

GENERAL PURPOSE STANDING COMMITTEE No. 4

Wednesday 19 November 2008

Examination of proposed expenditure for the portfolio area

TRANSPORT

The Committee met at 2.00 p.m.

MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. Amanda Fazio
The Hon. K. F. Griffin
The Hon. Matthew Mason-Cox

Ms Lee Rhiannon
The Hon. John Robertson
The Hon. R. A. Smith

PRESENT

Ministry of Transport
Mr J. Glasson, *Director General*

RailCorp
Mr R. Mason, *Chief Executive Officer*

State Transit Authority
Mr P. Rowley, *Chief Executive Officer*

Sydney Ferries Corporation
Mr G. Smith, *Chief Executive Officer*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: I declare this hearing for the inquiry into budget estimates 2008-09 open to the public. I thank you gentleman for returning for this supplementary hearing. Today the committee will examine the proposed expenditure for the portfolio of transport. Before we commence I will make comments about some procedural matters. In accordance with the guidelines of the Legislative Council for the broadcasting of proceedings, only committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the committee. The guidelines for the broadcast of proceedings are available on the table by the door.

Any messages from attendees in the public gallery should be delivered through the Chamber or the support staff or the committee clerks. I remind you witnesses that you are free to pass notes and refer directly to your advisers at the table. I remind everyone to turn off their mobile phones. The House has resolved that answers to questions on notice must be provided within 21 days. The transcript of this hearing will be available on the web from tomorrow morning. As you were all sworn at the initial budget estimates you will give evidence today under your previous oath or affirmation.

I declare the proposed expenditure for the portfolio of transport open for examination.

PETER ROWLEY, Chief Executive Officer, State Transit Authority,

JIM GLASSON, Director-General, Ministry of Transport and

GEOFF SMITH, Chief Executive Officer, Sydney Ferries, on former oath examined:

ROB MASON, Chief Executive Officer, RailCorp, on former affirmation and examined:

CHAIR: With respect to the mini-budget and RailCorp fare increases, will you advise the committee what percentage the fare increase has been factored into each year, for example, for 2008-09 \$12 million, 2009-10 \$46 million, 2010-11 \$65 million and 2011-12 \$79 million? What is the percentage of fare increase has been factored into those figures?

Mr GLASSON: My understanding is that the figures in the forward estimates reflect the current draft determination that IPART has published.

CHAIR: The draft determination?

Mr GLASSON: Yes.

CHAIR: Is there another determination due shortly, a final determination?

Mr GLASSON: Yes, they had their final public hearing on Monday this week and they then had to provide the Government with a final determination.

CHAIR: In relation to the School Student Transport Scheme will you advise what body or bodies will be collecting the annual co-payment on behalf of the State Government? How will the co-payment physically be collected?

Mr GLASSON: The answer to that is that the administrative arrangements are still being worked through between the agencies and there is not a final answer at this point of time, as far as I am aware.

CHAIR: What are the options? What might be the way that the co-payment would be collected?

Mr GLASSON: Clearly education and transport would be two most likely agencies.

CHAIR: So it could be perhaps bus operators?

Mr GLASSON: No, I do not believe it will be the bus operators.

CHAIR: Would it be the schools?

Mr GLASSON: Possibly.

CHAIR: Have there been any discussions with the Department of Education and Training on using schools as the collectors of the co-payment?

Mr GLASSON: There are ongoing discussions about what the options might be for the collection. There has been no decision at this point.

CHAIR: Has the Department of Education and Training been involved in those discussions?

Mr GLASSON: Absolutely.

CHAIR: When might those decisions come to a resolution?

Mr GLASSON: I could not tell you but clearly they are matters for the Ministers to agree once those discussions have come to some conclusions.

CHAIR: Do the discussions take into account say, if schools were to collect the co-payment, how would they deal with that administratively in terms of staffing arrangements? How would they have the resources to collect the co-payment? Would they have to be bolstered in terms of their administrative support?

Mr GLASSON: That is something that the Department of Education and Training would need to respond to.

CHAIR: From the sound of it, it looks like the Department of Education and Training is the body that will be responsible?

Mr GLASSON: No, that is not the case. There is no final decision. Clearly it is a complex thing administratively and a range of options will need to be worked through and the Government will make a decision and make an announcement.

CHAIR: If it is not the bus operators what other options, apart from schools, are being considered?

Mr GLASSON: I do not think it is appropriate for me to tell you what is under consideration. We provide that advice to the Ministers. That situation is fluid. At the moment we are meeting quite regularly to discuss these matters. Right now anything is speculation. The Ministers will have to make a decision, given the range of options that have been put in front of them.

CHAIR: I understand that there will be some provision for families suffering hardship?

Mr GLASSON: That is my understanding.

CHAIR: How will those cases be defined? Who will make that decision?

Mr GLASSON: At this stage my understanding is that it is related to a Commonwealth health card benefit.

The Hon. MATTHEW MASON-COX: Mr Glasson, do the figures in the mini-budget take account of the likely administrative costs associated with the collection of the co-payment?

Mr GLASSON: I could not tell you whether they are net or whether they are gross, but I will come back to you on that.

The Hon. MATTHEW MASON-COX: Perhaps you could elucidate the possible options. The Ministers will receive advice but I would like to know what other options are available. Either you go with the bus operators—and you said no to that, so you have given us that advice—or you go with the schools, which is another consideration. Where else could you go?

Mr GLASSON: Potentially to the Ministry of Transport.

The Hon. MATTHEW MASON-COX: Would officers all over New South Wales be able to obtain that co-payment?

Mr GLASSON: It depends on how this will be done administratively. As I said, once that is decided the Government will make an announcement.

The Hon. MATTHEW MASON-COX: I understand that, but I point out to you that I cannot imagine it occurring in any other way. The schools have to be involved to some extent. Is that not fundamentally obvious?

Mr GLASSON: The schools have to be involved to the extent that there is a database. I do not have a database of students.

The Hon. MATTHEW MASON-COX: Have you considered the implications of cross-border situations such as those that exist in the Australian Capital Territory, in Queensland and in Victoria?

Mr GLASSON: No, I have not.

The Hon. MATTHEW MASON-COX: I suspect that the Australian Capital Territory will not be too happy to give back money if that administration has to deal with the collection of this co-payment.

Mr GLASSON: We have reciprocal cross-border arrangements, which do not necessarily mean that they have to collect that payment on our behalf.

The Hon. MATTHEW MASON-COX: Are you confident that those reciprocal arrangements will deal adequately with this issue?

Mr GLASSON: I am confident that we will be able to come to a sensible arrangement where cross-border issues affect this.

The Hon. MATTHEW MASON-COX: I refer to the Richmond line duplication entry in the mini-budget. Appendix A-10 reads a little strangely. In the first year, that is 2008-09, we are talking about a deferral of the duplication of the Richmond line. As a result of that deferral there appears to be a cost to the budget of \$10 million rather than a saving. Am I reading that correctly?

Mr GLASSON: That is the way it appears.

The Hon. MATTHEW MASON-COX: To what would you attribute that cost, given that the item deals with a deferral of costs?

Mr GLASSON: Just to clarify, that item deals not just with a deferral on the Richmond line; it deals also with a range of other clearway-related projects.

The Hon. MATTHEW MASON COX: That is right, yes.

Mr GLASSON: I expect it is a netted-off amount against some works that are still in progress.

The Hon. MATTHEW MASON-COX: It occurs to me that, if you were to defer a cost, there would be a budget saving rather than a budget cost.

Mr GLASSON: These are costs against a previously published program. This deals with not just things that have been deferred or cancelled; it deals also with the delivery of the balance of things such as the Kingsgrove to Revesby and Cronulla duplication. I am reading it as a net adjustment against previously published forecasts for that basket of projects.

The Hon. MATTHEW MASON-COX: Could you clarify that for the Committee, as it appears rather odd?

Mr GLASSON: Yes.

CHAIR: In clarifying that could you spell out what would be the saving as a result of deferring stage two of the Richmond line duplication?

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

CHAIR: I refer to the statement in the mini-budget relating to country lines. The mini-budget reveals that five minor country regional network services will be suspended. Can you identify those services?

Mr GLASSON: Those lines?

CHAIR: Yes.

Mr GLASSON: Let me explain the context in which this occurred and I will then be happy to answer your question. Currently, four of the 15 branch lines have been suspended. That has been the case for some time. This mini-budget refers to the suspension or de-commissioning of five more. Those that have been specifically mentioned are Ungarie to Lake Cargelligo, Nevertire to Warren, Cowra to Koorawatha, Koorawatha to

Demondrille and Koorawatha to Greenethorpe. The Government said that although those are the lines that are currently earmarked it has not made a final decision.

At the moment two processes are running. The first relates to the Commonwealth-New South Wales grain task force, which the Commonwealth established, which is proceeding to consult with industry and others on the future of the branch line work. The second is the expression of interest that the Ministry of Transport is running relating to parties who might be interested in taking over and operating branch line locomotives and wagons. Those two processes are running concurrently. The Government indicated that it wants some cost savings but we are cognisant of the outcomes of those two processes relating to industry and to others giving preference to certain lines remaining open.

The Hon. MATTHEW MASON-COX: What savings would be achieved as a result of suspending these five minor country regional network services, moving management services into a competitive process, and merging the agency with RailCorp? What savings would be achieved? I note that you subsumed those savings in the cost of maintaining the network as a whole. Could you separate out those figures?

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

The Hon. MATTHEW MASON-COX: That would be good. When you refer to maintaining the network are you talking about the whole country regional network and not just the grain lines?

Mr GLASSON: No, it is the country regional network other than the defined interstate network that the Australian Rail Transport Corporation is managing.

CHAIR: I refer to the suspension of those rail lines and ask: In practical terms, what does the word "suspension" mean? Have they been cancelled?

Mr GLASSON: Suspension means that no further maintenance will be carried out on those lines.

CHAIR: None at all?

Mr GLASSON: None at all.

CHAIR: Will they just lie there and eventually fall to bits?

Mr GLASSON: Effectively, yes, unless at some point a business case is made out to reopen them.

CHAIR: The mini-budget refers to RailCorp and to bussing costs. What does the \$3 million cost savings relating to the maintenance of bussing costs involve?

