

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2016–17

Melbourne — 12 May 2016

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Witnesses

Ms Jacinta Allan, Minister for Public Transport,
Ms Sue Eddy, Acting Secretary, and
Dr Gillian Miles, Lead Deputy Secretary, Transport, Department of Economic Development, Jobs, Transport
and Resources;
Mr Jeroen Weimar, Acting Chief Executive Officer, Public Transport Victoria; and
Mr Kevin Devlin, Chief Executive Officer, Level Crossing Removal Authority.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2016–17 budget estimates. All mobile telephones should now be turned to silent.

Due to unforeseen family circumstances, Richard Bolt, Secretary of the Department of Economic Development, Jobs, Transport and Resources, is unable to attend today's hearing. Richard sends his apologies. I would like to welcome the Minister for Public Transport, the Honourable Jacinta Allan, MP; Sue Eddy, Acting Secretary, Department of Economic Development, Jobs, Transport and Resources; Dr Gillian Miles, Lead Deputy Secretary, Transport; and Jeroen Weimar, Acting Chief Executive Officer, Public Transport Victoria.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege. Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

Questions from the committee will be asked on a group basis, meaning that specific time has been allocated to members of the government, opposition and crossbench to ask a series of questions in a set amount of time before moving onto the next group. I will advise witnesses who will be asking questions at each segment.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery are reminded that they cannot participate in the committee's proceedings in any way. Members of the media must remain focused only on the person speaking. Any filming and recording must cease immediately at the completion of the hearing.

I now invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

Ms ALLAN — Thank you, Chair, and thank you to the committee to present in this instance the public transport portfolio for 2016–17. I think we talked last year about the very strong public transport agenda that the Andrews Labor government took to the November 2014 election, and I am absolutely delighted to report to the committee this year how we are continuing that delivery on new infrastructure, new trains, new trams and new buses. I will turn firstly, though, before I talk about the investment, I just want to go back — and I think I might have gone through some of this in last year's hearing as well — to some of the reasons why we need to make this investment now and why we do not have a moment to lose.

Visual presentation.

Ms ALLAN — As you can see from the presentation in front of you, by 2051 Melbourne will need to accommodate an additional 11.6 million trips on our public transport network above what is done at the moment. That is not a surprise, really, when you consider that about that time Melbourne will be bigger than Sydney and experiencing very strong population growth over that period. It further underscores that we need to invest. We need to invest in the big projects like the metro tunnel, but also make sure that we have got the other activities — the trains, buying new trains, new trams, supporting our bus network and of course supporting public transport in regional Victoria.

That takes me to the next slide, which shows you how the population growth in regional Victoria is continuing to grow as Melbourne's population is growing, but so too are we seeing significant patronage growth across the regional public transport system. What you can see there on the next slide is how it shows year on year the annual growth rate for all of our regional train network corridors. You will see the significant spike there in this current financial year and the one before it. The opening of the regional rail link in June of last year has been particularly responsible for a massive jump in patronage on our regional networks. Can I say, we are expecting to see strong growth across people wanting to use public transport in regional Victoria as well.

Before I turn to some of the newer features that were in the 2016–17 budget, I just wanted to cover off and report back to the committee on some of the key projects that are underway and have been really a 12-month

period of significant activity in the portfolio. I will turn first and foremost to the removal of the 50 most dangerous, congested level crossings across Melbourne. We made a commitment to remove 20 by 2018 and 50 by 2022, and obviously to hit those targets we had to get cracking and get cracking straightaway. I am pleased to report to the committee that by the end of 2018, 35 level crossings will either see work completed or underway. You can see there that we have currently seen one level crossing removed at Burke Road, Glen Iris. There is work underway on a number of others currently under construction, as represented there by the little digger icons. Then of course there is the further number that we have announced. That is the suite of activity, and as you can see, it is spread right across Melbourne.

I just wanted to spend a moment now, and we can go to the next slide, on the Cranbourne–Pakenham line, where 9 of those 35 level crossings are being removed. They are being removed as part of the \$1.6 billion project, and can I emphasise that what we are seeing is a significant amount of work going along the corridor. This is where we are removing nine level crossings. We are rebuilding five new stations, and there are also power and signalling upgrades being undertaken across the line.

We need to undertake this work. This is Melbourne’s busiest rail corridor; the Dandenong line carries the most passengers on any line across Melbourne. It also services the Gippsland corridor, which is an important passenger corridor and an important freight access corridor into the city for Gippsland as well. This is just a project that cannot happen soon enough. We are seeing the boom gates down on this corridor for between 80 and 90 minutes in every 2-hour morning peak period, and that obviously is a huge constraint whether you are a road user and you are stuck at the boom gates or whether it is a constraint on our public transport system — it stops us from running more services — and of course there are the significant safety issues that are associated with these boom gates.

Turning now to our rolling stock investments, the rolling stock investment we announced in last year’s budget is also well underway. As part of this year’s budget, the 37 new high-capacity trains that we announced in last year’s budget is now 65 high-capacity trains, with further funding in this year’s budget. We are also rolling out the program on the 20 new E-class trams and the 21 new VLocity carriages, which of course are both built in Dandenong at Bombardier. Also I wanted to emphasise how we see this as an opportunity as part of a broader rolling stock strategy to build training of the future workforce into our rolling stock agenda. And that is why, as part of the rolling stock strategy, we are doing work with TAFE and the education and training sector to incorporate training into the new maintenance depots that are required for the new trains. And of course too these are projects that attract the requirement that is now required of all major projects above \$20 million — that they have a 10 per cent apprentice target on all of these projects.

So just to wrap up that pipeline of projects and emphasise too how investing in public transport and investing in transport infrastructure is also investing in jobs. The next slide shows you how there is a significant amount of jobs that are being generated as a result of just those projects that are there on the list. And of course there are many more. There are more in this year’s budget, and there are many other projects that are going on around the state. Certainly too we understand very well that there is a role here for the state in stimulating economic activity and providing jobs, and having a strong pipeline of infrastructure projects, particularly in transport, is the key to that.

Just turning now to the 2016–17 budget, where we are very much continuing that theme of getting it done in the public transport area. The central element to the budget this year of course was the commitment that we have made to the Metro tunnel project, where we have announced that we are fully funding this project. Every single dollar that is needed to deliver the Metro tunnel project has now been provided for in this year’s state budget and of course in future budgets, because this is a project that runs over a long time frame that is needed to deliver this project. We wanted to give the community certainty but too, if we wanted to hit our construction time lines, if we wanted, for example, to get the tunnel and stations PPP package of work out into the market, we needed to provide that certainty that the funding was there. So it has given us stability to make both that announcement and the announcement this morning of the release of the rail systems alliance — another billion-dollar package of work. I hope that if time permits, Chair, during the course of this morning we will have an opportunity to talk even further about this tremendously exciting project for Melbourne and Victoria.

Continuing on that theme of rolling stock investment, I mentioned before that we are purchasing an additional 28 high-capacity trains. We made that decision because we wanted to make sure that once the metro tunnel was up and running that we had every single train that we needed. That is why we needed to increase the order to 65.

I think it gives you a sense of the size and the scale of the public transport demand that we need to not just build two new 9-kilometre tunnels to cope with the growing patronage on our public transport but we also needed to buy an additional set of trains — taking the order to 65 trains. And of course the tender for that project has incredibly strong local content requirements so that we can stimulate economic activity in Victoria as well. We are buying another five X'trapolis trains. These are built at Alstom in Ballarat, and there is of course the ongoing work that we know that we have to continue to buy more trains for the regional network. We have learnt lessons from the past where trains were not ordered in a timely way, and we need to continue. That is why last year's budget had 21 VLocity carriages and this year's has 27 carriages as well.

This year's budget also delivers every single dollar we need to deliver the Mernda rail extension. Last year's budget had the \$9 million that was needed to do the necessary planning and development work. This year's budget allocates the funds that we need to deliver this. Mernda is an incredibly fast-growing community in the north of Melbourne. Just as a previous Labor government extended the rail line to South Morang some time ago, we are extending it a further 8 kilometres to Mernda. And of course there is another big project that will be undertaken in the north of Melbourne and that is the Hurstbridge line work, where we have invested \$140 million in work on the Hurstbridge line, again providing services to the growing communities in Melbourne's north.

This slide shows you those projects and indeed many more. There is a major safety upgrade funded in this year's state budget for the city loop, making sure that we are supporting our existing infrastructure into the future. There is our funding of \$20 million to deliver over 1500 extra car parks at stations across our outer suburbs. It is a big pressure point at stations across the network. And then there is the confirmation too of the funding for the Frankston station redevelopment — \$50 million for what is going to unlock so much more potential in and around the central area of Frankston.

Turning to regional Victoria, we had a record \$1.3 billion of investment in our regional public transport system. As you can see, there are projects going on right across the state. The substantial investment in upgrading the Ballarat line — just over half a billion dollars to improvements on the Ballarat rail corridor. We need to do this work. There is so much growth right along that corridor between Melbourne and Ballarat, and indeed beyond of course. This is the rail corridor that also services Ararat and Maryborough passenger services, so we know that we need to provide the capacity for that line into the future, and doing that requires a substantial infrastructure project that includes duplications and passing loops along the corridor. There is also funding for the upgrade of rail services between Geelong and Warrnambool.

Also too I was in Waurn Ponds the other day talking about the planning work that we want to undertake on duplicating the line between Geelong and Waurn Ponds. There is just under \$16 million to upgrade stations at Bendigo and Eaglehawk to support the extra services that are coming online. Funding to invest in rolling stock on the north-east line, significant investment in rail maintenance and V/Line so they can be properly resourced to deliver the many more passengers and the many more services that they are providing for regional Victoria. And of course there was 170 extra train services that we have announced as part of the budget as well.

And that, I think, brings me to the end of the presentation. I am not sure how we have gone for time, Chair, but you can see that there is a substantial body of work that we have invested in this year's budget that builds on the investment in last year's budget. We kickstarted in last year's budget the delivery of the metro tunnel project and the level crossing program, and we are building on that in this year's budget. And also strongly supporting regional Victoria, where we know that there is a lot of work to do to deliver more services that regional communities are looking for now and into the future. I will stop there and look forward to the conversation that follows.

The CHAIR — Thank you, Minister. We have government questions until 9.23 a.m.

Ms SHING — Thank you, Minister, and thank you, witnesses, for your attendance, and, Minister, for your presentation this morning. At the outset I would note that our IT system appears not to have been able to show the animations that were referred to in the hard copy presentation. I was wondering if they would be available or could be made available to the committee after this hearing so that we can refer to them or indeed if they are publicly available —

Ms ALLAN — Yes, certainly.

Ms SHING — you could direct us to where they are located. I would like to take you to your presentation and to budget paper 4, page 114, which refers to the metro tunnel project and the proposed works packages as they relate to new stations and to early works as far as the progress is concerned. There is an allocation of \$2.9 billion in the forward estimates, which you have indicated is every single dollar needed in this year's budget to deliver on this project. Can you break that down for the committee in relation to what this project constitutes and what has been done over the last 18 months in terms of advancing its implementation?

Ms ALLAN — Thank you, Harriet, for that question. There is just so much to report on in terms of the project, and it is tremendously exciting to be able to say that there is so much to report on since I last addressed the committee last year in terms of the projects on the metro tunnel project. We needed to get a fast start on this project. I think this committee and the community well know that this is a project that is so very much needed for Melbourne's public transport system to unlock the congestion at the heart of our public transport system. It means that whether you live in Bentleigh or Ballarat, we are going to be able to deliver the extra services that are needed because we have unlocked the congestion at the heart of the city.

Of course we got a fast start with this project in our very early days in government by establishing the Melbourne Metro Rail Authority. We established that in February 2015. In April 2015, of course, we announced the preferred alignment of the project. That was a critical milestone, because it provided the team with the certainty to finalise and focus the work, the engineering work, that came with that.

Of course last year's budget provided \$1.5 billion for this project, and that was obviously then seen as a significant amount of money. We needed those funds to put into the further detailed planning, design and engineering works. I will take you through some of the other activities. You can see that we have very much needed those funds over the past 12 months.

In October of last year we announced the procurement packages. It is a \$10.9 billion project. We announced the way that this project would be packaged up in different components — I will come to some of those in a moment — and put out to the industry and put out to the market for their response.

We also in October of last year announced the compulsory acquisition process, identifying the properties that were going to be needed as part of this project. Obviously that is a very challenging conversation to have with property owners, and I would like to commend the Melbourne Metro authority team for the way that that has really been sensitively handled and worked through with those people in the communities. The approach that has been taken in terms of minimising disruption above ground really minimised the number of properties that are required to be acquired as part of the project.

In November of last year we released the early works expressions of interest, and this is the early works package. That tender concludes this year, and work is due to start early next year on the early works. This is doing all the things you need to do so that once we award the major construction piece — the tunnels and station PPP — they can hit the ground running. So it is doing all the service relocation that might be needed in doing any above ground works to free up the space so as I said, when the tunnelling and stations PPP is awarded they do not lose any time going back and doing that work.

Of course in February of this year, just a couple of months ago, we released the business case. A substantial amount of work went into the business case. The committee, I am sure, will be delighted to know that it is a business case that well and truly stacks up. It creates great economic activity. It is a project that is going to create 3700 Victorian jobs, and it really ticks all the boxes you would want it to tick in terms of a project that delivers in that economic and productivity sense.

Ms SHING — Minister, can I take you to the business case, and in particular to a related matter arising from the City of Stonnington's proposal that has been put forward to include the South Yarra station in the Melbourne Metro project. This is also something that has been raised by the current Assistant Treasurer in relation to a petition calling for state government funding on this issue. Could you advise if the Melbourne Metro Rail Authority has in fact assessed the Stonnington proposal and/or any requests from the federal government for the state to provide further funding in relation to this particular part of it and how that relates to the business case that was finalised in February?

Ms ALLAN — Thanks for that. If the committee is comfortable, I might ask Evan Tattersall, the CEO of the authority, to add further comment, because they have met, and he has met with Stonnington. Stonnington has

done some work on this, and we appreciate that they have done some work on this. Certainly, though, I assure the committee that this was examined in great detail. This issue of a connection at South Yarra was examined in great detail.

Ms SHING — As part of the February process?

Ms ALLAN — As part of the business case that we have released publicly. I think all the detail you need on this can be found at pages 126–8 of the business case, and I have got extracts of those pages if the committee would like to see them. But the business case very much concluded that on completion of the metro tunnel project, passengers using South Yarra will benefit from improved capacity, because removing the busiest rail line that runs through South Yarra station frees up congestion along that line, which gives us the chance to run more services.

Can I point out that in the morning peak period, trains run in and out of South Yarra into the city — on average there is one train every 1 minute 44 seconds; so in just under 2 minutes there is a train in the morning peak. So it is already a very well-serviced area, and it will be even better serviced once we complete the metro tunnel project. But also too one of the great constraints in doing more at South Yarra in terms of the metro tunnel project was that it would require significant land acquisition. It was estimated that it would cost somewhere in the order of \$1 billion to do this connection at South Yarra without, as you can see, providing any commensurate and significant public transport improvements.

Ms SHING — I beg your pardon, Minister, but on the issue of potential network improvements, that is obviously something that underpins the business case. What are the other potential network improvements that will be realised —

The CHAIR — One minute.

Ms SHING — through the metro tunnel proposal as it sits in the post-February business case process?

Ms ALLAN — It is a shame that the chair has called 1 minute, because I think we could talk —

Ms SHING — Happy to take it on notice or to continue it next time around.

Ms ALLAN — for so much longer on the metro tunnel. So the business case goes into a lot of this detail. It demonstrates that from day one of its operation the metro tunnel will be able to carry an extra 39 000 passengers in the morning peak, so that is a significant increase now; and that 12 000 of this additional peak period capacity is going to be delivered on the standalone tunnel. But critically, too — and it goes to that point I just made before — there will be capacity uplift on other lines, because we are really untangling the knot at the heart of our public transport system in the city loop by providing a new city access and delivering these twin 9-kilometre tunnels that are going to run directly into the heart of the city.

Ms SHING — And that business case information is available publicly?

Ms ALLAN — Yes.

The CHAIR — Order! The Deputy Chair until 9.34 a.m.

Ms SHING — Thanks, Minister.

Mr MORRIS — Good morning, Minister.

Ms ALLAN — Morning.

Mr MORRIS — Can I refer you to budget paper 4, page 16, the public transport ticketing retender, which is listed as one of the high-value, high-risk projects.

Ms ALLAN — Yes.

Mr MORRIS — I must say for a Labor government, who so often flourish in the creativity of Orwellian language, the direct and, dare I say, precise manner in which this project is described is quite striking. In contrast to the usual language it is quite striking. I suspect it is calculated to keep the project below the radar

because we do not want to mention myki, we do not want to mention it at all, and I guess that is not surprising given Labor's history with this project.

Ms ALLAN — Sorry, what page? Page 16 of BP4, was it?

Mr MORRIS — BP4, page 16 — identity of high-risk. I guess it is not surprising we do not want to mention myki, given the history of the project, the waste, the incompetence, the cost blowouts, the delays, the technology failures, the disruption to commuters, not to mention, too, absolutely scathing reports from the Ombudsman and the Victorian Auditor-General. Myki is certainly a four-letter word. I guess it is not surprising that there is not a single reference to it in the entire budget papers, which run for something like 950 pages. In plain speech, though, the public transport ticketing retender is a retender of the myki system. It is a system that is operated by the firm who developed it, formerly Kamco, now NTT Data. So I ask you: have you made a decision to award the myki retender contract to the same company who delivered to Victorians the myki mess in the first place?

Ms ALLAN — Thank you for that question. I find it curious that I thought we were being asked about budget estimates, not about things that do not appear in the budget papers, but I am delighted to answer this question nonetheless.

Mr MORRIS — Budget paper 4, page 16, is the reference. Do you want to rebadge it?

The CHAIR — Order! Deputy Chair, the minister is answering your question.

Ms ALLAN — Deputy Chair, you talked about the history for this project, and I am so glad that you did raise the history of this project, because there is no doubt, and I am not going to deny — —

Mr MORRIS — Chair, the question was around: has the minister made a decision to award the myki retender contract? We do not need — —

The CHAIR — Deputy Chair, as you well know, the preamble to your question forms a basis of an answer. The minister is seeking to essentially answer your question. I think she is providing some background and context.

Mr MORRIS — She is endeavouring to rewrite history.

The CHAIR — Order! The minister is entitled to provide some background and context in responding to your question, particularly because of the fact that you had a very long preamble to your question. The minister has only just started to respond.

Mr MORRIS — Not the longest by far of this session.

The CHAIR — The minister has just started to respond, and I would encourage you to allow the minister to continue.

Ms ALLAN — I am very pleased to be able to continue to answer. Thank you, Chair. It is important, because there was in the preamble a couple of claims that I would like to correct if I can. The history of this project obviously has had some challenges, as I was saying. I am obviously not going to deny that there has not been challenges with the rollout of the ticketing system that we have in place here in Victoria. I think those issues are well known and well documented. Certainly when the previous Liberal-National coalition took government in late 2010, they announced that they would undertake an extensive review into the operation of the ticketing system. They undertook that review, and then in — —

Mr MORRIS — Minister, the question is about whether you have made a decision to award the contract —

Ms ALLAN — And I am coming to that.

Mr MORRIS — to the same company who delivered this mess in the first place. What happened in 2010 might make nice political theatre, but we are interested in this budget. We are interested in whether you have made a decision or not.

The CHAIR — Order! I think the minister is providing some background and context in relation to this particular issue.

Mr MORRIS — Chair, we are not going to blow 15 minutes on a history lesson. It is a pretty simple question. It could have been answered with a yes or a no to start with.

The CHAIR — Minister, continue.

Ms ALLAN — Thank you, Chair. Because the constant reference to the same people who started the ticketing system — the awarding of the contract — the allegation that it is the same company is just wrong. The company that started off back in 2005 when the contract was first signed is not the company that delivers the ticketing system at the moment. I just wanted to put that very clearly.

Mr MORRIS — Okay, Minister. Have you received a recommendation from your department or an advisory panel —

Ms ALLAN — If I could finish on that point, Chair.

The CHAIR — Order! Deputy Chair!

Mr MORRIS — to proceed with exclusive negotiations on the myki retender with NTT Data? Have you received that recommendation?

The CHAIR — Order! Deputy Chair, the minister is seeking to answer your question.

Mr MORRIS — No. The minister is seeking to avoid the question, Chair. Let us not dress it up. The minister is wanting to talk about anything except the question. That is the fact.

Ms Ward interjected.

The CHAIR — Order! Ms Ward! Deputy Chair, there was a very long preamble before you got to your question, which invited the minister to provide some background and context to address some of the issues that were raised in the preamble, which the minister has done. I believe the minister is starting to near the end of that aspect of your question. I would encourage you to let the minister continue.

Ms ALLAN — And I appreciate — —

Mr MORRIS — No, the minister is saying it is not the same company. I have endeavoured to move on and ask her whether she has received a recommendation from her department or an advisory panel to award the myki retender contract to NTT Data.

Ms Ward interjected.

The CHAIR — Order! Ms Ward! Minister, continue.

Ms ALLAN — Thank you. I was about to conclude, and I will be very happy to get to the point that you wish to press upon. The point is that the review that was undertaken by the former government after much publicity and chest thumping about the operation of the system — —

Mr MORRIS — We are talking about the retender in 2016, not whatever happened in — —

The CHAIR — Order! Deputy Chair!

Ms ALLAN — In July 2011 the former government announced as part of its review that they would keep the ticketing arrangements in place; however, they would reduce the scope of the project.

Mr MORRIS — Chair, if the minister does not want to answer the question, she should just say so.

Ms ALLAN — I will be delighted to answer the question.

The CHAIR — Order!

Mr MORRIS — No. She is doing what she does exceptionally well. She is talking under water, without being in any way relevant to the issue.

The CHAIR — Order! Far be it for me to advise the opposition on the way in which they craft their questions, but I would say that there was a very long preamble before the question was asked, which invites the minister to provide some background comment in relation to — —

Mr MORRIS — The preamble lasted about a minute. We have now been going about — —

The CHAIR — I think it was closer to 2 minutes, Deputy Chair, before you came to your question. The minister is answering your question.

Mr MORRIS — The minister is going nowhere near answering the question. She is talking about history. If she does not want to answer the question, she should just say so.

The CHAIR — If the opposition stopped interrupting the minister every 30 seconds — —

Mr MORRIS — No, no, a flow of words is not answering the question. If she does not want to answer the question or she cannot answer the question, she should just say so.

The CHAIR — Order! Deputy Chair, the minister is answering your question.

Mr MORRIS — No, she is not.

The CHAIR — If the opposition stopped interrupting the minister every 30 seconds, then perhaps the answer might have already been provided.

Mr MORRIS — No. We are getting a history lesson here. I am not interested in what happened in terms of 2010. We are interested in 2016.

The CHAIR — Deputy Chair, there are about 3 minutes left in your segment. I would encourage you to let the minister — —

Mr MORRIS — We can do this all morning if we need to, but clearly the minister thinks she can just sit there and stonewall. That is not going to happen.

The CHAIR — Can the minister continue, Deputy Chair, or would you like to ask another question?

Mr MORRIS — I have asked another question, which the minister has declined to respond to. I have endeavoured to move on, and the minister wants to keep spinning the wheels on history.

Ms WARD — Because she wants to answer your question, but you keep interrupting her.

Mr MORRIS — No, no, no. She is not going within a bull's roar of answering the question.

The CHAIR — Order! The minister to continue.

Ms ALLAN — Look, I am concerned about the wellbeing of the Deputy Chair, so I can say very clearly that no decision has yet been made on the awarding of the tender for the future operation — —

Mr MORRIS — Okay.

Ms ALLAN — If I can finish the sentence, if I may: no decision has been made on the future operation of the ticketing system here in Victoria. For me to comment further on this whilst a live tender process is underway would be entirely inappropriate. However, the allegations that were made in the lead-up to your question deserve to also be addressed, because they go to the scope of the tender that has been put out to the market, and that scope was reduced by the previous government following their review into the ticketing system. They changed the operation. They — the Liberal-Nationals government — kept the operation of the myki system here in Victoria —

Mr MORRIS — And cut the terms substantially in order to get rid of this job.

Ms ALLAN — and removed a number of elements in the scope. For example, they removed the short-term tickets, they removed onboard ticketing on trams, and reduced coverage across the V/Line network, which is something that for regional members of Parliament is raised repeatedly — —

Mr MORRIS — Again, we are going down history lane.

Ms ALLAN — This is all about the scope.

Mr MORRIS — Minister, all that is well known.

Ms ALLAN — Clearly it is not well known to you.

Mr MORRIS — What we are trying to find out is what you are doing now.

Ms ALLAN — And I have answered that.

Mr MORRIS — No, you are not answering that.

Ms ALLAN — I have said, Chair, if I may repeat — —

The CHAIR — Yes.

Mr MORRIS — You said no decision has been made. Have you received a recommendation from your department?

Ms ALLAN — If I may repeat, Chair — —

The CHAIR — Order! Deputy Chair! The minister to continue.

Ms ALLAN — If I may repeat, there is a tender process underway. No decision has been made on who will operate the ticketing system into the future, and until a final decision is made it would be entirely inappropriate for me to comment on a tender process that is still going, and I would think that the budget and estimates committee of the Parliament would be very concerned — —

Mr MORRIS — Have you received a recommendation from your department?

Ms ALLAN — I am not going to comment in any way publicly.

Mr MORRIS — So you refuse to comment?

Ms ALLAN — I am not going to jeopardise — —

Mr MORRIS — You refuse to disclose to the committee?

The CHAIR — Order! Does the Deputy Chair have another question?

Mr MORRIS — Just let us get this straight: you are refusing to disclose to the committee whether you have received a recommendation from your department or advice to proceed with exclusive negotiations on the myki re-tender?

Ms ALLAN — I am refusing to compromise the tender process. It would place the state at jeopardy.

Mr MORRIS — You will not tell us whether you have agreed to proceed with exclusive negotiations with one tenderer?

Ms ALLAN — The tender process is still underway.

The CHAIR — Order! The minister has answered the question.

Dr CARLING-JENKINS — Thank you, Chair; and welcome, Minister. I will apologise at the beginning because my questions are not going to be quite as dynamic as those you have just been asked.

I would like to draw your attention to budget paper 3, page 38, and I am going to talk about bus services, and particularly in reference to — as described more fully on pages 45 and 46 — the provision of more bus services sooner and new bus services. I would like to focus particularly on the area of Wyndham, where there is a lot of reliance on bus services, as you would be aware, and also where we have a growing population, which means there is continuing additional demand. I would just like to get some clarification around the expanded services that will be provided to Wyndham and what we might expect particularly in that area — as an initial question.

Ms ALLAN — Yes, sure. Thank you for your question. You identified the issues around Wyndham, and indeed it is very much, I think, just about the fastest growing part of the state.

Dr CARLING-JENKINS — It absolutely is.

Ms ALLAN — I might ask also, if I can — to supplement my answer in terms of services to Wyndham — the CEO of PTV to assist me in this because there has been work on increasing services in the Wyndham area.

Dr CARLING-JENKINS — That would be great.

Ms ALLAN — There was a significant investment in services that was part of the introduction of the regional rail link project, because of course part of the regional rail link was the opening of two new stations — as you would be well aware — at Tarneit and Wyndham Vale. One of the opportunities we took as part of that was to reconfigure and put on more bus services so that people could catch the bus to the train station rather than having to drive. I think you would also be aware of the pressures on the car parking at those two stations.

That work has been underway and has been largely concluded, I believe, and has been supported. But of course we do understand that we need to provide more support for bus services in growing communities. There are a range of other activities that have also been taking place in places like Point Cook — which is obviously not Wyndham, but it is nearby — to support growing populations.

Dr CARLING-JENKINS — Sure. Thank you. Sorry, Mr Weimar, did you want to make a quick comment? I will move onto supplementaries otherwise.

Mr WEIMAR — Just to add to that, we launched a new Wyndham bus network on 21 June combined with the opening of the regional rail link. What we have seen since then was this phenomenal growth in the use of the bus network in Wyndham over that period of time.

Dr CARLING-JENKINS — Absolutely.

Mr WEIMAR — We are looking at around 20 per cent growth year-on-year on those numbers. We are continuing to keep a very close eye on the network as it is growing, and working very closely with the operator and although we have no set plans at this point in time to put further services in, we will review them on an ongoing basis.

Dr CARLING-JENKINS — Okay. Thank you. I appreciate the clarification there. Now more generally I just wanted to pick up on a point on page 46 in 'New bus services'. It talks about improved passenger accessibility. And of course I am thinking particularly around accessibility for users of wheelchairs. Can you comment on that in the new bus services that you are rolling out — the level of accessibility that they will have?

Ms ALLAN — Again I might ask Jeroen to supplement this because, if I recall correctly, over summer there was some media comment about challenges for people in a wheelchair being able to access buses around Melbourne, and indeed I met about a month ago with representatives of All Aboard, the accessibility advocacy group who do a terrific job in advocating for people with mobility issues being able to get access to better public transport services, and this was something that was raised. And, look, it is no doubt a real issue that we have in terms of being able to roll out where we can — and of course we have to work with the bus companies to achieve this — low-floor buses across the network and also support the bus companies to educate drivers and staff about providing services for people in a wheelchair, because there is provision across the network but this is an area that we need to do some more work on. We have spoken to All Aboard about this, and again if I can ask Jeroen to add some information to that.

Dr CARLING-JENKINS — That would be great, because there is also that correlation between the buses being accessible and the bus stops being accessible.

Ms ALLAN — Yes.

Dr CARLING-JENKINS — So I understand there is that tension there. Thank you.

Mr WEIMAR — That is right. So just to follow on from what the minister said, over 90 per cent of buses in the Melbourne area are low-floor and accessible. Over the last 18 months we have upgraded around 1000 bus stops to provide accessible concrete pads so people can actually get that connection between the bus and the access point, and we are working very closely with local authorities across Melbourne to ensure that all the wider access of footpaths is also improved. So there is an ongoing program of improvements, and we are certainly committed to ensuring that we have a fully accessible fleet in the near future.

Dr CARLING-JENKINS — Thank you. Just in regard to setting the priorities for fixing the bus stops, what process do you go through there? Which stops get a priority? Is it just in volume of complaints?

Mr WEIMAR — No, we prioritise it based on obviously the intensity of use of the routes, the intensity of use of the stops, and we are also working closely with city councils around where they see the priorities in their communities and where there are opportunities to combine it with other works that they are doing already.

Dr CARLING-JENKINS — Okay. Thank you very much. I appreciate your time.

Mr DIMOPOULOS — Thank you, Chair. Good morning, Minister and officers. Just picking up on your presentation — —

Members interjecting.

Mr DIMOPOULOS — On level crossings, Minister, you have talked a bit about that in your presentation, but can you expand a bit more? It was heartening to hear the figure of about 35, I think you said, either started or completed. Can you give us bit more detail about the work that has been undertaken in the last 18 months in order for the Victorian government to keep its commitment to the Victorian people?

Ms ALLAN — Yes. Thank you, Stephen. There has been a lot of work, as I said. We promised to get rid of 50 dangerous, congested level crossings across Melbourne. We said we would get rid of 20 of those by 2018, and that is exactly the path that we are pursuing. We have to pursue it pretty quickly obviously to do these works, because there is a lot of work associated with them. To date, as I indicated in my presentation, it was great to join the Premier in January of this year to celebrate the removal of the first of those 50 level crossings at Burke Road, Glen Iris, and following that it was interesting to get text messages and responses from people who use that area saying what a difference it made, which was terrific, and of course there were works done at Gardiner station there as well.

Construction work is underway at a number of other locations across the city. There is works at Main Road and Furlong Road, St Albans. Now of course the St Albans level crossing is one that has been talked about for a very long time, and there is tremendous support and work going on with the community there, who are looking forward to that removal. There is the big program of works at North, Centre and McKinnon roads in and around Bentleigh on the Frankston line. I would encourage those of you who are interested in this sort of construction and work — we are going to have a peak of construction in late June, July. To accommodate that work, the line will be closed for 37 days. What will happen during that time? There will be three shifts where 1000 people will be working each shift around the clock to get rid of these level crossings, and when the line reopens in all early August, those level crossings will be gone. As I said, I would invite people to go if you are interested in seeing a big project right in front of your eyes underway. It is a big project that will be undertaken at that time.

There is works at Heatherdale and Blackburn roads as well — those level crossings on the Ringwood corridor. And of course a project you are well familiar with — the work has started on removing on all nine level crossings. All remaining nine level crossings between Dandenong and the city will be gone as part of the Caulfield to Dandenong nine project.

Mr DIMOPOULOS — Minister, if you do not mind on that point, can I just ask you a further question? Obviously there has been a fair bit of debate about the merits of elevated rail, and I have obviously been pretty heavily involved in that debate in my community — well, in parts of my community. I just want to get a sense from you. Obviously there is other elevated rail across Melbourne, including elevated train stations. I just want to get sense from you and a bit of a survey of where some of those are.

Ms ALLAN — Yes, sure.

Mr DIMOPOULOS — They are not just in the CBD. And also whether there is any research that you could point to which talks about the merits or otherwise of this type of rail solution.

Ms ALLAN — Well, look, there are elevated train lines right around Melbourne right now. They are all across Melbourne.

Ms WARD — There is a 1902 trestle bridge in Eltham.

Ms ALLAN — There is, and some of them are in places that are vibrant and thriving residential and commercial precincts, like Glenferrie Road in Hawthorn, Maling Road, Canterbury, Balaclava Road, St Kilda, just to name a few examples of precincts that are really vibrant, thriving places around elevated rail corridors.

Ms SHING — Abbotsford, Collingwood.

Ms ALLAN — Now, Chair, with your indulgence, I do have copies available for the committee today of the report that was undertaken by academics at Melbourne University and RMIT, if I can make them available to the committee.

The CHAIR — Certainly, Minister.

Ms SHING — And that is a public document, Minister?

Ms ALLAN — This is a public document, but I thought the committee might like to have their own personal copy of this report, because it talks about the benefits. It is titled *The Benefits of Level Crossing Removals*, and importantly it goes on, as subtitled, ‘Lessons from Melbourne’s historical experience’. It certainly highlights that, as I said, there are elevated rail crossings right across Melbourne right now. But also too they go on, and this is a comprehensive piece of independent research — independent academics at Melbourne University and RMIT.

Mr T. SMITH — Whatever.

Members interjecting.

The CHAIR — Order! The minister, to continue.

Ms ALLAN — And they talk about the clear advantages that elevated rail has in communities over alternatives, and you can find this quote referenced in the report. It talks about:

... in terms of the overall range of criteria that need to be met, elevated rail provides the greatest potential for the full range of long-term benefits to be realised from the significant capital investments in grade separations.

I think it is interesting. There is obviously a lot of discussion, and I can understand why there is a lot of discussion about, for example, the program to remove the nine level crossings along the Dandenong corridor. It is clearly a big and significant project, but when you consider and this independent report from the academics at Melbourne University and RMIT points out — it was just so disappointing to see that members of the opposition have described these independent people as being hired guns for the government. It is just astonishing that they would attack their independent academic credibility in such a way.

There is an opportunity here, and it is described in the report — and it is certainly going to be realised along the Dandenong corridor — that elevating the rail line in this way will create the open space that is not there at the moment. I think the council of Glen Eira has got about the least open space of any metropolitan municipality in Melbourne, so creating new open spaces, working with the community on what those open spaces can be used for — for parks, for gardens, for walking paths, for bicycle paths, for community facilities that can be used — is a really exciting opportunity.

Mr DIMOPOULOS — Absolutely, and obviously I agree. I found the more that people understand those benefits — less noise, more privacy, more open space — and the effect of the trust to maintain it over the next 40 years effectively it works out to at least, the more people are supportive. Can I just ask you further in relation to — I cut off in asking that previous question — the progress of the Caulfield to Dandenong line, the busiest

line in Melbourne, a million people in the south-east. Can you give us a bit more detail about the progress? I live in the area obviously. I have seen fences go up, and the contract was signed a couple of weeks ago. Can you give us a bit more granulated detail about the progress, what people expect to see?

Ms ALLAN — Certainly. Again, we have moved quickly on this, because during the consultation and research that was undertaken last year on this project in the community, one of the overwhelming pieces of feedback that they provided us with was, ