

# PORTFOLIO COMMITTEE NO. 6 - TRANSPORT

Monday, 14 March 2022

Examination of proposed expenditure for the portfolio area

## INFRASTRUCTURE, CITIES, ACTIVE TRANSPORT

**UNCORRECTED**

**The Committee met at 9:30**

### MEMBERS

Ms Abigail Boyd (Chair)

The Hon. Mark Banasiak (Deputy Chair)

The Hon. Wes Fang

The Hon. Scott Farlow

The Hon. John Graham

The Hon. Daniel Mookhey

The Hon. Penny Sharpe

Mr David Shoebridge

### PRESENT

**The Hon. Rob Stokes**, *Minister for Infrastructure, Cities and Active Transport*

\* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

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

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

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



**The CHAIR:** Welcome to the additional public hearing for the inquiry into budget estimates 2021-2022. Before I commence, I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay respects to Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginals present and First Nations people who are watching remotely. I welcome Minister Rob Stokes and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Infrastructure, Cities and Active Transport.

Before we commence, I would like to make some brief comments about the procedures for today's hearing. Today's proceedings are being broadcast live from Parliament's website. A transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018.

There may be some questions that a witness can only answer if they have more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. I suspect you probably communicate electronically.

Finally, could everyone please turn their mobile phones to silent for duration of the hearing. All witnesses will be sworn prior to giving evidence. Minister Stokes, I remind you that you do not need to be sworn, as you have already sworn an oath to your office as a member of Parliament. I would also like to remind the following witnesses that you do not need to be sworn, as you have been sworn at an earlier budget estimates hearing before this Committee. That is Mr Rob Sharp and Ms Camilla Drover.

**Mr SIMON DRAPER**, Chief Executive Officer, Infrastructure NSW, affirmed and examined

**Mr ROB SHARP**, Secretary, Transport for NSW, on former affirmation

**Ms ELIZABETH MILDWATER**, Chief Executive Officer, Greater Sydney Commission, affirmed and examined

**Ms KIERSTEN FISHBURN**, Deputy Secretary, Cities and Active Transport, Transport for NSW, affirmed and examined

**The CHAIR:** Today's hearing will be conducted from 9.30 to 12.45 p.m., with a 15-minute break around 11.00 a.m. We are joined by the Minister in the morning. In the afternoon, we will hear from departmental witnesses from 2.00 p.m. to 5.15 p.m., again with a 15-minute break, around 3.30 p.m. During these sessions there will be questions from the Opposition and crossbench members only. But, if required, an additional 15 minutes is allocated at the end of each of the morning and afternoon sessions for Government questions. Thank you very much for your attendance today. We will begin with questions from the Opposition. Mr Graham.

**The Hon. JOHN GRAHAM:** Thank you, Chair. Thank you all for appearing. Thanks to the departmental witnesses. Congratulations, Minister, on your new roles. I might start first by getting you to explain exactly what they are. There is some confusion in Government about exactly what your new roles encompass. Maybe take us through your view about what your new responsibilities entail.

**Mr ROB STOKES:** Thank you, Mr Graham. I am not confused about my role.

**The Hon. JOHN GRAHAM:** I am pleased to hear.

**Mr ROB STOKES:** I would point you to the allocation of the administration of Acts. Specifically in relation to my role as Minister for Infrastructure, my role includes the administration of the Infrastructure NSW Act of 2011 and the Barangaroo Act of 2009. I think I have got a concurrence role in relation to the growth centres Act because there is some intersection between some of the development corporations and some of the activities of Infrastructure NSW.

In relation to the role as Minister for Cities there is a series of concurrently administered legislation. Effectively, how that works is the Minister for Planning, and Minister for Homes takes the lead responsibility in relation to the development corporations: the erstwhile Hunter Development Corporation, the Central Coast development corporation and also the Sydney Olympic Park Authority. But Place Management NSW, again because of its spatial connectivity with sites managed by Infrastructure NSW, I take care of. And the Greater Sydney Parklands and the park trusts, while they are managed concurrently, I think that the agreement is that I lead on that legislation. In relation to the Minister for Active Transport role, again there is an intersection with the parkland legislation and also from a budget perspective. Obviously, the role of a cluster Minister is to have oversight of budget bids. So, to that end, I have a role in terms of the allocation of moneys to the transport cluster.

**The Hon. JOHN GRAHAM:** Thank you. You have outlined some of the legislation—I will come back to that—and a role for budget bids and perhaps cost control in that broader transport area. Is that fair?

**Mr ROB STOKES:** Yes. This will not appear on the allocation of Acts, but I am also responsible for chairing the Cabinet infrastructure committee.

**The Hon. JOHN GRAHAM:** Understood. That is the traditional role of the infrastructure Minister. In terms of legislation, looking at that allocation of Acts, there are really two pieces of legislation you are drawing attention to that you have control of, the Infrastructure NSW Act and the Barangaroo Act, and a portion, I think, as it relates to urban growth, of a third Act, the growth centres—

**Mr ROB STOKES:** Sorry. There is another one as well, which is, obviously, the Greater Sydney Commission Act 2015, that I have also got solo administration of as well.

**The Hon. JOHN GRAHAM:** Three Acts, a part of another and also the parklands legislation, although that is, obviously, not in force at the moment. You are hopeful of having—

**Mr ROB STOKES:** Obviously, there is a whole series of trusts.

**The Hon. JOHN GRAHAM:** I am talking here about sole control. You are hopeful of having a standalone Act. But at the moment these other pieces of legislation are shared with the planning and housing Minister.

**Mr ROB STOKES:** That is right because we are in a transition toward—in one sense, that is a matter for the Parliament to decide on legislation before the House. Hopefully, that is passed. Then that can come within my bailiwick.

**The Hon. JOHN GRAHAM:** What discussions have you had with the Minister for planning and housing about how you will interact over the course of your overlapping responsibilities, certainly when it comes to legislation?

**Mr ROB STOKES:** We interact regularly. We have had a series of discussions in relation to that. Also, the departmental secretary for planning—I have had a couple of discussions for it. We have worked that through. I understand there is going to be a machinery-of-government change in coming weeks, I think. So there will be further articulation of the different roles at that point. But that will, obviously, be a matter for the Premier.

**The Hon. JOHN GRAHAM:** What is your understanding with Minister Roberts about where the line is between you and him?

**Mr ROB STOKES:** To reiterate, in relation to the parkland legislation, there is a series of trusts there. I would take the lead in relation to those. He would take a more ancillary role. In relation to the development corporations, it would be the opposite. They are largely about land use planning from a site perspective. So they would largely be a matter for the Minister for Planning. I will take an ancillary role in relation to those. But, obviously, there is some crossover in relation to, particularly, active transport because, the more we are learning about the way in which parklands work and open spaces work, it is activating things like streets and so forth, which also have a development role as well.

**The Hon. JOHN GRAHAM:** What discussions have you had with the Premier about the delineation between these roles? What directions have you been given by the Premier? You say ultimately it is his direction.

**Mr ROB STOKES:** We have talked about it. His direction is that we will resolve it as part of the machinery-of-government changes.

**The Hon. JOHN GRAHAM:** But, as of today, it is not yet resolved—"we will resolve it".

**Mr ROB STOKES:** It is entirely resolved from our perspective. We understand entirely what our respective roles are.

**The Hon. JOHN GRAHAM:** When you say it is up to the Premier to resolve it, you are saying he has resolved it to your satisfaction. There are not—

**Mr ROB STOKES:** I do not think I used the words, "It's up to the Premier to resolve." I am perfectly clear on what my responsibilities are. There are, as I have articulated, some Acts that are jointly administered. We have worked that out functionally but, as legislation continues to be developed, there will be an opportunity to separate that definitively. At the moment, it is done at a functional level, but obviously for the sake of clarity it would be ideal to have it allocated to one or the other. But it has been ordinary practice to have legislation shared and, ultimately, we work as a team.

**The Hon. JOHN GRAHAM:** I am glad that is your view. It has got to be the other Ministers' views as well, though, Minister. Turning to Place Management NSW and some of those place specific—where, for example, does something like White Bay sit?

**Mr ROB STOKES:** We, in fact, had a discussion about White Bay just the other day. The Minister for Planning, and Minister for Homes expressed a view that I agreed with—that it fits more sensibly in relation to my portfolio responsibilities given that the largest landholder is the department of transport. So in terms of getting great outcomes faster, for me to take functional control in relation to that site makes more sense. I would happily refer you to Ms Fishburn, who might have further detail.

**The Hon. JOHN GRAHAM:** We might come back to Ms Fishburn in the officials session. That is another one of those issues that is resolved from your point of view? The Government has decided White Bay is sitting with you, not the Minister for Planning?

**Mr ROB STOKES:** When you say sitting with me, ultimately, it depends on the nature of the decision. In relation to the future master planning of the site, that is something that I would take accountability for. Obviously there will be an intersection with, presumably, planning laws at some point in the future. That would obviously be a matter for the relevant portfolio Minister at the time.

**The Hon. JOHN GRAHAM:** When we talked to you at the parklands inquiry—and this is partly why I ask these questions—some of these issues about where staff were allocated and where these agencies were pointing were quite unclear. What agencies and what staff do you now have direct engagement with?

**Mr ROB STOKES:** My direct engagement is with the Executive. In relation to particular staffing allocations I, for obvious reasons, do not meddle in that. That is a matter for the secretary.

**The Hon. JOHN GRAHAM:** Again, we might turn to that in the officials session. There is some confusion I can report in government ranks, certainly in the ranks of the bureaucracy and certainly outside of government. Is it of concern to you, Minister, that you have gone from being almost the king of the Cabinet—you were in charge of two clusters, in charge of transport and in charge of planning—to now having this very diffuse role.

**Mr ROB STOKES:** I do not accept that my role is diffuse. Also, I do not look at my role in those terms. My job is to serve the people of New South Wales. I serve with the pleasure of the Premier and also the people of my electorate of Pittwater. So I will do whatever job I am told to do.

**The Hon. JOHN GRAHAM:** But you have got a lot of good ideas, you have articulated some very strong views about Sydney as a city, but you now hold few of the levers to influence those things in government. Is that frustrating?

**Mr ROB STOKES:** Every day has frustrations, but my job is not to reflect on frustrations but to get on and do the job to which I have been assigned and work collaboratively with my colleagues to achieve those ends. I think we have got some exciting levers that I have control of. But, again, I resist a bit from the idea of control because I think we work more as a team rather than as individuals.

**The Hon. JOHN GRAHAM:** In your time when you were unquestionably, I think, the most powerful Minister in the Cabinet, running transport and planning, you gave an interview at that point saying one of your goals was to have planning and transport work more closely together. You were going to make the secretaries of transport and planning sit down. I gather that meeting did happen.

**Mr ROB STOKES:** Yes.

**The Hon. JOHN GRAHAM:** What were the outcomes.

**Mr ROB STOKES:** A series of things that were looked at in terms of a number of—I will take some of this on notice because it is asking for some historical information. But my recollection was there were a series of particular planning precincts, for example, where the coordination between transport and planning could have been better to achieve more seamless outcomes. Places like Parramatta Road spring to mind, for example, where there had been some lag between the land use planning and the transport planning. Areas down in McArthur are similar areas there. One of the outcomes, in fact, is this intersection between land use planning and active transport, in particular. One of the lessons of the pandemic—

**The Hon. JOHN GRAHAM:** I am asking here about outcomes, Minister. You are being very articulate about some of the issues. What were the outcomes out of your time in those two key portfolios, as the secretaries sat down?

**Mr ROB STOKES:** Let me reflect and get back to you on notice.

**The Hon. JOHN GRAHAM:** Thank you. I will turn briefly to a key issue in the transport cluster, probably the most salient one. We have talked to the other Ministers about it, and it was the train shutdown of Monday 21 February. We know that Ministers Elliott and Faraway were briefed at 10.30 or 11.15 on Sunday the twentieth. We know that Minister Ward was briefed repeatedly from around 6.00 a.m. on Monday 21 February. When were you officially briefed by the transport officials about the shutdown?

**Mr ROB STOKES:** It would have been on the Monday morning. But, having said that, I was regularly apprised of the overall industrial relations strategy. But in relation to the shutdown specifically, it was not until after the shutdown had occurred.

**The Hon. JOHN GRAHAM:** When you say the Monday morning, when on the Monday morning?

**Mr ROB STOKES:** I cannot recall precisely on the Monday when the briefing occurred. I would have to reflect and get back to you.

**The Hon. JOHN GRAHAM:** It has got to be a reasonably vivid day.

**Mr ROB STOKES:** It was a busy day.

**The Hon. JOHN GRAHAM:** You would not have had too many days in the transport cluster like that, would you, Minister?

**Mr ROB STOKES:** Every day in the transport cluster is a fun and interesting day.

**The Hon. JOHN GRAHAM:** I think, as a commuter, this one was special. When were you briefed on the Monday?

**Mr ROB STOKES:** I have answered your question.

**The Hon. JOHN GRAHAM:** That you cannot recall and you will take it on notice?

**Mr ROB STOKES:** I have said I will take that on notice.

**The Hon. WES FANG:** Point of order—

**The Hon. JOHN GRAHAM:** The other Ministers have been able to answer this question. Can you tell us, was it the start of the day?

**The Hon. WES FANG:** Putting words in his mouth is a bit—

**Mr ROB STOKES:** I have answered your question, Mr Graham.

**The Hon. JOHN GRAHAM:** Unlike the other Ministers, you are unable to really say when on that day you were briefed.

**Mr ROB STOKES:** Are you asking me another question or are you asking me the same question because you will get the same answer.

**The Hon. JOHN GRAHAM:** Was it early in the day or was it later in the day on the Monday?

**The Hon. SCOTT FARLOW:** The Minister has already said he will take it on notice as to the precise timing.

**The Hon. JOHN GRAHAM:** Is it fair to say, Minister—and this is the evidence I think from others but I want you to confirm it or not—that you were the last of the four transport Ministers briefed? Do you think that is fair?

**Mr ROB STOKES:** No, I do not think that is fair.

**The Hon. JOHN GRAHAM:** So that is to say you were briefed before 6.00 a.m. on Monday 21 February?

**Mr ROB STOKES:** Briefed on what? On the shutdown specifically?

**The Hon. JOHN GRAHAM:** On the train shutdown specifically.

**Mr ROB STOKES:** No.

**The Hon. JOHN GRAHAM:** No you were not briefed before 6.00 a.m. on Monday?

**Mr ROB STOKES:** My answer stays the same. That is right. The answer is no.

**The Hon. JOHN GRAHAM:** So you were the last Minister briefed about the train shutdown?

**Mr ROB STOKES:** A couple of things here, I am not sure what they have provided as answers in evidence, so I do not know what their answers were.

**The Hon. JOHN GRAHAM:** And this is compounding—

**Mr ROB STOKES:** You are asking me if I was the last briefed. I do not know when they were briefed, so I cannot answer your question specifically. That is why I have indicated I will take it on notice.

**The Hon. JOHN GRAHAM:** It is complicated by the fact that, unlike those other Ministers, you do not have a clear recollection of the time line that you can put to us today.

**Mr ROB STOKES:** A clear recollection of the time line of what?

**The Hon. JOHN GRAHAM:** Of when you were briefed by officials following the train shutdown on Monday 21 February.

**Mr ROB STOKES:** I have already provided you an answer. Because you are asking for something particularly specific, I think it is prudent that I provide you details on notice.

**The Hon. JOHN GRAHAM:** Minister, I am putting to you that that is an inappropriate answer and that you should be able to recall this key question. Millions of commuters were impacted and you cannot tell us when you were briefed?

**Mr ROB STOKES:** No, that is not what I have said.



**The Hon. JOHN GRAHAM:** Well, when were you briefed?

**The Hon. SCOTT FARLOW:** He will take it on notice.

**Mr ROB STOKES:** You are asking the same question repeatedly.

**The Hon. JOHN GRAHAM:** Because I expect an answer, Minister. I expect this is something you should be able to answer.

**Mr ROB STOKES:** And I have provided you the answer that, because you are asking me—

**The Hon. JOHN GRAHAM:** And I am putting to you that is inappropriate.

**Mr ROB STOKES:** Frankly, I do not get to reflect on the appropriateness of your questions and you do not get to reflect on the appropriateness of my answers.

**The Hon. JOHN GRAHAM:** One of those is true.

**The Hon. DANIEL MOOKHEY:** Greetings, Minister. First, given every other Minister reflects on the quality of our questions, why restrain yourself? Minister, I just want to follow up on the line of questioning there. You said you have been regularly apprised about the industrial relations framework as it applies to the transport portfolio. I heard you correctly, didn't I?

**Mr ROB STOKES:** That is correct.

**The Hon. DANIEL MOOKHEY:** That was when you were directly responsible as Minister for Transport?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** And that has continued as you are the senior cluster Minister, correct?

**Mr ROB STOKES:** There are some legislative responsibilities here that do not apply to me specifically. That is in relation to the Transport Administration Act, because we have already talked about the allocation of Acts. That is not an Act that has been allocated to me. That is where the precise legal responsibilities lie in relation to briefings. But, certainly, it is obviously prudent for me to keep apprised of the—

**The Hon. DANIEL MOOKHEY:** There is no dispute that Mr Elliott bears prime responsibility.

**Mr ROB STOKES:** I am seeking to answer the question. So because of my role, obviously overlooking the infrastructure program of government, there is an intersection where industrial relations difficulties can have impacts on the infrastructure pipeline. To that extent, it is prudent for me to keep apprised of how the industrial relations landscape is proceeding.

**The Hon. DANIEL MOOKHEY:** You are getting regular briefings now from the department, are you not?

**Mr ROB STOKES:** Yes. They were obviously less regular than they were when I was directly accountable for the legislation but I still keep up to date.

**The Hon. DANIEL MOOKHEY:** In the aftermath of the shutdown, did you meet with Minister Elliott and other transport Ministers about the ministerial response to the ongoing dispute?

**Mr ROB STOKES:** I have regular conversations with my colleagues.

**The Hon. DANIEL MOOKHEY:** Yes, and did you have one with Minister Elliott in the wake of the shutdown?

**Mr ROB STOKES:** I have had conversations with Minister Elliott in the wake of the shutdown, yes.

**The Hon. DANIEL MOOKHEY:** What was the discussion about?

**Mr ROB STOKES:** There was a range of discussions. As you would expect, we communicate reasonably frequently.

**The Hon. DANIEL MOOKHEY:** Do you?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** Just checking.

**Mr ROB STOKES:** Specifically, as I recall, we were looking at the relevant sections of the Transport Administration Act to clarify the relevant obligations in relation to providing advice to the portfolio Minister.

**The Hon. DANIEL MOOKHEY:** Did you counsel him that he should be meeting with his department?

**Mr ROB STOKES:** Well, certainly arrangements that individual Ministers have with their departments is a matter for them. It is not my role to—

**The Hon. DANIEL MOOKHEY:** You are the senior Minister.

**Mr ROB STOKES:** But I will always seek to offer support to my colleagues.

**The Hon. DANIEL MOOKHEY:** Did you counsel him that when his department is making urgent requests for meetings he should take them?

**Mr ROB STOKES:** I guess the best way to answer your question is that I understand that there were some relationship difficulties between the transport Minister and the transport secretary, but those issues have been resolved. There was a publicised meeting with the Premier, where everyone decided they would work productively together, and that seems to be happening effectively.

**The Hon. DANIEL MOOKHEY:** Indeed, but that is not the question I asked you. The question I specifically asked you—

**Mr ROB STOKES:** No, but it is my answer.

**The Hon. DANIEL MOOKHEY:** I know it is the answer you are giving me, but the question that I am asking you to be directly relevant to, is: Did you counsel him that when his department is all but begging him for a meeting, he should perhaps take it?

**Mr ROB STOKES:** I understand the Minister is meeting with the department.

**The Hon. DANIEL MOOKHEY:** It is good to know. How often do you meet with the department?

**Mr ROB STOKES:** I have regular meetings with department officials. It is difficult to say with any specificity but I would certainly have conversations multiple times a week.

**The Hon. DANIEL MOOKHEY:** Multiple times a week. And you have regular meetings with the secretary, I presume?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** Have you received urgent requests for meetings?

**Mr ROB STOKES:** If a senior official needs to get in touch with me directly, they will call me directly.

**The Hon. DANIEL MOOKHEY:** Presumably you have not directed that all communications are channelled through your chief of staff?

**Mr ROB STOKES:** No, although, I do not wish that to be a reflection on the practice of other Ministers. There is a whole range of different practices that Ministerial officers employ.

**The Hon. DANIEL MOOKHEY:** I am trying to understand what is normal behaviour, Minister, because all the other Ministers have made clear, with the exception of one, that they have regular and direct contact with their department. I am trying to understand whether it is normal. As a senior cluster Minister, I presume you have some ability to set normative practice. The question is: You have not ordered the department to channel all communications through your staff?

**Mr ROB STOKES:** No, but I can only reflect on my own practice. I cannot reflect on the practice of others.

**The Hon. MARK BANASIAK:** Minister, I draw your attention to an Infrastructure Australia report that was put out last October called *Infrastructure Market Capacity*. Are you familiar with it?

**Mr ROB STOKES:** Very familiar.

**The Hon. MARK BANASIAK:** Excellent. In that report, Infrastructure Australia [IA] warns of an unprecedented shortfall in skills and resources for delivering pipeline infrastructure projects. Are you aware of that finding?

**Mr ROB STOKES:** Yes.

**The Hon. MARK BANASIAK:** It also states that over the next five years 80 per cent of investment is going to be in transport projects. My first question is: Are you concerned that 80 per cent of transport projects are going to be fighting over this shortfall in skills and resources?

**Mr ROB STOKES:** It is a concern. That concern was articulated in the Treasury's half-year review where they called out IA's market capacity report. It is also a concern that in reaction to the pandemic, Australian governments across the board have been engaged in infrastructure projects, which means there is a lot more competition for plant, equipment, skills and supplies.

**The Hon. MARK BANASIAK:** Through you, to Mr Draper, has Infrastructure NSW done any work in response to this Infrastructure Australia report in terms of modifying Infrastructure NSW's 20-year strategy?

**SIMON DRAPER:** We did contribute to that work by IA. They worked with all the States to pull that information together and we were able to provide them with a lot of data and we have an ongoing arrangement with them to do that. The scale of the shortfall identified for 2023 was significant. There were 105,000 people, I think they said, for the 2023 shortfall. I think you can tackle that in three ways. In the long term, increasing the availability of skilled people to work in the construction sector, particularly the engineering construction sector, can be a long process. It involves both opening up the borders and getting the flow of people back across the borders but also development of our own people. Frankly, opening up work in that area to half of the population that is under-represented, which is women working in construction—we have a big problem to deal with there.

The second, I would say, we are working with the industry on how to make the process of procuring those projects more efficient. There are a number of things that happen, particularly in the tender processes, which consume an enormous number of resources, perhaps unnecessarily—replication of work that happens many times—each bidder doing the work, government doing the work. So we are working with the construction industry to try to make that process more efficient. I think the third is looking at the timing and sequencings of projects so that we do not put them all into the market at the same time, particularly those that have a very high call on very specialised skills. Some projects are a bit more straightforward and parties can bid on those and deliver those without a very big call on those specialist resources. Others are very complex. And thinking about the timing and the sequencing of putting those into the market, including not just in New South Wales but across Australia, I think that can contribute to easing the pressure on those projects as well.

**The Hon. MARK BANASIAK:** Making changes in that procurement process, I think you were talking about, have you done any modelling in terms of how much resources that will save?

**SIMON DRAPER:** No, we have not. We have not done any quantitative modelling of that but there is a fair bit of consensus between ourselves and industry that that is one area to focus on, particularly with engineering, geotechnical-type resources, design resources. What I mean there is, if we put a tender out, even as we are complying with our own guidelines, and only issue that tender to three bidders, what usually happens is the Government goes and does a whole lot of investigation work—engineering work, design work, calling on those resources—and then the three bidders do exactly the same thing and replicate all of that. There are ways to reduce the demand on those resources by providing some relief on what bidders are required to provide in the bidding process until they are appointed as the preferred bidder.

**The Hon. MARK BANASIAK:** Just going to that point about prioritising projects or, I guess, staging them out so you do not have a glut of projects all at once, has that work been done based on this report? Have you gone back and said, "Okay, we need to rethink how we stage these out?"

**SIMON DRAPER:** We were already doing it. In fact, I am only speculating, but in some respects—

**The Hon. DANIEL MOOKHEY:** Point of order: I am really sorry to interrupt—

**The Hon. MARK BANASIAK:** I was on a roll.

**The Hon. DANIEL MOOKHEY:** I know. I am advised that we have lost the online feed, which means the hearing is no longer occurring in public, which means we should probably stop.

**The CHAIR:** Yes, I have just had that confirmed. We will take a 10-minute break and resume once the live feed is back up.

**(Short adjournment)**

**The CHAIR:** We will recommence with questions from Mr Banasiak.

**The Hon. MARK BANASIAK:** Mr Draper, you were in the middle of an answer you were giving about the prioritising of projects. Do you want to pick up from where you were?

**SIMON DRAPER:** Yes. I think you were asking me about how we have gone about that sequencing of those projects. I am particularly thinking here of what we call large, complex engineering construction projects, let us say, building projects and smaller scaled civil construction. But one of the things that we do is produce what we call a procurement calendar. We map out all the projects that are coming and what stage they are at in the design process, the tender process, the contract award, and we provide that as general advice to Government, to Cabinet, so that when Government is making decisions about those projects, they can see what else is coming into the market at the same time, and we do coordinate that with agencies.

A lot of the work that we have done in this space has been informed by—in the lead-up to that IA report we did have quite a series of discussions with the industry one-on-one with different contractors—tier one, tier two, tier three contractors—to talk about how we make this work better. You might remember there was a Premier's memorandum which came out in the middle of 2021 which set out some of the requirements we have for procurement of those large, complex projects. So yes, we have done a lot of thinking around it. We have put things in place to try and avoid overloading the market, but, to be fair, it is a question of constant vigilance about what is happening at any given time.

**The Hon. MARK BANASIAK:** You talk about a large, complex project. If you had to put a dollar figure on that, what are you talking about? Is there a—

**SIMON DRAPER:** We would say probably anything over a billion dollars. But the complexity comes from things like, Is it a project that involves many interfacing packages? Does it go through many communities, lots of stakeholders? Does it go through areas where you are likely to find latent ground conditions, utilities and contamination and those sorts of things which you cannot really know about in full until the project commences? All of those things together make it complex. But there is a body of very large contractors who can take on projects over a billion dollars; they have got balance sheets to do that. But probably I would say for most contractors, that would be beyond what they would want to, in effect, bet on any particular project; they would expose too much of their balance sheet. They would either have to team up with many other contractors to do it or they simply would not bid for it.

**The Hon. MARK BANASIAK:** I want to make sure I am understanding this right. So projects in and around a billion dollars would go through that prioritisation sort of calendar procurement, but anything below a billion would not?

**SIMON DRAPER:** When we do that calendar we mainly focus on what we call tier one projects. That does not necessarily then mean they are over a billion dollars, but if we consider them high risk for other reasons we would include them on the calendar.

**The Hon. MARK BANASIAK:** Okay. I have about a minute left. Looking at a particular project, the Kamay ferry wharves, Kurnell to La Perouse, where does that sit in terms of project tier-weighted risk?

**SIMON DRAPER:** I do not know where that one would sit. I can certainly say it is not one of our tier one projects. I know all of them. That one I have to take on notice and let you know where that sits with our tiering.

**The Hon. MARK BANASIAK:** Has a project assurance report been done on that?

**SIMON DRAPER:** I will have to go and find that where that that sits, whether it is registered with our assurance process and what work has been done on it.

**The Hon. MARK BANASIAK:** Thank you. That takes me to the end. I will throw to Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** Minister and everybody, nice to see you all today. Mr Draper, in 2017 Infrastructure NSW pulled together a very useful review about the Hawkesbury-Nepean Valley flood risk. Are you familiar with that document?

**SIMON DRAPER:** Yes.

**Mr DAVID SHOEBRIDGE:** Do you adopt the position of the Insurance Council of Australia that the Hawkesbury-Nepean Valley has the highest single flood exposure in New South Wales and, in fact, in Australia?

**SIMON DRAPER:** That is our understanding, yes.

**Mr DAVID SHOEBRIDGE:** Can you describe what the nature of the risk at the moment is to infrastructure and housing and industry in the Hawkesbury-Nepean from flood?

**SIMON DRAPER:** I do not want to be too general if you are looking for something specific, but the nature of the risk in the Hawkesbury-Nepean Valley is both the scale of the catchment and the topography of the Hawkesbury-Nepean Valley. What happens in the Hawkesbury-Nepean Valley is that once water gets into that

flood plain, there is very little capacity for it to get back out because of the gorges, the steepness, as you know, with the gorges, but also a very, very large catchment. Most of the water that goes into that catchment during a flood event is from the Warragamba catchment, it comes over through Warragamba Dam—I think it is about 70 per cent in most major floods—but there are other areas that feed into that valley as well.

**Mr DAVID SHOEBRIDGE:** I think it is described as the bathtub effect, is it not?

**SIMON DRAPER:** Correct, yes.

**Mr DAVID SHOEBRIDGE:** With the plughole being I think, the Sackville Gorge. Is that right?

**SIMON DRAPER:** That is correct, yes.

**Mr DAVID SHOEBRIDGE:** Do you know how many properties—we will start with residential properties—are currently built and below the probable maximum flood level in the Hawkesbury-Nepean?

**SIMON DRAPER:** Below the probable maximum flood level? Just give me a moment, I will look up my notes. I have got a number here for a one-in-500-year flood. That would be 15,000 homes impacted in a one-in-500-year flood. In a one-in-100-year flood it is 7,600 homes.

**Mr DAVID SHOEBRIDGE:** That cannot be right, that there are less homes impacted in a one-in-100-year flood than a one-in-500-year flood. Sorry, no, my brain is not working. You are dead right, Mr Draper. So 7,600 in a one-in-100-year flood and 15,000 in a one-in-500-year flood.

**SIMON DRAPER:** That is correct.

**Mr DAVID SHOEBRIDGE:** But given—

**SIMON DRAPER:** Sorry, and just looking at my notes here, for PMF it is about 36,700 homes.

**Mr DAVID SHOEBRIDGE:** All right. And they are all existing homes?

**SIMON DRAPER:** Yes, that is correct.

**Mr DAVID SHOEBRIDGE:** Your 2017 report made it clear that with that current level of development, the current road infrastructure is inadequate for evacuation and there will be a series of bottlenecks, and with a really serious flood, with the current population in the Hawkesbury-Nepean, we simply cannot evacuate people safely in time, is that right?

**SIMON DRAPER:** Yes. We have definitely got a concern about the capacity to evacuate the number of people who live in the valley, correct.

**Mr DAVID SHOEBRIDGE:** It is more than a concern. There is an express finding in your report that the current road and transport network simply is not up to the job for the kind of mass evacuation that would be needed if we got to a one-in-500-year flood, let alone a PMF flood. Is that right?

**SIMON DRAPER:** Yes, I agree.

**Mr DAVID SHOEBRIDGE:** There is currently in just one LGA, Blacktown LGA, a proposal to open up 10,000 additional housing lots in the North West Growth Area. The zoning has been approved and there is a small delay at the moment about getting the subdivisions and the development forward. Are you involved in that negotiation with Planning and the council?

**SIMON DRAPER:** We do not negotiate with them, no. There are a number of elements—and I am sorry, again, if I am going over things you know—there are a number of elements to the Hawkesbury-Nepean Valley flood strategy. One of them is land use, the nature of land use; another is the roads, as you mentioned. We have worked with agencies on modelling evacuation out of those areas—it is not our model but it was a model developed with Transport and with Planning—and that information and that analysis has to be digested and it will have ramifications for a number of factors, including future designs of roads, types of roads and also the number of homes that can be accommodated in those areas that need be for evacuation purposes.

**Mr DAVID SHOEBRIDGE:** Given the road network is already inadequate to evacuate the current population, has Infrastructure NSW given advice to NSW Planning or the councils to say no more residential development in the Hawkesbury-Nepean because it is just too dangerous? Have you given that advice? It seems the most obvious thing to do in the circumstances.

**SIMON DRAPER:** I would not couch it as giving advice. We do work with those agencies. They are fully involved in the work that we are doing, so it is not so much that we are advising them, but we are facilitating a program where those conclusions might be drawn. That will depend on the analysis of those agencies. I should say that, in relation to roads, the number one priority is that there are a number of what I call local roads, and the

Government has advanced the program to address those. I think there are about 110 individual projects in that program. They are going through a final business case to figure out the prioritisation of those roads at the moment because, obviously, fixing up one part of one road only matters if you fix up all elements of the road and allow people out.

**Mr DAVID SHOEBRIDGE:** Case in point, the Windsor Bridge, which is itself flood-proof but either side's approach gets inundated well before a one-in-100-year flood. There is not much point having a flood-proof bridge if you cannot get to it from either side—unless you want to camp on the bridge—is there?

**SIMON DRAPER:** The whole network has got to work.

**Mr DAVID SHOEBRIDGE:** It is actually more dangerous than that, isn't it, Mr Draper? Your report shows that, in fact, there are a number of what are called flood islands in western Sydney in the Hawkesbury-Nepean Valley. Those flood islands include McGraths Hill, Windsor, Richmond and Bligh Park, where, when the flood waters start rising, first their evacuation routes are inundated and they become flood islands, and then, in an extreme flood, those flood islands themselves become inundated.

**SIMON DRAPER:** Yes. It is a very dangerous situation.

**Mr DAVID SHOEBRIDGE:** It is extraordinarily dangerous. What advice, if any, does Infrastructure NSW give to New South Wales Planning, given that almost unfathomable risk for those communities already?

**SIMON DRAPER:** To start with, the 2017 report that you are referring to, the options analysis and the other work we have done since then, all of that is targeted at raising the awareness of planning agencies, delivery agencies and response agencies on the requirements of each of those agencies to deal with the road evacuation capacity, to look at land use, zonings and approvals for homes in those areas and to look at how we predict these events and how we respond to them. All of that work is orientated towards that.

**Mr DAVID SHOEBRIDGE:** I do not know what the plan is. I might go to you, Minister. What is the plan for those communities—McGraths Hill, Windsor, Richmond and Bligh Park—if they become flood islands, the flood does not stop and it keeps growing to a one-in-500-year level or a PMF level? Is there any strategy to evacuate those tens of thousands of residents in that situation?

**Mr ROB STOKES:** I would point you again to the 2017 report that looks at the things that need to be done as part of a strategy to address the pre-existing risks. There are a number of things that are pointed to in that report relating to information. I know that, in itself, sounds not as important, but it is absolutely vital to explain to communities the nature of risks so they are prepared for it. You are quite right that, once an evacuation route is cut off, there are fewer options for the people living there. Obviously, the evacuation routes themselves are critical, so it is the investment that Mr Draper has already pointed to that is going through its final business case at the moment in relation to local road evacuations but, as Mr Draper has already pointed to, that, in itself, needs to be considered as a program. Fixing just one road will potentially create a bottleneck somewhere else. We have to deal with the legacy problems of past development decisions. We have a wicked problem also in development that may impede upon evacuation from other areas.

**Mr DAVID SHOEBRIDGE:** We will come back to this.

**The Hon. DANIEL MOOKHEY:** Minister, as the Minister for Infrastructure, you bear some responsibility for cost control, do you not?

**Mr ROB STOKES:** Yes. Our job, certainly through INSW processes, is to assure in relation to those projects that we keep a tab on them to make sure that, where there are escalation impacts or pressures, we identify them early and identify mitigation strategies with the relevant agency to absorb those costs or to mitigate them.

**The Hon. DANIEL MOOKHEY:** Presumably, since you have become the Minister for Infrastructure, you have been briefed on the status of all of the major projects?

**Mr ROB STOKES:** We have a regular briefing as part of the Cabinet infrastructure committee process.

**The Hon. DANIEL MOOKHEY:** Can you confirm that the cost of the M6 has risen by \$400 million?

**Mr ROB STOKES:** I checked out the budget paper today. My understanding is that the budget for the project, which I think was \$3.115 billion, continues to be the budget for the project.

**The Hon. DANIEL MOOKHEY:** It depends which section of the budget paper you read. The other part of the budget says it is \$2.7 billion. We went through this with Minister Ward. You are saying this road will now cost us \$3.1 billion?

**Mr ROB STOKES:** That is reflected in the budget, yes.

**The Hon. DANIEL MOOKHEY:** Minister, when this road was approved, it was meant to cost us \$1.5 billion—back in 2018. That is according to the summary of the business case that Infrastructure NSW released. Why has the cost of the M6 doubled in three years?

**Mr ROB STOKES:** Sorry, you said 1.5? I will have to get specifics for you on notice. You will have the opportunity—Ms Drover will be here this afternoon, so she can answer specific questions in relation to escalation around that project.

**The Hon. DANIEL MOOKHEY:** You are the Minister for Infrastructure. I am just now reading from page 8 of the Infrastructure NSW final business case summary of this project. It says the construction costs here are \$1.5 billion. This project has doubled in cost in just three years.

**The Hon. JOHN GRAHAM:** More than doubled.

**The Hon. DANIEL MOOKHEY:** More than doubled. Can you give us an explanation as to why it has astronomically exploded in its cost to construct?

**Mr ROB STOKES:** There are a couple of things there. I do not necessarily accept the premise of your question. I will get you a full explanation on notice, or you can ask Ms Drover this afternoon. What I will point you to is that the works themselves only began last month. They are consistent with the amount identified in the budget papers.

**The Hon. DANIEL MOOKHEY:** Just two weeks ago, we had the secretary telling us it was \$2.7 billion. I am glad now we have confirmed it is \$3.1 billion. Has this risen \$400 million in the past year?

**Mr ROB STOKES:** Again, I can just point you to the infrastructure statement in the budget papers, page 5-52, which confirms that \$3.1 billion figure. I think it is actually \$3.115 billion.

**The Hon. DANIEL MOOKHEY:** And if you go to page 2-12, it will say it is 2.7, which is the wonderful dialogue we had the other day with the secretary. I am just asking you, Minister—

**Mr ROB STOKES:** It might refer to—there might be an ETC figure and then a cost over a number of years.

**The Hon. DANIEL MOOKHEY:** Which raises the question as to where exactly we are going to get the money to pay for this additional \$1.5 billion in cost since the project was approved. Minister, where exactly are we sourcing this additional money to build the M6? What projects have had to be cut to pay for it?

**Mr ROB STOKES:** Again, according to the budget papers, that cost is reflected in the budget papers. All of your answers are within the budget papers. I am happen to provide some further specifics because I see where you are coming from. Nevertheless, the budget for the project is reflected in the budget papers.

**The Hon. JOHN GRAHAM:** Minister, I just want to jump back to the question you did not answer from my colleague. Is the M6 stage one \$400 million over budget?

**Mr ROB STOKES:** No, it is not. The budgeted figure, my advice is, continues to be the budgeted figure. The figure that I have just identified in 5-52 of the infrastructure statement continues to be the budget for the project.

**The Hon. JOHN GRAHAM:** So why is a Transport for NSW spokesman, this morning in *The Sydney Morning Herald*, saying there has been an increase to the M6 stage one project cost of around \$400 million? Who is right, Transport for NSW or you?

**Mr ROB STOKES:** I would point you to the budget papers.

**The Hon. WES FANG:** Chair, I would ask you to, for the benefit of Hansard, ask the members who are asking questions to pause slightly to allow the Minister to complete his answer before asking another one. It just makes it difficult for Hansard to record.

**The Hon. MARK BANASIAK:** I did not see any indication from Hansard having trouble, but if we can allow a few seconds between question and answer—

**The Hon. DANIEL MOOKHEY:** I am going to press you there. We have Transport for NSW saying publicly just this morning that the costs have risen by \$400 million. Who is right? Is it Transport for NSW or you?

**Mr ROB STOKES:** I would just refer you to the budget papers, which contain the figure.

**The Hon. JOHN GRAHAM:** Minister, you are trying to deny something your own agency is briefing in the paper this morning. That seems extraordinary.

**Mr ROB STOKES:** I am not denying. I am pointing you, completely relevantly, to the line item in the budget that answers your question.

**The Hon. DANIEL MOOKHEY:** Minister, as a result of this \$1.5 billion increase in costs since 2018, we are now paying \$775 million per kilometre to build the M6, which is the most expensive tunnel currently under construction. That is compared to the WestConnex, which is \$509 million per kilometre. Why are we effectively building the Taj Mahal of roads for this particular project? Is it gold plated or what?

**The Hon. SCOTT FARLOW:** The Taj Mahal is not gold plated.

**Mr ROB STOKES:** All I will say is that the project remains on time and on budget, according to the figure that was contained in the most recent budget. In relation to project costs overall, I am happy to provide further details on notice, or you can also ask Ms Drover this afternoon.

**The Hon. JOHN GRAHAM:** Minister, it cannot be on budget if Transport is saying the project cost has gone up \$400 million. That is just nonsense.

**Mr ROB STOKES:** The budget paper is nonsense?

**The Hon. DANIEL MOOKHEY:** We are trying to get to the bottom of it at budget estimates because there is an apparent contradiction between what you are saying and what Transport for NSW has communicated to the public writ large. Just this morning Transport acknowledged that the costs have gone up \$400 million. How can you be correct when the transport department is telling everybody the costs have risen by \$400 million?

**The Hon. JOHN GRAHAM:** Why not just be honest?

**Mr ROB STOKES:** I am being entirely honest. I am pointing you to the budget papers. The costs that you refer to are captured in the budget papers. The \$3.115 billion figure in the budget papers is, on my advice, the correct figure.

**The Hon. DANIEL MOOKHEY:** Minister, what is the estimated cost of the Sydney Gateway?

**Mr ROB STOKES:** Again, I do not have an encyclopaedic memory of every project. We have scores of tier one projects. But from memory it is \$2.1 billion.

**The Hon. DANIEL MOOKHEY:** I think you will find it was 2.6 That was the last figure that we were told. Is that still your understanding?

**Mr ROB STOKES:** This is why I do not want to get into the wherewithals of all the projects. I would point you to the budget *Infrastructure Statement 2021-22*, which will give you—

**The Hon. DANIEL MOOKHEY:** That one does not actually reveal the cost. It is unusual.

**Mr ROB STOKES:** I point you to the infrastructure statement.

**The Hon. DANIEL MOOKHEY:** I am reading from the same page of the budget paper that you just referred me to. The Sydney Gateway is not there. I drove near the construction site, and there was a big sign saying \$2.6 billion next to it, which is where I got my information. Is it still \$2.6 billion? Is that what you are expecting?

**Mr ROB STOKES:** In relation to individual projects, you will have the relevant deputy secretary here this afternoon. You can ask her. Otherwise, I can provide details—

**The Hon. DANIEL MOOKHEY:** What about the Rozelle Interchange?

**Mr ROB STOKES:** Otherwise, I can provide details on notice for the three.

**The Hon. DANIEL MOOKHEY:** Minister, the reason I am asking you about these three—

**The Hon. WES FANG:** Point of order: The Minister is trying to provide a very full answer to the questions he is being asked. The Hon. Daniel Mookhey is, as is his usual tactic, continuing to talk over the Minister as the Minister is trying to conclude his answer. It makes it difficult for Hansard, for us and for all those people who are watching the broadcast. I ask that the Hon. Daniel Mookhey pause and allow the Minister to complete his answer before commencing the next rapid-fire, million-miles-an-hour question, instead of talking over the Minister.

**The Hon. MARK BANASIAK:** Do you want to respond?

**The Hon. DANIEL MOOKHEY:** The Minister is well and truly acquitting himself quite well.



**The Hon. MARK BANASIAK:** I ask members to allow a bit of time and try not to talk over the top of each other. If you do need to redirect the Minister, just do it quietly.

**The Hon. DANIEL MOOKHEY:** I will do that.

**Mr DAVID SHOEBRIDGE:** Have things degraded?

**The Hon. MARK BANASIAK:** No.

**The Hon. DANIEL MOOKHEY:** Minister, do you have a cost for the Rozelle Interchange?

**Mr ROB STOKES:** Again, in relation to specific projects, I will take it on notice or refer you to Ms Drover this afternoon.

**The Hon. DANIEL MOOKHEY:** But, Minister, I am asking you about these three projects because the State's accounts that were tabled in Parliament just one month ago warn that an additional \$1.4 billion of expenditure is about to hit the budget, which is not yet reflected in the financial statements. I read directly for you from the report, which states:

- (b) Transport for NSW's increase in capital commitments is driven by M6 stage 1, [WestConnex] Rozelle Interchange, and Sydney Gateway ... projects.

Apparently, these three projects are responsible for a \$1.4 billion rise in expenditure, which is about to hit the budget. As the State's infrastructure Minister, can you shed any light on why we are about to expect this explosion in claims coming from only three road projects?

**Mr ROB STOKES:** My information is that the figures quoted in the Treasury report reflect the value of contracts signed within a financial year. It does not reflect the overall budget position. My advice is that those three projects remain within the parameters that we indicated in the budget.

**The Hon. DANIEL MOOKHEY:** Minister, I am reading it. It states:

The following information represents expenditure contracted for at the reporting date, but not recognised in the financial statements. We did not sign the contracts for the M6 last year. This has already been reflected. This is the Auditor-General warning us that an additional \$1.4 billion in costs is about to hit the budget from three projects. As the infrastructure Minister, surely you have some explanation as to their status and why it is that the Auditor-General is providing us with this warning.

**Mr ROB STOKES:** There are a couple of things. I will refer you to my earlier answer, which answers the question with particularisation. As I have indicated—I will repeat it for the benefit of the Committee—the figures noted in the Treasury report reflect contracts signed within a financial year, and they do not reflect the overall budget position.

**The Hon. JOHN GRAHAM:** Minister, in contrast to your view that there is no problem here and it was all budgeted for, I put to you your agency's view this morning, which is that there was an explanation for this dramatic increase in costs. As reported:

The ... Transport spokesman said the government remained focused on the delivery of the three projects despite "external factors" ... And they indicated that "the pandemic and increasing construction costs around the world" had impacted on these projects and contributed to this blowout. Are they wrong? Is that information wrong?

**Mr ROB STOKES:** I think your characterisation of the situation is incorrect. I would prefer my view in relation to the answer I just provided to the Committee. I reiterate again, in relation to those projects, they remain within the parameters set within the budget.

**The Hon. JOHN GRAHAM:** I am sure you would prefer your view, but why are you contradicting the information from the department, which says there is a blowout and provides an explanation for it?

**Mr ROB STOKES:** The advice I have provided is based on advice from the department.

**The Hon. DANIEL MOOKHEY:** Minister, are you going to seek to recover any of these additional costs from motorists through higher tolls?

**Mr ROB STOKES:** Again, I reject the premise of your question.

**The Hon. DANIEL MOOKHEY:** When the business case was approved, this was meant to cost us \$1.5 billion. According to your own words, it is now costing us 3.1. Are we going into further debt to cover that additional \$1.5 billion of costs that have arisen in respect to the M6?

**Mr ROB STOKES:** The costs of the M6 are reflected in the 2021-22 budget, and that remains consistent with that budget figure. The toll amount that was mentioned in relation to that four kilometres of road was, I think, \$2.20, if my memory serves me correctly. That gives a travel saving of up to 15 minutes.

**The Hon. DANIEL MOOKHEY:** Minister, until this point we have not been able to get a Minister to tell us what the toll is.

**Mr ROB STOKES:** I reflect that from a newspaper article I read.

**The Hon. DANIEL MOOKHEY:** But you are the infrastructure Minister. Do you not know what the toll is going to be?

**Mr ROB STOKES:** You just said you did not.

**The Hon. DANIEL MOOKHEY:** To be fair, I am not the infrastructure Minister; you are. Shouldn't you know what the toll is? Is it \$2.20?

**Mr ROB STOKES:** I just reflected on what I read in the newspaper this morning.

**The Hon. DANIEL MOOKHEY:** So you are relying on the newspaper to tell you the toll that we will pay?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** Can you answer my question: Are tolls going to have to rise as a result of the additional cost of building the M6?

**Mr ROB STOKES:** It is not a matter for me. But, no, that is not my understanding.

**The Hon. DANIEL MOOKHEY:** Do you wish to comment on whether or not we will be going into further debt as a result of the cost blowout that has hit the M6?

**Mr ROB STOKES:** Once again I do not accept the premise of your question because, as I have mentioned repeatedly, the work on the M6, frankly, only began a month ago, and it remains within the parameters set within the budget in the 2021-22 financial year.

**The Hon. DANIEL MOOKHEY:** Are you confident that each of those three road projects will open on time, as scheduled?

**Mr ROB STOKES:** The advice I have is that these projects remain within the parameters set for them.

**The Hon. DANIEL MOOKHEY:** So when are they going to open? When is the M6 opening?

**Mr ROB STOKES:** I will take that on notice, in relation to the various opening times. But the published figure continues to be the figure that I am advised is correct.

**The Hon. DANIEL MOOKHEY:** Minister, there is a contradiction between the figures you are citing and what your department says. You are not in a position to tell us which one should be believed. You cannot tell us when these projects are due to open. As infrastructure Minister, what exactly do you do?

**The Hon. SCOTT FARLOW:** That is unfair.

**Mr ROB STOKES:** The information I have provided is accurate. It is based on advice from the department.

**The Hon. DANIEL MOOKHEY:** Minister, where are we up to on the investment decision for the northern beaches tunnel?

**Mr ROB STOKES:** There are two processes occurring in relation to the northern beaches tunnel. I would point you to the reference to the project in the infrastructure statement in the recent budget. But the two processes at the moment are government is proceeding toward an investment decision and government is also, through the planning Minister, currently assessing the EIS. Shortly we will be in a position to make a determination on the project.

**The Hon. DANIEL MOOKHEY:** Given your Government has promised this at one by-election and multiple State elections, is it going ahead?

**Mr ROB STOKES:** The Government remains committed to the project.

**The Hon. JOHN GRAHAM:** Will it be deferred, Minister? You made some comments about that previously.

**Mr ROB STOKES:** It is a very complex project. It is effectively three projects. There is obviously the western harbour tunnel, the Warringah Freeway and beaches link. The three projects are put together as a package. But in relation to the investment decision on the last piece of the puzzle there, that is a matter for Government and it will be discussed, in the ordinary process of government, through a Cabinet process.

**The Hon. JOHN GRAHAM:** Have you been involved in discussions about deferring the beaches link component?

**Mr ROB STOKES:** Not in relation to any deferral, certainly. I am certainly not going to comment on Cabinet processes, but the Government—

**The Hon. JOHN GRAHAM:** Which of those two answers is it? Is it that you have not been or that you will not answer to Cabinet processes? They are two quite different answers, Minister.

**Mr ROB STOKES:** I volunteered too much information then, in saying I haven't been.

**The Hon. JOHN GRAHAM:** It is very welcome, though. You volunteered that and the toll.

**Mr ROB STOKES:** The second part is more correct, which is that I am not going to speculate on Cabinet.

**The Hon. JOHN GRAHAM:** So they are both correct, but the second is more correct. You intend not to do it again.

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** Minister, this project is apparently meant to open in six years. If you cannot even tell us when the final investment decision is going to be made, how can we believe that your Government is genuinely committed to building it?

**Mr ROB STOKES:** Well, I continue to say that the Government is committed to building the project.

**The Hon. DANIEL MOOKHEY:** In respect to the Badgerys Creek rail line, can you give us an update as to where we are with that one? Have you gotten the planning approvals that you need for it yet?

**Mr ROB STOKES:** I will refer you to the secretary.

**ROB SHARP:** Are you talking about the new airport line?

**The Hon. DANIEL MOOKHEY:** Yes.

**ROB SHARP:** We are still working through the details on that. I would have to take it on notice until Ms Drover is here this afternoon, on the detail.

**The Hon. DANIEL MOOKHEY:** The last available public information was that you were seeking planning approval for it. If I check with the portal, it does not look like approval has been granted. Is it your understanding that you have still yet to get planning approval for this?

**ROB SHARP:** I would have to take on notice that specific question.

**The Hon. DANIEL MOOKHEY:** Where are we up to in procurement? Are we signing the contract sometime this year or not?

**ROB SHARP:** In respect to the metro—

**The Hon. DANIEL MOOKHEY:** To be fair, that was to the Minister. I should have made that clear. Minister, are we signing the contract this year?

**Mr ROB STOKES:** On contracts, I will refer you to the secretary.

**The Hon. DANIEL MOOKHEY:** Over to you.

**ROB SHARP:** Thank you. There are procurement processes on the Sydney Metro West. In respect to Badgerys Creek, I would have to take on notice the status of that for this year.

**The Hon. DANIEL MOOKHEY:** Minister, is your Government committed to having this rail line open when the airport opens?

**Mr ROB STOKES:** That is obviously the plan.

**The Hon. DANIEL MOOKHEY:** The airport is due to open in four years, yet we do not know when project construction is going to start on the crucial rail line. Given that it took seven years to build the north-west

metro, how can we believe you when you say that this rail line will be ready for the airport when we do not have planning approvals and we do not have procurements in place?

**Mr ROB STOKES:** Let me get some more particular advice from Sydney Metro in answer to your question on notice.

**The Hon. JOHN GRAHAM:** I want to press you on those three projects that have caused this more than a billion-dollar blowout in the transport budget. The reason we are asking about these and concerned about your very vague answers about the costs and the budget situation is that they are driving the budget changes. This is your key role, if you are supervising cost control. Why can't you give us more specifics on these key projects that the State accounts say are driving cost blowouts? Your own agency is in the paper saying, "Leading to cost rises."

**Mr ROB STOKES:** I actually would assert that I am being specific. I have pointed you to a specific page reference in the Infrastructure statement of the budget in relation to the project cost—the ETC for the M6, which is there in black and white. In relation to the other two projects, my advice continues to be that they remain on time and on budget.

**The CHAIR:** Minister, I want to ask you a few questions in relation to climate change adaptation before I hand back to my colleague Mr Shoebridge. I understand that the topic of the floods is something that has already been discussed while I was in the other estimates. Is the net zero cities plan that you announced when you were planning Minister in November last year something that transfers with you to your Cities portfolio, or is it still with Planning?

**Mr ROB STOKES:** No, it is with Planning. Although, can I just say, obviously through the aegis of the Greater Sydney Commission, adapting to climate change is a core role of the agency to ensure that we are resilient to rebound to the unpredictable impacts that we know are coming. I will note there is a paradox in what I have said there. These events are unpredictable, so we are seeking to become resilient to things that we cannot quite know what the impacts will be at the outset. But we know that as a result of climate change, which is already to be expected—that is unavoidable—that that is going to have unpredictable impacts in terms of natural disasters, and we need to prepare to be resilient for them. In fact, I think the Greater Sydney Commission Act when it was introduced was one of the first pieces of legislation anywhere in the world that set a land use planning target around resilience and being able to rebound from natural disasters.

**The CHAIR:** So in terms of your Cities portfolio, it is more about infrastructure for cities than livability of cities. Is that correct?

**Mr ROB STOKES:** No. The Greater Sydney Commission does have some key roles in relation to setting land use plans around urban development and urban settlement, and that includes one of the fundamental roles of the Social Commissioner of the Greater Sydney Commission. The ESD commissioners are there to really operationalise that concept of ESD into land use planning. The Social Commissioner, for one, would be directly looking at how to prepare our communities to be more resilient to these sorts of events.

**The CHAIR:** New South Wales is the only State or Territory, as I understand it, not to have a government climate change adaptation plan. Is that something that you will be looking at in terms of the significant amounts of infrastructure that are now under your portfolio responsibilities, in ensuring they are able to withstand climate change events in the future?

**Mr ROB STOKES:** We already are doing a lot of this work in terms of the business case analysis that is done by agencies and scrutinised by Infrastructure NSW. But we also do bake it into our land use plans with the Greater Sydney Commission, which will become the Greater Cities Commission, hopefully, if legislation passes through the Parliament. I would also point you to—this is now outside my portfolio responsibilities—the Design and Place State Environmental Planning Policy, which is all about making our built environment more sustainable to the impacts of climate change.

**The CHAIR:** Has Infrastructure undertaken an audit of the climate risks that would be applicable to the infrastructure assets of the New South Wales Government?

**Mr ROB STOKES:** Certainly we have a key role in assuring the maintenance around about \$352 billion worth of assets that I think we have in New South Wales. I will take that figure on notice to correct it if I am wrong, but I think that is right. I refer to you Mr Draper in relation to the work done in relation to the climate resilience of our existing infrastructure.

**SIMON DRAPER:** Infrastructure NSW has not done an audit of all the assets, but we do require that of agencies. We have an asset management policy that requires agencies to assess the risks of assets and what is required to remediate any of those risks. That was brought in a few years ago, and we now have a function with

Infrastructure NSW which works with agencies to report on their progress. We report up to Cabinet on that. Obviously we have a very deep engagement on the Hawkesbury-Nepean, but one of the things we are likely to recommend is that we do a statewide hazard and risk assessment and that there are individual plans developed for other parts of the State which are also exposed to risk, which will increase, as you say, with climate change. I cannot point to a specific audit, but there are a number of activities going on under the auspices of what I would call asset management programs. To be honest, take climate change and the assumptions that sit behind that as read. That must be built into our asset management programs.

**The CHAIR:** A couple of things in that—just to be clear, Mr Draper, State-owned corporations are not included in that reporting on climate change risk, are they?

**SIMON DRAPER:** I will double-check. I think they actually are, but I will confirm that on notice.

**The CHAIR:** If you could check. My understanding is, for example, TAHE, which owns the State's rail assets, is not included within the reporting on climate risk and is not required to have any kind of adaptation plan for climate.

**SIMON DRAPER:** What I was referring was the asset management reporting. But I will confirm on notice whether they are included in that process.

**The CHAIR:** Thank you. I understand that the Powerhouse being built at Parramatta—Infrastructure NSW was the proponent of that. We have had some discussion about building on flood plains. We were told that that would be a site that was able to withstand a one-in-100-year flood on the riverbank there. It is now very clear that we already have a site that is flooded. There has been pictures put up in the last month about that flooding. Minister, what is your view on continuing to build on flood plains, particularly with the Powerhouse?

**Mr ROB STOKES:** In reference to the Powerhouse my understanding is that—Mr Draper can correct me if I am wrong—that was built with a one-in-1,000 AP flood in consideration and that the height of the floodwaters in the recent event was about seven metres below the—

**SIMON DRAPER:** Four metres below.

**Mr ROB STOKES:** Four metres below, sorry—and that even in a one-in-500 flood it would still be half a metre below the exhibition spaces. I think that is correct.

