am not aware of it but it could be the case.

**CHAIR:** Would that occur anywhere-else in the State that a jack might be in place for up to five years?

**Mr SEABURY:** A jack or a temporary trestle prop to support the bridge, yes.

**The Hon. CATHERINE CUSACK:** Is there a policy in relation to how speedily such repairs should be undertaken once it has reached that point?

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

**The Hon. CATHERINE CUSACK:** It is up to the local works manager?

**Mr SEABURY:** No, it is up to an assessment of the condition of the bridge and whether it is safe to run trains over. It comes back to the track inspector or team manager at that location and the maintenance manager for that area who is an engineer to be aware of those programs or activities and to manage the traffic that travels over it, the speed of the traffic and the condition of the structure.

**The Hon. CATHERINE CUSACK:** What funding can they access to effect that repaired?

**Mr SEABURY:** The particular budget that they have at that point in time or they can put up proposals.

**The Hon. CATHERINE CUSACK:** Which then go into the bid, is that correct?

**Mr SEABURY:** Into the MPM program. If it is more than 12 months it goes into the MPM program as a proposal. If it was a significant impact on operations they would try to balance it out of the routine maintenance, but they could also take it up through the various areas to what would have been the management within RIC at that time.

**The Hon. CATHERINE CUSACK:** Are there examples of urgent work on the Murwillumbah line being funded out of routine maintenance funds?

**Mr SEABURY:** I am not aware of that detail. Again, it would not surprise me if that occurred. In fact, that is how the routine maintenance funds are defined: to carry out emergency work. It is quite often the case.

**The Hon. CATHERINE CUSACK:** Given that a lot of these teams are not based on the line, would that require a contractor to come and do an assessment of a bridge? For example, would the installation of a steel bridge involve people coming in looking at the job that needs to be done and doing an assessment? Would that be beyond the scope of the Lismore works office?

**Mr SEABURY:** There are some things which would be beyond the scope of the Lismore office, such as the design of a new bridge or possibly detailed technical assessment of the structure. Part of that is managed by the maintenance manager, but he would call upon expert advice from our engineering division which would arrange support for that. In some cases bridge engineers within the organisation would provide advice. Sometimes it would go to the extent of hiring consultant engineers to provide advice as well. It depends on the situation.

**The Hon. CATHERINE CUSACK:** Would the engineer at Grafton make those decisions?

**Mr SEABURY:** Make decisions upon what?

**The Hon. CATHERINE CUSACK:** About whether they will call expert advice or use their own people?

**Mr SEABURY:** It depends upon the decision. There are some aspects which they do not have authority to make some technical decisions upon. In that case they are required to contact the engineering division, which has the technical authority. But there might be other times where they make a decision to get advice for a business purpose or how to actually manage it, which they are entitled to do. It depends on the detail they are seeking the advice upon.

**The Hon. CATHERINE CUSACK:** Who is the Grafton office reporting back to?

**Mr SEABURY:** At what point in time? The company has been restructured a few times. Are you talking about at present or just prior to the closure?

**The Hon. CATHERINE CUSACK:** Prior to the closure. Has it changed since the closure?

**Mr SEABURY:** No, but it changed last year. There was a structural change last year.

**The Hon. CATHERINE CUSACK:** Prior to last year.

**Mr SEABURY:** I am trying to recall. I was not in charge of that area at the time. I believe a number of regions reported up to the General Manager, Access, which was looking after the country assets.

**The Hon. CATHERINE CUSACK:** He has retired recently, has he?

**Mr SEABURY:** Yes, he has left the organisation.

**The Hon. CATHERINE CUSACK:** What is your role at the moment?

**Mr SEABURY:** In the changes I took over infrastructure for all of RIC, which includes the country. I am also in charge of the metropolitan area. There are a number of different networks. There is the Hunter Valley network, the metropolitan network and the CSO network, which is divided into different areas. Basically all the infrastructure aspects of RIC, which is now RailCorp.

**The Hon. CATHERINE CUSACK:** You are in charge of all the infrastructure?

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** Who would report to you in relation to the Grafton office? Would it be the Grafton office direct?

**Mr SEABURY:** No. The Grafton office reports to the General Manager North West, which is based at Newcastle. I think that manager has got about three different areas and Grafton is one of them.

**The Hon. CATHERINE CUSACK:** Three different depots. Would it be a fair description that it cover everything north of Newcastle?

**Mr SEABURY:** It covers the Hunter Valley, the north North Coast and then there is one for the northwest. I am trying to recall whether it is split—there may actually be another one. It is a geographical basis, anyway.

**The Hon. CATHERINE CUSACK:** What is the name of the general manager in the northwest?

**Mr SEABURY:** Russell Trevaskis.

**The Hon. CATHERINE CUSACK:** Is he also new in his job?

**Mr SEABURY:** He was brought in with the last structural changes, yes.

**The Hon. CATHERINE CUSACK:** Is he from within the organisation? Is he in a similar role to what he had before?

**Mr SEABURY:** He worked in Melbourne and his experience was decades with track maintenance. One of the reasons I actually employed him was for his experience with track maintenance and his knowledge of track, and handling those types of matters.

**CHAIR:** Could you provide the committee with a diagram of the lines of employment and the geographic responsibilities?

**Mr SEABURY:** Yes.

**CHAIR:** Was there a reason why the rail service closed at Casino instead of, say, Lismore?

**Mr McLEOD:** I am not aware of that. I have only come into this position the last seven weeks so that decision was made prior to my coming on board.

**CHAIR:** Do you know of any logic to that particular part of the decision?

**Mr McLEOD:** I could not venture the reason or logic for that.

**CHAIR:** Is the work being done on the rail at the moment routine maintenance? You said some gangs were doing work on that line now.

**Mr SEABURY:** The Lismore team is not actually maintaining that line but we have an obligation, even with the line out of service, to make sure that the over bridges which carry road traffic over the line are still safe. They are continuing to do that but there were some significant repairs to actually improve the condition of those so they are focused on the short-term. They are also involved in the matching process of other alternative jobs. They are still based there at the moment but they are really doing what would be an MPM job or a significant repairs job.

**CHAIR:** A couple of weeks ago the Minister announced the setting up of a "working party" to look at possible options for the future of the line. Do you know of any plans for that working party to start work?

**Mr SEABURY:** No.

**Mr McLEOD:** No, I am not aware.

**Mr FRASER:** I am not aware.

**CHAIR:** Do you know who is on the working party?

**Mr SEABURY:** No.

**CHAIR:** Do you know when it is meant to report to the Minister?

**Mr SEABURY:** No.

**CHAIR:** Do you know what it is meant to do when it does start work?

**Mr SEABURY:** No.

**CHAIR:** The committee has been told by many of its submitters that the 25 to 30 per cent decline in passenger numbers in recent years is because the timetables are not convenient to local people. They compare the recent timetables—before the service was closed—very unfavourably with timetables where they could use the rail service more as a commuter service between the communities up there. Do you agree that timetabling would have a direct impact on the decline in passenger patronage?

**Mr McLEOD:** A change in a timetable will impact on some areas but you have to look at it holistically. For example, you cannot change something at the top end of the coast and then satisfy people further down the coast. Once again it is a balancing act about what you are doing to suit the most people. Obviously there will always be those people who will not like the timetables changed, but it is always going to occur. I think we just do our best to try to balance it out so we do satisfy most of the people we can in whatever we provide. For instance, you cannot change something at one end and not affect people the rest of the way down the line.

**CHAIR:** At what time does the train now get into Taree?

**Mr McLEOD:** At around 3.00 a.m.

**CHAIR:** That could be very off putting to mid North Coast passengers so their patronage on the mid North Coast part of the line might go down as well?

**Mr McLEOD:** It arrives at Taree at about 1.30 a.m. but Taree has an alternate service by road coach as well.

**The Hon. CATHERINE CUSACK:** Are you referring to southbound or northbound?

**Mr McLEOD:** Southbound is at Taree at about 1.32 a.m.

**The Hon. CATHERINE CUSACK:** Is it this weekend that the train stops at Taree?

**Mr McLEOD:** It stops at Maitland this weekend at 4.00 a.m.

**The Hon. CATHERINE CUSACK:** Everybody has to get off the train and on to a bus?

**Mr McLEOD:** That is correct. That is for major track maintenance in the metropolitan area. What we have done to supplement that was for the people living between Murwillumbah and Lismore we have run a coach down direct to the metropolitan area.

**The Hon. CATHERINE CUSACK:** That has been completely replaced by a bus?

**Mr McLEOD:** It was that or they have an option. They can either go on the train and do the two changes or they can go on the coach all the way. We put that in place specifically because of the change we have done up there in fairness to the people who want to travel to Sydney this weekend who had planned on it, rather than put them through the two changes.

**The Hon. CATHERINE CUSACK:** It would be more comfortable for them to arrive at the old time of 9.00 a.m. and get off the train and on to a bus?

**Mr McLEOD:** At Maitland at 9.00 a.m.?

**The Hon. CATHERINE CUSACK:** Yes, rather than at 4.00 a.m.

**Mr McLEOD:** It may have been but I think you also have to recognise the increased connections out of Sydney. There are some advantages in the timetable if people want to go to Melbourne, Canberra or west as we have restored those. There was some logic behind the timing, which you need to appreciate.

**The Hon. CATHERINE CUSACK:** Were those connections severed in 1998?

**Mr McLEOD:** They were severed a few years ago, I am not sure of the exact year but it was some years ago, yes. That was part of the logic in putting the train back to that time.

**CHAIR:** When the Sunstate services were put in as rail replacements was the 40 kilometre limit under the legislation taken into account in making those arrangements?

**Mr McLEOD:** I was not involved in the initial negotiations and I cannot say that it was. But I can say that has been now.

**CHAIR:** It has been put to the committee that the legislation under which you operate was probably ignored in the first instance. Was that partly because of this decision in the mini-budget came "out of the blue" and there was no planning for such things as even taking account of the law?

**Mr McLEOD:** As I said earlier, I was not in a position to make comment on that. I was not with CountryLink at that stage so, in fairness, I cannot answer that question for you.

**CHAIR:** Would you advise the committee if studies have been made in relation to extending the line to fill in the missing link between Condong and the Queensland border?

**Mr SEABURY:** I cannot.

**Mr McLEOD:** I have seen reference to one document but I cannot recall, it was a number of years ago, and I think it was in the transcript. It might have been when John Shields was here. I seem to recall seeing it in the documents. That is the only reference I have to it.

**The Hon. CATHERINE CUSACK:** Is there an easement or the potential for a rail easement on the new Tugun bypass?

**Mr McLEOD:** I do not know.

**Mr FRASER:** I would not have thought so.

**The Hon. CATHERINE CUSACK:** Why do you say that?

**Mr FRASER:** It is something that has not been done before to actually build them like that. We will have to take the question on notice.

**CHAIR:** The announcement was made and a lot of advertising was done locally saying that it would be a faster and better service provided by buses instead of by the rail service and that there would be extra bus services. Has that come to fruition or have they had to be rearranged taking into account the 40 kilometre area that is in the statute?

**Mr McLEOD:** The original timetable that was put up is still running. The only exception would be an additional coach out of Byron Bay because of some issues we had with the reliability or the on-time performance of one of the coaches from Murwillumbah or further up the coast.

**The Hon. CATHERINE CUSACK:** The 5.15 from Murwillumbah?

**Mr McLEOD:** Yes, we were having some trouble with maintaining that running time. That is the only change that has occurred to it. There are extra coaches in that we were running, I believe, three. When it used to terminate at Murwillumbah we would run three north. We are now running five, albeit, the one going to Tweed Heads is an extra and the other one is just going to Murwillumbah so there is an extra coach there.

**The Hon. CATHERINE CUSACK:** Is there any service now from Murwillumbah northbound? Previously Murwillumbah used to have a northbound service through to Brisbane.

**Mr McLEOD:** Yes, there is. You can get off at Tweed Heads.

**The Hon. CATHERINE CUSACK:** Tweed Heads is actually north of Murwillumbah.

**Mr McLEOD:** That was the question, wasn't it?

**The Hon. CATHERINE CUSACK:** No, I am talking about a Murwillumbah service north towards Brisbane to, more or less, mirror the service it previously had.

**Mr McLEOD:** There may not be.

**The Hon. CATHERINE CUSACK:** They lost that service?

**Mr McLEOD:** Yes, there is not a service there.

**The Hon. CATHERINE CUSACK:** The new service put on from Byron Bay is that an additional bus that is coming into Byron Bay?

**Mr McLEOD:** At the moment it is, yes.

**The Hon. CATHERINE CUSACK:** How many buses altogether are there on the southbound leg of that train trip?

**Mr McLEOD:** That would be six all up.

**The Hon. CATHERINE CUSACK:** The sixth bus has been put into Byron Bay, is that correct?

**Mr McLEOD:** I am not sure if they all go through Byron Bay.

**The Hon. CATHERINE CUSACK:** No, has number six gone to Byron Bay so it starts at Byron Bay?

**Mr McLEOD:** Yes.

**The Hon. CATHERINE CUSACK:** Prior to that there were five buses providing that service?

**Mr McLEOD:** That is correct.

**The Hon. CATHERINE CUSACK:** Do you have passenger figures on the usage of those bus services?

**Mr McLEOD:** Yes. I will provide that data. I do not have it with me.

**The Hon. CATHERINE CUSACK:** Are you comfortable with the level of patronage of those six buses?

**Mr McLEOD:** No, we are looking at reviewing what is going on up there at the moment. John Shields who has been here before has been up there for the past week or so. There have been a few issues in the afternoon coming out of the Gold Coast which is affecting the running of the buses and coaches. We have considered whatever community issues have been raised to see if we can move it around a little bit to suit some of the issues that have been put to us.

**CHAIR:** For example, are there any reviews of bus shelters? Are there any plans to put them in, for example, for the people of Ocean Shores concerned about the danger at the drop-off point?

**Mr McLEOD:** I am not aware of that. But we have not got a plan to put in anything at the moment, no.

**The Hon. CATHERINE CUSACK:** Has there been an additional charge from Sunstate for that sixth bus?

**Mr McLEOD:** There would be, yes.

**The Hon. CATHERINE CUSACK:** At how much?

**Mr McLEOD:** We will get that for you.

**The Hon. CATHERINE CUSACK:** I understand that two, if not three of those buses get to Casino to provide the northbound service again. So at least two buses arrive empty at Casino to go north. How many buses are involved in it altogether? Is it eight or nine buses?

**Mr McLEOD:** No, it is five, or six buses it will be.

**The Hon. CATHERINE CUSACK:** If you look at your timetable for the north-bound services meeting the train at Casino, all the buses leave before two minutes after seven and then after all of those five buses have left, two of the south-bound buses arrive, which means that two of the south-bound buses are not available to make up the complement of five buses going north?

**Mr McLEOD:** I did not bring the plan with me, so I really cannot answer that, but I will come back to you on it.

**The Hon. CATHERINE CUSACK:** Just the global number of buses involved in the service?

**Mr McLEOD:** Yes.

**The Hon. CATHERINE CUSACK:** Have you a plan to recover the 8,000 steel sleepers that have been distributed along the branch line?

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** What date do you plan to recover those?

**Mr SEABURY:** I do not know the exact date. I do know that we will pick them up and use them on other lines to get the best use of them.

**The Hon. CATHERINE CUSACK:** Will it be necessary to recover those with a train?

**Mr SEABURY:** I will have to take that on notice. That could be one method of picking them up. Another could be by truck. I do not know which means they would use to pick them up.

**Ms SYLVIA HALE:** How much do the sleepers weigh? They are concrete, are they not?

**Mr SEABURY:** No, steel. Again, I would have to take that on notice. They are designed for people to pick up. People do not pick up concrete sleepers, but they are designed to be handled by people.

**Ms SYLVIA HALE:** There are 8,000 of them, is that correct?

**Mr SEABURY:** Yes. I do not know if all the 8,000 have been laid out in advance. There are certainly quite a few thousand already laid out, but whether it was all of them, I do not know.

**Ms SYLVIA HALE:** How much do you think the cost of recovering them will be?

**Mr SEABURY:** I will have to find that out.

**The Hon. CATHERINE CUSACK:** Have you ever seen the Murwillumbah branch line?



**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** Have you ridden in a train on it?

**Mr SEABURY:** I have been driven in a Hi-rail.

**The Hon. CATHERINE CUSACK:** The full length of it?

**Mr SEABURY:** No, from Lismore to Byron Bay.

**The Hon. CATHERINE CUSACK:** Have you, sir?

**Mr McLEOD:** No. I have been up there. I have been up to all the stations but I do not get involved in the track.

**The Hon. CATHERINE CUSACK:** But you did not catch the train, I believe. You drove.

**Mr McLEOD:** No, we flew up in order to get up to see our staff as quickly as we could.

**The Hon. CATHERINE CUSACK:** But then you drove a car rather than catch the train?

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

**The Hon. CATHERINE CUSACK:** The reason I asked that question about seeing the track is that most of the track north of Byron Bay is inaccessible by road, but the track seems to have had the signals disconnected and it has been closed to the Heritage train, for example, that is up there this weekend?

**Mr SEABURY:** Yes.

**The Hon. CATHERINE CUSACK:** Yet, how will it be possible to recover those sleepers unless a train is used pulled by a locomotive to go in there to pick them up?

**Mr SEABURY:** Train is one way. Sometimes we have Hi-rail trucks and other things that actually traverse the system. That is why I went through on Hi-rail; we could actually stop and have a look at the locations, the structures and track condition.

**The Hon. CATHERINE CUSACK:** And they would be suitable to pick up 8,000 steel sleepers, would they, by Hi-railing?

**Mr SEABURY:** Not the Hi-rail vehicle that I travelled on. Again, as I said, I take on notice the way the guys plan to pick them up. I do not actually know the answer to that. Train is one method.

