

# TRANSCRIPT

## STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

### Inquiry into infrastructure projects

Melbourne — 18 August 2015

#### Members

Mr Joshua Morris — Chair

Mr Khalil Eideh — Deputy Chair

Dr Rachel Carling-Jenkins

Mr Nazih Elasmr

Mr Bernie Finn

Ms Colleen Hartland

Mr Craig Ondarchie

Ms Gayle Tierney

#### Staff

Secretary: Mr Michael Baker

#### Witness

Mr Evan Tattersall, Chief Executive Officer, Melbourne Metro Rail Authority.

**The CHAIR** — I declare open the Standing Committee on the Economy and Infrastructure public hearing this morning. This morning's hearing is in relation to the inquiry into infrastructure projects. I extend a welcome to any members of the public who are here and of course a welcome to Mr Evan Tattersall, who is here to present to us today.

The committee is hearing evidence today in relation to the infrastructure inquiry, and the evidence is being recorded. All evidence taken today is protected by parliamentary privilege. Therefore you are protected for what you say in here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege.

Once again, I welcome Mr Evan Tattersall, the CEO of the Melbourne Metro Rail Authority. Today's evidence is being recorded, and you will be provided with a proof version of the transcript within the next week. The transcript will ultimately be made public and posted on the committee's website. Welcome, Mr Tattersall. You have a presentation to go through, and then we might have some questions.

**Mr ONDARCHIE** — On a point of order, Chair, there is a photographer taking photos.

**Mr BAKER** — This is for our own communications department, and it is normally allowed.

**The CHAIR** — Thank you, Mr Ondarchie. Mr Tattersall, I will hand the floor over to you.

### **Visual presentation.**

**Mr TATTERSALL** — Okay, thanks very much. This presentation — given the stage of where we are at with the project, it is important to understand the drivers for the project — talks a bit about the background of why Melbourne Metro, and then a high-level overview of what and how we are going to deliver it, but not into the detail of how we are going to deliver it because of the stage that we are at in the whole process.

I think everyone would probably be familiar with the population growth in Melbourne and the fact that it is predicted to double by the middle of the century. Along with the doubling of people comes an almost doubling of trips that everyone takes around the city, across all modes — road, rail, bus et cetera — a lot of increased intensity.

On the growth of Melbourne, the outer regions to the north, the west and the south-east, tend to be where a lot of that population growth is headed, mainly because land is available. A change in dynamics, given what vocations people undertake and what areas are growing — manufacturing has obviously declined substantially, but growth in what I will call professional-based services of finance, insurance, healthcare, with a lot of that growth in those services focused on the inner areas of Melbourne — means that a lot of people want to work in and around the city area.

That large blue circle represents over 500 new businesses in the first 10 years, or 2001–2011. The smaller one is 250 to 500, but the message is that a lot of people want to work in the inner city area, and that is driving a lot more trips in and around Melbourne, and a lot of those trips are coming from those outer areas that I showed you before in the north, the west and the south-east, and a lot of those trips are by rail.

That brings us to Melbourne's rail network. Each of those names represents a rail line. All of those lines come in around the red rectangle there, which is the city loop. There is a certain level of dependency across all of the lines to each other, so when you get a problem on one line that tends to create a ripple effect across the network because all of the trains and all of the services are centred around that loop. Similar to population growth, rail patronage has doubled, effectively, from 2000–2010. It has flattened off a little bit in recent years but is predicted to grow again at significant levels — 4 per cent — through to 2030, driven by that obvious population growth and the desire of people to work in the inner city areas. They do not want to drive cars because of the cost of parking, congestion and environmental concerns.

In order to address this intensity on the rail network, Rod Eddington did some work back in 2008 that looked at connectivity across Melbourne, both road and rail, and that is where the concept of a Melbourne Metro-style project first came into play. In parallel with that, a lot of work was happening at the transport authority level. Planning culminated in the network development plan in 2012, which is Public Transport Victoria's plan for short-term, medium-term and long-term solutions to the pressure that is building on the network. That work is being reviewed at the moment, the network development plan. Some work has been done in recent years to

address some of the constraints on the network, the most significant of which is the recently opened regional rail link that segregates regional trains from the metropolitan network.

There are also some projects underway that you would be aware of that the current government has introduced: the extension to Mernda, the level crossings agenda — getting level crossings removed in Melbourne enables us to run more train services — and a high-capacity signalling trial that is about to be done on the Sandringham line, which would then be proved up and rolled out across the network, which will generate in the order of a 20 per cent uplift in capacity.

The choke points for Melbourne are, firstly, Richmond. All lines from the east of the city except for one go through Richmond. Secondly, all lines from the west of the city go through North Melbourne. As I said before, the loop itself is nearing capacity. Similarly, in the tram network, the Swanston Street-St Kilda Road tramline is one of the busiest tramlines in the world. Every minute in peak hour you get a service in each direction, so there are a lot of constraints with people wanting to move into the city and along the St Kilda Road precinct.

Similarly in the north: coming down Royal Parade and Flemington Road, there are high constraints in the tram network around the central city area, with similar growth projections — 4 per cent going forward, and 34 per cent over the last 10 years in the tram network.

