

# PORTFOLIO COMMITTEE NO. 6 - TRANSPORT

Tuesday 6 September 2022

Examination of proposed expenditure for the portfolio areas

## INFRASTRUCTURE, CITIES, ACTIVE TRANSPORT

**CORRECTED**

**The Committee met at 09:30.**

### MEMBERS

Ms Abigail Boyd (Chair)

The Hon. Mark Banasiak (Deputy Chair)

The Hon. John Graham

The Hon. Shayne Mallard

The Hon. Daniel Mookhey

The Hon. Chris Rath

### PRESENT

**The Hon. Rob Stokes**, *Minister for Infrastructure, Minister for Cities, and Minister for 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 823  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**



**The CHAIR:** Good morning. Welcome to the initial public hearing of Portfolio Committee No. 6 and its inquiry into budget estimates 2022-2023. I acknowledge the Gadigal people of the Eora nation, who are the traditional custodians of the lands on which we're meeting today. I pay my respects to Elders past, present and emerging, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal or Torres Strait Islander people who are joining us today or those who may be tuning in from outside of the Parliament. 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'd like to make some brief comments about the procedures for today's hearing. Today's hearing is being broadcast live via the Parliament's website. The proceedings are also being recorded and 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 could only answer if they had more time or with certain documents to hand. In these circumstances, and these circumstances only, 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. Finally, could everyone please turn their mobile phones to silent for the 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'd also like to remind the following witnesses that you do not need to be sworn, as you've been sworn at an earlier budget estimates hearing before this Committee, and 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 oath

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

**Ms KIERSTEN FISHBURN**, Deputy Secretary, Cities and Active Transport, Transport for NSW, before the Committee via videoconference, affirmed and examined

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

**Ms BENEDICTE COLIN**, Chief Executive Officer, Transport Asset Holding Entity of NSW, affirmed and examined

**The CHAIR:** Thank you very much. It's pleasing to have a relatively small number of witnesses at this hearing. It's not been like that previously. Today's hearing will be conducted from 9.30 a.m. to 5.30 p.m. We are joined by the Minister for the morning session only, which will run from 9.30 a.m. to 12.45 p.m., with a 15-minute break at 11.00 a.m. for morning tea. In the afternoon we'll hear from departmental witnesses from 2.00 p.m. to 5.15 p.m., with a 15-minute break at 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 the morning and afternoon sessions for Government questions. Thank you for your attendance today. We will begin with questions from the Opposition. Mr Mookhey?

**The Hon. DANIEL MOOKHEY:** Good morning, Minister.

**Mr ROB STOKES:** Good morning, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** It's good to see you.

**Mr ROB STOKES:** Likewise.

**The Hon. DANIEL MOOKHEY:** And good morning to your officials too. Thank you to them for taking the time to join us. Minister, congratulations on releasing the Future Transport Strategy 2061, which we've had the opportunity to examine—

**The Hon. JOHN GRAHAM:** Over some time.

**The Hon. DANIEL MOOKHEY:** —over some time. It's nice to see the final version. But in the final version you make a number of references to your intention to expand revenue sources. I was just hoping that you could take us through which revenue sources you expect to expand when it comes to delivering transport services in New South Wales?

**Mr ROB STOKES:** Well, the first thing, I'll just draw you to the correct title of the document: it's Future Transport Strategy, it doesn't specify a year—and that's for a particular reason, because the two companion documents in relation to the State Infrastructure Strategy and the metropolitan plan will be predicated out for 20 years. So it's appropriate that the time lines broadly measure up on that level.

**The Hon. DANIEL MOOKHEY:** Do you mind moving the microphone forward? Thank you.

**Mr ROB STOKES:** So that was the first point. In relation to revenue, I think the document makes points about the sustainability of paying for transport services, as appropriate. Fare box revenue, quite appropriately, is both regulated and heavily subsidised because we want to make sure that public transport is convenient and as affordable as possible. But we also want to ensure that pricing for all transport services is as transparent as possible and as equitable as possible over the long term.

So in reference to particular revenue sources, I suppose one of the challenges that we have long term is that fuel excise revenue, that is since the constitutional cases of the late 1990s—although I note that they are currently being litigated in the High Court, those revenue sources are controlled by the Commonwealth and are, apparently, by the Commonwealth hypothecated back into road maintenance and transport services, although there is a level of opacity there because, obviously, it involves a transfer from the Federal Government to State governments. So, collaboratively, with both sides of Parliament participating in the debates—in fact, I should say tripartite, The Greens were also involved—a couple of budgets ago we moved to a system of road user pricing to effectively recognise that over time we're going to move from petrol-driven engines to electric vehicles.

**The Hon. DANIEL MOOKHEY:** In that respect, you're referring to the road user charge which will apply to electric vehicles from 2027 onwards, if not earlier. Is that the only source of revenue you intend to expand?

**Mr ROB STOKES:** That's the one that it directed toward. In terms of tolling, as you would appreciate, there is a piece of work being done, led by Treasury, in relation to how we might best increase the transparency and seamlessness of tolling arrangements which have developed over time. I think everyone would agree that the system is not terribly transparent, nor is it terribly user-friendly, so we're very keen to find ways to ensure that we can regularise and make transparent and clear and put downward pressure in relation to toll revenue, and work that seamlessly to ensure that people are not unfairly disadvantaged by transport pricing but also to make sure that there is a pretty clear correlation between those who use transport services and those who pay for them.

**The Hon. JOHN GRAHAM:** Minister, you've articulated some of the first principles there I think quite well, and this is the first serious work that's been done by the agencies, by Transport, by Treasury, to really look at how that system might be changed. Given your experience, I'm just interested in how you think that could be dealt with in practice. It's obviously a very difficult system to reform. Have you got any reflections based on your time in the role about how we might reform this over time?

**Mr ROB STOKES:** Thank you, Mr Graham. I think a couple of things. I'm sort of weighing into a broader public debate, which I think you're inviting me to. I think the first one is to start with principles. We've had tolling principles. I think over time it's clear that they do need to be re-looked at, and so you start any policy by determining the principles to begin with. I think there's been some very good work. I point you to work by the NRMA that's been recently released, and this is something that regardless of our political stripes we're all going to have to deal with because ultimately we're all responsible for paying for the transport system.

There's a certain amount that can be based on general revenue, but there is a certain amount of the user pricing that would be appropriate as well. I think we start with principles and work backwards from there. But I do think necessity is the parent of invention, and I think certainly the opportunity provided by the change of technology away from petrol-driven vehicles to electrical vehicles provided a good opportunity for us to look at much fairer and more transparent ways of raising revenue to pay for the transport infrastructure that we all rely upon.

**The Hon. DANIEL MOOKHEY:** When you're talking about the principles that you would like to see apply, are you talking about network-based principles?

**Mr ROB STOKES:** It would not be appropriate for me to editorialise on work that's currently underway.

**The Hon. DANIEL MOOKHEY:** No need to editorialise. You can just tell us. Do you think that the principles that we should be modelling in respect to the additional revenue sources you made reference to in the strategy as well as tolling principles you just outlined should be network-based?

**Mr ROB STOKES:** The first thing I'd say there is I'm not looking at additional sources. I actually think we can look to contract. If we're making more efficient use of our transport assets, then we can look to actually relieve pressure on motorists, which I think is ultimately the end goal, and a good example would be with road user pricing at the moment. Fuel excise costs about more than \$600 a year for motorists. The road user charging is looking to reduce that to around \$315, so it's actually a reduction.

**The Hon. DANIEL MOOKHEY:** There's no bones about it; your document says "expanding revenue sources". You choose your own adjective—

**Mr ROB STOKES:** Because others are contracting.

**The Hon. DANIEL MOOKHEY:** —but the adjective that you used was "expanding".

**Mr ROB STOKES:** Because other revenue sources are contracting.

**The Hon. DANIEL MOOKHEY:** What I'm asking about is: You made the reference there to fare box. Is it your intention to seek to recover more of the cost of using train services and bus services through higher fees that are paid at the fare box?

**Mr ROB STOKES:** Certainly not. In fact, the objective is to get more people using public transport and that will increase fare box revenue.

**The Hon. DANIEL MOOKHEY:** So what about a congestion charge?

**Mr ROB STOKES:** We've clearly ruled that out.

**The Hon. DANIEL MOOKHEY:** You say that, though, Minister.

**Mr ROB STOKES:** I do.

**The Hon. DANIEL MOOKHEY:** But all your documents are describing everything you would need to have in place to apply a congestion charge, and this was picked up in the draft of this document. Certainly the same features that would be required to impose a congestion charge are still present. So when you say that you're ruling it out, the real reality is that you're setting yourself up to a position to apply it at some future date. That's correct, isn't it?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** So why then are we still looking at this idea of sort of network-based, zoning-based systems and references to this being put into the strategy document that we found in its draft form and for which it hasn't substantially changed in its final form?

**Mr ROB STOKES:** I'm sorry, what's your question?

**The Hon. DANIEL MOOKHEY:** My question is: You are setting up for a congestion charge, aren't you?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** And you can guarantee you will never introduce one?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** Can you rule out privatising further transport assets?

**Mr ROB STOKES:** Well, what are you referring to?

**The Hon. DANIEL MOOKHEY:** Land; let's start with land.

**Mr ROB STOKES:** I announced over the last few weeks that we're looking at using 24 hectares of land above Central station—largely airspace—which will involve private investment.

**The Hon. DANIEL MOOKHEY:** And are you as welcoming of private investment in the construction of future roads as you have been in the past?

**Mr ROB STOKES:** I think we'll always partner with the private sector to deliver road infrastructure, rail infrastructure. We've always done that. We should look to wherever we can officially partner. Remember, our transport infrastructure program provides direct and indirect employment to more than 130,000 workers across New South Wales.

**The Hon. DANIEL MOOKHEY:** And are you looking to partner with private operators when it comes to constructing, for example, the Western Harbour Tunnel and these projects that are coming up in the short term?

**Mr ROB STOKES:** That will be a contracting process that I understand from Ms Drover will come up later this year.

**The Hon. DANIEL MOOKHEY:** But I'm just asking, you're the infrastructure Minister so you get to set the policy here.

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** And so are you looking to partner with private partners to construct the Western Harbour Tunnel?

**Mr ROB STOKES:** If you're asking whether we're going to try and set up some sort of nationalised entity to build roads, that's not our intention.

**The Hon. DANIEL MOOKHEY:** Not your intention. But can you build the Western Harbour Tunnel without private capital?

**Mr ROB STOKES:** We've always partnered there. It's our practice to partner with contractors, with engineers, with specialists to provide the resource. We collaborate with the private sector to deliver public infrastructure.

**The Hon. DANIEL MOOKHEY:** Are you going to let a private operator own it?

**Mr ROB STOKES:** I've just said we collaborate with private operators to deliver public infrastructure.

**The Hon. DANIEL MOOKHEY:** And I'm asking you, are you going to allow a private operator to own the Western Harbour Tunnel and have access to the concession for 40, 50, 60 years?

**Mr ROB STOKES:** No, I'm certainly not going to speculate on the nature of future considers, but I can direct you in terms of more specificity to Ms Drover. But I can just say that it's fully funded in any event.

**The Hon. DANIEL MOOKHEY:** Did you say it's fully funded in any event? What do you mean by that?

**Mr ROB STOKES:** I've just been passed a note that there is no private funding required for Western Harbour Tunnel.

**The Hon. DANIEL MOOKHEY:** So we're going to use debt and take the toll revenue ourselves, are we?

**Mr ROB STOKES:** I've answered your question.

**The Hon. DANIEL MOOKHEY:** No, you haven't.

**Mr ROB STOKES:** Yes, I have.

**The Hon. DANIEL MOOKHEY:** No, you haven't.

**Mr ROB STOKES:** Yes, I have.

**The Hon. DANIEL MOOKHEY:** Try again.

**The CHAIR:** This could go on.

**The Hon. JOHN GRAHAM:** This is my favourite estimates exchange so far. You've won the prize, Minister, already. I wanted to ask—back to the Future Transport Strategy. I'll drop the year. I note a number of the time lines have dropped out; we'll come back to that. But one of the things this strategy says is we can't build our way out of congestion. In some ways that's a commonsense view that I agree with, Minister, and many cities around the world have found that. It's also the opposite of what we've been told over 12 years of this Government that if we keep building tolled motorways this will solve the city's congestion problems. How do you reconcile those two views?

**Mr ROB STOKES:** That has never been my view. There were certainly elements of the radial motorway network in Sydney that had not been completed and that they required to be completed. I've got a copy of the 1948 Cumberland plan on my wall and it outlines the route of these missing links in our motorway network. That work was outlined way back in—I think it was the *NSW Long Term Transport Master Plan* in 2012. So a lot of those significant links have been completed. But it's also important to recognise that it's not just the big bits of infrastructure but the little bits of infrastructure are equally just as important in making sure—and one of the real focuses of the Future Transport Strategy is on what—it's not very metric, but the first and last mile. It's the connections between big bits, whether it's motorway infrastructure or public transport infrastructure and where people are actually going.

**The Hon. JOHN GRAHAM:** Yes, and I think those views are well spelled out in the strategy. But you'd agree with that view that other cities have found—and it's implemented in the strategy—you can't build your way out of congestion, that claims tolled motorways were going to solve that problem were always overblown. Would you agree with that?

**Mr ROB STOKES:** I don't think there was ever a direct claim that building more motorways would by itself solve congestion.

**The Hon. JOHN GRAHAM:** I direct you to 12 years of statements from your Government—from other Ministers in your Government.

**The Hon. DANIEL MOOKHEY:** Duncan Gay, most of the time.

**Mr ROB STOKES:** Well, there is the law of induced demand. So you do have to recognise that you've got to do both. This is a government that can walk and chew gum. Yes, you've got to build more bits of big infrastructure, but you've also got to recognise that that by itself—you've also got to manage demand, and increasing supply is not the only way to manage demand.

**The Hon. JOHN GRAHAM:** I will turn to another topic now, the topic of zero emission buses and the Government strategy in this area. How many zero emission buses are planned to be purchased over coming financial years?

**Mr ROB STOKES:** There was an appropriation as part of this year's budget. I can't remember the figure off the top of my head, but certainly I think we are going to double the number by next year. The policy outlines, I think, we will get—there were some sort of bold targets put out by a former transport Minister, which

I congratulate him for because it was good to set a bold target. But I think, on current trajectory, we're going to achieve a zero emission fleet across Greater Sydney by 2035, if my memory serves me correct.

**ROB SHARP:** For Greater Sydney, yes.

**Mr ROB STOKES:** So that's our trajectory, and if we can speed it up any further—

**The Hon. JOHN GRAHAM:** I will come back to the bold target.

**Mr ROB STOKES:** Sure.

**The Hon. JOHN GRAHAM:** You've said we're going to double the number of buses next year, I think.

**Mr ROB STOKES:** It's off a low base. I think we're going for 100 to 200, I think, out of western Sydney. They are being manufactured.

**The Hon. JOHN GRAHAM:** This is budget estimates. I want to ask about the specifics. How many electric buses have we bought last financial year?

**Mr ROB STOKES:** I will refer to the secretary, but, from memory, I think we're going from 100 to 200 in the coming financial year.

**ROB SHARP:** Correct.

**The Hon. JOHN GRAHAM:** So 100 last financial year, 200 this financial year. What are we looking at in 2023-24?

**Mr ROB STOKES:** For further specifics, I will refer you to the secretary.

**ROB SHARP:** There's a business case that has been finalised. As I mentioned in the prior budget estimates, it would be the back end of this year. The aim is to actually replace all of the diesel buses—Greater Sydney by 2035.

**The Hon. JOHN GRAHAM:** It's a specific question, Mr Sharp. Do we have a number of buses? The Minister has been up-front—200 this year. Do we have a number for next financial year?

**ROB SHARP:** Mr Graham, until the business case is signed off, we won't be able to publicly talk to it but the goal, which is public, is 2035.

**The Hon. JOHN GRAHAM:** I will come back to the goal. There's no number determined for next financial year, as I understand it.

**ROB SHARP:** It's subject to a government decision.

**The Hon. JOHN GRAHAM:** Thank you. Minister, I will turn to former transport Minister Constance's bold goal to have 8,000 buses turned electric by 2030. That's now not the case, clearly, looking at the budget. You'd agree with that statement, wouldn't you?

**Mr ROB STOKES:** That's correct. Our aspirations, also detailed in Future Transport, I think is to net zero across our fleet by 2035, and then net zero across the network by 2050. So our fleet by 2035.

**The Hon. JOHN GRAHAM:** In fact, all the budget commits to over seven years is \$218 million. Over seven years, the focus will be on the development of a final business case for tranche one, early works on depots—just 11 depots—and the construction of one new depot. This is initiating the procurement process of only 1,100 electric buses over the next seven years. We're well short of Minister Constance's goal. Would you agree with that?

**Mr ROB STOKES:** I've already answered the question in relation to the goal for Greater Sydney now being 2035. Certainly, my aspiration would be to do everything we can to get there even quicker than that. But in terms of further specificity, that will be a matter to be determined by a future ERC decision in relation to the final business case.

**The Hon. JOHN GRAHAM:** Minister Elliott was more direct than you've just been. Perhaps that's characteristic of that Minister, but this is what he said:

There's no way in the world we're going to meet that timetable, so I don't know why he said it—

referring to Minister Constance. Why did Minister Constance commit the Government to this goal if there was no intention to fund it?

**Mr ROB STOKES:** Well, look, I would choose a more charitable form of words. The whole point of committing to targets is to seek to reach them. I think as Goethe said, build castles in the sky and then go about

building the foundations underneath them. That's exactly what we're doing with the final business case. Certainly, in terms of particularly local manufacturing and local procurement, things where we are requiring to procure in large numbers, like buses, is something that we can work logically with local operators to do. There are some complications in relation to issues like batteries, issues like charging in stations.

**The Hon. JOHN GRAHAM:** There always were—

**Mr ROB STOKES:** Yes.

**The Hon. JOHN GRAHAM:** —which is why it was a ridiculous statement by Minister Constance at the time if you had no path to get there.

**Mr ROB STOKES:** I'm certainly not going to criticise a former Minister. But I certainly think he put out a bold goal.

**The Hon. JOHN GRAHAM:** With no strategy to get there.

**Mr ROB STOKES:** We're now doing that strategic work, and it does appear that we're going to reach that target a little later than he suggested. But that's the nature of setting targets. You've got to work backwards to seek to reach them, and that's what we'll do. If we can speed it up any further, I will, of course, be encouraging of those efforts.

**The Hon. JOHN GRAHAM:** You will only have done 1,100 buses after seven years. Are we actually going to reach this 8,000 buses electrified by 2030? Why will it be any different, given progress is so slow in the budget, under the strategy the Government has now moved to?

**Mr ROB STOKES:** I don't necessarily agree with—I mean, we have certainly put out a clear target. We have now affirmed that in a policy document. We're going through those business case processes to determine how to reach there. Certainly, the early works are the more complex works in terms of ensuring that charging infrastructure is there. Obviously, it's going to start slow and it's going to pick up speed once we develop those economies of scale. But I'm confident—and it's certainly my expectation that the agency reach the target it has been set and has agreed to in the Future Transport Strategy.

**The Hon. JOHN GRAHAM:** What you're describing is a sensible way to go about this process—the exact opposite of what Minister Constance did, what your Government did, in dealing with this problem in the first place: set a goal with no business case, no strategy, no assessment of the difficulties of reaching this goal. Would you agree with that?

**Mr ROB STOKES:** I think Minister Constance was a fine transport Minister. I think he has left a great legacy in terms of transforming this State.

**The Hon. DANIEL MOOKHEY:** Now you are misleading.

**Mr ROB STOKES:** I'm certainly not going to accept the invitation to criticise a former colleague.

**The Hon. JOHN GRAHAM:** Minister, how much is it costing to procure each of these 200 electric buses in this financial year?

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

**ROB SHARP:** I would have to take that on notice to see what we've actually got in there. It will go out to tender through a tender panel. So the pricing will be subject to market rates.

**The Hon. JOHN GRAHAM:** How much did it cost for each of the 100 electric buses we've already procured?

**ROB SHARP:** I would have to take that on notice. I haven't got the detail here.

**The Hon. JOHN GRAHAM:** I think that would be helpful detail as we look at this challenge. It's a challenge we support, this transformation, but best supported by actually doing the careful work.

**The Hon. DANIEL MOOKHEY:** Minister, do you think you're going to hit your target of getting 50 per cent electric vehicle procurement for Transport's own passenger fleet by 2026?

**Mr ROB STOKES:** That is certainly our commitment, and the advice is that we are going to achieve it. In fact, the FCAI today put out some target—our policies in relation to EVs are now—

**The Hon. DANIEL MOOKHEY:** Show us the money then, Minister, because if you're going to hit the 50 per cent target—

**Mr ROB STOKES:** I think about 10 per cent of vehicle purchases across Australia are now either electric or hybrid.

**The Hon. DANIEL MOOKHEY:** I'm glad you've got the confidence that you're going to hit the target. All I want to know is, if you are confident you are going to hit 50 per cent electric vehicle procurement target for Transport's own fleet, where is the money for it?

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

**ROB SHARP:** If this is the \$218 million, then I guess I will take it on notice and revert this afternoon.

**The CHAIR:** Minister, before I ask my first question, I just wanted to correct you on something you said in response to one of the questions that the Opposition asked. The Greens did not support the road user charge. In fact, we were very vocally against it.

**Mr ROB STOKES:** That's right, you didn't support electric vehicles. Pardon me.

**The CHAIR:** But we will come back to that. We did support the initiatives for electric vehicles, but we didn't support the tax.

**Mr ROB STOKES:** Hang on, but this was part of the—how are you going to pay for the roads?

**The CHAIR:** These are questions to you, not to me, but I'm happy to have that discussion with you about the other ways that we can finance critical infrastructure in our State at a different time. Your Government is ruling out a congestion charge. What do you mean when you say "congestion charge"? How would you define a congestion charge?

**Mr ROB STOKES:** How would I define a congestion charge? I'd point you to examples in perhaps Singapore many years ago or London more recently—

**The CHAIR:** So zone-based?

**Mr ROB STOKES:** —which are zonal systems.

**The CHAIR:** Okay.

**Mr ROB STOKES:** Effectively you, if you like, have a fenced area, and inside that area you pay a particular additional charge to enter that area. It's, if you like, turning public spaces into—

**The CHAIR:** Sure. When you say that your Government is ruling out a congestion charge, you mean you're ruling out a congestion zone?

**Mr ROB STOKES:** I stand by what we said: We're not introducing congestion charging.

**The CHAIR:** Would you classify a time-of-day charge that's based on when things are likely to be more congested as a congestion charge? On the toll roads at the moment, for example, we have a higher toll on some toll roads during peak hours.

**Mr ROB STOKES:** In terms of getting into the semantics of different types of road user charging, I'd prefer to take those questions on notice so I don't inadvertently mislead the Committee. But I think a congestion tax is generally understood to be a spatial area where, if you enter it, you get a particular charging regime. That's what the Government has specifically ruled out.

**The CHAIR:** Thank you, that's very useful. Certainly from the reports I've seen so far, that was not made clear. For example, page 99 of the Future Transport Strategy states:

Transport will use advanced computing, including exploring quantum technology, artificial intelligence and machine learning to ... improve Transport's response to congestion ...

Are we talking there about having a variable toll or a variable road user charge based on congestion?

**Mr ROB STOKES:** I'm sorry, I'm just looking for the reference. Sorry, page 99?

**The CHAIR:** Sorry, I'm on page 99 in the second column, three paragraphs down.

**Mr ROB STOKES:** I see. No, that's not a reference to charging; that's a reference to traffic management more broadly. That's effectively using digital technology to identify where there are particular concerns in the network so that we can respond. I'd refer you to Mr Sharp.

**The CHAIR:** Just before you do, I think I'm familiar with that. What you're saying there is really, for example, traffic light changes and opening up certain lanes—

**ROB SHARP:** Traffic flows—real-time information.

**The CHAIR:** —and going different ways on different lanes et cetera. On the page after that, Minister, the second paragraph down states:

There is an opportunity to reduce congestion and improve travel choices by exploring charges that are clearer, fairer, more efficient and more sustainable.

What do you mean by that? Are we talking then about the possibility of having a variable road user charge or variable tolls based on congestion?

**Mr ROB STOKES:** I'd refer you to the earlier conversation between myself and Mr Graham. Certainly the examples I point out would be the work that Treasury is undertaking in relation to tolling across the city network and also the EV policy, which I accept your admonition that The Greens did not support. For example, as part of that policy, we've cut stamp duty and replaced it instead with a road user charge, which will—

**The CHAIR:** With respect, though, that's not my question. Just so that we can fast-forward, where I'm getting to with this is that a lot of our objections to the road user charge and the way that it was brought in in New South Wales—we're not opposed entirely to a road user charge, but we are opposed to this particular model—were based on concerns with overseas models, where variable amounts are being charged to drive on toll roads based on current congestion, time of day and distance. Is that where we are headed in New South Wales when we talk about reducing congestion by exploring charges?

**Mr ROB STOKES:** No, a couple of things—I take the point about EVs; I've mentioned that. I suppose the best thing I can point you to is the work that Treasury is currently leading in relation to the tolling regime because, as you correctly point out, there are a number of different and conflicting methodologies for tolling on the network. It's about trying to provide greater consistency and equity to the way in which that system operates. I understand Treasury will—Mr Sharp will correct me if I'm wrong, but I understand that work is going to be complete—

**ROB SHARP:** Towards the end of this year.

**Mr ROB STOKES:** End of the year, yes.

**The CHAIR:** On that, I don't know if you read the tolls inquiry report into the state of tolls in New South Wales, but one thing that we learnt from that and from asking in estimates is that the tolls review will be constrained by still having to leave Transurban in the same situation from a profit perspective and from a financial perspective. Yes, we can change things around on how we toll, but ultimately there's a certain amount of toll revenue that has been effectively promised to Transurban for the privatised toll roads. Is the plan to introduce a broader road user charge to try to plug the holes as the Government moves to provide some sort of relief to people using those toll roads? Is that where we're heading with this?

**Mr ROB STOKES:** No, I'm not going to speculate on any particular policy solution. It's more that this document is suggesting that we're going to have to look at a range of ways in which we can ensure that how we pay for our transport system is more equitable, more consistent, more transparent and fairer. It's pointing to the fact that there's more we can do.

**The CHAIR:** But we do have a situation now where we've sort of boxed ourselves into a corner where we have a number of very long-term contracts with a private operator that limit the options as to what we can do in that toll review, don't we? With the move to a broader road user charge which, although we acknowledge it starts with EVs, is clearly designed to apply to all cars eventually—hopefully because all cars will be EVs—is the idea to have that broader road user charge for roads, and not just toll roads, in order to basically plug the revenue from the Government having to effectively subsidise Transurban in order to provide people with relief from those escalating tolls?

**Mr ROB STOKES:** No, effectively the main concern is that, as the tax base for fuel excise becomes smaller and smaller over time, we won't be able to rely on Commonwealth support because they won't have the revenue to help us pay for the transport network. We're going to have to find alternative ways—and much more direct ways, incidentally, because it won't involve a transfer from the Commonwealth to the States to help us pay for the road network. A good example—I noticed that Premier Malinauskas in South Australia is moving away from road user charging, and the reason he's doing that there is because they've got a much smaller base to collect from. They actually want the Commonwealth Government to pay for their road system, because that means the taxpayers of New South Wales can subsidise South Australian roads. For us, however—

**The CHAIR:** But it's all a bit moot if the High Court challenge doesn't go in the favour of the States, isn't it?

**Mr ROB STOKES:** I can only speculate, but I certainly think there's much more risk for the Federal Government than for the State governments in relation to that action. It'll be very interesting to see where it goes.

**The CHAIR:** Before my time runs out, could you perhaps clarify—we've had a range of ridiculous conversations so far in estimates about flying cars. I note that this document that came out yesterday still refers to flying cars on page 42.

**The Hon. SHAYNE MALLARD:** Hear, hear! You're a visionary.

**The CHAIR:** What's this is all about? Are we going to have flying cars, Minister?

**Mr ROB STOKES:** I do note that, yes, there's been some entertaining conversations on this.

**The Hon. DANIEL MOOKHEY:** Will they be tolled?

**The CHAIR:** And will they be tolled?

**The Hon. SHAYNE MALLARD:** They oppose the Wright brothers—no vision.

**The CHAIR:** Is that the only way people will be able to avoid the road user charge?

**The Hon. JOHN GRAHAM:** I want to hear the Minister on this topic.

**The Hon. SHAYNE MALLARD:** Where do we park them?

**The Hon. JOHN GRAHAM:** Chair, I want to hear the Minister.

**The CHAIR:** Order!

**Mr ROB STOKES:** Sorry, your question was: Will there be flying cars?

**The CHAIR:** Will there be flying cars, given that it's on page 42? We're still apparently talking about flying cars.

**Mr ROB STOKES:** I certainly think we need to be open to what the technologies of the future offer. I don't anticipate that we'll be flying around in cars any time soon.

**The CHAIR:** We will if we need to avoid the road user charge.

**Mr ROB STOKES:** We'll find a way.

**The CHAIR:** Back to the Opposition.

**The Hon. MARK BANASIAK:** No—did you do 20 minutes then?

**The CHAIR:** I'm so sorry, I just completely ignored Mr Banasiak.

**The Hon. MARK BANASIAK:** Clearly I'm chopped liver! Minister, welcome. I want to ask some questions around the Kamay ferry wharves and Infrastructure NSW's role in it. The project obviously spans across many ministerial responsibilities, but when did you first become aware the project had been approved?

**Mr ROB STOKES:** That was the subject of a Cabinet process.

**The Hon. MARK BANASIAK:** Can you give me a date? Is that Cabinet in confidence?

**Mr ROB STOKES:** I can probably get you that on notice; I can't recall. It would have been—

**The Hon. MARK BANASIAK:** Minister Elliott said he was made aware around 21 July. Do you recollect that?

**Mr ROB STOKES:** It could be; it's not a matter that I'm directly familiar with, other than obviously knowing that the member for Cronulla is particularly animated about the issue.

**The Hon. MARK BANASIAK:** Yes. On the Planning website it was recorded as being at "assessment" stage right up until the morning of 3 August, then quickly moved to "determination" and "approved". Can you explain why there was a two-week delay from what we understand was the approval date, on around 21 July, to telling the public it was approved? Why does it take two weeks to notify the public?

**Mr ROB STOKES:** Is this in relation to the planning consent?

**The Hon. MARK BANASIAK:** The approval. Apparently you signed off on 21 July—and then you don't tell the public for two weeks.

**Mr ROB STOKES:** I'd imagine that that's a matter for the planning Minister.

**The Hon. MARK BANASIAK:** I'm trying to hazard a guess whether you would know.

**Mr ROB STOKES:** I've been advised to draw your attention to the department of planning website. The planning officials in supplementaries might be able to assist with that one.

**The Hon. MARK BANASIAK:** We've awarded a contract to McConnell Dowell on 29 July. But this is a project that still needs Federal approval. What happens if that Federal approval doesn't come or is delayed? What does that mean for this contract of \$52 million that we've awarded to McConnell Dowell?

**Mr ROB STOKES:** I can only speculate, but I imagine that our funding was contingent upon Federal funding and approval. I'd imagine that would be reflected in the contract. But I am speculating. I might refer to Mr Draper.

**SIMON DRAPER:** No, I'm afraid I can't help you with that one. I haven't got any information on that project. I'm just checking with Mr Sharp.

**ROB SHARP:** I'll check with the team and revert back this afternoon.

**The Hon. MARK BANASIAK:** Yes, just whether there's any financial forfeits we would have to make if we—

**ROB SHARP:** I understand the question. I'll come back.

**The Hon. MARK BANASIAK:** Obviously, the project's doubled in terms of cost. That was reasonably well explained by the transport Minister, Minister Elliott, in estimates. Treasury papers say \$49.3 million but the contract for McConnell Dowell is actually \$52.7 million. Can someone explain where that extra three-point-something million is going or what it's being used for?

**Mr ROB STOKES:** I will ask Mr Sharp to come back to you this afternoon.

**ROB SHARP:** We'll revert back on the detail.

**The Hon. MARK BANASIAK:** Can I just go to the environmental conditions. They're quite substantial. Obviously that's caused a blowout in cost. Did that change your view, Minister, of the project in terms of the substantial number of conditions being put on it and whether it was still a worthwhile project? Or would you still rate it as a tier 3 project?

**Mr ROB STOKES:** In relation to its rating, I'll refer you in a moment to Mr Draper. But by way of preliminary, I'm obviously aware and I've had discussions with a number of people, including local Indigenous people, about concerns in relation to environmental constraints in the area and sensitivities in the area. I understand that they are reflected in the project approval. In relation to its status, I'll refer you to Mr Draper.

**SIMON DRAPER:** I can get a little bit more detail—perhaps come back this afternoon. But just more generally, what would normally happen is that, when a project goes through a planning consent process and there are submissions and then a project may be amended in response to those submissions—and that would obviously, in a lot of cases, involve additional costs. That would have to be incorporated into the contract that was awarded at that time. But I can come back to you and provide a little bit more information this afternoon.

**The Hon. MARK BANASIAK:** I'm just interested in how such a significant blowout in costs and how much extra conditions on a project—how that would alter your view, as Infrastructure NSW, as to whether the project should go ahead or would be supported by Infrastructure NSW. That's what I'm trying to really get to.

**SIMON DRAPER:** Look, I don't know whether that is—as you characterise it—a blowout in costs. Usually these projects have contingencies to accommodate those sorts of changes in scope required to accommodate the environmental conditions. So I'm not sure that characterisation is accurate.

**The Hon. MARK BANASIAK:** We could probably debate that for a while, but we won't. What was Infrastructure NSW told about the changes in this project, in that originally it was supposed to be a 100-metre wharf and then I think it got changed to 150 or 160 metres and now it's 230 metres in length? What was Infrastructure NSW's advice in terms of why that occurred?

**SIMON DRAPER:** The only involvement we would have in that is, if it's a tier 3 project, we would do—there'd be some regular reviews that are done. But tier 3 projects are not reported as regularly as tier 1 and tier 2 projects. I'll give a little bit more information about that—

**The Hon. MARK BANASIAK:** How regularly are tier 3 projects reported to you?

**SIMON DRAPER:** Again, as I say, I'll come back to you this afternoon.

**The Hon. MARK BANASIAK:** Minister, does it concern you that the primary purpose of this proposal was apparently to reinstate a public ferry service—and there are several documents that state that. But then that primary purpose seems to have changed in budget estimates on 4 March, with Howard Collins from Transport for NSW—he actually openly says, "This is not about a ferry service", which he reiterated on 25 August as well. How do we have a significantly expensive project change its primary purpose and there's no discernible change to the EIS or no actual new EIS to reflect that change in the primary purpose? Surely, if you change the primary purpose for doing something, you have to go back to the drawing board and explain that change. There seems to be no documental evidence that this has occurred.

**Mr ROB STOKES:** I understand your question. Well, firstly, it's a Government commitment. We're a Government that keeps our commitments. Secondly, I'd say that the nature of infrastructure can change over time. Obviously, the main use of the wharf should be characterised as transport access. I understand, certainly on the Kurnell end, it's about replacing a historical structure that was destroyed in a storm in the 1970s. That's my understanding. It's the nature of the project. And it certainly does provide flexibility and opportunity in relation to public transport and ferry services at any point in the future.

**The Hon. MARK BANASIAK:** But you can't explain why or how that primary purpose changed?

**Mr ROB STOKES:** Not specifically, no.

**The Hon. DANIEL MOOKHEY:** Minister, when is your Government going to have finished raising the wall on the Warragamba Dam?

**Mr ROB STOKES:** There are a number of steps that need to be finalised before even the project can begin, let alone be finished. The first thing, obviously—there needs to be a determination by the planning Minister. There are then, obviously, Commonwealth processes that need to be gone through. Then there's also the investment decision itself. There are quite a few steps remaining before construction can begin.

**The Hon. DANIEL MOOKHEY:** Let's go through that, Minister. When you say "needs to be determined by the planning Minister", I presume you would agree that this is State significant infrastructure?

**Mr ROB STOKES:** Yes.

**The Hon. DANIEL MOOKHEY:** Have they lodged the SEARs yet?

**Mr ROB STOKES:** This is the wall. They lodged ages—

**SIMON DRAPER:** It's been on exhibition.

**Mr ROB STOKES:** Yes, I think we're up to—

**The Hon. DANIEL MOOKHEY:** There's been no submission? Have we gotten the secretary requirements?

**SIMON DRAPER:** The EIS for the Warragamba Dam wall was on exhibition last year.

**The Hon. DANIEL MOOKHEY:** Have we got the secretary requirements yet?

**Mr ROB STOKES:** That comes before the EIS.

**The Hon. DANIEL MOOKHEY:** When do you expect the planning Minister to be making a determination?

**Mr ROB STOKES:** That's entirely within the remit of the Minister for Planning.

**The Hon. DANIEL MOOKHEY:** You said that there are certain requirements of the Commonwealth. There are obviously environmental assessments that the Commonwealth has to do. But let's go through the funding requests. How much money have you asked the Commonwealth for?