**The Hon. CATHERINE CUSACK:** I would appreciate it if you could take that on notice. The branch line has a weight limit on it, I understand?

**Mr SEABURY:** I actually do not know the answer to that. Again, it would not surprise me, given the condition of the steel bridges; some of the steel bridges may have a weight limit on them.

**The Hon. CATHERINE CUSACK:** Can you confirm whether an 81-class locomotive has been put on the branch track in recent months?

**Mr SEABURY:** I will find that out for you.

**The Hon. CATHERINE CUSACK:** If that is so, could you also give us an assessment of the damage caused by that locomotive going on the track?

**Mr SEABURY:** Okay.

**The Hon. CATHERINE CUSACK:** And whether that would have had any impact on the maintenance bid that was acquired for the track?

**Mr SEABURY:** I will find out.

**The Hon. CATHERINE CUSACK:** If you could tell us the date and the purpose of the locomotive being on the track, that would be appreciated?

**Mr SEABURY:** I will do that. I do not know anything about this 81 locomotive but I will find out the details, the date and if it could cause damage.

**CHAIR:** If a private operator wanted to run a commuter type train from now on, on that line what would they have to do to get access to it? Is it possible?

**Mr SEABURY:** We would have to work through pretty much the same process as what it would take to safely run those trains on that infrastructure and work out with them whether it was a viable option. If they were prepared to pay for the maintenance of the line to run on that, then we could talk about that.

**The Hon. CATHERINE CUSACK:** Have you had any approaches in recent years from people wanting to operate services on that track?

**Mr SEABURY:** I am not aware of that. I will take that on notice.

**Mr McLEOD:** No, I am not aware.

**The Hon. CATHERINE CUSACK:** Who would they approach?

**Mr SEABURY:** We have strategy, planning and access area, which actually sells access paths to private industry and other operators and they would have contacted the general manager of strategy, access and planning.

**The Hon. CATHERINE CUSACK:** What is the access fee at the moment that CountryLink is paying for the Murwillumbah branch line?

**Mr McLEOD:** That was asked before and I said I would have to take that on notice.

**The Hon. CATHERINE CUSACK:** I apologise. What access fee would be charged to a private operator wanting to use the branch line?

**Mr SEABURY:** I would have to take that on notice to. That is out of my area.

**CHAIR:** Quite a number of witnesses, in reference to the very high proportion of passengers on the service who are concession cardholders and the like, have indicated that they would have been happy to at least discuss the imposition of a higher charge. Is there any possibility that such a widespread offer, if you like, would be taken into account?

**Mr McLEOD:** I would say that it was certainly taken into account but not necessarily by RailCorp but through a decision for the Government.

**CHAIR:** So there was no consideration of such options prior to the decision to close?

**Mr McLEOD:** I am not aware of that, no.

**The Hon. CATHERINE CUSACK:** How are you planning CountryLink services? Do you have demographers and people who tell you where the demand is and where the facilities are?

**Mr McLEOD:** Yes, we monitor the passenger flows. We look at trends, who is travelling and what sort of areas. I suppose it has been set up historically, if you go back to where we actually run; it is because of an historical basis that we go there. We look at our patronage every day. There is a reservation system—it is all reserved—so we know what the trends are and who is travelling where.

**The Hon. CATHERINE CUSACK:** So it is data based on what you are already doing?

**Mr McLEOD:** Yes, but RailCorp does have a strategy and planning area that also looks at growth centres. Really, that is more of a metropolitan-based thing.

**The Hon. CATHERINE CUSACK:** There is a concern that the viability of the line has been assessed on the basis of one train that runs in the middle of the night. Would that really be the data that was used to make this decision or would somebody be accessing information that says it is a growth corridor, a link through to Queensland, there is industrial land coming along the line? Is all that information factored into these sorts of decisions or is it just based on how many people use the XPT in the middle of the night?

**Mr McLEOD:** I cannot answer how this decision was made.

**The Hon. CATHERINE CUSACK:** Do you have service planning for CountryLink

**Mr McLEOD:** There is a services planning area in RailCorp that develops our times for us.

**The Hon. CATHERINE CUSACK:** But CountryLink does not have its own service planning?

**Mr McLEOD:** No, we have a marketing and development manager, who looks at the trends that are going around and movements of passengers.

**The Hon. CATHERINE CUSACK:** And that is based on existing patronage, though, is it?

**Mr McLEOD:** Yes.

**The Hon. CATHERINE CUSACK:** So is there anybody modelling and planning for the future of CountryLink?

**Mr McLEOD:** Not in the sense that you are asking, no.

**The Hon. CATHERINE CUSACK:** Does CountryLink have a future on rail?

**Mr McLEOD:** Yes, it does. I certainly hope it does. I believe it does, yes.

**The Hon. CATHERINE CUSACK:** How are you planning that future?

**Mr McLEOD:** There are a series of reforms that are coming up that I am sure you are aware of that the Government is looking at.

**The Hon. CATHERINE CUSACK:** I have seen that more as plans to save money, not plans to model services?

**Mr McLEOD:** No, I think we are looking at developing an organisation that will cost the taxpayers a lot less. We are looking at getting back to our core business and focusing on rail business, not the other things that hang around it.

**CHAIR:** Does that include marketing? Is that something that hangs about or is it a core business?

**Mr McLEOD:** Marketing of our product?

**CHAIR:** Yes?

**Mr McLEOD:** That is part of our core business.

**The Hon. CATHERINE CUSACK:** What are the other things that hang around?

**Mr McLEOD:** I was talking about things like travel, accommodation, air flights and things like that. It does not generate much revenue for us and it is very labour intensive to do it, so we are really looking at getting back to our core business, which is rail.

**The Hon. CATHERINE CUSACK:** Not travel centres?

**Mr McLEOD:** Travel centres will evolve and we will probably be moving back more towards a booking office type arrangement. Nothing has been put to the Government yet. We have not finalised our plans on that.

**CHAIR:** When will you be finalising your plans?

**Mr McLEOD:** Hopefully in the next four to six weeks.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Have you run out of brochures for travel centres or have you decided that you will not distribute them?

**Mr McLEOD:** We made a decision not to continue with our package brochure, if that is the one you are referring to, simply because of our move out of that sort of market.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** So you have nothing to sell, in a sense?

**Mr McLEOD:** No. We are in the process of printing now and we are waiting for a brochure to come out that just reflects our rail business.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Will that not make it a lot harder to sell if they cannot provide an integrated service?

**Mr McLEOD:** I will go back to what I said earlier, that that particular bit of revenue is very small and if you look at what we want to provide to the people of New South Wales, it is an efficient service at less cost. You do not sell accommodation or airfares very cheaply.

**The Hon. CATHERINE CUSACK:** Is it fair to say that you are going to sell transport rather than holidays?

**Mr McLEOD:** That is correct.

**CHAIR:** Even though Byron Bay, for example, is the second largest attractor of tourists in the whole of the State after Sydney?

**Mr McLEOD:** I will go back to what I said before, that we are trying to provide the most efficient service that we can and selling tours is not part of that.

**Ms SYLVIA HALE:** Has running a service in the middle of the night ever been regarded as particularly efficient or in the best interests of the people of the region?

**Mr McLEOD:** It depends on which region you are talking about and how many trains you want to run.

**Ms SYLVIA HALE:** I was talking about the northern area since it is their only rail service.

**Mr McLEOD:** If we want to run it in the middle of the day for the top of the North Coast, then it is going to be the middle of the night elsewhere. You cannot please everyone. We are trying to do our best to suit where the passengers are coming from. You cannot please everyone in that time-tabling exercise.

**The Hon. CATHERINE CUSACK:** Is it fair to say that there is no agency in RailCorp that would run a rail commuter service on the North Coast, because that is not really something that CountryLink would want to get into?

**Mr McLEOD:** CityRail runs as far as Dungog, I believe.

**The Hon. CATHERINE CUSACK:** But because it is not part of the metropolitan system and up there, of course, commuters say, "We would love a commuter rail service", but that would not be a CountryLink service. It just interests me: who would do that, because the metropolitan people would not see it as part of Sydney but CountryLink does not see it as long distance.

**Mr McLEOD:** We are a long-distance carrier, yes. I suppose a private operator might want to take that on, but whether it is financially viable or not is another issue.

**The Hon. CATHERINE CUSACK:** There is no section of the State Government that would be looking into that idea, is there?

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

**The Hon. CATHERINE CUSACK:** So who does the transport planning? Is there any transport plan for the State that you are fitting in with?

**Mr McLEOD:** No, I am not aware of how that fits in with State planning. I could not answer that.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** You referred to buses that run on rails. What were they?

**Mr SEABURY:** It is not a bus; it is a Hi-rail, which is a vehicle, usually a truck. Hi-rail is just the brand of equipment that comes down and clips on to the rail, which means you can travel through on that. It is just a way for staff to carry out inspections. Rather than walking along the line, they will travel along the line with that. It also allows smaller loads and equipment to actually come in. Sometimes they have vehicles with small cranes on them to lift things.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Why has that never been used for passenger transport—a bus that runs on rails, for example?

**Mr SEABURY:** It is limited in the speed it can travel. It is not as secure as a train. Because it travels on fairly small wheels, if you pick up too high a speed, you can actually come off, so they tend to travel reasonably slowly.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** And that is not technically fixable? Would it not be possible to put bigger wheels on a bus and run it on the rails? It seems to me that given that the curves are less sharp than road curves, that would be possible?

**Mr SEABURY:** The device I am talking about is Hi-rail, which has road wheels with small guiding steel wheels. So basically you have a road vehicle trying to balance on the track using the small wheels as guides. I do not believe we could get reasonable speed or distance from that device. But I understand that you are asking whether lighter trains or lighter single carriages can be developed.

**Mr McLEOD:** We have had all sorts of different size carriages in the history of the railway. But they are pure rail vehicles not road-rail, which is what Gary is talking about.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Sure. But I am saying that you are currently replacing it with a bus yet you have an easement with rails on it that you could use.

**Mr McLEOD:** I am not aware of any other system in the world that would do that. I know of a case in Adelaide where they have concrete strips running down the sides to give an easement, but not a rail set-up. I do not know of any that does that.

**CHAIR:** I have a question about the cost recovery figures in the Parry report, which showed a more favourable cost recovery for country services compared with metropolitan services. Is there a figure that shows the cost recovery on the Casino to Murwillumbah line in particular?

**Mr McLEOD:** For CountryLink?

**CHAIR:** Yes.

**Mr McLEOD:** I will take that question on notice. I do not know.

**The Hon. CATHERINE CUSACK:** Is there a gentleman present from rail estate.

**Mr FRASER:** Yes.

**The Hon. CATHERINE CUSACK:** I am not sure whether you received it, but we requested a copy of maps. Is there something you can leave with us?

**Mr FRASER:** There certainly is.

**The Hon. CATHERINE CUSACK:** Fantastic. Does this include all property holdings?

**Mr FRASER:** Yes.

**The Hon. CATHERINE CUSACK:** Including land that might be leased?

**Mr FRASER:** Yes.

**The Hon. CATHERINE CUSACK:** Do you have an asset realisation program operating across the State?

**Mr FRASER:** We do, yes. Up in that area I have been looking at land at Old Casino, which is currently leased to Boral. It is favourably located to redevelopment. It just needs council to rezone it if it wishes to do so. At Lismore there is the land that fronts the river. We have been talking to council about the need to decontaminate it and clean it up. It was previously leased to a number of oil depots and there have been oil spillages over the years. It has to be cleaned up, rezoned, a road built and that sort of thing—normal development issues.

**The Hon. CATHERINE CUSACK:** Roughly how much land would that be?

**Mr FRASER:** It is about two or three hectares at Lismore but do not forget that it is in the flood area. It would be similar at Old Casino. We have not really gone into any great detail at Old Casino, I just know it is there. The cost of doing a lot of the investigation is getting pretty close to the value of the land, so it is a matter of as opportunities arise. Lismore is probably a break-even exercise. As I am sure you are aware, on the North Coast if you have land fronting water or close to the water that is where the value is. Once you get away from that the values drop away.

**The Hon. CATHERINE CUSACK:** Do you have land fronting the water?

**Mr FRASER:** Unfortunately, no. Byron Bay is the closest we get. There is a piece of land at Byron Bay station that we have been talking to council about selling. We are going through environmental studies on it at the present time.

**The Hon. CATHERINE CUSACK:** Which piece of land is that?

**Mr FRASER:** When you go into the station there is some land with the Railway Friendly Hotel on it and there is large vacant land in front of that that goes through to Johnson Street, excluding the stationmaster's house, which is the council information centre. It is all that land in there.

**The Hon. CATHERINE CUSACK:** Who owns the caravan park?

**Mr FRASER:** The council bought the caravan park many years ago.

**The Hon. CATHERINE CUSACK:** Do they have all rights over that land? I understand that it is New South Wales government title.

**Mr FRASER:** I would be surprised if it is. If you turn the page you will see. I do not think it is coloured orange. I am pretty sure that it was sold years ago.

**The Hon. CATHERINE CUSACK:** What was it sold for?

**Mr FRASER:** We did not do it, Public Works did it. It was some arrangement done by the government of the day with the council of the day.

**The Hon. CATHERINE CUSACK:** Out of interest, do you know what the figure was?

**Mr FRASER:** Unfortunately, I do not.

**The Hon. CATHERINE CUSACK:** It was probably not enough.

**Mr FRASER:** It depends on your point of view. From the council's point of view, I think they could say that they got a very good deal. Mind you, accretion of the sea across the front of the land has eroded it quite a bit. It is cyclical with the sand dunes, as you are aware.

**The Hon. CATHERINE CUSACK:** What revenue do you generate each year across the State?

**Mr FRASER:** It is about \$35 million across the State. I must admit that I do not have the exact figure with me. It is \$350,000 from the Casino to Murwillumbah line, of which about 75 per cent is generated by 10 of the 75 leases.

**The Hon. CATHERINE CUSACK:** Is that an annual income?

**Mr FRASER:** Yes, per annum. It is roughly net for the purposes of the record. Ten major leases would generate 75 per cent of that. The rest come down to a lot of minor leases for little houses, a bit of backyard, council leases and things of that nature. Council leases are lobbed in as one lease, unfortunately. There is a little land for park, a water pipe and all sorts of miscellaneous things.

**The Hon. CATHERINE CUSACK:** What about the proceeds of sale?

**Mr FRASER:** The proceeds of sale come into the State Rail, RailCorp, Rail Infrastructure—whichever one has happened today—proceeds and capital raising and comes back out the other side as capital works.

**The Hon. CATHERINE CUSACK:** Do you manage that for them?

**Mr FRASER:** The capital works?

**The Hon. CATHERINE CUSACK:** The sales.

**Mr FRASER:** Yes, I manage the sales.

**The Hon. CATHERINE CUSACK:** What revenue do you generate each year through sales?

**Mr FRASER:** It varies depending on whether it is a good year or a bad year. I have had as much as \$91 million. Last year it was down to \$30 million and this year it will probably be down to less than \$10 million.

**The Hon. CATHERINE CUSACK:** Are you looking at trying to lift that in future years?

**Mr FRASER:** It is a continuous process but unfortunately it takes about five years. Because the land is zoned special use as railways it is not subdivided or serviced and could well have been used as a goods yard or something so we have to worry about contamination. It could well take five years to go through that process and end up with a marketable block of land at the other end.

**The Hon. CATHERINE CUSACK:** Do you have land earmarked for sale on the North Coast?

**Mr FRASER:** At the moment we only have a piece of land at Coffs Harbour near the station away from the water. All the water land is the subject of a Government committee, as you are probably aware. That is about the only piece of land that readily springs to mind.

**The Hon. CATHERINE CUSACK:** Do you think of the Murwillumbah branch line as being on the far North Coast?

**Mr FRASER:** Not particularly.

**The Hon. CATHERINE CUSACK:** So you would include it as part of the North Coast.

**Mr FRASER:** As far as I am concerned, the North Coast starts at about Maitland.

**The Hon. CATHERINE CUSACK:** And finishes at the Queensland border.

**Mr FRASER:** You can go up to Noosa if you like.

**CHAIR:** Some people have suggested in this inquiry shifting the State border.

**The Hon. CATHERINE CUSACK:** So we could be the South Coast instead of the North Coast.

**Mr FRASER:** Do you want to live in Queensland? That is the question.

**CHAIR:** I am mindful of the time and I know that Mr Seabury and others may have further commitments. Gentlemen, you have taken some questions on notice and we ask you to provide answers to us by Wednesday 30 June. I hope that is okay. Committee members may have some additional questions on notice but we will get them to you by Wednesday of this coming week.

**Ms SYLVIA HALE:** To clarify my question about bridge reports, I would like the condition reports of the bridges on the lines that I mentioned. Could I also get from you an indication of the cost of removing speed restrictions on the timber trestle bridges on the Casino to Murwillumbah rail line?

**Mr SEABURY:** Yes.

**Ms SYLVIA HALE:** Thank you.

**CHAIR:** We will give you a copy of the questions on notice. Gentlemen, thank you for your time today. We appreciate it.

**(The witnesses withdrew)**



**JOHN JOSEPH WHELAN**, Director, Local and Community Transport Division, Ministry of Transport, sworn and examined:

**CHAIR:** Welcome, Mr Whelan. You are obviously appearing before the Committee today in your capacity as Director of the Local and Community Transport Division of the Ministry of Transport.

**Mr WHELAN:** Yes, although I understand that some questions were asked earlier about the working party that the Minister has announced to consider the future of the line and the corridor. I was recently asked to chair that working party. I had some preliminary discussions with the mayor of Lismore only yesterday so I can provide some information about that, although the brief was only just handed to me.

**CHAIR:** As of yesterday?

**Mr WHELAN:** The week before last the Minister asked me to commence work on this project. We are interviewing transport co-ordinators around the State pursuant to the community transport task. Having had that discussion with the mayor yesterday I envisage that we will constitute this working group within the next three weeks. We need to have some final discussions about the terms of reference. I envisage the membership at this stage to include State Rail, the affected councils, mayors of the affected local councils and also members of Parliament from the relevant areas. That is all I can offer at this stage because the brief was only just provided to me.

**The Hon. CATHERINE CUSACK:** Was that brief provided to you two weeks ago?

**Mr WHELAN:** Yes, it would be two weeks ago.

**CHAIR:** We appreciate the fact that you have provided some information about the working party. At this stage do you know how many people will be on it?

**Mr WHELAN:** No, not at this stage. I will wait to have some further discussions with the mayors and the affected members of Parliament as well. We will need to make some decisions about the nature of the representation—whether we have technical people on it or whether we have office bearers. I will take guidance from those people who attended the meeting with Minister Costa, which I believe to be the affected mayors and affected members of Parliament.

**CHAIR:** Do you know when that working party is expected to complete its work?

**Mr WHELAN:** I believe we have been asked to provide a report by October. So we would certainly be endeavouring to meet that deadline.

**CHAIR:** Is it correct to say that the Minister has given an undertaking not to remove any infrastructure or make the line unserviceable at least until that working party completes its report?

**Mr WHELAN:** I am not aware whether that is the case but I will certainly be happy to find out and report back to you.

**The Hon. CATHERINE CUSACK:** Were you asked to chair the working party?

**Mr WHELAN:** The Ministry of Transport was asked to chair the working party. The division that I am now heading is the local and community transport division, which has two roles: first, to put in place a statewide structure to improve transport for people with transport disadvantages, that is, to get better value out of existing bus contracts and the myriad of contracts that flow into the community transport sector; and second, to engage in some place-specific projects. In that context, the project had been allocated to this division in the Ministry of Transport, in the same way that carriage of the next step for the implementation of the recommendations from the Lower Hunter transport working group has also been allocated to the division that I am now leading.

The point I am making is that our focus is on people with transport disadvantages, but also, on behalf of the Ministry of Transport, co-ordinating processes in specific places, whether it be in the Hunter or, in this case, on the North Coast.

**CHAIR:** When you say the Ministry was asked to chair the working party, were you asked by the Minister?

**Mr WHELAN:** By the director-general.

**CHAIR:** Were the people who were local councillors or local members of Parliament asked to have some input into who might chair the working party?

**Mr WHELAN:** I do not know the answer to that because I was not at the first meeting that was held with the Minister. I do have some background in this issue, having in a previous capacity chaired some community consultations in relation to CountryLink in other parts of the State. In Cootamundra, with the former leader of the National Party, I co-chaired a community consultation there; in Armidale, in relation to the future of the Armidale to Tamworth line; and also in Queanbeyan, in relation to the future of the Sydney to Canberra line. In relation to my being asked to chair this working group, I dare say that my role in conducting some community consultations in those areas pursuant to CountryLink may have been taken into account.

**CHAIR:** Can you tell us why there was no community consultation on the Northern Rivers in respect of the closure of this line?

**Mr WHELAN:** Going back a step, the response to the CountryLink issue was made in the first instance by way of the response to the Parry report. Again I am speaking about my role in a previous capacity. We had planned to have some community consultations in Lismore, but certainly pursuant to the Casino to Murwillumbah line late last year a decision was made to grant the CountryLink train lines a period of grace of 12 months while there was some restructuring going on. That decision was made prior to the consultation taking place in relation to the Casino to Murwillumbah train line.

In relation to the decision that was taken pursuant to the mini-budget, my understanding is—although, I am now in a new position—that that was a decision taken in relation to the mini-budget in the context of the financial constraints associated with the mini-budget. So there was a series of consultations in the context of responding to the Parry report, there were no community consultations in that context because a decision was made to respond to the Parry report in advance of the consultation team, which was myself and Karen Mercer from State Rail, being able to get to the Casino to Murwillumbah train line.

**CHAIR:** Were you given any prioritisation as to where you should go first to do your consultations?

**Mr WHELAN:** In relation to the Parry exercise?

**CHAIR:** Yes.

**Mr WHELAN:** No, but there were clearly some lines that had been identified. From memory, there were four: the Casino to Murwillumbah line, the Griffith line running through Cootamundra, the Armidale to Tamworth branch of the Armidale to Sydney line, and the Casino to Murwillumbah train line. We got to three of those places but not to the fourth.

**CHAIR:** Why did you not make it to the fourth?

**Mr WHELAN:** The decision was taken to preserve all those train lines for a period of 12 months, a decision that was subsequently changed in relation to the Casino to Murwillumbah train line. There was a view that a decision had to be made fairly quickly at that point because there was the possibility that CountryLink's bookings for the school holiday period could be affected if a decision was not taken fairly quickly, which is one of the reasons why the response to the Parry report was made late last year as opposed to being pushed further back.

**The Hon. CATHERINE CUSACK:** How did you decide which lines you would visit first?

**Mr WHELAN:** I think the answer to that question is based on a number of factors, including the availability of local members to participate in those discussions. We did our best given the time frames.

**The Hon. CATHERINE CUSACK:** You contacted the local members in the Northern Rivers, and they were simply not available at the times you would like to have gone?

**Mr WHELAN:** It is accurate to say that organising a discussion in the Northern Rivers—probably given that it was slightly more complicated and more affected members of Parliament; it was a more challenging exercise. It was slightly simpler for than the Cootamundra meeting. We had a discussion with Mr Armstrong about that. In relation to Queanbeyan, we had a discussion with the local member, Mr Whan, and in relation to Armidale we had a discussion with Mr Torbay. So we organised those meetings on that basis.

**The Hon. CATHERINE CUSACK:** Did you have any discussions with Mr Newell?

**Mr WHELAN:** We did have a discussion with Mr Newell, but we just did not logistically get to hold the local consultation.

**The Hon. CATHERINE CUSACK:** Was he not available?

**Mr WHELAN:** I do not believe that is the case. From recollection, I believe it was simply a case of trying to organise for all the parties to be available.

**The Hon. CATHERINE CUSACK:** You are saying you did contact all the local members in that area?

**Mr WHELAN:** No, I did not contact all the local members.

**The Hon. CATHERINE CUSACK:** You just contacted Mr Newell?

**Mr WHELAN:** I contacted Mr Newell. I had a discussion with Mr George as well, and we simply did not get around to organising that meeting.

**CHAIR:** Some people might think that is a bit of a disaster, given what has happened to that particular line compared with other lines where there was consultation at least with some local members.

**Mr WHELAN:** I am not sure that that is right. A decision was made to postpone a decision on those train lines for 12 months, so—

**CHAIR:** So you thought that the Government was going to stick to that timetable?

**Mr WHELAN:** I cannot answer that. I subsequently moved from my previous role to my current role, and I understand that the decision in relation to Casino and Murwillumbah was taken in the context of the mini-budget. I really cannot provide further information on that.

**The Hon. CATHERINE CUSACK:** When you changed roles, were you in the middle of scheduling consultations for that branch line?

**Mr WHELAN:** I am sorry, I do not understand the question.

**The Hon. CATHERINE CUSACK:** Did you have a plan to have a consultation in relation to that branch line?

**Mr WHELAN:** We would have done so, but the decision not to close CountryLink train lines was taken such that there was no longer the need for local consultation in relation to the future of this line, pursuant to the response to the Parry report.

**The Hon. CATHERINE CUSACK:** To clarify that, it was not a decision not to close the line; as I understand it, it was a decision to review, and the decision was that there should be community consultation. I am trying to understand why the community consultation that was in place was stopped specifically for that branch line.

**Mr WHELAN:** It was slightly more than a decision to not close the rail lines and conduct community consultation. The decision taken at the time was to preserve those lines for a period of 12 months, and meanwhile State Rail would look at its cost base, at the way it was buying and selling its tickets, and at its industrial practices in relation to personnel on country stations, and it would also contemplate fare increases. At

the community consultations that I participated in, there was an endorsement from local communities that this ought to be done. The further community consultation was only part of that process.

**The Hon. CATHERINE CUSACK:** Had you not been interrupted by the December announcement, when were you going to hold the Murwillumbah consultation?

**Mr WHELAN:** I am sure there would have been consultations throughout the course of the next 12 months. But, as I say, I had changed roles.

**The Hon. CATHERINE CUSACK:** Did you have a plan before you changed roles, or did you not have a plan for a consultation up there?

**Mr WHELAN:** We certainly did, but what I am saying—

**The Hon. CATHERINE CUSACK:** When was it planned for?

**Mr WHELAN:** I cannot give you the precise date. I do not think we actually got to a precise date. However, a decision was taken to preserve the line, in the context of responding to Professor Parry's report, which changed—

**The Hon. CATHERINE CUSACK:** Did the Parry report recommend the closure of the Murwillumbah branch line?

**Mr WHELAN:** The Parry report recommended that branch lines be looked at. The Parry report indicated in no uncertain terms that the Government ought to query the value that taxpayers were receiving from maintaining those branch lines, given what I believe to be the operating loss that State Rail was suffering in relation to CountryLink, an operating loss in the vicinity of \$150 million.