**SIMON DRAPER:** Even better than that. The RL level of the floor of the Powerhouse Museum is 7.5. A one-in-1,000 flood is 6.97 metres. The recent floods got to about 3½ metres. All of those areas that you have seen the photographs of, that were flooded, were previously occupied. We have demolished car parks and things. Parramatta City Council had car parks operating in those. They used to flood. So the level of the—

**Mr DAVID SHOEBRIDGE:** But that is why they made them car parks, not a museum. That is the difference.

**SIMON DRAPER:** Yes. That is quite right.

**Mr ROB STOKES:** They are much lower.

**SIMON DRAPER:** That is why the level of the floor level of the museum is many metres above that and we are building undercroft to ensure that the floodwaters that happen at Parramatta, in Parramatta River, manage to move beyond that site and protect people upstream of that. I am not sure if I would describe Parramatta as a flood plain. If the floor of the new Powerhouse at Parramatta got flooded, we would have much bigger problems to worry about than just the Powerhouse. Nearly all of Parramatta would be—

**The CHAIR:** The electricity supply for the building and the generators—

**SIMON DRAPER:** They are all above that level.

**The CHAIR:** What is under the level, then? What will be?

**SIMON DRAPER:** On the riverbank itself there is what we call an undercroft. It is effectively a cavity that has been constructed in there to allow floodwaters to pass through. That will not be occupied under the planning conditions. We had originally thought it might be made available for other uses. But, under the planning conditions, it will not be made available for any other community uses.

**Mr ROB STOKES:** Can I actually interject there. I as planning Minister inserted those planning conditions just for the sorts of issues that Mr Draper is explaining.

**The CHAIR:** You are convinced, Minister, that there is not going to be an impact of floods in, say, the next 100 years on the Powerhouse Museum site?

**Mr ROB STOKES:** It has been planned to be resilient to the risk. I need to be careful here, though. There is always risk. Planning always needs to take account of risk and to mitigate that risk and plan in the face of risk. I cannot remove the risk but, on the basis of the advice provided, the Powerhouse will be particularly resilient to cater for the sorts of flooding that might be anticipated.

**Mr DAVID SHOEBRIDGE:** But, Minister, you could have removed the risk. You could have not put this priceless museum and exhibitions right next to the river, in an area that is notorious for flooding and that Parramatta's own flood studies show will just get worse over time. You could have not put it there, could you?

**Mr ROB STOKES:** What we did was to manage the risk that was there.

**Mr DAVID SHOEBRIDGE:** Started with a foolish decision and then spent countless hundreds of millions of dollars trying to minimise the risk of that initial decision. Is that what happened?

**Mr ROB STOKES:** Sorry. I take there is a question.

**Mr DAVID SHOEBRIDGE:** The position you are defending is: Start with a foolish decision, put a priceless series of exhibits and a museum next to a river that is extremely flood prone—we have seen the images about how flood prone it is—and then spend countless millions of dollars trying to retro-engineer it. You defend that approach, do you?

**Mr ROB STOKES:** No, because I do not think that reflects the process. Instead, it is a matter of identifying the risk and managing it appropriately to mitigate that risk. That is precisely what the design does.

**Mr DAVID SHOEBRIDGE:** But you have seen the whole construction site completely flooded, have you not, Mr Draper? The entire construction site has been flooded. That is nowhere in near a one-in-100-year flood.

**SIMON DRAPER:** A construction site is not the finished level of the museum.

**Mr DAVID SHOEBRIDGE:** So you are perfectly comfortable with the entire construction site being inundated as a great spot for a museum?

**SIMON DRAPER:** We are perfectly comfortable that the analysis has been done on the flood risk to the museum, that the design of the museum is more than satisfactory and more than meets the requirements of both Parramatta City Council and other regulatory agencies and that the museum and the exhibits that will be held at the museum will be as protected as any other assets, if not better.

**Mr DAVID SHOEBRIDGE:** Mr Draper, the numbers that Infrastructure identified for evacuations on the Hawkesbury-Nepean Valley in cases of flood, in 2017, were, in a one-in-100-per-year flood, there would be 64,000 people needing to be evacuated and, if it was a one-in-500-year flood, 90,000 people would need to be evacuated. That was five years ago. Have you updated those numbers at all?

**SIMON DRAPER:** Yes. Let me just check. The numbers I have for a one-in-500 is still 90,000 people to be evacuated. Is that the one you were asking about?

**Mr DAVID SHOEBRIDGE:** Yes. Also one-in-100, I had 64,000 people five years ago.

**SIMON DRAPER:** I have actually got a lower number than that in my notes but I can double-check it. I have got 55,000.

**Mr DAVID SHOEBRIDGE:** I am going off page 22 of your 2017 report.

**SIMON DRAPER:** There has been further analysis done since then.

**Mr DAVID SHOEBRIDGE:** There has only been more development since then. There has not been less.

**SIMON DRAPER:** Yes. I will double-check those numbers. But I have got the report you are referring to in front of me. It says 64,000. The number I have in my notes is 55,000. I will confirm which is correct.

**Mr DAVID SHOEBRIDGE:** Minister, you said that there are currently arrangements in place to evacuate those flood islands—we are talking McGraths Hill, Windsor, Richmond and Bligh Park, amongst others. When the local road network is inundated, they have no way of escaping by road as the floodwaters start to rise; they become flood islands. We are talking tens of thousands of people. When the roads are shut from flooding, what are the current arrangements to evacuate tens of thousands of people? I say this in light of what we saw in Lismore. The SES had two boats available in Lismore.

**Mr ROB STOKES:** As you would expect me to say, they are matters for the relevant portfolio Minister in relation to the SES' arrangements for those operational, combat-level arrangements. But certainly, in terms of

the infrastructure deficiencies, they are well known and identified in the 2017 report. Government has been working on a number of strategies, some that have been less costly, in relation to providing education strategies and those sorts of things and resourcing SES. But there are some that are more complex and involve significant sums. That refers to road packages, evacuation routes and engineering solutions like the Warragamba Dam wall raising as well.

**Mr DAVID SHOEBRIDGE:** The only identifiable road project was the construction of the new Windsor Bridge. In terms of flood proofing, that is completely marooned in the case of even the floods we have had in the last two rounds of floods in western Sydney, nowhere near one-in-100 levels level. It does not work.

**Mr ROB STOKES:** As Mr Draper already provided in evidence, there is not one single road solution. There are multiple. One of the things identified, from memory, was a package of local roads that need to be improved, a whole series of low points in existing road infrastructure that need to be dealt with as a package. There are a range of other initiatives also that will all ultimately depend on the conclusion of the flood evacuation model, which will inform whole-of-government decisions about some of these very large sums for infrastructure projects that will need to be done to facilitate the evacuation of residents that we know in a probable maximum flood are in harm's way.

**Mr DAVID SHOEBRIDGE:** Mr Draper, I want to be clear. I am not criticising Infrastructure NSW. It is about the only agency that for now five years has been pointing out these risks. Credit to you for doing that. Has a single one of those communities, at risk of becoming a flood island and then being inundated, in the last five years been given a flood-proof evacuation route? Has a single one of them had that happen?

**SIMON DRAPER:** I will confirm, but I think the likely answer is that most of the work on the roads has not been done. There is a program, as I said, of 110 projects which is being analysed at the moment to be put in place. So I do not think there has been any significant change in the road risk. What has been done, not to waste your time but just to be really quick about it, the thing that we have been able to do, which can happen quickly, is the preparation of those communities so that they are much more aware of the risk—there was very low awareness of the risk based on our research—making sure they had an evacuation plan and they were prepared. Then the communications processes between the SES and the BOM and those residents—we have really tried to ramp those up in the time that we have had. That is the main work we have been doing. Just while I am speaking, to confirm, 55,000 is the latest analysis of the number who would have to be evacuated under that scenario.

**Mr DAVID SHOEBRIDGE:** Despite more intense residential development, how has the number reduced by 9,000 people?

**SIMON DRAPER:** More refined analysis of the evacuation requirements in that area.

**Mr DAVID SHOEBRIDGE:** Do you have the number for a probable maximum flood?

**SIMON DRAPER:** I think it is 90,000.

**Mr DAVID SHOEBRIDGE:** The same as the one-in-500?

**SIMON DRAPER:** That is the worst on record. Sorry, 90,000 is the one-in-100.

**Mr DAVID SHOEBRIDGE:** That is the 1867 flood.

**SIMON DRAPER:** That is correct. I will check the PMF number for you.

**Mr DAVID SHOEBRIDGE:** Minister, what do you say to those people in western Sydney and the Hawkesbury-Nepean flood plain five years after Infrastructure NSW identified these very serious risks, particularly in the case of flooding. What do you say to them that not a single safe evacuation route has been constructed in the five years since? What do you say to them now?

**Mr ROB STOKES:** Before you can resolve a problem, you need to identify it. A lot of the work for those flood evacuation routes is currently underway. The final business case work has been funded and is underway in relation to those flood evacuation routes. But it is not as simple as fixing one road. You have to fix a number of roads as part of a package, and that work is underway, as well as the overall flood evacuation modelling for the entire valley, because the valley is not one flood plain; it is actually three. There is Wallacia, Penrith-Emu Plains and Windsor-Richmond. The risk in each of them is different and they are all interconnected. And obviously flood heights are different as you go further downstream. The flood heights around Penrith from memory are probably a maximum of about three metres, but further down toward Londonderry and those areas I think they are 10 metres and above. So the nature of the risk changes.

**Mr DAVID SHOEBRIDGE:** Some of the deepest flood risks in the country.

**Mr ROB STOKES:** It is not as simple as fixing one road. It is about fixing a large number of roads and obviously that needs to go through the appropriate processes because it is a significant investment.

**Mr DAVID SHOEBRIDGE:** Minister, why has your Government not done the most obvious first step, which says, "Until we can safely evacuate the existing population in the flood plain, we will not put anyone else there"? Why haven't you had the moratorium in place for the last five years and not added more households and more families onto the flood plain and aggravated the risk? Surely that is the most obvious initial step. But you have not done it. Why not?

**Mr ROB STOKES:** I respectfully disagree that we have not done it. Certainly in relation to rezonings that came before me in my former role, I took a precautionary approach in relation to those rezonings at Marsden Park North and Schofields West.

**Mr DAVID SHOEBRIDGE:** Just two, though.

**Mr ROB STOKES:** They were the ones that had come before me. On the basis of the advice that we knew that we were coming into a La Niña event, I felt it was prudent to wait until we had the finalised flood evacuation model to see what the implications of that were. It was not necessarily that these subdivisions were in harm's way in that they were under the one-in-100 and, in some cases, even approaching the probable maximum flood. It was more a case that development in areas surrounding at-risk areas might thwart evacuation from the most at-risk areas.

**Mr DAVID SHOEBRIDGE:** We heard from Planning earlier in these estimates rounds that between a third and a half of those potential new households would be inundated in a probable maximum flood. We also heard from Planning that its only plans are, at the moment, to see if it can build more evacuation routes and make the houses more resilient to being submerged. Is that really the plan—to make the houses more resilient to being submerged? Is that the plan?

**Mr ROB STOKES:** Certainly I would not endorse building more houses in areas where there is a real risk of flooding and where evacuation is simply not possible. But in any land use planning context, it is a matter of managing risk and in some areas, like Penrith town centre, there is existing development there. We have looked—and some of the great work done by Infrastructure NSW was looking—at options of relocating the existing population. But it was found from a cost-benefit analysis to have very, very low benefits and very, very high costs.

**Mr DAVID SHOEBRIDGE:** We might come back to that too.

**The Hon. DANIEL MOOKHEY:** Minister, can I return to questioning about the Metro Western Sydney Airport link? You are still building that, are you not?

**Mr ROB STOKES:** Sorry?

**The Hon. DANIEL MOOKHEY:** Your Government is still committed to building that rail line?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** You are still committed to having it open by the time the airport opens?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** There have been no discussions around deferring it?

**Mr ROB STOKES:** Not that I am going to reflect upon in regard to Cabinet-in-confidence, but yes. Even within the parameters of Cabinet I can say yes.

**The Hon. DANIEL MOOKHEY:** Yes, there have been discussions around deferring it?

**Mr ROB STOKES:** Sorry, I am using a double negative. No, there have not, to the extent that I am able to comment on.

**The Hon. JOHN GRAHAM:** But if there were discussions you would not be able to comment—that is the view you are putting?

**Mr ROB STOKES:** I can only give answers in light of my duty to retain Cabinet confidentiality.

**The Hon. DANIEL MOOKHEY:** Just to be clear here, you are committed towards building the link to St Marys we are talking about?

**Mr ROB STOKES:** Yes.



**The Hon. DANIEL MOOKHEY:** And there is no talk around the Government abandoning the rail line in favour of a pure link just to the CBD?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** How much is this project going to cost?

**Mr ROB STOKES:** I will refer you to the secretary in relation to project costs.

**ROB SHARP:** There are three different budgets there. I will have to take that on notice. I do not have the number here.

**The Hon. DANIEL MOOKHEY:** Just last year we were being told that construction would commence in 2021. Construction has not commenced, has it?

**Mr ROB STOKES:** Again, in relation to construction schedules and contracting, as I indicated in the last questioning, I will take it on notice.

**The Hon. DANIEL MOOKHEY:** Minister, you are the Minister for Infrastructure. This is the core of what you do, which is, when a project is going to be built, ensuring it is built according to the timetable that the Government has committed to. Surely you can tell us when construction is due to start.

**Mr ROB STOKES:** I have already answered your question. As you would appreciate in relation to large and complex projects, it is probably prudent for me to get very accurate information rather than talk from my memory off the top of my head.

**The Hon. DANIEL MOOKHEY:** I will accept any information at this point, Minister. Do you have anything indicative? Are we looking at starting construction this year or next year? Because at this point it is already a year late.

**Mr ROB STOKES:** As I said, I do not want to in any sense mislead the Committee by saying off the top of my head. I do have some information off the top of my head but at the risk of misspeaking I think it is probably prudent that I provide advice for you on notice.

**The Hon. DANIEL MOOKHEY:** The Northwest rail link took seven years to build.

**Mr ROB STOKES:** It was delivered, I think, a billion dollars under budget.

**The Hon. DANIEL MOOKHEY:** You are telling us that you are going to be able to build this rail link, which is as long, in half the time? Because if we are to believe what you are saying—

**Mr ROB STOKES:** Mr Mookhey, I have undertaken to provide you information that I think it is prudent that I provide on notice.

**The Hon. DANIEL MOOKHEY:** I appreciate that, Minister, but I am pushing you here because this is a crucial part of getting this airport operating and activated and creating the jobs that your Government has promised. You are saying that you are in a position to effectively build this rail link in half the time it took to build the Northwest rail link, despite not having planning approvals, not yet putting the contract out to tender and, as you sit there, not even being able to tell us when construction is due to commence?

**Mr ROB STOKES:** That is not what I have said. What I have said is that I will provide you details on notice.

**The Hon. DANIEL MOOKHEY:** Where is the money coming from for that?

**Mr ROB STOKES:** Sorry, for what specifically?

**The Hon. DANIEL MOOKHEY:** For specifically that project.

**Mr ROB STOKES:** As I have indicated, I will give you a full breakdown of the information that I can provide on notice. I think it is probably prudent that we provide it on notice. There is quite a lot of detail there.

**The Hon. DANIEL MOOKHEY:** Minister, you have the budget papers with you, I presume, given that you were referring to them before?

**Mr ROB STOKES:** The budget papers are behind me.

**The Hon. DANIEL MOOKHEY:** Can you get them?

**Mr ROB STOKES:** Which volume?

**The Hon. DANIEL MOOKHEY:** Page 5-52 of the Infrastructure Statement that you were quoting from before—*Budget Paper No. 3*.

**Mr ROB STOKES:** I will get you the details of the contracts awarded on that project. But, yes, specifically?

**The Hon. DANIEL MOOKHEY:** We have got a few other questions. You can see here that in respect of the M6, the project is meant to cost us \$3.1 billion, but only \$800 million has been accounted for in the budget. Where is the other \$2.2 billion coming from?

**Mr ROB STOKES:** Sure. That is the figure in the budget paper. I will provide you further particulars on notice.

**The Hon. DANIEL MOOKHEY:** When we get to the gateway, we know it is going to cost \$2.6 billion, apparently, but only \$1 billion has been put aside in the budget. Where is the additional \$1.5 billion coming for that?

**Mr ROB STOKES:** But the figure you are quoting is not quoted as the ETC on that page.

**The Hon. DANIEL MOOKHEY:** Whose fault is that, Minister?

**Mr ROB STOKES:** I am merely referring to the budget paper.

**The Hon. DANIEL MOOKHEY:** Indeed. Does the secretary know whether that was meant to cost us \$2.6 billion because he told us when Minister Ward was here.

**Mr ROB STOKES:** I am looking at the line item which states "NA" but I will refer you to secretary if he has further particulars that can enlighten you.

**ROB SHARP:** The project cost is 2.6 and it is on track to be delivered for that. In terms of funding, that is part of the overall appropriation dollars that go through the forwards—

**The Hon. DANIEL MOOKHEY:** Indeed. So we are going to be borrowing money to pay for it, are we Minister?

**Mr ROB STOKES:** I am not going to cavil with the answer the secretary has already provided.

**The Hon. DANIEL MOOKHEY:** And for the Rozelle interchange which is not broken up at all, how much will that cost us?

**Mr ROB STOKES:** Again, it is appropriate that I provide you those specifics, as far as I can, on notice.

**The Hon. DANIEL MOOKHEY:** If you turn the page you can see the Sydney Metro rail lines. Do you know what the Sydney Metro West is meant to cost us?

**Mr ROB STOKES:** Again, looking again at the ETC provided there, there is no figure provided for ETC. Instead they have got "estimated expenditure" and the allocation in relation to the budget year. In relation to further particulars, I am happy to provide some on notice or, again, you will have the opportunity to ask the relevant public servant this afternoon.

**The Hon. DANIEL MOOKHEY:** As the Minister for Infrastructure who says that you are responsible for cost control, surely you can give us some information on this or not?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** The truth of the matter is that no money has yet been put aside in the budget to pay for all these projects. The rail line is running late. You do not have planning approvals for many of these projects that you have committed to build. Is it the case that the State is just running out of money?

**Mr ROB STOKES:** Infrastructure is a pipeline so not everything is provided at the same time. You look forward. Going to the question by Mr Banasiak earlier in relation to market capacity, it is important to provide a pipeline because if we try to build everything all together at the same time, first, we would not have enough plant and equipment and, second, that would escalate costs.

**The Hon. DANIEL MOOKHEY:** Minister, I am more concerned—

**The Hon. SCOTT FARLOW:** Point of order: The Minister is trying to finish his answer.

**The Hon. DANIEL MOOKHEY:** Thank you for finishing your answer. I am more concerned that as a result of the way in which these major projects have been managed we are running out of money to complete the pipeline as committed to in this budget. Given that you are not in a position to identify any of the additional

funding sources, how can we actually believe your Government when you say that you have got a plan to build all these road projects and rail projects?

**Mr ROB STOKES:** Do not be concerned. That is my role. My role is to look into the assurance in relation to these projects through Infrastructure NSW [INSW]. That is why that agency was established to deal with problems that previous governments had faced. That is why we have an agency like INSW to make these sorts of inquiries and ensure that projects are delivered by the agencies and that agencies meet their commitments.

**The Hon. JOHN GRAHAM:** Across the State over the past couple of weeks of rain, the road network has been massively damaged here in Sydney and right across the State. On top of the backlog that you have already, do you have an estimate of how much extra maintenance will be required now to fix the damage that has occurred in the past two weeks?

**Mr ROB STOKES:** I have not been given an update in relation to a specific figure. I suspect the answer is it will take some time to calculate the costs of rectification. This is part of the process of budgeting and why we take very conservative approaches in relation to the commitments we make around infrastructure because we need to take up a theme that has been previously said in this Committee—to be resilient to unexpected events. In relation to costs and timing around costs, I refer you to the secretary.

**The Hon. JOHN GRAHAM:** Great. We might return to that in the second session. I turn to the issue of e-scooters. The Government has announced a trial. Where are we up to on this trial?

**Mr ROB STOKES:** We have been consulting with councils and with different bodies, business chambers and so forth, in relation to the trial. We anticipate being able to commence a trial later in the year. For further details I will refer you to Ms Fishburn.

**KIERSTEN FISHBURN:** Yes, there has been significant work done on working out the parameters of an e-scooter trial, both private users and shared services.

**The Hon. JOHN GRAHAM:** I might ask you Ms Fishburn to confine your remarks to when will this trial commence.

**KIERSTEN FISHBURN:** We are still landing the exact date at the moment. There are a few complications that have been brought about by the change in the local government elections and the need to get confirmation from the councils that we are undertaking it in. But it will certainly be this year and I would be looking probably closer to spring.

**The Hon. JOHN GRAHAM:** Closer to spring. How many councils will be involved in the trial?

**KIERSTEN FISHBURN:** At this point in time we are looking at potentially three to four councils. But as I do not have written confirmation from them I do not want to commit to exactly who they are.

**The Hon. JOHN GRAHAM:** Yes, but certainly in the second half of the year?

**KIERSTEN FISHBURN:** Yes, that is correct.

**The Hon. JOHN GRAHAM:** Minister, large retailers like Harvey Norman are already selling these e-scooters but, before this trial, they are currently illegal in New South Wales. Is that the case?

**Mr ROB STOKES:** No, they can be legally used on private land but not on public roads. This is part of the reason why we need to—this is one of these disruptive technologies that has come upon us.

**The Hon. JOHN GRAHAM:** But you accept that they are being used now on public roads or on cycle ways?

**Mr ROB STOKES:** Yes. My encouragement would be for all road users to obey the law.

**The Hon. JOHN GRAHAM:** Yes, but while your Government is dragging its heels on this e-scooter trial these are being ridden—

**Mr ROB STOKES:** I would reject the idea that we are dragging our heels. There are significant regulatory issues that need to be looked into and there is a level of social licence that we require to rollout a new technology. We have the benefit, because we have been late in relation to regulating—and I take the point—that has created some great opportunities for us to learn from other jurisdictions.

**The Hon. JOHN GRAHAM:** You certainly have been late in regulating. Do you blame Minister Constance for his view on this issue for that delay?

**Mr ROB STOKES:** I am not seeking to blame anyone.

**The Hon. JOHN GRAHAM:** If you had to blame someone.

**Mr ROB STOKES:** No, I am not a sort of blaming person.

**The Hon. JOHN GRAHAM:** I like that about you.

**Mr ROB STOKES:** The job ultimately is mine to resolve this issue. That is certainly my intention to do that so that we will have clear regulation for trials to commence later in the year. Some of the issues of regulation we need to look at are obviously relevant speeds, private versus—

**The Hon. JOHN GRAHAM:** We will turn to some of those issues with the officials. I want to ask you about the Greater Cities Commission. As this expansion happens, picking up additional cities, this is one of the things you will be driving. How many extra commissioners are you expecting to appoint?

**Mr ROB STOKES:** That will be a matter for the legislation to be debated before the Parliament. But certainly my intention at this stage would be to maintain the balance, so effectively a commission of 13. There would be six city commissioners as opposed to district commissioners so that each of the cities would be represented by a commissioner, and that would maintain the balance. So the ex officio State representatives would be three, the relevant secretaries; there would be four independent commissioners, the chief commissioner and ESD commissioners; and then the 10 representing the councils. Part of the success of the commission, which I am determined to maintain, is this idea that it is not an organ controlled by the State but instead it is a forum for collaborative planning between local councils and the State. Therefore, those city commissioners would be appointed on the basis of the advice of the councils in those cities.

**The Hon. JOHN GRAHAM:** There are plans already in place, a recently reviewed plan for the Illawarra and Shoalhaven. The Hunter regional plan is currently out for public review, as is the Central Coast regional plan. What happens to those plans as this gets set up? Do we have to start the planning process all over again?

**Mr ROB STOKES:** I certainly do not propose to undermine the plans that are already in place. It is more setting up a framework for future planning. In relation to the Illawarra Shoalhaven plan, it happily coincides with the proposed shape of the city district so that plan can remain on foot. In relation to the central coast, the same thing. There the region actually correlates with the size of the local council. In the Hunter it is slightly different because the Hunter contains a bigger area. So we are talking specifically of the councils that have effectively self-selected themselves which is Port Stephens, Maitland, Cessnock, Lake Macquarie and Newcastle. I think I have captured them all there. They are identified as the lower Hunter.

**The Hon. JOHN GRAHAM:** One of the concerns in the Hunter, and also a concern down south in Wollongong, is that those boundaries are very large. There might be some real benefits to this discussion about the urban areas of those cities but the further you go out into the regions the less relevant this commission is going to be. What do you say to those concerns about how broadly these boundaries are now being proposed in the Hunter in the Illawarra?

**Mr ROB STOKES:** I take the concern and understand it. I think, first, the Lower Hunter boundary has already been used as a metropolitan boundary for planning in the Hunter. In relation to Shoalhaven—they call themselves Shoalhaven City Council, but I think we need to recognise that metropolitan planning will include areas that are urban and areas that are exurban and agriculture. Just because it is within a city boundary—

**The Hon. JOHN GRAHAM:** Let me put to you the specific concern and get you to respond to it. The specific concern is this: that these boundaries are being driven not by urban planning concerns, but by political considerations. That is why they are being drawn more broadly. Could you respond to that?

**Mr ROB STOKES:** I reject that. They are being drawn on the basis of land use planning because they coincide with the boundaries that are already used for those purposes.

**The Hon. JOHN GRAHAM:** How much more will these additional commissioners cost?

**Mr ROB STOKES:** They will cost precisely the same as the existing six commissioners because they are replacing those roles.

**The Hon. JOHN GRAHAM:** I might turn now to one of the issues we have discussed in your former portfolio, which is the Government's plan to turn Parramatta Road into a Parisian boulevard. Now you are not in the hot seat—not in Transport and in Planning—do you concede that this Government plan is dead once and for all? It is never going to happen, is it, Minister?

**Mr ROB STOKES:** I notice that there have been allegories floating around. I think the road was referred to as a Taj Mahal and now there is a road referred to as a Parisian boulevard.

**The Hon. JOHN GRAHAM:** This was your Government's reference, your Premier's reference, not mine.

**Mr ROB STOKES:** I think it is great to invoke examples from history and from elsewhere, but I think Parramatta Road is a uniquely Australian place and I think there would be strong agreement that it is able to be approved. I think we have already demonstrated—

**The Hon. JOHN GRAHAM:** When is this going to happen?

**Mr ROB STOKES:** I think we—

**The Hon. JOHN GRAHAM:** Where are the provisions that you put in place as planning Minister? You were in charge, as planning and transport Minister—

**The Hon. WES FANG:** Point of order—

**The CHAIR:** Order! Apologies, Mr Graham and Minister. I will hear the point of order from Mr Fang.

**The Hon. WES FANG:** The Minister was providing us with a very detailed response and Mr Graham clearly did not like it. I do not know if it was not descriptive enough, but the Minister was certainly providing that answer. I just ask that he be provided the opportunity to engage and elucidate a bit more on what his plans are for the infrastructure.

**The CHAIR:** Thank you. I uphold the point of order. I will remind Mr Graham if he could allow the Minister to finish his answers.

**Mr DAVID SHOEBRIDGE:** That is your first win for estimates, Wes. Tick.

**The Hon. JOHN GRAHAM:** I might put the question again, Minister, if that is alright. You put these development conditions in place as planning Minister. You were then the planning and transport Minister. When is this actually going to happen? When will these changes to Parramatta Road that have been talked about for so long—

**Mr ROB STOKES:** I would invite you to look down Parramatta Road and see some of the things that are already starting to happen in relation to, for example, Haberfield Gardens, in relation to Concord Oval, in relation to Hawthorne Canal, in relation to a whole series of projects that have been facilitated through the Parramatta Road urban improvement program.

**The Hon. JOHN GRAHAM:** Understood, Minister, but I am talking about your development conditions placed on the road.

**Mr ROB STOKES:** This is exactly part of it, that \$198 million program, and that—

**The Hon. JOHN GRAHAM:** What about public transport on that road?

**Mr ROB STOKES:** —is being rolled out as we speak. Then there is a series of development outcomes that I have spoken to in the Parramatta Road strategy that was released by UrbanGrowth at the time. That is in the process, I understand—

**The Hon. JOHN GRAHAM:** Minister, you are avoiding the central issue, which is this—

**Mr ROB STOKES:** I am not avoiding it at all.

**The Hon. WES FANG:** I am loath to do this because I am already on a win, and I do not want to push my luck—

**The CHAIR:** I would not push if it I were you.

**The Hon. WES FANG:** —but I think we have just had the same issue yet again. The Minister was providing us with a very detailed response and Mr Graham continues to try to talk over the Minister because he clearly does not like the answer.

**The CHAIR:** Thank you. I remind all members to please give the maximum respect possible to Hansard and allow a break between question and answer. Go ahead, Mr Graham.

**The Hon. JOHN GRAHAM:** Minister, I will direct you to what you spruiked at the time as strict and unprecedented approval conditions, including public transport. Where are those up to and when will they be implemented?