Mr MASON: This is to do with weekend closures, primarily on the CityRail network. Traditionally we would have run alternative bus services to replace the trains. We believe that by getting a tighter customer requirement specification we can save a percentage of the total costs of bussing customers around the network due to weekend closures. It is an efficiency saving optimising the bus service.

CHAIR: Has it been a long-standing practice to use buses in that way?

Mr MASON: For the four years that I have held this position we have been bussing customers while doing weekend capital or maintenance works.

CHAIR: Are you aware how many years that has applied?

Mr MASON: I am not aware, having only been here for four years, but it would be a traditional way of railways supplementing closed railways over weekends. It would be a standard practice.

CHAIR: Why has it taken up until now to ascertain that that would be a good way to save some money?

Mr MASON: We have reviewed the contracts for the metropolitan area over the last couple of years and we have tried to minimise the cost to taxpayers by becoming more efficient by having contracts, having

better specifications, and these are just ongoing improvements of roughly 10 per cent in the total cost of weekend bussing.

CHAIR: With respect to articulated buses, known as bendy buses, the Government has announced that these will be expedited. Can you tell us specifically how many of these will be delivered in each of the years 2009-10, 2010-11 and 2011-12?

Mr ROWLEY: We are still going through the tender process at the moment, however, we have spoken to the tenderers and they have indicated that they will be able to meet a schedule of 50 in 2009-10 and 100 in 2010-11.

CHAIR: We do not know about 2011-12 as yet?

Mr ROWLEY: That is the 150.

CHAIR: In relation to the 300 additional buses, which have been announced, has the order for those buses been formally placed?

Mr GLASSON: No, it has not. We had a briefing of the operators, the chassis suppliers and the coachbuilders a little over a week ago. We are currently going through a process of allocation of those buses and once we have done that we will be giving advice to the Minister and then we will be authorising purchase.

CHAIR: Do you have an idea of how long that might take?

Mr GLASSON: I would not want to say right now, but we are certainly working on it as a priority because we want to get those buses ordered and on the road as quickly as possible.

CHAIR: Can you advise the Committee of the total project cost for those buses?

Mr GLASSON: The capital costs for the buses are in the mini-budget, but there are operational costs associated with those buses that I believe are somewhere else in the mini-budget. I would need to take on notice the precise annual operating costs, but they were allocated under our standard contracts, which include the capital and the operating costs.

CHAIR: What is the ballpark date for when you expect to see them on the road?

Mr GLASSON: I would not want to give you one today because there are a range of issues that we are working through and all I can say is that we will be doing it as quickly as we can.

CHAIR: Can you tell us how much each bus costs?

Mr GLASSON: It will depend on the negotiated price and whether some of them end up being 14.5 metre buses versus standard buses—around \$425,000 to \$450,000 per bus, or of that order.

Mr ROWLEY: It is roughly what a normal rigid bus costs.

CHAIR: In terms of splitting them up, how many of them are expected to go to private bus companies?

Mr GLASSON: That is yet to be finally determined, but I would think the majority of them will go to private operators.

CHAIR: Obviously that means a smaller proportion will go to the State Transit Authority?

Mr GLASSON: Correct.

CHAIR: This morning we discussed the north-west sector, and 100 of them will be allocated to that sector. We understand that 50 others have been specified for particular areas. That leaves 150 without a specific destination as yet. Are you able to assist us with that?

Mr GLASSON: No, we are working through a process. We are doing our estimates of where they should be prioritised and we have asked the bus operators to come back with their estimates, and then we will compare those and make a recommendation to the Minister on the final allocation.

CHAIR: So they are bus companies' estimates as to where the need is?

Mr GLASSON: Yes, we have done our estimates on growth and need and we have asked them to come back with their estimates, and then we will work through a process of aligning our internal estimates and their estimates.

The Hon. MATTHEW MASON-COX: One of my favourites is the entry under RailCorp, "Manage all non-operational property on a commercial basis", with a saving of \$17 million over three financial years. How are they being managed at the moment if not on a commercial basis?

Mr MASON: Currently we have a number of operational properties, which would include stations and maintenance depots and facilities such as those, and non-operational properties as well. We have gone to the marketplace and we have market tested the leases for such things as non-operational property, but this strategy is having a landlord concept whereby one group alone deals with non-operational properties and we get a more commercial outcome by amalgamating the management structure and the best deal for the taxpayer by having a more structured approach to property. It is just an improvement we see, where it is not possible within our own structure, for non-operational property.

The Hon. MATTHEW MASON-COX: So this is a new approach that is being implemented?

Mr MASON: It is a consolidation of an existing disparate approach.

The Hon. MATTHEW MASON-COX: Is there any reason why it has taken so long to identify this as a potential area where you could make savings?

Mr MASON: It is part of a continuous improvement. One is always looking to improve. Property is a very difficult thing to manage and there are some very small lots, which commercially are not necessarily going to bring us great return.

The Hon. MATTHEW MASON-COX: Can you give us a few examples?

Mr MASON: If I could take that on notice I could give you a response.

The Hon. MATTHEW MASON-COX: Yes, giving us a few examples of what you will be doing, what some of the properties are, where they are located and what you expect to derive so far as dealing with them on a commercial basis would be useful?

Mr MASON: Certainly.

Ms LEE RHIANNON: Mr Glasson, how much was paid into the special deposits account called the Public Transport Facilities Fund in the financial year 2007-08?

Mr GLASSON: Can I take that on notice? I do not have that figure to hand.

Ms LEE RHIANNON: I want to know how much was paid out of the fund in that year. Do you need to take that on notice?

Mr GLASSON: I am happy to do that.

Ms LEE RHIANNON: This is not about a figure, it is about using the fund: How did that expenditure meet the stated aim of the parking space levy [PSL] to improve access to public transport?

Mr GLASSON: The PSL funds are allocated against projects and infrastructure that facilitate access to public transport serving the centres from which the PSL funds are collected. That could be interchanges, commuter car parks—it could be a range of facilities that make possible the opportunity for the community to gain better access to public transport.

Ms LEE RHIANNON: Did any of the expenditure of fund moneys not meet the stated aim of PSL to improve access to public transport?

Mr GLASSON: I think the answer to that would be no, but I am happy to take that on notice and clarify and confirm that for you. We go through a detailed process of evaluating things that it is expended against.

Ms LEE RHIANNON: Has any of the parking space levy revenue been spent on railway stations?

Mr GLASSON: It would have been spent on interchanges adjacent to railway stations. I will take that on notice. I would not give you a categorical "No" now, but the criteria for the expenditure of the funds are quite clear.

Ms LEE RHIANNON: In terms of access?

Mr GLASSON: In terms of the Act, and we are careful to spend it in a way that is consistent with the Act.

Ms LEE RHIANNON: Has any money been spent on Parramatta railway station?

Mr GLASSON: Certainly the interchange works at Parramatta were partly funded by parking space levy funds.

Ms LEE RHIANNON: Only the interchange?

Mr GLASSON: Yes, that would be my understanding, but I will clarify that for you.

Ms LEE RHIANNON: Is there currently or has there been any past contention between RailCorp and local councils about the way this parking space levy [PSL] money is spent?

Mr GLASSON: I would think not because the Ministry of Transport and not RailCorp administers that money. But once again I am happy to come back and answer that.

Ms LEE RHIANNON: I was interested to know also if there has been any past contention between RailCorp or any other rail body and local councils about commuter car parks?

Mr GLASSON: I cannot speak on behalf of RailCorp.

Mr MASON: RailCorp is accountable for some of the cleaning of commuter car parks and maintenance of commuter car parks. There are ongoing discussions with many councils about how that is achieved. We have agreed on the way forward in terms of RailCorp being accountable for the State commuter car parks in future for maintenance and cleaning.

Ms LEE RHIANNON: Are you saying there has not been any contention or are you not aware of any contention?

Mr MASON: I am aware of ongoing discussions with councils about a number of car parks.

Ms LEE RHIANNON: So there have been disputes in some places?

Mr MASON: I would not call them disputes. They are discussions about the standard of cleaning and maintenance.

Ms LEE RHIANNON: And about who is responsible?

Mr MASON: Clarifying RailCorp being accountable for cleaning certain places, yes.

Ms LEE RHIANNON: So the only issue of difference between the rail bodies and local councils is about cleaning?

Mr MASON: Cleaning and maintenance are clearly the issues we have been primarily discussing for the purpose of existing car parks, yes.

Ms LEE RHIANNON: In which areas are issues still being resolved?

Mr MASON: We are resolving issues in a number of areas where potential car parks are being built. So, planning a number of car parking spaces. And there are ongoing discussions on maintenance and cleaning in certain areas, but we are coming to a landing on those.

Ms LEE RHIANNON: In what areas of existing car parks are there ongoing discussions?

Mr MASON: The specific councils?

Ms LEE RHIANNON: Yes?

Mr MASON: Penrith is one area where we have been having ongoing discussions, but we are coming to a landing on that.

Ms LEE RHIANNON: Are there any others?

Mr MASON: I would be incorrectly quoting here. I can take it on notice, if you like.

Ms LEE RHIANNON: You will take that on notice?

Mr MASON: Yes.

Ms LEE RHIANNON: For how long have those discussions about maintenance and cleaning been going on regarding Penrith?

Mr MASON: There have been discussions over the last few months at my level to try to get a landing and closure for this. So, we take accountability very clearly.

Ms LEE RHIANNON: So if it has come to your level, it sounds like it has not been possible or it has been difficult to resolve it over a period of time, would that be a correct assumption?

Mr MASON: I think it is correct to say that there has been confusion about who should do what and that is not necessarily saying RailCorp has not done its duty. But there is certainly confusion about who should do what and that is why the future is getting very clearly defined in the new car parking strategy.

Ms LEE RHIANNON: I would like to ask some questions about some line items in the mini-budget again dealing with car parks and interchanges. There are two line items where this matter appears to be covered. I refer to the second and ninth dot points on page A-10. In the second dot point we see the budget is being reduced by \$6 million for this year and \$25 million for the next two years, and this is to provide additional commuter car parks and interchanges. So we see quite a reduction there. Was this money held in or allocated to the Public Transport Facilities Fund?