**The Hon. CATHERINE CUSACK:** But there was no single recommendation that the Murwillumbah branch line should be closed, was there?

**Mr WHELAN:** I do not believe there was. But in terms of the branch lines that were likely to incur the most expense, State Rail had a view about that, and that is the view that has been expressed in the ultimate decision. No doubt you have heard the figures that have been used to justify that decision, associated with the 20-year spend of the \$188 million.

**The Hon. CATHERINE CUSACK:** State Rail's view was that the Murwillumbah branch line should be closed?

**Mr WHELAN:** State Rail had a view that the expense associated with maintaining those lines was problematic for the organisation.

**The Hon. CATHERINE CUSACK:** Are you now referring to the four lines?

**Mr WHELAN:** No, I am talking about CountryLink business generally.

**The Hon. CATHERINE CUSACK:** Rail lines?

**Mr WHELAN:** In particular rail lines. I think the view was that where you had significant expenditure associated with upkeeping the line, where you had no freight on those lines and as a result your cost recovery was very low in relation to certain lines, State Rail took the view that those lines were financially difficult for the organisation to sustain. Local communities expressed the view that even if each of the trains on those lines was full, given the figures that State Rail was using there would still be a requirement for a State Government subsidy. As we conducted the community consultation process, the question really became: What is the appropriate level of subsidy?

**The Hon. CATHERINE CUSACK:** How far did you get on that consultation process about what is the appropriate level of subsidy?

**Mr WHELAN:** It was really a case of State Rail being given the authority by those communities, a moral authority if you like, to look at its overheads and costs in relation to those train lines and come back to the Government with some plans for reducing those overheads. That is where it was left, and I moved on to a new role.

**The Hon. CATHERINE CUSACK:** That was done for three out of the four branch lines?

**Mr WHELAN:** It was. But the decision in terms of State Rail considering the operating costs associated with CountryLink was a decision that applied across the CountryLink business.

**CHAIR:** You say that your new role looks at people who are transport disadvantaged. With the closure of the Casino to Murwillumbah line, I imagine the amount of work you will have to do on the Northern Rivers will have escalated phenomenally. The population there is significantly transport disadvantaged, is it not?

**Mr WHELAN:** I think it depends on how you define the problem.

**CHAIR:** How do you define the problem?

**Mr WHELAN:** I think the problem is how people are getting to trains in the first place. I will give you an example. During the Armidale consultation a local Aboriginal elder said to me, "Please take a message back to the Minister that we should not lose our train, because we as Aboriginal people are transport disadvantaged." I asked the gentleman how he and members of his community were getting to the train. In some circumstances, they were walking for two, three and four hours. The point I am making is that for many people the transport disadvantage starts well and truly before there is any consideration of the future of the train.

I make also a point about the sort of expenditure associated with maintaining that line. For comparison, the three local community transport organisations in the area—and they are good organisations—run on about \$1.2 million or \$1.3 million annually and they service about 4,500 people. It is a service that they want to expand, and hopefully we will be able to find additional resources so they can do that. When you think about the revenue that is sustaining their organisations, and the revenue that is used to sustain that train line to service what I believe is about 180 people a day, I think it puts this issue into perspective.

One of the things that I am worried about is the capacity for people to get to the train station. If you are talking about transport disadvantage, you are really talking about different categories of people: people in isolated communities, people with frailty associated with age and people who have disabilities as well. Many of these people literally cannot get to the front door. That is why community transport provided by these organisations is so important because it can be door to door. That is why the taxi industry is important as well, assuming that it can be afforded, because it is door to door. There is cause for optimism in that the area actually has a fairly high proportion of wheelchair accessible taxis in the Northern Rivers. I am just making the point that in terms of the transport disadvantage I think you need to look very closely at what people's true disadvantages are. One of the results of this decision is that State Rail is providing recurrent funding of \$500,000 to the community transport task in the area. If that funding were to flow through directly to the organisations that constitutes about 33 per cent increase in their funding, which is needed.

**CHAIR:** From a very low base historically.

**Mr WHELAN:** From a low base historically, yes. If I could explain the way these organisations are funded, would that be used for?

**CHAIR:** Yes.

**Mr WHELAN:** The bulk of funding for community transport organisations comes from the Home and Community Care Program [HACC]. Members of the Committee would be aware that it is a 60-40 Federal Government State Government split. It is essentially the backbone of the community transport industry. It is between \$25 million and about \$30 million and the industry is somewhere between \$40 million and \$50 million in terms of funding. The issue with the Home and Community Care funding, as valuable as it is, is that it is used to transport Home and Community Care clients. What that means is that there is a well of people out there who are transport disadvantaged who are not eligible to use assets funded through this stream of funding. This would be funding that the Clarence organisation—Tweed, Byron, Ballina—and also Northern Rivers community transport organisations have. The bulk of their funding comes from the HACC funding model.

**The Hon. CATHERINE CUSACK:** What sort of people are you saying are being excluded?

**Mr WHELAN:** There are many people who would not be HACC eligible clients, people in retirement villages with disabilities who are not HACC eligible. They are not excluded, but the way that funding guidelines are these people may need to pay fees at the rate of full cost recovery. Their fare may well be significantly higher. If the full cost recovery is defined by the organisation as 90¢ per kilometre and it is 100 kilometres, it is an expensive fare. The picture I am painting in terms of community transport funding is that there is a myriad of different funding programs: the Community Transport Program, the HACC-funded program, some funding that New South Wales Health and the area health service provide as well. There are many different funding programs, many of which have eligibility criteria with them. One of the tasks of my division is to find a way to free the capacity within these community transport organisations such that we do not have excess capacity on community transport buses.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Is this part of that review of IPTAS that came out of the NCOSS paper on the subject?

**Mr WHELAN:** It is relevant. What we are doing as a division is reviewing each of these funding programs. Mr Unsworth recommended in his report that fertile ground is the pooling of funds locally. That may well be fairly fertile ground, but the problem we have is that government departments are concerned about cross-subsidisation, about the idea that a HACC-funded bus could be used to transport non-HACC eligible people at the expense of HACC eligible people. We need to find a way through that. I think the solution lies in pooling some funds and try the pooling of those funds in a certain area. That is something the community transport organisations are certainly supporting.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Presumably, your job is transport co-ordination for the perceived need of lack of co-ordination in that NCOSS study. Could that be said to be right?

**Mr WHELAN:** I think that is a fair description of the task. Part of my task is to make sure that we have improved co-ordination across the different funding streams that we have because there are a myriad of funding programs that currently exist.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Is your other function to minimise community resistance to the removal of rail services, since transport is removing rail services and you are now trying to co-ordinate community transport? Forgive me for asking if the two were linked in your brief.

**Mr WHELAN:** No, that is not my brief at all. My brief is to improve the provision of community transport. What I do see arising from this is the fact that the local community transport organisations are now going to receive additional funding.

**The Hon. CATHERINE CUSACK:** What funding are you referring to?

**Mr WHELAN:** It was referred to in the Minister's press release that was announced in the decision in relation to the Casino to Murwillumbah line.

**The Hon. CATHERINE CUSACK:** Can you tell me how much funding that is?

**Mr WHELAN:** \$500,000 recurrent funding is being provided to my division and for the purposes of allocation to community transport tasks in this area.

**The Hon. CATHERINE CUSACK:** Given that it is a 60-40 funding split, does that then attract \$600,000 from the Commonwealth?

**Mr WHELAN:** No, it does not. As I say, there are a myriad of different funding programs. The Home and Community Care funding program is a program subject to the 60-40 split. What I would like to do in relation to this funding is place it into the Community Transport Program, which is a separate funding pool that is auspiced by the Ministry of Transport that does not have a restrictive criteria. What that would mean then is that if that funding were to flow through to these organisations there would be no eligibility criteria associated with it. These organisations could use the funding locally as they saw fit.

**The Hon. CATHERINE CUSACK:** This \$500,000 is HA CC money, is that right?

**Mr WHELAN:** No, it is not.

**The Hon. CATHERINE CUSACK:** It is over and above the HACC funding that they receive?

**Mr WHELAN:** Yes, it is.

**The Hon. CATHERINE CUSACK:** Understood.

**Mr WHELAN:** I could give you a breakdown of the figures, if you like.

**The Hon. CATHERINE CUSACK:** And that is as a direct result of the closure of the XPT service?

**Mr WHELAN:** In the Minister's press release there was an announcement that there would be \$500,000 provided on a recurrent basis to the community transport organisations, and that funding is being provided by State Rail.

**Ms SYLVIA HALE:** This is purely for the Northern Rivers region?

**Mr WHELAN:** Yes, it is.

**The Hon. CATHERINE CUSACK:** In other words if the train was still running they would not get that money?

**Mr WHELAN:** I do not know the answer to that question because their funding pools are assessed each year. What I can say is that funding has been made available to these organisations arising from this decision.

**Ms SYLVIA HALE:** You say there are three organisations and the \$500,000 will be split between those three organisations?

**Mr WHELAN:** Let me rephrase that. Funding has been made available to the community transport task. What I will need to do, and I am employing a transport co-ordinator in the area out of funding I had already secured—separate again—is sit down with the community transport groups in the area and work out the best way to spend this funding. There may well be different things that we can do.

**Ms SYLVIA HALE:** Yesterday we received evidence that, for example, the Tweed, Byron and Ballina community transport service had a client list of approximately 1,500. In the immediate aftermath of the closure of the train service they had to cease taking more clients. There are at least 200 people whose needs they have been unable to meet. These are people who fall into the categories that are officially defined as needing community transport, namely, the frail and the disabled. But the manager of that service in giving evidence was particularly concerned for the people who are now going to be disadvantaged who are not eligible for any assistance, namely, the unemployed. She made the point that there is a significantly higher representation of unemployed people in the region and there is expected to be a major expiration of the number of people over the age of 65. She said that these people in particular have been left uncatered for. Will these added funds to see the community services expanding their role to cater for these unemployed people who need to be able to get to jobs?

**Mr WHELAN:** Part of that task may well be for these organisations, but part of the task is making sure that people who have been adversely affected by the decision to remove the train line lies with the CountryLink replacement bus services, with the community transport organisations and also with any other contracts that CountryLink may well write. They may well contract out a local taxi company at a contract rate to make sure there are wheelchair accessible taxi services. I do not know what they are doing in that regard. But the answer to your question is that this funding will be provided to the organisations, or part of it will be provided to the organisations. The funding in toto will be provided to the community transport task, and we will sit down with them and figure out how they will get the best value for that funding.

**The Hon. CATHERINE CUSACK:** Is part of the salary of the co-ordinator paid for out of the \$500,000?

**Mr WHELAN:** No, it is not.

**The Hon. CATHERINE CUSACK:** What is the salary of that co-ordinator?

**Mr WHELAN:** The salary of the co-ordinator starts at \$68,000. There are on costs associated with the position, which takes the value of the position to about \$100,000. We have also made available, through other Cabinet decision that the Minister secured in February, an additional \$100,000 as project funding such that the additional resources going into this area in the new financial year will be the co-ordinator, the funding that comes with the position: salary, on costs, then the \$100,000. In addition the money that has now been made available by State Rail.

**The Hon. CATHERINE CUSACK:** That \$500,000?

**Mr WHELAN:** Yes.

**The Hon. CATHERINE CUSACK:** That comes out of State Rail budgets and goes into community transport?

**Mr WHELAN:** Yes, it does. Following the decision my director-general wrote to the CEO Vince Graham, and a letter has come back confirming that arrangement.

**The Hon. CATHERINE CUSACK:** If the train were suddenly to rise like a Phoenix and operate the \$500,000 would be turned back? It is conditional on the train not running, is that so?

**Mr WHELAN:** No, I do not think that is necessarily the case.

**The Hon. CATHERINE CUSACK:** Why would State Rail provide funding for community transport? I see the functions as two completely different things. Why would you take money out of a long distance transport system and put it into community transport, filling gaps is the terminology that is used, for people who are HACC eligible? They are completely different programs. Why would State Rail, with all its funding demands, tip money into community transport?

**Mr WHELAN:** I do not think that is right. At the end of the day it is transport, which is the point I have been making. The community transport task can be provided for by multiple providers. I note some comments that were made recently in the upper House that community transport could fill all the gaps and take work off the private operators. I have a different view. It is the private operators who can start performing some community transport, depending on how you define that. To answer your question, it is a transport task. What we need to try and do in general terms is slightly reorient the community transport sector to require community transport operators to assist people with high levels of need, get private operators to run a strategic route services with their door-to-door flexi bus arrangements that have worked well in Western Sydney through the Baxter's bus company. What was actually put in the upper House I have almost an opposite view to that.

**The Hon. CATHERINE CUSACK:** It is just that it is rail money going into community transport as if the two are interchangeable in some way.

**Mr WHELAN:** I do not think it is right to say that they are interchangeable. They are providing a transport task. One of the things the Unsworth report says is that we need to develop these networks. The value that the community transport operators will get out of having that funding is massive.

**The Hon. CATHERINE CUSACK:** The three groups that are operating at the moment are really in an unsure position in terms of the future, if you are looking at exposing them to competition from other operators?

**Mr WHELAN:** No, what we need to do is close competition between those providers and there is a reason for that. If you have the community transport operator on the same route providing the same style of service to, say, Kirklands or another of the private bus operators what you in fact get is the taxpayer paying for the same service twice.

**The Hon. CATHERINE CUSACK:** But one is for a HACC client and one is for a non-HACC client?



**Mr WHELAN:** But that depends on the nature of the service. What we need to do is try to make sure that there are not duplications of services whereby we are paying for the same service twice. Meanwhile there is someone out there locally who cannot access any transport at all. The key thing is aligning the local providers with what they are good at. Community transport operators can provide that more specialist level of service.

**The Hon. CATHERINE CUSACK:** Can I try to reconcile all of that with the future of the rail infrastructure in the region from Murwillumbah to Casino? What role does that have to play in what you have just described to us?

**Mr WHELAN:** I am not sure I follow that question.

**The Hon. CATHERINE CUSACK:** You are chairing the working party that is deciding the future of that infrastructure and I am trying to relate that to what your role is in the Northern Rivers?

**Mr WHELAN:** The division that I am heading has a dual role: it looks at specific projects from place to place and also at transport for people with transport disadvantages. So I suppose it is in that former context that I would be chairing this working group, and it is a working group that is going to be providing advice on options for the preservation of that rail corridor.

**CHAIR:** Would it have the power to recommend that the service be recommenced?

**Mr WHELAN:** In terms of what powers it has, it will be a group that, hopefully through some consensus, will make a series of recommendations and there will be recommendations that are made to the Minister, and ultimately the decision will lie with the Minister and then in his discussions with Treasury and State Rail and others. But I see it as being a working group that would have the power to provide advice in any way that it is seen as being reasonable.

**CHAIR:** You are in the process, as you said, of recruiting the co-ordinators. Can you give us an update on a timetable by which you expect to be completed, and in particular, when the Northern Rivers co-ordinator would be appointed?

**Mr WHELAN:** The interviews for the Northern Rivers co-ordinator were held last week. It will be a position based out of Lismore. We will be advising the successful applicant within a week. We are hopeful that the applicant will be in place as early in the new financial year as possible—1 July, if possible—depending on their current work, and we will then be bringing these co-ordinators to Sydney for a training program in the fourth week of July, after which point they will commence work or they will continue work, because they may have already started in their local areas. So the transport co-ordinator should be in place certainly in July in Lismore. We have conducted interviews for 11 such positions across the State in the last three to four weeks.

**CHAIR:** Do you envisage that the person who is appointed to the Northern Rivers post would have a greater workload than in other places because of the cancellation of the service?

**Mr WHELAN:** I do not envisage that. Each place is very different; the challenges are very different from place to place. I am optimistic, as I have mentioned, about community transport on the North Coast because a lot of work has already been done there and because their asset base seems a little stronger. The community transport organisations have 10 minibuses; they have a fairly high proportion of wheelchair accessible taxis; I believe they have 23 wheelchair accessible taxis servicing that area, that is about 20 per cent of the total wheelchair accessible taxi fleet across regional New South Wales; and they also have a very energetic and enthusiastic community, such that I see the process of employing this co-ordinator really being one of the Ministry of Transport lending its, if you like, contractual authority to the local processes such that we will be able to sit down with Kirklands, and with the other bus operators, and say, "Look, we need to develop a more integrated approach with community transport, with the availability of taxis, et cetera, et cetera".

So I think there is actually cause for optimism in terms of the community transport task in that area with the following caveat: I am not sure that anyone can accurately identify the extent of the community transport demand. I think it is a fairly latent demand and I think one of the first things we need to do is start to profile the demand in these areas, in particular the demand in relation to health-related transport and discharge policies; how we align doctors appointments for people from remote locations with the availability of transport. All these sorts of issues we need to flesh out as we go. So whilst I am optimistic, I think we are going to learn more about the demand and I suspect that the demand for these services is going to be huge.

**The Hon. CATHERINE CUSACK:** Does that demand include people who have a transport disadvantage because they are poor?

**Mr WHELAN:** I think it should.

**The Hon. CATHERINE CUSACK:** So it is way beyond the HACC client group that is being funded? Because I would have always called that public transport—the previous name for it.

**Mr WHELAN:** Let us talk about public transport. Private bus operators provide public transport but they do so in non-commercial contracts on the basis of the School Student Transport Scheme [SSTS] formula.

**The Hon. CATHERINE CUSACK:** I might add that they do a very good job in our region too. Kirklands do an excellent job in our region.

**Mr WHELAN:** I have met with Kirklands and discussed community transport and they are keen to have discussions with the community transport providers to make sure that they are not providing duplicated services. So again, another reason to be optimistic: the local operator there wants to work with community transport; he does not see himself as being a competitor, which is good.

**The Hon. CATHERINE CUSACK:** He was worried because he has just had CountryLink come in and compete with him.

**Ms SYLVIA HALE:** I was about to make the same point, that he is very concerned that CountryLink is charging, for a variety of reasons, far below what he can provide; it is charging less than it costs him to provide that service.

**Mr WHELAN:** Just on that, I believe that at the moment there are discussions going on between the Ministry of Transport, State Rail and Kirklands, and I understand that Kirklands do have some concerns about the extent to which their exclusivity, if it exists, may have been affected by this decision. I understand that is being considered today actually.

**The Hon. CATHERINE CUSACK:** Are you involved in those discussions?

**Mr WHELAN:** No, I am not because I have been in Newcastle.

**The Hon. CATHERINE CUSACK:** I just thought as part of your local project that you are doing for the area that might be relevant.

**Mr WHELAN:** I think it would be relevant because at the end of the day what we have now got up there is an additional provider, a new set of buses in that area. So I think part of the task is to make sure that is integrated with the existing bus operators and with these community transport providers as well. But I would just make this point: these sorts of issues are existing right across the State in terms of there being both duplication and excess capacity. My job is really not to go all over the State and identify each and every problem but to put in place a structure that can assist. That is why I am employing these co-ordinators.

**The Hon. CATHERINE CUSACK:** Can you see that in the Northern Rivers the interesting thing about the clash between the CountryLink service and the Kirklands service is this merge between long haul and commuter on the North Coast because of urbanisation up there, that it has become an increasingly metropolitan-like area? That is why what used to be a CountryLink-type trip from Tweed Heads to, say, Lismore is now a commuter service, because of the population growth up there. I mean, it is a growing population.

**Mr WHELAN:** I do not disagree with any of those things, but the issue at the end of the day is the extent to which the provision of the new CountryLink contract could have affected the existing contractual rights of Kirklands. So I dare say that at the moment they are trying to flesh that out. But as for there being a gentrification of the area, I do not know enough about the area.

**The Hon. CATHERINE CUSACK:** Not gentrification, I mean a build-up in population. Just out of interest, have you ever done Murwillumbah branch line on the rail?

**Mr WHELAN:** No, I have not, but I will certainly be spending a bit of time up there in advance of this working party being constituted.

**The Hon. CATHERINE CUSACK:** Is there any possibility that you could organise for a trip on one of the little trolleys they have to see the railway line?

**Mr WHELAN:** I do not know the answer to that, but I will endeavour to do it. You cannot beat local knowledge; that is precisely why I am employing local co-ordinators.

**The Hon. CATHERINE CUSACK:** The head of RIC has not done the full line, he has gone only to Byron but not on the difficult part up to Murwillumbah. CountryLink has never done it and you have never done it. These are all the people who are making the decisions about its future. We are trying to get a measure of confidence, I suppose. The local community would like to be involved in that decisionmaking so that people who know the line are making the decisions about its future.

**Mr WHELAN:** In terms of making a decision on the train line, that decision does not lie with me. My role is to provide advice to the Minister on the future of that corridor, advice gathered through the working party process. Indeed, I mentioned to the mayor yesterday that I was happy to co-chair the exercise with him. I see my brief as being able to establish fairly plainly for the Minister what local concerns are and doing so in a fairly frank way, as well as presenting what the most realistic options are for the future of that corridor. In terms of decisionmaking, I shall not be making the decision.

**CHAIR:** Is he interested in co-chairing?

**Mr WHELAN:** We had a discussion and at that point the mayor said that he was happy for me to do that. But it was a discussion we had over the telephone. I am happy to revisit it. I am open-minded about that, totally.

**Ms SYLVIA HALE:** I understand that most community transport people need health services more than anything else, yet there is a tendency on the part of the health services up there to concentrate in Lismore at one end and at the Tweed/Southport corridor at the other end. Do you feel now with the loss of the rail link that in fact where you might have had people able to access transport on a relatively independent basis, community transport will now have to cater to them more?

**Mr WHELAN:** I just think there are a lot of factors associated in answering that question. It really depends on why people are going to hospital, the extent of their disability. Again I make the point that my greatest concern is for people who cannot actually get to the train station by nature of their disability or their frailty. By way of background, the Ministry of Transport under direction from Minister Costa, drafted a Cabinet minute, and it was signed off on by four Ministers and passed through the Cabinet and has subsequently been announced. It is the proposal to establish these regional co-ordinators and also a proposal to make sure that the co-ordinator that I am employing is speaking to their colleagues in the local area health service and at the local hospitals. The transport regions that we have designed, and I am happy to provide a map to the Committee, are aligned as closely as we can align them to area health boundaries.

**CHAIR:** The new ones? The ones that are going to be announced in a week or so or the old ones? They are going to change, are they not?

**Mr WHELAN:** Yes. We are trying to align them as closely as we can to human services boundaries. Subsequently, NSW Health has made a decision in relation to its boundaries. The direction of the transport co-ordinators is make sure that we are working closely with health to ensure the adequate provision of transport, in particular at the point of discharge, which is crucial. Some of the examples from Broken Hill when I was there recently were people being picked up by the Flying Doctor services, flown to hospital in Adelaide and having open heart surgery—picked up as a result of trauma, having open heart surgery and then trying to, quite literally, walk four, five and six hours back to where they needed to get to. So the issue of co-ordinating health transport with our own is absolutely crucial. I hope that answers your question.

**The Hon. CATHERINE CUSACK:** This map reflects all the area health services, is that correct?

**Mr WHELAN:** Not all. It is aligned as closely as we could align those boundaries; they are not set in stone. It is aligned as closely as we could with human services boundaries. It does take into consideration of

some of the transport corridors, but I have said that in employing these transport co-ordinators I will leave ultimate decisions for the boundaries with them in consultation with local communities. Drawing lines on the map from 227 Elizabeth Street may not be the most productive way to go. So they are flexible and may well need to be revisited depending on how NSW Health area boundaries change it.

**The Hon. CATHERINE CUSACK:** We are only a number of weeks away from those being altered. Why would you not wait until they have decided their boundaries and then work out in which towns you are going to locate these people?

**Mr WHELAN:** By the way, I am not opposed to that suggestion, but by way of background: the decision was made to create these boundaries, align them as closely as we could, and that decision was taken; those boundaries were drawn up prior to the health department announcing that it was revisiting its boundaries. But I am open-minded about it. I am happy to revisit them and I will do so on the basis of advice from the co-ordinators.

**CHAIR:** I do not know that they have announced it, we just know about it.

**The Hon. CATHERINE CUSACK:** They said it will be a budget announcement.

**Ms SYLVIA HALE:** It became very clear, I think from evidence given earlier this afternoon, that neither CountryLink nor RailCorp have any forward planning, as it were, that attempts to identify areas of growth and how to respond to it. So it seems to be turning its back on what everybody else says are going to be major population hotspots in the future. Will you be endeavouring to take into account future growths and future needs and demographic changes?

**Mr WHELAN:** The answer to that is yes. What is interesting about the North Coast in particular is it is a rapidly ageing population. Also, I believe it has the highest rate of zero car ownership across the State. The transport challenges there will be massive. The population up there, based on what the Ministerial Council on Ageing says, half of the people over 65 will have a disability of some sort, ranging from severe to not so severe. If those people are without friends or family and are not eligible for a funding program, then they have a serious transport challenge.

**Ms SYLVIA HALE:** One of the points made in evidence is that many people up there are isolated because either they have moved up there as elderly people to retire or their children, because of the lack of employment opportunities, have had to move south.

**Mr WHELAN:** So the answer to your question is yes. We need to find out where these pockets of severe transport disadvantage are, whether it be as a result of isolation or disability. The challenge then becomes, and I want to be very frank about this, how you fund the provision of services to assist those people. At the moment I am convinced we can make better use of our resources out there, because there are all these funding anomalies and these odd eligibility criteria. I believe we can tap into this excess capacity both in the community transport sector and in the private bus sector to service those needs. The question you are asking is do we know what those needs are. From place to place I believe we need to try to find out more about them. I do not believe we know enough about what the community transport demand is at the moment.

**CHAIR:** When you get our transcript, you will note that the mayor of Byron shire, for example, expressed particular concern about the number of hitchhikers who have started to appear. It is not necessarily just the ageing population; it extends to young people who perhaps cannot get to university at Lismore. That might be an interesting item for you to consider as well.

**Mr WHELAN:** It is certainly something that the new bus operators, or indeed Kirkland, will be considering.

**CHAIR:** We have put some questions on notice. We will make the transcript and the questions on notice available to you. We ask that you respond by 30 June as the deadline. There may be other questions on notice, which will provide to you by Wednesday of next week.

**Mr WHELAN:** Sure, Madam Chair. Thank you for allowing me to appear late in the day. I appreciate that flexibility given I was in the Hunter this morning.

**CHAIR:** Your evidence is much appreciated.

**(The witness withdrew)**

**(The Committee adjourned at 4.35 p.m.)**