This brings us to Melbourne Metro. The other projects I highlighted before really only just keep the network's head above water, whereas Melbourne Metro is a significant change to the current environment. It is a tunnel from South Kensington to South Yarra which is independent of the city loop. Most importantly, it creates much greater capacity through the heart of the city, but equally importantly it connects the Sunbury line, which is one of the highest growth lines in Melbourne — heading out to that north-west area I spoke about before — to the Dandenong or Cranbourne-Pakenham line, which heads out to the south-east, to an equally intense growth area. It creates an independent line so that you have trains that are dedicated to that line, with dedicated overnight stabling, dedicated maintenance facilities such that the trains run backwards and forwards all day on the one line and you get away from the ripple effect that I talked about before where all the lines are dependent.

Five strategically placed stations come with it, with direct connection from the CBD North station you see there and the CBD South station to the existing Melbourne Central and Flinders Street stations, underground connection.

Some of the high-level benefits — I have spoken about the capacity relief. You get capacity in the order of 70 000 passengers per hour. That is theoretical. That is not necessarily what they will have on day one, but 35 000 in each direction. As I said, direct interchange from the city north station and city south station.

We will build stations to accommodate high-capacity trains, so this is the new international metro-style trains where you can fit a lot more people onto carriages that are the same size as our current fleet. We are also building to enable much longer trains so that for one service that comes through the city you get a lot more passengers on that service.

Arden station to the north-west of the city is an urban renewal area. It is currently light industrial that is being rezoned, and the opportunity to develop both residential and commercial and some retail in that area to support this desire to work inner city will be the catalyst for that urban growth, having a station there.

In Parkville there will be a station under Grattan Street in the heart of the medical and educational precinct. You go up and talk to the people up there and the growth plans are massive for both the medical precinct and the university, so it is a great place for a station.

Domain station down to the south of the city obviously feeds the commercial district down St Kilda Road and the tourist precinct of the Shrine and the Royal Botanic Gardens area. Also, I spoke of the congestion on the tramline along St Kilda Road and Swanson Street. Having that station at Domain, with high-capacity interchange to the tramline coming up St Kilda Road, and similarly at Parkville to the north of the city — high-capacity interchange with trams — will enable people to travel from the north to the south of the city and take load off the tram network, such that we will relocate trams as part of our project during construction but we will not be bringing all those tram services back, because the train service will replace it. That will enable a reduction in the congestion along that corridor. By fixing the hub with capacity, it enables future expansion such as the Melton electrification and extensions to Rowville, should the government go that way.

Just very quickly, this is Arden — I actually need a pointer. But the Arden precinct is just to the top of the sign there, close to the CBD.

That is Parkville station, so that is showing the Royal Melbourne, Royal Women's, Melbourne University off to the back and the new Victorian Comprehensive Cancer Centre, so it is a great place for a station — not such a good place to build a station but a great place to have one.

This slide shows to the north of the city, so you have Melbourne Central, the State Library, RMIT, and the underground station in this section between La Trobe and Franklin streets.

South of the city, under Swanson, between Flinders and Collins, you see St Paul's Cathedral, Federation Square with a direct connection to Federation Square underground. Flinders Street — direct underground pedestrian connection there. And Domain, with the Shrine of Remembrance to the top left. The station will be under St Kilda Road with entrances either side. Ultimately the plan, should it proceed based on the current network development review happening at the moment, is to have seven independent lines akin to what Melbourne Metro will be, so Melbourne Metro is the start. Ultimately having all the lines independent gets you away from that ripple effect that I spoke of earlier.

Building this thing is not going to be easy; it is a big challenge, a big station. We have got the city loop that we need to navigate. As I spoke of before, we will be moving some of the trams permanently to the west, which helps to feed the Docklands growth and the desire for people to work to the western end of the city.

On managing the impact on the heart of Melbourne, not shutting the city down while we build this thing is obviously a huge challenge. Getting over CityLink — we go very close to the CityLink tunnels. Getting under the Yarra — we have now got a confirmed tunnel solution to go under the Yarra, which means we reduce dramatically any impact on the river itself or that surrounding area, very constrained in a city environment. We are trying to design station platforms long enough, given we have got stations relatively close together, to handle the volumes of passengers we are talking about here is a big body of work we are undertaking at the moment.

We are out there doing geotechnical work at the moment. You would have seen rigs on Swanston Street. One of our biggest risks is the geotechnical conditions in and around Melbourne, particularly near the Yarra, so the more we do there the better we can mitigate that risk.

Just some quick shots: CrossRail to the left, Second Avenue subway in New York, express rail link in Hong Kong — they are doing this stuff all over the world successfully. Challenges? Yes, but successfully.

Finally, we are planning to have our reference design finished by the end of the year. That is supporting our business case that is also to be done by the end of the year. We have got a statutory planning process underway. We put a recommendation in to the Minister for Planning that we do an EES process. That is yet to be decided upon. We want to get an expression of interest out next year, start early works in 2017, get our planning approvals in place and get major works going by 2018.

The 2026 completion date sounds like a long way off, but it is a massive project, and a risk-adjusted program leads us to there.

**Mr ELASMAR** — Time flies.

**Mr TATTERSALL** — I hope that was not too much.

**The CHAIR** — Fabulous. No, that is perfect, thanks, Mr Tattersall. What we might do is run along the committee and have some questions, if we might progress to there. I might just kick off and just ask if the plans have been finalised for the project in terms of how it is going to come to fruition.

**Mr TATTERSALL** — When you say 'plans', do you mean the actual design — the reference design?

**The CHAIR** — Yes.

**Mr TATTERSALL** — No, definitely not. We hope to have that finalised by the end of the year. It will be progressive, into more and more detail, but we need to get the scope resolved in order to support the business case and the planning approvals process, so later this year.