**Mr ROB STOKES:** Starting with first principles, the planning determination, obviously, based on the conditions, if any, that are attached to an approval—if the project's approved—will have presumably an impact on the final costings. I think that is the first process.

**The Hon. DANIEL MOOKHEY:** So you have to wait for the planning approval?

**Mr ROB STOKES:** You won't know exactly, if there are conditions, if they're going to have an impact on the cost of the project.

**The Hon. DANIEL MOOKHEY:** We have to wait for the planning system to do its work before we can finalise precisely what we need from the Commonwealth? Is that your evidence?

**Mr ROB STOKES:** Ultimately, it is good practice to, wherever possible, finalise planning processes before investment decisions. I'll refer you to the secretary, who might have further information.

**ROB SHARP:** The conversations are continuing with the Federal Government. They've stated quite publicly they're reviewing their October budgets, and there's an Australia-wide review across all transport infrastructure initiatives at the moment.

**The Hon. DANIEL MOOKHEY:** Minister Ayres wrote to Minister King in July, correct?

**ROB SHARP:** Correct.

**The Hon. DANIEL MOOKHEY:** Until that point, there wasn't any dialogue with the Commonwealth about funding, was there?

**ROB SHARP:** I'd have to take that on notice.

**The Hon. DANIEL MOOKHEY:** There wasn't, was there, Minister?

**Mr ROB STOKES:** It has been peripherally raised, from memory, in relation to conversations I've had with Minister King. We have identified areas that we would be keen to seek some Commonwealth contribution to.

**The Hon. DANIEL MOOKHEY:** But there has been no formal submission made to the Commonwealth in order to even give them the ability to trigger their appraisal processes? That's correct?

**Mr ROB STOKES:** Their appraisal processes would be triggered under the Environment Protection and Biodiversity Conservation Act after—

**The Hon. DANIEL MOOKHEY:** That's for the planning. I'm talking about the funding.

**Mr ROB STOKES:** Again, in relation to approaches, I'll take it on notice.

**The Hon. DANIEL MOOKHEY:** Have we got a business case for this yet? Have we completed our own business case for this?

**Mr ROB STOKES:** I will refer you to Mr Draper.

**The Hon. DANIEL MOOKHEY:** Have we got a final business case?

**SIMON DRAPER:** Yes. There is a final business case that has been considered by Cabinet.

**The Hon. DANIEL MOOKHEY:** When did that finish?

**SIMON DRAPER:** Beg your pardon?

**The Hon. DANIEL MOOKHEY:** When was the final business case completed?

**SIMON DRAPER:** A final business case was completed in—I'm just trying to get my years right now. I think it was early 2021. I will check that I've got that year right, but I think it was early 2021.

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

**SIMON DRAPER:** We've published that in the EIS itself. If you look in the EIS, you will see that the estimated cost is \$1.6 billion, but there's also a provision for escalation and contingency of about \$200 million to \$300 million as well.

**The Hon. DANIEL MOOKHEY:** That \$1.6 billion you mentioned in the EIS, that doesn't include the cost of environmental offsets, correct?

**SIMON DRAPER:** That's correct, it doesn't. But there is a provision for environmental offsets in the evaluation that is published in the EIS.

**The Hon. DANIEL MOOKHEY:** Indeed. And how much of the costs of the life of the environmental offsets?

**SIMON DRAPER:** It's reflected in the conditions that are met at the—all of the elements of it are reflected in the EIS itself.

**The Hon. DANIEL MOOKHEY:** From that, I infer that the costs of the environmental offsets are somewhere close to \$2 billion. Is that correct?

**SIMON DRAPER:** I don't believe that's correct.

**The Hon. DANIEL MOOKHEY:** What is it then?

**SIMON DRAPER:** I believe it is considerably less. But it's got to be determined, because the way you acquit environmental offsets can be done in several ways. I believe that WaterNSW is working with the Department of Planning and Environment and other agencies at the moment to consider how those offsets get acquitted. But before we get to that point, there's also a calculation that has to be done on the final biodiversity offsets that are required.

**The Hon. DANIEL MOOKHEY:** Indeed. But there's no way this is going to come to less than \$2 billion. Is that correct, Minister?

**SIMON DRAPER:** Do you mean the total cost of the project?

**The Hon. DANIEL MOOKHEY:** Yes, including the offsets. There's no way it is going to come in for less than \$2 billion, correct?

**SIMON DRAPER:** We have already said the cost estimate published in the EIS is \$1.6 billion and we have allowed another up to \$300 million in—

**The Hon. DANIEL MOOKHEY:** So we're nearing \$3 billion for this project?

**SIMON DRAPER:** Sorry?

**The Hon. DANIEL MOOKHEY:** Is it going to be close to \$3 billion, Minister?

**SIMON DRAPER:** No.

**The Hon. DANIEL MOOKHEY:** What are we expecting all the costs to be? We have \$1.6 billion, we've got a \$300 million contingency, we don't know what the cost of the offsets are. So we're somewhere between \$2 billion and \$3 billion, are we?

**SIMON DRAPER:** The baseline cost that we've published in the EIS is close to \$2 billion—it's under \$2 billion. But there will be an allowance for biodiversity offsets on top of that.

**Mr ROB STOKES:** To provide further specificity on the basis of the note I have been provided, the end of project cost is estimated between \$1.85 billion to \$1.95 billion, which includes inflation and escalation costs to 2027-2028.

**The Hon. DANIEL MOOKHEY:** But not environmental offsets? This is the issue we find with your Government's infrastructure projects. What you say is the cost doesn't necessarily describe the full costs that are incurred by the project. The Auditor-General had pointed out multiple instances in which your Government transfers certain costs that should be attributed to a project to other line items of the budget. Hence, I'm just going to ask what do we think the environmental offsets are? That's the biggest un-budgeted cost. Do we have an estimate?

**Mr ROB STOKES:** I think, on the basis of what Mr Draper said, it wouldn't be possible to provide a figure with any specificity. What I can say, though, is that the avoided costs in terms of flood damage are vast. A single flood, for example, a similar size to the 2011 Brisbane flood—the dam raising, I'm advised, may reduce the damages bill in the Hawkesbury-Nepean by more than \$2.5 billion.

**The Hon. DANIEL MOOKHEY:** I take your point, Minister. But then, if you are going to be arguing for avoided cost, from when will we be avoiding these costs? When will this wall go up?

**Mr ROB STOKES:** Again, I have outlined the process. This is a long-term project. It will take several years to complete. We've started that process.

**The Hon. DANIEL MOOKHEY:** Will the wall be raised by the end of this decade?

**Mr ROB STOKES:** Again, what I will refer you to—that the end of project cost, including inflation and escalation of costs to 2027-2028 is between \$1.85 billion and \$1.95 billion.

**The Hon. DANIEL MOOKHEY:** You're the Minister for Infrastructure. It's not that complicated a question. You've got eight years. Do you think that by—

**Mr ROB STOKES:** And I've just provided you an answer.

**The Hon. DANIEL MOOKHEY:** And I'm just asking you another question. I am asking you do you think that the wall will be raised by the end of the decade, given you've got eight years to fulfil that deadline? Is that reasonable?

**Mr ROB STOKES:** That's certainly the Government's intention. However, the only reason I'm hedging a little bit is because there's a couple of regulatory processes that, quite appropriately, provide discretion to make

a range of decisions. I can't provide any particular specificity, because I don't know what the outcome of those processes will be.

**The Hon. DANIEL MOOKHEY:** Minister, can you point to me in the budget where your Government has set aside the \$2 billion for the Warragamba Dam wall?

**Mr ROB STOKES:** I will refer you to Mr Draper in relation to this one.

**SIMON DRAPER:** The project has not yet been funded, so the Government hasn't made an investment decision pending the planning consent process. You wouldn't expect to see it in the budget.

**The Hon. DANIEL MOOKHEY:** There's no money in the budget for it currently, because you haven't made a final investment decision? Is that fair, Minister?

**Mr ROB STOKES:** We have already answered that question.

**The Hon. DANIEL MOOKHEY:** No, I'm trying to understand that I understood the answer appropriately. I just want to make sure.

**Mr ROB STOKES:** We haven't made a final investment decision.

**The Hon. DANIEL MOOKHEY:** So there's no money put aside in the budget for this?

**Mr ROB STOKES:** Well, there hasn't been a final investment decision.

**The Hon. DANIEL MOOKHEY:** So, therefore, there is no money.

**The Hon. JOHN GRAHAM:** That's the reason that the—

**The Hon. DANIEL MOOKHEY:** You haven't made final investment decisions on Parramatta Light Rail stage two. You haven't made final investment decisions on projects like the northern beaches link. Yet there is money being put aside to do other works. I'm asking, therefore, that you haven't put a cent aside for the Warragamba Dam wall raising in this budget, best we can see. Is that fair?

**Mr ROB STOKES:** That's not correct, in terms of we have already been doing a range of regulatory works that I have already outlined in terms of the planning approval, the EIS. I'd refer you—this is straying out of the portfolios for which I'm responsible.

**The Hon. DANIEL MOOKHEY:** You're the infrastructure Minister.

**Mr ROB STOKES:** I would imagine this would be in WaterNSW—as the proponent agency, would be funding those costs associated with the planning works.

**The Hon. DANIEL MOOKHEY:** See, I looked at theirs, and they haven't got a budget increase to reflect the \$2 billion. Nothing like it. Ultimately, though, that \$2 billion that it will cost to raise the wall needs to be recovered from water users. That's your understanding?

**Mr ROB STOKES:** Again, an investment decision has not been made yet.

**The Hon. DANIEL MOOKHEY:** I didn't ask whether an investment decision has been made. I'm asking you that, under the IPART guidelines, the \$2 billion that WaterNSW will have to spend to raise the wall at Warragamba will have to be recovered from water users. That's your understanding, correct?

**Mr ROB STOKES:** No, I understand that the Premier has already made it clear that our commitment to this project will also require some support from the Federal Government as well.

**The Hon. DANIEL MOOKHEY:** No, that's not the question.

**Mr ROB STOKES:** That's my answer, though.

**The Hon. DANIEL MOOKHEY:** The question is you're going to need to raise water prices to recover the cost of \$2 billion, won't you? You are required to under IPART. Unless you are telling me that you are going to override IPART, you are required to hike water prices to recover the \$2 billion. It doesn't matter whether you get the money or the Feds get the money. If you spend the money, you have to hike water prices, don't you?

**Mr ROB STOKES:** You are speculating on an investment decision that has not yet been made.

**The Hon. DANIEL MOOKHEY:** The reason I'm speculating on this is because your Government has been out saying, "We're building a wall." The Premier has said he's building the wall. I'm struggling to reconcile why you're telling me that your Government hasn't made an investment decision when the Premier is telling the people of the Hawkesbury and the wider Nepean that they are building the wall. Is it the case that you are telling the public one thing where, in fact, your Government hasn't decided to do anything?

**Mr ROB STOKES:** No. I'm just simply outlining the process and the stages of the process. Mr Draper has indicated he might have further information in relation to the pricing issue.

**SIMON DRAPER:** Mr Mookhey, just to clarify, when we say that we haven't made an investment decision, it is common practice that if an investment decision hasn't been made it doesn't get into the budget. You referred to a few projects. Investment decisions have been made in relation to those projects, and that's why they have ended up in the budget. To the elements that are in the budget, there has been an investment decision. As to the pricing and the IPART practices, the way that IPART works is they look at efficient cost of delivering projects that benefit water users. This is a flood mitigation project, so the beneficiaries of that project are much more widespread and that's why the approach has been to have a wider range of public funding.

**The Hon. JOHN GRAHAM:** Thank you for that, Mr Draper. Minister, I might turn to another topic. You announced very recently that your Government was dropping plans for an Indigenous cultural centre at Barangaroo. Are you aware of concerns from Indigenous Australians who say they feel heartbroken about that announcement?

**Mr ROB STOKES:** I certainly read those reports in the newspaper, in relation to—I understand that was in an understanding that apparently had been given, certainly not something that had been brought to my attention, in relation to a future use of the area known as the Cutaway at Barangaroo. Certainly, the decisions by government in relation to that, which I have been involved in, have related to the form of the Cutaway, not its function. There is still a great deal of flexibility in relation to function. But, given it is such an important architectural space for the future of city, it was determined that it was appropriate to invest in ensuring that it was of—you know, in its form, because we have been struggling to find uses given the cavernous nature and sort of unformed nature of it. The plans relate to the form that it will take, and that provides opportunities to discuss function once that work is complete, or during that process.

**The Hon. JOHN GRAHAM:** When you answer the question like that, it sounds like this may not be off the table.

**Mr ROB STOKES:** Certainly no decisions have been made in relation to its final use. I should note the feedback of former Prime Minister Keating in relation to this site. It's an area, as you'd appreciate, that he's got a close interest in. Certainly he's used a lot of his post-political career to help the public in forming a vision for Barangaroo. In fact, the reason the Cutaway exists, I understand from Mr Keating, is because of a conversation he had at the time that it was going to be filled up. He said, "No, leave the cavernous space and instead let's focus on getting the form right so it can be a beautiful space for a multiplicity of potential opportunities into the future."

**The Hon. JOHN GRAHAM:** Do you accept the view that Minister Franklin put yesterday to estimates that this was never promised, never contemplated? He seemed confused about Premier Baird's earlier statements on this issue back in 2014 and 2016.

**Mr ROB STOKES:** Certainly I was dismayed to see the feelings of the Metropolitan Local Aboriginal Land Council in relation to this matter. I can really only speak for myself and the matters that I was aware of. I was not aware of any undertaking that had been made in relation to any future use of that space.

**The Hon. JOHN GRAHAM:** But there's been significant work done on this, Minister. This idea didn't come out of the blue. Significant work was done by people such as Wesley and Rhoda Roberts about potential uses for the space: the idea of having a 500- or 600-place space for dance troupes to perhaps welcome guests from around the country and around the world to Sydney in this space so they can experience Indigenous culture; a cafe; a restaurant; and a series of other workshop spaces. This work was done over a considerable amount of time. Were you unaware of that work?

**Mr ROB STOKES:** The short answer is yes. The longer answer is in terms of decisions of Government, I'm certainly not aware of any decision of Government that had been made in relation to the future use.

**The Hon. JOHN GRAHAM:** This work that was done on the concept designs was never brought to your attention before that announcement was made?

**Mr ROB STOKES:** No.

**The Hon. JOHN GRAHAM:** That's your evidence?

**Mr ROB STOKES:** No. I'm aware that there may well have been speculation of a variety of uses, but certainly nothing formal was ever brought to my attention.

**The Hon. JOHN GRAHAM:** I realise this is moving out of your portfolio but I do think it's appropriate, given your Infrastructure role, to put it to you. The proposal now is for an Indigenous centre at the Museum of Sydney—the site of the first Government House in Sydney. That's a very significant change in use for that site.

Up until now it's been a site of rolling exhibitions on a range of topics. If it's about anything, it's almost a temple to Arthur Phillip. Do you believe Indigenous Australians will feel welcome if that's the site of the Indigenous cultural centre in Sydney?

**Mr ROB STOKES:** My opinion here is not really instructive; it's really the opinion of Indigenous Australians and listening to them in relation to their desires and aspirations. We have very—

**The Hon. JOHN GRAHAM:** But I'm asking about your Government's decision.

**Mr ROB STOKES:** You did ask about my view, and my view is not important here. I think you're asking me about the attitude of Aboriginal Australians. That really is a matter for them, and we need to listen very carefully to their views. We have a very, very capable, competent and passionate Minister in Mr Franklin, and I'm sure he's doing exactly that.

**The Hon. JOHN GRAHAM:** In making that Government decision, can you give us some assurance that the Government has listened to the views of Indigenous Australians before making that decision?

**Mr ROB STOKES:** This is straying out of my portfolio responsibilities. But I have no doubt that that would be the case because Mr Franklin is an extremely hardworking, diligent, committed and active-listening Minister.

**The Hon. JOHN GRAHAM:** In relation to the Cutaway space, given it's now being developed as an arts, entertainment and catering venue, can you give us some assurance that it will be used and developed in an appropriate way—it almost sounded like some new wedding venue—that it won't be operated by a third-party contractor on behalf of the Government and that it will actually live up to the promise of the Barangaroo headland?

**Mr ROB STOKES:** The short answer is yes. That's precisely—we want to see it used for the greatest benefit for the greatest number of people, to be cognisant of its history and its role as a civic space for all Australians. Certainly we have an agency, in terms of Placemaking NSW, that is well equipped to assist in how best to use that space. But they will be decisions over time.

**The Hon. DANIEL MOOKHEY:** Minister, talking about Barangaroo, what's the affordable housing, social housing and diverse housing target that's been put on the residential tower in the Barangaroo Central development?

**Mr ROB STOKES:** That is modification nine—I think it is—in relation to the original part 3A determination for the area. That particular rezoning application is the result of a contractual arrangement between the rights holder and Infrastructure NSW. That's not a matter that I've had any direct involvement in because it's been a result of contractual arrangements. So I'd refer to Mr Draper.

**The Hon. DANIEL MOOKHEY:** Mr Draper, what's the affordable housing target with respect to that contract variation that's taking place at Barangaroo Central?

**SIMON DRAPER:** There's not a contract variation, but there's a planning consent process.

**The Hon. DANIEL MOOKHEY:** Sorry, yes. Forgive me.

**SIMON DRAPER:** I think the affordable housing obligations are embedded in the contracts, not in the planning concept processes that they go through. I haven't got those numbers, but I'll see if I can get them for you this afternoon.

**The Hon. DANIEL MOOKHEY:** Are we building? We are actually building affordable housing there?

**SIMON DRAPER:** Their obligations can be, I think, acquitted by providing affordable housing either on site or in other locations. I'll have to check that for you.

**The Hon. DANIEL MOOKHEY:** Yes, but a lot turns on that distinction. Have you made a decision as to whether you're going to accept their right to build it there or elsewhere?

**SIMON DRAPER:** I'll have to go and check that for you and come back this afternoon.

**The Hon. DANIEL MOOKHEY:** What other sites are being contemplated in lieu of building it there?

**SIMON DRAPER:** Again, I'll check it for you this afternoon.

**The Hon. DANIEL MOOKHEY:** Minister, this is your agency that's delivering this, isn't it?

**Mr ROB STOKES:** Yes, the agency is the—

**The Hon. DANIEL MOOKHEY:** Yes. So you're telling me you're not across this, you haven't been briefed on it?

**Mr ROB STOKES:** No, I'm not saying that.

**The Hon. DANIEL MOOKHEY:** You have spoken about the need for housing targets of these types in the locations that we are describing. So what steps have you taken to ensure that there will be affordable housing in Barangaroo Central?

**Mr ROB STOKES:** In relation to this particular rezoning application, I do not have any capacity to step in.

**The Hon. DANIEL MOOKHEY:** Yes, but you can tell Mr Draper, so I'm asking you—

**Mr ROB STOKES:** No, I can't actually.

**The Hon. DANIEL MOOKHEY:** Why not? Who can?

**Mr ROB STOKES:** I understand that there was a contractual arrangement between—I think Aqualand is the proponent that we've engaged with in relation to Barangaroo Central. Predating my time, I understand that there was a contract in relation to the nature of the application that would be submitted, and that's the application that is now—

**The Hon. DANIEL MOOKHEY:** So Mr Draper has the power to unilaterally agree to an outcome for Aqualand free of Government policy. Is that what you're saying?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** So who can tell Mr Draper, if you can't?

**Mr ROB STOKES:** I'm just telling you the status of where things are at.

**The Hon. DANIEL MOOKHEY:** And I'm asking you, as the Minister, how are you going to ensure that we're getting affordable housing at Barangaroo Central if not through this process?

**Mr ROB STOKES:** In relation to Barangaroo Central, as I said, the planning process there is a result of a contract that predates my time.

**The CHAIR:** Moving on to something different, I understand that after the WestConnex project is completed there's going to be quite a different feel on the roads in the inner west and, particularly, that the Government's predicted that up to 50 per cent of traffic will be removed from Victoria Road in Rozelle. Is that your understanding?

**Mr ROB STOKES:** Yes.

**The CHAIR:** Are you aware that there's significant support from the local business community and local residents in that area to reduce the number of traffic lanes on Victoria Road?

**Mr ROB STOKES:** Yes, I'm very well aware.

**The CHAIR:** Do you agree with the local community that that space that's then gained on that road by reducing the number of traffic lanes could be used to widen footpaths and enhance active transport and that sort of thing?

**Mr ROB STOKES:** I'm very well aware. You would be delighted to know—I'm sure you are—that your colleague in the lower House the member for Balmain has been a very strong advocate and has been pushing very strongly on behalf of local residents and the business community in the community he serves to see the opportunities that will be unlocked by the reduction in traffic volumes along Victoria Road. We're very keen to explore them with him, and I have directed the agency in that regard.

**The CHAIR:** It certainly sounds quite compelling. Will you commit to reducing the number of traffic lanes on Victoria Road after WestConnex is opened?

**Mr ROB STOKES:** That work is certainly underway, and that is certainly the aspiration. I don't want to make any commitment to a final outcome because we're going through those processes at the moment, but I have directed the agency to look at ways in which we can achieve the sorts of transformative change in that part of Sydney that the local community would like to see.

**The CHAIR:** Why won't you commit to doing that? Are you saying that it's a—

**Mr ROB STOKES:** We're committing to doing the work. I just can't commit to a final outcome at this point because the work is not complete.

**The CHAIR:** But the work has been started and we are in train?

**Mr ROB STOKES:** That's right. We're collaborating very strongly to understand what might be possible there. The opportunity, if not taken pretty much immediately, will be lost. You've got to act on these changes at the time. That's precisely the time to look at changing traffic patterns—when you have a new piece of infrastructure. There was a great piece of work recently done by the Committee for Sydney in looking at parking arrangements through the city. This was specifically called out as one of the areas that might be ripe for transformative change because of this new piece of infrastructure. It'll change travel patterns along Victoria Road and there'll be an opportunity or a window to bring about some transformation. We don't want to miss it.

**The CHAIR:** How long will it take, then, for that work to be done before we have a decision on that?

**Mr ROB STOKES:** Ms Drover might be best placed to provide some further detail.

**CAMILLA DROVER:** The work is certainly underway. The fact that we're no longer using the former Tigers site for the tunnelling for the Western Harbour Tunnel also presents another opportunity to expedite that work. The original scheme was to use that site for the full construction of the Western Harbour Tunnel. That's now gone, so we will expedite that work.

**The CHAIR:** In October, when we come back for supplementary budget estimates, Minister, would you have more of an idea at that point as to whether or not this will go ahead?

**CAMILLA DROVER:** Yes. We're particularly looking at the public transport opportunities along that corridor as well. That work is well underway.

**The CHAIR:** Minister, I understand that in April of this year the legislation governing TAHE was transferred to you. Why did that happen in April?

**Mr ROB STOKES:** The allocation of Acts is a matter for the Premier.

**The CHAIR:** You were made the Minister for Infrastructure in December. It took four months for the decision to be made to give the responsibility for TAHE to you. Was it made as a result of being the Minister for Infrastructure or was it unrelated to that?

**Mr ROB STOKES:** I'd be speculating. These are, obviously, decisions above my pay grade. In terms of speculation, I'd imagine that it is consistent with other parts of my ministerial responsibilities in terms of city-shaping opportunities. It's not inconsistent with the other parts of my portfolio. I can only hazard that was perhaps the reason.

**The CHAIR:** There was no discussion had with you before that occurred?

**Mr ROB STOKES:** I was certainly notified, and I expressed no—I'm very happy to be responsible for TAHE. I think it's safe to say that the transport Minister did not resist any efforts by the Premier to relieve him of that responsibility.

**The CHAIR:** Very diplomatic. Do you view it as a hospital pass, Minister?

**Mr ROB STOKES:** Not at all. I know the Opposition has a certain view on TAHE.

**The CHAIR:** A view that The Greens share, in this instance.

**Mr ROB STOKES:** My experience of TAHE is that they're a wonderful group of people. They're incredibly well motivated.

**The CHAIR:** Just so we're very clear, no-one is casting aspersions on the individuals in TAHE. We're talking about the structure itself.

**Mr ROB STOKES:** There are always going to be challenges about how you manage rail assets, and you're always going to have to have some sort of entity to ensure that rail assets can be used effectively and in the best interest of the community. That's always going to be a fraught and disputed area. If you look at any jurisdiction around the world, they have similar challenges in how to best govern transport assets.

**The CHAIR:** Given how much TAHE was in the news last year, given the Auditor-General's scathing report into the accounts and the process surrounding finally signing off those accounts, and given the interest that the upper House has had in TAHE—and the fact that we had an entire inquiry into it—were you not at all concerned when it was passed to you out of the blue?

**Mr ROB STOKES:** Genuinely, on this, the opportunity to be in public office is to take challenges and look for exciting opportunities. The bigger the risk, the bigger the reward. There are incredible opportunities with using our transport assets effectively and in the best interests of the community. I view these things as wonderful challenges. Ultimately, we're responsible, as a government, to use the resources of the State to best meet the needs

of the community. We're not here, necessarily, for a comfortable life; we're here to transform people's lives into the future.

**The CHAIR:** When you received the notification that you were going to be responsible for TAHE, what steps did you take to understand the risks involved and work out how you might do things differently?

**Mr ROB STOKES:** The first thing is, I think a lot of the criticism directed at the agency has not been so much directed at TAHE; it has actually been directed at the way in which it was established—

**The Hon. DANIEL MOOKHEY:** Treasury.

**Mr ROB STOKES:** —through Treasury.

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

**Mr ROB STOKES:** In one sense, it was the manner in which TAHE was created that was the subject of most criticism. Certainly, the steps I took, upon being made responsible for the agency, was to meet with the CEO and the chair, and also to get an understanding of the legislative obligations and responsibilities, the first of which is obviously the operating licence. I was very anxious to make sure, as you'd expect, of the fundamental role that TAHE has to assure itself of the safety of the assets under its control. That was probably my first order of business. I understand that the agency takes those responsibilities very seriously.

**The CHAIR:** It's refreshing that you actually met with TAHE. I understand that some previous Ministers did not necessarily meet with TAHE, at least on a regular basis. On the issue of safety, I understand that TAHE does have ownership of the new intercity fleet. Have you been involved, Minister, in the discussions in relation to the safety upgrades on that fleet?

**Mr ROB STOKES:** No, I have not been specifically involved in those operational discussions. This is an area where we don't want too many cooks. In terms of the industrial relations issues, that's, appropriately, a matter for the industrial relations Minister. In relation to the safety upgrades themselves, that would be, in relation to the intercity fleet, a matter for NSW Trains. In relation to TAHE's role to assure itself in relation to those safety matters, I'll refer you to the CEO.

**The CHAIR:** If I could ask you, Ms Colin, has provision already been made in TAHE's accounts for the cost of that upgrade?

**BENEDICTE COLIN:** This is, as I understand, a very live discussion, so no agreement has been reached neither with the unions nor with the suppliers in terms of the final cost or the structure. Back to your question on safety, TAHE takes its accountability and safety very seriously. It's one of our primary objectives. I would rely, certainly, on the safety regulator. I don't think the safety regulator would allow any trains that are not safe to operate.

**The CHAIR:** Within this Committee, we've had these discussions at great length about how there's different levels of safety and what's acceptable versus what might be optimal. Back to my question about provisioning in the accounts, has there been an amount already recognised or provisioned, in any way, in the accounts for that upgrade amount?

**BENEDICTE COLIN:** As I said, no decision has been reached so far. When a decision is reached, that will be a matter for Treasury, TAHE and Transport to—

**The CHAIR:** So if I was to look in your accounts, I would not find any sort of amount that might represent that upgrade or a maintenance amount on the intercity fleet?

**BENEDICTE COLIN:** No, because there is no reason yet to do so.

**The CHAIR:** I was just trying to clarify one of the numbers that I had seen in there. Ms Colin, how much is TAHE spending on public relations and image management?

**BENEDICTE COLIN:** As any organisation and specifically with an organisation that is dealing with policy reform and transformation, we do engage, from time to time, professional services to assist us with our reputation. We take a very strategic approach to our reputation. The number will be disclosed as part of our financial accounts.

**The CHAIR:** How much did you spend in the last financial year?

**BENEDICTE COLIN:** As I said, that number will be reported in our annual report.

**The CHAIR:** How much did you spend in the financial year prior to that?

**BENEDICTE COLIN:** Actually, I'd have to take that question on notice because I wasn't the CEO at that time.

**The CHAIR:** So you're not in a position to tell us how much money you're currently spending?

**BENEDICTE COLIN:** I think that would be in the vicinity of \$200K or \$300K, but I would be happy to take that question on notice. That amount also included the secondment of dedicated resources because we did not have that function internally. Within TAHE, since April, we've recruited a dedicated resource to assist us and so have reduced our engagement with advisory firms.

**The CHAIR:** Have you appointed SEC Newgate to help you?

**BENEDICTE COLIN:** That would be one of the advisers that we used.

**The CHAIR:** They're about \$500,000, aren't they?

**BENEDICTE COLIN:** No. That's not correct. That was an estimated amount for a budget, which, as I said, included the secondment of a dedicated resource. Since that, we've hired permanent employees to cover that function, so the amount is much less.

**The CHAIR:** How much are those permanent employees costing?

**BENEDICTE COLIN:** As I said, I will have to take that question on notice.

**The CHAIR:** Have you appointed the services of Chris Brown in some way?

**BENEDICTE COLIN:** I believe you're referring to the western Sydney dialogue, of which Chris Brown is the chair or executive chair. Like other organisations having land in western Sydney, we are a member of the western Sydney dialogue, yes.

**The CHAIR:** Are you giving any payment to Chris Brown for any services?

**BENEDICTE COLIN:** I think I've just answered your question. We are—

**The CHAIR:** Sorry, it was unclear. Can you—

**BENEDICTE COLIN:** As I said, we are, like any other organisation having land in western Sydney, a member of the western Sydney dialogue.

**The CHAIR:** I understand you're a member. Is TAHE paying money to Chris Brown?

**BENEDICTE COLIN:** I think I've just answered your question. We are paying a membership to the western Sydney dialogue.

**The CHAIR:** How much is the membership?

**BENEDICTE COLIN:** I would have to take that question on notice.

**The CHAIR:** Other than that membership amount, you are not giving any money directly to Chris Brown or affiliates or any kind of company set up by Chris Brown?

**BENEDICTE COLIN:** No, we're not.

**The CHAIR:** Did Chris Brown approach you about providing some sort of lobbying services?

**BENEDICTE COLIN:** As I said, we are a member of the western Sydney dialogue. As part of that relationship, we have engagement with Mr Brown.

**The CHAIR:** Yes, but that doesn't answer the question. Did Chris Brown approach you to suggest he provide lobbying services for you?

**BENEDICTE COLIN:** No, he did not.

**The Hon. SHAYNE MALLARD:** Why is this relevant?

**The CHAIR:** It's relevant to TAHE's—

**The Hon. SHAYNE MALLARD:** Relevant to western Sydney?

**The CHAIR:** Is this a point of order, Mr Mallard?

**The Hon. SHAYNE MALLARD:** Not yet.

**The CHAIR:** If you could stop the interjections and running—by your own admission, you're running interference, which is very interesting. All the rest of the money that might be being spent will be disclosed in your financial accounts? When do we see those? When will that come out?

**BENEDICTE COLIN:** Our accounts are currently being audited by the Auditor-General. I expect that will be some time around mid-October.

**The CHAIR:** Have there been any problems with that audit so far?

**BENEDICTE COLIN:** Not that I'm aware. We are in regular engagement with the Audit Office. So far, the discussions are constructive and collaborative.

**The CHAIR:** Are all of the lobbyings or PR, image management—all of those contracting expenses that TAHE's paying—done with a tender process? Could we see them on the tender website?

**BENEDICTE COLIN:** You would see them on the tender website. To reassure you, yes, we have a procurement process. We have proper policies and standards, and we do follow them.

**The CHAIR:** So all of them would be on there?

**BENEDICTE COLIN:** Yes.

**The CHAIR:** In relation to the new premises that TAHE is at—you've entered into that new lease?

**BENEDICTE COLIN:** In March.

**The CHAIR:** How much was that lease?

**BENEDICTE COLIN:** I think it's around \$1 million a year. That includes also the fit-out for our office. We had to move from 470 Pitt Street to 130 Pitt Street. That was because the previous office, first of all, couldn't cater with the number of the people of TAHE's organisation but also, when the previous move was made, it was very much on the understanding that that move was only going to be temporary, because those offices were requested for the work that we are currently considering for the Sydney Terminal Building.

**The CHAIR:** So the \$3 million disclosed on the tender register is for the three years.

**BENEDICTE COLIN:** Correct.

**The CHAIR:** Do you pay that up-front or is that just the amount that's locked in?

**BENEDICTE COLIN:** That's an amount that is locked in and that we paid, I would assume, in quarterly arrears.

**The CHAIR:** I wanted just to quickly ask you about rail trails. I will ask Ms Colin, actually, in relation to—I understand TAHE owns the unused rail corridors. Is that correct?

**BENEDICTE COLIN:** That's correct.

**The CHAIR:** Are there plans to activate those assets in a way that's not limited just to rail trails?

**BENEDICTE COLIN:** We always look at opportunities to use our assets in a better way in particular and use the assets where there is an opportunity to partner with communities and to promote active transport and regional tourism. To answer your question, yes, we have identified a number of non-operational rail lines that we can use under the revised framework to convert those non-operational rail lines and railways.

**The CHAIR:** When that happens, what does that do for your balance sheet? Presumably, at the moment, the maintenance of these assets sits with TAHE and is an expense. But you've got the benefit of the assets sitting there. On the profit and loss, it will come as an expense every year. But you've got the assets sitting there on the balance sheet. If one of those areas was then turned into a rail trail and under the control of council, what does that do to your finances? Presumably, it then takes away the expense of the maintenance.

**BENEDICTE COLIN:** There is a provision for expenses, but that covers not one particular land but whole stocks of provisional land. So I would expect the impact on our balance sheet would be fairly minimal.

**The CHAIR:** Sure. But that would be the impact?

**BENEDICTE COLIN:** That would be a consideration to discuss with the maintainer of the country rail network.

**The CHAIR:** But the asset would stay the same, regardless of the lease?

**BENEDICTE COLIN:** It would depend on the arrangement that we enter into with the city councils.

**The CHAIR:** Are there any current plans to turn any of those disused rail corridors or associated land—is there any plans to use them for things unrelated rail trails?

**BENEDICTE COLIN:** You mean the railway corridors, non-operational?

**The CHAIR:** Yes. For example, the current legislation now allows a road to be built over or a shop to be leased on the side. Is that a current plan for TAHE?

**BENEDICTE COLIN:** I think we would look at opportunities for activation. As I mentioned, there could be an opportunity for railways, active public transport or a short pop-up activation, relegation of community centres and art centres and precincts. So I think we would use the holistic approach to how we can better use these assets for the benefits of a community.

**The CHAIR:** So there is that idea of transport hubs and things being built there?

**BENEDICTE COLIN:** Absolutely.

**The CHAIR:** That's what I suspected and was told was not the case. That's very useful. It's teatime. We will have a slightly longer teatime with two minutes extra. We'll be back at 11.15 a.m.

**(Short adjournment)**

**The CHAIR:** We're back. We'll begin again with questions from the Opposition.

**The Hon. JOHN GRAHAM:** Thank you, Chair, and thanks, Minister. I was pleased to hear your comments about Victoria Road and the potential there for that site. How can we believe those commitments, though, given as planning Minister you provided a condition on approval of WestConnex that at least two lanes of Parramatta Road from Burwood to Haberfield are to be solely dedicated for the use of public transport and that hasn't happened? When will that happen?

**Mr ROB STOKES:** I will refer you, in a moment, to probably Ms Drover or Mr Sharp in relation to that—

**CAMILLA DROVER:** I can answer it.

**Mr ROB STOKES:** —but I'll make a preliminary comment first. A couple of things—first, that was a condition. It was, in discussion with the agency, determined not to put a time on it. Part of it was predicated also—you will remember this was before a decision in relation to Metro West, so there was no dedicated public transport route along that corridor. There is now a parallel service. That is not to say, however, that that commitment and condition doesn't remain on foot. In relation to its fulfilment, I will refer you to Mr Sharp.

**The Hon. JOHN GRAHAM:** We might come back to Mr Sharp and the officials, because we've actually discussed it a fair bit with the officials and we'll do so again today. But, Minister, are you happy on that condition now, back quite some time ago? When you do you want to actually see that dealt with, delivered, sitting here now?

**Mr ROB STOKES:** I understand that that is currently being developed, and I will refer you—this afternoon, Mr Sharp can tell you more details.

**The Hon. JOHN GRAHAM:** I don't want to ask about implementation. That is a matter for the officials. I'm asking you. You were the planning Minister who put this condition on.

**Mr ROB STOKES:** And it's my expectation—

**The Hon. JOHN GRAHAM:** When do you want to see it delivered?

**Mr ROB STOKES:** I want to see it delivered as soon as practically possible, and I understand that that work toward implementation is currently underway.