**Mr ROB STOKES:** I am very happy to provide you with some specific advice. The strategic business case for Parramatta Road was completed in December 2021. A number of things will enable further public

transport improvements, including the final stages of WestConnex M4-M5 link and the Rozelle Interchange. That will provide a significant opportunity to improve public transport on Parramatta Road. In the short time we have already upgraded—

**The Hon. JOHN GRAHAM:** My question is when, Minister? When?

**Mr ROB STOKES:** And I am telling you what we are doing right now and what we already have done: the upgraded bus services of routes 438 and 461, which are operating seven days a week now, and also we are looking at active transport improvements in that corridor as well.

**Mr DAVID SHOEBRIDGE:** Minister, Infrastructure NSW in 2015 had a look at various options for dealing with the flood risk. Are you aware that they did some actual pricing and analysis of what it would cost to purchase the 6,200 homes most at risk in the Hawkesbury-Nepean Valley? Were you aware they had done that work?

**Mr ROB STOKES:** The 2015 work specifically I am not familiar with, but I am familiar with the work—

**Mr DAVID SHOEBRIDGE:** Sorry, 2017.

**Mr ROB STOKES:** I am familiar with the work that appeared in the EIS, and I think Mr Draper has that in front of him, so he can point that to you. So I am aware that that option has been looked at and that the costs, according to the EIS, significantly outweighed the benefits.

**Mr DAVID SHOEBRIDGE:** Mr Draper, were you aware of what the cost would have been in 2017 to buy out the most affected houses and permanently protect those residents from flood risk? Are you aware what the cost was in 2017?

**SIMON DRAPER:** I am sorry, I do not have that figure in front of me but, as the Minister said—

**Mr DAVID SHOEBRIDGE:** I can help you.

**SIMON DRAPER:** Yes, go on.

**Mr DAVID SHOEBRIDGE:** Page 33.

**SIMON DRAPER:** Page 33 of the 2017—

**Mr ROB STOKES:** Mr Shoebridge, I just interject. I recall that and I cannot remember the figure but I remember being surprised at it because I thought that seemed far too low, frankly.

**SIMON DRAPER:** Page 33, you said, Mr Shoebridge?

**Mr DAVID SHOEBRIDGE:** Correct.

**SIMON DRAPER:** Yes, the figure you were quoting there is \$3.3 billion?

**Mr DAVID SHOEBRIDGE:** Yes. Mr Draper—

**SIMON DRAPER:** Assuming a median house price of \$523,000.

**Mr DAVID SHOEBRIDGE:** That was the cost that was estimated in 2017. Mr Draper, the failure to have any action in this regard will have seen that price substantially increase. The cost of inaction, given what has happened to Sydney housing prices, has seen that as an option become even more expensive, has it not, since the 2017 report?

**SIMON DRAPER:** Yes, land values have gone up. There was no proposition there. All of this work that was done in 2017 was prior to the options evaluation report, which was published, as you know, in 2019. We certainly have not ruled anything out; we evaluated all of those options. But the challenge with buying all of those homes—there are about 5,500 structural homes and 1,900 manufactured homes—what you are saying to those households is "We are going to buy your home. There are another 7,600 families in that situation and there are going to be 7,600 less homes and you are all going to be trying to buy a new home in your area at the same time."

**Mr DAVID SHOEBRIDGE:** You would hope it was a joined-up plan, Mr Draper.

**SIMON DRAPER:** What I am getting at, Mr Shoebridge, is that the cost faced by those households may have been significantly higher than that cost to the Government.

**Mr DAVID SHOEBRIDGE:** But, Mr Draper, if the Government is taking these kinds of actions you would hope that they have a joined-up plan, because at the same time as you can acquire properties you can also use the planning powers and the finance powers that the Government has to open up potential housing stock, like

for like, in western Sydney that is not flood affected. You are assuming, perhaps from the model of the Government you serve, that you make a payment and then you throw them into the private market. There are many other solutions apart from that, are there not, Mr Draper?

**Mr ROB STOKES:** If I could interject there—I understand where you are going. The challenge is that that costing, which I actually think was too low anyway—what you are suggesting the Government could do would actually add considerably to that cost again, which would further erode the benefit-cost ratio.

**Mr DAVID SHOEBRIDGE:** I am simply looking at the analysis your Government did five years ago that estimated the cost of protecting those 7,600 people—maybe more—was in the order of \$3.3 billion. It was just dropped like a gun because it was considered to be politically unacceptable to relocate. Is that right?

**Mr ROB STOKES:** I could not canvass discussions that may have been had in government at that point anyway. The point I am making is that is done based on an estimated purchase price of all of those houses. Of course, an intervention on that scale in the market would in itself distort the market and, as Mr Draper has already alluded to, that would presumably elevate prices so that whatever we buy those houses for would not be what those people would then be able to acquire houses for. The challenge is that whatever we do in this area creates consequences elsewhere, so it is a very complex problem to solve.

**The CHAIR:** Minister, we clearly have a massive problem here. We have people who are living in at-risk areas and they are not able to get home and contents insurance. They are at considerable risk. Does your Government have any plan to fix this situation for those people?

**Mr ROB STOKES:** Yes. Effectively, the plan that Mr Shoebridge is pointing to looked at a number of the alternatives that were considered at the time. We are currently discussing one of them and the reasons as to why that alternative was not pursued. The alternatives that the Government is currently looking at, based on the current flood evacuation model that is effectively, as I understand, almost developed, will be able to inform those investment decisions around evacuation routes, around the Warragamba Dam wall raising project and other projects that have already been referred to in relation to evacuation.

**The CHAIR:** Will that plan enable people to be able to get insurance on those homes? Is that sufficient? It sounds like they are still going to be subject to flooding.

**Mr ROB STOKES:** In relation to insurance, I cannot comment, but I am very well aware. I have had the opportunity to speak to the insurers about their concerns.

**The CHAIR:** I asked Minister Ayres last Tuesday about the difficulties people were facing in relation to getting insurance on their homes in flood-prone areas. He replied, "Choosing to live in those locations does come with a consequence and people need to be aware of what that consequence is," which sounded very much to me like a personal responsibility approach. Do you believe that the New South Wales Government has a responsibility to step in and help these people who are now suffering?

**Mr ROB STOKES:** Of course we do, and I do not think Minister Ayres was suggesting we did not. Rather, things like flood risk are baked into property values. You do find that you have vulnerable communities partly because, in the case of, for example, manufactured homes, they are cheaper. They are cheaper partly because they are at high risk. That is reflected in their value. Yes, that does give a responsibility to the rest of the community, as we all share a responsibility to look after those with particular vulnerability. That would include people living in at-risk areas on flood plains.

**Mr DAVID SHOEBRIDGE:** Minister—

**SIMON DRAPER:** Sorry, Mr Shoebridge, do you mind if I provide you some—you asked me a question before.

**Mr DAVID SHOEBRIDGE:** Go for your life.

**SIMON DRAPER:** You asked for a number on the PMF. That 36,700 homes is for a PMF. They are all the homes on the flood plain. There are about 140,000 people living and working, and they would probably all have to be evacuated in those circumstances. When you asked before about the purchase of the homes, we never provided a recommendation to the Government to go and purchase those at the time. What we got permission to do was go and do a business case to come back to the Government with propositions.

**Mr DAVID SHOEBRIDGE:** Mr Draper, I was not trying to suggest it was your option. I just said you did the research. It is the only research I have ever seen done about what an acquisition would cost. Are you aware of any other research?

**SIMON DRAPER:** No, I am not.

**Mr DAVID SHOEBRIDGE:** Minister, are you aware of any other research?

**Mr ROB STOKES:** No. This was precisely the reason the flood strategy was commissioned in the first place: to look at all of these alternatives.

**Mr DAVID SHOEBRIDGE:** When you saw it, you thought it probably was not right. Did you ask for any further revision of it?

**Mr ROB STOKES:** I was in a different role when that was done, so I was not really in a position to seek further details. I think the issue there, from memory, is that looked at the totality of houses at risk. Obviously, in different areas, you could take a more nuanced approach—areas like Agnes Banks or Pitt Town Bottoms and those sorts of areas that are at a heightened risk compared to other areas of the flood plain.

**Mr DAVID SHOEBRIDGE:** Mr Draper, the Minister and yourself have both indicated there is, I think, a \$110 million strategy for local road infrastructure to deal with flood risk.

**SIMON DRAPER:** No, it was 110 projects.

**Mr ROB STOKES:** It is considerably more.

**SIMON DRAPER:** It is probably many multiples of that, yes.

**Mr DAVID SHOEBRIDGE:** That is why I thought I had misread—and I had. If those 110 projects are done, would those communities that faced the flood island impact have safe egress?

**SIMON DRAPER:** That is what they are designed to do. They are designed to eliminate the worst pinch points, if you like, on the roads where they are subject to flooding, through bridges, culverts, drainage and those sort of things.

**Mr ROB STOKES:** The time scenario was 12 hours, from memory, in terms of the evacuation time. Obviously, it depends how long people are given to evacuate. From memory, it was 12 hours, but I am happy to provide it on notice.

**Mr DAVID SHOEBRIDGE:** If you could provide more detail about that—what is the estimated cost for those 110 projects?

**SIMON DRAPER:** It is about \$900 million.

**The CHAIR:** It is time for Mr Banasiak's questions.

**The Hon. MARK BANASIAK:** I will go back to some questions I asked on the Kamay ferry. Mr Draper, you said you were going to take on notice where that sits in the tier one to tier five risk—

**ROB SHARP:** Mr Banasiak, I can provide you that detail.

**The Hon. MARK BANASIAK:** That would be good.

**ROB SHARP:** Kamay wharf is a tier three project. It is currently at the contract award stage, and we are currently negotiating the conditions of approval with DPE.

**The Hon. MARK BANASIAK:** Was that assessment done before or after serious contamination risks were raised publicly?

**ROB SHARP:** That is the current situation. The timing around that and the public awareness of contamination, I would have to take on notice.

**The Hon. MARK BANASIAK:** Minister, when this was raised in estimates last week, Minister Elliott and Mr Collins made some sort of tangential link to active transport. As the Minister for Active Transport, what is your understanding of how this short ferry trip contributes to active transport?

**Mr ROB STOKES:** I would just venture an opinion that I think there is a fairly loose connection to active transport, I would have thought.

**The Hon. MARK BANASIAK:** So would I.

**Mr ROB STOKES:** Nevertheless, I assume people walk on the ferry and walk off it at the other end.

**The Hon. MARK BANASIAK:** That is a very loose—

**Mr ROB STOKES:** The project, as I understand, was a joint commitment. I understand it requires financial support from the Commonwealth and, obviously, there are the conditions that would be associated with planning approval, which would address some of those contamination issues that I am aware of.



**The Hon. MARK BANASIAK:** At what point do we get, though, Minister, where we see all of these concerns and we hear of all these concerns—these red flags being raised in the EIS process. At what point do we say that this project should be canned because it does not meet cost-benefit and the State has far more important transport priorities or infrastructure priorities, given that market capacity report?

**Mr ROB STOKES:** I think the importance of the project is reflected in its rating, and it is a tier three project. Its status is that we are awaiting conditions from the Department of Planning and Environment. I understand it is also contingent on financial support from the Commonwealth.

**The Hon. MARK BANASIAK:** Switching topics, as the Minister for e-bikes and e-scooters, what do you plan to do about the litany of e-bikes, particularly the shared ones, being scattered all over the city in parks and randomly dropped at traffic lights and outside people's houses? I appreciate your support for active transport, but it is a bit of an eyesore when you walk around the city and there are bikes, and potentially scooters soon, littered around the countryside.

**Mr ROB STOKES:** I am very aware that the shopping trolley was the scourge of suburban drains of the twentieth century. I do not want the e-bike to be the scourge of suburban drains of the twenty-first century. They are precisely the issues we are looking into in terms of appropriate regulation. One of the challenges in relation to hire schemes—arguably, those e-bikes or e-scooters that are privately owned, perhaps the owner has less incentive to throw it up a tree. Nevertheless, there is a counterargument as well that hire schemes can be very highly organised and we can learn from the experience of other cities. That is one of the advantages of taking time to make sure that we get the regulation right, because there are a number of risks, as there are with any new transport technology.

**The Hon. MARK BANASIAK:** Can we switch topics again and go to the Port of Newcastle? I look at the Infrastructure NSW 20-year strategy and it talks about Newcastle being a major centre, growing to 700,000 people in the next 20 years and the delivery of new infrastructure, including light rail, road upgrades and expanded port, which will help maintain access to global gateways. How can the expanded Newcastle port help maintain access to global gateways when we will not allow it to containerise?

**Mr ROB STOKES:** Ultimately, part of the 60-year vision is recognising that we will be unique in being a global city with three deep water ports; Kembla, Port Botany and Newcastle. They do not all have to do the same thing but ultimately those arrangements will be commercial arrangements and they can reflect the land use planning of the three-port State environmental planning policy. It will be a matter for the State Infrastructure Strategy, the Long Term Transport Master Plan and the Greater Sydney Region Plan to speculate on future land uses over time. We have some incredible port facilities and, as the nature of our exports and imports changes, the role of those ports will also change.

**The Hon. MARK BANASIAK:** We have spoken about this several times and I have also raised it with various Ministers, including the Deputy Premier—this freight forecast strategy of massive increases in freight and it is all going to go through Port Botany. All that you can point to in terms of increasing efficiencies is a duplication of the 2.9-kilometre single track from Mascot to Port Botany. I appreciate the sentiment that different ports can do different things, but you cannot honestly be relying on Port Botany to handle all our freight if that is what the forecast is going to be. It flies in the face of what Infrastructure NSW is saying.

**Mr ROB STOKES:** We also have a portside review strategy underway at Port Botany to see how we can make the most efficient use of the capacity of that port. As you would appreciate, there are existing commercial arrangements that need to be respected but over time we have the opportunity to see how those ports can work effectively together. I accept the premise of your question, that we need to make sure that we allocate the use of the ports efficiently and in such a way to encourage competition and make it as easy as possible for Australian manufacturers to get their goods to market.

**The Hon. MARK BANASIAK:** Are you prepared to review the existing commercial arrangements that block Newcastle containerisation?

**Mr ROB STOKES:** That is a matter that goes beyond my capacity to answer.

**The CHAIR:** I might use up the last three minutes before I hand back to the Opposition. I want to pick up on something that Mr Draper said earlier about increasing the numbers of women working in construction. I understand that only about 12 per cent of the construction workforce in New South Wales are women. Minister, what are you going to do to increase the number of women in the construction industry?

**Mr ROB STOKES:** I have had a number of conversations with the construction industry about ways in which I can assist. To date, as you would recognise, the employment practices of industry is a matter for them. We can certainly encourage through our processes. I can refer to Mr Draper in terms of what we are currently

doing. I do not want to necessarily identify people, but I have talked to a number of construction leaders about ways in which we can assist through our contracting arrangements and also things like, for example, construction hours. When I was planning Minister there were some interesting issues raised around the COVID response to construction hours and the way that that might affect women's participation in industries like construction, things like availability of child care and those sorts of things.

**The CHAIR:** One of the major problems, as I understand it, is a lack of appropriate toileting amenities. Is that something you have been made aware of?

**Mr ROB STOKES:** That was not something that I had been specifically made aware of. Certainly child care had been an issue that had been raised with me in terms of work hours. I am not sure if Mr Draper has something to add in relation to that.

**SIMON DRAPER:** I have not heard specifically about toilets. Historically that would have been a terrible problem, as you are probably aware. I suppose the good news is that all of the industry bodies that we deal with have their own programs for getting more women into construction, but the fundamental issue is really one of culture. For a lot of women, particularly young women, who are entering the workforce, construction does not come across as a great place to work. Going into a workplace where they are in a minority, it may be considered a hostile place. They can earn quite a good income in construction, so it is unfortunate that they are not going into those areas. It is really dealing with the workplace culture. That goes to things like working hours, as the Minister said, the facilities that you referred to. All of the major construction firms we deal with we have found to be completely on board and also the industry bodies. So that is a good start, but it is moving slowly.

**The CHAIR:** My time is running out. Perhaps you could take on notice, Mr Draper, a question about how many of New South Wales major construction projects construction sites do have amenities that are suitable for women. Minister, in 2018 I understand that there was an announcement from your Government that 20 per cent of all jobs on major infrastructure construction projects would go to apprentices. Would you consider doing something similar in relation to women workers?

**Mr ROB STOKES:** I will take that on notice. I entirely agree with the premise of your question, it is just what is the right trigger to inspire that, also remembering that I have a duty to ensure that projects are delivered within the assigned cost.

**SIMON DRAPER:** We do have targets for women in construction as well as Aboriginal people and young learning workers, as we call them. On particular projects there have been targets around that and that has been quite successful.

**Mr ROB STOKES:** We will provide on notice both the targets and the performance to date.

**The Hon. DANIEL MOOKHEY:** That is a good segue into my questioning. Minister, what are the local content requirements that apply to major infrastructure projects like the western harbour tunnel?

**Mr ROB STOKES:** In relation to the specifics, I refer you to Mr Draper.

**SIMON DRAPER:** We do not have specific local content targets. Rather, we try and find wherever possible local manufacturing solutions, not only because it is good for job creation in New South Wales but also because it is in these days often a more reliable source of sourcing those materials and equipment. But a lot of equipment can only be sourced from offshore and certainly particular gauges of steel and those sorts of things can only be sourced from offshore.

**The Hon. DANIEL MOOKHEY:** Just to be clear, Minister, there are no local content policy requirements that apply to major projects like the western harbour tunnel? It is government policy I am asking about, not the detail. I am asking as a policy of the Government—

**Mr ROB STOKES:** It is not characterised in the way you characterise it but there are several ways that that outcome is facilitated. For example, I point you to a Premier's memorandum in relation to packaging of a project so they do not all go to necessarily the biggest contractors but there is opportunity for locals to be engaged as well. The sourcing of material will obviously have an eye to cost but, as Mr Draper has indicated, that can often be best secured, particularly in light of some of the supply challenges around COVID, by local equipment. But that is presuming that the local equipment is there to be acquired.

**The Hon. DANIEL MOOKHEY:** I am reading from the EIS that has been filed in respect to the WHT, which says that the western harbour tunnel expects to use 80 tonnes of aluminium. It very helpfully says that all of this aluminium is coming from overseas. We have got smelters in New South Wales. Tomago is one. Why is it that we are going offshore to obtain the 80 tonnes of aluminium that we could otherwise source from New South Wales?

**Mr ROB STOKES:** I would have to take that on notice. I am not sure what our obligations over free trade agreements are in relation to those sorts of procurement activities, and also I am not sure what the cost pressures were or in fact whether there were bids received from locals. I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** To be fair, this is from the EIS. This is not procurement; this is actually the planning record. It says here that before you even have the opportunity to check for local content you are disclosing to the planning department that all 80 tonnes of aluminium are coming from overseas. The basic inference is that they will not even be given the opportunity to bid for this.

**Mr ROB STOKES:** I do not know that off the top of my head, so why don't we get that information to you on notice.

**The Hon. DANIEL MOOKHEY:** What about steel? On the Western Sydney Airport run we are using tens of thousands of tonnes of steel—in fact, 125,000 tonnes of reinforcing steel. This is to the St Marys line. There is a steelworks in St Marys. Are we even going to have one tonne of steel from the St Marys steelworks on the St Marys line?

**Mr ROB STOKES:** The answer to that question, again, is actually much more complex than it might first appear because there are different grades of steel. So I think it is prudent that I get you clear—

**The Hon. DANIEL MOOKHEY:** Sure. I appreciate that, on notice. But just to be very clear, there are 5,700 tonnes of rail steel, 125,000 tonnes of reinforcing steel, 9,000 tonnes of galvanised steel and 12,000 tonnes of structural steel. That is made in St Marys. Equally, it is made in Wollongong. I want to know how much of it will be sourced from those two particular suppliers, given the thousands of jobs it could be supporting?

**Mr ROB STOKES:** I am very happy to get those particulars on notice. Obviously, for the reasons articulated by Mr Draper, we have always got to look to local sourcing and to local employment, but also recognise that we are part of a global economy and we also have to provide value to taxpayers. So there are a number of things that need to be considered as part of the project development.

**The Hon. DANIEL MOOKHEY:** But Victoria and WA have adopted these policies. Queensland is moving to adopt these policies. South Australia, to its credit, is trying to look local as well. That is under a government of your political persuasion, not mine. The evidence is that this could be supporting up to 4,000 jobs. That is just by running it through the Treasury calculators. You are close to procuring these projects. The Western Harbour Tunnel bids close in June. We have three shortlisted bidders. Is it not too late now to be able to use those procurements to create jobs in New South Wales?

**Mr ROB STOKES:** Again, I have answered. I will need to get further particulars in relation to that. The best way I can do that is to provide some details on notice.

**The Hon. DANIEL MOOKHEY:** Do we have apprenticeship targets set for these projects?

**Mr ROB STOKES:** My understanding is that there are general apprenticeship targets and they would be reflected in those projects. But I can ask Mr Draper for further details.

**The Hon. DANIEL MOOKHEY:** We might pick that up with the officials if they could have that information because I am interested in the number of apprentices per project.

**Mr ROB STOKES:** In relation to things I took on notice, it may be possible for us to provide details this afternoon if we can.

**The Hon. DANIEL MOOKHEY:** But I push you on this point, Minister. We have the Western Harbour Tunnel bid process. The three bids are due by June. Is it too late to set local content requirements with respect to the Western Harbour Tunnel? Has the horse already bolted when it comes to being able to find the materials from New South Wales to build that road project?

**Mr ROB STOKES:** To the extent that it is possible, let us find out for you what local content is already being provided as part of that project.

**The Hon. JOHN GRAHAM:** Minister, I turn to your Active Transport portfolio. You have outlined the fact that over five years \$950 million has been spent in that space. They are your figures, recently outlined in a key speech. You also called for that investment to more than double over the next few years. How has that budget bit travelled since you uttered it publicly?

**Mr ROB STOKES:** In fact, it has already increased. It was 740 last year, I think. It is now 950. There are a number of ways we are looking to double—

**The Hon. JOHN GRAHAM:** You have then called on it to more than double.

**Mr ROB STOKES:** Yes, so there are a number of ways in which we are looking to more than double that. One of the ways will be directly. We have brought forward the "get New South Wales active" grants—\$110 million in the coming year on cycling and walking infrastructure with local councils—and also through our own projects. We can get real value in terms of adding extra—particularly separated cycleways and that sort of infrastructure alongside major infrastructure projects. That is the way that we can get hundreds of millions—

**The Hon. JOHN GRAHAM:** They are all good ideas, Minister, but this is an unusual process.

**Mr ROB STOKES:** Yes.

**The Hon. JOHN GRAHAM:** I think my colleague the shadow Treasurer would agree with me, the Minister is publicly lobbying for doubling the budget. Are we going to see this in the budget?

**Mr ROB STOKES:** Ultimately, the budget is a matter for the Treasurer, but there is a whole range of novel ways in which I can seek to achieve the doubling. My planning is well advanced there already. It is not just through more grants to council, which has been the traditional way, but there are ways in which we can do that through our own infrastructure pipeline as well. Famously, I remember the former Labor Government had a target of ensuring that there were separated cycleways provided with every new motorway development. That was cancelled by a former Treasurer—I think Treasurer Costa. But those sorts of initiatives are ways in which—yes, it has a modest impact upon our infrastructure budget but it means that we can get great benefits.

**The Hon. JOHN GRAHAM:** We look forward to looking at the results in the budget. Part of the parliamentary process of the parklands bill that you were dealing with was dealt with in a hurry before Christmas. What is your current estimate of the timing to deal with that issue?

**Mr ROB STOKES:** It is sort of out of my hands, Mr Graham. It is a matter for the upper House.

**The Hon. SCOTT FARLOW:** You should ask the question of yourself.

**The Hon. JOHN GRAHAM:** We have to have the bill first. That is a matter for the Government.

**The Hon. PENNY SHARPE:** The timing of its appearance is actually on you.

**Mr ROB STOKES:** I will take that on notice. Obviously, those processes are outside my hands, but I would be keen for you to get hold of it as quickly as you can because I would love to get it dealt with.

**The Hon. JOHN GRAHAM:** Let me ask the question the other way. There is some public interest. What do you see is the next step in that process? Maybe that is another way to ask it.

**Mr ROB STOKES:** It would be working through—the shadow Minister identified a number of reforms that Labor would be seeking. I thought they were all pretty sensible and I indicated that in my second reading speech in relation to the passage of the bill through the lower House. I look forward to working through what those amendments might look like. The Greens have already foreshadowed a number of amendments that look sensible to me as well. I think, working collectively through a parliamentary process, we could get a really good outcome.

**The Hon. PENNY SHARPE:** Minister, I ask you about your tree target. I ask for this every year. It is getting fairly serious.

**The Hon. SCOTT FARLOW:** Can I get you one from Bunnings?

**The Hon. PENNY SHARPE:** We could talk about all of that. But the problem is that, as of today, you are almost 300,000 short of the target that was set to be met by 2022 for planting trees. Is it still a Premier's Priority?

**Mr ROB STOKES:** Yes, my understanding is it is. I have just been advised—and it is my understanding as well—that while, as a member of the Government, I remain committed to the target, it is not one within my portfolio responsibilities anymore. Having said that, there is a great way in which we can achieve it through the great work in reforestation—for example, the Western Parkland City and other areas as well. I certainly remain personally committed to the target. I understand it remains on track as a Premier's Priority as well.

**The Hon. PENNY SHARPE:** Minister, just to clarify, are you not in charge of the green and blue grid?

**Mr ROB STOKES:** In relation to that target, my understanding is that is a responsibility of Minister Roberts. But I am working in collaboration to achieve it.

**The Hon. PENNY SHARPE:** But what is your role with the green and blue grid?

**Mr ROB STOKES:** The green and blue grid was first identified through the work of the Greater Sydney Commission. That continues to be one of the agencies for which I am responsible, in their work, and that green

and blue grid is something to be delivered by the planning department, together with the Greater Sydney Commission, in cooperation with local councils as well, because much of it will have to be realised on parkland and spaces controlled by local councils.

**The Hon. PENNY SHARPE:** Just to be clear, you have no role in relation to the failed tree-planting target. The Government committed to five million trees by 2030, and they committed to one million by 2022. Just to be clear, you have no role in that.

**Mr ROB STOKES:** No, I certainly—

**The Hon. PENNY SHARPE:** I just find it extraordinary, given that you have the Cities portfolio. We are dealing with heat-island effect and we know that western Sydney is eight to 10 degrees hotter. Tree planting is one of the easiest things we can do to get that down. No-one seems to take responsibility for it.

**Mr ROB STOKES:** I am happy to take this—

**The Hon. PENNY SHARPE:** And we have failed to meet even the most basic target.

**Mr ROB STOKES:** As you would know, when I was portfolio Minister, I was regularly reporting in relation to achievement of the target.

**The Hon. PENNY SHARPE:** Which was not met.

**Mr ROB STOKES:** We are in 2022. I was the Minister in 2021. I forget what precise announcement I made at the time. I remember we announced when we got to the half-million—

**KIERSTEN FISHBURN:** The 600,000.

**Mr ROB STOKES:** And when we got to 600,000. I am not sure where we are at currently.

**The Hon. PENNY SHARPE:** You were supposed to be at one million by 1 January. I assume you are going to argue now that it was by the end of this year, but you are still 300,000 short. You are currently planting about 490 a day.

**Mr ROB STOKES:** Ms Sharpe, I am happy to provide more details on notice. I did not come equipped with the answer to that question because it does not fall within my portfolio responsibilities, but I am happy to find answers for you. I can say that certainly that was a target for which—when I was directly accountable, we ensured we were delivering it. I know Minister Roberts is also very passionate about this area, and I know he would be working very hard to achieve the Government's commitments in this space as well.

**The Hon. DANIEL MOOKHEY:** Minister, I want to ask you about open space levies on households. Is the Government still planning to impose a new \$300 household levy for the provision of parks, sports fields, skate parks, picnic areas and play spaces?

**Mr ROB STOKES:** What are you referring to, to be specific?

**The Hon. DANIEL MOOKHEY:** Open space levies. This idea has been floated around attaching it to the cost of development or attaching it in terms of—to recoup some of the cost that was built there.

**Mr ROB STOKES:** I am sorry. The characterisation of something as an open space levy is not something that I am familiar with. I am aware that as part of the Sydney Region Development Fund there has been a longstanding process where councils are able to levy for the collection of some money that supports the operations of the Office of Strategic Lands. I am not sure if that is what you are referring to.

**The Hon. DANIEL MOOKHEY:** Have you commissioned a report or a survey by Community and Patient Preference Research?

**Mr ROB STOKES:** I refer you to the secretary.

**ROB SHARP:** Not that I am aware of.

**The Hon. DANIEL MOOKHEY:** These are the options that apparently this firm is surveying people on about whether or not the New South Wales Government is intending to impose this type of levy. Do you have any knowledge of this at all?

**Mr ROB STOKES:** I am not sure what you are referring to. I am happy to find out details and get back to you.

**The Hon. JOHN GRAHAM:** Does the Government have any plans, though, to introduce a one-off government household levy for \$300, \$225 or zero, depending on the distance to the household?

**Mr ROB STOKES:** I am not aware of what you are referring to, but I am happy to find out details and provide information. But as I am looking across the officials everyone is looking blankly at me, so it is not something of which we are aware.

**The Hon. DANIEL MOOKHEY:** Minister, can I ask you about the Greater Sydney Commission's review of industrial lands policy?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** Where are we up to on that?