**The CHAIR** — Without the project being full planned in terms of the exact requirements, how can the project be costed to this point?

**Mr TATTERSALL** — A body of work done a few years back was sort of a baseline. We started with the work that had been done over quite a period of time but went on hold a few years back. We took all of that as our baseline and updated that as best we could based on that information that is already out there. But a lot of things have moved on since then, so we have had to relook at the whole patronage modelling, where people want to work and where people are moving. The growth that we talked about has increased significantly from years ago. We are looking at longer trains now under this scheme to the previous one, but we are able to progress off the back of some of that work that was done years ago in our own assessment of where we are going. That is where we have been able to get the numbers, but it is very much a work in progress.

**The CHAIR** — And those numbers, where are they at about now in terms of the overall cost of the project? Do you have an idea of what the total project is going to cost towards finalisation?

**Mr TATTERSALL** — I think it has been made quite public that we are in that \$9 billion to \$11 billion range, but there is a lot of work going on at the moment to nail that down to support the business case.

**The CHAIR** — In terms of that, the government has committed just over \$4 billion to the project, and you are saying that the project is in the vicinity of a \$9 billion to \$11 billion project. How is that going to come to fruition if the funds are not there allocated?

**Mr TATTERSALL** — My understanding is that they have committed the \$9 billion to \$11 billion. They have allocated \$1.5 billion to the project over the next four years, which we are using to do our reference design, develop and do geotechnical work. We will need to be doing early works ahead of the main works, and land acquisition. The other three that I think you are referring to is the fund provision.

**The CHAIR** — Yes.

**Mr TATTERSALL** — I think that is where you get to the \$4.5 billion.

**The CHAIR** — Yes, that is right.

**Mr TATTERSALL** — That really is probably a discussion for Treasury or the minister for transport — around the \$3 billion, I mean.

**The CHAIR** — To progress from there.

**Mr TATTERSALL** — We have \$1.5 billion, and we are moving on that.

**The CHAIR** — You spoke about the business case. Where is the business case at the moment?

**Mr TATTERSALL** — We are doing a lot of work on that. That will be finished by the end of this year, and the intention is to publicly release that at the appropriate time.

**The CHAIR** — Now that the project has been committed to, what is the overall purpose of the business case?

**Mr TATTERSALL** — To firm up the whole solution and confirm the dollars.

**The CHAIR** — So we have got something that has been committed to without a firm business case. Would that be a fair assessment of where we are at the moment?

**Mr TATTERSALL** — As far as we are concerned, for the work that we have been given to do we have allocated the \$1.5 billion to get on with it and prove up the business case to confirm that \$9 billion to \$11 billion and where it sits within that. If you have any questions beyond that, you are probably better off talking to the minister for transport.

**The CHAIR** — Sure. Something that has been quite topical is disruption to Swanston Street. In broad terms, what do you see as being the overall impact that this project is going to have on Swanston Street?

**Mr TATTERSALL** — It is important to understand — and I am not sure if people around the table are aware — that four years ago there was talk of ripping up the whole of Swanston Street. That is not our current plan. The current plan is to do what we call open-cut construction for the stations at the southern end and the northern end of the city, which means we open up the roadway and go down from there.

For the section between the two stations we have a mining technique that we are planning on using which means you do not take the road pavement up. You work from underneath, so the disruption to the heart of Melbourne is vastly reduced compared to what it was in the previous Melbourne Metro concept.

With respect to the two station boxes, which will disrupt that Swanston Street area, we are doing a lot of work at the moment on how we can best reduce that impact and manage it.

**The CHAIR** — Will Swanston Street be closed to all traffic in those areas that we are talking about, in the vicinity of the CBD south and the CBD north stations?

**Mr TATTERSALL** — Yes.

**The CHAIR** — It will be completely closed to pedestrian and other traffic along those areas?

**Mr TATTERSALL** — The current plan is that trams will be relocated, so there will not be trams or vehicles going up Swanston Street because effectively we will have a hole in the ground, but we will maintain pedestrian access. We are looking at how we can best facilitate the movement of people and stage our works in order to maximise amenity and minimise impact.

**The CHAIR** — Would that be pedestrian traffic on both sides of Swanston Street?

**Mr TATTERSALL** — Depending on the staging, we could have times when there is not access on one side of the street but there would be access on the other side.

**The CHAIR** — There has also been discussion around compensation for traders in the event of loss of trade due to the works that have occurred. Would you foresee retailers being compensated for any loss of trade due to the works?

**Mr TATTERSALL** — Our focus at the moment is on how we minimise that whole impact. Each business is going to be impacted differently, so until we finalise exactly how we are going to build this thing, we will not know what that impact is going to be and any impact on their business. If anyone is directly affected, there is the Land Acquisition and Compensation Act that enables compensation to be paid to businesses.

**The CHAIR** — Would your authority be responsible for funding that compensation?

**Mr TATTERSALL** — Yes.

**The CHAIR** — In terms of the passenger interface, particularly at the CBD south and CBD north stations with the existing stations, what will that look like? Will there be a fully underground interchange? What is that expected to look like?

**Mr TATTERSALL** — To Melbourne Central a direct underground connection, and to Flinders Street Station a direct underground connection.

**The CHAIR** — A direct underground connection is very good. I am assuming there is going to be a significant amount of spoil that is going to need to be removed?