**The Hon. JOHN GRAHAM:** I'll ask about the hydrogen train trial. The Future Transport Strategy says the assessment of the feasibility of trialling a hydrogen train is a "long-term need" for the State. That's correct, isn't it?

**Mr ROB STOKES:** That's a part of the document, yes.

**The Hon. JOHN GRAHAM:** Then why was a trial, which was ready to be approved, scrapped on 12 April this year?

**Mr ROB STOKES:** I'm not aware of that, so I'll refer you to Mr Sharp.

**The Hon. JOHN GRAHAM:** Mr Sharp?

**ROB SHARP:** Yes, we have a number of trials planned. We can't do them all. The hydrogen trial is one that we will continue with. At the moment, our prioritisation has actually been around electric. The hydrogen industry is developing rapidly. We meet with the suppliers regularly. That particular trial was bringing a train in from overseas, and we are continuing to develop relationships with the freight industry in particular about the long-term sustainability of hydrogen and the supply chain.

**The Hon. JOHN GRAHAM:** Minister, this just sounds like another thing that is needed, speculated about, announced, but then not proceeded with—this trial now cancelled. Is that good enough?

**Mr ROB STOKES:** So, again, it is a commitment in the document that that work will be undertaken. That is my expectation, and I accept the secretary's comments on your question.

**The Hon. JOHN GRAHAM:** Do you have a date for when that might happen?

**Mr ROB STOKES:** I think the timing is indicated in the document that you have in front of you, but it's not a specific date, it's more whether it is in progress planning, a long-term need or a priority action. Perhaps the secretary might come back to you this afternoon with more specificity about timing.

**The Hon. JOHN GRAHAM:** I want to turn to another issue we've asked some Ministers about and some agencies, and that's this. I'd really like you to explain why, if you add up the capital promises from this budget, the infrastructure promises—which is why I'm particularly interested in your view—in the general government sector, it's \$30.666 billion. Treasury informs us of that, as does the budget papers. But instead, only \$22.6 billion has actually been set aside by Treasury in capital for this year. We know now that more than a quarter of that money that's promised in *Budget Paper No. 3* in the general government sector won't be delivered. We knew that on budget day. What is going on, Minister?

**Mr ROB STOKES:** I think, if my recollection serves me right, you are referring to the provision for what's known as "slippage" in the budget paper. As to the way in which Treasury has calculated that figure, that's a matter for them. I'm unsure as to the rationale that's gone into the preparation of that figure, but it is not surprising. Certainly from year to year there is an understanding that certain budgeted funds won't be acquitted in a particular year and there are a whole variety of reasons for that.

**The Hon. JOHN GRAHAM:** But, Minister, this is different. I accept there is ordinarily some slippage in capital projects. Big projects get delayed over the year—no problem with that. In some ways we've made allowance for that in some of our public comments. This is different. On budget day the Treasurer knew that, of the \$30 billion of promises, more than a quarter wouldn't be delivered. Did you know on budget day that, of those \$30 billion of promises, only \$22 billion would ever be delivered to the public this year?

**Mr ROB STOKES:** Again I can't speak specifically to the figure because I'm not sure of the algorithm that went into creating it. That would be a matter for Treasury. I can speak as to why there is that provision and that relates to the issues that have been canvassed in, I understand, previous estimates inquiries in relation to the particular circumstances that face us at the moment, whether it's weather, whether it's COVID—all these various reasons. There are a number of projects I could point to where there are a variety of reasons why there would be—and, as you'd expect, Treasury, I'd imagine, is conservative on these matters—why there may well be an allowance for particular money not being spent or acquitted in a particular budget year.

**The Hon. JOHN GRAHAM:** But, Minister, that's a reasonable case. You start out promising \$30 billion and then weather happens, COVID happens, something intervenes and some of it doesn't get spent. That's the ordinary budget process. This is different. This is, on budget day, we're promising \$30 billion here—schools, hospitals, infrastructure—you're the infrastructure Minister, and then we know we're only going to spend 22. That's just a flat out broken promise on budget day. That's different to the ordinary process of capital being delayed as weather intervenes.

**Mr ROB STOKES:** I don't accept your characterisation of the note in the budget papers. But as to the rationale behind it or the way in which that figure was arrived at, I would have to refer you to Treasury.

**The Hon. JOHN GRAHAM:** My question to you, though, as infrastructure Minister, is: On budget day, when the Treasurer made \$30 billion of promises but turned up with \$22 billion of funding, did you know that was the case—on budget day?

**Mr ROB STOKES:** Well, I had insight into the budget the same time as everyone else. But in relation to that specific note, as to its provenance or how it was arrived at, you'd really have to speak to Treasury.

**The Hon. JOHN GRAHAM:** But I'm asking about your knowledge as the infrastructure Minister. Was this something in your mind, that you knew \$8 billion, more than a quarter of this, was not funded?

**Mr ROB STOKES:** I've just answered your question in relation to the timing.

**The Hon. JOHN GRAHAM:** No, you haven't, Minister.

**Mr ROB STOKES:** You can read back in the transcript and I think you'll find I have.

**The Hon. JOHN GRAHAM:** I do want to press you because I think it's—I intend to, certainly, place my views on the record in the Chamber and I will be quite direct about what I think of the Treasurer doing this when we debate this in the House. I want to know where you were in this when this happened, as the infrastructure Minister.

**Mr ROB STOKES:** I was in the Chamber when the budget was delivered.

**The Hon. JOHN GRAHAM:** When you were in the Chamber as infrastructure Minister sitting there when Matt Kean put the budget on the table with \$8 billion missing for the schools, hospitals and transport projects he had promised, did you know that that gap was there? Were you aware? Had you been briefed? Was the Treasurer clear with you?

**Mr ROB STOKES:** As you would expect, I had insight into the budget papers when the budget was released. Obviously I've had input into the process beforehand. That particular note I didn't have insight into beforehand. In relation to how it's calculated, that's ultimately a matter you will have to raise with Treasury.

**The Hon. JOHN GRAHAM:** But as I press this in the Chamber, how critical should I be of you as the infrastructure Minister?

**Mr ROB STOKES:** I have broad shoulders.

**The Hon. JOHN GRAHAM:** Did you know there was an \$8 billion hole on budget day?

**Mr ROB STOKES:** I've answered the question. I've been fairly specific in relation to my knowledge of that particular note. But in terms of how it was calculated, I direct you to Treasury.

**The Hon. DANIEL MOOKHEY:** But, Minister, you accept that it's highly misleading and deceptive conduct, isn't it? To sort of unveil \$30 billion, pass it off, campaign on it, tell people that all their dreams will come true but in fact you won't deliver 28 per cent of it, at least we can accept that it's misleading and deceptive conduct that either you and/or the Treasurer has engaged on.

**The Hon. JOHN GRAHAM:** The ACCC may well get involved.

**Mr ROB STOKES:** If that's your belief, I encourage you to take action under the Trade Practices Act.

**The Hon. DANIEL MOOKHEY:** I might take you up on that suggestion. If you want me to refer you to the ACCC, I'm happy to do it. We've done that before. We've got the form letter in place.

**Mr ROB STOKES:** I think you'll find it has to be engaged in trade or commerce but nevertheless.

**The Hon. DANIEL MOOKHEY:** Just to be clear, we did take this up with Treasury. What's remarkable about this is that ordinarily they think it's 15 per cent but this year it has gone to 28 per cent. You're the infrastructure Minister; it's your job to make sure that we're applying the Infrastructure Investor Assurance Framework. Surely you must have known that there was a big slippage coming because if you didn't know, it would raise questions as to whether or not you've been paying attention.

**Mr ROB STOKES:** I take the implied criticism—well, it wasn't even implied.

**The Hon. DANIEL MOOKHEY:** Quite explicit, to be fair.

**Mr ROB STOKES:** Again, as to the basis of how Treasury arrived at that figure, you really have to speak to them in relation to it. I can certainly speak to the reasons behind what I suspect was their conservative approach to what slippage might be in the current context where we know, as other Ministers have referred to, there are globally supply chain challenges, there's wet weather, there's obviously concerns around labour and the impacts of—

**The Hon. DANIEL MOOKHEY:** There's no need to speculate. They did tell us what their concerns were. They were quite clear. It was effectively them declaring—perhaps I'm being a bit harsh.

**Mr ROB STOKES:** I'd imagine the figure represents a very conservative approach in relation to projected expenditure.

**The Hon. DANIEL MOOKHEY:** You don't need to be so conservative in your statement because we put it to them—

**Mr ROB STOKES:** Well I am conservative.

**The Hon. DANIEL MOOKHEY:** You are. You are naturally. But we put it to them that effectively they were declaring no confidence in the ability of the Government to roll out the infrastructure as promised, and they did say that on the basis of past performance they felt it was necessary to make such a discount. The old adage that past performance is an indicator of future performance means that they don't think your Government will deliver the promises. That's all but what they've said.

**Mr ROB STOKES:** No, I don't—

**The Hon. DANIEL MOOKHEY:** And what's remarkable about this, Minister, is that this year we've gotten to \$8 billion but then somehow you're going to hit a miracle target as infrastructure Minister and minimise the slippage to 0.01 in just three years' time. As infrastructure Minister, can you explain to me how exactly you are going to make sure that by 2025-26 the slippage will have reduced from \$8 billion to \$50 million?

**Mr ROB STOKES:** A couple of things. You're asking me to comment on projections into the future and it's always fraught to try—

**The Hon. JOHN GRAHAM:** We're asking you about the budget projections in budget estimates.

**Mr ROB STOKES:** I'm trying to answer your question and you're asking me more questions before I get to finish answering the question you already asked me.

**The Hon. DANIEL MOOKHEY:** To be fair, he is, not me.

**Mr ROB STOKES:** You're asking me another question? Okay. Whose question is it?

**The Hon. DANIEL MOOKHEY:** Mine. My question is, Minister, I'm really interested in what miracle you're going to deliver which will see the slippage fall from \$8 billion this year to just \$50 million in three. What's your plans to deliver this remarkable turnaround?

**Mr ROB STOKES:** A couple of things. The first, as I was seeking to say beforehand, it is difficult to comment in relation to future performance and effectively prophesy about what the various headwinds might be in the future. Presumably the Treasury is assuming that some of the headwinds we're currently facing will evaporate over time. I suspect that's what they're referring to, but really in terms of how they arrive at these figures, you've really got to speak to them.

**The Hon. JOHN GRAHAM:** Perhaps they're assuming a new Treasurer. Minister, I want to move to another issue and that's the issue of the College Street cycleway. It's currently being built. Of course it was torn up after the intervention of a former roads Minister, Duncan Gay. How much did the College Street cycleway take to remove?

**Mr ROB STOKES:** That's asking about several years ago. I'd have to take that on notice, or potentially Kiersten might have access to that figure now but I'd imagine she'll need to come back to you this afternoon as well.

**KIERSTEN FISHBURN:** I'll need to come back to you this afternoon. Thank you, Minister.

**The Hon. JOHN GRAHAM:** This is a very contemporary issue though. It was built, torn up by this Government and now being rebuilt. How much money have we spent on this cycleway as you now promote Active Transport and as your Government has flipped backwards and forwards on this issue?

**The Hon. SHAYNE MALLARD:** It was built by the City of Sydney, not the Government.

**Mr ROB STOKES:** Thank you, Mr Mallard.

**The Hon. JOHN GRAHAM:** That's a strong interjection, but I think the public policy point still stands. How much money has been wasted on this project as it has been built, torn up and now built again?

**Mr ROB STOKES:** I will get you a figure hopefully this afternoon in relation to expenditure by the State Government in relation to the College Street cycleway.

**The Hon. DANIEL MOOKHEY:** Minister, let's talk about the Cahill Expressway. When will the park open on top of the Cahill Expressway?

**Mr ROB STOKES:** There is certainly a lot of work to do in relation to this project, and certainly the opportunity to look at changing traffic flows on the Cahill—and it's my personal preference to actually over time entirely remove traffic from the Cahill Expressway. I know that's a contentious opinion that many don't agree with, and I hasten to add at this point that is not Government policy yet.

**The Hon. DANIEL MOOKHEY:** But it's your intention.

**Mr ROB STOKES:** It's certainly something that I would like to see, but the first thing that would need to happen of course is traffic flows need to be diverted via the Western Harbour Tunnel. So that's the first thing that has to happen.

**The Hon. DANIEL MOOKHEY:** Again, that is the first thing that has to happen. There are many things that will have to happen.

**Mr ROB STOKES:** There is a number of conditions precedent. That's one of them.

**The Hon. DANIEL MOOKHEY:** Indeed. Hence my question was: When will the park be open?

**Mr ROB STOKES:** That depends on the satisfaction of those conditions precedent, and I will say as well that certainly the aspiration I have to ultimately remove traffic from the Cahill Expressway is not Government policy at this point. That's something we could work on collaboratively.

**The Hon. DANIEL MOOKHEY:** And your intention is to bury the—what about the rail connections? What will you do with that?

**Mr ROB STOKES:** That's certainly the aspiration of the Lord Mayor, and that would be a wonderful thing to do but hopefully the Lord Mayor can help with the \$70 billion estimated cost of—

**The Hon. DANIEL MOOKHEY:** \$70 billion?

**Mr ROB STOKES:** Something like that. More?

**CAMILLA DROVER:** I don't think we've ever put an estimate on it.

**The Hon. DANIEL MOOKHEY:** You have though.

**Mr ROB STOKES:** It's incalculable according to the advice I received. It's a huge amount of money and when you look at the relative needs across the State, while I understand and appreciate the Lord Mayor's views on this, I honestly don't think that level of public expenditure could be acceptable.

**The Hon. DANIEL MOOKHEY:** I understand that \$200 million has been put aside in this budget as planning money for the project.

**Mr ROB STOKES:** Two hundred and 16 million dollars.

**The Hon. DANIEL MOOKHEY:** For planning—\$216 million?

**Mr ROB STOKES:** Not just planning but it would be also some works as well.

**The Hon. DANIEL MOOKHEY:** What works?

**Mr ROB STOKES:** Ultimately that will be determined through the planning process. Obviously as you'd expect, \$216 million is more than is required for planning itself, so that's exciting because we can get on with some of the physical works.

**The Hon. DANIEL MOOKHEY:** How much is the park going to cost?

**Mr ROB STOKES:** First Fleet Park would be certainly one of the early works that we could get on with in the shorter term, and in terms of costing, that would be a matter to be determined through the planning process—

**The Hon. DANIEL MOOKHEY:** Have you made a final investment decision on this?

**Mr ROB STOKES:** —but that would be a level of early works because ultimately as part of the works we'll have to restrict public access while the work is going on. It would be great if we can—

**The Hon. DANIEL MOOKHEY:** Have you made a final investment decision on this?

**Mr ROB STOKES:** There is a budget commitment in relation to \$216 million.

**The Hon. DANIEL MOOKHEY:** For planning.

**Mr ROB STOKES:** In relation to the next steps, I'll refer you to Ms Drover.

**CAMILLA DROVER:** We've got the \$216 million. That does give us planning work and the planning approvals. It's also site investigations, completion of the design and is some early works as well, as the Minister said. It is the First Fleet Park upgrade and we're also looking at what other enabling early works can also be undertaken for that budget.

**The Hon. DANIEL MOOKHEY:** Helpful, Ms Drover, but not my question, Minister. My question was—

**Mr ROB STOKES:** You asked when the park would be delivered.

**The Hon. DANIEL MOOKHEY:** No, I asked you whether you made a final investment decision.

**Mr ROB STOKES:** In relation to what specifically?

**The Hon. DANIEL MOOKHEY:** The whole thing.

**Mr ROB STOKES:** No. The money relates to doing the planning works.

**The Hon. DANIEL MOOKHEY:** Have we done a business case?

**Mr ROB STOKES:** I'll refer you to Ms Drover.

**CAMILLA DROVER:** We'll complete that work and that will firm up the—

**The Hon. DANIEL MOOKHEY:** So there's no business case?

**CAMILLA DROVER:** We are about to go to stage three of the process. That work will be undertaken, as I just outlined, and then government will make a decision to actually proceed to the next stage, which is the delivery of the works.

**The Hon. DANIEL MOOKHEY:** Helpful, Ms Drover. Again, so no business case at this point, Minister?

**Mr ROB STOKES:** I think Ms Drover just answered your question.

**The Hon. DANIEL MOOKHEY:** There's no final business case in place?

**Mr ROB STOKES:** That work is currently underway. So the answer to your question is yes.

**The Hon. DANIEL MOOKHEY:** When is the final business case meant to be finished?

**Mr ROB STOKES:** I will refer you to Ms Drover.

**CAMILLA DROVER:** We will come back to Government when that work is complete.

**The Hon. DANIEL MOOKHEY:** Minister, in the absence of a final business case, you get no idea of what it's going to cost, do you?

**Mr ROB STOKES:** What are you referring to when you're saying you've got no idea what "it" will cost? What's the "it"?

**The Hon. DANIEL MOOKHEY:** Whatever it is you're intending to do. It's a very good question. Usually, a business case defines what the "it" is. Hence the question: \$216 million to do precisely what?

**Mr ROB STOKES:** Well, I was answering the question in relation—and I think Ms Drover did an admirable job in providing the details in relation to the \$216 million. Your original question asked in relation to the park on the Cahill Expressway. Obviously, that work hasn't been done. It can't be done until this business case is completed.

**The Hon. DANIEL MOOKHEY:** Just in terms of the dramatisation that you put on television, do you know what that will cost?

**Mr ROB STOKES:** That is the work that is currently underway. That is the work that's being funded right now.

**The Hon. DANIEL MOOKHEY:** So right now your Government has decided to provide that funding of \$216 million despite, for example, not yet completing the Parramatta Light Rail stage two, despite promising it in three elections. I'm struggling to understand, Minister, how it is possible that you've decided to spend \$216 million on this when you haven't got a final business case when you have projects that do have final business cases that are not funded.

**Mr ROB STOKES:** There are a couple of things here. There was capacity to do both of those projects, and so that was the decision that was taken by Government to progress both of them. We didn't have to make a choice of one or the other.

**The Hon. DANIEL MOOKHEY:** Minister, given you're the cities Minister, why has your Government announced a CBD voucher program then failed to deliver it, failed to mention it and has now cancelled it?

**Mr ROB STOKES:** Well, in relation to the voucher program, you'd have to direct—

**The Hon. DANIEL MOOKHEY:** But you're the cities Minister. This was meant to be about rebuilding the CBD. What did you do?

**Mr ROB STOKES:** Vouchers don't relate to my portfolio.

**The Hon. DANIEL MOOKHEY:** But did you advocate?

**Mr ROB STOKES:** Again, vouchers don't relate to my portfolio.

**The Hon. DANIEL MOOKHEY:** Did you even know the project was cancelled?

**Mr ROB STOKES:** Again—literally, in relation to that question, you would have to direct it to the relevant portfolio Minister.

**The CHAIR:** Minister, is TAHE now responsible for the worksites where the ETU actions are being undertaken in relation to refusing to work on worksites that don't provide separate clean and hygienic toilets?

**Mr ROB STOKES:** The ETU have got challenges relating to pretty much every worksite, so it's difficult to be more specific, but I will refer you to Ms Colin.

**The CHAIR:** There's a particular action that has been ongoing for some time in relation to the ETU working on train facility worksites, where they haven't had sufficient toilets for women. Is that now the responsibility of TAHE?

**BENEDICTE COLIN:** TAHE is the asset owner of the train stations and the rolling stock fleets in New South Wales, but our operating licence prevents us from being the operator or maintainer. If that's okay, I will refer the question to the secretary.

**The CHAIR:** I guess where I'm going is does this fall within Minister Stokes' responsibilities now?

**ROB SHARP:** The actual projects themselves, as they get delivered, the facilities on there are the responsibility of the project deliverer. That could be, for example, the contractor that we've contracted. So it depends on the nature. If it's a maintenance-related item, it sits with Transport. If it was a new railway station, the asset would sit with TAHE, but the contractor would be responsible for that. I'm very familiar with this issue.

**The CHAIR:** Good.

**ROB SHARP:** The rail agencies certainly see it as an issue, and we are happy to work with the ETU on addressing it. It is a legacy infrastructure issue. There is not an immediate fix, but we are all aligned on addressing the issue.

**The CHAIR:** How much have we now spent on the portaloos that were brought in because of that dispute?

**ROB SHARP:** I'd have to take that on notice. It would be spread across multiple projects, so it would take a little while to ascertain that number.

**The CHAIR:** I know when I asked about this—it must have been a year ago now—the number was huge. Every week we were spending tens of thousands. I imagine that has not gotten much better. Minister, what have you been doing to try and resolve that dispute?

**Mr ROB STOKES:** In relation to this, I am certainly aware of the legacy issue that we're dealing with in relation to access to appropriate toilet facilities, and it's my expectation that the agency fulfills its legislative responsibilities. I'm also aware that there's a code of practice on managing the work environment facilities that was adopted in August 2019, and it's my expectation that the agency do everything it can to meet its responsibilities. As the secretary has indicated, that work is underway, but it's not capable of immediate resolution.

**The CHAIR:** Will you commit to not grant any further tender contracts to any construction company that's not prepared to put in place adequate toileting facilities for all genders?

**Mr ROB STOKES:** Yes, I'm very happy to make that commitment on the basis of—I will just get some immediate advice.

**ROB SHARP:** It is certainly within our capabilities to do that, and it's one of the many levers we're looking to try and address the issue. From my perspective, barring some particular issue on a particular site, philosophically, I'm very aligned with that question.

**The CHAIR:** Okay. So you are committing to the extent possible that the Government will not be doing that in relation to projects you're responsible for?

**ROB SHARP:** Yes.

**Mr ROB STOKES:** Yes. That's right. I've got immediate advice from the secretary on that point, that he's happy to accept that.

**The CHAIR:** Excellent. Will you work with SafeWork to ensure compliance with standards?

**Mr ROB STOKES:** Of course.

**ROB SHARP:** We work with SafeWork now. The question is a contractual one, initially. As we've just committed, we're very happy to continue to address that issue.

**The CHAIR:** Minister, we hear a lot about how there's a slowdown in the pipeline of construction projects in New South Wales because we simply have so much construction and not enough workers. I understand that the number of women in construction is quite low—2 per cent or something, if I recall correctly. A huge amount of worksites don't have toilets for women, and there are a bunch of other reasons why women are sort of either not going into the trade or actually going in and then saying it's not for them. Do you have any plans in place to try and increase the number of women in the construction workforce in order to ensure that we sort of have more ready access to work as we go through?

**Mr ROB STOKES:** Yes, we do. As part of the budget, \$20.2 million was provided over the next three years to support programs, with a target to triple the number of women involved in the construction industry by 2030. Tripling sounds impressive until you realise that's only to 15 per cent. But, nevertheless, you have to start somewhere. I wanted to actually call out particularly the work of Alison Mirams in this regard, a leader in the construction industry who has been a wonderful advocate for, frankly, both men and women on worksites for a level of decency and access to everyone who works on worksites. Particularly, the programs that we're looking to sponsor would be those where we can partner with industry associations—in particular, the civil contractors association springs to mind as one organisation that has put ideas to Government; obviously, they will have to go through an appropriate tender process to see if theirs is the appropriate program—in which we're going to try and leverage support out of those industry associations to see what we can do collaboratively to increase female participation in the construction industry.

**The CHAIR:** That's certainly encouraging. But do you think it's possible, really, to make the kind of swift progress that we need to make without some sort of quotas or mandatory obligations on these companies to actually be involving women and providing the right facilities for women?

**Mr ROB STOKES:** I don't want to freelance here too much. Certainly, we have put forward our commitments in the budget process. Our first instinct is to do it collaboratively, and I think there is a willingness by industry. I don't think the issue in relation to quotas is actually something that needs to be considered at this stage. I think there's actually a great level of willingness within the industry to see what we can do to remove obstacles to encourage greater female participation in construction jobs. But certainly, personally, I think it's a really important thing for society to see a greater gender balance in the construction workforce. If these interventions aren't successful, then, of course, we should look at more direct means, but I don't think that will be necessary. I get a real sense from industry that they are looking eagerly to partner with us to find ways in which we can change both workplace practice and culture to incentivise more women to get involved in the construction industry.

**CAMILLA DROVER:** Can I just add to that? Under the Industry Skills Legacy Program, we do need to report the number of women on our projects. There are targets, and we're very pleased to say that many of our industry partners are exceeding those targets quite significantly. There are targets for a whole range of different types of workers, but particularly women. We also have a number of programs within Transport to promote women on construction sites and, in my experience, we have not had problems with facilities for both genders on sites. I make a personal point of always investigating them when I am onsite myself. But, obviously, if we have any concerns in that space, we always address them. But I haven't had any problems with facilities to date.

**The CHAIR:** But have you read the ETU's report *Nowhere to Go*, on a more general basis, and the detailed statistics around just how few facilities there are for women? I appreciate your personal experience, but that's certainly not the experience of women in the industry.

**CAMILLA DROVER:** I haven't read that report, but I am most open to reading that report and understanding their concerns, and addressing them as well.

**The CHAIR:** Minister, in relation to streetlights, I won't go over my objections to street lighting being included as some sort of women's budget item. But I note that in the future strategy document on page 49, there is talk about new technologies such as smart CCTV giving us the ability to alert security to threatening behaviour

on the streets or in Transport locations. Can you tell me what that's about? Are we talking about monitoring people in real time and then somehow filtering that with AI?

**Mr ROB STOKES:** I'll make a preliminary comment and then refer to the secretary. Firstly, in relation to talking about street lighting, I don't think you're seeking to, but I don't think you can simplify. I'd agree with the premise of your question. Women's safety is not about street lighting. But it is about wayfinding more generally; it is about appropriate landscaping; it is about ensuring that the way that—and this is certainly the feedback we've had in relation to Parramatta station, for one example. Some early work there has been about feeling safe as well.

**The CHAIR:** But safety for everybody.

**Mr ROB STOKES:** It's safety for everybody, precisely, and CCTV can be an element of that. In relation to the specifics, I will refer you to Mr Sharp.

**ROB SHARP:** Yes, it is AI enabled. This is about the time it takes from when something might be occurring to actually get security or the police involved, and that time can be quite extended at the moment. If you're on a train, for example, you've got to hit a duress button, and then it goes through to the operation centre. We've used AI, for example, on people wearing masks on railway platforms. The technology can look for behaviours, and we can then bring the operational teams and support in. This is about time frames for alerting of a potential security matter.

**The CHAIR:** Let me get this straight. Does the AI automatically pick up a certain behaviour and a real person then intervenes at that point to have a look at the footage? What's happening?

**ROB SHARP:** Yes, that's right. We have an operational centre, so the CCTV has a linkage back into our operational centres, and then there are real people who actually look at footage. But as you can imagine, Transport is statewide, so CCTV has a role in the future in terms of being able to respond more quickly to potential events.

**The CHAIR:** I'll come back to this after my colleague Mr Banasiak.

**The Hon. MARK BANASIAK:** Does Infrastructure NSW intend to do any reviews as to the risk impediments to delivering the Kamay ferries, given the now complex, onerous and expensive conditions of approval?

**SIMON DRAPER:** All projects that are funded by the State over \$10 million are subject to our assurance program, so they go through reviews at various stages. I did undertake to come back this afternoon with a bit more information about where that one's at, and I'm happy to do that. I'll just get that at lunchtime. That's a standard, routine practice that we undertake, and then we usually report the results of that to Cabinet.

**The Hon. MARK BANASIAK:** One of the conditions of approval, E13, says it has to be a year to monitor and assess the marine biodiversity. In my understanding, that would mean that the project wouldn't actually be able to begin until July 2023. Is that your understanding, Mr Draper?

**SIMON DRAPER:** I'm not familiar enough with that project to be able to comment on that.

**The Hon. MARK BANASIAK:** Perhaps on notice, could you find out whether that is the case—that construction won't be able to begin until after a year of monitoring? What does that mean for the projected completion date, which was 3 May 2024?

**SIMON DRAPER:** Yes, I'll see if I can find out at lunchtime whether that's a condition that's required to be met prior to construction commencing or if it's post-construction.

**The Hon. MARK BANASIAK:** My understanding is it is prior to construction. Can I go to the infrastructure plans? In the 2022-23 infrastructure plan, there is no mention of this project. Is that because it was originally under \$50 million, but now it obviously is above? I know it was mentioned in the previous infrastructure plan in 2018-19.

**SIMON DRAPER:** Are you talking the infrastructure strategy, the one that was released in May? Yes, so if it had been commenced since that plan, there would be no reason for us to comment on that in the State Infrastructure Strategy, because we usually make recommendations to government about which projects to advance. If that had moved in the meantime, there'd be no particular reason to comment upon it.

**The Hon. MARK BANASIAK:** Minister, looking at the infrastructure plan, there's obviously a swathe of projects across all different sectors—obviously a lot in Transport. As Minister, what level of oversight do you have on those projects—or are you just the overlord of this infrastructure plan and the various other relevant Ministers have the oversight? What level of accountability and oversight do you have on those projects? There

are special activation precincts, projects about improving freight and fast rail, and they obviously cut across various Ministers.

**Mr ROB STOKES:** I'm sorry, I thought we were talking about Kamay wharves, but we've moved on.

**The Hon. MARK BANASIAK:** No, we've moved on from that. Just more broadly—

**Mr ROB STOKES:** Oh, across the infrastructure?

**The Hon. MARK BANASIAK:** Yes, on the infrastructure plan, what level of oversight do you have on all those projects? They cut across a wave of different ministries. Do you have the ultimate oversight or decision-making regards those projects?

**Mr ROB STOKES:** There are two levels. The first is my role as the chair of the Cabinet Infrastructure Committee. The infrastructure plans of various agencies need to go through that particular committee for a decision. Those decisions may well then go through a further expenditure review process, but that's one level. The next level is in relation to the assurance process itself, which is administered by Infrastructure NSW, which is one of the Acts for which I am responsible. On top of that, INSW has PNSW—which is Projects NSW—which is responsible for certain projects which wouldn't ordinarily have a particular home. For agencies, for example, that might not do a great many projects, there's a particular level of capacity within INSW where they deliver those projects on behalf of other agencies.

**The Hon. MARK BANASIAK:** Perhaps on notice, could you give us an example of some of those projects?

**Mr ROB STOKES:** I can answer now. Sydney Modern and Powerhouse would be a couple of those projects.

**The Hon. MARK BANASIAK:** As part of the Future Transport Strategy, the old chestnut fast rail gets a mention. Will we see fast rail before we see flying cars? It gets bandied around every election time—there's a monorail or a fast rail coming to town. When will we see this fast rail?

**Mr ROB STOKES:** I can fully understand the scepticism in relation to past commitments around fast rail, but I can say that this Government is actually starting to invest real dollars into these projects. For example, we've already put—and admittedly it's contingent on matching funds from the Federal Government—some money in relation to a first stage or a preliminary precondition toward fast rail, which is the track between Wyong and Tuggerah. There was a commitment earlier this year; we got an allocation in this year's budget of about \$95 million to continue with the planning work. Obviously this is an incredibly complex piece of work and we also have to be mindful about the amount that is shared in relation to some of that early work, because obviously once particular routes become more specific that may have an impact in relation to property prices and so forth in the vicinity of those areas. It is an incredibly complex piece of work but that work is underway right now.

**The Hon. MARK BANASIAK:** So you're indicating that Wyong to Tuggerah is the first route that's planned?

**Mr ROB STOKES:** That's the first piece of the puzzle. I'm not suggesting that that by any means is fast rail, but it is a precondition towards it. It is part of the corridor that will need to be upgraded in order to enable it. That's a half-billion-dollar commitment on the basis of matching dollars from the Commonwealth. The Prime Minister, Mr Albanese, has suggested that this is an area that he wants to invest serious dollars in. We are doing the planning work right now to enable that investment to be made. We recognise that it will involve both State and Federal contributions.

**The Hon. MARK BANASIAK:** When is it envisioned that the upgrade works for that route that you mentioned—Wyong to Tuggerah—will be complete?

**Mr ROB STOKES:** The commitment was made earlier this year in relation to the funding. Perhaps I'll refer you to Ms Drover in relation to the status of works.

**CAMILLA DROVER:** We have got \$95 million in this financial year in the budget for the works. Again, it's developing the planning so it's site investigations, early planning work, engagement with community and also industry about how we might take forward the delivery of the program.

**The Hon. MARK BANASIAK:** So \$95 million just for planning?

**CAMILLA DROVER:** And site investigations and early concept designs for the project.

**The Hon. MARK BANASIAK:** That's some expensive consultation meetings.

**The CHAIR:** Back then to this use of smart CCTV, what are we doing to ensure that there's not a misuse of that technology? Because I understand in other countries a brake has been put on a lot of that technology until regulation is put in place. What are we doing here in New South Wales?

**ROB SHARP:** Artificial intelligence, whilst it can provide a lot of benefits, there's also a control environment that is needed around it. We're very aware of that. In fact, from a whole-of-government perspective there are discussions at the secretary level around AI. There's a report we're doing internally in terms of where we use it and what are the risks potentially around it. So we are very conscious of that. Bear in mind this is a very forward-looking document. We believe technology has a bigger role to play in a number of parts. But we also are very cognisant of protecting personal data and also not having AI making decisions that may be biased in some way. But we also need people in there to control it.

**The CHAIR:** But we're currently doing it as well. For example, you talked about the masks. There's still a potential for that to be misused to have biased—

**ROB SHARP:** There are control environments there. We have quite considerable controls around privacy, use of data. For example, we do have open data that Transport does put out there; however, it is at a macro level. There's no individual data. We're very conscious of it. But this is a growing area and there is a lot of technology growing in this space. I agree with you. This is an area that you have to have that balance. What this future strategy is showing is that this technology will play a role. There's also, with it, responsibility. I agree with you on that.

**The Hon. JOHN GRAHAM:** Minister, I wanted to turn to the northern beaches link. Infrastructure NSW had quite a good update to the State infrastructure strategy earlier in the year while you were Minister. One of the things it said—it had quite a nuanced view about the moment we're in when it comes to building infrastructure. One of the things it said was:

Faced with these realities, Infrastructure NSW recommends reconsidering the timing and sequence of a number of large, complex projects that are not yet in procurement.

One of those included the Beaches Link. That was the background. You've then had some, I thought, sensible things to say. You said this on the public record:

We do have a bit of time to make the investment decision, as we can't build the Beaches Link until the Warringah Freeway upgrades and the Western Harbour Tunnel are done. The timing is probably 2027/28 until those projects are completed.

As I understood that comment—it's clear on the public record—those complete in 2027-28 and then we'd turn to an investment decision for the Beaches Link. Is that correct?

**Mr ROB STOKES:** Well, there's a logical progression there. I'm not an engineer. There may be ways to bring certain works forward or backward. But that's the nature of infrastructure pipeline. You develop projects over time. You can, therefore, make decisions over time as well.

**The Hon. JOHN GRAHAM:** Look, I thought it was a sensible view. It was consistent with the Infrastructure NSW report. I put that view to the Minister for Metropolitan Roads to check that she agreed with it. I think it would be fair to say she's been more bullish about the northern beaches link at times. She endorsed your view, you'll be pleased to hear. Although she did use these words—

**Mr ROB STOKES:** Did you ask Minister Elliott as well?

**The Hon. JOHN GRAHAM:** No. I'm happy to—maybe in supplementary estimates. But she used these words: "I'm sure that's probably absolutely right." So I think she endorsed your view—almost entirely.

**Mr ROB STOKES:** It's a glowing endorsement.

**The Hon. JOHN GRAHAM:** There's only \$1,000,000 in the budget for the northern beaches link—\$1,050,000 in this financial year. The idea that this is full steam ahead is clearly wrong, isn't it? This project has been paused, as per the advice, as per your view, until we get to a point where those other projects have finished and an investment decision can be made?

**Mr ROB STOKES:** An investment decision can be made at any point. Obviously we've got a planning process still underway. It's always been my view that wherever possible it's appropriate to finish planning processes before making final investment decisions. The obvious reason for that is the planning process ultimately—you may end up without a project approval. But the planning process itself—the nature of the conditions may change the quantum of the investment decisions. Ideally, you finish the planning first and then you make an investment decision.

**The Hon. JOHN GRAHAM:** I agree with all that. Do you accept this project's been paused? That's a fair characterisation when we're talking about it in public?

**Mr ROB STOKES:** Yes, I think that's an absolutely fair characterisation on the basis of advice.

**The Hon. JOHN GRAHAM:** The Minister of Metropolitan Roads is also saying this—that property acquisition is ongoing and, if people want their properties acquired, we'd happily do so. How does that equate with the million dollars in the budget? Obviously that's less than a single house.

**Mr ROB STOKES:** I suspect the answer is that's a separate bucket of money and that would account in part for your earlier discussion in relation to "slippage", because obviously there's an allocation. In relation to hardship provisions, for example, that's a matter for—

**The Hon. JOHN GRAHAM:** We might come back with the officials on that question, just so we understand where it is in the budget. I did want to ask about one of your appointments to the Greater Cities Commission. Obviously, some of these political appointments have been controversial. I'm thinking about a particular trade commissioner right now. So are you after I've put that to you. I do want to stress there are times where it is appropriate to appoint people with political backgrounds, but I do want to ask you about appointing Robyn Parker to the Central Coast as a greater cities commissioner and ask you to put on the record your reasons for making that appointment.

**Mr ROB STOKES:** I made that appointment on the basis that, firstly, that was the advice of the agency following an independent recruitment process. The legislation provides details as to how that appointment process is to be conducted and that was the advice of the agency. Then that went through the appropriate Cabinet process. I note, unlike the trade commissioner, this is in fact a Cabinet—it is a ministerial appointment under the legislation.

**The Hon. JOHN GRAHAM:** Yes, understood.

**The Hon. DANIEL MOOKHEY:** How many other applicants were there?

**Mr ROB STOKES:** I'm unsure as to the number of applicants.

**The Hon. DANIEL MOOKHEY:** Does the agency know?

**Mr ROB STOKES:** I'll refer to Ms Mildwater.

**ELIZABETH MILDWATER:** I could get you those numbers on notice for this afternoon. I don't have them with me, but we did have quite a lot of applicants for each of the three that we've just appointed.

**The Hon. DANIEL MOOKHEY:** Was there a developed criteria that you used?

**ELIZABETH MILDWATER:** The Act actually specifies in section 6 that the Minister makes these appointments and it also says that they have to have specific expertise from a list of expertise. It's in section 6 (8)—

**The Hon. DANIEL MOOKHEY:** We can pick it up this afternoon.

**ELIZABETH MILDWATER:** So there is.

**The Hon. DANIEL MOOKHEY:** Minister, I think it was a good thing you did when TAHE put some affordable housing targets and diverse housing targets on a Redfern development. But you've made your point that you say that a 30 per cent target for affordable and diverse housing should be considered for future projects on government land. Why didn't you insist that TAHE reach the 30 per cent threshold?

**Mr ROB STOKES:** I've had very clear conversations with TAHE in relation to my desires and expectations, as you'd expect. As a portfolio Minister, I can set particular aspirations and expectations. That has been communicated to TAHE, and that's precisely what they've done in relation to the Redfern site that you know about.

**The Hon. DANIEL MOOKHEY:** Don't sell yourself short. You can do more than just give aspirations; you can give directions. Have you directed TAHE to impose a minimum 30 per cent target for affordable housing?

**Mr ROB STOKES:** Well, they have. In relation to the integration of that site you—

**The Hon. DANIEL MOOKHEY:** That's not the question. Have you issued a direction that would require them to apply that in all their land developments?

**Mr ROB STOKES:** I'm certainly not in a position where I have to consider this, at this stage. I would much prefer it to be a collaborative process. But you are right, there is a statutory process that can always be resorted to. But the circumstances haven't arisen where a direction is required.

**The Hon. DANIEL MOOKHEY:** The issue is you're the one who is campaigning for your Government to adopt this as a target. That's fair. It is quite a reasonable thing for you to do. No criticisms of you. But I'm asking

why haven't you therefore just applied it to a massive landholder that's in your own portfolio, for which you are the portfolio Minister? Why can't you just practise what you preach here?

**Mr ROB STOKES:** Because that's exactly what we've done.

**The Hon. DANIEL MOOKHEY:** Insofar as the developments that TAHE are embarking upon outside of Redfern, which other projects are they going to be having a 30 per cent target on?

**Mr ROB STOKES:** Certainly there are a number of projects in the pipeline that perhaps you might want to talk to Ms Colin this afternoon—

**The Hon. DANIEL MOOKHEY:** I would love to talk to you about it.

**Mr ROB STOKES:** Other areas that are being actively looked at include places like Glendale, places like Broadmeadow.

**The Hon. DANIEL MOOKHEY:** Granville, Newtown—and we'll cross them. What I'm asking is—

**Mr ROB STOKES:** Central and Redfern.

**The Hon. DANIEL MOOKHEY:** Yes, Central. That's a good one. Are they all going to be following your 30 per cent target?

**Mr ROB STOKES:** There will be announcements made about those in due course. But in relation to ones that have been announced, my aspiration is being met by the agency and I'm delighted that this is a good example of where we're able to use government assets to return a great targeted housing opportunity for the residents of Sydney.

**The Hon. DANIEL MOOKHEY:** I won't push you much further on this, but TAHE is a massive landholder. They're going to become one of the city's biggest developers on their current trajectory. What advice have you received about how TAHE's targets for affordable housing will mesh with their requirement to provide you with a profit as a State-owned corporation?

**Mr ROB STOKES:** A couple of things. They have a range of obligations under the relevant legislation. One is to exhibit a sense of social responsibility for the community in which they operate. It clearly relates to one of the objectives for which the entity has been established, and it is entirely appropriate with their legislation that they are engaged in providing a targeted form of housing that the community needs.

**The Hon. JOHN GRAHAM:** Minister, we put this question to other Ministers. But you're the infrastructure Minister; you're in charge. You seem to have had the most impact on the Future Transport Strategy, so it is only fair that we put this to you as well. Why has your Government been promising in the draft plan here to have flying cars in the next term of Parliament? Why was that in the draft plan?

**Mr ROB STOKES:** In relation to a draft? If you are referring to a draft, that doesn't constitute government policy. But in relation to flying cars, specifically, I'll refer you to the secretary.

**The Hon. JOHN GRAHAM:** I have spoken to the secretary about this. But it's not just the draft plan, Minister. These flying cars make it into the plan you announced just yesterday—into the strategy. There are still references to flying cars. Are we to take this seriously from your Government?

**Mr ROB STOKES:** In relation to flying cars, I will have to take—I'll point you to the secretary.

**The Hon. JOHN GRAHAM:** This is now government policy—your strategy. Flying cars, funded by John Barilaro, promised in the next term of Parliament in the draft. Are we to take this seriously?

**Mr ROB STOKES:** I understand that there was a grant relating to some project out in Narromine. That was not a matter that I had anything to do with. You'd have to refer that to the responsible Minister. In relation to aspirations about flying vehicles, I'd refer you to the secretary.

**The Hon. JOHN GRAHAM:** You can understand why we're concerned. John Barilaro, a million dollars in Narromine, flying cars? You can understand our concerns here, Minister. Should we take your Government's Future Transport Strategy seriously when it makes these claims about what might be possible?

**Mr ROB STOKES:** Yes. I think you need to read the document in its totality, in context.

**The Hon. JOHN GRAHAM:** I have read the document, Minister.

**Mr ROB STOKES:** And I stand by—

**The Hon. JOHN GRAHAM:** Page 42. Page 18. It refers to another date—2030. Perhaps you have slipped this slightly backwards from the promise about it being in the next term of Parliament. It now looks like it is perhaps not next term, but the term after—a reference there to that date. When will these cars be available?

**Mr ROB STOKES:** In relation to your reference, I think you're overstating the reference on page 42. There's reference to emerging technologies such as electric or hydrogen aircraft and electric vertical take-off and landing aircraft. I don't see how you're characterising that as a flying car.

**The Hon. JOHN GRAHAM:** This is referring to exactly the project that John Barilaro funded in Narromine.

**Mr ROB STOKES:** But you are saying that there are claims about flying cars. I don't read that into the document.

**The Hon. JOHN GRAHAM:** This was a press release from July 2020 headed "Flying cars to the outback". This is your Government's claim—your Deputy Premier's claim—that you're now walking back from.

**Mr ROB STOKES:** Ultimately, you are asking me about a budget allocation in a different portfolio.

**The Hon. JOHN GRAHAM:** I'm asking about your strategy. Will we have flying cars in the next term of Parliament?

**Mr ROB STOKES:** That's not what this document suggests.

**The Hon. JOHN GRAHAM:** No, it suggests perhaps the term after that.

**Mr ROB STOKES:** It's not a claim that the document makes.

**The Hon. JOHN GRAHAM:** The draft strategy did.

**Mr ROB STOKES:** I think you're being a little bit mischievous in trying to read that into the document.

**The Hon. JOHN GRAHAM:** This is your strategy, Minister. I simply want to ask—

**Mr ROB STOKES:** Yes, I'm suggesting your question is mischievous. That's not what the document suggests.

**The Hon. JOHN GRAHAM:** Minister, you can understand why we're asking, when it is hard to run a train on time. You've got to duck on the ferries. The trams didn't work at all in your time as transport Minister. Are we really going to have flying cars in the next term of Parliament?

**Mr ROB STOKES:** I admit that I was a catastrophic transport Minister when it came to the performance of trams.

**The Hon. JOHN GRAHAM:** That's fair.

**Mr ROB STOKES:** In relation to the claims that you're making in relation to what this document says, I just don't read that into the document.

**The Hon. DANIEL MOOKHEY:** Minister, what is the Regional Project Development and Delivery Fund?

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

**The Hon. DANIEL MOOKHEY:** I'm not sure you can. It's not in his portfolio; it's in yours. Do you know what it is?

**Mr ROB STOKES:** I'm sorry. Ask the question again.

**The Hon. DANIEL MOOKHEY:** The Regional Project Development and Delivery Fund. What is it?

**Mr ROB STOKES:** In relation to a specific fund, I will direct you to the secretary.

**The Hon. DANIEL MOOKHEY:** Do we know?

**ROB SHARP:** No. I'd have to take it on notice—that exact wording. I will come back to you this afternoon on it.

**The Hon. DANIEL MOOKHEY:** Does Mr Draper know? Minister, you are the infrastructure Minister. You allocated \$5.7 million as a new Restart NSW commitment to the Regional Project Development and Delivery Fund. In order for you to have done that, it has to satisfy legislative criteria. I'm very interested in how a regional development fund can satisfy the criteria of the Restart NSW Fund Act. I'm going to ask you again. Given that

you have allocated \$5.7 million in this year's budget, as infrastructure Minister, from Restart NSW, do you have any idea what this is?

**Mr ROB STOKES:** I will have to take your question on notice.

**The Hon. DANIEL MOOKHEY:** Okay. How is it possible that a regional delivery fund that is not a specific project can satisfy the requirement of a benefit-cost ratio of above one in order to attract Restart funding?

**Mr ROB STOKES:** Again, I'm not aware of the allocation you're referring to.

**The Hon. DANIEL MOOKHEY:** It is on page 4-2 of the budget paper. It is there in black and white that we have put this in it. You've got no idea what this is?

**Mr ROB STOKES:** Can I take advice for a moment? I'm not actually even sure that this necessarily relates to my portfolio responsibilities.

**The Hon. DANIEL MOOKHEY:** You're Minister for Infrastructure. It is Restart.

**Mr ROB STOKES:** I'm advised it is matter for Treasury.

**The Hon. DANIEL MOOKHEY:** Did you have any weigh in with this?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** Can I ask you about the Greater Cities Commission housing targets? When are we expecting the housing targets to be established for districts outside the six cities region?

**Mr ROB STOKES:** I will refer you to the CEO of the Greater Cities Commission.

**ELIZABETH MILDWATER:** Thank you. We will be producing the city plans for the three cities outside the Greater Sydney region in 2024. They will set the housing targets for those cities.

**The Hon. DANIEL MOOKHEY:** When would you expect those targets to actually be set? After 2023-2024, would you say, or after that period in time?

**ELIZABETH MILDWATER:** No, they'll be in those plans that are issued in 2024.

**The Hon. DANIEL MOOKHEY:** Okay. So we'll have it done by then? Have we started the work of working with the affected LGAs about them?

**ELIZABETH MILDWATER:** Not with the LGAs. Those three cities are just in the early stages of getting and implementing their plans that have been done by the Department of Planning and Environment. Those plans will come into effect, where they haven't yet, and stay in effect until our plans come into effect in 2024. No, we haven't started work on those plans given the lead time and that they've just finished planning for these cities now.

**Mr ROB STOKES:** I can make a comment in relation to it as well. There's obviously the statutory planning process that's gone through the legislative processes. The dates are locked in the legislation. But I can say the conversations I've had to date with the local government in those areas are very different to endemic in relation to provision of housing in those areas. I think it's safe to say there's more—I think housing targets or focusing on housing delivery is something that's accepted with alacrity in some of those areas in ways it's not so much in parts of Sydney. So I think setting those targets will be a very collaborative process and won't necessarily involve as much angst as similar processes creating some of the more established parts of metropolitan New South Wales.

**The Hon. DANIEL MOOKHEY:** Which parts of metropolitan New South Wales are causing you angst when it comes to housing targets?

**Mr ROB STOKES:** I think over time you'll find different areas will have different concerns, and it relates largely to either infrastructure constraints or historical patterns of development. We've got a democratic planning system so different communities will have different appetites for different sorts of developments in different areas.

**The Hon. DANIEL MOOKHEY:** Minister, by any chance, have you written to TAHE and explained to them your views on the 30 per cent target outside of any formal direction?

**Mr ROB STOKES:** I write to the CEO or board of TAHE from time to time.

**The Hon. DANIEL MOOKHEY:** Ms Colin, have you received a letter from the Minister explaining his views?

**BENEDICTE COLIN:** I'm advised that my office has received recently a letter from the Minister in relation to targets. It's just a prolongation of discussions that we're having regularly, as the Minister pointed out, on how can TAHE provide more affordable housing, given we've got lots of land that so far has been underutilised.

**The Hon. DANIEL MOOKHEY:** When did you receive the letter, Ms Colin?

**BENEDICTE COLIN:** I think my understanding is it was yesterday.

**The Hon. DANIEL MOOKHEY:** Minister, you wrote to the CEO yesterday? Is that your understanding?

**Mr ROB STOKES:** No. I imagine—I could take on notice the exact date of penning the letter. But the letter that you're referring—

**The Hon. DANIEL MOOKHEY:** What did it say?

**Mr ROB STOKES:** I'm happy to provide a copy for the Committee.

**The Hon. DANIEL MOOKHEY:** Could you? If you could table a copy—

**Mr ROB STOKES:** Sure.

**The Hon. DANIEL MOOKHEY:** Now would be great but in the afternoon—

**Mr ROB STOKES:** I don't have it on me, but I'm sure we could get you a copy.

**The Hon. JOHN GRAHAM:** But if you could table one this afternoon.

**Mr ROB STOKES:** It refers to conversations that we're having in relation to the matter that we were discussing, which is in relation to how we can work collaboratively to try to provide a greater diversity of housing into the market using government-owned land, which is something that I think would have bipartisan support.

**The Hon. DANIEL MOOKHEY:** It might be a very good example for other agencies, which is why it's helpful, given that there are other agencies that have similar—

**Mr ROB STOKES:** I note the criticism of TAHE as an agency, but I think this is an example of where they're actually leading and showing great performance within the State-owned corporations about how we can use government-owned sites for productive purposes.

**The Hon. DANIEL MOOKHEY:** To be fair, TAHE wasn't really criticised about this. So that's helpful. Minister, as the Minister for Cities, you did propose a series of business improvement districts in The Herald on 6 July this year. Have you had discussions with the Minister for Planning about this concept?

**Mr ROB STOKES:** Obviously I'm not going to canvass Cabinet discussions, but you can take from the nature in which I've answered that question that discussions have occurred. I propose to put out a white paper imminently to discuss opportunities around this form of local activation and democratic engagement at a very local level.

**The Hon. DANIEL MOOKHEY:** When do you expect that white paper to be out?

**Mr ROB STOKES:** Imminently. I'm not sure but in the next couple of weeks.

**The Hon. DANIEL MOOKHEY:** Have you got a copy for us here, by any chance, that you wish to give me?

**Mr ROB STOKES:** No.

**The Hon. DANIEL MOOKHEY:** I just thought if you're in the habit of passing stuff up—

**Mr ROB STOKES:** It's in the form of a white paper. It is designed to elicit response, to have a conversation. I'd certainly be keen to get some legislation before the House before the end of the year if possible because I think this is an area where—again, I think this is an area that is not a partisan area in any way.

**The Hon. DANIEL MOOKHEY:** No.

**Mr ROB STOKES:** It's just, if you like, a sort of strata for the street of ways in which businesses and community can engage to try to build on some of the lessons we've learnt in the pandemic about street activation, alfresco dining and all those sorts of things.

**The Hon. DANIEL MOOKHEY:** But you are hoping to see whether there's some form of legislation that could possibly be introduced into the Parliament sometime this year?

**Mr ROB STOKES:** Obviously we're in the process of politics to see what's possible in terms of transforming our society. The best time to start is now.

**The CHAIR:** The best time to start is always yesterday.

**Mr ROB STOKES:** Of course.

**The CHAIR:** Now is the second best time.

**Mr ROB STOKES:** Yes.

**The CHAIR:** Minister, speaking of starting things yesterday, as you will no doubt be aware, New South Wales is the only State in Australia not to have a climate change adaptation plan for our State assets. We have been promised this for the last six years; it's yet to eventuate. Obviously, transport and our transport infrastructure is particularly vulnerable to climate shocks and the impacts of climate change. Since you took over as infrastructure Minister, what have you been doing to advance that work?

**Mr ROB STOKES:** A couple of things. There are two elements in relation to climate change response. One is in mitigating anthropogenic sources of global warming, but the other is also in adapting to the level of climate change that is already baked in no matter what we do. That's broadly referred to as "climate resilience". I point you to the parts of Future Transport Strategy from page 58 onwards that talk a lot about how to introduce resilience into those assets—and also to recognise that there may be things that we haven't planned for that we need to be aware of. A good example would be—the former CEO of Crossrail was out here recently from the UK. When they had temperatures of 41 degrees in London, their assets were not built to withstand those sorts of temperatures. That's an example of the risks that we might be looking to in the future.

The other area I'd point you to is new procurement practices that we are actively investigating with Infrastructure NSW—ways in which we can incentivise less carbon intensity in our infrastructure projects. I'm very well aware that one of the great contributions toward anthropogenic carbon emissions is in infrastructure projects themselves, so if we can reduce the amount of embodied energy used—it's one thing for our transport sector to decarbonise by offtake agreements; it's another thing to exercise thrift in our use of resources to build the infrastructure of the future. The added incentive as part of this is the less steel and less concrete we use, ultimately the more money we'll save as well, so the more infrastructure projects we'll be able to pay for.

**The CHAIR:** We'll come to that. But, Minister, yes, I absolutely agree. There's prevention and then there's adaptation and mitigation. I lived in London for eight years. I'm very familiar with their constant problems with the weather, whether it's ice on the rails or it's too hot. I remember once having a train derailed when I was living there because an autumn leaf had fallen onto the tracks. All sorts of things happen in London. But in New South Wales, how are you able to adapt our transport system when we haven't even done the audit to work out what needs to be done?

**Mr ROB STOKES:** I think it's a case of walking and chewing gum at the same time. We do know the sorts of things that need to be done. In relation to an adaptation strategy specifically, I will refer to the secretary in a moment. But just by way of introduction, in terms of our place-based initiatives around canopy trees, that's something that's in there as well in relation to adaptation. It's just a simple measure but a very important one—to use natural systems themselves to support adapting to new climate realities. But there are a number of measures pointed to in Future Transport Strategy. I'd also refer you to the State Infrastructure Strategy, introduced earlier this year, that also pointed to similar initiatives. In relation to the adaptation strategy itself, I'll refer you to the secretary.

**The CHAIR:** I will come to the secretary in just a moment. But, Minister, my questioning is around the fact that New South Wales is six years late in having an adaptation plan. For example, on the Central Coast there are bits of the rail line going through Gosford that, with a certain level of sea level rise, we know will be completely underwater. Where is the work to have looked at all of our assets, worked out what needs to be adapted and changed in order to reduce the risks going forward? How long is it going to take before we actually know the extent of the work that needs to be done with the transport infrastructure?

**Mr ROB STOKES:** In relation to the risk register, particularly in light of climate change risk, I will refer you to the secretary.

**ROB SHARP:** I'd say there are three elements to it. There's the here and now, which the Minister articulated. This is the electric vehicles, electrifying transport and We are Net Zero.

**The CHAIR:** I'm only interested in the adaptation of the assets at this point.

**ROB SHARP:** In terms of the adaptation, we are starting the process. But you're right; we've got about 15,000 kilometres of rail track alone. The road infrastructure is enormous. Where we have focused, at the moment,

is in the immediate flood areas, particularly in the northern part of New South Wales. There is extensive work underway there with the local councils. We're taking it Build Back Better but it's basically looking at what is that sustainability threshold that's going to be needed.

**The CHAIR:** You're doing it area by area. Is that what you're saying?

**ROB SHARP:** At the moment. That's the start of it but this will be a journey. We have highlighted in that strategy that this is a key area for us but, no, we're not there. We haven't actually completed a full adaptation across all of our assets.

**The CHAIR:** Minister, this is work that should have been done a long time ago though, isn't it?

**Mr ROB STOKES:** It's work that needs to be done constantly. For example, as planning Minister, in the secretary's environmental assessment requirements for projects, we introduced requirements around considering future climate change risk so that projects we build now are resilient to these risks. In relation to retrofitting existing infrastructure, obviously, that is a vast piece of work. I think the secretary's spoken to it. But, yes, you are right; we do have a significant historical legacy we have got to deal with, but right now as well, with the projects we're building now, we need to make sure that they are resilient to future risk. That is exactly what we're doing.

**The CHAIR:** I understand that there are a number of agencies that, in the meantime, have been reporting back on climate risks or are required, under Treasury guidelines, to report back on their climate risk, but TAHE isn't one of those agencies. Is that correct?

**Mr ROB STOKES:** I'll have to refer you to the CEO. That's not something I'm specifically aware of in relation to Treasury requirements.

**BENEDICTE COLIN:** Thank you for the question. You are right. For the moment, we are not reporting on climate changes. That's a piece of work that we have identified as part of our next statement of corporate intent. We do recognise, as you pointed out, the vulnerability of our assets to climate conditions. The recent flood events are testimony to that, so we are taking that issue very seriously. It shows, also, the benefit of having an asset owner that is focused on precisely these issues.

**The CHAIR:** Minister, given that our rail assets are sitting with TAHE and, by design, TAHE is an off-budget entity that is supposed to have a certain level of independence, who will be responsible for ensuring that those assets are made resilient to the climate change shocks? Now that those assets have been passed to TAHE, which is ostensibly a commercial entity, what will the Government's obligations be in relation to those assets?

**Mr ROB STOKES:** I'll answer your question in two parts. Part is to explain responsibilities, and the next is to give a commitment. The first is, under the State Owned Corporations Act, there are certain requirements of entities like TAHE in relation to exercising a sense of environmental responsibility as well. That would cover it legislatively. I take the admonition implied in your question. This is an issue that I will raise with the board specifically, because it is an obligation. I know that TAHE is already aware of these obligations, but it's something that I will take to reinforce. As she is right next to me, it's awkward to praise her, but Benedicte is someone who has got vast experience in infrastructure agencies and would be very well aware of the nature of risks and responsibilities here.

**The CHAIR:** Again, I make no criticism of the individuals involved in TAHE. I am talking about the structural issues. You can never predict which individuals are going to be part of an organisation.

**Mr ROB STOKES:** Of course.

**BENEDICTE COLIN:** Can I just interject? We have been developing an asset-management framework, which includes a strategic asset management plan and an asset management plan. Our strategic asset management plan recognises sustainability as one of the key pillars of our strategy. To answer your question on who is responsible—certainly TAHE, as an asset owner, we are responsible. But we also rely on our delivery partners, Transport for NSW and the operators to embed those sustainability metrics.

**The CHAIR:** Minister, you were saying that there is an obligation for TAHE to consider environmental principles going forward.

**Mr ROB STOKES:** There's a general obligation.

**BENEDICTE COLIN:** It's a legislated obligation.

**Mr ROB STOKES:** Yes, there's a general obligation imposed in the legislation. In relation to specificity around climate change adaptation, that's something that I will undertake to speak separately to the CEO about. We're talking about it now.

**The CHAIR:** Thank you. That's very useful. Minister, you mentioned before about—and there is a lot of this in the Future Transport Strategy as well—reducing the need for new construction products, particularly concrete. You may have come across my obsession with coal ash previously. Have you been making any firm moves or plans to increase the amount of coal ash that's used in New South Wales construction projects?

**Mr ROB STOKES:** We're looking at that specifically through our procurement, rather than looking at the specific products. I agree with your premise here. We have got to use this waste product efficiently. Ultimately, there is no sustainable form of concrete; it is what it is. We just need to figure out ways to use less of it and be more strategic and thoughtful about the way in which we use it as a product. It has extraordinary longevity, so that is the upside of the use of the product, but I take the inherent unsustainability of it as a product. The way in which we're addressing it is looking at how we increase sustainability and procurement generally. That is a piece of work that I have tasked—through the Cabinet infrastructure committee, INSW has been tasked to work on how we can address sustainability in our procurement processes.

Something that we are actively considering, for example, is a position that has been put forward by the Business Council of Australia and Infrastructure Partnerships Australia, and it is something that is used in Sweden, which is, if you like, a reverse auction in relation to embodied carbon. An early QS of a project comes up with what we imagine the amount of carbon that would be used in a project is, and then, as part of the procurement, tenderers are asked to bid on the basis of how far under that target they can bid. It's not just about time and costs; it's also about how we can reduce the amount of embodied carbon in projects. As I mentioned earlier, that has incidental benefits. If we're using less steel and using less concrete, that's also costing less money. Perhaps the CEO might have a little bit further to add in relation to that.

**The CHAIR:** Could I come back to you in a moment, because we will have the benefit of the officials this afternoon as well? In relation to coal ash, it is a far less emissions-intensive product with regard to putting it into construction materials. South Australia is an importer of coal ash because they can't get enough of quality coal ash to put in construction materials. Given that it's 80 per cent of our entire waste product in New South Wales, do you think that the Government could be doing more to incentivise the construction industry out of that coal ash re-use?

**Mr ROB STOKES:** Yes, I do. I have actually tasked INSW to look at that work and see how we can do it. It will have an impact, potentially, in relation to the costs of projects. Equally, if, at the same time as we're directing the use of local product—which has a whole range of local manufacturing benefits as well—we're also seeing how we can drive down the overuse of concrete as a product, there are a few birds we can kill with the same stone here. I accept the premise of your question, and I've already acted in directing the agency on ways in which we can look to use more sustainable production methods. That includes, obviously, the use of coal ash.

**The CHAIR:** There are real synergies as we transition, as those coal-fired power stations close down, with being able to employ workers in the cindering and getting coal ash ready to be used in other industries, as well as for new industries. Across Central Coast and the Hunter, we're just waiting for government support, really.

**Mr ROB STOKES:** I imagine, on many things, we probably disagree. But on this issue, I entirely agree with the premise of your question.

**The CHAIR:** I'm glad to hear it. Can I ask you about freight? I was a bit concerned that in some parts of this document, the Future Transport Strategy—perhaps we just need clarification. There seemed to be an assumption that—I'm trying to find the part. It was talking about, basically, using our roads and transport more efficiently, which I'm completely on board with, but then it talks about leaving roads for freight. My apologies; I can't find the reference. I will find it in a minute. I just wanted to check that, as a Government, you're still committed to getting more freight onto trains and basically getting freight off the roads.

**Mr ROB STOKES:** The short answer is, yes, of course, but recognising, as our population increases, the freight task is also going to increase. I think the document was getting to making the most efficient use of our transport infrastructure. But I can't commit to having less of a freight task on our roads because, in fact, with our population increasing by 42 per cent by 2061, the reality is we're going to have a bigger freight task. Perhaps I'll refer to the secretary in relation to the specifics on the allocation of road space to freight.

**ROB SHARP:** On page 88 we actually draw out, under the responses box on the left-hand side there, that increasing rail freight capacity and reliability is a really key part of the strategy. So as the Minister indicated we will be looking for that shift because there's under-utilised assets and efficiencies. However, the overall,

particularly last-mile freight, with the internet deliveries, is a key challenge. The mix of freight changes over this time frame as well.

**The CHAIR:** I guess one of the things that came out of our tolls inquiry as well was, obviously, there's a desire by Government and by community to get these large trucks off suburban roads, put them onto the major roads and do it as efficiently as possible. There are good environmental reasons for that but also with regard to livability of suburbs. Do you think that, given the benefit to all of us, if we get those big trucks off suburban roads, perhaps we should be incentivising those trucks to go onto the toll roads, with lower tolls?

**Mr ROB STOKES:** I think there's a specific issue here, obviously, in relation to the M5. It's been a very successful transition in relation to NorthConnex, where exactly that objective has been achieved. This would be something that, I imagine, Treasury will be looking at as part of the tolling work. I'm speculating there; I'm not sure if that's the case. But, certainly, that's one of the key issues that has come up. This document is about the efficient allocation of road use as well as safety. Both of those are optimised by getting trucks onto particular routes and not onto suburban roads.

**The CHAIR:** But if we're going to force trucks to use, for example, NorthConnex instead of Pennant Hills, is it fair to then charge them three times the amount to do that, if it's benefiting all of us?

**Mr ROB STOKES:** Again that comes down to those questions of equity in relation to paying for a transport system. I won't get into the weeds on that but that is one of those macro issues that is referred to in the element of this plan about financing and funding. That is obviously a part of that.

**The CHAIR:** Thank you. Just in the last minute and a half that I have, I ask you, Ms Colin: Has TAHE been purchasing properties outside of transport corridors?

**BENEDICTE COLIN:** My understanding is we've been—our mandate looks at transport corridors but also where we can help with place making. We've just recently purchased one small site in Edmondson, which is a community car park, to facilitate the removal of an existing car park within a precinct and to relocate that community car park. To my knowledge, this is the only site that we've purchased this year. But I'd be happy to take any further questions.

**The CHAIR:** On the tender register there was a site, I think maybe in Taree, that seems to be just a house. Are you familiar with—

**BENEDICTE COLIN:** I'm not familiar with that particular site.

**The CHAIR:** But there's nothing to stop that sort of purchase. That's something that would be within the—

**BENEDICTE COLIN:** As a State-owned corporation we have the power to acquire land when it sits within our operating licence.

**The CHAIR:** What would be the purpose of buying something like that? I'm just looking here—for example, 51 William Street in Teralba?

**BENEDICTE COLIN:** Again, I'd have to take that question on notice. It might be some time, but we need to amalgamate a site, and it makes it useful in terms of developing a further precinct and bringing that site back to life. But I'm not aware of that specific site. I would be happy to take that question on notice.

**The CHAIR:** We'll pick this back up in the afternoon.

**The Hon. DANIEL MOOKHEY:** Minister, some of your colleagues have anonymously—and, from your perspective, probably unhelpfully—suggested that you should resign. Are you planning to?

**Mr ROB STOKES:** Thank you. I don't know what that has to do with the allocations in my portfolio—

**The Hon. DANIEL MOOKHEY:** They said you should resign from your Cabinet job, the one you're currently appearing before. I feel like it's only fair that you have the opportunity to respond on the record. I'm here to facilitate procedural fairness for you.

**Mr ROB STOKES:** I'd like to ask you for your sources. But, no, I don't have an intention. I serve at the pleasure of the Premier.

**The Hon. DANIEL MOOKHEY:** You're recontesting in 2023?

**Mr ROB STOKES:** Again this is well beyond the remit of budget estimates.

**The Hon. DANIEL MOOKHEY:** But you can't blame me for asking.

**Mr ROB STOKES:** I can, absolutely. I will answer that question in seriousness. Ultimately, it's not so much a matter for members of the upper House. You have, of course, the privilege of making decisions at any point of time. Lower House members, as appropriate, when nominations open, should at that point make a decision with their family. But outside of that they should be entirely committed to serving the people of their constituency, which is exactly my intention.

**The Hon. DANIEL MOOKHEY:** Is there anything else you'd like to put on the record in respect of this matter?

**Mr ROB STOKES:** I just want to say what a wonderful time we've had together. I'm again here to answer questions, and I look forward to the supplementary hearings.

**The Hon. DANIEL MOOKHEY:** I'll miss you too. Now we've resolved that, are you intending to impose local content percentages on government infrastructure purchases?

**Mr ROB STOKES:** I direct you again to the Future Transport Strategy that says that we will seek to acquire local content wherever possible.

**The Hon. DANIEL MOOKHEY:** But that's not my question. My question was—

**Mr ROB STOKES:** That is my answer, though.

**The Hon. DANIEL MOOKHEY:** I know. But I'm going to push you a little harder on this one because the Minister for Transport has said that he'd like to see this applied to Parramatta Light Rail Stage 2, which is fascinating. But other States have used similar policies to revive and rebuild advanced manufacturing as well. When it comes to the Tangara fleet, is your Government considering imposing a local content requirement on the replacements for the Tangaras?

**Mr ROB STOKES:** We're always looking for opportunities to look for local procurement. That is a clear direction in the Future Transport Strategy. There are other policies directed toward this in the general procurement guidelines for government sector agencies. So the short answer is yes. Also, we need to be strategic as well about these decisions, in my belief, so certainly things like electric buses. We require an awful lot of units. There is a scale which means that, for local manufacturing, it makes a great deal of sense to manufacture these items at scale locally.

**The Hon. DANIEL MOOKHEY:** It's a very valid point. But, basically, when it comes to the Tangara replacement, if there is local content, it basically arises from osmosis, really, from the market participants. Ultimately, it's something your Government would welcome if a market participant puts it up, but you're not going to do what Victoria and WA and Queensland have done and actually mandate, as a condition of bidding, that you have to satisfy certain local content requirements.

**Mr ROB STOKES:** Again, these are matters that will need to be reflected on at an appropriate time. I'm not going to freelance in relation to government policy here. But what I will—

**The Hon. DANIEL MOOKHEY:** You don't need to freelance; you do make it.

**Mr ROB STOKES:** I make it collectively, as part of the appropriate decision-making forums within government. But certainly I can speak on behalf my colleagues. Of course, we are motivated to prefer local content wherever that is the appropriate use of taxpayer money.

**The CHAIR:** Just in the 2½ minutes we have left, Ms Colin, what is TAHE's deep technology laboratory facility?

**BENEDICTE COLIN:** I believe you are referring to the early tender document. Is that correct?

**The CHAIR:** Yes.

**BENEDICTE COLIN:** My understanding is that it's referring to the quantum terminal which is in the Central Station.

**The CHAIR:** Is this part of the technology, the CCTV? Can you explain that a bit better?

**BENEDICTE COLIN:** No, no. It's referring to office spaces and work locations that have been developed within the central terminal.

**The CHAIR:** It's just an office space?

**BENEDICTE COLIN:** It's office and collocation workplace, yes.

**CAMILLA DROVER:** I can talk to that if you like.

**The CHAIR:** Yes, please.

**The Hon. DANIEL MOOKHEY:** Is it an imaginarium?

**The Hon. MARK BANASIAK:** Could be an imaginarium. It's an imaginarium.

**BENEDICTE COLIN:** No, it's not imaginary. It's very real. You are very welcome to visit it.

**CAMILLA DROVER:** As part of the early activation for the Sydney Terminal Building, the sandstone building at the northern end of Central Station, we did put in place some subsidised, low-cost office accommodation for start-ups, researchers in the quantum-computing space. So that's up and running. It was opened last year and that's part of the early activation of that heritage building.

**The CHAIR:** So you're the owner of that. So the 1.8 million is—

**BENEDICTE COLIN:** Relates to the refurbishment of that space, to open that space to—

**The CHAIR:** Okay. So you spent 1.8 million but now you're leasing it out and getting some money back for that?

**BENEDICTE COLIN:** Correct. Yes.

**ELIZABETH MILDWATER:** If I could say—sorry, Chair, it's part of the Tech Central precinct. That's why it's "technology related"; that's the description.

**The CHAIR:** Okay. What is deep technology? Why is it called deep technology?

**BENEDICTE COLIN:** I think that qualification was made beyond my time, but I would qualify quantum technology as deep technology.

**The CHAIR:** Yes. I'm just curious. There are a whole lot of entries for TAHE in the tender that we've cited; it makes for very interesting reading. Perhaps you could just clarify a couple of them. There are a number there that are put up for zero dollars or one-cent consideration that appear to be leases. Is that correct?

**BENEDICTE COLIN:** Sorry, can you refer me to which document you are—could you show me the document?

**The CHAIR:** For example, there is one here, 280 Balmain Road in Lilyfield. It says it was an asset sale and it says "estimated amount payable to the contractor, who is a private individual, is \$1".

**BENEDICTE COLIN:** I would have to take that question on notice. That said—

**The CHAIR:** Okay. There are lots of them like that.

**BENEDICTE COLIN:** —we have lots of tenants and charities that use our premises and we have peppercorn leases with them, so that might be one of—

**The CHAIR:** Yes, okay. Thank you. It's very interesting. Government members, any burning questions?

**The Hon. SHAYNE MALLARD:** Do you wish to add anything, Minister?

**Mr ROB STOKES:** No, I'm happy if you guys are.

**The CHAIR:** We're delighted.

**Mr ROB STOKES:** Terrific. Thank you, Chair.

**The CHAIR:** Thank you very much for your time. Minister, that is everything for you, but we will be back with the officials at 2.00 p.m.

**(The Minister withdrew.)**

**(Luncheon adjournment)**

**The CHAIR:** We're back. We'll begin, again, with questions from the Opposition.

**The Hon. JOHN GRAHAM:** Welcome back. Thank you for your assistance this morning. I think this will be our final session with the officials for this part of estimates, so thank you for the succession of meetings we've had. I just wanted to start out, Mr Secretary, by giving you the opportunity for any updates on issues that were raised this morning.

**ROB SHARP:** Thank you. Kamay wharf, the total funding was 65 million. There was 47 million that came from consolidated funds and 18 million as a developer contribution from the National Parks and Wildlife Service, which is the Commonwealth-related funding. The 49 million announced in the budget versus the

contract—the contract is towards the total funding, and there's a timing item there in terms of the costings that have come through.

**The Hon. MARK BANASIAK:** Okay. Thanks.

**SIMON DRAPER:** I've got a couple of things as well. On the wharf, I was asked earlier about the planning condition E13 and whether that would have an impact. I don't know what the total program was but, certainly, as you say, it's a preconstruction requirement and it required an extra winter and summer season of monitoring, so you would expect that would require an extra year of monitoring before construction commences. And you also asked me, on that, about the Tier 3 projects. We get three-monthly reporting on those projects, so every quarter we get an update on those projects. It's currently—the last rating on it was a green rating.

A couple of other things. Mr Mookhey asked me about the timing of the business case for the Warragamba Dam—2021 was correct. I mentioned to you that that was the year it was produced. And you also asked me about affordable housing in Barangaroo. Barangaroo South has a condition for 3 per cent key worker housing. So that goes to people working in certain classes of work, as well as senior people on lower incomes. Of that 3 per cent, 0.7 per cent must be provided within the precinct, the rest within the Sydney statistical area. Central Barangaroo doesn't have an additional requirement, because it was predominantly commercial, but it does have a small part of it that's going to be residential. That was settled in the project development agreement that was done back in, I think, 2016—before my time. But I understand that the thinking there was that the public benefit was mainly coming from the provision of the public realm and cultural facilities at the time.

**The Hon. JOHN GRAHAM:** Okay. Any other updates at all?

**ROB SHARP:** The other one was around the cost of electric buses. I am still waiting on that detail to come through.

**The Hon. JOHN GRAHAM:** Great. Thank you. Secretary, can I just ask for an update, before I hand to my—

**The Hon. DANIEL MOOKHEY:** Ms Colin has an update.

**BENEDICTE COLIN:** Ms Boyd, you asked me a question around properties that are leased under peppercorn arrangements. These are leases that we inherited from RailCorp. I am waiting for further confirmation from my team.

**The CHAIR:** Thank you.

**ELIZABETH MILDWATER:** I was also asked about applicants for the commissioner roles. We had a total of 72 applicants across the three positions. There were 22 for Illawarra-Shoalhaven, 31 for Lower Hunter-Greater Newcastle and 19 for Central Coast.

**The Hon. JOHN GRAHAM:** Okay. We might return to that issue.

**The Hon. DANIEL MOOKHEY:** Did anybody manage to get that letter that the Minister sent TAHE?

**BENEDICTE COLIN:** I've asked for the Minister's office to provide you a copy.

**The Hon. DANIEL MOOKHEY:** Thank you. A fine update.

**The Hon. JOHN GRAHAM:** Excellent. Thank you. Secretary, can I just ask for an update about the incident earlier today, the collision between a light rail vehicle and a fire engine in the Sydney CBD?

**ROB SHARP:** Yes. It was a very unusual incident. The safety authorities are involved, and there were some injuries. We take these incidents very seriously. I'm waiting for the official data to come through. It would be inappropriate to talk about causes or details until we actually ascertain the facts. OTSI and the regulator are both involved, and I look forward to their report on the background. Usually, they'll come through with a preliminary report with some of the data which I can then liaise with my operations team.

**The Hon. JOHN GRAHAM:** How quickly does that come through in a typical case?

**ROB SHARP:** It varies, depending on the nature and complexity of the incident. I would suspect this one might be quite complex, just given the scale of it. It would be within weeks, for the preliminary.

**The Hon. JOHN GRAHAM:** And what can you tell us about what has happened though?

**ROB SHARP:** I can't, and I won't, sort of second guess. Obviously my operations team has briefed me, but it's literally our view from the operations team as opposed to the full facts. I don't have any details in respect to the actual fire engine itself and where it was heading and what the details were behind that. So one thing I have learnt with these, often the facts throw things up that you aren't aware of, so I will wait for the preliminary findings

to give us the initial facts. But there will certainly be learnings out of it, particularly given there were some injuries to some of the passengers.

**The Hon. JOHN GRAHAM:** And what do we know about the injuries?

**ROB SHARP:** I haven't had an update this morning in terms of the injuries and the status, but I do understand they were all taken to hospital and they were relatively minor injuries. But I haven't had an update since this morning.

**The Hon. DANIEL MOOKHEY:** Can I just get a couple of quick numbers from respective officials? Mr Sharp, this is the senior Transport cluster Minister. What exactly is the current cash balance of Transport for NSW?

**ROB SHARP:** The cash balance?

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

**ROB SHARP:** I would have to take that on notice with my CFO to come back with the actual balance.

**The Hon. DANIEL MOOKHEY:** If you could as of today, that would be helpful.

**ROB SHARP:** Will do.

**The Hon. DANIEL MOOKHEY:** Mr Draper, do you have the number for the Restart NSW fund?

**SIMON DRAPER:** The number? As in the—

**The Hon. DANIEL MOOKHEY:** The balance.

**SIMON DRAPER:** The balance. I've only got from the budget papers that you have the balance as at 30 June.

**The Hon. DANIEL MOOKHEY:** That would be helpful.

**SIMON DRAPER:** I've only got what's in the budget papers there.

**The Hon. DANIEL MOOKHEY:** You've only got what's in *Budget Paper No. 3*, so you don't have the actual—

**SIMON DRAPER:** No, I don't have any update because we don't manage the fund, as we've talked about before. We provide recommendations on eligibility of elements but it's Treasury that manages the fund.

**The Hon. DANIEL MOOKHEY:** Can I ask you, Mr Draper, just in respect to Warragamba, has that been assessed under the Restart NSW Act by any chance?

**SIMON DRAPER:** I don't want to change your question but I think you're asking: Have we assessed it for eligibility under the—

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

**SIMON DRAPER:** No, I don't believe we have.

**The Hon. DANIEL MOOKHEY:** It's a registered project under your framework, correct?

**SIMON DRAPER:** Yes, it's registered under our assurance framework.

**The Hon. DANIEL MOOKHEY:** Is it a tier A, B or C project?

**SIMON DRAPER:** It's a tier 1 project.

**The Hon. DANIEL MOOKHEY:** So it's a tier 1 project?

**SIMON DRAPER:** Yes.

**The Hon. DANIEL MOOKHEY:** And I presume you've risk rated it?

**SIMON DRAPER:** It gets a rating every month, yes.

**The Hon. DANIEL MOOKHEY:** But you're not going to tell me what the risk rating is, are you?

**SIMON DRAPER:** You know because we report it to Cabinet.

**The Hon. DANIEL MOOKHEY:** We've been through this before.

**SIMON DRAPER:** We have, yes.

**The Hon. DANIEL MOOKHEY:** Can I try again? What's the risk rating?

**SIMON DRAPER:** No, it's a report into Cabinet. I'm sorry.

**The Hon. JOHN GRAHAM:** The answer to that is "Yes, you can try again."

**The Hon. DANIEL MOOKHEY:** It's been risk rated. To the extent to which you had knowledge as to where any funding may or may not have been put aside, it's Water NSW. It would show up in their capital framework?

**SIMON DRAPER:** It is a Water NSW asset, the Warragamba Dam, and it's their project that they're taking forward. So, correct, yes.

**The Hon. DANIEL MOOKHEY:** They don't actually report their numbers in the budget, which is quite annoying. Do you know how much has been set aside?

**SIMON DRAPER:** No, I don't know how much has been set aside.

**The Hon. DANIEL MOOKHEY:** Can I ask you similarly, from the Infrastructure NSW perspective, what is the status of the Dungowan Dam project?

**SIMON DRAPER:** I might check my notes but I think it's still at the business case stage. I don't think an investment decision has been brought forward on that yet.

**The Hon. DANIEL MOOKHEY:** Do you by any chance happen to have *Budget Paper No. 1* with you?

**SIMON DRAPER:** I don't but Mr Sharp has got them all here.

**The Hon. DANIEL MOOKHEY:** Do you mind lending it? Do you mind going to page A5-13 if you don't mind?

**SIMON DRAPER:** A5-13?

**The Hon. DANIEL MOOKHEY:** Yes. It's in the *Measures Statement* right at the back. Let me just ask you this: Is Dungowan Dam registered with Infrastructure NSW?

**SIMON DRAPER:** Yes, it is.

**The Hon. DANIEL MOOKHEY:** Is it tiered?

**SIMON DRAPER:** It's a tier 1 project.

**The Hon. DANIEL MOOKHEY:** It's also a tier 1 project?

**SIMON DRAPER:** Yes.

**The Hon. DANIEL MOOKHEY:** And, again, you're not going to tell me the risk rating, are you?

**SIMON DRAPER:** No, I can't, I'm sorry.

**The Hon. DANIEL MOOKHEY:** Who is the proponent of that?

**SIMON DRAPER:** Water NSW, again, is the proponent but they're working on that with the Department of Planning and Environment, Water. I'm at that page A5-13.

**The Hon. DANIEL MOOKHEY:** A5-13, which is in the *Measures Statement* of the budget. Do you have that?

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

**The Hon. DANIEL MOOKHEY:** You can see it says here "funding which is being held centrally for agreed measures which are yet to be allocated to agencies and do not require appropriation in 2022-23", and you can see it lists the Dungowan Dam and Pipeline project. I am going to infer from that there is no allocation being made this year and therefore we've not appropriated it. Is that correct?

**SIMON DRAPER:** I couldn't answer that question. This is a Treasury—

**The Hon. DANIEL MOOKHEY:** That's what it says, so I'm going to—

**SIMON DRAPER:** Okay.

**The Hon. DANIEL MOOKHEY:** Do you know how much of this money that has been set aside up there which is being held centrally is for Dungowan?

**SIMON DRAPER:** No, I don't, I'm sorry.

**The Hon. DANIEL MOOKHEY:** Do you know which agency would be responsible for releasing it? This is the infrastructure Minister's estimates, so I'm going to work out that the infrastructure Minister would be required to release this.

**SIMON DRAPER:** No, I don't think that's likely to be the case.

**The Hon. DANIEL MOOKHEY:** Is it the Treasurer?

**SIMON DRAPER:** Usually the portfolio Minister—

**The Hon. DANIEL MOOKHEY:** But it's held centrally; it's not in the—

**SIMON DRAPER:** It may be held centrally. If it's held centrally—I will take it on notice but I might have to ask Treasury. I'm assuming it's actually held by Treasury.

**ROB SHARP:** Yes, usually if it says "central" that means Treasury.

**The Hon. DANIEL MOOKHEY:** Have you paid attention to the Infrastructure Australia rating of the Dungowan Dam project?

**SIMON DRAPER:** I've seen that, yes.

**The Hon. DANIEL MOOKHEY:** And they've basically said that it has a cost-benefit ratio—I think it works out to be 0.009 or thereabouts. Is that your recollection?

**SIMON DRAPER:** I don't remember the number but, yes, I remember they were not positive on it.

**The Hon. DANIEL MOOKHEY:** It turns out that it's actually cheaper for us to provide everybody in Tamworth with Evian water to bathe in than it is to build the Dungowan Dam project. What has been Infrastructure NSW's response to Infrastructure Australia's finding?

**SIMON DRAPER:** We don't really respond to their finding, but we provide our own assessments of the project as it goes through.

**The Hon. DANIEL MOOKHEY:** Have you found it to have more benefit than perhaps Infrastructure Australia did?

**SIMON DRAPER:** Sorry, could you repeat that?

**The Hon. DANIEL MOOKHEY:** Do you think it has more benefit than Infrastructure Australia thinks?

**SIMON DRAPER:** I think to answer that question I would really have to go back and have a proper look at what they've said and give you a thorough answer, so I'll actually take that one on notice. I don't usually but I will take that one on notice.

**The Hon. DANIEL MOOKHEY:** Can you see any benefit in the Dungowan Dam project?

**SIMON DRAPER:** There is clearly a problem to be solved—

**The Hon. DANIEL MOOKHEY:** At the cost?

**SIMON DRAPER:** No, that's a different question. But there is clearly a problem to be solved there, and I think what Infrastructure Australia and I think the Productivity Commission and our own government agencies have pointed out, there are a number of ways to try to address that problem. Some of them are building infrastructure. There is also water sharing and water allocation solutions and augmentation of existing infrastructure. So there are a number of solutions that need to be evaluated there.

**The Hon. DANIEL MOOKHEY:** That certainly was the answer to my first question, or part A of my first question. But part B, at the cost that is being proposed, is it positive?

**SIMON DRAPER:** Again, I'm going to have to go back to my point that this is a report we put into Cabinet so I can't answer that question for you properly.

**The Hon. DANIEL MOOKHEY:** You could; you just won't, but fair enough.

**SIMON DRAPER:** It's not my privilege to weigh, I'm afraid.

**The Hon. DANIEL MOOKHEY:** Blame me if you have to. You're welcome to, Mr Draper. I'm about to pass to my colleague but before I do I can't let you escape in respect to this regional development fund because the only way in which a commitment can be made is if you assessed it. So can you tell me what was

Infrastructure NSW's roles in assessing this regional development fund for which \$5 million was allocated from the Restart fund? There is \$5.7 million.

**SIMON DRAPER:** I did check on that over lunch. As you're probably aware under the Act, there's an allowance to allocate money, and we do this reasonably regularly, for planning and project selection as well as the delivery of projects. So that money is actually for the development of business cases for programs of works.

**The Hon. DANIEL MOOKHEY:** For what?

**SIMON DRAPER:** There were a couple of categories. If you just hold on a second, I will check. One of them I think was to do with housing in regional areas. I'll check my notes in a moment and answer what the other one was. Under the Act, we certainly use the BCR of one or greater as a tool for assessing it, but the Act actually doesn't prescribe that; it's not mentioned in the Restart Act. It's a question of whether it supports the economic development and productivity of New South Wales.

**The Hon. DANIEL MOOKHEY:** Mr Draper, I've been listening to many, many, many Ministers explain to me about how projects from Restart must have a BCR of more than one. Are you telling me now it's guidance, is it?

**SIMON DRAPER:** It's a policy that we adopted at INSW for acquitting our job that's under the Act to advise the Treasurer on whether it meets the requirements of the Act.

**The Hon. DANIEL MOOKHEY:** Are you still sticking to that?

**SIMON DRAPER:** Yes. I think it's a good tool.

**The Hon. DANIEL MOOKHEY:** Have there been projects that have been approved from Restart that have not satisfied that criteria?

**SIMON DRAPER:** No, but when you are allocating money for planning and project selection, you can't really assess it against the BCR rating.

**The Hon. DANIEL MOOKHEY:** Hence my question. What exactly is this money being used to plan?

**SIMON DRAPER:** Just give me one second. One of them was for a housing program. I think I will have to go back through some various messages I received earlier. It might be more convenient for you if I come back and answer that in a moment, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** While you're doing that, given we're here, I may as well just ask this—or at least put Ms Fishburn on notice about this, because I suspect, Mr Secretary, it will go to her. I'm interested in what is the \$14.5 million from the NSW Cycling Infrastructure Initiative that has been approved since the 2021-22 budget, but we can come back to that later.

**SIMON DRAPER:** Yes, I will have a look at that for you and come back to you on it.

**The Hon. DANIEL MOOKHEY:** Yes, but I also suspect that, perhaps—

**ROB SHARP:** Ms Fishburn, would you know about the funding for the cycleway?

**KIERSTEN FISHBURN:** Which specific cycleway? Can I get some clarification?

**The Hon. DANIEL MOOKHEY:** Ms Fishburn, don't feel like you're obliged to answer this immediately. Do feel like you can check your notes, and we can come back to it later this afternoon.

**KIERSTEN FISHBURN:** Thank you, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** I am after what the \$14.5 million that has come from Restart NSW in this year's budget that has been put towards the NSW Cycling Infrastructure Initiative is actually funding.

**KIERSTEN FISHBURN:** I will take that on notice and get an answer back to you this afternoon.

**The Hon. JOHN GRAHAM:** Great. That might be a good moment to inquire as to whether we have those College Street cycleway answers.

**KIERSTEN FISHBURN:** Yes. It's a bit hard to jump in when you're doing this online.

**The Hon. JOHN GRAHAM:** Yes, understood.

**KIERSTEN FISHBURN:** In relation to the delivery of the first College Street cycleway, that was funded by City of Sydney. We don't have access to their costs. Transport for NSW has put \$4 million towards the reconstruction of College Street cycleway. We're still digging through old paperwork to find the cost of the previous removal, so I will come back to you if we're able to get that today.

**The Hon. JOHN GRAHAM:** Who paid for the removal, separate to the actual cost for it?

**KIERSTEN FISHBURN:** We are still seeking clarification on that.

**The Hon. JOHN GRAHAM:** No worries. If we could clarify that in this session, that would be appreciated. Thank you for those answers, though. I just want to turn back to the questions we were asking about the zero-emission buses program. I want to understand actually what has been committed to in the budget so far over the seven years. I appreciated the answers about the number of buses we procured last financial year, 100, and this financial year, 200. I understood the point you're making about the business case yet to come. How many electric buses does New South Wales have at the moment, or how many did we have before we purchased that 100 last year? Just give us some sense of that.

**ROB SHARP:** Yes, I will see if I've got that number. Give me one second. Do I have that number? No. I can give you how many diesel buses we have, but that's not what you're after. I will have to revert on how many we have, but it's not a large number. It's not 1,000 buses. It will be a multiple of hundreds.

**The Hon. JOHN GRAHAM:** Understood. If you could make it clear how that relates to—at what point in time, I guess, maybe at the end of last financial year.

**ROB SHARP:** In regard to the budget, the \$218 million over seven years, that largely relates to infrastructure investments. That's where we're actually putting the charging infrastructure into some specific depots.

**The Hon. JOHN GRAHAM:** I've got some specific questions. I think the budget spells it out, to some degree. Can I just ask these specific questions about it? One of the things it funds is the development of a final business case for tranche one.

**ROB SHARP:** Correct.

**The Hon. JOHN GRAHAM:** When is that business case expected to be concluded?

**ROB SHARP:** It will be around the end of October or November. It's at the back end of this year. We are well progressed with the business case.

**The Hon. JOHN GRAHAM:** The early works on depots are one of the other things that are proposed: 11 conversions, one new depot. When are those anticipated to be complete?

**ROB SHARP:** I will pass to Ms Drover. Do you know the details on that?

**CAMILLA DROVER:** I'm not sure about the completion dates, but certainly early 2023 is when some of those enabling works are due to start. They are the 11 bus depots that are in the control of Transport for NSW.

**The Hon. JOHN GRAHAM:** Are they all the depots that are in the control of Transport for NSW?

**CAMILLA DROVER:** I will confirm that, but I think that's right—all the ones in Greater Sydney, because the first tranche by 2035 is the 4,000-odd buses in Greater Sydney.

**The Hon. JOHN GRAHAM:** Sorry, just say that again? The first—

**CAMILLA DROVER:** The first tranche, which is to be completed by 2035, is the replacement of all the buses in Greater Sydney, and there are about 4,039 diesel and natural gas buses currently.

**The Hon. JOHN GRAHAM:** Great. Those works will start in early 2023—that is, the depot works I'm now referring to—but we don't know, sitting here, when they will end.

**CAMILLA DROVER:** Yes, because it would depend on the specifics of each bus depot. There would be different works at different sites, but we can take that on notice.

**The Hon. JOHN GRAHAM:** Could you take that on notice? I would expect there is an estimated completion date for that.

**The CHAIR:** Ms Colin, if I could—

**BENEDICTE COLIN:** Sorry, Madam Chair. Before you start, I have been provided with a copy of the letter that I received from Minister Stokes' office, if I could provide that.

**The CHAIR:** Thank you.

**BENEDICTE COLIN:** There are sufficient copies for members.

**The CHAIR:** Ms Colin, I just wanted to clarify a couple of things from our earlier round of questions. Just in relation to SEC Newgate, it's my understanding that those services were in the nature of a sort of PR marketing services. Is that correct?

**BENEDICTE COLIN:** I wouldn't qualify them as PR. As I mentioned this morning, TAHE is the outcome of policy reform, and policy reform can be difficult to explain, so we've retained Newgate to assist us with providing some stakeholder engagement and understanding who are our key stakeholders that we can engage with in terms of explaining the TAHE operating model.

**The CHAIR:** Do those stakeholders include members of other political parties?

**BENEDICTE COLIN:** Most of our stakeholders include government, other relevant agencies and industry bodies.

**The CHAIR:** But in terms of, for example, some sort of services for communicating to the Opposition?

**BENEDICTE COLIN:** I'm not sure if I understand well your questions.

**The CHAIR:** Let me rephrase. Have you appointed anyone to provide services in terms of communicating aspects of TAHE to other political parties? So not just the Government but, perhaps, to my Labor colleagues or to any other political party.

**The Hon. JOHN GRAHAM:** It's not going very well.

**The CHAIR:** No, it's definitely not.

**BENEDICTE COLIN:** We are not engaging lobbyists, if that's your question. I'm happy to answer no to that question.

**The CHAIR:** So when we come to SEC Newgate, I understand there was an original contract, according to the e-tender site, from 1 December last year to the thirteenth, which was for \$181,500. It was then amended so that you entered into an amended contract for an entire sort of additional year, which ends in 2022, and the amount that I have there on this site is \$566,412 as the amended estimated amount payable. When you were referring to the 200-300, were you talking about the financial year ending 2021?

**BENEDICTE COLIN:** No, I was referring to the financial year ending 30 June 2022.

**The CHAIR:** I meant, sorry, 2022.

**BENEDICTE COLIN:** As I've mentioned, that contract—you are absolutely right that it was amended. It included the secondment of resources once we were filling that position.

**The CHAIR:** So the discrepancy between the 200 to 300 and the 566,000 is because the 566,000 was for an entire year?

**BENEDICTE COLIN:** This was an estimate for an entire year. As I have explained—and happy to reiterate—we haven't used that whole budget because we filled those positions.

**The CHAIR:** Just to be absolutely clear, it's not because we've got past the financial year and that's the amount we're claiming.

**BENEDICTE COLIN:** No.

**The CHAIR:** So those services have now ended?

**BENEDICTE COLIN:** We retained the ability to sometimes engage discreetly with SEC Newgate, but most of the engagement has really reduced because we filled those positions.

**The CHAIR:** When I asked you about whether or not TAHE had paid for any services from Chris Brown, you referred to the Western Sydney Leadership Dialogue and the payment of—I think you called them membership fees. Can you tell me exactly what that is? My understanding is that they're a think tank. So was that in the form of sponsorship? Or what was that?

**BENEDICTE COLIN:** My understanding is that the western Sydney dialogue, such as other industry bodies, have a membership option, and we engage with the western Sydney dialogue through that membership. As I mentioned this morning, we've got lands in western Sydney which we are considering for redevelopment and affordable housing, and we find the engagement with the western Sydney dialogue quite valuable to engage with that community.

**The CHAIR:** On the website for the Western Sydney Leadership Dialogue, they've got a couple of different categories of people who are involved with them—with their network and their dialogue partners and

event sponsors. I can see people like National Australia Bank, Deloitte and a whole bunch of people have their logos there.

**The Hon. SHAYNE MALLARD:** They're great.

**The CHAIR:** Sorry, I'm getting interjections from the Government.

**The Hon. SHAYNE MALLARD:** Well, I pass through western Sydney, and the dialogue is really important in western Sydney. I don't know why you're criticising it.

**The CHAIR:** For clarification for you, Mr Mallard, at no point have I criticised the western Sydney dialogue.

**The Hon. SHAYNE MALLARD:** It sounds like you are.

**The CHAIR:** When we're asking questions for accountability purposes, we do that fearlessly. But I trust that the people in the Western Sydney Leadership Dialogue know that this is, of course, no reflection on them. That's a ridiculous assertion.

**The Hon. SHAYNE MALLARD:** Good to hear that.

**The CHAIR:** If we could come back to understanding exactly where the payment of money is going, I was curious because other agencies like Sydney Water are listed on the website, but there's no TAHE reference. I want to understand the nature of that payment.

**BENEDICTE COLIN:** I am not responsible for managing the western Sydney dialogue website. I can confirm that we are a member of western Sydney dialogue, as are Sydney Water and other State-owned corporations. I would suggest that you direct the question to them.

**The CHAIR:** Could you take on notice how much money has been paid to the dialogue and what the nature of it was? That would close it off.

**BENEDICTE COLIN:** I would be happy to take that question on notice.

**The CHAIR:** Thank you, that's very useful.

**BENEDICTE COLIN:** Before you carry on, you asked me earlier this morning a question in relation to a site at 51 William Street at Teralba.

**The CHAIR:** That's right.

**BENEDICTE COLIN:** I can confirm that the site was sold by TAHE for an amount of \$361,800 and that we've chosen not to disclose the sale of that property for commercial-in-confidence reasons, because it involves a private party and an individual. This is why certain transactions are listed as \$1, but we are happy to provide disclosure on request.

**The CHAIR:** Thank you, that's useful. I understand that that property was purchased. But what was it purchased for, without giving details of the person that it was purchased from?

**BENEDICTE COLIN:** I'd have to take that question on notice. We've sold it, just to clarify.

**The CHAIR:** It's been sold?

**BENEDICTE COLIN:** Yes.

**The CHAIR:** When was it purchased?

**BENEDICTE COLIN:** I don't think it was purchased; I am told it was sold. It was purchased by a private party; it was sold by TAHE.

**The CHAIR:** Yes, but at what point did it come into TAHE's ownership?

**BENEDICTE COLIN:** That would be a site that we had been vested from RailCorp, I imagine.

**The CHAIR:** Alright, so it's now no longer part of your holdings. That's been sold?

**BENEDICTE COLIN:** Correct.

**The CHAIR:** I might come back to those ones. How many other properties like that do you have that you might be trying to sell?

**BENEDICTE COLIN:** We've got lots of property, as you would know—

**The CHAIR:** I know.

**BENEDICTE COLIN:** —so I couldn't answer. It's a much more complex question that I couldn't answer.

**The CHAIR:** It's curious, because it's a residential house. When you look at the map, it's nowhere near any kind of rail infrastructure. It's just a bit of a curious one, if you could come back with any sort of information on that. A number of them are similar. That one in particular was listed on a website as being appropriate for "land banking", so it's just a curious thing.

**BENEDICTE COLIN:** You obviously know more than I do, so I'd be happy to take that question on notice.

**The CHAIR:** Does TAHE still get any tax breaks from the Government in relation to the properties that it holds?

**BENEDICTE COLIN:** I think it's important to distinguish what type of land we own. We own land for non-operational railway that we lease to third parties such as tenants. For these lands, we actually don't have a tax break. We've paid land tax until 31 December 2021, and we are in the current assessment of the current year, 2022. We have an exemption for land that is used for operational railways. The exemption carries until 30 June 2023. We are in current discussions with Treasury as to the future of that exemption, and that's very much a policy matter. It's land that is quite difficult to assess. I'm told that there are more than 12,000 parcels of land and that only perhaps 3,000 so far have been valued. The current policy from the Valuer General is not to value that land, so obviously it's a very complex matter that we are working on.

**The CHAIR:** Thank you, that's very useful.

**The Hon. MARK BANASIAK:** Ms Drover and Mr Sharp, the CEO of the Port Authority, Mr Holliday, has been quoted in an article talking about conversations being restarted about the Yarra Bay cruise terminal. Given that there are concerns in the community about the connection with Kamay ferry wharves and the cruise terminal, and given it's not mentioned in the budget at all, can you tell us the status of that infrastructure project?

**ROB SHARP:** This is the Yarra Bay?

**The Hon. MARK BANASIAK:** Yes.

**ROB SHARP:** I'll have to take that on notice.

**The Hon. MARK BANASIAK:** I was emailed a tender for Kamay ferry wharves on the global tenders website, which I might pass up to you. It is dated after the tender we've been talking about for \$52 million. Can you shed some light, perhaps on notice, on what the tender is for? I can't find it on the New South Wales eTendering website, but it just seems strange that it seems like a separate tender for the wharves.

**ROB SHARP:** It seems very current—deadline 17 November 2022.

**The Hon. MARK BANASIAK:** Yes.

**ROB SHARP:** I'll take that on notice and ascertain what that's in regard to.

**The Hon. MARK BANASIAK:** That would be great, thank you. I'll pass you back to the Chair.

**The CHAIR:** I want to ask some specific questions on the Redfern North Eveleigh Precinct renewal and the Central Precinct renewal. I don't know if I should direct those to you, Mr Sharp, or to Ms Colin, but I will start and we'll see where we get to. Will the 24 hectares at Central Precinct remain as publicly owned land after the proposed urban renewal?

**ROB SHARP:** The urban renewal is land that sits with TAHE, so I'll pass across. Ms Drover is working with TAHE on the development, so the actual development elements, Ms Drover can talk to.

**BENEDICTE COLIN:** The decision regarding future ownership has not been made. Obviously you are right that the land is owned by TAHE. The project has now gone to public exhibition, and what we're trying to do is to rezone the use of the land. Under current planning approvals, that land can only be used for railway, so we're going through a public exhibition process to ensure that we can rezone that land. It's obviously a project that's going to take years to develop. In doing so, we'll consider how we can own the land or partner with the private sector.

**The CHAIR:** Okay, so a public-private partnership has not been ruled out?

**BENEDICTE COLIN:** I haven't said that it's a public-private partnership.

**The CHAIR:** No, I said it hasn't been ruled out.

**CAMILLA DROVER:** The only thing I'll add is obviously the Western Gateway, which is the first start of the redevelopment of Central, is well progressed. There are three opportunities there; they've all been rezoned. One of them has planning approval: the Atlassian project. The other two are going through the planning process now.

**The CHAIR:** In terms of the 10 hectares at Redfern North Eveleigh, again, will that remain as public land or is the option still open?

**BENEDICTE COLIN:** I think that would be the same answer. This is obviously land that is core to TAHE's portfolio. In looking at the development of that land, we would be looking at what makes most sense for us to hold. Again, that decision as to what proportion of the land we own hasn't been made.

**The CHAIR:** Is there anything in any of the constituent documents by which you've been set up or code of conduct or anything that obliges you to have a preference to keep things in public hands? Or is that not—and this is a completely honest question. You are not a public entity; you are set up as a for-profit entity. Is there anything, though, in the way that you were set up that constrains how much land you can sell out of the public's hands into other types of ownership?

**BENEDICTE COLIN:** Thanks for your question. It's obviously a very large question. But in answering your question, there are various instruments that govern TAHE. Obviously, there is the Transport Administration Act, which looks at our five objectives. We have to balance commerciality with other objectives such as being socially responsible and sustainable, and we talked about that this morning. We also operate under an operating licence and statement of expectations from our shareholders. Every year we publish a statement of corporate intent, which updates the strategy for TAHE. So all these instruments with statement of expectations plus with statement of corporate intent would be relevant instruments if there was guidance from the shareholders as to frame how much holdings we sit and how much holding we own. Every decision in relation to a site development goes through proper board governance and discussion, if that's relevant, consistent with the Treasury policy and commercial policy with Cabinet up to a certain threshold. So, there are various milestones and opportunities to engage with our Ministers in relation to framing our ownership. I think a site-by-site decision is probably more relevant than an abstract number.

**The CHAIR:** I completely understand that. But I think what we have, from what I'm understanding from your answer then, there is nothing really in the legislation or in the structure of the way TAHE is set up—but you are very much guided by the statements of expectation from the shareholders, being Treasury and Transport. Presumably, the shareholders are Minister Stokes now and—

**ROB SHARP:** The Minister for Finance.

**BENEDICTE COLIN:** Sorry, the shareholders are the Treasurer and the Minister for Finance. Minister Stokes is the portfolio Minister. The other thing that I add is I have a background of being a long-term institutional investor, and so I think we've got a very valuable portfolio. So I'd be looking at, as part of our strategy, to really continue holding our land as a key anchor and reinvest any proceeds that we may have in the transport network.

**The CHAIR:** I completely understand—and don't take my questioning as any criticism of your operations. My criticisms are in the way that it's been set up because, from the perspective of someone who's quite keen that public land stays public, there's a reduction in protections here for the public. So, with the statement of expectations, unless that's quite clear in terms of preserving as much public land as possible, then you as a profit-making entity, based on all of those sound investment principles, would be making the decisions perhaps on a different basis to what the public might—

**BENEDICTE COLIN:** I'd reiterate my point that we would be engaging with our shareholder Ministers and there are various instruments and points of time that assure that governance. I don't think I could divest 100 per cent of the land without some serious consideration from our shareholders.

**The CHAIR:** But it's very much based on the policies of the Government of the day, not governing legislation. I think we talked about how that land, both at Redfern North Eveleigh and Central precincts—how it will get developed is really a question of strategy around those particular assets at the time. Is that what we're—

**BENEDICTE COLIN:** That's correct. But just to reiterate, there would be various gateways in which we engage with our shareholders and we would also rely on the assurance process from INSW.

**The CHAIR:** Is it likely that, if we have commercial and business leases there, TAHE is likely to—well, I guess, again, from your answers, perhaps this just isn't known yet. But is it likely that you would remain the owner of the assets and lease them out as opposed to actually selling them off?

**BENEDICTE COLIN:** That's one possibility, yes.

**The CHAIR:** In terms of the rezoning proposal then for each of those sites, are you able to tell us the percentage of commercial, business, residential rezoning that's being sought?

**BENEDICTE COLIN:** There is a balance. It's a mixture of precincts so there is a balance of offices, accommodation and also, very importantly, public open space. I might direct the question to Ms Drover for further details.

**CAMILLA DROVER:** The Central State Significant Precinct study is currently on exhibition and it will be into the rest of this month, September. I think it finishes on 19 September. That does detail what is proposed. Recently the Redfern North Everleigh proposal also just came off exhibition. We're currently doing the submissions report. We need to look at all the community feedback and stakeholder feedback and we'll respond to each one of those submissions. I can give you some of the details if you like. At Central—nearly 21 hectares of open space; three new major parks: Central Square, Central Green, the Mortuary garden—so opening the current Mortuary building up to the community again; 4,000 square metres of community space, including a community and social services hub for those that have to sleep rough but also those who are disadvantaged; about 850 dwellings with 15 per cent affordable accommodation or living; and also 15 per cent diverse housing as well. So a big mix of commercial and residential accommodation, plus plenty of open spaces and community services—

**The Hon. JOHN GRAHAM:** I might return to those questions about electric buses. Firstly, have we determined how much an electric bus costs to buy?

**ROB SHARP:** The last contract was with Custom Denning. I'll talk at the high level, because this information is obviously on the website. The contract was for \$70 million for 79 buses. So once we've ordered—once delivered we'll have 101 buses from Custom Denning. We currently have 103 electric buses in operation in Greater Sydney at the moment.

**The Hon. JOHN GRAHAM:** There's 103 in operation.

**ROB SHARP:** And then another 101—

**The Hon. JOHN GRAHAM:** On the way?

**ROB SHARP:** On the way.

**The Hon. JOHN GRAHAM:** And they've already been paid for out of last year's allocation? Is that right?

**ROB SHARP:** Well, when you say "paid", there's a contract. Typically you pay on delivery.

**The Hon. JOHN GRAHAM:** Where is it accounted for in the budget is really my question—in which financial year?

**ROB SHARP:** I'm presuming it's in that \$218 million. But I can certainly take it on notice and check that.

**The Hon. JOHN GRAHAM:** I'm really asking in which financial year does it occur.

**ROB SHARP:** It'd depend on the delivery. I'd have to go back to the contract and see when were the buses delivered. It could be over a couple of years, I suspect.

**The Hon. JOHN GRAHAM:** Yes, and I don't want to overcomplicate it, Mr Sharp. We've got 101 buses. We've got 103 arriving shortly and we're purchasing 200 this financial year. I just want to understand the relationship between the 103 and the 200. But I'm happy for you to do that on notice.

**ROB SHARP:** We've got 103 already operational and owned. We've ordered 100 and 79 of those are from Custom Denning, to give you a sense for the pricing of a ZEB. But in terms of the actual \$218 million in the budget, there'll be other infrastructure costs and things. I'd have to get someone to analyse that out if you're after what's driving those numbers over that time.

**The Hon. JOHN GRAHAM:** I might return to these other questions. We were talking about the depots. We didn't quite know when they were going to conclude but on notice. The other thing the seven years of funding are providing for, are power grid upgrades. Is that included in the \$218.9 million?

**CAMILLA DROVER:** Yes.

**The Hon. JOHN GRAHAM:** So it's just being publicly funded rather than being referred on to power customers in any way?