**Mr ROB STOKES:** Well, I have the CEO of the Greater Sydney Commission here. I will make a preliminary comment in relation to the industrial lands policy. I actually completely understand the reason for this policy when it was introduced: that we, of course, need to have a precautionary approach when we look at opportunity. I completely understand why the development community would be interested in converting industrial land to residential, because that would obviously increase its value. But it is important in land use planning to identify land that needs to be preserved for particular uses. As you were talking about, the need for local employment—we cannot have local manufacturing without the land to facilitate it. I will refer you to the CEO.

**The Hon. DANIEL MOOKHEY:** I will pick it up from the CEO this afternoon. But just to be very clear here, the Productivity Commissioner made a recommendation to review this. I understand that, as a result, the commission is reviewing it. But I am asking, as a matter of policy, are we going to find ourselves in the position where you are going to accept the Productivity Commissioner's land and turn over a lot of the remaining parts of New South Wales' and Sydney's industrial land to housing development?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** Okay. When is the review due to be completed?

**Mr ROB STOKES:** I will refer you to the—

**The Hon. DANIEL MOOKHEY:** Just quickly, if you don't mind.

**ELIZABETH MILDWATER:** We hope in the next couple of months. There are actually big engagement activities happening today and tomorrow.

**The Hon. DANIEL MOOKHEY:** Great. Prior to the Government considering the outcome of the commission's review, are you going to release the commission's review publicly?

**Mr ROB STOKES:** That is something that I had not turned my mind to, but I can see no reason as to why we would not release that publicly in the interest of transparency.

**The Hon. DANIEL MOOKHEY:** But, Minister, you are aware of the fear that the logistics industry especially has around particularly turning over industrial land currently used as warehouses and distribution centres and distribution points, particularly connected to the ports supply chain, to residential development?

**Mr ROB STOKES:** I am in furious agreement with you. This is the very reason that the policy was put in place in the first place. As with any orthodoxy in planning, they need to be questioned and they need to be—in one sense, something like an industrial lands policy, if poorly executed, can actually sterilise land. That is the last thing we want to do. But we also need to recognise that one of the reasons you have land use planning is to allocate uses in land. I am sure there is nothing more that a property speculator would want to do than seek an up-zoning of land, and that is where governments need to be very cautious about giving in to those sorts of demands without proper investigation. That is what the great GSC is engaged in.

**The Hon. DANIEL MOOKHEY:** Finally, you are aware of the research that says that if this land has to forcibly relocate and people need to relocate their existing facilities further west, that will actually result in increased grocery costs, given so much of this land is used to distribute consumer goods?

**Mr ROB STOKES:** I cannot really comment on a blanket statement like that because it really depends from lot to lot as to what the impacts will be, and I think that is the point. While it is really good to have a general policy position, the devil can sometimes be in the detail. The object of a policy like this is to ensure that land is allocated for the use that a city needs it to be used for. If we did not have land use zoning in a global city like Sydney, it would not surprise me if everything went to residential use. The moment it is residential, it cannot ratchet back to anything else.

**The CHAIR:** Thank you. Mr Draper, previously we were talking about the women's amenities in construction sites. Can I just clarify? I think you said that was a problem historically. Are you aware that it is also a problem now?

**SIMON DRAPER:** No. When I said "historically", in most industrial environments in Australia—I am talking about a long time ago—that was an absolute barrier. It was an excuse not to employ women. I do not think that is an issue these days but, as you requested, we are going to go back and check and see whether we are aware of any examples where that is still an issue.

**The CHAIR:** Yes, thanks. The ETU has actually been working really hard on this issue and talking about the various trades where women just do not have access to toilets. It is incredibly widespread and a very serious issue. Minister, would you meet with the ETU and women workers in the industry to hear directly about their experiences?

**Mr ROB STOKES:** As far as I am aware, they have not requested a meeting with me. But I would be delighted to meet with them.

**The CHAIR:** Thank you. Mr Shoebridge?

**Mr DAVID SHOEBRIDGE:** You will be confronted when you see the images of the bathrooms, and this is not a problem from 50 years ago. These are women electricians, tradespeople, who either do not have a toilet when they go to a construction site or have toilets so horrific that no-one could possibly be expected to use them. I know, Mr Draper, you indicated it was a historical issue.

**SIMON DRAPER:** I hope it is, yes, but—

**Mr DAVID SHOEBRIDGE:** Well, it is not, and that is why I would urge you to meet with the ETU, as Ms Boyd says.

**SIMON DRAPER:** Just to be clear, we did—through last year, for many reasons—meet with the ETU, the Plumbers Union and the CFMEU over the recovery in the construction industry. But we also got that same group back together late last year to talk about this very issue about women in construction. I am more than happy to meet with both the unions and employers on this and see how we can help shift the culture there.

**Mr DAVID SHOEBRIDGE:** Minister, you indicated, I think quite rightly, your concern about people not just in Hawkesbury-Nepean but in flood-affected areas across the State who cannot get insurance cover and often have either flood exclusions or impossibly high insurance premiums. That is an ongoing concern of yours?

**Mr ROB STOKES:** Yes. Like all these issues, it is a wicked problem. In one sense, I know many people who would love to have a flood exclusion because they find that they cannot get other sorts of insurance because flood insurance, for them, is impossible to afford or to get. I have met with the industry in relation to their concerns. And, of course, the challenge here is that it pushes up the cost of insurance for everybody, but it also acts as a disincentive to get insurance in the first place, which then puts those costs onto the general taxpayer.

**Mr DAVID SHOEBRIDGE:** So do you support proposals that are currently going forward in the Federal Parliament for the Commonwealth to extend reinsurance cover for flood insurance in those hard or impossible areas to obtain flood insurance? Do you support those moves?

**Mr ROB STOKES:** That is a really vexed issue, and I will leave it to the Federal Parliament generally because it is easy for me to give an opinion in relation to matters I do not specifically control. But I am aware that they can create moral hazard issues, and they have in other jurisdictions, like the United States, where those things have been done. I do not think there is any easy answer to this. I am happy to reflect on it; it is something that I have not really reflected on closely. But I know whatever I say will have consequences that I have not thought of, so it is probably better that I keep my own counsel on it.

**Mr DAVID SHOEBRIDGE:** Well, it is happening right now.

**Mr ROB STOKES:** Yes.

**Mr DAVID SHOEBRIDGE:** It will be happening in the next fortnight.

**Mr ROB STOKES:** Yes.

**Mr DAVID SHOEBRIDGE:** It will have potentially a very serious material impact on the ability to get flood insurance. As you know, the proposal is to extend the Government's own bill which provides cover for cyclone insurance because of a market failure. It proposes to extend it to flood insurance. Are you saying the State Government has no opinion on this?

**Mr ROB STOKES:** No. I guess the answer is—I will speak in general terms. Governments exist to look after—we talked about people who are vulnerable, and people who live in flood plains are a class of people with a vulnerability. Where the market is not able to look after their interests, then government does have a role to step in and address issues of market failure.

**Mr DAVID SHOEBRIDGE:** Otherwise we see what has happened in Lismore, which is often people bought properties on the flood plain at a lower cost, knowing they could not get insurance, and have now lost everything. That is a totally unacceptable policy outcome.

**Mr ROB STOKES:** The problem, to take that to its conclusion, is then that is a problem that is borne by—everyone else in society has to help pick up the pieces.

**Mr DAVID SHOEBRIDGE:** Grossly unfairly being borne by some of the people who have the least in the first place. You look at Cabbage Tree Island. It got knocked out. You look at Lismore.

**Mr ROB STOKES:** I agree entirely with what you are saying. I do not want to stray—it is very easy for me to comment on issues that other jurisdictions can do. I think my main job is to focus on the tools I have in my hands.

**Mr DAVID SHOEBRIDGE:** I ask again for those communities, those households who are at most at risk—the most vulnerable, often. Will you be reviewing, at least, the proposal that is going forward at the moment at a Commonwealth level to extend that flood protection using the Government's existing architecture for cyclone protection?

**Mr ROB STOKES:** In the nature of the way you have constructed that question, the answer is yes.

**Mr DAVID SHOEBRIDGE:** Will you do it in a timely fashion, noting that the decision in the Federal Parliament could be in the next one or two weeks?

**Mr ROB STOKES:** Yes. Happy to do that.

**Mr DAVID SHOEBRIDGE:** Minister, going to the Greater Sydney Parklands bill and the Western Sydney Parklands bill, noting that the Western Sydney Parklands have already exhausted the 2 per cent commercialisation footprint that they have, what realistically is the strategy for the funding of, under the current model, Western Sydney Parklands or maybe Fern Hill, for things like the Fern Hill plan of management? Under the current arrangements, where is the funding stream to do that?

**Mr ROB STOKES:** I think everyone understands that, in relation to a public good like public parklands, the largest role in relation to providing funding relies on central government to do that. So I think that will continue to be the case. But there can be great efficiencies in managing these sorts of assets collectively. I think we are now saving—about \$650,000 in relation to the operational efficiencies of putting these entities together has already generated. Every dollar of that is going back into park operations. But I think the central government will continue to play the dominant role in providing funding for parklands. The role of parklands engaging in commercial activities, I think, is largely, in relation to the parklands themselves, about activating the parklands and providing better opportunity for the public to use them.

**Mr DAVID SHOEBRIDGE:** I think there are good opportunities to activate parklands and encourage people in, but some of those activities that are deemed to be outside of the 2 per cent commercialisation footprint look very commercial, for example, the proposal to have the zoo and treetop adventure parks included as tourism hubs rather than as commercialisation of the park. Is that what we are likely to see going forward, more of what on the face of it look to be commercial projects being redefined as tourism hubs?

**Mr ROB STOKES:** No. A lot of that will rely on the plan of management, which is, obviously, a matter of really intensive consultation with the relevant local community and wider community as well. I think the community consultation provisions, for example, at Centennial Park are much better than at some of our other parklands, which is why we would be keen to roll out those sorts of arrangements across the estate. I think, as part of the legislation, certainly the intention is to increase scrutiny around those sorts of plan of management activities to make sure that we get the balance right and that the community get to decide on the sorts of activities that they want to see. Certainly, if they involve third parties coming in and activating a parkland site, they will want to do that as a going concern. Where that is in the public interest and helps people to enjoy a parkland that they might not otherwise access, then that may well be a good thing, consistent with the objectives of the legislation.

**Mr DAVID SHOEBRIDGE:** Minister, do you accept the development—I will give you an example—of a cemetery in Western Sydney Parklands would effectively be a commercial development and should be included in the 2 per cent cap?



**Mr ROB STOKES:** I would have to take that on notice. That is not the legislative model going forward. That was a legislative model for the time, which was to create, if you like, a commercial engine to pay for the activities elsewhere in the parkland. But I think fundamentally what we are seeking to do is to have an efficient and transparent and modern parkland management agency, but that does not take away from the central government the responsibility to provide funding for its activities.

**Mr DAVID SHOEBRIDGE:** Do we agree that parks are not cemeteries and zoos? Cemeteries are essential, but they are not parks. Do we agree with that?

**Mr ROB STOKES:** Zoological parks are parks. Cemeteries are not parks. That does not mean that you cannot have an ancillary use of a cemetery as a parkland. There are many examples overseas where that is done. But I accept the premise of your question. Fundamentally, a cemetery is a cemetery.

**Mr DAVID SHOEBRIDGE:** Minister, you know the deep concern about the western harbour and beach links projects. You know the deep concern about the loss of green open space and the loss of trees, particularly on that north side of the harbour. Why is the Government proceeding with this project in the face of such vehement opposition and given the very real loss of green open space and trees?

**Mr ROB STOKES:** The Government is fulfilling its commitments that have been made at several elections. Our commitment has been consistent. We are going through the appropriate planning processes right now. The planning Minister is considering all of the submissions made in relation to the EIS. He will make a determination about the approvability of the project. But it remains a Government commitment. As a member of the Government, I am committed to see the project delivered.

**Mr DAVID SHOEBRIDGE:** Mr Draper, the last figure I saw on this project was a \$20 billion cost estimate. What is the current cost estimate?

**SIMON DRAPER:** Which project are you referring to?

**Mr DAVID SHOEBRIDGE:** This is the Western Harbour Tunnel and the Beaches Link.

**SIMON DRAPER:** The only reason we get that information is for Cabinet reporting. You are better off asking the department of transport.

**Mr DAVID SHOEBRIDGE:** Mr Draper, you are Infrastructure NSW. You have had a key part in the assessment of this project. You are telling me you do not know what the cost of it is?

**SIMON DRAPER:** I am telling you I cannot tell you what the cost is.

**Mr DAVID SHOEBRIDGE:** I am asking you. Do you know what the cost is?

**The Hon. WES FANG:** Point of order—Chair, I do realise you have just walked in. Mr Draper did identify that it is part of the Cabinet process. Clearly, Cabinet process questions are outside the remit of this Committee.

**The CHAIR:** Thank you, Mr Fang. I think the witness is capable of responding, if it is something that he is not able to respond to, with, for example, a reference of it being a Cabinet process. Continue, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** Is it still a \$20 billion mega-project? Is that still the price, Mr Draper? Or has it gone up? I doubt it has gone down.

**SIMON DRAPER:** I can only answer in general terms. It is not considered one project. They are moving at different rates and different decision-making. But clearly there is a road network there. I am not trying to be difficult, Mr Shoebridge, but all of the information we get about those costings at INSW is only for purposes of reporting into Cabinet. But there are other parties who can perhaps answer your questions.

**Mr DAVID SHOEBRIDGE:** Minister, do you know what the actual costs of these projects are? This is not only a matter that cuts across your ministerial portfolios. It is meant to link into your electorate. Surely you know what the cost of these mega-projects is now. Has it blown up?

**Mr ROB STOKES:** I am, obviously, aware of the cabinet reporting that Mr Draper does. I am bound by the same processes as him.

**Mr DAVID SHOEBRIDGE:** Mr Draper, have you been asked to reassess the business case for the western harbour tunnel? When I say "you", I mean "Infrastructure NSW".

**SIMON DRAPER:** Yes. I am not aware of any such request, but I am happy to check. The way that this works is it goes through a Gateway process. I am not aware of it having been referred back or anything of that nature.

**Mr DAVID SHOEBRIDGE:** As I understand it, it was the most marginal positive business case. I cannot remember what it was—\$1.05 or \$1.06 or \$1.02 for every dollar spent. Can you remind me what the business case was?

**SIMON DRAPER:** I do not know if I have got that in front of me, I am sorry. I am happy to try and have a look at it and see if we have published that or not. I have not got that in front of me.

**Mr DAVID SHOEBRIDGE:** Since then we have seen an escalation in construction costs and we have seen the impact of COVID creating inflationary pressure in this space. Before you embark upon a \$20 billion project, Minister, given how marginal it was with the business case before, wouldn't it just be prudent to get Infrastructure NSW to run the ruler over it again?

**Mr ROB STOKES:** The latest information I have is it has a positive BCR. Having said that, I also note that a BCR is just one tool in equipping government to make decisions. It is a valuable tool, but it is just one.

**Mr DAVID SHOEBRIDGE:** The BCR, pre-COVID, had it just at—my colleague reminds me—\$1.2 billion. Given all of those inflationary pressures, given, I would have hoped, greater scrutiny on toll road projects and given the cost of oil, do you not think it would be prudent to review the business case to see if it still stacks up in 2022?

**Mr ROB STOKES:** Ultimately, these are all matters that will factor into the investment decision that will be made through a Cabinet process and I am not going to canvass that, but I understand what you are asking and I accept the premise of your question—that these are the sorts of questions that government should ask—but I am not going to speculate on them because they take me into a Cabinet process that I cannot talk about.

**Mr DAVID SHOEBRIDGE:** Where is the money coming from, though, Minister? Is it all State money? Is a proportion of it Federal money? Where is the money coming from?

**Mr ROB STOKES:** In relation to this particular project, I refer you to the transport secretary in relation to the relative funding.

**ROB SHARP:** The process involves an investment decision and the funding is part of the investment decision process. Those processes are underway and are still being reviewed. There is no finalisation of that at the moment.

**Mr DAVID SHOEBRIDGE:** So you do not have a funding model for the Western Harbour Tunnel and Beaches Link—it is all proceeding down a planning process without a funding model?

**ROB SHARP:** The funding model is part of the investment process. So the Treasury sign-off occurs during those investment sign-off processes and that is underway.

**Mr DAVID SHOEBRIDGE:** What is the estimated toll for the western harbour tunnel crossing? What are people going to pay for the privilege of using the private tollway?

**ROB SHARP:** I do not have a toll number on that, and that would also be part of the investment process in terms of the costs and potential revenue streams that would come through, as well as the escalations you talked about and an assessment of the broader benefits.

**Mr DAVID SHOEBRIDGE:** When is that going to happen?

**ROB SHARP:** That is underway at the moment. It is with Government to go through that process.

**The Hon. DANIEL MOOKHEY:** Minister, I want to ask you about delays in providing enabling infrastructure that is therefore stopping housing development. There are housing projects in Sydney that are being delayed because basic water, sewerage and drainage costs, and roads and infrastructure are not being provided on time or at all. One that comes to mind is the Appin land where Wollondilly council has called for rezoning to be halted because Sydney Water cannot provide water and sewerage services. Do you know how many houses are being delayed because infrastructure is delayed or not being provided?

**Mr ROB STOKES:** There would be a whole range of rezonings that are contingent upon infrastructure provision and servicing. I could not give you a figure off the top of my head. But in relation to the one you quote down in Macarthur, I understand that is due to the Upper Nepean waste treatment facility that I think has now been approved. I am happy to give you some advice on notice but this is one of the challenges with staging of development.

**The Hon. DANIEL MOOKHEY:** There are others, though. The South West Growth centre has a sewerage issue, which is the reason why it is not going ahead. The Spring Farm Parkway is a road project that has not been constructed. We have got a sewage pumping station at Lowes Creek in Maryland and Marsden Park, we

have got Richmond Road not being upgraded, we have got the Wilton Water Reservoir not being built and of course the Water Lane interconnecting road at Box Hill is also delaying developed. They are just six examples of the Government not being in a position to time the delivery of infrastructure at the same time as housing, which is part of the reasons why councils and others are missing their housing targets. What are you going to do with infrastructure, Minister, to make sure that these enabling works that allow housing developments as approved to actually be constructed go ahead?

**Mr ROB STOKES:** Because a lot of this infrastructure also relies on works by local councils as well, one of the biggest things we can do is support the infrastructure financing reforms that are currently before the Parliament. I would encourage you to support them so that we can ensure that we have a pool of finance to pay for these things as a result of the rezoning and so that those benefiting from the uplift can also participate in paying for the enabling infrastructure that the rezoning requires.

**The CHAIR:** That brings us to time. Thank you very much, Minister, for your attendance this morning. Apologies again to all of you for the IT issues that we struggled through, but we did get there in the end. We will be back in the afternoon at 2 o'clock with the officials.

**(The Minister withdrew.)**

**(Luncheon adjournment)**

**Ms SUELLEN FITZGERALD,** Chief Executive, Greater Sydney Parklands, affirmed and examined

**Ms CAMILLA DROVER,** Deputy Secretary, Infrastructure and Place, Transport for NSW, on former affirmation

**The CHAIR:** Welcome back. We will commence with questions from the Opposition.

**The Hon. JOHN GRAHAM:** We might cover some similar ground to this morning but in some more detail. Mr Sharp, was there anything out of that session this morning that you wanted to brief on or is there anything that any of the officials who might have got headed off in the backwards and forwards want to place on the record up-front?

**ROB SHARP:** Yes, there is, particularly in regard to Metro. Firstly, Sydney Metro is led by Peter Regan and governed by the Sydney Metro board. I can pass back some of the commentary, but any detailed questions I would need to take on notice. But in respect of the ones that you raised this morning, the Sydney Metro Western Sydney Airport project has received planning approval from both the Australian and New South Wales governments, and major construction is set to commence soon. Contracts that have been let: December 2021, the station boxes and tunnelling; March 2022 was the surface and civil alignment works contracts; construction early work started in December 2020; and in 2021 the Sydney Metro Western Sydney Airport metro line tunnelling contract was awarded to CPB Contractors and Ghella to build the new twin metro rail tunnels. Those boring machines will be in the ground in early 2023.

The exact locations of the stations were locked in in September 2020. That was subject to public consultation at the time and is in the public arena, and those locations have not changed since then. All future precinct development would be subject to separate planning approval processes. For example, the future development around Luddenham and the Aerotropolis stations will be considered through the Western Sydney Aerotropolis Plan, which is being delivered by the Western Sydney Planning Partnership.

**The Hon. JOHN GRAHAM:** Is there anything else that you wanted to cover first?

**ROB SHARP:** No, that was it.

**The Hon. JOHN GRAHAM:** I will turn firstly to the rail shutdown time line. Mr Sharp, you and your officials have given very detailed evidence about this timing both to the Government via the Department of Premier and Cabinet and also to estimates previously. We have been grateful for that. The Minister has offered to take on notice the timing of when he was briefed, but this issue will be raised in Parliament before he will have the opportunity to respond on notice. I will ask you the same question, given the detailed information that you have been able to provide about when you briefed the other Ministers. When was Minister Stokes briefed on Monday 21 February about the rail shutdown?

**ROB SHARP:** Our respective offices were liaising throughout the morning, but my recollection was that it was in the afternoon of the Monday that we spoke.

**The Hon. JOHN GRAHAM:** When you say "we spoke", you personally briefed the Minister at that point?

**ROB SHARP:** Yes, we spoke through the detail of what had occurred over the evening before and some of the time lines. But it was not a detailed briefing per se. It was bringing him up to speed, as I did with the other Ministers that morning.

**The Hon. JOHN GRAHAM:** And he did not have this helicopter view about the order in which Ministers were briefed; you do. You can confirm what we know and what the evidence to date in estimates is, that in the order in which the transport Ministers were briefed, Minister Stokes was the last of those Ministers on the afternoon?

**ROB SHARP:** Yes, he would have been.

**The Hon. DANIEL MOOKHEY:** I will pick up on the additional information that you just provided, Mr Sharp, around the Western Sydney Airport metro line. Thank you for the update. My first question is are you aware of any other major contracts that are due to be let anytime soon?

**ROB SHARP:** No, not at moment.

**The Hon. DANIEL MOOKHEY:** Is that because all of them effectively have been let for that particular line?

**ROB SHARP:** No, there are more contracts to come.

**The Hon. DANIEL MOOKHEY:** On notice can you provide the Committee with what is coming and when?

**ROB SHARP:** Yes, we will take on that on notice.

**The Hon. DANIEL MOOKHEY:** In respect to the tunnelling, the surface materials and the stations, is it fair to say a lot of the project is now contracted for?

**ROB SHARP:** There is a reasonable portion of it, yes.

**The Hon. DANIEL MOOKHEY:** Do we know how much or the locations of where all the steel that we are purchasing for this part of the project is coming from?

**ROB SHARP:** In respect to the steel for the project, I would have to take that on notice unless Ms Drover knows the steel for the metro?

**CAMILLA DROVER:** I do not know the specifics of metro. What I can say is that for general construction projects, given the contracts have only been let, the contractor may not know exactly where all their inputs are coming from on award. They have got to go through their own procurement process.

**The Hon. DANIEL MOOKHEY:** That is helpful, Ms Drover. So it is the responsibility of each of the contractors to do the procurement. Is that fair?

**ROB SHARP:** Yes.

**The Hon. DANIEL MOOKHEY:** In procurement they have to comply with the relevant procurement policy that is prescribed in the contract, I presume?

**ROB SHARP:** Correct, yes.

**The Hon. DANIEL MOOKHEY:** And those contract requirements reflect government policy or requirements?

**ROB SHARP:** Correct.

**The Hon. DANIEL MOOKHEY:** This might be to the secretary or to Mr Draper. What exactly are the local content requirements in respect to this particular project?

**ROB SHARP:** The actual detail in the contract I would have to take on notice. However, as a general comment, I would say that there is not a government policy that specifically says you have to have X per cent local content. It does come down to the value proposition.

**The Hon. DANIEL MOOKHEY:** Sure.

**ROB SHARP:** There are some specific elements that we will put a target in—for example, the number of apprentices and those types of items. But if it comes down to a particular amount of steel, it would be up to the contractors to come back. There is a value proposition there between local supply as well as the dollars for the tender.

**The Hon. DANIEL MOOKHEY:** Of course. But just to be clear, there is no policy that you are aware of which mandates content levels in respect to this particular project?

**ROB SHARP:** I will pass over to Ms Drover in respect to the general contractual position.

**CAMILLA DROVER:** Yes, under the Infrastructure Skills Legacy Program there are requirements for participation of different types in the workforce. For projects over \$10 million—

**The Hon. DANIEL MOOKHEY:** Can we get to the workforce issues in about two minutes?

**CAMILLA DROVER:** Yes.

**The Hon. DANIEL MOOKHEY:** I just want to finish the materials, if that is possible. I do not want to be rude. In respect of the materials for which there is a lot of steel, I am specifically wondering about that line in respect to how much, if any, of that steel we know will be coming from any of the three steelworks that are left in Australia.

**CAMILLA DROVER:** I am not aware of any mandated targets et cetera for local content. But under those plans contractors need to demonstrate how they are supporting local jobs, which does often go to the use of local materials. I can say that on the recent road projects, though, the vast majority of steel has come from Australian providers. So NorthConnex was 99 per cent, Parramatta Light Rail and the recent bridge across James Ruse Drive were 100 per cent steel, and the vast majority of steel on WestConnex is 100 per cent Australian.

**The Hon. DANIEL MOOKHEY:** We might turn to the road projects before we get to the workforce participation aspects. Can I speak specifically about the western harbour tunnel? I think we established at the Roads estimates hearing that we have a short-list of three contractors, do we not?

**CAMILLA DROVER:** For the second and last package of western harbour tunnel, yes.

**The Hon. DANIEL MOOKHEY:** As I understand it, those bids are due in June, did you say, last time?

**CAMILLA DROVER:** They are the middle of the year. I cannot remember the exact date.

**The Hon. DANIEL MOOKHEY:** This is the short-listed stage, is it not?

**CAMILLA DROVER:** They are in the tender phase.

**The Hon. DANIEL MOOKHEY:** Yes, but the short-list of tenderers are in the tender phase?

**CAMILLA DROVER:** Yes.

**The Hon. DANIEL MOOKHEY:** What are their requirements when it comes to sourcing local materials?

**CAMILLA DROVER:** There are no mandated targets, as I said, but they will need to demonstrate how they are supporting local jobs, and they will need to report on that.

**The Hon. DANIEL MOOKHEY:** Fair enough. Just to be very clear, I am reading from the EIS. I am sorry that I did not photocopy it, which is out of form for me. I am happy to read it to you and then provide you with it. This is an excerpt from the EIS that lists the materials that are likely to be used here. It says that there are 80,600 tonnes of steel that we are expecting to be used. Apparently Transport for NSW, as the proponent of the project, said that this will be coming from Australia and/or overseas.

**CAMILLA DROVER:** I have got the table in front of me. It is 80,600 tonnes of steel, yes, anticipated source or origin Australian and/or overseas. We are not nominating where it has to come from, but that was in the EIS. The purpose of the EIS is to look at all the potential impacts from an environmental perspective of the project, assess what those impacts are and work towards mitigating those impacts. That was why that table was prepared as part of the EIS.

**The Hon. DANIEL MOOKHEY:** It is a very helpful table, do not get me wrong. I welcome the detail. Before I go too far into this table, do you have equivalent tables in respect of the Western Sydney Airport line, the metro line—the metro might have it, I am not sure—or the Sydney Metro West?

**CAMILLA DROVER:** My understanding is that all transport EISs are publicly available. I suspect the metro one is—

**The Hon. DANIEL MOOKHEY:** We could not find that equivalent table. We found a table but it did not show the sourcing. Maybe I will ask you a supplementary question on notice. Do not worry too much about it now. When you said to the planning authorities that it was coming from Australia and/or overseas, to some degree

that is a tautology. It has to come from Australia and/or overseas; it has got to come from somewhere. Do we know how much is coming from Australia or how much is coming from overseas?

**CAMILLA DROVER:** As I said, historically, and particularly in recent times, the vast majority of steel has come from Australia, but we are in the tender phase, so when we get a preferred contractor and then we award the contract, they will do their procurement and will confirm exactly where the inputs, including steel, are coming from.

**The Hon. DANIEL MOOKHEY:** Are they required to disclose their sourcing?

**CAMILLA DROVER:** They generally do. I have never had an instance where they hide. Generally, that is disclosed, but they do need to report on their local content outcomes, particularly as it relates to local employment.

**The Hon. DANIEL MOOKHEY:** But there is no requirement for them to disclose their supply chains when it comes to either steel or the other major inputs?

**CAMILLA DROVER:** I would have to take on notice where there is a positive obligation.

**The Hon. DANIEL MOOKHEY:** To the extent to which Australian steel is used, that is a choice made by the contractor not a requirement set by government. Is that a fair summary?

**CAMILLA DROVER:** I think that is a fair summary, yes.

**The Hon. DANIEL MOOKHEY:** Mr Draper, are there any Infrastructure NSW policies in respect of this?

**SIMON DRAPER:** I am not aware of any policies which specify either preferring local materials over imported materials or setting particular targets. This is only my view and not the Government's view, but I would add that if we were asked for that, I doubt we would recommend such a policy because it is very unlikely that that sort of protectionism—to use that old term—is likely to deliver value for money to the New South Wales taxpayer.

**The Hon. DANIEL MOOKHEY:** For what it is worth, I appreciate the concern. We have pursued that with Treasury and they have told us that their legal advice is that it does not provide any FTA agreements depending on how it is designed. Given this is the approach that the Commonwealth is pursuing when it comes to defence projects, it is not unusual when other States have pursued the same. I appreciate that is a matter of detail which would require some interrogation. As we stand now, there are no such policies in place.

**SIMON DRAPER:** No, I am not aware of any.

**The Hon. DANIEL MOOKHEY:** Did Transport meet with BlueScope by any chance or the operator of the Whyalla or St Marys in general at any level or for that matter Infrastructure about what their capabilities are? Have we had any meetings with the local steelworks?

**SIMON DRAPER:** No, I have not.

**CAMILLA DROVER:** Not to my knowledge in recent times, no.

**The Hon. DANIEL MOOKHEY:** What about aluminium? Have we sat down with either the operators of Tomago or Bell Bay and talked to them about what their requirements are?

**CAMILLA DROVER:** Not to my knowledge of late, no.

**The Hon. DANIEL MOOKHEY:** This is to you, Secretary. I only ask because the Minister said this morning that part of the reason why is whether or not they are producing to spec. One of the clear views that they have given is that they can produce to spec but someone has to sit down and talk to them and they need to be able to plan for it. Has there been any dialogue that you are aware of or any requests to engage?

**ROB SHARP:** Mr Mookhey, the dialogue typically takes place through our contractors. We have large industry players, many of whom are global. The procurement sourcing is typically through them. To your question around the metro, I am informed that on the north-west metro, the current steel reinforcing—7,000 tonnes—was 100 per cent Australian manufactured. I suspect that because we do have those obligations around informing us of their local content, though it is not a positive requirement, it is in their interest to highlight that to us. We have quite a lot of steel that is actually Australian sourced.

**The Hon. DANIEL MOOKHEY:** Ms Drover, I originally cut you off when you were telling me what the apprentice targets were when it comes to these particular projects. I did say that I would give you the opportunity to inform me. So do you want to inform me what is the requirement for apprenticeships when it comes to the Western Harbour Tunnel that you have asked contractors to meet?

**CAMILLA DROVER:** For all projects over \$100 million—so obviously Western Harbour Tunnel—under the industry skills legacy program 20 per cent of the trade's workforce have to be apprentices; 20 per cent of the whole project workforce need to be learning workers, so that is someone undertaking some sort of further education; 8 per cent of the project workforce needs to be young people, and they also need to comply with the Aboriginal procurement policy; and 2 per cent of the trades workforce needs to be women.

**The Hon. DANIEL MOOKHEY:** Do you know how many apprentices that is going to create?

**CAMILLA DROVER:** It would depend on how many workers are part of the workforce. It would be significant numbers.

**The Hon. DANIEL MOOKHEY:** What are the construction hours?

**CAMILLA DROVER:** If you think about, say, Sydney Gateway, we have got nearly 3,000 people onsite on any one day. So that would be a significant number.

**The Hon. DANIEL MOOKHEY:** Does Infrastructure NSW track this?

**SIMON DRAPER:** Yes, we do. In fact, there is a report on our website, and I do not know if you have seen it, the 10-point commitment that we do. What Ms Drover is referring to is one of those commitments between us and industry and we do progress reports against that. I think the latest one is on our website. I know the Australian Constructors Association also did a progress report late last year.

**The Hon. DANIEL MOOKHEY:** To be fair, I looked at that I think a month or two months ago, but they are not reporting on a project level.

**SIMON DRAPER:** No, they are not. We have got figures that show the percentage of projects that are meeting that requirement that Ms Drover just referred to.

**The Hon. DANIEL MOOKHEY:** Can I invite Transport to take on notice for all projects for which you think apprentices are being employed, the number of apprentices by project? I would like to know what Sydney Gateway is and the actual numbers.

**CAMILLA DROVER:** We can take it on notice and see what information we can bring back. I think the industry skills legacy program came in last year; so not all projects need to comply with it. Having said that, a lot of projects do comply with it even though they do not technically have to, and there are also a lot of projects that have exceeded those targets quite significantly.

**The Hon. DANIEL MOOKHEY:** Do you know how many labour hours you are expecting in Western Harbour Tunnel?

**CAMILLA DROVER:** I do not have that information with me, no.

**The Hon. DANIEL MOOKHEY:** Can you take it on notice as to what is the estimated number of construction hours? Because that probably will set the amount of target for apprenticeships, I presume, if it is 20 per cent.

**CAMILLA DROVER:** We can take that on notice and see what we can bring back.

**The Hon. DANIEL MOOKHEY:** Thank you very much. Mr Graham.

**The Hon. JOHN GRAHAM:** I might turn back to that set of questions about the e-scooters trial, either Mr Sharp or perhaps Ms Fishburn. Again, we had a brief discussion about that. You have given us some good specific information about the timing of the trial. Could you take this opportunity, first, to give us any other detail about the trial as you prepare for it?

**ROB SHARP:** I will pass to Ms Fishburn.

**KIERSTEN FISHBURN:** Thank you, Secretary. Yes, I am happy to talk to you about the parameters that are in play at the moment, noting of course that this is ultimately the Minister's decision. The discussions that we have had internally and with the Minister have involved looking at a trial for e-scooters for private use, which will explore options, as you identified, around things like wattage, helmet use, where they can be ridden. We are also very interested in looking at shared schemes, in part because the data you can get from shared schemes is always going to be superior to the data that you are able to get from private users, simply because they are not set up that way.

So looking at trialling out the two services, possibly one before the other, so we can start to get some of the parameters right, exploring the questions, as I identified, around speed, regulation and the types of infrastructure that are required, and trialling them out in a variety of different locations. So I think it is really

important to do a trial in a regional area as well as metro. In part, the trials that have occurred in other regional areas have identified significant economic uplift that can come as a consequence of e-scooters and I would like to be able to test that in the market.

**The Hon. JOHN GRAHAM:** So it might be that these have a better economic impact in regional areas where there is less public transport. That makes common sense.

**KIERSTEN FISHBURN:** That is a possibility as well. They are also an option for tourists who come into regional areas. They are quite an attractive mobility option for tourism, as we have been identifying looking at national trials.

**The Hon. JOHN GRAHAM:** And where are you looking at interstate when you look at those regional areas that might have received that sort of economic uplift?

**KIERSTEN FISHBURN:** You have stumped me now because I have lost the name of the town in Victoria and in Queensland. I will take that on notice and get back to you. But there are a couple of good case studies both in Victoria and Queensland of the benefit to regional tourism of shared scheme e-scooters.

**The Hon. JOHN GRAHAM:** When you say the two services, that you would like to do those in sequence, I could not quite understand what you were referring to there.

**KIERSTEN FISHBURN:** A private trial and shared schemes. The intention is to trial it out for a 12-month period. I believe that was announced when the trial was announced, but we may be able to bring forward the trial of private a little bit faster because, as you have identified—and I would be naive to pretend otherwise—they are out in the market.

**The Hon. JOHN GRAHAM:** They are already been being trialled in private. We might catch up with testing how that is going.

**The Hon. WES FANG:** That is a statement, I think.

**KIERSTEN FISHBURN:** I think that is a statement.

**The Hon. JOHN GRAHAM:** Will we be trialling electric skateboards as well or is this strictly limited to e-scooters?

**KIERSTEN FISHBURN:** The discussion at this point has been focused around e-scooters. Although I am aware that there is interest in electric skateboards, we have not looked at trialling options for those at present.

**The Hon. JOHN GRAHAM:** So you are looking at metro and regional. I think you said three to four councils is really what you are looking at for a trial?

**KIERSTEN FISHBURN:** I think that is a realistic amount for a trial. Also, of course, councils need to be supportive of that. I am aware that there are a number that are quite supportive of e-scooters, but we do not want it to be an impost upon a local government area if they are not interested in being involved in a trial.

**The Hon. JOHN GRAHAM:** I might press you. You are hesitant to go down this path, but I am going to press you to give us some details about where is this likely to be trialled. Give us some sense of where this might be trialled in New South Wales, given that it is of significant public interest.

**KIERSTEN FISHBURN:** There have been initial discussions with some of the CBD councils. I am happy to put that on record.

**The Hon. JOHN GRAHAM:** So we might see a number of CBD councils and certainly a regional council, from your point of view?

**KIERSTEN FISHBURN:** That, I think, will get us the level of data and the different types of usage we would need to be able to provide good advice back to government.

**The Hon. JOHN GRAHAM:** I will ask you, when you say "a regional council", are we talking about a town in the bush or are we talking about a Newcastle or a Wollongong?

**KIERSTEN FISHBURN:** Newcastle and Wollongong will become part of the six cities, should the legislation go through, so I would be talking about a regional city.

**The Hon. JOHN GRAHAM:** So outside of Newcastle or Wollongong?

**KIERSTEN FISHBURN:** Outside of that space, yes.

**The Hon. DANIEL MOOKHEY:** Firstly, Mr Draper, I should ask the same question of you that Ms Drover agreed to take on notice. That is, are you in a position also, particularly for the non-Transport projects,



to provide a list of projects that you think are required to meet the apprenticeship target and the number of apprentices on each of those projects today?

**SIMON DRAPER:** Yes, we probably could do that. I will do my best with that because we will draw that information out of our assurance system and provide a list of projects, yes.

**The Hon. DANIEL MOOKHEY:** Do you have the budget papers with you, Mr Draper?

**SIMON DRAPER:** I have some on my iPad, but if you want to refer me. Is it the *Infrastructure Statement*?

**The Hon. DANIEL MOOKHEY:** Yes, it is the *Infrastructure Statement, Budget Paper No. 3*. I want to go to chapter 4, which is the Restart NSW chapter, if you do not mind. Specifically page 4-3.

**SIMON DRAPER:** You start and I will find it. I will have to flick through a lot of pages to get to that one.

**The Hon. DANIEL MOOKHEY:** Firstly, in the Restart NSW funding sources, the budget reported at that time that we had \$37.4 billion in Restart NSW. Do we still have that?

**SIMON DRAPER:** I think \$37.4 billion is the amount, yes.

**The Hon. DANIEL MOOKHEY:** That has not changed?

**SIMON DRAPER:** No, I do not think so.

**The Hon. DANIEL MOOKHEY:** Have there been any cash deposits from the Consolidated Fund this year?

**SIMON DRAPER:** I do not know because we do not—I know we have discussed Restart before, but we do not actually administer Restart. We make recommendations, but we do not administer the fund itself.

**The Hon. DANIEL MOOKHEY:** So Treasury would know that, would they?

**SIMON DRAPER:** Treasury, yes.

**The Hon. DANIEL MOOKHEY:** Do you have a report on the investment earnings of the fund to date?

**SIMON DRAPER:** No, I do not.

**The Hon. DANIEL MOOKHEY:** As of the budget we had \$37.4 billion reported as being in Restart NSW and we had total commitments at \$30.561 billion with a further set of commitments that totalled \$5.8 billion, which means there is less than a billion dollars uncommitted. Is that fair?

**SIMON DRAPER:** That sounds right, yes. I think there have been more commitments since the budget, so that would be pretty close to the full commitment of the fund.

**The Hon. DANIEL MOOKHEY:** I could not see it in the half-year review, which might mean that I did not read it properly, but I am pretty thorough and I could not see any. What has been committed since the budget?

**SIMON DRAPER:** I do not have that on me, but I am happy to come back to you with an answer on notice.

**The Hon. DANIEL MOOKHEY:** On page 4-3 do you see that there is a footnote below table 4.2?

**SIMON DRAPER:** Yes.

**The Hon. DANIEL MOOKHEY:** This is reporting on the total commitments as of the 2020-21 budget of \$30 billion and it says:

- (a) Includes savings from completed projects and relinquished funding for projects no longer proceeding.

Which projects, which were approved through Restart NSW, are no longer proceeding?

**SIMON DRAPER:** I do not have the detail here but there would be quite a few. I can tell you that in some of the smaller grants-related projects where the money is going outside of the State Government often they get to a point where the proponent, often a council, has got to the point where they no longer support it, a council has changed, who is running the council, or they have decided that it is not worth proceeding with and they tell advisers that they cannot proceed with the project. But I can come back to you and give you an answer on notice.

**The Hon. DANIEL MOOKHEY:** On notice, a list of the projects that are not proceeding, the reasons why they are not proceeding and the amount of money that has been relinquished back by projects would be very useful.

**SIMON DRAPER:** Sure.

**The Hon. DANIEL MOOKHEY:** I brought all the infrastructure statements here from 2015—fine reading. It used to be the case that they would report all the commitments and all the projects. There would be a reconciliation so we could know, of the \$30 billion, where the money has been allocated. Can you tell us of the \$30 billion that was committed in the 2020-21 budget what those projects actually are?

**SIMON DRAPER:** We would have quite a lot of detail on that, but I do not have that with me now.

**The Hon. DANIEL MOOKHEY:** Fair enough. Can we on notice get a list of each of the projects that have a commitment from Restart NSW, the size of the commitment and the year in which the commitment was given, whether or not that money has been spent? We are now going back to 2012 and there is no reporting whatsoever of how this fund has gone.

**SIMON DRAPER:** Yes, sure. I will take it on notice but, as I said earlier, Treasury really administers that fund so we will have to go back to Treasury to try to get that information for you.

**The Hon. DANIEL MOOKHEY:** Yes, but you are required to approve the projects for them to be used out of this fund, correct?

**SIMON DRAPER:** For the Treasurer to allocate money we have to provide advice that it is suitable and meets the requirements of the fund. So, yes. We may provide that advice, yet the Treasurer makes the decision not to do that, or there is subsequently a decision by the proponent not to proceed. But we may have made a recommendation. We can keep track of the things we have made a recommendation on, but not necessarily—

**The Hon. DANIEL MOOKHEY:** Whether they have been fulfilled?

**SIMON DRAPER:** That is right.

**The Hon. DANIEL MOOKHEY:** I will settle for what you have made a recommendation on. I provide fair warning that in September or otherwise we will go through them one by one, from every one since 2012 and get an update on it. It would be helpful if we can on notice get a list of all the commitments that are outstanding as of this date. Referring to the reservations, \$4 billion was reserved prior to this year's budget and an additional \$500 million was reserved in this budget. Do you know what those reservations are for?

**SIMON DRAPER:** We would have some of that detail. I do not have that with me.

**The Hon. DANIEL MOOKHEY:** Can we also get that on notice as to what they are?

**SIMON DRAPER:** Sure.

**The Hon. DANIEL MOOKHEY:** I understand, of course, that a lot of these reservations turn into commitments but a lot of them do not. Incidentally, what is the time scale? How long is a matter reserved for? Is it until government otherwise changes its view?

**SIMON DRAPER:** As far as I am aware there is no sunset period or anything of that nature, it is until government changes its decision or, as I said earlier, if a proponent came back and said, "We no longer proceeding with this project", then yes, we would take them out.

**The Hon. DANIEL MOOKHEY:** What is the criteria to get a reservation? Does it have to have a BCR positive or is it just that the Government tells you to set aside the money? How does it work?

**SIMON DRAPER:** I will just double check on this when I go back and speak to my team, but we make recommendations on allocation of funds. A reservation is not necessarily an allocation, so it may be just a provision that is made by Treasury. I will check on that and come back on notice.

**The Hon. JOHN GRAHAM:** Just on the question about coming off the list, to your recollection has that ever really happened? Is that common or is it more theoretical?

**SIMON DRAPER:** Yes. There are projects that were going to be funded through Restart, even State projects that were going to be funded through Restart. They found other sources of funds, so that money was returned to Restart, yes.

**The Hon. JOHN GRAHAM:** Even after a reservation had been made?

**SIMON DRAPER:** Quite possibly, yes.

**The Hon. DANIEL MOOKHEY:** In respect to some of the actual projects that have been reserved and/or committed, let us just start with the commitments. The secretary might recall that we were having a fine conversation about how the Smart Motorway project managed to get itself onto this list, seemingly without the Transport Department's knowledge. Do you have any knowledge about that?

**ROB SHARP:** No. I recollect the question around do our BCRs exceed one or meet the criteria and the team confirmed that that is the case; there is a criteria hurdle that needs to be met and Infrastructure NSW do review those as we put them through.

**The Hon. DANIEL MOOKHEY:** I think the question was—to be fair to you Mr Secretary you took it on notice and you still have time to reply and provide an answer, so if you do not have it, that is fine. I think the dialogue that we were having was somehow Transport was not clear that it was a proponent of Restart NSW as a funding source for this fund; nevertheless you managed to get \$21 million from it. Maybe Mr Draper can shed some light here. In respect to matters that get commitments, who can be a proponent of them?

**SIMON DRAPER:** I do not know the details of smart motorways, but the usual course of things would be that an agency would write to us and say, "We're seeking to have money allocated out of Restart." We would then go through our steps. But we would usually be responding to a request by the agency.

**The Hon. DANIEL MOOKHEY:** I presume that is pretty high-level agency; it is not just any person?

**SIMON DRAPER:** Yes, that is right.

**The Hon. DANIEL MOOKHEY:** Mr Secretary, you do not have any particular recall about requesting \$21 million for smart motorways?

**ROB SHARP:** Not for that particular one, but I do recollect some other requests that went through.

**The Hon. DANIEL MOOKHEY:** I presume that some of these—

**SIMON DRAPER:** I do know you asked a question on that and I am not sure—no, it is still on its way.

**The Hon. DANIEL MOOKHEY:** Can I just ask a couple of quick follow-ups? What is the Regional Road Freight Corridor that has got a \$226 million commitment in this year's budget?

**ROB SHARP:** The regional freight corridor?

**The Hon. DANIEL MOOKHEY:** It states here: "Regional Road Freight Corridor". It is the most significant commitment that has been made in the last 12 months from Restart NSW. It is for \$226.3 million. It is on page 4-3. What is it?

**ROB SHARP:** There are a couple of freight corridors I am aware of. There is one particularly up in the Hunter Valley and it may well relate to that.

**The Hon. DANIEL MOOKHEY:** Did you request it? Because it is in this year's budget.

**ROB SHARP:** It will not be in this year's budget because—

**The Hon. DANIEL MOOKHEY:** Well, it is.

**ROB SHARP:** —we are working on this year's budget at the moment. But if you are talking last year—

**The Hon. DANIEL MOOKHEY:** It states: "Commitments approved since the 2020-21 Budget". You got it. Congratulations.

**ROB SHARP:** It would have been February or March last year when the budget process was done.

**The Hon. DANIEL MOOKHEY:** That is this year's budget. Those are this year's budget estimates.

**ROB SHARP:** Well if that is this year's budget, correct.

**The Hon. DANIEL MOOKHEY:** Congratulations, you got the money. Do you know what it is for?

**ROB SHARP:** As I was saying, there are a couple of different freight corridors. I would have to take on notice which one of those corridors it relates to. The one that is front of mind is a freight corridor in the lower Hunter Valley.

**The Hon. DANIEL MOOKHEY:** You have been very successful, Mr Secretary, because, if you turn the page, in addition to getting a \$226 million commitment for a regional road freight corridor you also scored a \$320 million reservation for the Regional Road Freight Corridor, which is another \$320 million that apparently you are getting. Do you know what that is for?

**ROB SHARP:** As I said, there is a number of regional freight corridors that we are working on. The description is very high level so I will come back to you with the specific corridors that it is referring to.

**The Hon. DANIEL MOOKHEY:** You can understand my confusion as to what exactly we are paying for out of this. Amongst my final questions on this matter, the Auditor-General has warned that Restart NSW is not going to hit its target for 30 per cent of all funds to be spent in regional New South Wales. Mr Draper, do you know why it is going to miss that?

**SIMON DRAPER:** I think the last I saw it was about 28 per cent. The most recent years were about 30 per cent. In a way, we are responding to proposals from councils and from agencies for where they would like to spend that money. We do not initiate proposals for things to go into Restart. But it is getting close to 30 per cent.

**The Hon. DANIEL MOOKHEY:** From memory you are meant to max out at 27.8 per cent-ish according to the Auditor-General.

**SIMON DRAPER:** It is around that level at the moment—just over 28 per cent, I think.

**The Hon. DANIEL MOOKHEY:** That is \$700 million, though. That 2 per cent variation on that \$37 billion dollar figure, back of the envelope, works out to be close to \$1 billion, or \$700 million or so.

**The Hon. JOHN GRAHAM:** We will never hit it.

**The Hon. DANIEL MOOKHEY:** We will never hit it. That is despite consistent promises—

**The Hon. JOHN GRAHAM:** I think there was one year when it was the entire expenditure, yes.

**The Hon. DANIEL MOOKHEY:** Is it the case now that once all the funds are acquitted, that is it? Or is it the case that the remaining \$800 million must only be used for regional projects?

**SIMON DRAPER:** That definitely is a question for Treasury rather than for us. I am not trying to back away from the Restart, but there is another fund that was set up, the Snowy Hydro Legacy—

**The Hon. DANIEL MOOKHEY:** The Snowy one, yes. But it is a different fund.

**SIMON DRAPER:** That is all going to regional. The amount of money going out of Restart into regional is not necessarily a reflection of the amount of investment into regions.

**The Hon. DANIEL MOOKHEY:** No, to be very clear, I am not suggesting that. But to be fair, I do not think you can meet your commitment about spending 30 per cent of Restart money given that this inherited all the privatisation proceeds. The clear basis for why the National Party, amongst others, agreed to the privatisation of these assets was that 30 per cent of it would hit regional New South Wales. But there does not seem to be any plan to meet it. Or is that an unfair impression I am drawing?

**SIMON DRAPER:** There has always been a plan to meet it, but I do not dispute the Auditor-General's analysis of it. As I say, I think we are at about 28 per cent. The most recent year was 30 per cent, but over the course of the whole fund I think it would be about 28 per cent.

**The Hon. JOHN GRAHAM:** We might turn to some of those MOG changes that are coming into effect on 1 April. Firstly, we have got a couple of things we wanted to specifically ask about. Mr Sharp, could you give us your helicopter view about what these changes mean for the agency? What will happen?

**ROB SHARP:** Sorry, which changes are you referring to?

**The Hon. JOHN GRAHAM:** We are looking at the changes that are unfolding on 1 April, the machinery of government—

**ROB SHARP:** The machinery-of-government changes?

**The Hon. JOHN GRAHAM:** Yes.

**ROB SHARP:** The most obvious change for me is that there are four Ministers versus two Ministers. The delineation of their responsibilities across the portfolio is very important for us, so we are working with each of them between now and 1 April to achieve that objective. Minister Stokes this morning talked through the legislative elements, and they are allocated, and that is clear. But there are still, at the micro level, discussions ongoing around exactly where what I would call smaller activities would sit. Those dialogues are progressing and, from my perspective, come 1 April we would be in a pretty good position to understand where that has landed in terms of the individuals in my team who would be supporting those Ministers directly.

**The Hon. JOHN GRAHAM:** In terms of functions of government that Transport might be acquiring or losing, just give us some sense of those. Just take us through how those have unfolded since this has been publicly announced.

**ROB SHARP:** Transport acquiring? The key areas would be the Greater Sydney Commission and Infrastructure NSW coming under the broader category of the cluster. In reality, the operations for those basically remain unchanged. There are some administrative elements, but the assurance role that Infrastructure NSW performs will continue. We would continue to liaise with Greater Sydney Commission, particularly around the infrastructure 2056 vision and the six cities plans that are coming out, and making sure that those strategies are well aligned.

**The Hon. JOHN GRAHAM:** How many of the staff associated with those functions will now be included in the Transport cluster?

**ROB SHARP:** They would be included, but they report through to those entities and remain in those entities.

**The Hon. JOHN GRAHAM:** Yes. Turning to the infrastructure side of things firstly, within your own agency, what are the reporting lines now going forward to deal with infrastructure questions in the Government?

**ROB SHARP:** In terms of infrastructure, the delineation historically was between region and metro. The region largely stays the same, where we have a deputy secretary of ROM—Regional and Outer Metropolitan—and they are what we call the client internally. And then, Infrastructure and Place is the deliverer of that infrastructure. Likewise with metro, or the Greater Sydney team, the Greater Sydney team has an operational arm as well as what I would call an infrastructure and services aspect to it. They are a client and, likewise, Infrastructure and Place actually deliver those projects.

In terms of the new structure, Minister Ward has the metro roads and specifically projects that fall under that description. We have effectively a reporting line or a dotted line through to the Minister and her office in regards to those projects. In regards to rail—so, metro and the rail operations. If there is infrastructure there—Parramatta Light Rail and those types of things—they sit under Minister Elliot. Likewise, we group those projects and present to that Minister and his officers in regards to those projects.

**The Hon. JOHN GRAHAM:** Great, thank you. That is really helpful. Between now and 1 April—so, a little bit over a month—on your desk, what are the issues that you are still sorting through as you land? What is a significant change?

**ROB SHARP:** The key change is obviously having a Cities and Active Transport portfolio, which we did not have. We are in the process of setting that up; we are probably 50 or 60 per cent of the way there. There are some smaller teams that will be coming into that group, and we need to work through with the affected staff and their representatives to ensure that that process is smooth. We are in that process at the moment.

**The Hon. JOHN GRAHAM:** Some of those are coming from outside Transport and some are coming from inside Transport. Is that correct?

**ROB SHARP:** The Active Transport team that resided in Greater Sydney has moved across into the Active Transport and Cities portfolio, so that was a shift and lift, effectively. And then there are some smaller teams that are currently sitting in DPE that would potentially come across, subject to the consultation process.

**The Hon. JOHN GRAHAM:** I might ask you the question that the Minister appropriately, I think, directed to you: How big is that section likely to be within the cluster? There is still some uncertainty; I take that from your comments. But just give us some sense of the scale.

**ROB SHARP:** Some uncertainty, but it is not going to be a massive team. It is a team that I would say is more strategic. The operational teams tend to be the teams where you have large numbers of people—people who work shifts and actually deliver the face-to-face services. But I will pass to Ms Fishburn just to talk about what she is seeing the numbers looking like at the moment.

**KIERSTEN FISHBURN:** Thank you very much, Secretary. I think you would have got a good indication from the Minister when he described what legislation was allocated to him as to which areas are in play and discussion at the moment. We are only being a little bit cautious because it is not fair on staff when things have not been fully finalised to make a public statement. Back-of-the-envelope figures, because of course there are things in play, you are probably looking at permanent FTE of around 400 people.

**The Hon. JOHN GRAHAM:** That is in Cities and Active Transport?

**KIERSTEN FISHBURN:** That is in the Cities and Active Transport space. Obviously there is some contingent labour and so on in a number of areas, but if we are looking at public servants, no intention to displace—to make anyone redundant. It would be a movement of people in line with the Minister's responsibilities.

**ROB SHARP:** This is not an incremental 400; this is effectively reallocating staff into a portfolio.

**KIERSTEN FISHBURN:** Yes.

**The Hon. JOHN GRAHAM:** And that is understood. I might just finally put to you one concern. The one question I do not think we have put—but feel free to correct me on this—I think there is some level of concern, especially with Transport but absolutely with Transport, with the multiple changes that have now occurred across government. It is an issue, for example, with Enterprise and Industry being set up, some units in government that are being moved now a number of times in short order. Given the repeated changes that have happened, a lot of the turnover in Transport, are you confident that these multiple changes are not impacting on service delivery for customers or your ability to deal with government?

**ROB SHARP:** It is a good question and a good observation. I agree stability does actually deliver a more consistent service, proposition, and the evolving Transport restructure or merging with RMS was a key one when I joined, and it was quite clear that there was some instability off the back of that. That was delivered very quickly to ensure that that stability arrived and the executive team—what I call "exco", my direct reports team was put in place as well to achieve that objective. That is stable. What I have committed to staff is not to have a holistic change of structure within Transport to allay people's fears that there is going to be some major reorganisation. However, having said that, change is a reality.

**The Hon. JOHN GRAHAM:** Sure.

**ROB SHARP:** There will be smaller areas, such as this, where there is a government focus that has been lifted on to Active Transport. The Active Transport team, from what I am hearing, is excited by it because there is a specific focus.

**The Hon. JOHN GRAHAM:** I accept that there are new changes with—

**ROB SHARP:** Those changes do occur. I agree with your principle that stability is important.

**The Hon. JOHN GRAHAM:** I have just checked—we actually have asked you on notice for the number of redundancies as result of that evolving Transport restructure. I think you are coming back to us on notice from an earlier estimates about that.

**ROB SHARP:** Yes, correct.

**The Hon. JOHN GRAHAM:** Could you also give us any indicative estimate about the number of—well, you will not be considering any redundancies as a result of these changes, going forward?

**ROB SHARP:** There are no redundancies at the moment, no.

**The Hon. JOHN GRAHAM:** Exactly. Thank you.

**The Hon. DANIEL MOOKHEY:** Can I follow up on that? Are you considering changes to the Centre for Road Safety?

**ROB SHARP:** No.

**The Hon. DANIEL MOOKHEY:** Thank you. I might just return to Mr Draper around certain infrastructure projects. I am just reading from your annual report here. You have very helpfully reported on the number of tier one projects that have a red status. It says here that in the last financial year it was 7.6 per cent. Do we have an update on that?

