

## PUBLIC

THE LEGISLATIVE COUNCIL GOVERNMENT ADMINISTRATION  
COMMITTEE A MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE,  
HOBART ON MONDAY 21 DECEMBER 2015.

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### TASRAIL INQUIRY

Ms JENNIFER JARVIS, TASRAIL, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Mulder) - Welcome to the hearing, Jennifer. All evidence taken at this hearing is protected by parliamentary privilege. I remind you that any comments you make outside the hearing may not be afforded such privilege. The evidence you present is being recorded and the *Hansard* version will be published on the committee website when it becomes available.

We are seeking information in relation to the financial sustainability of TasRail. This is in relation to the letter received from Mr Annells, the chair, which says there is some commercially sensitive information which TasRail would consider potentially harmful to itself and its customers and place itself in breach of contract, particularly in relation to confidentiality and unauthorised release of commercial information.

You have also requested that you wanted to correct some information that was factually incorrect, and TasRail would welcome the opportunity to correct the record.

We will deal with any factual corrections and then go in camera to discuss which parts of the evidence you believe would be harmful to TasRail and its commercial customers.

A word of warning: if there is anything you later on want redacted from the record the time to correct that information is in the in camera session, not in the public session, or it will be published.

First, we will deal with the information TasRail considers to be factually incorrect and then correct the record accordingly.

**Ms JARVIS** - The chairman and Damien White send their apologies.

Thank you for the opportunity to come along today. I appreciate the opportunity to place on record concerns around the publication of commercial information and to correct factual information. I will not profess to have taken down everything that was said or noted everything that was said. I did make some general notes through the testimony on 9 November so there may be things I have missed, so I ask that when you release the *Hansard* from 9 November if there are other facts, as opposed to opinions, that need correction we may have the opportunity through perhaps future testimony from TasRail, should you provide such an opportunity in the future.

**CHAIR** - I am fairly sure the committee would be favourably disposed towards that. Your letter said there was some information that was factually incorrect and that TasRail

LEGISLATIVE COUNCIL SELECT COMMITTEE INQUIRY INTO TASRAIL,  
HOBART 21/12/2015 (JARVIS)

## PUBLIC

would therefore welcome the opportunity to correct the record, so I am happy for you to go through.

**Ms FORREST** - It might be helpful if Jenny is able to identify the witness who gave the incorrect information.

**Ms JARVIS** - The first few relate to Cameron Simpkins' testimony, and then I will mention who made the others as we go through.

The first one was a statement that the number of level crossings between Austins Ferry and Macquarie Point was 42. That is incorrect; it is 23.

There was a statement in a number of places that only one of TasRail's crossings complied with the ALCAM standard. That is an incorrect statement. ALCAM is not a standard; it is a methodology that is used to risk-assess a crossing to determine what sort of protection you need based on the risks, such as traffic by both road and rail. The standard we apply - and as far as we aware, all our crossings on public roads meet this standard - is AS1742. That is the standard we apply and believe we comply with.

**CHAIR** - On all crossings?

**Ms JARVIS** - On public roads. That standard applies and dictates what level of protection you need at a passive crossing, which is a crossing that is protected with signage, versus an active crossing which has lights and bells and other warning signs. They are all in compliance with that standard.

There was a further claim - I think in response to a question from the chairman - about what does the regulator think about that? Mr Simpkins made a statement along the lines that if the regulator thinks you are making progress, he is okay with that. I think there was some discussion about the cost. The regulator would not be okay if we didn't comply with those standards.

**Ms FORREST** - What would the regulator's action be should you not comply?

**Ms JARVIS** - That would be a matter for a regulator, but I imagine he would want to understand why we weren't and could even lead to giving us a notice. I can't remember the exact name of the notice but he will issue a notice that gives a certain period of time in which to comply, which isn't very long.

**Ms FORREST** - Have any of these notices been issued?

**Ms JARVIS** - Not that I am aware of for the crossings.

There was also a statement that it would cost around \$2 million to fix up the crossings. I thought it may be helpful to the committee to understand the costs. If you want to convert one passive crossing to active crossing - that is, to put the lights, bells and circuits in - it is about \$500 000 per crossing. If you then wanted to add boom gates to an active crossing, you are talking about another \$100 000. Even if the funding was available for boom gates, according to the ALCAM standard we would struggle to justify it on the basis of the volumes of road and rail traffic, also noting that boom gates are

## PUBLIC

certainly not foolproof. The experience in other states is that people drive through and around them and get stuck between them, et cetera.

The statement that rolling stock is being replaced with 19 new TRs is not correct. I don't want to sound pedantic, but rolling stock applies to both locomotives and wagons. TasRail purchased 17, not 19, new locomotives, and we have also retained some of the older fleet to ensure we can very quickly respond to new business. In fact we purchased around 250 new wagons. All of that has been reported in the annual report, so that is on record.

There was a statement that container volumes moved each way in Tasmania was around 70. That seems to be based on out-of-date information. The number is well above 100.

Tasmanian Transport Museum said that the members' statement of expectations that sets out the expectations of TasRail is reviewed every year. That is in fact incorrect. It was developed, agreed and set in place with the shareholder members shortly after TasRail was established, and it has not been changed. It remains in place until such time, I guess, that the shareholders deem.

**CHAIR** - How long has that been there?

**Ms JARVIS** - Probably within 12 months of TasRail being established. It is up to the shareholders to deem when they want that reviewed, but the expectations of TasRail have not changed and therefore it remains in place.

The Derwent Valley Railway made some commentary that they can't vary their existing accreditation without a licence, or lease, to access the track itself. That in fact is incorrect. The two are linked but you could do that as to conditions precedent.

**CHAIR** - Could you explain that?

**Ms JARVIS** - There was a statement that they can't vary their accreditation to operate on the Derwent Valley line - so outside their current activity - without a licence or lease from TasRail. While the two are related, they can progress their accreditation. It is a little like chicken and egg, but it would merely become a conditions precedent for them to go on the network. They could vary their accreditation; it wouldn't be enacted until such time as they had access to the network. I appreciate it is a bit chicken and egg.

A number of presenters that afternoon had commentary around TasRail's decisions on the non-operational lines - decisions made one way or the other about who could have the line and who couldn't, that sort of thing. TasRail would welcome the opportunity to respond more fully to those comments at a later date, assuming the committee gives it that opportunity.

None of them are materially detrimental but I thought it was important to correct the record.

**CHAIR** - I note we have other witnesses to come so there may well be other points raised in due course, and an opportunity to assess some of these issues and perhaps seek further commentary.