**CAMILLA DROVER:** Yes. There's also money for some of the trials, particularly in regional New South Wales.

**The Hon. JOHN GRAHAM:** It also says, in this seven-year funding, "Initiating the procurement process of approximately 1,100 electric buses". Does that mean we will have purchased 1,100 electric buses at the end of the seven years?

**CAMILLA DROVER:** By 2035, we have committed to replace all the buses in Greater Sydney. My current numbers are that there is about 4,000 of those.

**The Hon. JOHN GRAHAM:** Why does the budget say we're initiating the procurement process of approximately 1,100 electric buses?

**CAMILLA DROVER:** I don't know. I would have to take that on notice. The commitment is to—

**ROB SHARP:** I would surmise that—because what we're looking at here is actually sending signals to industry that we are committing to ordering buses. The industry is investing in capability and scale. They are only going to do that if there's actually orders. We're looking at how do we get companies onto the panel that can actually deliver local content, and then also a pipeline, if you like. That was the industry consultation we've been working on.

**The Hon. JOHN GRAHAM:** I understand that general argument. I'm asking here about the specifics. These are not necessarily inconsistent. But what I'm wondering about is why the budget says after seven years we might have 1,100 electric buses. That's not inconsistent, Ms Drover, with your answer. That would be by 2030, and then by 2035 we might have replaced the 4,039. Does that sound right?

**CAMILLA DROVER:** We will take it on notice and confirm exactly that figure, which is in the Treasury budget papers.

**The Hon. JOHN GRAHAM:** It is 2-30 of *Budget Paper No. 3*. I will tell you why I was concerned. That would be consistent with your answers, but this says "initiating the procurement process", not "procuring 1,100 electric buses" over the seven years. Can we have some assurance that we actually will have achieved at least 1,100 by what will be about 2030?

**CAMILLA DROVER:** All I can say is the commitment is to replace the buses with zero-emission buses by 2035 for Greater Sydney, and then outer metropolitan by 2040, and the balance by 2047. That's definitely replacing them, not just initiating procurement.

**The Hon. JOHN GRAHAM:** After seven years, when this funding runs out, can we confirm how many buses will have been purchased at that point? I'm happy for it on notice, Ms Drover, just to be clear.

**CAMILLA DROVER:** We can take on notice the 240 and how many buses that buys. As the secretary said, we're still waiting for the final business case which will inject more funding to complete the program.

**The Hon. JOHN GRAHAM:** I understand that. But the budget says after seven years we will have initiated the procurement process of 1,100 electric buses. Does that mean, on notice, that we'll have 1,100 at the end of the seven years? Can we at least guarantee that?

**ROB SHARP:** We'll get back to you on it. It makes sense. To deliver 4,000, we would have to have the 1,000.

**The Hon. JOHN GRAHAM:** Yes.

**ROB SHARP:** What I'm told is that that may well represent a reservation that Treasury has put in there for purchases, given that the business case is still to be finalised. I'm suspecting that is what that is, but we will confirm.

**The Hon. JOHN GRAHAM:** I don't mind on notice. I think that's fair, but I would like some real clarity about it. I think it's fair also to ask for clarity about what has been reserved. The other funding at 2-33 is \$127 million for this year "to procure new fleet to cater for bus services across the State and deliver reliable services." Are those electric buses that have been procured, or is it a mix?

**ROB SHARP:** *Budget Paper No. 3*, page 2-33?

**The Hon. JOHN GRAHAM:** Correct.

**ROB SHARP:** I'm suspecting that will be growth buses, but I'll revert to you.

**The Hon. JOHN GRAHAM:** Okay. It may or may not be electric buses?

**ROB SHARP:** Our general policy is any replacement buses or new buses will be electric. It's probably electric as well as growth buses, I'm suspecting.

**The Hon. JOHN GRAHAM:** Yes. All electric buses, but some for the purposes of growth?

**ROB SHARP:** Yes.

**The Hon. JOHN GRAHAM:** Is that the 200 buses that we referred to earlier, in this financial year?

**ROB SHARP:** No. They are separate.

**The Hon. JOHN GRAHAM:** Returning, Ms Drover, to your issues about timing—just confirming those figures. We will have procured by 2030 some amount—hopefully 1,100, but some amount you will take on notice. By 2035 some 4,039 in the Greater Sydney area will be electric buses. That's correct?

**CAMILLA DROVER:** That's the commitment to replace the buses in Greater Sydney by 2035. Obviously, given demand, there might be a different number by that time frame, but that's the commitment.

**The Hon. JOHN GRAHAM:** And by 2040 we will have replaced—

**CAMILLA DROVER:** The outer metropolitan region of New South Wales.

**The Hon. JOHN GRAHAM:** Yes.

**CAMILLA DROVER:** And then, by 2047, the regional—the balance. I think what needs to be recognised is that the way bus services are delivered across the State is quite different, city versus regional. Obviously, the needs in regional New South Wales are different. Longer distances—

**The Hon. JOHN GRAHAM:** How many outer metropolitan buses are there at the moment?

**CAMILLA DROVER:** There are about 1,092 in outer metropolitan.

**The Hon. JOHN GRAHAM:** How many in regional?

**CAMILLA DROVER:** That's 3,055.

**The Hon. JOHN GRAHAM:** Thanks. When I was quizzing the Minister today about Minister Constance's claim that he would have electrified all of the buses by 2030, the Minister indicated this time line had now slipped back to 2035, which was the discussion with Minister Elliott. Both Ministers have put that view. But what you're now saying is that, in fact, all 8,000 buses won't be done until 2047. That's quite a difference between what the Ministers have told us and what the actual time line is here.

**ROB SHARP:** The Minister talked to those time lines this morning. That's consistent with what he said this morning. What I will say is Minister Constance was challenging Transport, under the climate change initiatives that we're doing, to look to pull forward as much as we could of the electric buses. We did commit to consult with the industry. Off the back of that consultation, that has fed into these time lines and the business case we're developing. There are two key drivers. One is that if you are wanting to actually drive local content, to pull the buses and delivery forward would have meant, firstly, replacing buses that were already live and had an end of useful life and, secondly, the actual ramp-up period would have been too significant. Balancing those outcomes was—

**The Hon. JOHN GRAHAM:** Mr Sharp, I accept those and I'm not critical of the agency for this situation.

**ROB SHARP:** No, I was just explaining the context.

**The Hon. JOHN GRAHAM:** I think the claim that we were going to have all 8,000 buses done by 2030 was, in total, without a plan, in ignorance of the significant challenges that means for the grid or for these depots.

**ROB SHARP:** I can't comment on behalf Minister Constance.

**The Hon. JOHN GRAHAM:** I don't want you to. But I am critical of that. That's not the agency's issue, so I accept the context you're putting. But that is now the gap that we're talking about between the 2030 commitment to have these 8,000 buses electrified and what now looks realistic in 2047. That's how long it will take us to roll this through. Is that correct?

**ROB SHARP:** Yes.

**The Hon. DANIEL MOOKHEY:** Through you, Mr Secretary, do you mind if I ask some questions of Ms Colin?

**ROB SHARP:** I've got those cash details if you want them.

**The Hon. DANIEL MOOKHEY:** Yes, that would be helpful.

**ROB SHARP:** At the moment, we have \$1.3 billion in cash. Typically, our daily working capital is around the \$750 million mark. There is a drawdown that occurs from Treasury twice monthly. Typically, that's around \$1.5 billion. We have inflows from fare box and outflows, obviously, for capital and opex. The working capital, as I said, we aim for around that number.

**The Hon. DANIEL MOOKHEY:** That's \$750 million?

**ROB SHARP:** Right today, at the moment, it is \$1.3 billion.

**The Hon. DANIEL MOOKHEY:** Congratulations. Do you mind if I ask this question to Ms Colin? I want to pick up on some questions that the Chair was asking. As of 30 June 2022, what was TAHE's net assets?

**BENEDICTE COLIN:** You are asking me our asset position?

**The Hon. DANIEL MOOKHEY:** As of the end of last financial year.

**BENEDICTE COLIN:** I couldn't answer that question because our financial statements are currently being audited and they are not yet endorsed by the board. The amount of our asset valuation will be reported as part of our annual report.

**The Hon. DANIEL MOOKHEY:** Are you expecting a projected equity contribution this year of \$2.5 billion or \$2,570 million?

**BENEDICTE COLIN:** I believe I wouldn't have the exact number. To answer your question, yes. We are expecting an equity contribution from Treasury for this year and the next two financial years.

**The Hon. DANIEL MOOKHEY:** I'm going off what was published in the State annual accounts last year, which I think reflect their heads of agreement that was struck, the circumstances of which have been well canvassed. Has there been any material change?

**BENEDICTE COLIN:** As you are well aware—it was effectively very much publicised—there was a heads of agreement, which was signed by TAHE, Transport for NSW, Sydney Trains and NSW Trains. That heads of agreement indicated an intention from TAHE to revise the pricing for access to our assets, being the track and other facilities. We've used the framework of existing agreements: the track access agreement—

**The Hon. DANIEL MOOKHEY:** Sorry, Ms Colin, we'll get to that. I was just asking you about whether the annual equity contributions have changed materially since that point.

**BENEDICTE COLIN:** I'm not aware that they've changed substantially.

**The Hon. DANIEL MOOKHEY:** It flags projected annual equity contributions—\$2.57 billion this year, \$1.9 billion next year—but there is an annual equity contribution coming in until 2031, according to the report published by the Auditor-General. That's your understanding? It's still correct?

**BENEDICTE COLIN:** The recent modelling that we've done, which embeds the revised access pricing, shows that we will not need equity contribution beyond financial year 2025.

**The Hon. DANIEL MOOKHEY:** So from 2025-26 the equity contributions are likely to cease, according to your modelling?

**BENEDICTE COLIN:** Correct.

**The Hon. DANIEL MOOKHEY:** Has that been accepted by your shareholders?

**BENEDICTE COLIN:** That's been accepted by our shareholders and our board.

**The Hon. DANIEL MOOKHEY:** Why do you no longer need the close to \$3 billion? Is that because your cash balance at the time will be sufficient?

**BENEDICTE COLIN:** The decision from our shareholders to inject equity in TAHE is a matter that's relevant to them, so I suggest you take—

**The Hon. DANIEL MOOKHEY:** Yes, I know it is, but are you seeking capital from them?

**BENEDICTE COLIN:** You've got the numbers in front of you, so that would be the projections.

**The Hon. DANIEL MOOKHEY:** But no, there's been a change, Ms Colin. You've said that you've modelled it and you've come to the view that you won't be going to your shareholders from 2025-26 onwards to seek close to \$3 billion of capital between then and 2031. I accept that that's your position, and there's nothing illegitimate about that. What I'm asking is whether it's been accepted by your shareholders.

**BENEDICTE COLIN:** That's the position that we've put to our shareholders as part of the budget and also our next iteration of the statement of corporate intent. So I'm not aware of their not accepting that position.

**The Hon. DANIEL MOOKHEY:** So to the best of your knowledge, the answer is yes?

**BENEDICTE COLIN:** Yes.

**The Hon. DANIEL MOOKHEY:** Are you still paying us a dividend this year of \$125 million?

**BENEDICTE COLIN:** This year we've declared a dividend of \$71 million.

**The Hon. DANIEL MOOKHEY:** Was that 2021-22?

**BENEDICTE COLIN:** For 2021-22, yes.

**The Hon. DANIEL MOOKHEY:** How much was it?

**BENEDICTE COLIN:** Seventy-one.

**The Hon. DANIEL MOOKHEY:** For 2022-23, you're still going to pay us 125, aren't you?

**BENEDICTE COLIN:** That is still very much the intention, yes.

**The Hon. DANIEL MOOKHEY:** Because it's in the budget—

**BENEDICTE COLIN:** Correct

**The Hon. DANIEL MOOKHEY:** —so I presume that there is no material change in that respect.

**BENEDICTE COLIN:** And that will be in our statement of corporate intent.

**The Hon. DANIEL MOOKHEY:** In terms of your dividends, the Auditor-General said that for 2023-24 you were going to pay us 140. The budget says you're going to pay us 264. Is that because you're making more profit? What's going on there? What's happened for us to get an additional \$100 million?

**BENEDICTE COLIN:** That would be a consequence of the renegotiation that we've made with the transport operators.

**The Hon. DANIEL MOOKHEY:** Good. It's nice to get some more cash back. But the following year, 2024-25, we are getting a lot more. Rather than the \$171 million we thought we were getting in February, we've now gone up to 429, which is pretty big. The following year, 2025-26, rather than paying the 284, we're now getting 568, according to the budget, which is close to double. In fact, it may actually be double. I'm interested in why all of a sudden your dividend doubled for those periods of the forward estimates between the State accounts and the circumstances that led to their revision, and the budget?

**BENEDICTE COLIN:** As I've just said, we've entered into a renegotiation with the transport operators. As a consequence of the revised discussion, we are projecting more dividends. Can I just also point out that these are estimates. Circumstances might change as to how we use our cash and shareholders' expectation. The current dividend is based on the current capital structure of TAHE. We've undertaken a review of our capital structure, which may change the dividend profile.

**The Hon. DANIEL MOOKHEY:** I accept that you might be getting more revenue from your customers. I'm going to have to get these confirmed if that's the case. But the projected access and licence fees as of the State accounts for the coming year were \$1,081,000,000. Is that what you were expecting this year?

**BENEDICTE COLIN:** Sorry, can you point me to the document you're using.

**The Hon. DANIEL MOOKHEY:** I'm on page 6-53 of the Total State Sectors accounts, if you've got the Total State Sectors accounts report that was published earlier this year. It's not in a budget paper. It's the separate State accounts. But it said that your access and licence fees for this coming financial year were likely to be \$1,081,000,000. Is that still the case?

**BENEDICTE COLIN:** Sorry, I'll have to get to the exact number, if you'll bear with me. For the financial year 2021-22—

**The Hon. DANIEL MOOKHEY:** No, 2022-23.

**BENEDICTE COLIN:** For 2022-23, the figure that I've got with me is \$911 million.

**The Hon. DANIEL MOOKHEY:** It's close to \$100 million less than the Auditor-General told us to expect. Do you have the number for 2023-24?

**BENEDICTE COLIN:** It is close to \$1.3 billion.

**The Hon. DANIEL MOOKHEY:** I have 1.236. Is that what we're going on?

**BENEDICTE COLIN:** So 1.2898 would be the number that is documented within the revised agreement.

**The Hon. DANIEL MOOKHEY:** You made the point that in 2024-25 and 2025-26 there's a reason perhaps that the dividend that we're getting is likely to explode compared to what we were told by the Auditor-General to expect. It's because you're getting more in revenue. Do you have the access fee for 2025-26 especially? What are the projected access and licence fees for 2025-26?

**BENEDICTE COLIN:** It is 1.807.

**The Hon. DANIEL MOOKHEY:** Do you have the same number for 2024-25?

**BENEDICTE COLIN:** Sorry, 2024-25?

**The Hon. DANIEL MOOKHEY:** Yes, the year before.

**BENEDICTE COLIN:** It is 1.585.

**The CHAIR:** Can I go back to you, Ms Colin, again just very briefly. In fact, this may be one for you, Mr Sharp; we'll see. We were talking before about the two precinct renewal projects. Are there any other Transport- or TAHE-owned sites that are slated for similar types of development projects and rezoning?

**BENEDICTE COLIN:** Yes, we've got a pipeline of projects that we've identified that could be better used in precinct, and that includes projects in the metropolitan area and regional area.

**The CHAIR:** Are they public yet? Can you tell me what they are?

**BENEDICTE COLIN:** There is one that I'm happy to talk about, which is at Broadmeadow, near Newcastle. It's currently got former heritage assets and a heritage stable and it could be very much rezoned and used for better use for the community.

**The CHAIR:** We talked briefly about rail trails earlier. Do you have any particular parts of these disused rail corridors that you've identified as being useful to put some sort of hub on or some sort of development?

**BENEDICTE COLIN:** I think development would be a big ask compared to the nature of these assets. As I've mentioned this morning, if there are opportunities near us—former heritage stations that we can bring back to life and use these heritage stations as part of community precincts, art precincts or art galleries—we'd be looking at how we can bundle this redevelopment of those non-operational rail corridors together with our very much valuable heritage rail stations.

**The CHAIR:** Did you have any conversations with any of the Government Ministers, their offices or the department in relation to the drafting of the recent rail trails bill? Was there any consultation with that?

**BENEDICTE COLIN:** I was aware of that work. This is very much work that we support—as I mentioned, bringing back those assets to the community—provided that this is within a framework and the respective accountabilities of the parties are understood.

**The CHAIR:** So there was consultation with Minister Farraway and Minister Stokes? Is that the—

**BENEDICTE COLIN:** Essentially, through the Transport for NSW team. They are part of the regional and metropolitan team.

**The CHAIR:** Was there any particular feedback that you recall giving that was useful or changed the direction of where it was going? Any things that you picked up?

**BENEDICTE COLIN:** One bit of feedback that I gave is that I think it's important to understand the whole of life of these assets, making sure that we're not handing them over to communities without understanding the maintenance of these assets and that the accountabilities of each party, as I mentioned before, are well understood.

**The CHAIR:** Secretary, I was speaking with Minister Stokes earlier about the use of coal ash, and there was an effort to try to allow you to speak on that. I'd be very interested to hear if there are any concrete plans about the use or re-use of coal ash.

**ROB SHARP:** I will pass to Ms Drover in a minute, but what I will say is we have been consulting with the industry generally, over the last six months, on our procurement. We've got a very large infrastructure pipeline, and we can actually change the dynamic in the industry to drive some of these recyclable materials. We use glass

and rubber. There's quite a few materials that we put in, particularly on road surfaces. In regards to the ash, I'll pass to Ms Drover.

**CAMILLA DROVER:** Yes, I've got a good example. On the Albion Park Rail bypass, we used half a million tonnes of mining waste, or coal ash, on that project. We also used 300,000 tonnes of tunnel spoil, 130,000 tonnes of recycled select material, 6,000 tonnes of recycled crushed glass and 180,000 tonnes of recycled heavily bound base. There are examples of projects where we are using these materials. We do have an appetite for it. We also recycled all of the concrete pavement for the Pacific Highway from Tuggerah to Doyalson. We're also seeking approvals to do the same for the Hume Highway. When we're putting in the heavy-duty pavements, we want to use that current concrete pavement and recycle it.

As the secretary mentioned, we have got this new initiative—the sustainable procurement and infrastructure initiative—which we did start engagement with industry on in February of this year. In fact, we had a workshop online last week, and I think there were 200 participants. There is a big appetite. What we want to do is make sure that we don't just have these ad hoc examples of re-using materials on projects, but we actually codify it and it becomes business as usual on all of our projects. We are looking at some of those examples the Minister mentioned—the Scandinavian example, where you may have a comparison against a base case and to see where we can better that. We're doing a lot of work in that space, but we don't want to mandate things. We want to make sure that we understand the hurdles to doing this and that we engage with industry, because we think we'll get better traction with this sort of initiative if we engage with industry. There is lots of good practice happening; we just want to make sure it's business as usual across all of our projects.

**The CHAIR:** Secretary, can I ask you about the streetlight spend that was announced in the budget—the \$30 million for lighting, CCTV and foot traffic upgrades? That amount was marked as being also for an anti-street harassment campaign. How much of that money is for lighting, CCTV and foot traffic upgrades?

**ROB SHARP:** I would have to take on notice the breakdown, but I'm certainly happy to come back with that breakdown. It is actually quite an important element for us because we have quite remote infrastructure and the lighting isn't consistent. We are looking to uplift the standards. Similarly, as we've spoken about in prior budget estimates, we also look at accessibility across railway stations. I know there is still progress to be made on that front, but it is making a big difference. That uplift across all of our infrastructure is part of our strategy.

**The CHAIR:** One of the criticisms of that lighting project was why do we have places where the lighting is so bad that it has made it unsafe? That's not quite the correlation there. But in terms of this \$30 million for lighting, presumably all of the new roads and infrastructure already have appropriate lighting?

**ROB SHARP:** Yes, that's right.

**The CHAIR:** This additional amount is for upgrading old sites, I guess. Are you identifying them based on what is a hotspot or—

**ROB SHARP:** Yes. I'm sure there will be criteria specifically on where they're investing. I'm happy to come back to you on it. I don't know that level of information at the moment.

**The CHAIR:** Thank you. And if you could let me know how far that money will go in terms of the \$30 million—how many streets does that light? How many CCTV cameras?

**ROB SHARP:** Yes, we'll provide that context.

**The CHAIR:** That would be very useful. Coming back to you on the stuff we were talking about with the CCTV and the smart CCTV technology, can you talk to me more about where we're at at the moment in terms of the type of smart CCTV that we're using and what it's being used for?

**ROB SHARP:** Sure. I'll give you an example. We've been trialling, with Cisco, CCTV on taxi ranks. What we've been doing is looking at the classification of the cars—is it a taxi or is it a non-taxi that is coming in and using that public space? It's things like double-parking. We also can look at the patronage—how many people are there and the queue times or dwell times. That trial was across 80 ranks across Greater Sydney. What that data has largely been able to do is reduce the passenger wait time. The taxi industry has been able to, effectively, allocate the taxis more quickly into an area of demand, rather than people spilling out into areas and not being able to pick up a taxi. They're also not waiting as long. It is actually having quite a demonstrable benefit. We've also been looking at other ideas around threatening behaviour. This is using artificial intelligence, algorithms and datasets to look at a particular behaviour and flag a potential risk. As you have rightly pointed out, there's thousands of CCTVs. What we're trying to do is filter those and more quickly raise visibility to our security operational teams.

**The Hon. MARK BANASIAK:** Mr Sharp, the taxi trial, are you able to table—was there a report done or is there any data that you would be able to share with the Committee in terms of—

**ROB SHARP:** I'm sure there would be. That's completed, so I'm happy to take on notice what I can provide to you out of that study.

**The Hon. MARK BANASIAK:** That would be great, thank you.

**The CHAIR:** With the taxi trial, when you're talking about numbers of cars, double-parking and being able to work out if it's an Uber or if it's a taxi—and also patronage figures—you've got this de-identified group of people. But when we start talking about monitoring for threatening behaviour, that's when we're getting into a more personal type of CCTV usage. That's a different step. If we're talking about AI and we're talking about the inherent bias in AI systems—what sort of behaviour they're going to pick up as threatening that is not necessarily threatening—what are we putting in place before we take that next step? What will be the hurdles that you will need to tick off before you're comfortable with us taking that next step?

**ROB SHARP:** We touched on it briefly. At the moment, there are specific legislative requirements. We have privacy legislation, which is very clear in terms of AI. For example, if you're driving through a road tunnel at the moment and we take a video of the number plate, the system blanks out any faces. We have mechanisms to ensure that we're not actually picking up personal information. We also have a number of policies internally. When we're doing these trials, there's quite specific consultation that we do with the privacy commissioner. Obviously, if we're doing 80 taxi ranks across Sydney, it's at scale. Those consultations occur.

We do have a number of ethical policies. To give you a sense for it, if we're using AI, it's actually got to pass the first hurdle, which is, "Are there other ways we can do this?" It's actually not the first go-to. The bias that you mentioned is something that we actually, specifically look at to see, "Is there any bias, risk that can take place here?" I know, across whole of government, that particular issue is being looked at at the moment because AI is used extensively across multiple companies and also across various agencies. The existing legislation and privacy rules—there's checklists and processes that we use to make sure we're actually complying with those. Importantly, as I mentioned this morning, there's always got to be a human intervention element as well. Any of this has to come through to a human. We can't just have it automatically driving an outcome because that's where the bias and those other issues can occur—or unintended consequences. So those sorts of principles do underpin the AI that we're doing.

At the moment, the bulk of these I'm talking about have been trials. We've had another trial in Wollongong, for example, where they've had issues with fighting around the railway stations. We've been able to actually run some AI that can actually highlight that much more quickly. Once again, the security actions can occur much more quickly than they have historically. Those types of trials go through these principles. If it's a trial, we consult specifically with the privacy commissioner to make sure that they are aware of it, but also—is there any other element that we haven't considered for that particular trial.

**The CHAIR:** A lot of these issues are quite thorny. Obviously, there is potential for AI and algorithmic programming to have an incredibly beneficial effect, but also, unless we have all of the right safeguards in place, it can be quite dangerous. When I asked about this in Minister Dominello's digital services or whatever his title is these days, in those estimates, the privacy commissioner said that one of the current principles is, of course, that you have informed consent. It's not really possible to get the consent of every single person walking around their street or their station. Even if that is consent, it's not going to be—they don't really have a choice in the matter. What are we doing to ensure that our laws are brought up to speed before we go too far down this track?

**ROB SHARP:** It's a very good point. At the moment, the trials are extremely varied. Some of the examples I have given you are very much around human behaviour. That does open up some real privacy questions. My personal view is that there will be some legislation that would need to be developed over time as we become more familiar with how this technology will work and what data is coming back out of the trials. There's other trials, though, which is—for example, predictive maintenance—less impactful in terms of individual privacy. However, in that instance, safety's a pretty key element. From an operator's perspective, if I put that safety hat on, I want to be very comfortable that the artificial intelligence isn't missing some safety element. This is very much an emerging area for Transport.

I mentioned quantum technology. That's about real-time information. That allows real-time decisions. We can put real-time information in the hands of customers. Once again, that's data looking at holistic movements, not about the individual. The controls that need to be around it do need to be spelt out. I suspect, over time, legislation will need to keep up with the development of this technology. We're very aware of it. At the moment, we liaise openly with the privacy commissioner. Also, as I indicated, the whole of government is focused on this

issue as well, and we're starting to look at what does that mean and where are these risks from a whole-of-government perspective.

**The CHAIR:** It's comforting that you're doing trials as well, obviously, before launching too far into it. In relation to the trial in Wollongong with the fighting, have the trial results come in from that yet? Is there anything you can provide us?

**ROB SHARP:** Yes. That was a trial in conjunction with the University of Wollongong. So they were actually doing the trial. It has been completed—it actually completed in 2021. The university's actually dissecting all the data. You imagine the amount of data that's come out of it. They're assessing that. I'm not aware of a final report that's come out of that, at the moment. But that's the status I've been given.

**The CHAIR:** When the fighting was detected, was the idea that the police were called? Or did it go to somebody at Transport who then looked and went, "No. That's play fighting, not real fighting."

**ROB SHARP:** I'm not across the detail. But normally the CCTV cameras are linked into our operational control centre, here in Sydney. They would be the human element. They would call the relevant security. It would depend on what security's actually there at Wollongong railway station. I don't know. It could be the police if it was significant. It would depend on the circumstance. But, typically, Transport isn't an enforcement agency. Typically, it's the police.

**The CHAIR:** Again, it's that human interaction point, to check that it's—

**ROB SHARP:** Yes. I think that's the key to it, to be quite honest.

**The CHAIR:** You can imagine the dangers if it was just automatically calling the police every time someone had a scuffle. That's very useful. Can I ask about advertising on Transport assets. I note that in the Future Transport Strategy there is reference to making use of more advertising on Transport assets. I'm looking at page 107. Can you give any more detail on what that looks like? Are we going to end up with moving billboards all across the city?

**ROB SHARP:** I suspect not. The purpose of this strategy was to look at the big-picture trends that were occurring. There is a trend where the contribution of Government to running the transport cost has been growing. In other words, the subsidy is growing. Over time, the question is, "Is that sustainable? Have we got the right balance there of efficiency?" From my personal perspective, if you can get more people onto the transport network—the costs are largely already there; they're largely fixed—it becomes much more cost effective for the community. Advertising retail stores, those types of things, can play a role but, like anything, it's got to be balanced. So, I'm not envisioning every train running around the network, fully emblazoned with signs. But, having said that, there is a value there for a revenue stream that can actually help contribute to the recovery of the cost. It's actually about efficiently using State assets in a way that's balanced. At the moment there's value there that's not being capitalised on. We do envision over time some of the locations—there could be some revenue streams.

**The Hon. SHAYNE MALLARD:** What about gambling and betting on the trams?

**ROB SHARP:** No. Not on the agenda.

**The CHAIR:** I'll come back to that questioning.

**The Hon. DANIEL MOOKHEY:** Mr secretary, through you, do you mind if I just pick up where I was with Ms Colin? Thank you. I think we were just going through your projected access fees and licence fees. Thank you for that. To complete the collection, do you have the number for 2023-24? I have 1236.

**BENEDICTE COLIN:** Sorry. Let me get back to my numbers. You asking for?

**The Hon. DANIEL MOOKHEY:** The projected access and licence fees for 2023-24.

**BENEDICTE COLIN:** One point two nine eight.

**The Hon. DANIEL MOOKHEY:** Do you have it for 2026-27?

**BENEDICTE COLIN:** One point nine two one two two.

**The Hon. DANIEL MOOKHEY:** Sorry. Mr Mallard keeps talking loudly and you speak rather softly, Ms Colin. Do you mind if I get the number again? One-nine—

**BENEDICTE COLIN:** Sorry. I'm getting confused.

**The Hon. DANIEL MOOKHEY:** So am I. For 2026-27 you had 19—

**BENEDICTE COLIN:** One nine two one point eight.

**The Hon. DANIEL MOOKHEY:** Do you have the rest of the decade?

**BENEDICTE COLIN:** I do.

**The Hon. DANIEL MOOKHEY:** Do you mind going through that?

**BENEDICTE COLIN:** Yes. For 2027-28, 1.992; for 2028-29, 2.065; for 2029-30, 2139.1; and for 2030-31, 2252.8. Can I just say that these are estimates—

**The Hon. DANIEL MOOKHEY:** Yes, that's why we ask.

**BENEDICTE COLIN:** —and they are based on our current asset base. Obviously, there is a process within the existing agreement to revisit that pricing depending on how much capex is spent and also depending on market conditions. So there is an opportunity for TAHE and the transport operator to revisit that pricing on an annual basis.

**The Hon. DANIEL MOOKHEY:** Not just an opportunity, a requirement?

**BENEDICTE COLIN:** That's true.

**The Hon. DANIEL MOOKHEY:** Yes. Thank you. But there are material changes in the forwards on that, especially from 2028 onwards where in the last three years your revenue from that is dropping quite significantly—2,209 down to 2,065; 2,405 down to 2,139; 2,629 down to 2,252.8. The Auditor-General required you to—

**BENEDICTE COLIN:** As I've just mentioned—

**The Hon. DANIEL MOOKHEY:** Because the equity contributions are going down?

**BENEDICTE COLIN:** That might be the case, but it's also—the most plausible explanation is, as I said, we revisit our pricing depending on the capex spend and reprofiling, and that might tell of some of the access and prices.

**The Hon. DANIEL MOOKHEY:** That is true, Ms Colin—

**BENEDICTE COLIN:** If we were bringing new assets in there the pricing would go up.

**The Hon. DANIEL MOOKHEY:** Indeed—hence the question. I accept your point that you revisit it every year, as you're required to. But the issue that arises—and do note that I will ask the Auditor-General this tomorrow when she's here too—is that the Auditor-General made it quite clear that she signed off on these accounts on the assumption that what was told to her by way of the letter was, in fact, likely to be the outcome of the negotiations for the forward decade. It wasn't an immaterial issue in her consideration. In fact, in the last estimates she came before us and said she was adamant that those numbers had to be met. Now—

**ROB SHARP:** Mr Mookhey, I'm just not sure that the numbers you're talking to there are reflective of your comments, because the projected revenue under the heads of agreement that you are referring to has actually gone up. So if I look at the forwards through—

**The Hon. DANIEL MOOKHEY:** To be clear, I wasn't referring to the heads of agreement. I'm referring to what the Auditor-General has published in the State accounts as her projection, which, to be fair, is in note 11 of the Total State Sector Accounts that I'm referring to. I guess the heads of agreement was meant to be the outcome of the negotiation, correct?

**ROB SHARP:** Correct.

**BENEDICTE COLIN:** So are you referring to the note 11 under the Total State's account?

**The Hon. DANIEL MOOKHEY:** Yes, I am.

**BENEDICTE COLIN:** So if you total all the projected access and licence fees from 2021-22 to 2030-31—

**The Hon. DANIEL MOOKHEY:** It's the same?

**BENEDICTE COLIN:** —the total would be \$17.1 billion. The total of the number I have just given you is \$17.8 billion.

**The Hon. DANIEL MOOKHEY:** Okay. So it's reprofiled?

**BENEDICTE COLIN:** It's reprofiling.

**The Hon. DANIEL MOOKHEY:** Well, thank you, Ms Colin, you've just saved me many more questions on this point.

**BENEDICTE COLIN:** I'm happy to help you with this.

**The Hon. DANIEL MOOKHEY:** You are very helpful. Do you have the dividend numbers, please, for the decade? We just have to go through them and I wouldn't mind getting what they are, if they have changed, given you can see in note 11 that we have projected dividends—

**BENEDICTE COLIN:** I don't have a detailed number with me. But the total dividends for the next decade are projected to be \$3.5 billion, based on a dividend based on distributing 70 per cent of the net profit after tax. As I said, these are just forward estimates and the numbers might very well change depending on our capital structure and the ability also to distribute more.

**The Hon. DANIEL MOOKHEY:** Okay. Have you updated your 10-year business plan since 24 February 2022? Or are you in the process of doing it now?

**BENEDICTE COLIN:** We are in the process of doing it now and we've provided a draft to our shareholding Ministers.

**The Hon. DANIEL MOOKHEY:** Yes, which is the standard process for all State-owned corporations?

**BENEDICTE COLIN:** Correct.

**The Hon. DANIEL MOOKHEY:** So you're just doing the annual update process?

**BENEDICTE COLIN:** Correct.

**The Hon. DANIEL MOOKHEY:** That's great. Can you tell me about a few other matters before we have to stop. Where are you up to in terms of your IPART floor and ceiling test that you got subject to compliance activity in respect to your country assets and your coal assets?

**BENEDICTE COLIN:** We are in the process of submitting the next iteration of our compliance submission, which is due on 31 October this year.

**The Hon. DANIEL MOOKHEY:** But what happened to last year's matter in which the Auditor-General said that you were charging below what you should have been?

**BENEDICTE COLIN:** Is that a question?

**The Hon. DANIEL MOOKHEY:** Yes, it is. What was the outcome of that compliance?

**BENEDICTE COLIN:** Well, as I just said, we're going through the first compliance submission for these assets this year.

**The Hon. DANIEL MOOKHEY:** Not the Sydney Trains and NSW Trains, I'm talking about the country rail network. I'm talking about, specifically—

**ROB SHARP:** The Hunter Valley network?

**The Hon. DANIEL MOOKHEY:** Yes, the Hunter Valley—

**ROB SHARP:** The Hunter Valley coal—IPART.

**The Hon. DANIEL MOOKHEY:** The Hunter Valley coal—the specific networks were your country rail network—

**BENEDICTE COLIN:** There was an under-recovery and we've agreed to comply with some of the recommendations of IPART and develop a policy for the offsetting of that—of the recovery.

**The Hon. DANIEL MOOKHEY:** So you're hiking the prices?

**BENEDICTE COLIN:** No, I'm not. I haven't said that.

**The Hon. DANIEL MOOKHEY:** Okay. Sorry, I thought you'd have to, because won't you have to charge more to the full economic cost?

**BENEDICTE COLIN:** We've agreed to revise pricing to, as I said, offset that—it was under "other recovery".

**The Hon. DANIEL MOOKHEY:** Ms Colin, I'm just going off what's on the IPART website, which is, I think, a letter that you sent, to be fair. It might be the case that I've misinterpreted it. But it says here that your compliance statement was, on the country rail network—just to be clear, when I'm saying you I don't mean you

personally—TAHE was only recovering 15 per cent of the full economic cost of running the country rail network. It says here then in respect to the northern Sydney rail corridor you were only recovering 58 per cent. And in respect to the northern Sydney rail corridor it was 76, the recovery rate. All three are below the 80 that you have to recover. So do you want to give me—well, what's happening? Have I misinterpreted this?

**BENEDICTE COLIN:** I'll have to take that question on notice. But I have just said, for the metropolitan network we'll be providing our first submission this year.

**The Hon. DANIEL MOOKHEY:** Okay. But I'm specifically interested in the CRN—the country rail network—aspect of it because that's the one that's most well below the floor. And to be clear here, TAHE makes it clear to IPART that not only are you not—15 per cent doesn't include the depreciation or the requirement to earn a return on your regulated asset base. So, on notice, if we can understand where we're up to in respect of those three matters? I do accept that the Sydney Trains and the NSW Trains will go through the process now. But it's quite below; the recovery rate is 15 per cent.

**BENEDICTE COLIN:** I think it's very well known that the country rail network is heavily subsidised so that we can run—

**The Hon. DANIEL MOOKHEY:** It is. But it's the coal aspect of it that's—

**BENEDICTE COLIN:** I'll take that question on notice.

**The CHAIR:** It is now afternoon tea. We will be back at 3:46 p.m.

**(Short adjournment)**

**The CHAIR:** We are back, and I will go back to the Opposition.

**The Hon. DANIEL MOOKHEY:** Ms Colin, when do you expect to hear from IPART? When does that process kick off, the ceiling test and the floor test application to Sydney Trains, NSW Trains?