**SIMON DRAPER:** I do not have an update on it. We update those ratings every month, but I do not have an update on the percentage. We will publish that as an aggregate again in the annual report at the end of this year. We do not generally report on those things that are sort of a granular level.

**The Hon. DANIEL MOOKHEY:** Well, I will invite you to see if you can provide any additional detail on notice. I take your hint that I should not hold my breath too much, but if you would not mind that would be helpful.

**SIMON DRAPER:** Sure.

**The Hon. DANIEL MOOKHEY:** How many projects do we have in the assurance system right now?

**SIMON DRAPER:** I think the figure would probably be in the order of 800 or so across—

**The Hon. DANIEL MOOKHEY:** It was 905 as of last June. Has it gone down?

**SIMON DRAPER:** It may not have. I do not have the current number with me. I might be able to find out that before the end of the hearing and let you know.

**The Hon. DANIEL MOOKHEY:** If we could, either before the hearing or on notice—but before the hearing would be great—just how many projects you are assuring and the value of them, which was reported at \$322 billion last year. That would be helpful. I was going to ask you, Mr Draper, to give us an update on where we are up to in terms of the development of the 2022 State Infrastructure Strategy.

**SIMON DRAPER:** Sorry. I was just looking to see if I had those up-to-date numbers. I will get those for you before the end of the hearing. The State Infrastructure Strategy is at a pretty advanced level of development. We would expect to be able to submit something to the Government over the next couple of months for consideration by government.

**The Hon. DANIEL MOOKHEY:** It said in your annual report that you are expecting this to be delivered to the New South Wales Government by December 2021. Is that delivered to Government or made public at that point?

**SIMON DRAPER:** I know you are very familiar with this. The process under the Act is we submit something to government. They then respond, tell us whether they either accept it in full or they want changes or they seek to publish some sort of response. That is a matter for government. We submit it. Once that is all finalised, the finalised State Infrastructure Strategy is then published. But we did not provide it to Government at the end of 2021. I think we all know that there was a number of events at the end of last year that meant that would have been not that productive in any case. But we were not ready to submit it at that point.

**The Hon. DANIEL MOOKHEY:** But you think you will be submitting it to the Government, it sounds, earlier than December 2021.

**SIMON DRAPER:** December 20—

**The Hon. DANIEL MOOKHEY:** Sorry. I am getting my years confused. It is in the next month, two months?

**SIMON DRAPER:** Next couple of months, yes.

**The Hon. DANIEL MOOKHEY:** Sorry. I thought it was still December 2020. It is that time of day. Fair enough. You also made reference to the fact that you apparently convened an expert advisory panel "comprised of leading experts across multiple areas of the SIS", it says. Who was on the panel?

**SIMON DRAPER:** I will give you the full list on notice because I do not remember all the names. But there were people like Ian Harper the economist. We had the chief scientist, Hugh Durrant-Whyte, on there. It was a panel of about half a dozen people. We have got a board, of course. They are people from outside government as well as secretaries. But it has been our practice in the past to try and broaden that as part of getting as many voices in the room on the State Infrastructure Strategy as possible.

**The Hon. DANIEL MOOKHEY:** Just to be very clear here, this is the strategy that is by law meant to be produced by next year? Is that right? It is five years, isn't it?

**SIMON DRAPER:** It is every five years or sooner if requested by the Government. As you know, I think, there was one produced in 2012—

**The Hon. DANIEL MOOKHEY:** I think 2018 was the last.

**SIMON DRAPER:** That is right: 2012, 2014, 2018 and then this one is coming up now.

**The Hon. DANIEL MOOKHEY:** Did the Government request that this one be brought forward?

**SIMON DRAPER:** Yes. We got a request from the—not to be brought forward, but we were asked to produce it by 2022. I think it was June 2022.

**The Hon. DANIEL MOOKHEY:** When did you get the request?

**SIMON DRAPER:** I think that was back in 2020, perhaps.

**The Hon. DANIEL MOOKHEY:** Who makes that request?

**SIMON DRAPER:** The Premier.

**The Hon. DANIEL MOOKHEY:** So the Premier, then Premier Berejiklian, requested that you at least report the strategy by 2022.

**SIMON DRAPER:** Yes.

**The Hon. JOHN GRAHAM:** I might start with an Active Transport question. I was asking the Minister about his speech where he outlined his vision for Active Transport. One of the things that he highlighted was that he would like to reconstitute the Transport Advisory Board and that this would be a benefit for smaller projects. Has that happened? What is the plan to deal with that?

**ROB SHARP:** He did mention that at the time, that he saw value in that. There were some recommendations of some names of individuals who may or may not be able to add value in that space. I have not had an update since then. But, Ms Fishburn, have you had any updates?

**KIERSTEN FISHBURN:** No. I cannot provide anything, I am afraid.

**ROB SHARP:** No further information, other than the initial conversations.

**The Hon. JOHN GRAHAM:** Turning to the questions about the Greater Cities Commission, I think, Ms Mildwater, I was asking the Minister this morning just about where this process is up to, particularly about the boundaries. But perhaps I might ask you generally just to give us an update first of all. Where is the process of this transition up to from your point of view?

**ELIZABETH MILDWATER:** To make the change for us, it needs legislation. So, until legislation goes into Parliament and gets passed, it does not happen. Having said that, we have done a lot of stakeholder engagement since the Premier's announcement back in December, with the councils in the existing Greater Sydney region and in the potential new cities, to get their feedback on various matters, including proposed boundaries. We have started getting their views on potential transition processes, that sort of thing.

We also are aiming to produce, which we had said last year we would produce something this year in terms of a vision document heading into the next round of the region plan because the next region plan is due at the end of 2023, so we will produce something towards the middle of this year. There is a bit of a vision document, which we are working on the assumption that it will be for the six cities, but if not, we will adjust that. That should come out in parallel with the State Infrastructure Strategy Mr Draper was talking about and the updated Future Transport Strategy. Our three teams are working very closely to try and keep those aligned.

**The Hon. JOHN GRAHAM:** It is fair to say that there was a real attempt to align those previously, but it is fair to say that we might see all three of those documents before the end of the year.

**ELIZABETH MILDWATER:** Just to be clear, our document this year is not the statutory plan.

**The Hon. JOHN GRAHAM:** Yes, I know.

**ELIZABETH MILDWATER:** That is due at the end of next year, but it would be the document that sort of sets the bigger picture, the vision for the bigger things that would be in that plan next year.

**The Hon. JOHN GRAHAM:** But in parallel, the State Infrastructure Strategy in parallel—

**ELIZABETH MILDWATER:** And Future Transport.

**The Hon. JOHN GRAHAM:** —the next up is Future Transport.

**ELIZABETH MILDWATER:** We are all working together to try to keep them aligned.

**The Hon. JOHN GRAHAM:** When do you anticipate that, given the consultation you have been engaged in, that that legislative change might take place? Obviously, that is subject to the Parliament—

**ELIZABETH MILDWATER:** Yes.

**The Hon. JOHN GRAHAM:** —but when will you be bringing that forward? When do you hope to have this structure in place?

**ELIZABETH MILDWATER:** That is a matter for the Government. From the Greater Sydney Commission's view, obviously, certainty as early as possible is valued because the legislation has a date for us to produce a plan at the end of next year.

**The Hon. JOHN GRAHAM:** Yes.

**ELIZABETH MILDWATER:** So the sooner we know sort of the boundaries of that plan, the better, but it is a matter for the Government when they introduce it.

**The Hon. JOHN GRAHAM:** Accepting that it is a matter for the Parliament, it is a matter for the Government, you are consulting at the moment with these communities; you are the key adviser to Government on this issue. When do you believe it could be in place? When do you believe it should be in place?



**ELIZABETH MILDWATER:** So, as I said, from our point of view, the sooner, the better, because we do have to undertake really significant work to produce that next region plan and then the district plans that follow that. So we need certainty as to what are the boundaries that we are dealing with, who are the stakeholders. The stakeholder consultation that we have undertaken since the original announcement was to gather stakeholder feedback to the announcement itself, their suggestions for boundaries, that sort of thing. We have done an extensive amount of work there and given our advice to Government, but it is a matter for Government now what the actual decision is.

**The Hon. JOHN GRAHAM:** Yes, and I want to turn to that boundary question. I might firstly ask you, what advice have you given the Government about the nature of those boundaries?

**ELIZABETH MILDWATER:** I cannot tell you exactly what the advice is, obviously, because there is a Cabinet process that will play out, but what I can tell you is that we spoke to councils in the Illawarra Shoalhaven area, with some councils that are currently working together in a region and are outside of it, to see which ones felt they would benefit by coming into a broader region and which ones would not. It is the same up in the Hunter region. We have spoken with all 10 councils that are there to get various views and the Central Coast as well.

**The Hon. JOHN GRAHAM:** Yes. Can I put to you one of the concerns that has been put to me? I am not sure if you caught the session this morning.

**ELIZABETH MILDWATER:** Yes.

**The Hon. JOHN GRAHAM:** Yes. I just want to put to you that concern about how those regions are shaped.

**ELIZABETH MILDWATER:** Yes.

**The Hon. JOHN GRAHAM:** There is clearly some benefit about this urban policy discussion in the centre of Wollongong and the centre of Newcastle. But the further you go out, if those boundaries are very broad, there is just less natural affinity with the work that the commission is already doing in the three cities across Sydney.

**ELIZABETH MILDWATER:** Yes.

**The Hon. JOHN GRAHAM:** What have you heard on that question? What is your view?

**ELIZABETH MILDWATER:** Yes, I do understand the point. To the south of Sydney, to be honest we were a bit surprised that probably more councils than we expected were keen to join the region so we did not encounter—when we were consulting with councils such as Shellharbour, Shoalhaven, Kiama, we did not encounter any negativity. They were quite keen to stay together.

**The Hon. JOHN GRAHAM:** Sorry to interrupt, but I am unsurprised by that. I would have thought people would be interested in, you know, this additional offer. I am surprised you have not been asked to go further afield to Wagga or—

**ELIZABETH MILDWATER:** No.

**The Hon. JOHN GRAHAM:** But it is really that concern about is it a natural fit, once you go that far abroad?

**ELIZABETH MILDWATER:** That far south?

**The Hon. JOHN GRAHAM:** Yes.

**ELIZABETH MILDWATER:** Yes, so that was what came up in our stakeholder consultation, that they sensed the connectivity both with Wollongong and in some cases parts of Sydney now already, that they see the advantages of being part of broader strategic regional planning. The message that we discussed a lot with people was that it does not mean losing your local flavour and, in fact, all six cities will have a very different character. That is what makes the model work. But there is still advantage in being part of broader regional planning, and the stakeholders that we spoke with were overwhelmingly in favour of that.

**The Hon. JOHN GRAHAM:** Who will make the final decision about these commissioners for these extra areas? What is the process?

**ELIZABETH MILDWATER:** The actual process obviously is yet to be approved, but I can tell you what we have done in the past, and we would recommend something similar this time. It would be a very straight-up recruitment process, if I can say that, with an external recruitment firm and a probity firm appointed. The district or city commissioners, if that is what we call them, are meant to be representative of the local government in the area. So the recruitment panel would be constituted of representatives of those local government

bodies, and then the panel would be chaired by either myself or the chief commissioner. That would be consistent with what has been done in the past.

**The Hon. JOHN GRAHAM:** The Premier made this announcement at the Bradfield Oration in December. When did you first hear about this plan?

**ELIZABETH MILDWATER:** In terms of the actual announcement, on 2 December. The Premier contacted our chief commissioner the day before and then the next day made the announcement. But that is in the context of there had been discussion about wider regional planning for many years. In fact, external stakeholders had been raising the issue of the broader sandstone mega-region. We had also done some research, particularly international research, last year that showed the more common push into broader regional planning over recent years, particularly accelerated by COVID. As large cities tend to have a spillover effect into the regions around them due to COVID, with residents moving further away, commuting longer distances or working from home sometimes and commuting in, we have seen impact on house prices. There had been quite a public discussion over some time about the idea of broader regional planning. The actual Premier's announcement about the details in December—we only found out just before the announcement.

**SIMON DRAPER:** Chair, do you mind if I respond to a couple of questions that I was asked earlier? In terms of the number of items in the assurance pool, we have got 937 projects now, and the value is \$390 billion. Also, you asked me earlier about reservations. I am just confirming my previous comment is correct—that we do not play a role in establishing the reservations. We recommend allocations against those reservations.

**The Hon. DANIEL MOOKHEY:** Are you told about reservations and what is reserved?

**SIMON DRAPER:** Yes, we know about them, as you do, through the budget process, but we are not formally asked for advice on the reservations.

**The Hon. DANIEL MOOKHEY:** Until you read the budget papers, are you given any advance warning?

**SIMON DRAPER:** We would know. Our team is talking with Treasury regularly.

**The Hon. DANIEL MOOKHEY:** Thank you; that is helpful. I might just follow up on some of the questions that my colleague was asking to the Greater Cities Commission now, if that is possible.

**The Hon. JOHN GRAHAM:** Soon.

**The Hon. DANIEL MOOKHEY:** Soon to be the Greater Cities Commission. Just to be very clear here, you found out the day before about your expanded remit?

**ELIZABETH MILDWATER:** About the actual announcement, yes.

**The Hon. DANIEL MOOKHEY:** So I presume, therefore, that the idea of expanding your remit did not come from within the commission?

**ELIZABETH MILDWATER:** We did not put up a proposal to expand, no. But, as I said, we had done some research which we shared widely across government, in fact, and it was a matter that was discussed—about broader regional planning—along with other impacts of COVID that we had seen.

**The Hon. DANIEL MOOKHEY:** Do you know whether or not it was another department that made this suggestion? Did any department approach you for a view as to whether or not you should be expanded?

**ELIZABETH MILDWATER:** No, not that I recall.

**The Hon. DANIEL MOOKHEY:** So to the best of your knowledge, this originated from the Premier and the Premier's department or his office?

**ELIZABETH MILDWATER:** To the best of my knowledge, yes.

**The Hon. DANIEL MOOKHEY:** Can I ask you for an update as to where we are in the review of housing targets that the commission is doing?

**ELIZABETH MILDWATER:** The next round of housing targets will appear in the next district plans that come out at the end of 2023-24. What we are doing at the moment—and we will probably publish something on this either in the vision document in the middle of the year or at some stage—is we are reviewing how the first plan has travelled, housing targets and otherwise. The performance of councils against housing targets is public, but what we will be doing is looking at how the housing target mechanism worked, whether there is anything we have learned from that and whether we would make any changes in the next round of planning.

**The Hon. DANIEL MOOKHEY:** Can we go through this process step by step, please, if you do not mind? So under your Act you are meant to produce a housing strategy, are you not, or to undertake this function?

**ELIZABETH MILDWATER:** Yes, it is in our objective in terms of—to promote the supply of housing, including affordable housing.

**The Hon. DANIEL MOOKHEY:** Yes. And as a result you set targets, do you not?

**ELIZABETH MILDWATER:** We did in the last plan, yes.

**The Hon. DANIEL MOOKHEY:** And that plan was when?

**ELIZABETH MILDWATER:** It was 2018.

**The Hon. DANIEL MOOKHEY:** That plan runs till 2023, does it?

**ELIZABETH MILDWATER:** That is correct.

**The Hon. DANIEL MOOKHEY:** It is a five-year plan.

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** And you are required to partner with councils and the Department of Planning, Industry and Environment in the call to set the targets for an LGA basis. Is that fair?

**ELIZABETH MILDWATER:** That is not in the legislation—

**The Hon. DANIEL MOOKHEY:** That is the practice?

**ELIZABETH MILDWATER:** —but it is the practice, yes.

**The Hon. DANIEL MOOKHEY:** The plan that you are updating now is the successor to that 2018 strategy, is it?

**ELIZABETH MILDWATER:** The plan that will be released in 2023, yes.

**The Hon. DANIEL MOOKHEY:** What are the milestones or the steps that you will follow between now and 2023 to develop that plan?

**ELIZABETH MILDWATER:** The first one that I just talked about is putting out a document in the middle of this year, which, sort of, sets the big directions for the next plan.

**The Hon. DANIEL MOOKHEY:** You called that a vision statement, did you?

**ELIZABETH MILDWATER:** We do not have a firm title for it yet, but internally we are talking about vision, yes.

**The Hon. DANIEL MOOKHEY:** That is always dangerous.

**The Hon. JOHN GRAHAM:** That is always dangerous.

**ELIZABETH MILDWATER:** It will probably be something more tangible, yes.

**The Hon. DANIEL MOOKHEY:** I think there is an available list of glossary terms that someone in government maintains for what you are meant to call these documents. But we will go with "vision statement". This is meant to do what, exactly?

**ELIZABETH MILDWATER:** It will be more than a vision. It will outline the key elements of stepping from the 2018 plan to the 2023 plan, so the big things that we have observed and the big things that will change and to start the really detailed engagement process in terms of what you might see in the 2023 plan.

**The Hon. DANIEL MOOKHEY:** And you are producing that in house?

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** What happens after your vision statement?

**ELIZABETH MILDWATER:** Similar to last time, it is a pretty detailed engagement process with local government and other stakeholders to work up the draft plan, the region plan and district plan after that.

**The Hon. DANIEL MOOKHEY:** So there is a draft—what is it? A draft?

**ELIZABETH MILDWATER:** The next major milestone is the production of the plan to go to government at the end of 2023. But before that we will do a lot of detailed stakeholder engagement and work and research—

**The Hon. DANIEL MOOKHEY:** But there is a hierarchy. There is a draft regional plan.

**ELIZABETH MILDWATER:** And there are district plans that sit below that. Although, they will potentially be called city plans in the next round.

**The Hon. DANIEL MOOKHEY:** There are district plans, and what comes under that? Is there anything under that, or is that it?

**ELIZABETH MILDWATER:** That is it for us, but then it cascades into what the local government does, which is local strategic planning statements.

**The Hon. DANIEL MOOKHEY:** When do you expect the district plan process to be released in draft form?

**ELIZABETH MILDWATER:** The legislation currently states that the district plans—and there are currently five of them—should be produced around the same time, soon after the 2023 region plan. So they will be very close, if not in parallel.

**The Hon. DANIEL MOOKHEY:** So next year.

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** And then you presumably collate feedback and then government makes a decision.

**ELIZABETH MILDWATER:** The government makes the region plan and after the government is done, that then we make the district plans.

**The Hon. DANIEL MOOKHEY:** How does this align with Mr Draper's process around developing the State Infrastructure Strategy?

**ELIZABETH MILDWATER:** Are you asking me?

**The Hon. DANIEL MOOKHEY:** First to you, Ms Mildwater, and then to Mr Draper.

**ELIZABETH MILDWATER:** Certainly. Last time in 2018 all three were produced at about the same time. What we are doing this time is that we are working to align out the timing of our vision statement with the State Infrastructure Strategy that will come out this year. After that, then there are detailed other plans. Obviously we have to produce ours and I know Transport do as well, which will work together. Mr Draper might want to speak to the State Infrastructure Strategy.

**SIMON DRAPER:** In terms of timing, ours will be done this year. The previous State Infrastructure Strategy, although it was released in 2018, I think INSW had more or less finished in 2017, which was more or less five years ago. In terms of how we would make sure they are aligned, there are a couple of things. There are themes that we have tried to pick up. For example, the six cities theme that you were asking Ms Mildwater for, making sure that we understand what that means from an infrastructure perspective, to the extent that we can understand that prior to the work that they are doing now. Our teams meet routinely at a regular meeting to make sure that we are using the same assumptions and that we are sharing the directions that are going, and we generally provide drafts of our documents to the GSC and to some other agencies to make sure that what we are preparing is in line with our own approach.

**The Hon. DANIEL MOOKHEY:** What are the consequences, Ms Mildwater, for a council that fails to meet its targets that were set in 2018?

**ELIZABETH MILDWATER:** At the moment I do not think that there are any, other than the Department of Planning and Environment monitoring and reporting against it and us reporting against it as well. We are reviewing the housing targets, both the amounts and the duration of those and their enforceability as part of reviewing our plans.

**The Hon. DANIEL MOOKHEY:** What do you mean by you are reviewing their enforceability?

**ELIZABETH MILDWATER:** We will have a look it and see how the system has worked and whether they have flowed down in the way intended. We can all see the overall numbers, and they are roughly 181,000 houses, I think, delivered against a target of about 189,000. But, nevertheless, we will look at it and see on a more detailed level how they have flowed down through the system.

**The Hon. DANIEL MOOKHEY:** Can we unpack that? The last plan set a target for 189,000 additional homes in the Greater Sydney Basin. That is correct?

**ELIZABETH MILDWATER:** It was roughly 189,000, yes.

**The Hon. DANIEL MOOKHEY:** Where is that 181,000 figure coming from?

**ELIZABETH MILDWATER:** As in what was delivered. Let me pull out the detail.

**The Hon. DANIEL MOOKHEY:** Sorry, you are saying that we have built 181,000 homes in Sydney since the 2018 plan?

**ELIZABETH MILDWATER:** It was actually 2016. The targets were five years, running from 2016-17, when the plan was being put together, and 181,239 were delivered against the five-year target of 189,100.

**The Hon. DANIEL MOOKHEY:** Do you have that 181,000 broken down by LGA?

**ELIZABETH MILDWATER:** I do, and it is available on the DPE website as well.

**The Hon. DANIEL MOOKHEY:** Can you give me the top five right now?

**ELIZABETH MILDWATER:** As in the numbers of houses?

**The Hon. DANIEL MOOKHEY:** Yes.

**ELIZABETH MILDWATER:** It will take a second to do it.

**The Hon. DANIEL MOOKHEY:** That is all right.

**ELIZABETH MILDWATER:** They are on the DPE website, if you want. It looks like the top was Blacktown. Would that be right? No, hang on. Parramatta, Blacktown, Sydney—

**The Hon. DANIEL MOOKHEY:** Parramatta, Blacktown, Sydney.

**ELIZABETH MILDWATER:** I might not be getting these exactly in order. Camden is quite high. How many have I got? Have you got the list there that you are checking against?

**The Hon. DANIEL MOOKHEY:** No. I am 100 per cent relying on you.

**ELIZABETH MILDWATER:** Bayside. I think I have probably given you—

**The Hon. DANIEL MOOKHEY:** You have given me five.

**ELIZABETH MILDWATER:** The Hills.

**The Hon. DANIEL MOOKHEY:** Which councils are at risk of missing their targets right now?

**ELIZABETH MILDWATER:** From the last five years?

**The Hon. DANIEL MOOKHEY:** Yes.

**ELIZABETH MILDWATER:** I can tell you by district. I know the western and the central districts have more of them than the eastern and the northern districts.

**The Hon. DANIEL MOOKHEY:** To be clear, the eastern district is referring to what exactly?

**ELIZABETH MILDWATER:** That is Bayside, Burwood, Canada Bay, Inner West, Randwick, Strathfield, Sydney, Waverley and Woollahra.

**The Hon. DANIEL MOOKHEY:** And the northern district is referring to?

**ELIZABETH MILDWATER:** Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, Northern Beaches, Ryde, Willoughby.

**The Hon. DANIEL MOOKHEY:** What was the northern district's target?

**ELIZABETH MILDWATER:** The northern district's target was 25,950.

**The Hon. DANIEL MOOKHEY:** How many is it on track to build?

**ELIZABETH MILDWATER:** This is for the period that ended last year?

**The Hon. DANIEL MOOKHEY:** Yes.

**ELIZABETH MILDWATER:** It is 25,113.

**The Hon. DANIEL MOOKHEY:** I am sorry. Those figures do not align.

**ELIZABETH MILDWATER:** The target was 25,950.

**The Hon. DANIEL MOOKHEY:** Yes.

**ELIZABETH MILDWATER:** And 25,113 were delivered.

**The Hon. DANIEL MOOKHEY:** And that was from 2016 to 2021 or was it 2018?

**ELIZABETH MILDWATER:** No, 2016-17 to 2020-21—five years.

**The Hon. DANIEL MOOKHEY:** Okay. What are the targets for the 2023 plan?

**ELIZABETH MILDWATER:** I am sorry; I do not have those with me. They were in their assurance letters, but I do not have those with me.

**The Hon. DANIEL MOOKHEY:** I am not sure we are talking about like for like here, because I am asking you about the housing strategy that was settled in 2018 and you are giving me the figures that were from 2016.

**ELIZABETH MILDWATER:** Yes, and it was those figures that were in the 2018 plan, so they are the figures from then. The figures for the following five years were included in the assurance letters of the local strategic planning statements that we did.

**The Hon. DANIEL MOOKHEY:** That is what I am interested in checking compliance with. Do you have updates on those?

**ELIZABETH MILDWATER:** No. They are very early on because they only started this year.

**The Hon. DANIEL MOOKHEY:** They are not recorded on the DPE, website, is that right?

**ELIZABETH MILDWATER:** That could be correct because it is so early.

**The Hon. DANIEL MOOKHEY:** That is why claims are emerging around councils missing their targets by as much as 46 per cent in today's press. Did you see that?

**ELIZABETH MILDWATER:** Yes, I did see that. And I did inquire and I do not believe that is correct. I know that report also referred to 35 councils when there are only 33, so I am just not sure—

**The Hon. DANIEL MOOKHEY:** I was going to ask you about that because I counted only 33 LGAs in the Sydney Basin.

**ELIZABETH MILDWATER:** Yes. I am not sure where the data in that comes from and, having checked with DPE colleagues, we do not believe it is correct.

**The Hon. DANIEL MOOKHEY:** I ask you on notice to reply specifically to the councils that are named in this story, if you do not mind?

**ELIZABETH MILDWATER:** As in to comment on the councils—

**The Hon. DANIEL MOOKHEY:** No, I am just talking an update. A claim has been made that some of these councils have missed their targets and, equally, there is a claim made that 46 per cent of western Sydney councils are going to miss their target, which would be a surprise to me, given the number you just gave.

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** I am just looking for an update according to the assurance letters that I think you were referring to about how they are all tracking.

**ELIZABETH MILDWATER:** I can take it on notice and see what I can get because DPE track it. I guess all I can say is we do not believe that data is correct. But I am happy to take it on notice—

**The Hon. DANIEL MOOKHEY:** If you would like to reply and point out what you think is incorrect, that might be a better way of doing it.

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** I was going to ask you a final question, before I hand over to my colleague. You said that, other than reporting councils that do not meet their target, that is about it. But are you going to factor into the next set of housing targets their missed performance in the earlier round or not?

**ELIZABETH MILDWATER:** That is a question we will consider. We have not yet decided how we are going to set the housing targets. But we will take that factor into account.

**The Hon. DANIEL MOOKHEY:** Okay. I know I said that was my final question but I misled you.

**The Hon. WES FANG:** It is not the first time.

**The Hon. DANIEL MOOKHEY:** One of the issues that multiple councils have made in respect to various committees of the Parliament is, "We will accept the additional infrastructure but will not accept any adjustment to our housing targets." I will point you to one instance. We had Mosman Council come before one of the inquiries that this Committee did and say quite openly, "We will happily accept the investment in the Warringah Freeway upgrade, the northern beaches link and the western harbour tunnel but if there is any adjustments to our 300 target additional houses in the next 10 years"—my words, not theirs—they would basically riot. Do they have the ability to withstand that or what impact would it have if, for example, the western harbour tunnel was built in terms of the housing targets you would set for those districts?

**ELIZABETH MILDWATER:** I probably cannot give you specifics in relation to a specific piece of infrastructure. But we would say that housing should be located near infrastructure and that the significant infrastructure investment that has been made should be catalysed and houses should be built around that. That is the general principle that we would stand by and part of the whole reason for the Greater Sydney Commission's establishment was to better align housing and infrastructure. So I cannot give you an answer on specific pieces of infrastructure like that but certainly it is an issue we will be focusing on in the coming plan.

**The Hon. JOHN GRAHAM:** I will turn to a couple of other issues. In terms of the machinery-of-government changes, the one that I neglected to ask you about, Mr Sharp—and I was very keen to ask because this is the one that, when we have talked to the Minister formally, he was not able to tell us; this agency had not landed in the changes—as of today, where is the Greater Sydney Parklands agency headed? It is currently in DPIE. Where will it be?

**ROB SHARP:** I believe it comes across into Transport. Ms Fishburn, I am not sure what the current conversations are.

**KIERSTEN FISHBURN:** Currently the Greater Sydney Parklands, should the legislation go through—let us just capture the trust for the purposes of the conversation—is sitting in DPE. There have been discussions, as you would have got an indication through the Minister detailing which legislation he is likely to take carriage of—noting that legislation is not live—that they would come under the Transport cluster in my Cities and Active Transport division.

**The Hon. JOHN GRAHAM:** As of today, though, is that concluded or is that an ongoing discussion?

**KIERSTEN FISHBURN:** There has been nothing formally concluded; it is an ongoing discussion. So no administrative order has been made as of today.

**The Hon. JOHN GRAHAM:** You are saying to us that is where it is likely to head, really based on the division between the Ministers—

**KIERSTEN FISHBURN:** Correct.

**The Hon. JOHN GRAHAM:** But it is still not settled.

**KIERSTEN FISHBURN:** Correct, until an administrative order is put in place it is not settled

**The Hon. JOHN GRAHAM:** Thank you for that. How many staff—I think we know the answer to this from the annual reporting—are attached to that in particular?

**SUELLEN FITZGERALD:** Around 80 permanent staff across all of the GSP trusts.

**The Hon. JOHN GRAHAM:** I might turn back, Mr Sharp, to ask for an agency update on the issue I was asking the Minister about. Perhaps I should have been more specific in asking the Minister because I have asked him before. He answered very broadly when I was attempting to ask a very specific question about Parramatta Road and the fate of the planning condition he placed, B34, requiring two lanes of public transport on Parramatta Road. He was the Minister for the two key agencies. He is no longer and it has not happened. From a department point of view, where is this commitment up to? When will it be in place?

**ROB SHARP:** There are detailed plans that have been pulled together. Come 2023, there are more opportunities that can be delivered on Parramatta Road. We have a number of concepts and what I call a briefing note to the Ministers in terms of recommendations for them to consider. Having said that, there are increased bus frequencies that have already been put on Parramatta Road as some of the traffic has come off. We are very

conscious that as the 2023 network is delivered, there are more opportunities. That planning is underway. There are options with the Minister and we are progressing those.

**The Hon. JOHN GRAHAM:** When you say the briefing note is going to the Ministers, who are the Ministers in this instance?

**ROB SHARP:** Minister Ward in her capacity as roads and Minister Stokes in terms of the broader infrastructure and city place. Parramatta Road and Victoria Road are two examples where there are large corridors and they are city-shaping in terms of any plans you put in there. They are also main metropolitan roads and so Minister Ward is also involved in those.

**The Hon. JOHN GRAHAM:** Surely Minister Elliott must also be part of this discussion if this is about public transport on Parramatta Road.

**ROB SHARP:** Yes. If there are changes to buses, the operational elements would be discussed with Minister Elliott.

**The Hon. JOHN GRAHAM:** You say that bus figures have increased on Parramatta Road but you would also concede that car speeds have been increased. Something that has been on the record from the Transport department is that the lights have been re-phased to allow faster traffic, which is in fact the opposite of what was promised by Government. We were promised a Parisian boulevard.

**The Hon. SCOTT FARLOW:** You want to slow the cars down?

**The Hon. JOHN GRAHAM:** I will not ask you to comment on that. In fact, we have been delivered a suburban speedway.

**The Hon. WES FANG:** Do you practise those lines?

**The Hon. SCOTT FARLOW:** I think he does—"suburban speedway".

**The Hon. WES FANG:** He does; he practises them.

**ROB SHARP:** What we are looking at is the options that are available for the Ministers.

**The Hon. JOHN GRAHAM:** It is very distracting over here. If you could let the secretary answer—

**The Hon. SCOTT FARLOW:** This is our commentary now on John Graham's estimates—"suburban speedway".

**The Hon. MARK BANASIAK:** Just ignore Statler and Waldorf.

**The Hon. JOHN GRAHAM:** Secretary, I apologise.

**ROB SHARP:** Apart from the speedway options, there are three options or four options that are available and they do vary depending on the nature of the outcomes that you want. This is balancing road patronage along with place and on these main thoroughfares that is the key debate. We are very cognisant of that but it is not landed yet.

**The Hon. JOHN GRAHAM:** That is quite a useful update on this question. When do you anticipate that that matter will be before the Government?

**ROB SHARP:** We have some rounds of conversation in respect of these options. Following that feedback, we would then refine that into a business case. It would be later this year, but I have not got a specific time frame at this point.

**The Hon. JOHN GRAHAM:** Thank you for that. I am rapidly going to ask some Active Transport questions. These are really looking for a quick update on these. Perhaps we could move through them reasonably quickly, but whatever information you think—

**KIERSTEN FISHBURN:** Mr Graham, so I can round out e-scooters hopefully for the afternoon, can I give you the names of those regional areas where they have undertaken trials and demonstrated economic uplift?

**The Hon. JOHN GRAHAM:** Thank you.

**KIERSTEN FISHBURN:** Rockhampton, Townsville and Bundaberg in Queensland; Ballarat in Victoria, where there is currently a trial going on there now so my guess is the data is not that matured; and Launceston in Tasmania. They are interesting trial sites and I am sure we can find something comparable in New South Wales—

**The Hon. WES FANG:** Wagga.



**KIERSTEN FISHBURN:** —and see if we can replicate it.

**The Hon. WES FANG:** Wagga.

**The Hon. JOHN GRAHAM:** We have a bid over here.

**KIERSTEN FISHBURN:** I probably would like Wagga actually. It has some fantastic public art. We could put some good e-scooters there.

**The Hon. WES FANG:** Beautiful.

**The Hon. MARK BANASIAK:** We have the new Daryl Maguire.

**The Hon. SCOTT FARLOW:** That is defamation.

**The CHAIR:** Order!

**The Hon. JOHN GRAHAM:** Turning to the Active Transport portfolio—perhaps Ms Fishburn also to you—and the concept of the Principal Bicycle Network. How is this regarded now in government? Is this off the table altogether? Where are we up to?

**KIERSTEN FISHBURN:** Obviously, the principal bike network was a way of undertaking strategic planning for cycling across New South Wales. It set some broad parameters and agenda around delivering a connected cycleway and network. What it did not do was get down further into the level of strategic planning that you need to develop a business case and to work with councils. So we have taken the principal bike network work that has been done and are now shaping it out into those far more strategic corridor cases. We expect them to be released over a staggered period of time over the next 18 months. We will be looking at them from Eastern Harbour City, Central City, Western Parkland City, the outer regions and the regional as well. They give a much more connected understanding of what might be required, looking at alignment—say, station to station—across the whole network and moving from large pieces of infrastructure to different modes of transport as well. So it is part of a whole modal mobility thing. The principal bike network as it stands is the tool that allows us to do that work, which then allows us to have the conversation with community and with council.

**The Hon. JOHN GRAHAM:** I might put back to you one view about this, which is it was not all broad parameters. In fact, it was a relatively fully costed, quite detailed plan on 5,000 kilometres of cycling infrastructure to be delivered over 40 years. As you move into setting that aside and this more detailed work, are we still going to have that oversight, that overall plan about where this is heading?

**KIERSTEN FISHBURN:** The principal bike network has never been fully endorsed. I would like them to talk about it as a document other than a tool that is used for strategic planning. I think you will see as those strategic plans are delivered that they do speak to the PBN as it was pulled together and you are going to end up with the same outcomes, you are just going to have done it in a way that is more deliverable for government.

**The Hon. JOHN GRAHAM:** The Minister has talked about his aspirations for how much might be spent looking forward over the next period compared to that \$950 million over five years. He wants to more than double it. What is the current backlog? What is your assessment of the current backlog for walking and cycling infrastructure?

**KIERSTEN FISHBURN:** It is an interesting question and one that is very, very hard to quantify, to be honest. Walking infrastructure, as you are aware is footpaths. What I can tell you is that there is genuinely a footpath deficit particularly in western Sydney and in the regions. What the quantum of that is would be a very difficult exercise for me to be able to determine because it is held by councils. In relation to the cycleway network, at present we have about 200 kilometres of separated cycle lanes in Sydney metropolitan, which is not an inconsiderable amount—you can get around on that. We have got about 170 kilometres in the regions—that is excluding regional rail trails, which are more of a tourism option. We have about 2,000 kilometres in both regional and metro. So 4,000 kilometres, in total, of shared pathways which are significantly used for cycling infrastructure. Obviously, separated cycleways are the best for the commuters.

Shared paths are probably pretty good for your family type of trips or getting to the shops. So I would like to see the quantum of separated zones, so that you have got the commuting network—and that is why we are doing that strategic planning work at the moment—and then to look at what options you can put into play in relation to those shared pathways, making sure they are safe, making sure that families feel comfortable using them. Of course, footpaths—children can ride on footpaths with their parents as well, so that forms part of the network. Undeniably though, there are gaps and missing pieces throughout the network at the moment. One of the pieces of work that we have been doing is quite an extensive GIS mapping so we can better understand where those missing areas are. We will be doing some work to try to fill in the gaps both with councils and through Transport for NSW.

**The Hon. JOHN GRAHAM:** One of the commitments the Minister made in his former role as Minister for Transport was a commitment that while the Inner West Light Rail was closed down, work would happen on the inner west GreenWay. What work happened in that three months?

**KIERSTEN FISHBURN:** There has been planning work that has been done on the GreenWay project. As you may be aware, Mr Graham, it is a project that Inner West Council are running. My understanding is that they have gone through their tender process. There is a challenge in relation to the GreenWay project, which is causing delays, and it is one that is joined up with some of the industrial relations issues that are occurring in Transport at the moment. We are unable, due to those, for Sydney Trains to give final sign-off for the GreenWay project because they are unable to get in to do electrical works at the moment. So there is a challenge with the GreenWay project. It is not for lack of will. Everyone both in Transport and Inner West Council are very desirous to see it; it is 5.8 kilometres, it is going to be a beautiful piece of infrastructure. But at the moment we are somewhat hamstrung by those industrial issues.

**The Hon. JOHN GRAHAM:** Accepting what you have said and accepting that some of this is with council, this was the State Minister's commitment about what would happen over three months. It sounds like progress has been minimal, if at all, for the reasons you have outlined. Is that a fair comment?

**KIERSTEN FISHBURN:** I think progress has been made. If council are able to go to tender, then they must feel pretty confident they understand what their program of works is. The challenge, though, is that they need final authorisation from Sydney Trains and, with all the will in the world, Sydney Trains is not able to give it at the moment, so it is at a stalled point at present. I have made contact with the General Manager of Inner West Council and will go into discussions about whether they can potentially reprogram their works to work around the challenges that we have.

**The Hon. JOHN GRAHAM:** Turning to the Sydney Harbour Bridge cycleway, when will that be built? What is the update on that process?

**KIERSTEN FISHBURN:** The Sydney Harbour Bridge north access project. In February there were three designs for access to the Sydney Harbour Bridge that were presented to a design jury, which was shared by the Government Architect. These designs have been considered by the GA and are now in finalisation for approval. As you know, the intention is to construct the ramp beginning in 2023, so we are still on target for that. We want to make sure that we get the best possible design outcome for the community as well, so the designs will be released soon.

**The Hon. DANIEL MOOKHEY:** Chair, I am aware of the fact that a break is coming, but I want to give you and the witnesses fair notice that, if the witnesses were to stay for 15 or 20 minutes, we will finish our questions. Alternatively, of course, if the witnesses wish to take a break and if the Committee wishes to take a break, we can reconvene at 3.45 p.m. I just thought we should test it now.

**The CHAIR:** Can I ask the witnesses if they are happy for us to continue?

**ROB SHARP:** Yes, we are happy to.

**The CHAIR:** Then we will do that. Thank you, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** I thought that was quite the incentive. On a few of the questions we were asking this morning, when exactly did we enter into the contract to build the M6 stage one?

**ROB SHARP:** I will pass to Ms Drover.

**CAMILLA DROVER:** May 2021.

**The Hon. DANIEL MOOKHEY:** When was the contract entered into for the Rozelle Interchange?

**CAMILLA DROVER:** December 2018.

**The Hon. DANIEL MOOKHEY:** When did we enter into the contract for Sydney Gateway?

**CAMILLA DROVER:** November 2020.

**The Hon. DANIEL MOOKHEY:** Mr Secretary, I was asking you about the excerpt from the State's accounts, about this \$1.4 billion variance. Do you have any further information on that that you can provide us?

**ROB SHARP:** As we were discussing when that was first raised, the note to the accounts relates to contractual commitments. So what the Auditor-General is flagging is the net movement of contractual commitments that were signed but not delivered. In any year that movement reflects new contracts entered into less contracts that have actually been delivered during that year. In respect of the \$1.4 billion, the overall portfolio of contracts and activity had increased, so therefore there was an increase. Now that is not an increase to the

budget; it is an increase to the actual contractual obligations that have been committed at that point in time. During that year there was, I think, Rozelle—

**CAMILLA DROVER:** We had awarded Sydney Gateway and the M6 stage one.

**ROB SHARP:** That actually kicked up the number. So it is almost like a contractual commitment number as opposed to, "Here's the project costs during that period."

**The Hon. DANIEL MOOKHEY:** But you did not enter into the work. This is for financial year 2020-2021, yes?

**ROB SHARP:** Yes, I agree.

**The Hon. DANIEL MOOKHEY:** Do we agree that that is what the report is for? Good. But as we just heard, you signed the contract for the Rozelle Interchange in 2018, so it cannot be that, according to your own logic. It is just not possible because you signed that contract years ago and it has been reflected in the budget since. That also applies to the gateway as well. I think you did say that you signed the M6 stage one in May 2021, did you?

**CAMILLA DROVER:** That is in the financial year 2020-2021.

**The Hon. DANIEL MOOKHEY:** Yes. The issue, of course, is that that is actually in the budget—that one is in the budget. The irony, of course, is that that \$3.1 billion is reflected in the budget, so I do not understand how your answer could—

**ROB SHARP:** The \$3.1 billion is not contracted. The contract is for a particular section of work. If I took, for example, metro, it has a multibillion-dollar budget, but the contracts that we are doing for tunnelling would only be a portion of that.

**The Hon. DANIEL MOOKHEY:** What was the value of the contracts we entered into in May 2021?

**CAMILLA DROVER:** Can I explain? That line item is financial commitments, so it is the value of the contracts entered into in that financial year, less the value of work delivered, and therefore that commitment retired, because we have done the work, we have paid for it, it is no longer a financial commitment. That is why in the note the Rozelle Interchange is mentioned, because it was awarded at the end of 2018 but it is our largest single contract and therefore there is a material negative value in that financial commitment statement for that financial year, because a lot of work has been delivered, paid for and therefore, as I said earlier, the financial commitment has fallen away.

**The Hon. DANIEL MOOKHEY:** Again, I am just going to take the literal what it says. It states here:

The following information is expenditure contracted for at the reporting day but not recognised in the financial statements.

That is clearly what the explanation is. It also actually tells us the capital expenditure commitments, as to when they are likely to fall due. To be fair, this number is across all of government but, given that your agency accounts for the overwhelming majority of the variation, \$11 billion is due to be paid in less than one year. Do you know how much of that is Transport?

**CAMILLA DROVER:** I am not sure where you are referring to now.

**The Hon. DANIEL MOOKHEY:** Do you have page 6-159 of the State accounts, note 29? It is literally the table at the bottom, just above the footnotes.

**CAMILLA DROVER:** Yes.

**The Hon. DANIEL MOOKHEY:** You see there it states at the bottom, "Capital expenditure commitments not later than one year", it is \$11 billion?

**ROB SHARP:** Our budget for the year is something like about \$15 billion. That number for a year does not look unreasonable.

**The Hon. DANIEL MOOKHEY:** No, of course. I am not suggesting it does. The issue is that it has gone up by \$2 billion in the years from 2019-20 to 2020-21. I will just be very clear here, that includes Health, which is the other big spender here, not just exclusively. But we can infer that you are a pretty large spender, given you account for half of the unrecognised financial expenditure. Do you know why that has gone up, because that again contradicts what we are being told here? I presume that we are not paying the full costs of the M1 in this year, in the next 12 months, are we?

**CAMILLA DROVER:** Year one?

**The Hon. DANIEL MOOKHEY:** Yes. Are we paying the full \$3 billion in year one?

**CAMILLA DROVER:** You mean the M6?

**The Hon. DANIEL MOOKHEY:** Yes.

**CAMILLA DROVER:** No, of course not. The only thing I will say is the infrastructure investment obviously has not peaked yet, so you would expect that the commitments would be increasing at the moment between a prior year and current year.

**The Hon. DANIEL MOOKHEY:** This might have to be pursued with the Auditor-General, which is where we are clearly heading for. I will ask on notice—I am not necessarily sure I do personally accept the logic that you are putting, but I accept that is the view that you have—can you therefore identify the \$1.4 billion variation in your department by project that you say was contracted for in that financial year that was not then reflected in the financial statements?

**ROB SHARP:** I am sure the finance team would have the actual contracts that made it up and the ones that were retired because it is just an ongoing table, but we will take that on notice.

**The Hon. DANIEL MOOKHEY:** We are happy to take the full formula as a table to break it down, because otherwise I think we are both trying to compete to interpret accounting statements, which I am enjoying but might not be particularly fruitful as well.

**The Hon. JOHN GRAHAM:** I think that would be quite helpful. I understand the position you are putting but that will help colour out for us these questions around the State accounts, which, as you know, receive some scrutiny. What I do not understand, after having listened to all that, is the total contradiction between the position the Minister put this morning—that this is all in the budget, this is all accounted for, we are all on track—and the statement this morning of your department, Mr Sharp. And I will put it to you. I am about to ask do you stand by these comments: There has been an increase to the M6 stage one project costs of around \$400 million. That is correct, isn't it? Do you stand by those comments?

**ROB SHARP:** Yes, I think both comments are correct. For context, the actual budget has \$3.1 billion in there and that is the budgeted amount. The Minister was clearly referencing that number and that was what was budgeted for. The cost comment does relate to the process of when we get to a tender. When we get to a tender and the costs come in there can be an increase, and there was an increase of \$400. It means the 3.1 is still the budget because that was a known process to get to that budget. But I will pass to Ms Drover just to talk a little bit more specifically about that project.

**The Hon. DANIEL MOOKHEY:** Before you do, there is a technical distinction there in what you said. It was not the budget; the estimated total cost was \$3.1 billion. There is a difference. There is an amount that it will cost and there is an amount that will be budgeted. The budget papers say that it is going to cost us \$3.1 billion but estimated expenditure—

**ROB SHARP:** And that is what the Minister was referring to, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** To be fair, that is exactly the point I made to you the other day when we were talking in the Metropolitan Roads hearing, that there is a contradiction between—you were pointing to the earlier 2-12, which says—

**ROB SHARP:** And the 2.7 that we were referencing at the time. Correct.

**The Hon. DANIEL MOOKHEY:** Yes, that was the 2.7. Actually the Government had only budgeted 2.7 but it knew at the time that the estimated total cost was 3.1. That was the inference that I drew once I read the two parts of the budget papers together.

**ROB SHARP:** I will pass to Ms Drover to talk about the detail on that 400.

**CAMILLA DROVER:** The 2.7 was the original project budget for the M6 stage one. Prior to contract award the Government did readjust the budget for the project up to that 3.1. That was a reflection not only of the tender pricing but also some other costs and contingencies that we decided to hold for that project. It is still a \$3.1 billion budget but not necessarily that cost. We have got to finish the project to know what the actual cost is.

**The Hon. JOHN GRAHAM:** Yes, I understand that distinction. But there is no question the M6 stage one is up in its costs \$400 million? That is clear, do you agree?

**CAMILLA DROVER:** Its budget has increased \$400 million—its budget, not its cost.

**The Hon. JOHN GRAHAM:** Yes. Contrary to the Minister's view that there are no problems here—and I accept, Mr Sharp, the Minister put the view the agency had put to him in the briefing—my concern is he

then went further. The agency has provided an explanation about why that has happened: external factors, the pandemic, increasing construction costs around the world—this is common sense. We have talked about it in this forum before. Those are the reasons why these costs have gone up. You agree with that?

**ROB SHARP:** It is, correct, and that is what we have said. The budget process, though, is forecasting 3.1 and so the papers that you are referencing have that number in there. The Minister was referring to that and the funding for that ostensibly comes through that budget paper.

**The Hon. DANIEL MOOKHEY:** Which other projects have had a similar escalation in cost?

**ROB SHARP:** The two or three that were referenced in that \$1.4 billion that you were referring to, the Rozelle Interchange—

**CAMILLA DROVER:** No, the only project that I am aware of that has had an adjustment of budget post investment decision is the M6 stage one.

**The Hon. DANIEL MOOKHEY:** Okay. Sorry, "post investment decision"? Is that when the Government decided to build it? Is that what we understand it to be, or when it was announced in the budget?

**CAMILLA DROVER:** The Government did increase the project budget from the 2.7 up to the 3.1. That is the only project that I am aware of that we have done it. And—

**The Hon. DANIEL MOOKHEY:** Yes. Sorry? I did not want to cut you off, Ms Drover.

**CAMILLA DROVER:** No, that is—

**The Hon. DANIEL MOOKHEY:** No, go ahead!

**CAMILLA DROVER:** I was just going to explain, yes, because there were a number of factors. It was one of the first large projects that was being procured during the pandemic. It was the material time between when the budget for the project was set and when the project was actually procured and there were some changes in the market. That has necessitated that \$400 million position. We took a conservative view in terms of what the project budget should be for that project, given all those externalities.

**The Hon. DANIEL MOOKHEY:** Just on the budget paper, it states here on page 2-13—"Key Sydney Metropolitan Transport projects continuing in this budget"—we are expected to invest \$6.3 billion over the next four years for the Western Harbour Tunnel and Beaches Link program and Warringah Freeway upgrade.

**CAMILLA DROVER:** That is correct: 6.3 is the forward estimates for the whole program.

**The Hon. DANIEL MOOKHEY:** Do you have that profile by year, or can you get that on notice?

**CAMILLA DROVER:** We have now got it broken down by project, if that is of any use?

**The Hon. DANIEL MOOKHEY:** Yes, that is of use.

**CAMILLA DROVER:** There is \$454 million for this year 2021-22. Western Harbour Tunnel is 108 of that, Warringah Freeway is 286 and Beaches Link is 60.

**The Hon. DANIEL MOOKHEY:** Do you have a similar breakdown over the forwards for the 6.3?

**CAMILLA DROVER:** I do not have it with me, no.

**The Hon. DANIEL MOOKHEY:** Can you take it on notice? Because Warringah Freeway was \$1.3 billion when it was announced, was it not?

**CAMILLA DROVER:** No, the contract value for the Warringah Freeway is circa \$1 billion.

**The Hon. DANIEL MOOKHEY:** On notice, can we get the exact cost for the Warringah Freeway?

**CAMILLA DROVER:** If you give me a second, I will give it to you.

**The Hon. DANIEL MOOKHEY:** Yes, sure.

**CAMILLA DROVER:** I have copious notes—I will come back in a minute. Do you have other questions?

**The Hon. JOHN GRAHAM:** Can we just clarify what we are asking for on notice, which was the profile for each year of the forward estimates for each of those projects?

**The Hon. DANIEL MOOKHEY:** Yes. Actually, I might give you a couple of projects that are on this here. Sydney Metro West, if it is possible—that might be to Mr Draper, who might have to take it on notice.

**ROB SHARP:** We would have to take it on notice, on behalf of Metro.

**The Hon. DANIEL MOOKHEY:** Could you? Sydney Metro – Western Sydney Airport would be good, as well, if it is possible to get those two profiled the same way. Are we still on track for the \$1.9 billion for the continuing construction delivery of the final stages of WestConnex?

**CAMILLA DROVER:** Yes.

**The Hon. JOHN GRAHAM:** What is the allocation in this financial year—that is, 2021-22—for the beaches link? Will that all be expended—the \$60 million?

**CAMILLA DROVER:** Yes. We are obviously awaiting the planning approval, so that was the budget amount for this year.

**The Hon. JOHN GRAHAM:** So will that all be expended?

**ROB SHARP:** If the planning approval comes through.

**The Hon. JOHN GRAHAM:** Subject to planning approval?

**CAMILLA DROVER:** Yes.

**The Hon. DANIEL MOOKHEY:** Can we also, incidentally, get the profiling figures over the forward estimates for the Northern Road upgrade and the M12 motorway?

**CAMILLA DROVER:** The Northern Road is open to traffic—all sections.

**The Hon. DANIEL MOOKHEY:** I am just reading what is described in the budget paper on page 2-14, because it is described as the Northern Road upgrade and the M12 motorway. It says \$1.3 billion over the next four years.

**CAMILLA DROVER:** Yes. Those projects were part of the Western Sydney Infrastructure Plan so were grouped together. But I can confirm that the Northern Road is fully open and complete, and the M12—we have tendered the central and the western section, so we aim to do a contract award for that shortly.

**The Hon. JOHN GRAHAM:** I might just ask Ms Fitzgerald—there were some questions asked in the earlier session relating to the parklands. We were particularly interested in the funding allocations, again over the forward estimates, to the various parklands. There is reporting of a lot of this, but it is quite fractured given the current legislative arrangements. Would you be able to provide us with that, looking forward—the capital and the recurrent costs for each of the parklands over the estimates?

**SUELLEN FITZGERALD:** I do not have that information in front of me today, but I can certainly give it to you on notice. I can say that in general across each of the parks the allocations are quite different, but there are both capital and recurrent allocations for each of those parks. I will give that to you on notice. You are looking for it over the four years of the forward estimates?

**The Hon. JOHN GRAHAM:** Yes—again, the profile of that expenditure. I am certainly happy for you to provide it on notice, though; I did not expect you to have it here. The capital and recurrent over the period of the forward estimates for each year for each parkland, thank you.

**The Hon. DANIEL MOOKHEY:** Secretary, I want to ask about Placemaking NSW. Who do I direct that to?

**ROB SHARP:** That is probably Ms Fishburn.

**The Hon. DANIEL MOOKHEY:** Great, thank you. Congratulations on your new job, by the way. What does Placemaking NSW do?

**KIERSTEN FISHBURN:** Placemaking NSW's role—I am trying to think how to answer this on the grounds that we are going through these administrative changes at the moment. Placemaking NSW has a management role in relation to a number of places in Sydney, including Barangaroo and The Rocks. They are probably the two that people are most familiar with. It also administers the Luna Park trust. In relation to likely administrative changes, as the Minister flagged, Placemaking will be providing the master planning for White Bay—not the planning consent; that remains with the Planning department—working very collaboratively with colleagues within the Transport cluster. As you will be aware if you know the cadastre of White Bay, the majority of it is land that is under the control of Transport. It makes some logical sense to do the master planning more cohesively.

**The Hon. DANIEL MOOKHEY:** How many people work at Placemaking NSW?

**KIERSTEN FISHBURN:** I would have to take that on notice. Again, it will be somewhat dependent on whether the question you are asking me is the likely change after the administrative order or now. I will provide you with both details on notice.

**The Hon. DANIEL MOOKHEY:** Great. Thank you. What is the cost of operating Placemaking NSW?

**KIERSTEN FISHBURN:** I will have to take that on notice. Again, I may need to give you two discrete figures.

**The Hon. DANIEL MOOKHEY:** Sure. Who are the current members of the Placemaking NSW Advisory Committee?

**KIERSTEN FISHBURN:** Do you mean the board of Placemaking? I will take that on notice and get that back to you.

**The Hon. DANIEL MOOKHEY:** Is there a board and an advisory committee, or are they one and the same?

**KIERSTEN FISHBURN:** There is currently a board. Sorry, you are kind of asking me questions prior to me actually being responsible for a business area. I will take them on notice and get them back to you, but I do not want to give you information that is untrue or inaccurate.

**The Hon. DANIEL MOOKHEY:** I might then just read out a series of questions, and you can take them on notice.

**KIERSTEN FISHBURN:** Great. Thanks.

**The Hon. DANIEL MOOKHEY:** I am interested in how often the advisory committee actually meets.

**KIERSTEN FISHBURN:** Yes.

**The Hon. DANIEL MOOKHEY:** I am interested in whether or not there is a payment to be on the board or the advisory committee, regardless of which term you use, and, if so, what the cost is of running the actual board. I am also interested in what advice the advisory committee or the board has provided. I am specifically interested as well about the \$169 million which was provided to Placemaking NSW in 2020-21 to cover shortfalls in relation to the Sydney International Convention, Exhibition and Entertainment Precinct, and the White Bay restoration. Do you know about that?

**KIERSTEN FISHBURN:** I know a little bit about the White Bay restoration. I would have to take on notice the full details. Can I also seek some clarification on your question about advice that the board has provided? We can certainly provide you with the terms of reference. The advice is quite a broad—

**The Hon. DANIEL MOOKHEY:** Feel free to take liberties in answering the question about what you think what advice specifically they have done that has shaped any of the strategies that the Government has since followed or when it comes to the respect of a particular precinct that they are responsible for as well.

**KIERSTEN FISHBURN:** That is an extremely broad topic.

**The Hon. DANIEL MOOKHEY:** I look forward to reading the answer.

**KIERSTEN FISHBURN:** I will use the terms of reference to help guide my answer.

**The Hon. WES FANG:** The emphasis is on "take liberties" if that is what you wanted.

**The Hon. SCOTT FARLOW:** I am seeing an essay—

**The Hon. DANIEL MOOKHEY:** I asked the Chief Economist to give me a quick breakdown of what the impact of sanctions are on the Russian economy, and he did it and he was very excited. So I look forward to reading it, if you do not mind. Do we know about this \$169 million? What was given to the convention centre?

**KIERSTEN FISHBURN:** I would literally have to take that on notice. I can speak to White Bay from my previous role. The money was provided for immediate, needed remediation works for White Bay, but I do not have information on the convention centre.

**The Hon. DANIEL MOOKHEY:** Has Infrastructure NSW's role in the convention centre finished?

**SIMON DRAPER:** Long gone.

**The Hon. DANIEL MOOKHEY:** Long gone? Okay. Alright. That is it.

**The CHAIR:** Excellent. I will ask the Government members if they have any questions before I finish up.

**The Hon. SCOTT FARLOW:** Not today.

**The Hon. WES FANG:** No, we are good.

**The CHAIR:** No? Okay.

**The Hon. WES FANG:** But thank you for asking. It is heartwarming and makes me feel—

**The CHAIR:** I am glad. Excellent. That brings us to the end of the hearing. Thank you very much to all of you for appearing. To the extent that there were questions taken on notice, the Committee secretariat will be in touch, and there will be 21 days to respond to those and any supplementary questions. That concludes our hearing. Thank you.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**