**Mr TATTERSALL** — Yes.

**The CHAIR** — Do we know where that is going?

**Mr TATTERSALL** — Not yet. We have some good ideas. There are a number of quarries around the outskirts of Melbourne that need filling to redevelop, to enable them to be turned into either parkland or eventually residential developments. A little bit closer to the time we will find places for the spoil.

**The CHAIR** — Can you tell us where any of those are at the moment?

**Mr TATTERSALL** — On the outskirts of Melbourne. There are a number of them.

**The CHAIR** — Specifically?

**Mr TATTERSALL** — I am not going to be too specific, but there is one near Melbourne Airport that we are certainly looking at, which is good, with the freeway.

**The CHAIR** — Very good.

**Mr EIDEH** — Yes. Will this project be managed by yourself only, or do you intend to invite some external project management onto this project?

**Mr TATTERSALL** — We have quite a team established already. If I can perhaps just go to that. We have over 300 people working on the project at the moment. About half of those are design engineers from Aurecon Jacobs and Mott MacDonald, and Grimshaw is the architect. They are a consulting firm doing the reference design. We have also got advisers from the construction industry helping us particularly with how do we minimise the impact around the heart of the city. Then we have a bit over 100 VPS employees, and we have a management structure in place that will manage the whole of the project. We expect that will probably grow from the 320 but that it will fall away again once the engineers finish the reference design. So we will manage it with that structure.

**Mr EIDEH** — Roughly, how many people will be employed on this project?

**Mr TATTERSALL** — Conservative figures are 3500 at peak — hopefully it will be a bit more than that, I would think. It depends a bit on the final program and just how quickly we build the project, but of that order, 3500, which includes not just directly on the job but suppliers and fabricators, that sort of thing.

**Mr EIDEH** — That is good.

**Mr ELASMAR** — Just to follow up on the closure of Swanston Street, what would the time period be for that?

**Mr TATTERSALL** — Years. We have not worked out quite how many years yet, but it will definitely be years, because those stations are the critical path of the project. Our plan is to get the box built and then get the lid back on it as quickly as we can and reinstate the road surface and then finish all the station fit-out works from underneath. We are just looking at options at the moment on how we can stage it and finesse the alignment so that we get the best outcome — minimise that impact. It is in our interest to do that.

**Mr FINN** — I am just wondering about the impact. Obviously with more trains it going to ease the burden on the current system, but in the areas that I represent we have a particular problem on the West Gate Freeway and the Tullamarine Freeway and the Calder as well. I am just wondering if there are any indications as to whether this rail system will ease congestion — get people off the roads and onto the trains — given that already the network is at capacity and we are 11 years away from this particular project coming online.

**Mr TATTERSALL** — I appreciate that the horizon for this project is a long way out, but clearly the work that is being done is based on patronage growth, people wanting to get out of their cars and get onto the rail network, and providing the capacity for them to do that is what Melbourne Metro is all about. So, yes, I think is the simple answer.

**Mr FINN** — To what degree, do you think? Surely there must have been some work done to — —

**Mr TATTERSALL** — Like I say, the capacity of these two new tunnels is in the order of 70 000 people, if you take people going in both directions. The day 1 service plan is based on the timetable that Public Transport Victoria will implement and the rolling stock that is available, which is in the order of a 20 000 person uplift

across the peak hour. But the potential to have much greater than that is there with this project. Because you have got two tunnels, you can get 24 trains an hour, in that order, with much higher capacity, longer trains. So the potential is huge to get a lot more people onto the project. I think with the projections for growth you will finish Melbourne Metro and you will probably turn around and start building the next one because people are just going to continue to use the network. You build it and they will use it.

**Mr FINN** — Do you find it just a little odd that anybody would commit to a project before seeing a business case?

**Mr TATTERSALL** — I think that is probably a question not for me but for others. We are being tasked to take our 1.5 billion and get going.

**Mr FINN** — I am sure you would. I would too, I have to say, if somebody was silly enough to offer me that sort of money. What happens if toward the end of this year or early next year or whenever it might happen the business case is prepared and it does not stack up? The government, as you say, has already committed to it. What happens if the business case is released and it just does not stack up?

**Mr TATTERSALL** — I do not think those questions are really for me to answer. We are a delivery authority, and we are out there doing that, and we are assessing the cost and the program, which is equally as important — —

**Mr FINN** — Okay, let me ask — —

**Mr TATTERSALL** — to free others to make those calls.

**Mr FINN** — Let me ask this, then. If the business case does not stack up and the government says, ‘This isn’t going to work’, and in fact pulls the plug, having made a commitment already, would your company be in a position then to take legal action to either get compensation, or at least some recompense, for the money you have already spent?

**Mr TATTERSALL** — When you say my company, we are an authority under — —

**Mr FINN** — Your authority or those who — —

**Mr TATTERSALL** — the department of economic development.

**Mr FINN** — Yes, your authority, those who have invested money in to this point?

**Mr TATTERSALL** — For those who are consultants to the authority, they are being progressively paid for the work they are doing, and there is no commitment, if the project does not go ahead, to pay them any more than what they have already been paid.

**Mr FINN** — So what we are saying is: if the project does not go ahead, that is just lost money, that is gone?

**Mr TATTERSALL** — Again, I guess that is anyone’s view, but my view is the project will go ahead. I think they are questions — —

**Mr FINN** — As you say, there are questions that perhaps we should ask the minister.

**Mr TATTERSALL** — I think so.

**Mr FINN** — And hopefully we will get the opportunity to do that at some stage. But from your perspective if the business case is prepared and the government decides that it is not worth going ahead with, that money that is already committed — I think you mentioned the figure of \$1.5 billion — would be lost?