**BENEDICTE COLIN:** My understanding is that we'll provide our draft submission as of 31 October and then there'll be a process for IPART to review. How much time IPART is going to take to review our submission, I couldn't tell you.

**The Hon. DANIEL MOOKHEY:** Were you required to have any input into the review of your classification as a public non-financial corporation and State-owned corporation status that was undertaken by the ABS?

**BENEDICTE COLIN:** That process for reconfirmation was led by Treasury. My understanding is Treasury reached out to confirm certain elements of their submission to the ABS, but as far as I'm concerned, and my understanding is, that process was led by Treasury and we were very pleased to hear that the ABS confirmed our PNFC classification.

**The Hon. DANIEL MOOKHEY:** That's helpful. Mr Secretary, the Treasury has made clear to us that Sydney Trains and NSW Trains are still having their classification tested by the ABS. Have you got any update on that?

**ROB SHARP:** Yes, their position was confirmed on 22 August.

**The Hon. DANIEL MOOKHEY:** Congratulations.

**ROB SHARP:** Thank you.

**The Hon. DANIEL MOOKHEY:** The Auditor-General has also made clear in her report last year, which was given to us this year, that she was intending to subject Sydney Trains and NSW Trains to the control test inspection that she has to undertake, which is slightly separate from the classification process of the ABS. Have you got any updates on that one for us?

**ROB SHARP:** No, I don't. Not at all. But it was pleasing to have the first review confirmed, but I'll have to take on notice the status of it.

**The Hon. DANIEL MOOKHEY:** Ms Colin, have you been told when the Auditor-General will be handing down her performance review of TAHE?

**BENEDICTE COLIN:** You're talking about the performance audit?

**The Hon. DANIEL MOOKHEY:** The performance audit.

**BENEDICTE COLIN:** My understanding is that it will be before the end of this calendar year.

**The Hon. DANIEL MOOKHEY:** That's good. I'll ask her tomorrow. Finally, before I pass to my colleague, there's a matter in the Supreme Court which I'm interested in—what it's all about. It's Kimberly Amber Walker and Transport Asset Holding Entity. Do you know what this is?

**BENEDICTE COLIN:** I'm not aware about that matter, but I'm happy to take that question on notice.

**The Hon. DANIEL MOOKHEY:** Do you mind taking it on notice?

**BENEDICTE COLIN:** Would you mind just giving me a little bit more context?

**The Hon. DANIEL MOOKHEY:** That's all the context I have. It has been listed repeatedly in the Supreme Court lists, in which it is *Kimberly Amber Walker v Transport Asset Holding Entity*. Clearly someone by the name of Kimberly Amber Walker is, presumably, suing the Transport Asset Holding Entity. I'm just interested to see what that is.

**BENEDICTE COLIN:** That might be something that we've inherited from RailCorp, but I'll take that question on notice.

**The Hon. DANIEL MOOKHEY:** If you don't mind, that would be helpful.

**The Hon. JOHN GRAHAM:** I might first check if we've got any update on those College Street cycle path figures.

**ROB SHARP:** Ms Fishburn?

**KIERSTEN FISHBURN:** We're still looking for that data. I'm sorry, I'm going to give you a very public service answer, but the person who was responsible at that time is currently on leave, so we're searching through old records and I'll come back to you if I can.

**The Hon. JOHN GRAHAM:** I might ask some questions about rolling stock. Firstly, what is the plan for the Government to start replacing the Tangara fleet?

**The Hon. SHAYNE MALLARD:** We have to get the new intercity fleet on the tracks first, so if you guys release them for the public—

**The Hon. JOHN GRAHAM:** You're making a strong point.

**The CHAIR:** You are bored.

**The Hon. DANIEL MOOKHEY:** You need a good book.

**The Hon. SHAYNE MALLARD:** Why would we buy new trains when the new trains aren't even allowed to be used?

**The CHAIR:** Order!

**The Hon. JOHN GRAHAM:** Mr Sharp?

**ROB SHARP:** We have a number of trains that are on the rails at the moment.

**The Hon. SHAYNE MALLARD:** They're in mothballs.

**ROB SHARP:** What we're looking at doing is bringing those trains onto the intercity network. The rolling stock that's on the intercity network will come back through into Sydney Trains and we'll retire some of the older sets. So in the short term that's the plan. In the medium term, we do need to look at what do we do. At the moment, those Tangara train sets—we are also investing in mid-life upgrades and so there's some life extension that's occurring. The rolling stock plans are quite detailed. Ultimately there will be a requirement for new technology. So if we're looking at faster rail, what's that sort of medium to longer term as well? We've got the regional fleet underway, and so the XPT and the older train sets or the rolling stock on the regional routes—we have a plan there in terms of those train sets. So you've got the new intercity fleet coming in, the regional fleet coming in, and then there's a cascade down which will remove the older ones in the short term and then there's probably a four-to five-year period where we really need to have locked in plans and orders.

**The Hon. JOHN GRAHAM:** Just stepping through a couple of elements of that, in what time frame in that shorter-term time frame are you saying that some of the Tangara fleet might transition to the intercity network?

**ROB SHARP:** Basically that will start to occur as the new intercity fleet is deployed, and the timing of that is subject to, obviously, resolution of agreements with the unions.

**The Hon. JOHN GRAHAM:** Yes, understood. And when you say the medium term, you mean that four to five—

**ROB SHARP:** I'm defining sort of four to five years being the medium term. Just a backdrop to that, Mr Graham, we've got a major trend change that's occurring in terms of patronage on the rail. So we are looking very closely at the timing of those people coming back, and it is a key part of our strategy to entice public back on to the transport. We've got a great transport network. The other implication is in around that sort of three-year period the metro opens, and there's correlation of the western corridor with the metro, and so there'll be some rebalancing of rolling stock associated with that. So there's actually quite a bit of complexity around those items and we're actively working through those at the moment and what that might look like. The key lever at the moment, though, is the deployment of the NIF.

**The Hon. JOHN GRAHAM:** Yes, understood. You say for the Tangara fleet, though, some mid-life upgrades. When will they occur?

**ROB SHARP:** They have been occurring. I'll just pass to Ms Drover, who might have a current status on that particular item.

**CAMILLA DROVER:** I will need to come back to you with the exact date. If you give me a minute, I will get you that. We did have delays with the Tangara train upgrade and more recently because there are some rail harnesses actually coming out of Ukraine, which we had difficulty getting. So there have been some delays. But I can come back to you with a date in a minute.

**The Hon. JOHN GRAHAM:** I appreciate it. What are the mid-life upgrades to extend the life of the fleet? Prior to the upgrade, what's the life of the Tangara fleet?

**CAMILLA DROVER:** I don't know that.

**ROB SHARP:** I would have to come back to you with the specific years on them.

**The Hon. JOHN GRAHAM:** Perhaps on notice, I am interested in what's the projected life prior to the upgrade, how much is the upgrade adding. Is any of that upgrade work being done locally, or is that being done elsewhere?

**CAMILLA DROVER:** The Tangara train upgrade is a local project. In fact, a lot of it is being done now by Sydney Trains, and some of the upgrade is for DSAPT compliance.

**The Hon. JOHN GRAHAM:** When you say it's local, where is that being done?

**CAMILLA DROVER:** In New South Wales, I understand, but I'll confirm that.

**ROB SHARP:** Sydney Trains engineering, but which facility, we will come back to you.

**The Hon. JOHN GRAHAM:** On notice. That will be fine.

**The Hon. DANIEL MOOKHEY:** Ms Colin, do you own those trains? Are they your trains?

**BENEDICTE COLIN:** We are the owner of the rolling stock fleet in New South Wales, yes.

**The Hon. DANIEL MOOKHEY:** Are you making these investment decisions or is Mr Sharp making these investment decisions?

**BENEDICTE COLIN:** The investment decision would be part of Sydney Trains asset management plan, and there is a bottom-up analysis which feeds into our asset management—

**The Hon. DANIEL MOOKHEY:** But are you going to pay for it?

**BENEDICTE COLIN:** Sorry?

**The Hon. DANIEL MOOKHEY:** Does TAHE pay for it?

**BENEDICTE COLIN:** If it is related to upgrades and replacement, yes, we would be funding this program.

**The Hon. DANIEL MOOKHEY:** So your board will be making these decisions?

**BENEDICTE COLIN:** As part of an overall capex plan, yes.

**ROB SHARP:** The ultimate decision-maker here is the ERC in terms of investment decision, and then it's a funding decision in terms of "Would Treasury put a grant in or would TAHE provide the funding?" In terms of asset management and the replacement of those assets, that sits with me, and I make those recommendations as an agency of the Government.

**The Hon. DANIEL MOOKHEY:** But it sits with you because of the agreement you have with TAHE.

**ROB SHARP:** TAHE is ultimately a potential funder and owner of those assets.

**The Hon. DANIEL MOOKHEY:** But the maintenance of the existing rolling stock sits with you—

**ROB SHARP:** Maintenance sits with us.

**The Hon. DANIEL MOOKHEY:** —because that's the agreement you have with TAHE. Correct?

**ROB SHARP:** Indeed.

**The Hon. DANIEL MOOKHEY:** Are they paying you for that service?

**ROB SHARP:** They are paying me for that service? No. We own the maintenance responsibility and accountability and pay for it.

**The Hon. DANIEL MOOKHEY:** Okay.

**ROB SHARP:** So I plan that, pay for it. We advise TAHE, because they are obviously keen to make sure we're not running the assets into the ground, and there's a sharing of information, but that decision sits with me.

**The Hon. DANIEL MOOKHEY:** Just in terms of the requirement in terms of determining where maintenance is conducted and what is bought in the future, TAHE makes that decision or government makes that decision and then TAHE funds it? Is that an option that's available to government?

**ROB SHARP:** Maintenance decisions sit squarely with the rail entities.

**The Hon. DANIEL MOOKHEY:** No, I'm talking about the replacement fleet.

**ROB SHARP:** The replacement of the rolling stock?

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

**ROB SHARP:** That's a recommendation based from Transport in terms of the actual requirement, and we would present those options to government. There are clearly a number of options in terms of timing and how you might want to go about doing that.

**The Hon. DANIEL MOOKHEY:** But presumably—

**ROB SHARP:** The funding would sit with TAHE, though—

**The Hon. DANIEL MOOKHEY:** And ownership would sit with TAHE.

**ROB SHARP:** Correct. If they fund it, then the quid pro quo is we would pay an access fee to access that rolling stock.

**The Hon. DANIEL MOOKHEY:** But then could TAHE set the requirement, for example, as to where to maintain it, where to buy it from, what to buy, or do they have to accept your decision?

**BENEDICTE COLIN:** No. Our agreements are very clear that for transport infrastructure Transport for NSW is our delivery partner, so those decisions are made by Transport for NSW.

**The Hon. JOHN GRAHAM:** Mr Sharp, what's the drop-dead date by which you'd have to start replacing—assuming the mid-life upgrades continue, what's the date at which this is operationally very necessary?

**ROB SHARP:** It is very much a live question for us because of the dynamic changes in terms of patronage and also just the timing of completion of these programs. This is a live plan at the moment. I don't have an exact date where I'd say, "By that date, that's the drop-dead." What I do know is—

**The Hon. JOHN GRAHAM:** Give me some sense, then. I think that's a very fair answer.

**ROB SHARP:** I would suspect in the next 12 months to 18 months we will need to land a view on that, just because of the lead time in terms of going to market, getting approvals—back to Mr Mookhey's comment around "Actually, what is the strategy and is it going to be local content?" All of those things would need to be—

**The Hon. JOHN GRAHAM:** When would you have to go to market, taking into account all those things?

**ROB SHARP:** If we lock in a view in about 18 months' time, you would have a 12-month period, typically, of those sorts of strategic discussions, market soundings, and then you would go to market. Realistically, it's two, two and a half years.

**The CHAIR:** I just wanted to pick back up on that advertising revenue discussion. What amount of advertising revenue are we currently getting from our transport assets, then?

**ROB SHARP:** I would have to pass to Ms Colin on that one. The advertising at the moment is typically the billboards you see around railway stations. I think that revenue sits with you.

**BENEDICTE COLIN:** No, sorry, Secretary. This revenue sits with Sydney Trains.

**ROB SHARP:** There we go. I will have to take it on notice, then, in terms of the revenue.

**BENEDICTE COLIN:** I would love to have the advertising revenue.

**ROB SHARP:** It's very modest at the moment, but I will take that on notice.

**The CHAIR:** Is that all advertising revenue, then? What about on the actual trains themselves? Is there anything—

**BENEDICTE COLIN:** We don't get any advertising revenue within TAHE.

**ROB SHARP:** But I will come back on notice in terms of what the actual dollar amount is.

**The CHAIR:** That would be very useful. In relation to the road user charge, I know that we're—actually, maybe you can give me an update on what the percentage of new-sale cars is for EVs, but I think we're still a few years from potential implementation of that RUC.

**ROB SHARP:** Yes, that's right. There was a survey that I noticed in the media today was saying one in 20 vehicles is now fully electric. Obviously, headline "Percentage increase massive", but it's off a very low base. We're still some years away before that charge would kick in.

**The CHAIR:** So we're looking at, like, 5 per cent at the moment, and we've got to get up to 30 per cent.

**ROB SHARP:** Thirty per cent.

**The CHAIR:** Is it 2027 or 2028 that it will kick in otherwise?

**ROB SHARP:** I would have to check on the actual date.

**The CHAIR:** Have there been any discussions already between Transport for NSW and anyone else in terms of what the administration of that scheme would look like, or is that a way in the future still?

**ROB SHARP:** Not to my knowledge, no.

**The CHAIR:** Okay.

**ROB SHARP:** It would be something we'd need to look at. This is an evolving space. There are still quite a lot of discussions around investment in the charging infrastructure. That is the here and now. We're also just, across government, looking at replacing our own fleets. As we're rolling those older fleets out, they're getting replaced with electric. That's the focus at the moment. Some of that infrastructure was out to regional areas to help promote the tourism industry and people driving out to regional cities. That is the here-and-now focus. In terms of the actual system itself, it's probably going to straddle across New South Wales services as well in terms of some of the collection of charges. So, no, it's not on the—we're not working on it specifically right now.

**The CHAIR:** Technology is obviously moving very quickly. I know at the time that the electric vehicles and road user charge bill was passed, it wasn't really clear at that point what sort of device may or may not be used, if any, in relation to determining how far a car has travelled on public roads versus, for example, on a farm or whatever. It was all a bit sort of left open. Has any of that been taken into account during this tolls review and looking at the way that we might structure the tolling system?

**ROB SHARP:** Not so much as part of the tolling system, but we do have a technology stream. That technology stream is based around numberplate recognition. We wouldn't be looking at some sort of tagging system. It would be probably just technology—cameras and digital technology—to monitor that. So then the question is where do you deploy it and what groups? Testing of the technology is what's occurring at the moment. In terms of how that would roll into the actual tracking of it, that hasn't been landed yet. That's a work in progress.

**The CHAIR:** Thank you, that's useful. In relation to regional trains, I noted when I was looking through the Future Transport Strategy from around page 26 that there's not a lot of talk about new trains or bringing train services back to the regions, but really only buses. Is that a correct reading—that there are no concrete future plans for additional rail services?

**ROB SHARP:** No, internally we are—this document, just to set the context, is very much around connectivity, connecting communities. That is very much part of the regional strategy as well. At the moment, if

you look back at the legacy system, to go between country towns, you're pretty much coming back into the CBD and Sydney and back out again. It's very Sydney-centric. With these new regional trains, there's an opportunity, particularly with maintenance being done out of Dubbo, to pattern these in a different way and create more connectivity. We are doing a fleet review on the current fleet, and that will feed into broader strategies in terms of how we might improve connectivity. Faster rail is also part of this strategy in terms of those bigger cities on the outskirts of Sydney, and then there are also opportunities with electric aircraft. As opposed to flying cars, electric aircraft—that technology's imminent. They are being registered and flying, and will be in the country by 2024-25. There are some interesting connectivity benefits emerging in the regional space, and that's where we're working.

**The CHAIR:** Can you explain what that electric aircraft is?

**ROB SHARP:** Effectively, nine- or 15-seater aircraft that are fully electric. They can land and take off on very small runways. We have a strategy that's with Government at the moment in regard to this. It's an amazing technology in that it opens up freight opportunities from the regional areas—high-value freight. It's green, very quiet. You could almost have commuter services like a taxi service with them. They're very low cost; they operate substantially cheaper than the aviation-fuel-flown aircraft. The technology behind it, though, once again, is similar to cars. You need the charging devices at the airports. A lot of the regional airports are privately held or owned by councils, and so there's a facilitation role we see Transport being able to play in terms of the potential introduction of this aircraft. We're not flying aircraft but, certainly, having the stakeholders engaged around it will open up. This would allow flying very quickly between regional cities. It's an interesting concept, and it's part of the connectivity solution for regional areas in the medium term.

**The CHAIR:** It sounds very interesting, but what you're saying is it's not a substitute for good rail services between—

**ROB SHARP:** No, it's not.

**The CHAIR:** Are there plans for new rail services or rail lines in the near future? Are there any new services planned?

**ROB SHARP:** In the short term, no, there are not. It's actually getting the regional fleet into service and then looking at what more we can do more efficiently with that asset, providing more connectivity with that asset. That will then feed into—do we need more incremental train sets in the regions? If you're talking heavy rail, there are some business cases being run there, but that's from the new airport heading down to Leppington. Is it metro, or is it heavy rail? There are corridors from the Illawarra, for example. Those are being explored, but they're medium-term corridor decisions around heavy rail. But if you're talking country towns, no, that's not on the agenda at the moment.

**The CHAIR:** Can you just clear up this flying cars thing?

**The Hon. SHAYNE MALLARD:** You don't want to do that, do you?

**The CHAIR:** I actually do want to. I feel like it's the last day of Transport estimates, and perhaps we could clear this up. I am looking at a press release that I'm sure you're very familiar with, published on 8 July 2020, entitled "Outback to the future: flying cars in Narromine". This is where the term "flying cars" comes from, and the first paragraph talks about an aerospace company testing its electric vertical take-off and landing [eVTOL] vehicles. Those eVTOL vehicles are then referred to very clearly on page 42 of your Future Transport Strategy.

**The Hon. SHAYNE MALLARD:** It's very exciting.

**The CHAIR:** Are they the same thing?

**ROB SHARP:** Electric vertical take-off and landing vehicles is what that acronym stands for, and there are a number of companies developing them. The particular grant and initiative from 2020, which I'm very familiar with, does sit with the regional area, not with us. What we have under this aviation section on page 42 is we're highlighting that if you're looking into the future—20, 30, 40 years out—these will be around. Electric aircraft will be around. What we're saying is there's innovation coming in the aviation space that needs to be considered as part of your transport solution. The electric aircraft example I gave you is probably one that's going to be here sooner than electric vertical take-off and landing. As Mr Graham rightly pointed out, there are regulations that are needed from CASA and others before electric vertical take-off and landing vehicles would be allowed to operate.

**The CHAIR:** So they're not so much flying cars as they are very small aeroplanes?

**ROB SHARP:** They're typically two- or three-seaters.

**The Hon. MARK BANASIAK:** Has Transport for NSW issued any grants for those—we won't call them flying cars, but those eVTOLs?

**ROB SHARP:** No, we haven't.

**The Hon. MARK BANASIAK:** Did the taxi trial include sending data to the Point to Point Transport Commission in terms of any Uber or rideshare vehicles coming into the rank and hail areas, or those Uber or rideshare vehicles not displaying their reflective signs when they came into the rank and hail? Was any of that information used to inform enforcement?

**ROB SHARP:** I doubt that it would have been used for enforcement, given that it was a trial, but I'll take on notice the extent of the data and whether it actually went down to looking at Uber and other uses. We certainly looked at taxis and non-taxis, but whether the non-taxis were broken down into other rideshares, I don't know.

**The Hon. MARK BANASIAK:** You would assume that if someone pulled in—

**ROB SHARP:** Quite possibly.

**The Hon. MARK BANASIAK:** —that isn't a taxi then they were either a rideshare or they were just doing the wrong thing.

**ROB SHARP:** I'm not across whether that was actually collected, and I doubt that it was used for enforcement, but I'll confirm.

**The Hon. JOHN GRAHAM:** We successfully dealt with that other issue, so I will turn to a toll relief question. We've talked before about how many accounts are expected to benefit from the Government's new 40 per cent toll relief program. I'm interested in the split between private accounts and small business accounts. Can we get any information on that?

**ROB SHARP:** In terms of the current toll relief?

**The Hon. JOHN GRAHAM:** I'm inquiring now about the Government's new toll relief program that's been announced, yes.

**ROB SHARP:** I'll take that on notice to get the information.

**The Hon. JOHN GRAHAM:** Of the money that's allocated, and recalling that money has been allocated over two financial years and then none beyond that—

**ROB SHARP:** Correct.

**The Hon. JOHN GRAHAM:** —I was interested in a financial breakdown between the private and the small business accounts.

**ROB SHARP:** Okay, I'll take that on notice.

**The Hon. JOHN GRAHAM:** Great, thank you for that.

**ROB SHARP:** Chair, I've just got some feedback on the Yarra Bay.

**The CHAIR:** Go ahead.

**ROB SHARP:** The Port Authority in 2018 completed a strategic business case. This was to assess the Yarra Bay and also Molineux Point. In 2019 that detailed business case was announced. Subsequently, it went on hold, with COVID-19 and the changes to the cruise industry. It's actually remained on hold, and it's going to be subject to long-term projections around passenger demand before that gets dusted off and reconsidered by Government. When work does commence, we'll obviously be consulting with industry again. But at the moment it's on hold, pending those forecasts and where the industry growth emerges.

**The Hon. JOHN GRAHAM:** I want to move to another issue. One of the changes that was made to the road rules during one of the debates we had in the Parliament was in relation to loading zones for musicians. How is that operating now? I had a case raised with me in the past days of someone's son who received a \$200 parking fine using a loading zone on Rosenthal Avenue in Lane Cove. He was a musician loading out heavy equipment. He appealed, but the appeal was unsuccessful.

I want to ask about Transport's view about how this road rule 179-1 is operating. The formulation that was used was a note to say loading zones were able to be used—for example, a driver may stop in a loading zone to deliver music equipment at a venue—on advice from the Government and, I think I recall on advice from the

Transport agency. In this instance it doesn't seem to have worked. Can you give us any views either on this instance or more generally? Operationally how is this working?

**ROB SHARP:** This is the first time I've had anyone raise this particular issue. I am aware of ongoing concerns around loading zones and clearways. It's obviously a sensitive topic. I'll take on notice this particular rule and revert to you on the background to it. As I indicated, I haven't actually had this one come up before. It's an interesting one for me as well.

**The Hon. JOHN GRAHAM:** I'd be happy to refer this specific case to you to see.

**ROB SHARP:** I appreciate that.

**The Hon. JOHN GRAHAM:** But then it's really that operational question: Is the rule as it's written now sufficient to cover this sort of situation? I think the parliamentary expectation was based on some advice about the drafting. This is a complex area.

**ROB SHARP:** It is. I'll go back and look at the intent and, clearly, if on appeal the intent has not been delivered, we'll certainly commit to having a look at it.

**The Hon. JOHN GRAHAM:** Really appreciate it. I want to come, Mr Draper, to you to bring you back into the—

**SIMON DRAPER:** I appreciate it, Mr Graham.

**The Hon. JOHN GRAHAM:** I'll put you on alert there first. I want to come to you on this issue that we were asking Minister Franklin about yesterday and Minister Stokes today. Ministers seemed unaware of any discussion about the idea of using Barangaroo, the Cutaway, as an Indigenous cultural centre. But there was significant work done in government on this project. I was just interested in your take on the history of this, given it's long running. Can you just give us a run-down about what work has been done, what's the history of this proposal?

**SIMON DRAPER:** Yes. Not wanting to take up too much time, the background, as I understand it, is that there were lots of considerations of the use of the Cutaway. At the moment, it is useful. But it is exposed to the weather to some degree. It's a great space. There's been lots of consideration about how to upgrade it so it can be used more flexibly, regardless of the weather. In our time there, I know that there have been a number of options considered. The one that you're specifically referring to—I know that Create NSW and the then arts Minister were exploring the possibility of establishing an Indigenous cultural institution located in the Cutaway. Our role in that as the owner of the asset—we're no longer the operator of those assets once they're completed. That's done by Place Management NSW. But we were facilitating that and assisting them with that work and trying to provide them with, in a way, technical information on what would be required.

I guess the complexity of setting up a cultural institution is much more than creating a physical space. It's about establishing an organisation with a board and governance, a mission and budget, and all the rest of it. Ultimately, there was no decision by the Government to proceed with that. But we had done a lot of that technical work in any case. We're able to convert that into an option to make sure that the Cutaway space is upgraded for civic uses, as the Minister mentioned this morning. It certainly would be consistent with the history and the purpose of Barangaroo for there to be uses by First Nations cultural organisations from time to time, along with others.

I think the other context for this is the work that's been done on Me-Mel, Goat Island. There's a pre-settlement connection between those places. I think there are great opportunities there, once Me-Mel is established and the ownership is transferred and all the contamination is dealt with, for there to be a connection between the Cutaway and Me-Mel as well. I know it's been characterised in the media that the idea was dumped. It was never, as far as I'm aware, developed to the point where it was a position of government, but it was certainly being actively explored and we were supporting that work through our technical work.

**The Hon. JOHN GRAHAM:** What I'm trying to get to is exactly how—there was clearly significant work done. The Ministers have said, "Look, there was never a formal Government decision." So it's really that we're in that spectrum we were. This was specifically referred to, though, in the Cultural Infrastructure Strategy conducted by INSW in 2016. It was the subject of a specific recommendation from INSW, wasn't it, that Create—then Arts—NSW lead this work? That was really the formal recommendation of your agency at the time in 2016.

**SIMON DRAPER:** Yes, and really we've got two roles here. That was before we had inherited Barangaroo as a precinct. So it was being done as a more abstract piece of work at that time, although a lot of the elements of that Cultural Infrastructure Strategy are now being implemented down at Walsh Bay and the

Powerhouse and all those other elements. It was a recommendation to, I think, consider it, but I'm not sure that it ever became a position of GOVERNMENT.

**The Hon. JOHN GRAHAM:** I'm not debating that. That's a matter I would take up with the Minister, but it really was a specific recommendation here that Arts go away, look at this. It was in relation to Barangaroo as the site. It was in relation to an Indigenous cultural centre. Did they then report back? I've got the recommendation here. INSW recommended:

Arts NSW, in consultation with Indigenous leaders, the Barangaroo Development Authority and other relevant NSW Government agencies, lead the development of a strategic business case for an Indigenous Cultural Centre, investigating sites around Sydney Harbour including Barangaroo.

So it wasn't just about Barangaroo, your agency's initial recommendation, but it was very much shaped around an Indigenous cultural centre. That was the first big discussion of this idea. It was a flagship part of a cultural infrastructure strategy, as I recall it. Is that a fair—

**SIMON DRAPER:** I think I have to rely on your reading there. I can take on notice and come back to you about what was progressed from there. My experience of it is more what's happened in the last couple of years. In some ways, what you described in that recommendation is what happened. Create NSW worked with the land council and First Nations stakeholders around the idea there. We were providing support into that.

**The Hon. JOHN GRAHAM:** I agree with that. That work clearly happened after that. My question to you, perhaps on notice if you're more comfortable dealing with it that way, is: What then happened from an INSW point of view? This was the recommendation. In my recollection, a core part of the Cultural Infrastructure Strategy is those two things led to this expectation, particularly the work that then happened, but what report back was there after this? What happened as you look back from an INSW point of view to this recommendation and the work?

**SIMON DRAPER:** Sure. I'll take that on notice and give you a bit of a potted history on that.

**The Hon. JOHN GRAHAM:** Thank you. That would be appreciated. Finally, I was just, as we were talking about the road user charge, about the court case in relation to this matter. I was interested in the Minister's view that he was quite upbeat about the State's prospect of surviving this court case and having its powers intact. That may not be surprising, looking at the constitution. What I'm interested in is where is this up to? Is there a view from the agency about how this proceeds from here?

**ROB SHARP:** We're all watching it with interest. It's kind of an interesting case to be run. The agency doesn't have a view on the constitutional success or otherwise of it. To be quite honest—

**The Hon. JOHN GRAHAM:** You're more keen observers.

**ROB SHARP:** —it really flows into a policy question because it really does come to a government policy on how you fund roads. At the moment, clearly there are funding mechanisms that come through there. If that evaporates or doesn't evaporate, that's a policy question.

**The Hon. JOHN GRAHAM:** That's a sensible view. I'm more interested in an update about the court case—the timing.

**ROB SHARP:** I haven't got the details on me, but certainly happy to provide some details on it. It is still playing out.

**The Hon. JOHN GRAHAM:** No worries. Just any details on notice would be helpful.

**ROB SHARP:** Will do.

**The Hon. DANIEL MOOKHEY:** Mr Draper, I was just wanting to check about the Restart NSW Fund. The budget says there is a \$1.3 billion unallocated balance. That is still your understanding?

**SIMON DRAPER:** That's correct, yes.

**The Hon. DANIEL MOOKHEY:** Does that account for the investment loss that the NIFF suffered last year?

**SIMON DRAPER:** Account for the investment loss to the NIFF?

**The Hon. DANIEL MOOKHEY:** The infrastructure investment fund. Treasury told us at their estimates that we lost \$500 million out of this fund last year.

**SIMON DRAPER:** Out of the NIFF?

**The Hon. DANIEL MOOKHEY:** Yes. Is that \$1.3 billion accounting for that loss?

**SIMON DRAPER:** I'm not sure there's any direct connection between those items, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** There has to be, because that's the fund. You know we invest that fund while we're not spending the cash?

**SIMON DRAPER:** A couple of things. It's a Treasury-managed item. I would need to refer to them, but happy to come back to you on notice. I don't believe there has been any loss to the Restart NSW Fund because of any returns or losses in the NIFF.

**The Hon. DANIEL MOOKHEY:** The Restart NSW Fund is the NSW Infrastructure Future Fund, isn't it? Or that's an inflow into this fund?

**SIMON DRAPER:** We're getting into areas where we would be better off asking Treasury how that's managed.

**The Hon. DANIEL MOOKHEY:** It says here in the budget:

The Government established the New South Wales Infrastructure Future Fund (NIFF) in December 2016 as the investment vehicle for Restart NSW proceeds.

There is a clear nexus between the two. Do you accept that?

**SIMON DRAPER:** I accept it, but I don't have any operational involvement in any of that. The only role we play in the Restart is to provide recommendations to the Treasurer on the eligibility of items.

**The Hon. DANIEL MOOKHEY:** So if you lost \$500 million, you wouldn't know about it?

**SIMON DRAPER:** Only in the same way as you would, through public accounts.

**The Hon. DANIEL MOOKHEY:** I will continue to ask questions. In terms of Restart NSW, it says that we spent \$3.9 billion—or \$4 billion of previous reservations were used to fund commitments since the 2021 budget. Do you know which of the reservations moved and which ones remain? We used to be in the habit of publishing what the money reservations were, but we've got no idea this year.

**SIMON DRAPER:** I know you've asked me about that before. I don't have that breakdown.

**The Hon. DANIEL MOOKHEY:** Who does? This is a mystery.

**SIMON DRAPER:** It is Treasury. Treasury have the breakdown.

**The Hon. DANIEL MOOKHEY:** They're the ones who would know what existing reservations have still been reserved?

**SIMON DRAPER:** Yes.

**The Hon. DANIEL MOOKHEY:** But don't you—

**SIMON DRAPER:** We don't have a role in the reservations; we only have a role in the commitments.

**The Hon. DANIEL MOOKHEY:** In order for the \$3.9 billion to be turned from reservations into commitments this year, you would have had a role in that?

**SIMON DRAPER:** We would have a role in that, yes. We would be providing advice to the Treasurer on the eligibility of those items to be committed to under the fund.

**The Hon. DANIEL MOOKHEY:** I'm not going to spend too much longer on this. I'm going to work off the assumption that the reservations that turned into commitments are listed as the commitments in the budget as well. I think that will answer that question.

**SIMON DRAPER:** I think there's a reconciliation there, isn't there?

**The Hon. DANIEL MOOKHEY:** It says here that we relinquished \$50 million and reprofiled \$50 million from projects that are no longer proceeding. Do you know what projects are no longer proceeding and which led to the return of the \$50 million?

**SIMON DRAPER:** There would be some that would be in regional—we do provide Restart funds to councils and others. We enter into funding deeds with them. Sometimes they don't advance because of obligation on those councils to co-fund them. I don't have any specific details. I know that you're after more detail than that, but that's a hypothesis on why some of those—

**The Hon. DANIEL MOOKHEY:** I did spend quite a bit of my summer, regrettably, on trying to read through all the Restart NSW reports to line up what actually has come in and what has gone out. It is quite

remarkable how opaque it is. Given that this is the proceeds of electricity privatisation—I have asked you before, Mr Draper, but does Infrastructure NSW actually keep a list of the commitments?

**SIMON DRAPER:** We know what we have provided advice on. We don't then know what—

**The Hon. DANIEL MOOKHEY:** You don't check it?

**SIMON DRAPER:** We don't manage the fund, so we don't then know what Treasury and the Treasurer have done in terms of allocating that money and how they're monitoring that.

**The Hon. DANIEL MOOKHEY:** Okay.

**SIMON DRAPER:** That's a question for Treasury. But we do have a record, of course, of everything that we've recommended.

**The Hon. DANIEL MOOKHEY:** How much of that are you prepared to tell me? I literally had to go back to every budget since 2012 to get a list of commitments that have been out the door. They don't really report the same way. I'm going to ask you, given that you would be the sole source of truth here and this should be all publicly available information, can we get a list of all the projects and the commitments that have been made towards them since 2012 and the inception of this particular fund?

**SIMON DRAPER:** Okay. That's going back a long way. I'm happy to—

**The Hon. DANIEL MOOKHEY:** There's no-one else.

**The Hon. JOHN GRAHAM:** You're the keeper of the history here, Mr Draper.

**SIMON DRAPER:** I think Treasury probably could provide that, but I'm not sure whether you've asked them that question in their own—

**The Hon. DANIEL MOOKHEY:** I will make you this promise, Mr Draper: If I ask you, I will ask them too. Then we can line them up and we can see how we go.

**SIMON DRAPER:** I'm happy to provide you the information that we have, subject to Treasury letting us know whether there's any reason why we cannot. If it goes into Cabinet—

**The Hon. DANIEL MOOKHEY:** It has all been published in the budgets. It is just remarkable that what happens to be published in a budget one year, we are learning, doesn't seem to have much bearing, necessarily, on what actually happens. It is a lot of money, right? It is \$37 billion that has gone through this fund. I don't think it is unreasonable for us to go, "What's it been spent on?" Is that possible—you can give me a list?

**SIMON DRAPER:** I will take that on notice and give you a list. As I say, I will take some advice from Treasury about if there's some reason why they have not published them. That would impose a restriction on us. But, otherwise, I'm more than happy to give you that.

**The Hon. DANIEL MOOKHEY:** Thank you. Ms Mildwater, congratulations. You got a 133 per cent increase in your employee budget. What are you doing with this windfall?

**ELIZABETH MILDWATER:** Even before the Greater Cities Commission Act, our budget would normally have increased going into this year and the next, anyway, as we head into the planning cycle. We got an increase in our budget to cover for the Greater Cities Commission expansion as well, because we have three additional cities to plan for, and commissioners and everything. I'm not sure that it's exactly that expenditure increase, though. We have also, over the course of the last 18 months, been moving from temporary and contractor workforce into permanent employees to try and rebalance the workforce into permanent employees.

**The Hon. DANIEL MOOKHEY:** That's always encouraging. Congratulations; you did get that. Your budget went from \$14 million to \$33 million for your employee-related, so I presume you're doubling the size of your organisation or you're expanding your headcount?

**ELIZABETH MILDWATER:** I think you're talking about our entire budget, aren't you?

**The Hon. DANIEL MOOKHEY:** No. I'm on page 9-6 of *Budget Paper No. 4*. You are the Greater Cities Commission? That's correct?

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** It says operating expenses, employee-related, is \$14,549,000 last year. Your budget has this year gone to \$33,863,000. Incidentally, other parts of your budget have gone up. You stood out because it is basically one of the few agencies that had the staff budget doubled.

**ELIZABETH MILDWATER:** Our staff budget did go up, but our total budget is \$33.84 million.

**The Hon. DANIEL MOOKHEY:** That can't be true. Your total budget for the coming financial year is \$54 million.

**ELIZABETH MILDWATER:** I'm sorry. Yes, you are correct. That does include some other things that aren't our core budget. There is \$20 million in there—\$20 million-ish for Central Coast projects. I think that's also including the \$18 million—

**The Hon. DANIEL MOOKHEY:** I was going to ask you, actually, about that. What is that?

**ELIZABETH MILDWATER:** There's two items. One is the funding is in there for the Gosford University establishment. As the coordinators of the Central Coast work, we hold that budget, but it won't actually sit with us. We will pay that. Then there's \$20 million for delivery of various projects in the Central Coast city that are the outcomes of an economic development strategy we've been working on for a year or so. I would anticipate that we'll be probably announcing the details of that strategy and those projects in the next couple of months. Again, most of it won't end up staying with us. We will be distributing that to other agencies to do work in the Central Coast.