Mr GLASSON: The negatives are actually positives in these papers. That is an additional \$56 million, not a deletion of \$56 million. These are net figures against previously published budget estimates. So, that is an additional \$56 million at the second dot point for expenditure on commuter car parks and that is money from the Consolidated Fund, not from the parking space levy.

Ms LEE RHIANNON: Could you explain again why it has a negative sign beside it?

Mr GLASSON: Because it is reflecting a netted adjustment against previously published costs. As against the previous budget—

Ms LEE RHIANNON: You are saying it has gone up from the previous budget?

Mr GLASSON: Yes. It is new money.

Ms LEE RHIANNON: It is new money?

Mr GLASSON: Yes. It is an additional \$56 million over that period for expenditure on commuter car parks.

Ms LEE RHIANNON: Does that mean that where there is not a negative side, like the line item I am about to refer to, that money has actually been removed? If there is a negative sign, we go in the other direction? Perhaps if we go to point nine so that I can clarify how it is set out, are you are saying that the increased parking space levy for the CBD, North Sydney/Milson's Point is in fact an additional \$58 million for each year over three years?

Mr GLASSON: That is additional—

Ms LEE RHIANNON: Not additional; I mean a reduction—

Mr GLASSON: No, sorry.

Ms LEE RHIANNON: —because there is no negative sign?

Mr GLASSON: No, that is additional.

Ms LEE RHIANNON: So how can—

Mr GLASSON: It is additional revenue.

Ms LEE RHIANNON: So that is additional revenue and the one with the minus—

Mr GLASSON: It is revenue coming in and the other is expenditure going out.

Ms LEE RHIANNON: I think I understand. I will try. Going back to that line item, which I now understand is an additional \$56 million over three years—

Mr GLASSON: Yes.

Ms LEE RHIANNON: —was this money held in or allocated to the Public Transport Facilities Fund account?

Mr GLASSON: No, this is new money.

Ms LEE RHIANNON: That is new money?

Mr GLASSON: Correct.

Ms LEE RHIANNON: I thought it was new money when there was no negative sign in front of it?

Mr GLASSON: This is additional expenditure, which is at some point by Treasury netted off against previously published estimates. So, that is additional new expenditure at dot point two. At dot point nine that is additional new revenue coming into the budget.

Ms LEE RHIANNON: Referring to that ninth point, will that \$58 million in each year over three years be paid into the Public Transport Facilities Fund account?

Mr GLASSON: Yes it will. It has to be spent in accordance with that legislation.

Ms LEE RHIANNON: To deliver access?

Mr GLASSON: Yes.

Ms LEE RHIANNON: Within that issue of access for that \$58 million do you have any priority areas you would be targeting like bus shelters, taxi stands, bicycle parking and all these things?

Mr GLASSON: At this point in time we do not have a detailed forward program for that expenditure. The income commences from 1 July next year. It is not in the current financial year, the estimates.

Ms LEE RHIANNON: So how that money is divided is determined next year before 1 July?

Mr GLASSON: That will be determined in the next few months.

CHAIR: With respect to outer suburban carriages in the mini-budget, are those 80 carriages in addition to the 122 already promised by the Government?

Mr MASON: Yes. We currently have 122 carriages to the outer suburban cars. We have 23 four-car trains delivered already. So, that is 88 cars of the first 122 delivered and there is \$370 million of extra funding to buy a number, hopefully 80 additional cars. So that is an additional 80 cars and stabling.

CHAIR: Is that \$370 million the total cost of that project?

Mr MASON: That is the total cost, we hope. That is the cap of the cost of getting additional cars, our project management costs and a percentage of the extra stabling costs associated with extra cars.

CHAIR: When do you expect that all of the 80 outer suburban carriages will be fully up and running on the network?

Mr MASON: We have not concluded the contract yet, so the contract negotiations are ongoing at the moment. We are aiming for the first one to be delivered into service by the end of 2010.

CHAIR: Do they come on progressively or do most of them come on at the same time?

Mr MASON: They will be progressively introduced. As I said, the contract has not been signed yet so we cannot actually confirm the full schedule but we are talking to the supplier about 2010 for the first four-car train. Traditionally they come on line at the rate of about one four-car train every month.

CHAIR: With respect to the Ministry of Transport and the Auditor-General's Report, Financial Audits Volume Four, 2008 and the matter of the rail fleet replacement, can you advise the Committee what your response is to the Auditor-General's remark that the existing rolling stock acquisition replacement program is insufficient to deliver the required capacity?

Mr MASON: What is known as the A-Sets—the public private partnership [PPP] trains—contract was signed in 2006. At that stage passenger growth on the network was projected at just over 1 per cent. Over the last two years we have been hitting a more than 5 percent increase in patronage. That is probably a result of CBD employment, improved reliability and fuel costs. Those are the reasons we have grown at 5 per cent. Melbourne has grown at probably 10 per cent and Brisbane is about the same sort of figure. When that fleet of 626 additional cars was ordered it was with a background of 1 per cent growth. I think the report is reflecting that we have grown about 10 per cent in two years since then, and we will need to order some more cars.

CHAIR: What is your response to the Auditor-General's comments that RailCorp's fleet performance is three times worse than the international benchmark average?

Mr MASON: I am not happy about it. Some of our fleet is very old; some of it is approaching 30 years and will be retired when the new A-Sets come on board. One-third of incidents on the railways, about 30 percent of incidents that cause delays, are caused by train failures. That is not good enough by international standards and not good enough for Sydney.

CHAIR: What is being done to address that and improve the performance?

Mr MASON: There is an ongoing piece of work that the Minister and the Premier announced a couple of months ago whereby there is an independent assessment of what rail maintenance job classifications and technical maintenance plans should be. That is a seven-week program for which the report will be produced

very soon. That will then go to the maintenance staff for agreement or non-agreement to implement the changes. The Premier has said that improvements in railway maintenance performance have to be seen by 31 March.

CHAIR: So improvements actually have to be up and running by 31 March?

Mr MASON: He said he wants to see improvements by then, I believe, but I would have to reflect exactly what he said in his statement.

CHAIR: That requires some pretty fast action, does it not?

Mr MASON: It does. There is a seven-week program to get to an agreement and then implement it and start training by 31 March/1 April. We must start training our staff by then.

CHAIR: Are you in negotiations with the unions on that?

Mr MASON: That is correct.

CHAIR: I think that report on which the Auditor-General was commenting recommended that outsourcing should be considered if full implementation of the recommendations cannot be agreed within a particular time frame. Is that also on the agenda?

Mr MASON: Certainly the Premier and the Minister have stated that improvements need to be seen by the end of March/beginning of April 2009 otherwise alternative strategies will be considered.

The Hon. MATTHEW MASON-COX: I have a question about the payouts for RailCorp's workers. Why did they receive such a large payout when compared to other New South Wales public service redundancy programs? Can you explain that to me?

Mr MASON: I need to take on notice the precise details. This was an agreement between RailCorp and the Government some months ago.

The Hon. MATTHEW MASON-COX: It is mentioned in the Auditor-General's report and it notes that an employee with 25 years' service is entitled to double the existing public sector voluntary redundancy entitlement if they become redundant with RailCorp. That seems like a very generous entitlement, does it not?

Mr MASON: I will take on notice the precise details as to what the package is. I do not have the precise details here.

The Hon. MATTHEW MASON-COX: The Auditor-General refers to this as being part of the industry restructuring that was put in place at the time of RailCorp's formation to assist employees to accept voluntary redundancy. How long has it been in place now?

Mr MASON: New South Wales RailCorp was incorporated in 2004 so the ongoing Rail Infrastructure Corporation/State Rail/RailCorp restructuring has been happening since then, but this package is more recent than that so I would like to come back on notice with the precise details of the package.

The Hon. MATTHEW MASON-COX: When it was actually put in place, the rationale for it, given that the restructuring has been ongoing since 2004, the implications of the latest round of decorporatisation so far as RailCorp is concerned, and the implications of that in relation to the redundancy package deal that has been struck.

Mr MASON: Certainly.

The Hon. MATTHEW MASON-COX: I refer now to integrated ticketing. We were wondering why there was not any mention of integrated ticketing in the mini-budget. Can you explain why that is the case?

Mr GLASSON: As I understand it, because there is no change in terms of the project. It is ongoing and there was no change from the previous budget.

The Hon. MATTHEW MASON-COX: So it continues on as reflected in the original budget estimates?

Mr GLASSON: Correct.

The Hon. MATTHEW MASON-COX: What sort of response did you get to the expression of interest process for the integrated ticketing project?

Mr GLASSON: There was a strong response. I could not give you the details of the precise numbers but there was a strong response to that process.

The Hon. MATTHEW MASON-COX: Would you provide us with the number of people who responded?

Mr GLASSON: Yes, provided that is in accordance with the normal tender guidelines.

The Hon. MATTHEW MASON-COX: Just exactly where are we up to in the process now?

Mr GLASSON: There is now the evaluation process proceeding from that expression of interest.

The Hon. MATTHEW MASON-COX: What is the next timetable item? We go through an expression of interest process and evaluation and then you make a decision. Where are we in the timetable for finishing and having an agreed tender?

Mr GLASSON: I do not have those dates with me but I am happy to provide them.

The Hon. MATTHEW MASON-COX: Could you give us a timetable of key events?

Mr GLASSON: Sure.

The Hon. MATTHEW MASON-COX: Could you confirm how much has been set aside for the project as a whole?

Mr GLASSON: I do not have the previous estimates but I am happy to provide that.

The Hon. MATTHEW MASON-COX: Mr Glasson, could you also provide how much will be spent for each year of the project as well the term of the contract that will be negotiated with the successful bidder and also confirm that integrated ticketing, the Holy Grail, will be available to the public?

Mr GLASSON: To the extent that that is possible. Certainly the terms and the delivery schedule cannot be known until such time as there is a contract in place and that has been negotiated. I am happy to provide an indicative time line.

The Hon. MATTHEW MASON-COX: What is the status of the commuter ombudsman now that RailCorp has been decorporatised?

Mr GLASSON: Can we take that on notice, please? I would need to clarify exactly what that status is right now.

CHAIR: Yes, that is fine. In relation to rail and the CBD mini-metro project, can you advise of any feasibility studies that have been undertaken for this project, when they were undertaken, and what the outcome was?

Mr GLASSON: For the CBD?

CHAIR: The CBD Metro.

Mr GLASSON: That work has been done within the metro's project team, which has been working on the North West Metro and also the CBD Metro.

CHAIR: Would you be able to find out from the team what feasibility studies have been done and when they were done?

Mr GLASSON: Sure.

CHAIR: And what the outcome was?

Mr GLASSON: To the extent that that is available, yes. This information and this work has been provided to Cabinet. To the extent that it is available rather than Cabinet in confidence, I am happy to take that on notice.

CHAIR: Do you know if an environmental impact study [EIS] is part of the work that the team has done to date?

Mr GLASSON: No. That would come subsequently, as part of the planning approvals.

CHAIR: Would the project team have consulted any outside experts on the project at this stage?

Mr GLASSON: Certainly the project team has outside experts under contract to them in a range of fields, including a shadow operator and financial advisers.

CHAIR: Would it be possible for the Committee to be advised of what reports they have put into the team as to the project? We would like to know how much their reports cost, if you outsourced them for some expert advice.

Mr GLASSON: I think that information has been disclosed previously, but I will certainly get it for you.

CHAIR: Okay. If the Federal Government does not come to the party to fund that project, will the State Government, as far as you are aware, go ahead and fund it in its entirety?

Mr GLASSON: The CBD Metro?

CHAIR: Yes.

Mr GLASSON: That is my understanding.

CHAIR: You expect at this stage that the State Government will fund it without Federal Government additional funding?

Mr GLASSON: That would be my understanding of the CBD. I think the preference clearly is that the Federal Government would put some money towards an extended metro.

CHAIR: What is the timetable envisaged? Just for the record, what is the completion date when it will be up and running for that metro?

Mr GLASSON: I would have to go back to the Premier's press release on that. I will get that for you.

CHAIR: This follows on from a question I asked earlier today. Do you know how many in the team are working specifically on the CBD Metro?

Mr GLASSON: They are doing a combination of things at the moment. They are wrapping up the project definition study on the north-west and working on the CBD. The CBD always formed part of the North West Metro. There was always ongoing work in relation to how that metro from the north-west would integrate into the CBD. It is not possible to divide those people and say that this one is doing this and that one is doing that. They are working on it.

CHAIR: They are working on multiple aspects of the overall metro project.

Mr GLASSON: Correct.

CHAIR: If you cannot split up the work they do for the various metro projects, would you be able to provide the Committee with the weekly costs of the team to the Government?

Mr GLASSON: Yes. I am happy to provide the number of people and the notional costs around it, yes.

CHAIR: That would be appreciated.

The Hon. MATTHEW MASON-COX: In respect of the decision by the Minister to change the Government's strategy to single deck carriages from double deck carriages, I just wondered on what advice the Minister made that decision, as recorded in the *Sydney Morning Herald*?

Mr MASON: There have been a number of studies undertaken in RailCorp. The one that started the debate about single decks would have been when we ordered the PPP trains. Back in 2006 there was a single deck bid and also a double deck bid. At that stage, when growth was not so high, the decision was made to go PPP6 and there were 26 double deck cars. Since then there has been ongoing growth in the network. Our current capacity, as I said at our last meeting, was that, based on 20 trains per hour, you can probably carry up to 24,000 passengers per hour in the peak hour on double deck trains. The discussions on single deckers have been about whether we can increase the frequency of trains and change the size of trains.

Double deckers would struggle to go over 20 trains an hour, even if the signalling system was capable of doing that, because of the dwell times of the double deck trains. The dwell time is when the train is stationary, wheel stop to wheel start on the platform, while people get on and off the trains. The dwell time was really what was dominating the capacity of the railway. Even if we had a smarter signalling system than we have at the moment, we still would not be able to get more than 20-22 trains per hour.

The Hon. MATTHEW MASON-COX: And what can you get with single deck trains?

Mr MASON: Some railways do up to 40 trains per hour. With a completely new signalling system—clearly that is a long way off for Sydney—certainly the discussion has been about whether you could go to 30 trains per hour.

The Hon. MATTHEW MASON-COX: What would be the capacity of 30 single deck trains compared to 30 double deck trains?

Mr MASON: There would probably be a 50 per cent increase in terms of the number of passengers, and up to 36,000 passengers in peak hour with 30 trains an hour or less. Actually deciding the style of train is still a long way off. It depends on the number of doors and the length of the carriages.

The Hon. MATTHEW MASON-COX: I thought that with double deck, you could probably carry double the people, but it is not as simple as that, is it?

Mr MASON: It certainly is not.

The Hon. MATTHEW MASON-COX: It depends on all those other factors. That is the confirmed strategy—to move to single deck—is it not?

Mr MASON: The concept is being reviewed at the moment. We are contemplating single decks on certain lines. What we call sector 1, Illawarra, would be ideal for something like that, or from Liverpool to Granville and then down to the CBD and across the bridge. They could well be single deck. These are still concepts at this stage, but certainly a move towards single deck is being considered as a way forward to increase the capacity of moving passengers into an out of the city.

The Hon. MATTHEW MASON-COX: How much is a dwell time for a single deck as opposed to a double deck train?

Mr MASON: You can certainly get down to less than a minute, 45 seconds, and 15 seconds increases your headway. It produces the headway between trains. You can get down to 90 seconds headway.

The Hon. MATTHEW MASON-COX: By "headway", do you mean the time between trains?

Mr MASON: Correct.

The Hon. MATTHEW MASON-COX: What is the amount of dwell time of a double deck train at the moment?

Mr MASON: Before we started doing our dwell time management trials at Town Hall and Wynyard, we were up to 90 seconds, but I think we have now managed to control it down to about 60-65 seconds, on average, but we still have a few rogues there. It is significantly reduced.

The Hon. MATTHEW MASON-COX: What is the headway between double deck trains at the moment?

Mr MASON: At 20 trains per hour it is three minutes.

The Hon. MATTHEW MASON-COX: Is that simply related to the dwell time because you are longer at the station and you need more headway?

Mr MASON: That is related to the signalling capacity.

The Hon. MATTHEW MASON-COX: If you were to bring in single deck trains, what is the cost for signalling capacity?

Mr MASON: This is just conceptual at the moment. We already are producing a business case for automatic train protection as far as the Waterfall recommendations are concerned. Automatic train protection provides a safety system. Level one provides a safety system. An overlay of that can produce both capacity improvements in terms of the signalling control system and potentially automatic train operations, which still have a driver but the train is driven according to a speed curve from the computer.

The Hon. MATTHEW MASON-COX: That would envisage or contemplate the single deck trains being driverless. There would not be a driver.

Mr MASON: There would be a driver.

The Hon. MATTHEW MASON-COX: There would? The union would have something to say about that, would it not?

Mr MASON: You could have automatic trains. The first automatic train was built in the 1960s. Currently the driver just presses a button saying that the doors are safely closed, and the train automatically drives off. That reduces the variability in driving technique.

The Hon. MATTHEW MASON-COX: But you still need a driver?

Mr MASON: You could do without a driver, but we are proposing to have automatic train protection and automatic train operation, and I am sure there will still be a driver.

The Hon. MATTHEW MASON-COX: Which would mean that you could dispense with a driver?

Mr MASON: It is a very different system here in Sydney. Many railways run in a metropolitan system without drivers. It is a very different system here.

The Hon. MATTHEW MASON-COX: So you do not think it is possible to run without drivers?

Mr MASON: Anything is possible.

The Hon. MATTHEW MASON-COX: Is that what is envisaged by getting the automatic systems in place, to run without drivers?

Mr MASON: No. The real benefit from automatic systems is the variability of individual driving techniques between drivers is minimised. So you get very consistent speed curve acceleration, deceleration, coming into the platform.

The Hon. MATTHEW MASON-COX: How does this strategy to move to single-deck trains sit with the current contract for 626 double-deck carriages?

Mr MASON: As I said, the current concept is that essentially sector one, the Illawarra and the Liverpool up to Granville and across the bridge, the Hornsby area, could be single-deckers; they are well suited to it, getting 30 trains an hour going over the bridge, but the remainder of the network could well stay as double-deckers. The life of a train is 30 years. Even if we ordered single-deckers today it would take seven years for the first one to arrive. We still have got a long time for double-deckers to run on this network.

The Hon. MATTHEW MASON-COX: What is the normal longevity of a double-deck train? What is the normal life of a double-deck train?

Mr MASON: The normal life for a train is of the order of 30 years.

The Hon. MATTHEW MASON-COX: There is no inconsistency though running single-deck or double-deck on a rail? It does not really matter; it is just a case of how you want to schedule them?

Mr MASON: You would want to keep them as separate as possible; so individual lines have individual types of rolling stock, being more consistent in terms of the acceleration and deceleration, and also track worthiness between two different types of trains.

The Hon. MATTHEW MASON-COX: Reports have suggested that the signalling work alone might cost in the order of \$5 million. Do you have any comment on that?

Mr MASON: The detailed work is still to be done. As I said, it is conceptual. The work we are looking at at the moment is as we replace existing infrastructure can we replace it with a modern generation infrastructure rather than just replacing like for like? So if we come to a conclusion about automatic train protection and automatic train operation, that is built in as we renew existing infrastructure. Therefore, it is a marginal cost—not cheap; it is a marginal cost rather than just completely building it from new. We have to replace certain things as time goes by anyway.

The Hon. MATTHEW MASON-COX: Have you consulted with the workforce in relation to these proposed changes towards automatic systems?

Mr MASON: I do not believe that we have consulted with the workforce. In terms of the operational staff, the signalling staff or the engineers?

The Hon. MATTHEW MASON-COX: The operational staff?

Mr MASON: The operational staff, in terms of we have consulted with them on the new PPP trains, but not in terms of the automation yet because this is just the next generation and we have not come to any decision—there is no decision at all; it is just very conceptual at the moment.

The Hon. MATTHEW MASON-COX: So it is just conceptual; there is no formal plan to introduce single-deck carriages at this point in time?

Mr MASON: There is ongoing work to come to that conclusion.

The Hon. MATTHEW MASON-COX: When do you expect that ongoing work to be completed?

Mr MASON: We are still working it through in terms of getting a plan.

The Hon. MATTHEW MASON-COX: Best guess?

Mr MASON: I would not want to guess in this arena.

The Hon. MATTHEW MASON-COX: Once you work through that option and you are comfortable with it, then you will take it to Cabinet, presumably, to get the Government to endorse that as the operational strategy of RailCorp?

Mr MASON: There are a number of stages to go through before we get to that stage.

The Hon. MATTHEW MASON-COX: Indulge me. What stages do you have to go through?

Mr MASON: I will take that on notice. We have got a lot of work to do.

The Hon. MATTHEW MASON-COX: If you could also take on notice what you would see as the timetable for a typical project of working through that type of program in order to finalise it for presentation to Cabinet for decision, so that we can get an understanding of where this is going and what the likely time line might be?

Mr MASON: I am happy to provide a typical program for a typical builder distance.

The Hon. MATTHEW MASON-COX: And typically how long would that take for a typical program—not this one, but a typical program of similar complexity? Any ideas?

Mr MASON: Even if you order a new train today the first train would arrive seven years later—for a new build of a train.

The Hon. MATTHEW MASON-COX: We might move on to the University of Western Sydney train station. Can you clarify why that was dropped?

Mr GLASSON: That was a decision that the Government made in the context of the mini-budget, as I understand.

The Hon. MATTHEW MASON-COX: Can I perhaps understand the rationale for that decision?

Mr GLASSON: I do not think that is for me to speculate. That is a decision that the Government made.

The Hon. MATTHEW MASON-COX: Was that a decision that was made at an ERC level or was that a savings identified by the actual transport ministry?

Mr GLASSON: There had been some work done and advice to the Minister by Mr Refshauge in relation to that. I think that was stuff that they took into account.

The Hon. MATTHEW MASON-COX: So it emanated as a savings proposal from the Ministry of Transport?

Mr GLASSON: Given the mini-budget process I could not sit here and tell you precisely who put it on the table, but the decision was made in the context of the mini-budget.

The Hon. MATTHEW MASON-COX: I understand that the report that reviewed this matter found, and I am quoting the Minister here, that there were alternative preferred means to achieve improved access for residents in the region. That is your recollection as well? I just wondered what these preferred means were.

Mr GLASSON: My understanding is that it is a significantly improved bus service.

The Hon. MATTHEW MASON-COX: Bus services?

Mr GLASSON: That is my understanding.

The Hon. MATTHEW MASON-COX: We will be a city overrun with buses before long, will we not?

Mr GLASSON: I do not think it is overly congested with buses in Werrington.

The Hon. MATTHEW MASON-COX: Have you been out on a bus lately?

Mr GLASSON: I catch a bus to work nearly every day.

The Hon. MATTHEW MASON-COX: I caught a train to work today. I struggled to get on, but I am not sure I would be up to catching a bus, particularly from the north-west.

Mr GLASSON: I do it virtually every day.

The Hon. MATTHEW MASON-COX: From the north-west?

Mr GLASSON: Yes.

The Hon. MATTHEW MASON-COX: Whereabouts in the north-west?

Mr GLASSON: West Pennant Hills.

The Hon. MATTHEW MASON-COX: Where do you go? What is the route you come in on?

Mr GLASSON: West Pennant Hills, Pennant Hills Road, the M2.

The Hon. MATTHEW MASON-COX: How long does it take you to get to work?

Mr GLASSON: It depends what time I leave.

The Hon. MATTHEW MASON-COX: What time do you leave?

Mr GLASSON: 6.15. The 6.15 is in the city at 7 o'clock.

The Hon. MATTHEW MASON-COX: A pretty good run at 6.15 in the morning?

Mr GLASSON: Plenty of seats.

CHAIR: Mr Glasson, you just mentioned that you could not say where the idea came from because of the mini-budget process. What did you mean by that?

Mr GLASSON: The question was who proposed it as part of the mini-budget process. The mini-budget process is such that there are a range of agencies and people proposing savings. That is the nature of the mini-budget. I could not sit here and tell you under oath as to exactly who may or may not have put that particular item forward.

CHAIR: You just do not know?

Mr GLASSON: No.

CHAIR: Could I ask you some RailCorp questions in relation to staffing issues? Firstly, how many RailCorp employees have car spots? Do you know that?

Mr MASON: I could not answer that one. I will have to take it on notice. Could you clarify, is that the CBD? We have station staff who park alongside the station now in the various suburbs.

CHAIR: In the CBD and at stations.

Mr MASON: At all stations, okay.

CHAIR: RailCorp has recruited in the last 18 months or so 20 middle managers, including some from overseas. Are you able to advise the Committee on the total cost of those 20 who have been added to the middle management layer?

Mr MASON: I could not here give you the precise cost, or whether it was 20 either, so I will take it on notice.

CHAIR: Can you advise us how many RailCorp employees are on the unattached list?

Mr MASON: I am afraid I will have to take that on notice as well.

CHAIR: You might then have to take this on notice: If you could provide us with the annual cost associated with that unattached list?

Mr MASON: Certainly. So, total cost of the unattached list. Is that total employment costs or salary wages costs?

CHAIR: Both would be okay.

Mr MASON: Okay.

CHAIR: Can you advise the Committee how many complaints RailCorp has received in the past 12 months regarding staff bullying?

The Hon. AMANDA FAZIO: Is that bullying other staff or passengers?

Mr MASON: I will take that on notice as well, I am afraid.

CHAIR: The Hon. Amanda Fazio has tried to assist me by asking whether that was bullying of the staff or of passengers, but I am interested in bullying within the staff culture of RailCorp, which we have looked at before. That would be of assistance. If you have any statistics on bullying of passengers, we would be interested in that as well. I do not know if you do.

Mr MASON: I do not have that precise information. I do not believe it would be in my statistics database. I certainly have a number of complaints by passengers and things like that.

CHAIR: But not specifically in terms of bullying.

Mr MASON: No.

CHAIR: With respect to the Town Hall station upgrade, can you give us the latest information as to what is the estimated cost of the upgrade?

Mr MASON: Both the Town Hall and Wynyard upgrades are being reviewed with the ministry jointly so that when the detail of the CBD metro comes forward we can work out what we need to do with both those stations because they are wholly dependent on what the CBD metro will deliver both in terms of extra capacity but also extra interchange at those stations. We are now reviewing in light of the new metro.

CHAIR: So basically it is not certain when those major projects will go ahead, et cetera, because you need to take into account the planning for the metro.

Mr MASON: That is correct. The new metro could have significant capacity improvements for us and deflection of customers from those stations as well.

CHAIR: Is there any time line for when that review will be completed?

Mr GLASSON: I do not think there is. It is going to fall out of the detailed design work around the metro, but I think there is a common view between the agencies that the metro will significantly alleviate some of those creating issues that were forecast in Town Hall and Wynyard.

CHAIR: Are there any interim measures that are being taken in relation to safety issues at Town Hall, especially with respect to fire exits?

Mr MASON: We did some work over the past few years in terms of fire systems and fire escapes, and there is no projected work there apart from the fact that we are doing some work at the moment on increasing the size of the platforms by removing some of the rooms to try to provide more space on the platforms. I do not believe there is any extra work in the budget as far as fire exits. But I will take that on notice and come back with precise details if there are any.

CHAIR: You mentioned trying to increase the platform space. Is that work underway and when is it due for completion?

Mr MASON: We have commenced some work in removing some small cleaners' storage rooms. We did some work in February this calendar year to increase the circulation space down at Town Hall and Wynyard. Until either a big design for Town Hall and Wynyard for future, until we know what the metro will do and whether the metro actually takes customers away from those platforms, we will not know any further plans for the station.

CHAIR: With respect to Wynyard—I guess this may also be in the melting pot because of the metro plans—are you able to assist us with any information as to the additional commuters that the station will be able to cater for during peak hour, especially in relation to the transport needs of Barangaroo when that comes on stream?

Mr GLASSON: At this stage I do not think we can give you precise numbers but certainly the concepts are being developed with the intention that the metro station down there will be both interlinked with Wynyard and also service Barangaroo developments.

CHAIR: Just going back to buses and the pensioner excursion ticket, as you are aware, the Government announced in May that pensioner excursion tickets would be made available across the State for all bus commuters in the coming months. Can you advise when all pensioners will have access to the \$2.50 excursion ticket?

Mr GLASSON: My understanding is that we are currently targeting January next year to implement that in rural and regional parts of the State.

CHAIR: Currently targeting?

Mr GLASSON: Yes.

CHAIR: So that is a start-up date of January in the New Year?

Mr GLASSON: That is correct. We are working with bus operators around that date.

CHAIR: I turn now to ferry questions. Were you surprised at how damning the report was from Mr Walker, SC, with respect to the operations of the Sydney Ferries Corporation?

Mr SMITH: I was not surprised at all. We actively contributed to Mr Walker's deliberations about Sydney Ferries. We provided to him a wealth of information highlighting many of the issues that he subsequently raised in his report. There was nothing that came forward out of that process that surprised me or I felt was inaccurate.

CHAIR: Were there measures that you were already undertaking to try to reduce the number of issues at Sydney Ferries?

Mr SMITH: We had begun that process. Unfortunately the inquiry was very demanding upon the entire organisation and for much of last year we were distracted by basically answering the mail associated with that inquiry. As the inquiry concluded we have been actively self-reforming within the organisation and have implemented many measures that we had already planned on doing and others that we have subsequently developed.

CHAIR: Can you give us a rundown on what you think are the most important things that you are doing—you might need to take on notice a list of the other initiatives that you have taken—to make sure that the

recommendations are implemented? What are the most important ones that you have already achieved or are working on?

Mr SMITH: We developed a self-reform program which we called Ferries 2010 and we launched that earlier this year. It broke down a variety of initiatives—in fact, several hundred initiatives—into three main areas. One was what we called ferries safety, one was ferry service, which is customer service, and the third was called ferry smart, which essentially is better ways of running the business. On the safety side of it, which is obviously the priority, we have initiated a range of improvements in training of our staff pursuing what we call crew-based rosters for the afloat staff so that a master has the same engineer, the same boat and the same crew each service they deliver. So the master can take responsibility for the training of that group of people. We are close to concluding that particular process. I am happy to take those details notice.

On the customer service side, we have put lot of effort into turning the organisation into a more customer-focused organisation. One of our principal initiatives in that area is the provision of what we call an operation and customer information system. Many of the complaints that we had in my early days in this organisation were about lack of information to our customers. While I was the first to admit that was the case, we have been out to the marketplace and we are currently in contract negotiations with a preferred tenderer to meet that requirement of providing an operations and customer information system, which will provide real time information to every wharf of our network, on board every vessel in the fleet and a mechanism also to provide our customers with automated SMS information about their particular service, which they would need to subscribe to.

On the ferry service side—running the business better—we have spent a lot of time and invested dollars in putting together business systems that will enable us to run the business more efficiently. We are also looking at better reforms. We are working very closely with our three maritime unions, as an example, to achieve a single enterprise bargaining agreement—that has been now going for several months. We are very close to concluding that particular process, and I am hopeful to have that concluded by the end of the year. That will be a major milestone in terms of labour reform within the organisation. In each of those three pillars there is a multitude of activities that we have been undertaking very aggressively this year. We have still got a way to go but we have made great strides. We are now hitting our key performance indicators routinely. Our customer complaints have been reduced by 60 per cent and our patronage is up on average by just over nine per cent—our customers are coming back because we are more reliable.

CHAIR: Have you got any figures on the improvement in patronage?

Mr SMITH: In terms of numbers?

CHAIR: Yes.

Mr SMITH: In October, for example, we had a 15 per cent growth—I do not have the actual numbers here. I can give you the physical number but not percentages. The year to date is a 9.5 per cent increase in our patronage.

CHAIR: Could you supply those figures on notice?

Mr SMITH: Yes.

CHAIR: Is it your advice to the Government that it should adopt all of Mr Walker's recommendations?

Mr SMITH: That is obviously a matter for the Government, but there are a number of initiatives that Mr Walker identified that did not directly impact Sydney Ferries—some of them were at the Ministry and other sorts of areas.

CHAIR: Of those related to Sydney Ferries?

Mr SMITH: Of those related to Sydney ferries I have no hesitation in suggesting to the Government that that is what should be done, and that is what happening and we have been prepared for that now for over a year.

CHAIR: What about the Government's moves to decorporatise the ferries?

Mr SMITH: That was not one of Mr Walker's recommendations. It is a decision of Government. We are quite comfortable with that and we are waiting for that to take effect.

CHAIR: So you are quite comfortable with that outcome?

Mr SMITH: Yes, in effect it is all to do with my relationship with the board and the board's relationship with the portfolio Minister. It was always a bit of a pull one-way and the other—that is what Mr Walker was identifying. What has now been decided simplifies the process but really the business of the business continues uninterrupted.

CHAIR: What do you think is the reason why the Government and Sydney Ferries Corporation failed to agree on service agreements and contractual obligations over the four-year period?

Mr SMITH: I am not aware of us not agreeing on those things. Certainly during my time there since 2006 we have operated under an instrument of exemption from the Ministry of Transport, we do not have a formal contract. That was one of the deficiencies that Mr Walker identified and that efficiency is being rectified at the moment.

CHAIR: Why do you think that deficiency occurred?

Mr SMITH: I guess it goes back several years, certainly before my time. I am not aware why it developed the way it has; I just know what I have currently got.

The Hon. MATTHEW MASON-COX: I will return to ferries in a moment. I want to ask one final question in relation to the discussion we were having about double deck and single deck trains. I was reflecting on what you said, Mr Mason, in that we have this idea from the Minister which was announced with great gusto, which you have explained to us is something which is at the conceptual stage, that may or may not proceed or could be delivered something like seven years down the track, it might take up to a year to even get to a Cabinet decision, yet the Minister is out there promoting it as the great new vision for CityRail. Does that seem a bit odd to you?

Mr MASON: I do not think I quoted any times. I quoted times for a new train to be delivered. I did not quote a year.

The Hon. MATTHEW MASON-COX: You would not give me a time. That is right, I had to make one up. Probably six months or a year to go through the process if it is at a conceptual stage I would have thought would have been a reasonable amount of time?

Mr MASON: To change train control systems and train systems—I will call it—will take time. You need to get the automatic train protection business case through the Government first—that is the first building block.

The Hon. MATTHEW MASON-COX: But the Minister is out there promoting it as the new vision for CityRail?

Mr MASON: Automatic train protection is a new vision for CityRail and RailCorp.

The Hon. MATTHEW MASON-COX: Extraordinary. I was also wondering, Mr Glasson, do you have one of these free transport cards?

Mr GLASSON: No, I do not. I buy my ticket every day.

The Hon. MATTHEW MASON-COX: So you do not have access to these at all, or anybody in your organisation, to the free State travel card?

Mr GLASSON: There are some people within my organisation who had an entitlement to free transport as part of their remuneration going back a long time and that was discontinued or grandfathered at some point prior to my entering.

The Hon. MATTHEW MASON-COX: So there is no-one now in the organisation that gets a free travel card?

Mr GLASSON: Yes, there are but it is not a free travel card. It is given to them as part of their total remuneration package. I am being quite serious there.

The Hon. MATTHEW MASON-COX: So am I! You are aware under the mini-budget these have been taken off politicians.

The Hon. JOHN ROBERTSON: I have actually never seen one.

The Hon. MATTHEW MASON-COX: Here we go. Let me show you.

The Hon. JOHN ROBERTSON: I did not get to use mine.

The Hon. MATTHEW MASON-COX: You did not get to use yours but here they are. I will let you have a look at it if you like. It has been taken away by the Government—

Mr GLASSON: I understand that.

The Hon. MATTHEW MASON-COX: But it will continue with employees in the transport area who have it grandfathered as an entitlement?

Mr GLASSON: There are some employees who have it grandfathered and it is with them currently until such time as they leave.

The Hon. MATTHEW MASON-COX: Do you think it fair to actually have that taken off them just like the Government has taken it off their members?

Mr GLASSON: In these people's case it was part of their employment contract at a certain point in time. It is unusual to retrospectively change people's employment contracts; those things are normally done prospectively.

The Hon. MATTHEW MASON-COX: You could cash it out though, could you not?

Mr GLASSON: You could cash it out. Of course, you could.

The Hon. MATTHEW MASON-COX: Workforce flexibility perhaps might be the catch cry on that one. When will these actually be discontinued?

Mr GLASSON: Your entitlements?

The Hon. MATTHEW MASON-COX: Yes, this one.

The Hon. AMANDA FAZIO: February—the Government has said it already.

The Hon. MATTHEW MASON-COX: Is it February?

The Hon. AMANDA FAZIO: Yes.

The Hon. MATTHEW MASON-COX: Thank you Amanda. I am sure you are still using yours. In relation to the Walker report, I wanted to ask you a couple of questions, Mr Smith. You mentioned some labour reform. Can you run me through what the problems are with the labour force for the ferries?

Mr SMITH: The labour reform that I mentioned was a single enterprise bargaining agreement with the three maritime unions. We currently have eight unions represented within Sydney Ferries and I have five enterprise bargaining agreements. For a small organisation that was a considerable impost, in terms of negotiation and so forth—quite time-consuming. The unions and ourselves both saw the merits of having a single enterprise bargaining agreement for the afloat staff, which formed the majority of the organisation, and

we had been talking about it prior to Mr Walker. He picked up on those discussions and included that as a recommendation and we are close to giving effect to that recommendation.

The Hon. MATTHEW MASON-COX: You have not had any demarcation disputes from the unions in relation to that?

Mr SMITH: None at all.

The Hon. MATTHEW MASON-COX: They have been cooperative in streamlining those reforms?

Mr SMITH: Absolutely.

The Hon. MATTHEW MASON-COX: How many unions are now represented in the structure?

Mr SMITH: We still have the eight unions but shortly, hopefully, we will complete a single enterprise bargaining agreement with those three, so the number of enterprise bargaining agreements will be down to just three.

The Hon. MATTHEW MASON-COX: Could you please identify those unions?

Mr SMITH: The afloat ones: the Maritime Union of Australia, the Australian Institute of Marine and Power Engineers, and the Australian Maritime Officers Union.

The Hon. MATTHEW MASON-COX: In relation to the benchmarks set by Sydney Ferries, how long have you been working towards the benchmark? Has that been set now, what the benchmark of performance is for Sydney Ferries as a whole?

Mr SMITH: This is for the market testing process?

The Hon. MATTHEW MASON-COX: Yes, for the market testing.

Mr SMITH: No. What we have been doing in the past 12 months is self-reforming. We were doing the things that needed to be done. With the Government's decision now to market test us over the next 12 months or so, we need to put together the public sector comparative, the package that represents Sydney Ferries not as it was but as it is and is going to be going forward.

The Hon. MATTHEW MASON-COX: These will be what you can achieve or will they be aspirational? How would you characterise them?

Mr SMITH: They will be some of both—and I do not know how this will unfold at this point. Certainly it will be as we are now and as we are going to be as forecast throughout forward estimates, plus whatever other years are added on to that depending on the length of the contract in the tender process. So, we will put together a package and that package will be the package against which the private sector bids will be compared.

The Hon. MATTHEW MASON-COX: So the private sector will not see that package?

Mr SMITH: That is part of the process that is currently under review in the Ministry of Transport, as to how this market testing will occur.

Mr GLASSON: The process will be undertaken in accordance with Government guidelines. The public sector comparator is a core part of the testing of the market for any private sector interest, and those things will run in parallel.

The Hon. MATTHEW MASON-COX: When will the benchmarks be finalised for this market testing? Is it the end of this year?

Mr GLASSON: No, it will take several months.

The Hon. MATTHEW MASON-COX: So, about the end of this year you should have a package?

Mr GLASSON: We are working towards having that. The private sector process will commence with an expression of interest in the normal way and as that is proceeding we will be working with Sydney Ferries—

The Hon. MATTHEW MASON-COX: In parallel?

Mr GLASSON: In parallel, on that matter.

The Hon. MATTHEW MASON-COX: When does the expression of interest go out?

Mr GLASSON: That is yet to be determined but we are working on that right now.

The Hon. MATTHEW MASON-COX: Do you expect that to be before the end of this year?

Mr GLASSON: I could not say. I hope so.

The Hon. MATTHEW MASON-COX: What is the likely period before you have an agreed benchmark that you are going to judge those expressions of interest against?

Mr GLASSON: That will be run in parallel, and we will use various consultants and experts to help us assess Sydney Ferries' business, or working with Jet.

The Hon. MATTHEW MASON-COX: Are private sector operators going to have the confidence that their ideas will be kept in confidence and judged against the benchmark that you have come up with?

Mr GLASSON: Absolutely. There will be probity auditors, and this will be done very strictly in accordance with the Government guidelines. Those things are very strictly adhered to in these processes.

The Hon. MATTHEW MASON-COX: Who do you use as probity auditors?

Mr GLASSON: There are a number of firms.

The Hon. MATTHEW MASON-COX: You do not use the Auditor-General?

Mr GLASSON: No, because the Auditor-General wishes to remain independent in such matters.

The Hon. MATTHEW MASON-COX: So you imagine within six months or thereabouts you would have a performance benchmark package against which the expressions of interest lodged in the next few months will be judged?

Mr GLASSON: It will be in that order of magnitude. It may be a little longer than that.

The Hon. MATTHEW MASON-COX: The Premier made it pretty clear that if there is a bid from the private sector that is better than the benchmark set by Sydney Ferries, the service contract would go to a private bidder. I wonder what happens to the workforce of Sydney Ferries if that happened?

Mr SMITH: That would be something that will be part of the contract arrangements between the Government and the potential private operator.

The Hon. MATTHEW MASON-COX: Have you been given any comfort in that regard, Mr Smith?

Mr SMITH: How do you mean comfort?

The Hon. MATTHEW MASON-COX: If a private sector bidder was awarded the service contract, would the employees of Sydney Ferries be brought along with that contract, in a mandatory sense they have to be employed by the private operator?

Mr SMITH: I have not had a discussion along those lines with the Government. Certainly Mr Walker in his report recommended that that be the case.

The Hon. MATTHEW MASON-COX: But you have not had any comfort to date in that regard?

Mr SMITH: No, we have been totally focused on preparing ourselves for this competition and winning it.

The Hon. MATTHEW MASON-COX: Do you think you have been set up to fail in that regard by the Government?

Mr SMITH: I have no thoughts along that line at all. I have been given every support possible to implement the self-reforms we are doing. I could have asked for no more.

The Hon. MATTHEW MASON-COX: So you are in there in the spirit of competition?

Mr SMITH: Absolutely. I am totally convinced it is a level playing field, and the onus is on Sydney Ferries to measure up and deliver a benchmark so high that no-one can jump over it.

The Hon. MATTHEW MASON-COX: In that regard, Mr Glasson, has the expression of interest documentation been finalised?

Mr GLASSON: No, it has not.

The Hon. MATTHEW MASON-COX: Will that require the private sector to enter into or comply with the existing service agreements with the unions?

Mr GLASSON: That will not be in the expression of interest. That will come in the subsequent phases when we seek tenders.

The Hon. MATTHEW MASON-COX: So those agreements will be passed on, if you like, to any private sector operator?

Mr GLASSON: To the extent that that is how the tender document ends up, but at the moment we are working towards a service contract that will be available to either Sydney Ferries or a private sector operator. We do not differentiate in that respect.

The Hon. MATTHEW MASON-COX: In that regard your expectation would be the workforce of Sydney Ferries would be protected?

Mr GLASSON: No, I do not have any expectations, but if you look at past practice, transition arrangements have been put in place with the sale of government assets such as FreightCorp. You need a workforce to run a ferry business. I would see no reason that the existing workforce would not be part of any ongoing business, whether by Sydney Ferries or someone else.

The Hon. MATTHEW MASON-COX: Do you envisage a redundancy package as generous as RailCorp?

Mr GLASSON: I have no comments on that. They are not things I will be making decisions about.

CHAIR: With regard to the River cat service to Parramatta, can you advise us, Mr Smith, on what work is being done all has been done recently to enhance the commuter ferry services up the Parramatta River?

Mr SMITH: From Sydney Ferries' perspective we do not provide a ferry service for the upper Parramatta service. I am aware the Ministry of Transport is looking at putting some expressions of interest out for an operator who may provide that service. Maybe the Ministry might want to comment?

CHAIR: Mr Glasson, can you tell us where that is up to?

Mr GLASSON: We are working on an expression of interest at the moment. As Mr Smith said, they do not provide a commuter service to that area. It is an off-peak service, as I understand it. Right now and in recent history there has not been a commuter service there.

CHAIR: Are there any plans to provide one?

Mr GLASSON: We are working on an expression of interest document to test private sector interest.

CHAIR: When do you expect that to be out?

Mr GLASSON: That will be a matter for the Minister. We are working on these things right now.

CHAIR: In relation to the fleet replacement for the ferries, can you advise how much has been spent on fleet replacement in the past year?

Mr SMITH: I will have to take on notice the exact amount. We were given an allocation in this past financial year to support our fleet replacement. I believe in the order of about \$500,000 has been expended in support of the various studies and activities we have done in developing our fleet replacement business case that has been lodged with the Government. I would like to come back with the exact figure, but it is in that order.

CHAIR: With respect to maintenance of the ferries, can you advise how much has been spent on chartering private services in the past year as a result of ferry breakdowns?

Mr SMITH: I will take that question on notice if I could, please, Chair.

CHAIR: Could you provide the Committee with the dollar figure of what was spent on maintenance in the past year and how that compares with the previous year?

Mr SMITH: Yes, certainly. I will see if I have that figure here for you. It is best if I take that on notice, the exact global figure.

CHAIR: With respect to charity sponsorship and the ferries, do you think that charities should receive free and subsidised travel on Sydney Ferries for sick and disadvantaged children?

Mr SMITH: We actively support many charities at Sydney Ferries and provide opportunities for those sorts of excursions and that sort of behaviour. Westmead Children's Hospital, for example, we are routine sponsors of that activity, Bandage Bear Day and various other activities. We are quite active in that domain. We are constantly asked for more and there is always that balance required.

CHAIR: Is there any review of that model of helping people in those charity circumstances? Is that under review at the moment?

Mr SMITH: What we did was try to capture all the various bids to make some judgement about how far we can go with various charitable requests and to make sure there was an equitable distribution of our efforts to charities across the various domains. There were a number of charities that had had longstanding, decades of support from Sydney Ferries that we needed to take control of. So under a review that we did, we did wind back some of that but distributed more fairly across the entire network. We found that many of the charities were in particular focal areas and we wanted to more equitably distribute them throughout our presence.

CHAIR: Is there a document that summarises that review?

Mr SMITH: We do have an internal review document on that.

CHAIR: Would it be possible to provide that to the Committee?

Mr SMITH: Yes, we can certainly do that.

CHAIR: That would be appreciated. In general, in relation to the staffing of Sydney Ferries, are you satisfied with the productivity levels of the staff at the moment?

Mr SMITH: One of the improvements that we have been working on very hard is, in fact, improving productivity across the entire organisation. At the shipyard, for example, the productivity, which had been the focus of attention several years ago, has improved quite significantly, to the extent now that our fleet, old as it is and difficult to maintain as it is, the yard is turning the boats out in numbers that we require to provide the level

of service that we need. When the boats come out, the afloat team are doing an excellent job in delivering the services, such that our on-time running and service reliability are now hitting our key performance targets routinely. They are very high standards—99.5 per cent on-time running. We are hitting that now, whereas two years ago we were falling well short of that. All of that translates to an effort on everybody's part and improved productivity.

CHAIR: With respect to the remuneration of the staff of Sydney Ferries, are you satisfied with the packages that now apply? Are they about right or is there a need for change, particularly if productivity is going up? Will that mean that wages and salaries will need to be reviewed?

Mr SMITH: As I said, we are currently in the process of an enterprise bargaining agreement. It would probably be improper for me to speculate what might be. Certainly in that particular case of the three maritime unions there has been a clear recognition that there has to be a reasonableness applied. I am very confident of a financial outcome within the Government's wages policy.

CHAIR: Within the mandate of the Treasurer?

Mr SMITH: That is correct, I am very confident about that. The actual remuneration of our staff often gets a lot of visibility and is misunderstood. The afloat staff, our masters, given the qualifications and responsibilities that they have, are not overpaid by industry standards at all. Our engineers similarly are not at the higher end of the spectrum. In fact, our outer harbour engineers, who are fully qualified marine engineers, would be in the lowest percentile group of that sort of qualified ocean-going engineer. Our deckhand people are consistent across the maritime industry. So there is this perception that these people are overpaid and often talked about, but in fact if you look at the maritime industry it is fairly consistent with what applies in other places. At the shipyard the remuneration there is fairly consistent with industry standards for trades type people of that skill and specialty.

CHAIR: With all the focus on Sydney Ferries over the last year or so, are you satisfied with the profile of the staff in terms of numbers? Do you see the workforce expanding or contracting? Are you reasonably satisfied with the workforce as it is?

Mr SMITH: Again, in the context of our enterprise bargaining agreement there has been much discussion about numbers. I anticipate that there will be a reduction in numbers as a consequence of this process. Similarly, as part of our preparation for the competition and becoming the public sector comparative, we are very critically looking at our workforce in every part of the organisation to see what is the optimum size and structure of the organisation to go forward and be cost competitive with potential private operators.

CHAIR: Do you see the numbers going down very significantly?

Mr SMITH: I would see the numbers going down.

CHAIR: You cannot at this stage be more specific?

Mr SMITH: It would be improper to speculate because we are in negotiations.

CHAIR: It could be difficult?

Mr SMITH: Yes.

The Hon. MATTHEW MASON-COX: I want to ask some questions in relation to the Manly JetCat, which was axed by the mini-budget. Will the Government provide an alternative fast ferry service when the JetCat is axed on 31 December?

Mr SMITH: That is probably not a question for me. We certainly will be ceasing the fast JetCat service on 31 December. What happens after that is really a matter for the Government.

The Hon. MATTHEW MASON-COX: Mr Glasson, can you explain why the JetCat service was axed without a plan for a replacement fast ferry service?

Mr GLASSON: That is a matter for the Government.

The Hon. MATTHEW MASON-COX: You do not have any ideas?

Mr GLASSON: No, that is a Government decision within the context of the mini-budget.

The Hon. MATTHEW MASON-COX: Would you be supportive of an operator who can provide a fast ferry service at no cost to the Government?

Mr GLASSON: I think the Minister has made it clear that people who can provide a service are welcome to bring forward their proposals.

The Hon. MATTHEW MASON-COX: Have any private ferry companies approached you in relation to providing such a service?

Mr GLASSON: Not that I am aware of. I could not tell you if they have approached my organisation, but I am not aware of any direct approaches.

The Hon. MATTHEW MASON-COX: Do you intend to open that Manly-Circular Quay route for private tender in respect of such services?

Mr GLASSON: I think the Minister said that the Government will look at some form of deregulation for a fast ferry provision in corridor. That would be clearly subject to, I would have thought, certain performance of the fast ferry and the negotiations around access to Circular Quay, which is a matter for NSW Maritime.

The Hon. MATTHEW MASON-COX: They are the key factors that obviously private sector participants would need to ensure—that they have access to Circular Quay and Manly wharves?

Mr GLASSON: Yes, I think that is right.

The Hon. MATTHEW MASON-COX: Those things are open for negotiation and discussion?

Mr GLASSON: As I understand it.

The Hon. MATTHEW MASON-COX: Mr Smith, will Sydney Ferries formally engage with the community group Fix Our Ferries to work towards an interim service?

Mr SMITH: I do not think that is a role for Sydney Ferries. We are providing the service that is required by the Government. If the Government wishes to consider other operators operating a service, that is a matter for the Government or others.

The Hon. MATTHEW MASON-COX: Have you received a copy of a letter addressed to the Minister from the member for Manly, Mike Baird, dealing with these issues?

Mr SMITH: Yes, I have.

The Hon. MATTHEW MASON-COX: Will you be working with the Minister to respond to that in the agreed time frame?

Mr SMITH: I passed that letter to the Minister and the Minister's office when I received it, and the matter is with the Minister's office.

The Hon. MATTHEW MASON-COX: What reaction did you receive from the Minister's office when you passed him the letter?

Mr SMITH: "Noted".

The Hon. MATTHEW MASON-COX: What is your level of confidence that a favourable response will be received in relation to putting an interim service in place?

Mr SMITH: I am not prepared to speculate on that. That is a matter for the Minister.

CHAIR: I turn to the mini-budget in relation to commuter car parks. As you know, \$56 million has been allocated for commuter car parks. Can you list where they are to be built?

Mr GLASSON: No, I cannot right now. We are working through a process to identify where those car parks will be delivered, and we will be providing advice to the Minister in relation to that matter. That will involve considerations about availability of land and an assessment of the hierarchy of need in relation to demand for those car parks.

CHAIR: Did you have a picture in your mind as to how many extra car parking spaces they will create? Is there a target figure?

Mr GLASSON: No, I do not. The Government may be on the record as saying something; I am not sure. But, clearly, land costs would impact on the number of spaces that can be delivered.

CHAIR: Is there a time frame for the delivery of those car parks?

Mr GLASSON: There is certainly a time frame in terms of the budget allocation for the expense of that money, which is predominantly in at 9-10 or 10-11 years.

CHAIR: Has the review of opportunities for private sector involvement in the provision and management of commuter car parks been finalised?

Mr GLASSON: The first report that we commissioned has been finalised, but the Government has not made any response to that consideration at this time.

CHAIR: Do you know when it was finalised?

Mr GLASSON: I would have to take that on notice.

CHAIR: Would you be able to provide the report to the Committee?

Mr GLASSON: I will look at that. Ultimately, it may be a document that is going to Cabinet, in terms of that consideration. But I will consider that, and if possible I will make it available.

CHAIR: With respect to the southwest rail link, can you tell us what the plans are in relation to that rail line as it stands at the moment?

Mr MASON: Currently the southwest rail link down to Leppington has been deferred. We build capacity for the railway at the Glenfield area, but there is a deferral of the extension of the railway at this stage.

The Hon. MATTHEW MASON-COX: Until when?

Mr GLASSON: The budget papers have the first stage to be complete by 2014.

The Hon. MATTHEW MASON-COX: The second stage?

Mr GLASSON: The second stage is not mentioned here.

CHAIR: Can you advise how much has been spent on the project so far?

Mr MASON: I would have to take that on notice I am afraid, as to the RailCorp expenditure.

CHAIR: If the next stage does not proceed, will councils be compensated for the significant investments they have already made?

Mr GLASSON: I do not think at this stage there is a contemplation that the second stage would not proceed. I think it is a matter of time.

CHAIR: Some unknown time down the track, so to speak?

Mr GLASSON: I am happy to take that on notice and see if there is a further indication around that time. But, clearly, it will be linked to the development of that area by the Growth Centres Commission.

CHAIR: I understand that 22 properties have been purchased along the southwest corridor so far. Can you advise how much that cost in aggregate?

Mr GLASSON: Could we take that on notice? We need to give you a precise figure on that.

CHAIR: With respect to the Glenfield station interchange, can you advise when that will be complete?

Mr MASON: I am afraid I will have to come back to you on that; I do not have the precise detail with me.

CHAIR: With respect to the Action for Transport 2010 plan, can you advise if work is still set to start on the Liverpool Y-link, which was due to start in 2010? Is that still going ahead on that timetable?

Mr GLASSON: I am not sure of the status of Action for Transport in relation to the current Government.

CHAIR: You are not?

Mr GLASSON: No, I am not.

CHAIR: It may be inaction, rather than action?

Mr GLASSON: There have been a number of documents put into the public arena since that document. It is now rather dated. We have a Metropolitan Strategy, we have an urban transport statement, we have a Clearways Program—there are a whole range. I think that is something that you need to seek some clarification from the Minister in relation to.

The Hon. MATTHEW MASON-COX: Perhaps you could seek some clarification for us?

Mr GLASSON: I do not produce Government policy documents. They are matters for the Government from time to time to determine.

CHAIR: With respect to the easy access upgrades at Springwood and Katoomba stations, are they underway?

Mr MASON: I will take that on notice, but I believe not.

CHAIR: If you cannot answer that now, can you advise us when they are expected to get underway and when they are expected to be completed?

Mr MASON: Our budget shows Eastwood, Emu Plains and Lindfield being done this year.

CHAIR: So Katoomba and Springwood are not imminent, by the sound of it?

Mr MASON: They are not in the budget for this year.

CHAIR: If you could check in terms of the priorities, that would be good.

Mr MASON: Will do.

CHAIR: We have probably covered a bit of this in relation to the north-west sector. If you could give us an update on the current status of the following rapid bus-only transitways: Parramatta to Strathfield, St Marys to Penrith, Blacktown to Castle Hill, Blacktown to Wetherill Park, and Parramatta to Mungerie Park?

Mr GLASSON: Are you referring to Action for Transport?

CHAIR: Yes.

Mr GLASSON: I think those are now superseded, as I would understand it, by the Government's commitment to the 43 strategic bus corridors.

CHAIR: In relation to Action for Transport, have all the 150 buses that were powered by compressed natural gas been delivered yet?

Mr ROWLEY: I am not aware of the 150 buses. We have 250 natural gas buses on order from Mercedes-Benz. We have received 60 of those buses, with the 0500 chassis, and Mercedes-Benz has indicated that they will be able to deliver all vehicles on schedule by 2011.

CHAIR: So we are well on track?

Mr ROWLEY: Yes.

Mr GLASSON: Madam Chair, could I ask to be excused for a moment?

CHAIR: You may, yes. I will ask another question about RailCorp. Can you advise us how much RailCorp has spent on legal fees defending claims made against the organisation by former or current RailCorp employees in the past year?

Mr MASON: If I could take that on notice as well.

The Hon. MATTHEW MASON-COX: Similarly for RailCorp's appearances before the various inquiries by the Independent Commission Against Corruption?

Mr MASON: Certainly.

CHAIR: The various inquiries by Independent Commission Against Corruption would be appreciated. With respect to the Boston Consulting Group will you advise how much the report cost, including staff, accommodation and other expenses?

Mr MASON: The Premier and Minister at the time announced their budget of \$10 million for the complete works for what was customer service improvement which was delivered earlier this year and then we provided accommodation in our offices on top of that.

CHAIR: Is the expenditure on budget of \$10 million?

Mr MASON: That is correct, yes.

CHAIR: Why did it take eight months for the report to be released publicly?

Mr MASON: The report was Cabinet-in-confidence. It was presented to the Cabinet and that is where it remained, an internal document.

CHAIR: Is the Chatswood to Epping rail line still on track to open in February 2009?

Mr MASON: We anticipate taking operational handover from the TIDC at the end of this year and then we will be doing our final commissioning staff training, integration commissioning and then opening the shuttle service in February 2009, and that is our anticipation.

CHAIR: At this stage is it all going according to plan?

Mr MASON: We are anticipating opening the shuttle service in February 2009, subject to full commissioning, subject to snagging, et cetera, the normal construction work commissioning.

CHAIR: There has been controversy about difficulties for people to park at Epping to catch the new train.

Mr MASON: I think Mr Glasson might take that on notice.

CHAIR: Mr Glasson, in relation to the opening of the Chatswood to Epping line with a shuttle service in February, car parking at Epping station is a matter of concern. What provisions are there to make sure that passengers on that new service will be able to park and ride?

Mr GLASSON: I am not familiar with the detail of the concerns at Epping but I am happy to get some information on that.

CHAIR: Would you provide information about the provision of car parking to cater for the expected new service?

Mr GLASSON: Yes.

The Hon. MATTHEW MASON-COX: In relation to the south-west rail extension, the mini-budget mentions two stages. The first stage will be completed by 2014. When do you expect the second stage, the building of the line, to be completed?

Mr GLASSON: I think I have taken that on notice already but I will give you some clarity around that.

The Hon. MATTHEW MASON-COX: That would be excellent.

(The witnesses withdrew)

The Committee proceeded to deliberate.