**Mr TATTERSALL** — No. It very much depends on the timing of all of that. The decision presumably will be formalised in the next budget cycle, and we will not have committed the 1.5 billion, anywhere near that, by that stage.

**Mr FINN** — Just one last question. You mentioned that the trams in Swanston Street will be relocated, which is an interesting concept. Where will they be relocated to?



**Mr TATTERSALL** — To Elizabeth Street, William Street and Spencer Street, and some of those — the William and Spencer — services will remain; they will not be relocated back.

**Mr FINN** — So as a result of this there will be, at least for the next 11 years, less tram services in the city?

**Mr TATTERSALL** — It certainly will not be for 11 years. Any tram relocations will not happen until the timing is right to lead into/enable the major construction works to happen. Then we will be putting the trams back as soon as we can while we are still working underneath.

**Mr FINN** — But during that time there will be less tram services for the city?

**Mr TATTERSALL** — During a period of years there will be the same number of services, they will just be going up different — there will be different routes for the trams.

**The CHAIR** — Mr Ondarchie.

**Mr ONDARCHIE** — I have a series of questions, but you might want to defer to someone on the other side.

**The CHAIR** — I am happy to. Colleen, did you want to go next?

**Ms HARTLAND** — Yes. I have a couple of technical questions. When you were talking about the high-capacity signals on the Sandringham line that are being tested at the moment, when would you expect that project to finish?

**Mr TATTERSALL** — It is really one for Public Transport Victoria. I do not think they have finalised the timing on it yet. We are obviously working pretty closely with them, because we need information from that to support the work that we will do. But it really is a bit of a work in progress with Public Transport.

**Ms HARTLAND** — And because obviously currently one of the main problems with the system is the very poor signalling and the fact that it has not been upgraded for decades. Presumably you will be incorporating an entirely new signalling system and hopefully upgrading other parts of the network, so that would be part of what would really improve the productivity of this project?

**Mr TATTERSALL** — We will be doing a section of new signalling system, but we need to then integrate with other works that are happening under other projects around the network so you get that full uplift from the improved signalling system.

**Ms HARTLAND** — When you talk about the box that is the two new stations on Swanston Street, will they be done at the same time?

**Mr TATTERSALL** — Yes.

**Ms HARTLAND** — And when you talk about a box, you literally mean that you will have to carve it out of the ground and place some kind of structure within that space?

**Mr TATTERSALL** — Yes. It is a city block effectively and pretty much the full width of the roadway. Particularly with the southern station you have geotechnical issues there, so we have to build the box and then retain the groundwater from it, which is why it is a fairly slow process. As I said before, those stations are really the critical part of the project — they will take the longest to build. So getting in there and getting those stations going is the most important thing, particularly because of the geotechnical conditions but also because of the staging aspects.

**Ms HARTLAND** — You talked about jobs before in terms of construction. I could imagine with this number of new stations, there would also be a number of permanent jobs being created within the railways, with station assistants, trains, drivers et cetera. Have you got any idea about permanent jobs?

**Mr TATTERSALL** — No, I do not, I am sorry, for the operations side. I do not, but we could come back to that if you wanted.

**Ms HARTLAND** — That would be great.

**Ms TIERNEY** — I have two questions. The first one flows from Colleen and Khalil's questions on employment. I am wondering what your commitment is in terms of the number of apprentices that will be employed during this project and roughly the types of apprentices that will be employed. The second question is in relation to the under-river crossing, which has attracted a fair bit of interest and attention from the general public. In your presentation you made mention that you thought that there has been a bit of a breakthrough in terms of how that might happen and that there is potentially a better way forward now in relation to the environment, but the implication is also that technology and innovation in terms of how it will actually be physically done is starting to land in a place that your authority might be feeling more comfortable with.

**Mr TATTERSALL** — Firstly on the apprentices, we do not have an actual percentage yet; we are still working through that. But we are really strongly committed to training up people, because the industry is just going to keep growing and we sadly lack apprentices, or skilled tradespeople, particularly in the signalling area, so the rail systems area. You talked about which areas — that is an area of focus. We have just finished a regional rail link project where we had a strong commitment to developing up apprentices particularly in that area but also across the more general rail construction trades — track, power systems. And then you get to more traditional trades — your carpenters. There is a strong commitment to developing apprentices, but I could not give you an actual percentage at the moment.

With the Yarra crossing, one of the last bodies of work they did back in the previous incarnation of Melbourne Metro was geotech work in and around the Yarra River, so boreholes to confirm exactly what the ground conditions are there. We were able to use that and we have added to it to determine that the ground conditions, particularly the location of the rock under the Yarra, are suited to a tunnel as opposed to the previous preferred option, which is what we call an immersed tube. That is effectively building at the base of the river and bringing precast units in, dropping them in and sealing them off progressively, which means you still end up with the top of the tunnel at the bottom of the river but to get them there you have much greater exposure to the river itself from an environmental perspective. Also the traders — the bars and restaurants on one side and then the sporting clubs, the rowing clubs — the impact on all of that amenity was much greater, whereas with tunnelling underneath there should be very minimal impact, so it is a good outcome.

**Mr ONDARCHIE** — Mr Tattersall, thanks for your presentation. You advised us that one of the documents that informed your work was the Eddington report of 2008 that talked about moving people around Melbourne. Is this the same report that recommended the east–west link as a road transport option?