**The Hon. DANIEL MOOKHEY:** Okay. When did you become responsible for that?

**ELIZABETH MILDWATER:** It was in late 2020 that the then Premier asked us to start looking at an economic development strategy for the Central Coast. It was in advance of the six cities announcement, but then, when the six cities announcement was made, we went back to that work and had another look to update it for work that had been done and to take into account the six cities.

**The Hon. DANIEL MOOKHEY:** Of that \$20 million of your other operating expenses, that's for the Central Coast projects, the ones you've just described, is it?

**ELIZABETH MILDWATER:** Sorry, what page are you on?

**The Hon. DANIEL MOOKHEY:** I'm on page 9-6 of *Budget Paper No. 4*, which is your operating statement.

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** You see there that you've got your other operating expenses at \$20,176,000?

**ELIZABETH MILDWATER:** Yes, I expect that's not all Central Coast. Let me have a look. It could be mostly. So the Central Coast total is \$23.2 million over three years.

**The Hon. DANIEL MOOKHEY:** So \$23.2 million over three years to fund various projects on the Central Coast in accordance with the strategy you're about to announce?

**ELIZABETH MILDWATER:** Yes.

**The Hon. DANIEL MOOKHEY:** Don't keep me waiting. What are we doing? What's the strategy?

**ELIZABETH MILDWATER:** Sorry?

**The Hon. DANIEL MOOKHEY:** Is it economic development?

**ELIZABETH MILDWATER:** Yes, sorry, it is an economic development strategy. We did some public engagement in late 2020 and since then. Some various themes came out like improved connectivity, the Gosford education announcement, some transport work, some planning work. We identified a series of projects. That funding is to both fund those and the coordination of it. What we're doing at the moment is actually confirming exactly the money needed for each of those projects, and then we will announce the total.

**The Hon. DANIEL MOOKHEY:** That's \$23.2 million over three years?

**ELIZABETH MILDWATER:** Over three years.

**The Hon. DANIEL MOOKHEY:** By any chance, do you happen to have the breakdown by year?

**ELIZABETH MILDWATER:** Just give me one second. I might be able to give you—if I don't, I can certainly get it for you. No, I don't have it with me, but I'm happy to take that on notice.

**The Hon. DANIEL MOOKHEY:** That would be good. Just back to the staff budget—that's really to fund your expanded operations now that your operations have expanded. Is there anything else that explains that doubling?

**ELIZABETH MILDWATER:** The staff budget?

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

**ELIZABETH MILDWATER:** No, other than also, as I said, our organisation is one that sort of flexes up and down with the planning cycle, so it would have naturally started to flex up.

**The Hon. DANIEL MOOKHEY:** Fair enough. That's good to know. With that, I might go to my colleague.

**The Hon. JOHN GRAHAM:** I just want to ask about a number of road projects, and essentially about their funding. I'm leaning on *Budget Paper No. 3* in the transport list there. It's around page 5-49. On page 5-51 there's a total for minor works. What is the definition that Transport applies for those minor works?

**ROB SHARP:** Minor works?

**The Hon. JOHN GRAHAM:** Yes, you can just see that total there—"Total, Minor Works".

**ROB SHARP:** All projects other than major.

**The Hon. JOHN GRAHAM:** Very good. Any other details?

**ROB SHARP:** No, I'm not privy to a dollar limit or a definition. But I'll come back to you in terms of the budget definition of what's in "major" and "minor".

**The Hon. JOHN GRAHAM:** What is the definition and some sense of what's in that bucket of projects would be useful.

**ROB SHARP:** Ms Drover, do you know?

**CAMILLA DROVER:** No.

**The Hon. JOHN GRAHAM:** The road safety funding which is in the budget at page 5-49—obviously the money from camera revenue goes into the Community Road Safety Fund. Is that related to this line item or is that a separate matter? How do those two things relate?

**ROB SHARP:** There are a couple of different funding sources for our road safety. We obviously have a whole of government and then there are particular initiatives that come out of the community fund. I'd have to look at the breakdown of where that particular funding came from. I'll revert to you on that.

**The Hon. JOHN GRAHAM:** So it's really what are the constituent parts of that funding, accepting that there's generally consolidated revenue as well as the camera revenue?

**ROB SHARP:** Correct.

**The Hon. JOHN GRAHAM:** But also what is it allocated towards—just some examples. Turning to the previous page, looking at one of the issues that's been debated—"Great Western Highway and Bells Line of Road" is how it's listed here. What part of that relates to the Bells Line of Road?

**ROB SHARP:** I'd have to get that broken out. I can't tell you what the portion is.

**The Hon. JOHN GRAHAM:** So, on notice, what part of this funding relates to the Bells Line of Road? For this upgrade—I'm looking here at the first line item, not the second one, so that is Katoomba to Lithgow, not the Kelso to Raglan—we've got the allocation here for this financial year of \$143 million. What's the allocation over the forward estimates for that?

**ROB SHARP:** Ms Drover, do you have those numbers?

**CAMILLA DROVER:** I will in just a minute. Different folders!

**ROB SHARP:** We'll come back to you in a minute on that one.

**The Hon. JOHN GRAHAM:** Turning back to page 5-50 for the Sydney motorways, on that first line item, "Beaches Link (Planning)"—we've discussed that—both Ministers have given some views about timing, so I think I'm clear on that. Let me jump straight to the Western Harbour Tunnel. The allocation there is \$557 million for this year. Just recapping, where are we actually up to with procurement and contracting for the Western Harbour Tunnel?

**ROB SHARP:** We're out in tender at the moment, but I'll pass to Ms Drover for a detailed update.

**CAMILLA DROVER:** We're delivering Western Harbour Tunnel in two packages. The first one was awarded earlier this year, and they've started on the site. The second package, we're in tender evaluation at the moment and we're aiming to award that by the end of this year. That will complete all the packages for that project.

**The Hon. JOHN GRAHAM:** All of the construction contracts will have been issued by the end of this year?

**CAMILLA DROVER:** For Western Harbour Tunnel, yes.

**The Hon. JOHN GRAHAM:** Looking just above that for WestConnex, the estimated total cost for WestConnex is \$16.8 billion. That's no surprise; that's the figure that's been used for years. What is a surprise is that the estimated expenditure is only 5.4 to June 2022, and this is going to be complete next year. How does that budget line item work?

**CAMILLA DROVER:** Sorry, that figure you just quoted, was that to the end of 2022-23?

**The Hon. JOHN GRAHAM:** Let me put it to you this way: This project's going to be complete in the budget in 2023. We're supposed to spend \$16.8 billion. That's been well canvassed.

**CAMILLA DROVER:** Yes.

**The Hon. JOHN GRAHAM:** But we're only showing \$5.4 billion to June 2022 and another \$866 million this year.

**CAMILLA DROVER:** The \$16.8 billion is the budget for WestConnex. It doesn't necessarily reflect the New South Wales Government's funding.

**The Hon. JOHN GRAHAM:** The State contribution?

**CAMILLA DROVER:** Yes. The M4-M5 link is due to finish first quarter of next year, March 2023. That is under the PPP, so there's little from the State. But the Rozelle Interchange, which is due to finish at the end of 2023, that does have the allocation from the State.

**The Hon. JOHN GRAHAM:** Yes, so that all gives us, essentially, the State contribution over the total of the contract pretty much in the budget paper there. That's really how much the State has contributed over time.

**CAMILLA DROVER:** Yes.

**The Hon. JOHN GRAHAM:** Is that consistent with how we're showing all these other projects? If there are non-New South Wales contributions, the estimated total cost will be higher and just the New South Wales contribution is captured in the—

**CAMILLA DROVER:** Yes, it's the funding that flows through Transport. So in those figures, it's the funding that flows through Transport that's our cost budget.

**The Hon. JOHN GRAHAM:** So the estimated expenditure on any occasion will only show State money?

**CAMILLA DROVER:** I think it also includes Federal contributions as well. I'm pretty sure it's the budget that we manage.

**ROB SHARP:** It's the cash that comes through the Transport appropriations. Federal contributions come in as revenue at the Treasury line. So they won't be in here. I think Camilla is right; I think these numbers would reflect the cash that's passing through Transport's books.

**The Hon. JOHN GRAHAM:** As I understood what you just said—no, I don't understand. It does or does not include the Commonwealth contribution?

**CAMILLA DROVER:** I'm pretty sure it includes the Federal contribution, but not if it's a PPP. Obviously, they're different things.

**The Hon. DANIEL MOOKHEY:** If you're spending their money—

**CAMILLA DROVER:** For NorthConnex, for example, there'd be a very, very modest amount.

**The Hon. JOHN GRAHAM:** For WestConnex—looking at that specific example—does the \$6.3 billion include a Commonwealth contribution or is that money all from New South Wales?

**CAMILLA DROVER:** I don't believe there is a Commonwealth contribution to the last stage of WestConnex, 3B.

**The Hon. JOHN GRAHAM:** This is the funding for the entire project. This is the \$16.8 billion.

**CAMILLA DROVER:** Most of the funding in the budget papers is for the Rozelle Interchange project.

**The Hon. JOHN GRAHAM:** No, it has the estimated expenditure to date. That includes all of WestConnex.

**CAMILLA DROVER:** Yes.

**The Hon. JOHN GRAHAM:** All of the stages, some of which were Commonwealth-funded. I'm just inquiring. Is that in this figure or not?

**CAMILLA DROVER:** Sorry, what was your question?

**The Hon. JOHN GRAHAM:** Of the \$5.4 billion that is listed in the budget paper as money that is being spent on WestConnex, does that include only New South Wales funding or does it also include some of the Commonwealth funding that was provided in the early stages of WestConnex?

**CAMILLA DROVER:** I think it's only the State funding, but we can confirm that on notice.

**The Hon. JOHN GRAHAM:** I'd be happy on notice. I'm just trying to understand how it's listed. I think I've understood that exchange. On notice, could we just clarify? The thing that would actually be useful, specifically for that line item but also just in general, is if you're able to write down what the practice is. That would be very helpful from our end.

**ROB SHARP:** We'll come back on that.

**SIMON DRAPER:** You've probably picked the most complicated one, because it's Federal- and State-funded. There's debt and the asset has been sold.

**The Hon. JOHN GRAHAM:** I apologise.

**The Hon. DANIEL MOOKHEY:** You can understand our frustration.

**The Hon. JOHN GRAHAM:** Was there an answer over the forward estimates for the Great Western Highway? Sorry to distract you while you were finding that number.

**CAMILLA DROVER:** It's \$163.2 million for this financial year and \$3.2 billion over the next four years.

**The Hon. JOHN GRAHAM:** Give me the first number again. You're including the two upgrades—that is Kelso to Raglan, as well as Katoomba to Lithgow?

**CAMILLA DROVER:** Yes, although Kelso to Raglan is very modest.

**The Hon. JOHN GRAHAM:** I agree with that.

**CAMILLA DROVER:** It's \$163.2 million for this financial year.

**The Hon. JOHN GRAHAM:** And then I've got the four-year figure. Can you just step it out over the next couple of years, please?

**CAMILLA DROVER:** I haven't got that with me today. I had that for Minister Farraway's budget estimates. I can take that on notice.

**The Hon. JOHN GRAHAM:** I only want it over the forward estimates. Rather than take time here, what I'd like to do is put some roads to you in general and ask for the funding over the forward estimates period allocated to each year. I might do that separately after the hearing.

**ROB SHARP:** We're happy to do that.

**The Hon. JOHN GRAHAM:** That would be very helpful.

**The Hon. DANIEL MOOKHEY:** Mr Sharp, I might need to ask some questions about the fish market, if you don't mind. It might be to Mr Draper, actually. Mr Draper, what is the current project budget for the Sydney Fish Market project?

**SIMON DRAPER:** It's \$750 million.

**The Hon. DANIEL MOOKHEY:** When that was originally announced, it was \$250 million, wasn't it?

**SIMON DRAPER:** That was way before my time, but I believe it was a lower figure originally, yes.

**The Hon. DANIEL MOOKHEY:** And there was a major change in scope. Was the business case ever updated on that?

**SIMON DRAPER:** I believe the business case was based on the more recent figures.

**The Hon. DANIEL MOOKHEY:** What was the new BCR then? I'm trying to keep up with the summaries that have been published on your website, and I don't know which one that's referring to—the original business case or the current business case.

**SIMON DRAPER:** I'm only aware of one business case that was used to make the investment decision. That was based on that budget that we discussed a moment ago—the 750.

**The Hon. DANIEL MOOKHEY:** The one I have in front of me says that it had a BCR of 1.03, based on a total cost of \$616 million.

**SIMON DRAPER:** I'll have to take that on notice.

**The Hon. DANIEL MOOKHEY:** It means that, clearly, it has now become negative.

**SIMON DRAPER:** The business case for this project is not just for the fish market itself but for the whole Blackwattle Bay precinct.

**The Hon. DANIEL MOOKHEY:** It's just the maths, right, unless there have been further changes in scope since that business case was done? The 1.03 is based on a cost of \$616 million, which means the benefits would come out at something like \$630-ish million, which is still well below the 120.

**SIMON DRAPER:** I don't have the history of all of the various cost estimates and BCR calculations in front of me, but I'm happy to take that.

**The Hon. DANIEL MOOKHEY:** When is it opening again?

**SIMON DRAPER:** In 2024.

**The Hon. DANIEL MOOKHEY:** Are we on track?

**SIMON DRAPER:** Yes.

**The Hon. DANIEL MOOKHEY:** All good?

**SIMON DRAPER:** Yes.

**The Hon. DANIEL MOOKHEY:** That's good to know. I might hold you to that.

**SIMON DRAPER:** We are held to it contractually with a number of parties.

**The Hon. DANIEL MOOKHEY:** It's reassuring—such confidence. In terms of the actual business case summaries that are being posted on your website, it says that all major infrastructure investment decisions are required to be supplemented by a business case. We've been saying for a long time that entire business cases should be published, but the practice of publishing business case summaries has also seemingly come to an end. Can you tell us why?

**SIMON DRAPER:** As far as we're concerned, it hasn't come to an end. We publish the business case summaries for tier 1 projects.

**The Hon. DANIEL MOOKHEY:** How many tier 1 projects are there?

**SIMON DRAPER:** On our current list, I would have to go back and check. It's usually between 45 and 50 at any given time, at various stages between early planning through to delivery.

**The Hon. DANIEL MOOKHEY:** There's certainly not 45 to 50 final business case summaries that have been published.

**SIMON DRAPER:** That's because many of them have not yet had investment decisions. We were talking about a few this morning. A couple of the projects that we were talking about this morning have not yet reached investment decisions. We don't publish those until they get to that point.

**The Hon. DANIEL MOOKHEY:** What's your definition of what qualifies as a tier 1 project?

**SIMON DRAPER:** There's actually a number of criteria, but tier 1—we also call them high profile, high risk. It's a question of scale, the level of risk involved and the level of impact on the community. They're the three characteristics that we evaluate.

**The Hon. DANIEL MOOKHEY:** The funding threshold was, what, \$100 million, was it? In order to be—

**SIMON DRAPER:** I'd have to go back and check, but they definitely have to be of a significant scale before they get into tier 1.

**The Hon. DANIEL MOOKHEY:** How far back are you required to keep it on your website for?

**SIMON DRAPER:** How long do we keep them on the website?

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

**SIMON DRAPER:** The business case summaries?

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

**SIMON DRAPER:** As far as I'm aware, we don't remove them.

**The Hon. DANIEL MOOKHEY:** Mr Draper, I'm looking right now at your business case summaries. You wouldn't have 30—nowhere near. If you're talking about stuff we've mentioned this morning—for example, there is not the Parramatta Light Rail stage one business case summary on this. That's the first one I can see. To be fair, stage two has gone through various iterations over the period. The Sydney Metro Chatswood and Sydenham to Bankstown is not there. These are the ones off the top of my head. It's clearly not the case that all tier 1 projects are here yet.

**SIMON DRAPER:** The policy of publishing business case summaries—I've forgotten what year it came in, but it may be the case that those investment decisions that were made before that policy decision were never published. I'm not sure. I'll come back to you.

**The Hon. DANIEL MOOKHEY:** That can't be true because there are definitely ones that go back earlier in time that are published here. We've got the Coffs Harbour Bypass. That's great. But the F6 Extension stage one, the investment decision on that was made a long time ago—seven years—and that's there. On top of that, your website says that you're meant to be publishing tier 1 and tier 2 projects through a gate 2 business case gateway review. They're also meant to be published. They're not published.

**SIMON DRAPER:** What I'll do is I'll go back and do a reconciliation for you, on notice, of those where investment decisions have been made and identify whether there are any gaps. I don't believe there is. There's certainly no intention on our part to skip any business case summaries. That's our practice.

**The Hon. DANIEL MOOKHEY:** Again, I've given you some specifics. The Parramatta Light Rail stage one is not here. Sydney Metro West is here and Sydney Metro Western Sydney Airport is here, but the other Sydney Metro projects are not here. To be fair, the north-west probably preceded the formation of Investment NSW, but Chatswood and the Sydenham to Bankstown conversion is not here. I'm sure that we can come up with a lot more. You can come back to us on notice and find out—

**SIMON DRAPER:** Yes. I'll do a reconciliation for you.

**The Hon. DANIEL MOOKHEY:** You have no discretion over this, do you? You have to publish them once investment decisions are made.

**SIMON DRAPER:** That's our policy, yes. It's a Cabinet policy to do that.

**The Hon. DANIEL MOOKHEY:** I do look forward to you coming back on that. Can I ask someone questions about the Parramatta Park Park'nPay app as it applies to Parramatta Park in terms of the trust? Who's that? No-one?

**KIERSTEN FISHBURN:** In relation to Parramatta Park?

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

**KIERSTEN FISHBURN:** That would be me.

**The Hon. DANIEL MOOKHEY:** Great. Excellent. Thank you.

**KIERSTEN FISHBURN:** Not sure I can answer questions about the Park'nPay app, though. However, please give me a go.

**The Hon. DANIEL MOOKHEY:** Sure. Perhaps you can tell me. Does the parking revenue for Parramatta Park, from people who pay via the Park'nPay application, go to the trust?

**KIERSTEN FISHBURN:** My understanding is, yes, but I'll take it on notice to get you a 100 per cent accurate answer.

**The Hon. DANIEL MOOKHEY:** How much does it cost the trust to use the Park'nPay app?

**KIERSTEN FISHBURN:** Again, I'll have to take that one on notice for you.

**The Hon. DANIEL MOOKHEY:** How was the Park'nPay app determined to be the best option to collect this proportion of revenue? Was it through a tender? Was it through a ministerial directive?

**KIERSTEN FISHBURN:** My understanding is it wasn't through ministerial directive. It was before my time, however. So, I'm sorry, I am going to have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Can we find out how long the contract is for this particular Park'nPay app?

**KIERSTEN FISHBURN:** Yes. Absolutely. I'll get that back for you.

**The Hon. DANIEL MOOKHEY:** Are we intending to extend the Park'nPay app payment system to other parks in the parklands estate?

**KIERSTEN FISHBURN:** At this point in time, no.

**The Hon. DANIEL MOOKHEY:** When you say "at this point in time", you mean a decision has been made not to do it, or no decision has been made to do it?

**KIERSTEN FISHBURN:** No decision has been made either way.

**The Hon. DANIEL MOOKHEY:** Obviously the redevelopment of the stadium in Parramatta had an impact on Parramatta Park. Do we know how many trees were removed for parking at Parramatta Park?

**KIERSTEN FISHBURN:** Thirty-eight trees were removed recently in relation to the parking changes. To supplement that, 170 advanced native trees will be planted.

**The Hon. DANIEL MOOKHEY:** By when?

**KIERSTEN FISHBURN:** I do not have the exact date for you there, so I'll get that for you.

**The Hon. DANIEL MOOKHEY:** Ms Fishburn, did you by any chance happen to have that information we were seeking about the NSW Cycling initiative, which is being funded from Restart NSW?

**KIERSTEN FISHBURN:** Yes, I do. Thank you for giving me the opportunity to make sure I have the accurate information for you. It's for the Sydney Harbour Bridge north cycleway access.

**The Hon. JOHN GRAHAM:** Just coming back around on College Street, acknowledging, unless you've got it now, you may—

**KIERSTEN FISHBURN:** I'm as frustrated as you are, Mr Graham. No, I'm sorry, I don't have it for you by now.

**The Hon. JOHN GRAHAM:** I'm not frustrated. Can I just describe to you exactly what information we're hoping for on notice?

**KIERSTEN FISHBURN:** Yes. Absolutely.

**The Hon. JOHN GRAHAM:** I think you told us the \$4 million build cost that you referred to was the first or the second build?

**KIERSTEN FISHBURN:** No. That's the second build.

**The Hon. JOHN GRAHAM:** The second build, the current build?

**KIERSTEN FISHBURN:** That's right. The first build was undertaken by City of Sydney. Obviously they hold those figures. I'm happy to contact them to see whether they're prepared to release them, but it's not my figure to release. The \$4 million is budgeted for Transport for NSW for the reinstatement of the College Street cycleway. The information that I'm still trying to get for you is the cost for the removal of the first College Street cycleway.

**The Hon. JOHN GRAHAM:** We were just clarifying who paid that cost.

**KIERSTEN FISHBURN:** Correct. Yes.

**The Hon. JOHN GRAHAM:** I assume it was the State, but if you could clarify that.

**KIERSTEN FISHBURN:** That would be my assumption, but I would rather have accuracy for you.

**The Hon. JOHN GRAHAM:** Agreed. I think we agree on what is coming back on notice on that. Thank you. The Minister spoke about the business improvement districts, the white paper he was looking to bring through. He's also been public about that process. Can we get any more details about the timing on this or perhaps the background about who's doing the work?

**KIERSTEN FISHBURN:** Yes. Certainly. I'm going to reiterate the Minister's timing, that it is imminent. He's been on the record saying that he'd like the white paper released imminently—as soon as possible. Certainly if the ambition is to move towards legislation, we'll need to do that. The work on the business improvement districts has been done through my division, through the cities area of my division.

**The Hon. JOHN GRAHAM:** Are there examples of these business improvement districts in place already in Australian jurisdictions?

**KIERSTEN FISHBURN:** It's an interesting question. It depends really on your definition of "business improvement districts". There are certainly some similar type of business entities that undertake work, such as chambers of commerce and such as the Newcastle City Centre business improvement district as well, which is funded under a special rate variation levy. A number of councils also have a specific levy for their CBDs. The difference with the business improvement districts, as I think the Minister described them—I think it's the easiest way to capture what they do—is it's more like a strata, where if the majority of landowners in a particular geographic area choose to participate then a fee is paid similar to a strata. At this point in time, there does not exist legislation that would allow for that type of business improvement districts, which is the European or American model that we're looking to explore.

**The Hon. JOHN GRAHAM:** Understood. For any schemes that do exist, like the council ones you've referred to, what's the legislative framework at the moment?

**KIERSTEN FISHBURN:** It's through the Local Government Act, under section 495. They're special rate variations.

**The Hon. JOHN GRAHAM:** Yes. There's been some restrictions on what councils can do with their rates. Do any of those restrictions that have occurred over time or been canvassed over time potentially impact on their ability to have these levies in place?

**KIERSTEN FISHBURN:** No. They would be ideally—I'm pre-empting, of course, what legislation might come into play, so please take what I'm saying as exploratory rather than definitive.

**The Hon. JOHN GRAHAM:** I'm very happy to do that.

**KIERSTEN FISHBURN:** The intention of the business improvement districts is that they can overcome some of the challenges that exist within the Local Government Act. They would be established under a scheme, as I described, similar to a strata scheme. That would therefore allow for participation in the same way strata does. Those who contribute into the scheme can determine where the moneys for that scheme go. They're not there to supplement what councils do and deliver; they are there to complement and enhance.

**The Hon. JOHN GRAHAM:** I agree that there's schemes in both the US and in Europe that are interesting parallels. Where are some of the examples that have been most interesting as you've done this work?

**KIERSTEN FISHBURN:** I think the UK is probably the best exemplar for comparable type of experience that we'd be looking at in Sydney. There's also experiences in New Zealand as well. Business improvement districts are fairly commonly known in the NZ context and are well appreciated. You can see the outcomes, particularly in great urban form and place making. We've looked to all of those models, as well as the US models. The US models is slightly different because councils or local authorities deliver slightly different things. If you're looking for comparability, I would look to the UK models or to New Zealand models.

**The Hon. JOHN GRAHAM:** Feel free not to answer this. At the moment, the early thinking, without holding the Minister to this, is shaped around giving councils the power to allow this to happen, working with local businesses.

**KIERSTEN FISHBURN:** I'm cautious about what I'm saying because I'm aware that we haven't even put out the white paper yet, but whatever business improvement districts would come into play need to have an extremely close relationship with local government for them to be effective. Whether it's local government themselves who are divvying up the particular fee or whether that's done through the State Government is something that would need to be explored. But, regardless of that, councils would need to be active participants and enthusiastic about having a business improvement district in their area, or else they're not going to be set up to succeed.

**The Hon. JOHN GRAHAM:** Agreed. Thank you for that.

**The Hon. DANIEL MOOKHEY:** Mr Draper, I've got a few more that are not on your website. If you don't mind looking into—

**SIMON DRAPER:** Yes.

**The Hon. DANIEL MOOKHEY:** The Warringah Freeway upgrade isn't there. The Bankstown Hospital decision, that's \$1.3 billion that's missing. Equally, the Central Station redevelopment doesn't seem to be there either. Again, we would appreciate a full reconciliation, but there's some other matters that I've been advised are not present there as well, if you don't mind having a look into.

**SIMON DRAPER:** Yes, I'll pick those up. Some of them, for example, the Warringah Freeway upgrade is there as part of the—it's really kind of an early works package for the Western Harbour Tunnel project, so that's covered in that one.

**The Hon. DANIEL MOOKHEY:** Arguably.

**SIMON DRAPER:** But I will go back through that reconciliation, as I said.

**The Hon. DANIEL MOOKHEY:** Yes. I think we're going to need to go back to 2019, because from what I can tell it looked like it was being updated to that point, but if you could for the last four years—

**SIMON DRAPER:** Yes. The policy started at the beginning of 2018, I think, so it's investment decisions since that time.

**The Hon. DANIEL MOOKHEY:** Well, we may as well look into it.

**SIMON DRAPER:** We'll go back and do that for you.

**The Hon. DANIEL MOOKHEY:** Thank you. That would be quite helpful. I think Ms Fishburn will have to answer these questions about cycling, if possible—through you, Mr Secretary. How many temporary cycleways are still operating right now?

**The Hon. SHAYNE MALLARD:** Pop-ups.

**The Hon. DANIEL MOOKHEY:** We're calling them pop-ups, are we? Okay, sure. Pop-up cycleways is the preferred term.

**KIERSTEN FISHBURN:** Pop-up cycleways.

**The Hon. DANIEL MOOKHEY:** Yes. How many of them are operating?

**KIERSTEN FISHBURN:** Mr Secretary, are you happy for me to talk to pop-up cycleways?

**ROB SHARP:** Yes.

**KIERSTEN FISHBURN:** At present we have a number of pop-up cycleways, some of which are in the process of being reverted to permanent cycleways—for example, Bridge Street in Glebe. Others, such as Moore Park Road, which is in the control of the City of Sydney, remains a pop-up cycleway while the detailed design work for the Oxford Street cycleway is currently underway. I'll make sure I get you the exact figure of the pop-up cycleways. There are a few that are in play at the moment, so I'll take on notice to get you the exact number. But, at the moment, they're all under review to either become permanent or to either be removed or be moved to a different place, such as Oxford Street.

**The Hon. SHAYNE MALLARD:** A fantastic initiative.

**The Hon. DANIEL MOOKHEY:** Has the planning permission for any of these pop-up cycleways expired?

**KIERSTEN FISHBURN:** I'll have to take that on notice. My understanding is no. There was that issue raised, which is why the work has been done, for example, with Bridge Street to ensure that it will now become permanent, so we didn't breach the planning consent. But I'll make sure I have the full details for you.

**The Hon. DANIEL MOOKHEY:** That was the one I was specifically going to ask you about. Did the planning permissions for the Pyrmont Bridge pop-up cycleway expire and, if so, when? Or was it in danger of expiring?

**KIERSTEN FISHBURN:** I'll have to take that one on notice so I get you the exact information. My understanding is that it hasn't, but I don't want to give you an inaccurate answer. I'm just flicking through notes to see if I can give it to you this afternoon.

**The Hon. DANIEL MOOKHEY:** That's helpful. I guess if you're going to take it on notice, can we also find out, if it's been extended, for how long has it been extended? And, equally, have we applied to turn it into a permanent one or are we in the process of deciding whether we will?

**KIERSTEN FISHBURN:** Let me take that on notice for you. I don't have a specific note here on Pyrmont.

**The Hon. DANIEL MOOKHEY:** Do we pay for that or will that be paid for by the City of Sydney?

**KIERSTEN FISHBURN:** Again, I'll take that on notice.

**The Hon. DANIEL MOOKHEY:** Okay. Just while I'm on that, how much money has been set aside in the budget for cycling and walking infrastructure this year?

**KIERSTEN FISHBURN:** It's actually a somewhat difficult question to answer on the grounds that cycling and walking infrastructure sits in a number of different budgets throughout the Transport area. Over five years there is approximately 950 million allocated. In this financial year, there is 110 million specifically allocated for the Get NSW Active grants. There are a range of other Active Transport projects that are in play that sit against the Infrastructure budget that Ms Drover manages—for instance, the Sydney Harbour Bridge North, that I've already mentioned, and the Sydney-Cronulla Active Transport Link project. So, across the five years, 950 million. The 110 is a firm set budget that will be allocated out for Get NSW Active, and then there is money invested in major infrastructure projects as well.

**The Hon. DANIEL MOOKHEY:** Of the 950 million over five years, is it possible on notice that we can get that broken down by year over the next five years? As you rightly point out, it's hard to follow.

**KIERSTEN FISHBURN:** It is challenging to follow, and it is one of the areas that we want to get better at, to be frank. Active Transport is actually capturing the spend because there is more invested in active transport than is obviously apparent. But, yes, we'll do our best to break that up over five years, noting that some projects, of course, have longer lead times and don't fall in a particular year.

**The Hon. DANIEL MOOKHEY:** Yes, that's fine. I presume this is actually just a part of the capital spending that the department is doing? Is that where it's—

**ROB SHARP:** It is.

**The Hon. DANIEL MOOKHEY:** Yes. So it's coming from the—

**KIERSTEN FISHBURN:** It's predominantly capex, but because active transport is co-delivered with local government, it varies. A significant element of that is also opex that goes out in the form of grants to local government as well. Again, the challenge and the great thing about AT is that it's done very much in partnership with councils and so the investment that is made in it also needs to be reflected when we're investing into councils—for instance, design work that may be paid for by the State Government then is realised by local government as well, so it's got a multiplier effect.

**The Hon. DANIEL MOOKHEY:** So, presumably, there are agreements put in place with each council when you're giving grants?

**KIERSTEN FISHBURN:** Yes, of course. Of course.

**The Hon. DANIEL MOOKHEY:** So I presume it would be possible, on notice, for you to provide a breakdown of the grants funding that will go out the door from Transport to LGAs this financial year, by LGA?

**KIERSTEN FISHBURN:** Yes, absolutely. That's all publicly available information. The Get NSW Active grants are being delivered out in four tranches. We got over 475 grant applications, which is wonderfully telling about how much people are valuing AT at the moment. To ensure that we didn't delay delivering out that money to councils, we have tranced the spend. The first two tranches have been publicly announced, so I can provide that information on notice for you. Tranches three and four will be released prior to the end of this calendar year, and all that information, again, will be publicly available. That provides the LGA—it's broken up by LGA and we also break it up by regional and metropolitan as well.

**The Hon. DANIEL MOOKHEY:** Has the department put in a request or a bid for WestInvest money for that?

**KIERSTEN FISHBURN:** For that specific program, no.

**The Hon. DANIEL MOOKHEY:** No, for other programs?

**ROB SHARP:** We have.

**KIERSTEN FISHBURN:** For other Active Transport programs?

**ROB SHARP:** Yes.

**KIERSTEN FISHBURN:** Like every other government department, we're keen to see WestInvest flow into our areas.

**The Hon. DANIEL MOOKHEY:** So that's a yes?

**ROB SHARP:** We have, yes.

**The Hon. DANIEL MOOKHEY:** Now is the time to make your case. I'm giving you a free microphone to tell us—

**The Hon. JOHN GRAHAM:** We'd be upset if the answer was the opposite.

**The Hon. DANIEL MOOKHEY:** Tell us, what are you—

**ROB SHARP:** Look, we do have a number of applications, as do many government agencies.

**The Hon. DANIEL MOOKHEY:** Yes, take us through them.

**ROB SHARP:** There is a criteria that Treasury has set. We're awaiting Treasury to complete the review to advise which of the projects are successful. So, effectively, there's a bidding process internally for those projects. We have an array which covers roads through to active transport. There are quite specific criteria around community benefits and things that will deliver very quickly, so the nature of those projects is quite specific to that criteria. But it is exciting because it does open up the opportunity for some projects which are harder to actually deliver.

**The Hon. SHAYNE MALLARD:** Hear, hear!

**The Hon. DANIEL MOOKHEY:** My colleague has gone soft. He wants to give you a two-minute head start on your end.

**The CHAIR:** I think, maybe, the Government will fill that time. Any questions?

**The Hon. SHAYNE MALLARD:** I don't, but—

**The Hon. DANIEL MOOKHEY:** But before we do—

**The CHAIR:** Sorry, we have not—

**The Hon. DANIEL MOOKHEY:** I was just going to say—

**The Hon. SHAYNE MALLARD:** The Chair was directing a question—

**The Hon. DANIEL MOOKHEY:** Well, the Chair had to—

**The CHAIR:** I had to redirect backwards. Go on.

**The Hon. DANIEL MOOKHEY:** —redirect. I was just going to say thank you, Mr Secretary, and to the Transport officials for appearing four times in this current estimates session. We did appreciate that.

**The Hon. JOHN GRAHAM:** Thank you.

**The CHAIR:** Yes, I echo that.

**The Hon. SHAYNE MALLARD:** What about us? We've been here four times.

**The CHAIR:** Mr Rath, do you have a question?

**The Hon. SHAYNE MALLARD:** Mr Rath might have a question, unscripted as it is.

**The Hon. CHRIS RATH:** A bit cheeky. On the electric buses, recently there were certain zones that have been part of a franchising model. How many electric buses were in those particular zones before that franchising model came in?

**ROB SHARP:** It's a good question. I don't think there were many. We specifically were looking to drive the initial uptake of the electric buses. I'd have to take it on notice, unless, Ms Drover, you know specifics? No. It would have been a very, very small number.

**The Hon. CHRIS RATH:** That would be useful.

**ROB SHARP:** It's been really interesting, though, the interest from the bus companies in this space. I'd say the industry as a whole has really engaged with the electric concept. So as a consequence, when we went out to the franchising, we got a lot of interest back.

**The Hon. CHRIS RATH:** So the buses that Mr Graham was questioning you about before in terms of the rollout, they're all basically being provided by private companies. It's all in partnership between the New South Wales Government and private bus providers.

**ROB SHARP:** Transport actually owns the buses. So the infrastructure and the buses sit with Transport. The operational elements are sitting with the franchise operators. So basically labour, the systems and the ability to actually manage day-to-day operations is what has been franchised.

**The Hon. CHRIS RATH:** I suppose the question I've got, in the inquiry we're currently doing into the privatisation of the buses—the upper House inquiry—in the Transport for NSW submission it states:

The most significant environmental outcome of the franchising model is the introduction of zero emission buses, which is discussed under the term of reference titled 'The transition to an electric bus fleet and supporting infrastructure'.

I suppose I was just giving a broad question about the benefits of franchising in terms of rolling out electric buses as you would see it.

**The CHAIR:** That is a long bow.

**ROB SHARP:** As I said, the industry is really engaged with this and it has actually opened up that opportunity. It has also opened up the opportunity for us to talk with industry in detail. This is actually a significant change to the industry because the actual depots and the infrastructure is quite challenging within the cities, and so we're working very closely with those franchisees to develop that. The other element is that each actually has a unique view in terms of what type of electric bus works for their area. So the franchise model is actually really honed in on what works specifically for those regions, and so there is considerable value that's flowing from those discussions.

**The Hon. CHRIS RATH:** Thank you.

**The Hon. SHAYNE MALLARD:** That ends our questions.

**The CHAIR:** Excellent, thank you. That does conclude today's hearing and all of our Transport and PC 6 hearings for this budget estimates. Thank you very much for your attendance. The Committee secretariat will be in touch, as always, to discuss the supplementary questions and questions taken on notice. Thank you very much to the secretariat, to Hansard and to all of the people in Parliament who help us put these budget estimates together. It is very much appreciated.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**