**Mr TATTERSALL** — I think it was a fairly broad, encompassing report that talked about connectivity from the east to the west of Melbourne in all respects, so it probably did have the east–west link in it.

**Mr TATTERSALL** — But it introduced the concept of Melbourne Metro, not the exact solution we are currently proceeding with.

**Mr ONDARCHIE** — Right, thanks. You also talked about land acquisition as a result of this project. Are any people going to lose their houses or businesses as a result of this?

**Mr TATTERSALL** — There will be land acquisition. What we are doing right now is working out how we minimise that. We are doing a lot of things to minimise any land take, but there will be land take — —

**Mr ONDARCHIE** — And where is that going to be?

**Mr TATTERSALL** — I cannot tell you exactly where it will be.

**Mr ONDARCHIE** — You do not know?

**Mr TATTERSALL** — It will be a mix of some in the central city area and some on the peripheries potentially.

**Mr ONDARCHIE** — So we are talking about residential and commercial businesses.

**Mr TATTERSALL** — Potentially, yes.

**Mr ONDARCHIE** — So there will be some Melburnians who will lose their homes?

**Mr TATTERSALL** — But for a project of this scale it is not massive.

**Mr ONDARCHIE** — How many are we talking?

**Mr TATTERSALL** — I cannot tell you that at the moment. We are still working through that.

**Mr ONDARCHIE** — So how would you define ‘massive’?

**Mr TATTERSALL** — I am saying it will not be massive. A scale of a project like this, you look at wherever they build these things around the world, land take impact is substantial, whereas I think in our case we are working on finding ways to minimise that to a fairly reasonable level.

**Mr ONDARCHIE** — What do you think a reasonable level is going to be?

**Mr TATTERSALL** — When we finish all the work, we will come back and talk in more detail. But we will be out in the coming months talking to landowners who are impacted or going to be impacted.

**Mr ONDARCHIE** — So have you had no consultation with landowners or businesses yet?

**Mr TATTERSALL** — Not at this stage — we certainly have at a general level, just letting them know about the project and the overall time frame and so forth. But we have not specifically been talking to individual businesses about land take.

**Mr ONDARCHIE** — Okay. What about the Swanston Street businesses? You talked about there being some disruption there for years. I think you said not shutting down the city is the big thing.

**Mr TATTERSALL** — Yes.

**Mr ONDARCHIE** — What consultation has there been with the traders in Swanston Street about the likely impact on their ongoing business? Bearing in mind that we are not just talking about the retail at the ground level; there are plenty of businesses that operate above them as well.

**Mr TATTERSALL** — We have done quite a bit, albeit we cannot be too specific with them yet because we have not finalised the work. But we had a forum two weeks ago in the Westin Hotel. It was an open invitation to any traders and we got, I think, about 80 businesses coming through and we gave them as much information as we could, given the stage of the project. We have also been out talking directly, one-on-one meetings with traders. We have been very proactive to say, ‘If you want us to come to talk to you, we will’. So we are actively talking to a lot of businesses and business associations as well.

**Mr ONDARCHIE** — And are they talking to you? What are they saying?

**Mr TATTERSALL** — Yes, they are. They are appreciative of being told where the project is at. They are obviously very keen to know the next level of detail, which we cannot tell them just yet, but we are not that far off.

**Mr ONDARCHIE** — How far away are you from telling them, because they have to make business plans for their own futures?

**Mr TATTERSALL** — They do, yes. So in the coming months.

**Mr ONDARCHIE** — Okay, because rightly so we are also worried about potential job losses as a result of this as well. I know there will be some job creation, but there will be many employees, some casual employees, who will lose shifts and permanent employees who will lose opportunities along Swanston Street as well if businesses are required to close down.

**Mr TATTERSALL** — Yes. That is what we have to work through at the moment to minimise. And any that do we will certainly be at pains to help them in that process.

**Mr ONDARCHIE** — How so?

**Mr TATTERSALL** — Relocate potentially.

**Mr ONDARCHIE** — So some compensation for loss of trade or loss of activity or loss of business?

**Mr TATTERSALL** — Help them to relocate. But there are provisions, as I said before, under the Land Acquisition and Compensation Act to manage that. If they are entitled to compensation under that act, they will get it.

**Mr ONDARCHIE** — Do you have a sense of how many businesses will be affected?

**Mr TATTERSALL** — Not that I am prepared to say at the moment. We are still working through that.

**Mr ONDARCHIE** — You talked about that there would only be pedestrian access likely along Swanston Street. What happens to emergency services that need to access Swanston Street for any of that?

**Mr TATTERSALL** — We have been working with the emergency services people already, again getting them across the concept and timing and what our thinking is. We obviously have to come up with ways and means for emergency services to get access to all areas in the case of an emergency. It is a good point, and we are actively working on it. We have not got the solution yet but —

**Mr ONDARCHIE** — And the plan is, as I understand it, to do the north and south stations on a cut-and-fill basis, essentially.

**Mr TATTERSALL** — Yes.

**Mr ONDARCHIE** — And then find a way of tunnelling between the two.

**Mr TATTERSALL** — Yes.

**Mr ONDARCHIE** — But your geotech results will not be able to confirm that yet, will they, that you have the capacity —

**Mr TATTERSALL** — No, no, we are confident we can tunnel.

**Mr ONDARCHIE** — So you know that already, do you?

**Mr TATTERSALL** — We have had construction companies in working with us as well, to validate that.

**Mr ONDARCHIE** — And, picking up Mr Finn's point, if the project for some reason does not go ahead because the business case that does not exist right now does not stack up, will those construction companies seek compensation from the authority for the work they have undertaken or the sunk investment they have made in plant and equipment?

**Mr TATTERSALL** — They are not out there with equipment. They are analysing it with us on construction methods and construction techniques, so they are being paid for the work they are doing to advise us at the moment. It is groups of very experienced people working with us on the construction techniques. It is not buying equipment.

**Mr ONDARCHIE** — So they would not be adding to their balance sheet in preparation for this project at all?

**Mr TATTERSALL** — No.

**Mr ONDARCHIE** — No?

**Mr TATTERSALL** — Anything they do is then out in the public tender process that we will go through, so there is nothing — there is no probity issue there.

**Mr ONDARCHIE** — Okay. Part of the risk profile of course is the geotech issues, and you have lots of work to do on that yet to properly inform you of this project. Is this budget enough to cover everything you need to do in the planning stage?

**Mr TATTERSALL** — The 1.5 you are talking about?

**Mr ONDARCHIE** — Yes.

**Mr TATTERSALL** — Yes.

**Mr ONDARCHIE** — Okay. I just wanted to touch further on Mr Finn's point about landfill and where you are going to take the spoil and the waste to. You indicated that there might be a site near to Melbourne Airport.

**Mr FINN** — It thrills those of us who live near there, I can tell you.

**Mr ONDARCHIE** — So for those like Mr Finn who live in that area, I am interested about truck movements along CityLink and the Tulla to get to that, and you talked about some other landfill sites that will be outside of the CBD area. Where are they?

**Mr TATTERSALL** — We have not identified specific sites. We are looking, but it is fairly early days yet for that.

**Mr ONDARCHIE** — Have you got some sense of it? You talked about one in the north-west — —

**Mr TATTERSALL** — There obviously are not quarries in the heart of Melbourne, they are all out on the periphery of Melbourne and potentially further out. That is our focus: to find locations like that, maybe low-lying areas where council is wanting fill to level out, to make it into a more productive space. That is the concept. We do not have specifics on that yet.

**Mr ONDARCHIE** — Have you had any consultation with local government and/or residents about the likely impact of spoil and waste and truck movements in that area?

**Mr TATTERSALL** — No, because we have not got that far yet.

**Mr ONDARCHIE** — When do you think they will get to know that?

**Mr TATTERSALL** — That is something that will be driven probably more through the delivery bodies, so the actual contractors who come in and do the work.

**Mr ONDARCHIE** — So they will decide where it goes?

**Mr TATTERSALL** — No, but they will ultimately drive the final solution with us, so it is not something for us to mandate and say, 'We want everything to go here'. There are opportunities that we can come up with and include in the process, but ultimately it gets back to what is the most efficient means of getting this material out of the city so you are not impacting the amenity of the city any more than you need to, which might mean taking spoil in a different direction to what we might think.

**Mr ONDARCHIE** — Okay. I take your point about not interrupting the amenity of the city but, Mr Tattersall, you are an authority of the government via the department. I think at some level you have to mandate not spoiling the amenity of communities outside the CBD as well.

**Mr TATTERSALL** — Yes, and we will. Anything that is done in that regard would be done in consultation with councils in the area.

**Mr ONDARCHIE** — Do you know how many sites you might need?

**Mr TATTERSALL** — No. We know that the volume of material is in the order of the volume of the MCG, so it is a big load of dirt we have got to move, but where we end up taking it is to — there is a lot of work to happen before we finalise that.

**Mr ONDARCHIE** — What about local suppliers and local employees? Does the authority have a set of values around what they would see in terms of local employees and local suppliers for this project?

**Mr TATTERSALL** — Yes, there is a government approach to that, a whole-of-government policy in terms of local employment that we will be working with.

**Mr ONDARCHIE** — Chair, I have nothing further for the moment, but there are a lot of unanswered questions so we will need to source more information from the authority at some point.

**The CHAIR** — Absolutely, and I know, as we go around and have questions answered, that this does bring up more questions, so I am assuming some members of the committee may have further questions they might like to ask, but I just have a couple of questions that have popped up. Talking about the two CBD stations — CBD South and CBD North, I am assuming the area that will be dug up for years will be the areas between Flinders Street and Collins Street, and La Trobe Street and Franklin Street for those two stations, is that correct?

**Mr TATTERSALL** — That is the current plan, yes.

**The CHAIR** — The geotechnical issues with the CBD South station, are they resultant of the proximity to the river? Is that the concern?

**Mr TATTERSALL** — It is just something we have to manage. There is nothing untoward about it, it is just technically quite complex and takes time. It is stuff that is done all the time all around the world, so we are not doing anything different. It is just that you have to take it fairly slowly because of the nature of retaining the groundwater.

**The CHAIR** — Where it is there.

**Mr TATTERSALL** — Yes.

**The CHAIR** — As a result of that, is it likely that the area between Flinders Street and Collins Street is going to be dug up for longer than between La Trobe and Franklin streets?

**Mr TATTERSALL** — It is fairly similar, and again, when the contractors get on board and do the nitty-gritty, they will determine ultimately how long it will take. They will probably have some really good ideas that will make it quicker than we think it will be.

**The CHAIR** — Just getting back onto the spoil and where that is going to be taken, are there going to be any issues about contaminated waste as a result of the amount of fill that is going to be needed to be moved?

**Mr TATTERSALL** — There could be, but given that the majority of the fill is coming from a tunnel, it is very unlikely that there will be contaminated material.

**The CHAIR** — I am assuming that there is going to be testing done to ensure that there is not going to be any contaminated waste?

**Mr TATTERSALL** — Yes, absolutely.

**The CHAIR** — And any thought as to where any possible contaminated waste may go?

**Mr TATTERSALL** — We have not got into that detail. We have to determine just how much of it, if any of it, is contaminated.

**The CHAIR** — Very good. I think that was about all of mine. Ms Hartland, did you have further questions?

**Ms HARTLAND** — I was going to ask another question about spoil, but it has actually been asked now.

**The CHAIR** — Ms Tierney?

**Ms TIERNEY** — It was more a statement about thanking you for your patience in recognition that it is early days in terms of planning and that in some of the questions I think we are expecting a lot more information when in fact the timetable has not allowed you to be in a position to respond to those questions.

**Mr TATTERSALL** — I am quite happy to come back when we are.

**Ms TIERNEY** — Good.

**The CHAIR** — That would be great. Ms Hartland, you did have a further question?

**Ms HARTLAND** — Yes, and this one you may not be able to answer at the moment, but I live in Footscray so I have had a lot to do with regional rail, and the way they dealt with community was extremely poor, so I suppose what I am asking you is: how do you plan to deal with community, especially around engagement with communities so they actually know what is going to happen, how long it is going to happen and all of those kind of things?

**Mr TATTERSALL** — Community engagement will measure the success or failure of the project, so I totally agree with you. We have had a lot of discussion with other projects around Australia and internationally, and the message is: how do you make these projects successful? It is communication, communication, communication. That is why James Tonkin is here. He is director of communications, stakeholder relations. We have been putting a lot into this already, just establishing relationships, creating awareness of the project, letting people understand what it is we are trying to achieve, the bigger picture, and yes, the impact that is necessary in order to deliver it. But your point taken: it will take a lot of work to make sure the community knows exactly where we are at and how we are going to do this.

**Ms HARTLAND** — I am really happy to talk to you about what should have happened with regional rail but never did.

**Mr TATTERSALL** — We should do that, because I am aware of some of the issues there.

**Ms HARTLAND** — I have lots of residents you can speak to.

**Mr TATTERSALL** — All right, we will take you up on that.

**Ms HARTLAND** — And echoing Gayle's comments, this has been really helpful. I appreciate it. But obviously I think there will be more questions as we go on.

**The CHAIR** — Further questions?

**Mr FINN** — Just one more, if I may. I am putting my local member's hat on now, if I may. As somebody who represents an area that seems to be earmarked for a good deal of underground material to be dumped on us, can you rule out — we have had a lot of, to put it quite bluntly, crap dumped on us over the years, and we are used to it, but we are getting a bit sick of it. Can you rule out the prospect of contamination, particularly of anything that might have deleterious effects on the health of people who might be living near a landfill, including asbestos?

**Mr TATTERSALL** — Should we come across any contaminated material, it will be dealt with in the proper manner. We have got EPA guidelines. We need to work with their — —

**Mr FINN** — I will tell you what, Mr Tattersall, I appreciate that you are going to work with the EPA, but I too have worked with the EPA, and I do not have a great deal of faith in them. It is a body that does leave a lot to be desired when it comes to protecting the welfare of those people who live near landfills. Given what you have said here today, that is something that we out in the north west are particularly concerned about. We do not want any contaminated waste dumped on our doorstep.

**Mr TATTERSALL** — We certainly do not have any intention of doing that. There are guidelines — not necessarily EPA doing the work. We are doing the work, and there are guidelines to work with. We are certainly not going to be mismanaging any contaminated material. That is 101 Contracting, quite frankly. I assure you that we will not be dumping unnecessary waste on your doorstep.

**Mr FINN** — I have to say that we are not all that fond of the necessary waste either.

**Ms HARTLAND** — All of these big projects give us an opportunity to look at cycling and pedestrian access afterwards. Are there any plans about how you would make that better, especially obviously in the city? Cycling is not exactly an easy place for people.

**Mr TATTERSALL** — We met up with Bicycle Network Victoria a couple of weeks ago just to start that communication process. They have a lot of good ideas, and we are very conscious of that. We want to make it work in with whatever we do. Again, it is one of those things where it is a work in progress, but we are certainly very aware of it. We are very aware of maintaining accessibility for cyclists as much possible during

construction as well, particularly St Kilda Road as an example. At the main station we want to stage that to keep everyone moving while we build, and up to the north in the Parkville area, with people coming in from the periphery of the city.

**Ms HARTLAND** — I will raise an operational issue rather than one you can answer. At Williams Landing and some other railway stations, including West Footscray, there are not enough bike cages. People are now quite fond of riding to their station and then catching the train in, but with nowhere to store the bike it is quite difficult. Is that something that you will incorporate?

**Mr TATTERSALL** — It is certainly something that Bicycle Network Victoria raised.

**Ms HARTLAND** — I can imagine that.

**Mr TATTERSALL** — They sent us videos of the Japanese, who have these little elevators.

**Ms HARTLAND** — They are really nifty!

**Mr TATTERSALL** — Yes, they are great. I am not saying we will be doing that, but we are certainly looking at ways and means of accommodating bikes.

**The CHAIR** — Mr Tattersall, thank you very much for your attendance today and for answering questions. We look forward to having you back in the not-too-distant future.

**Mr TATTERSALL** — Thank you very much.

**Committee adjourned.**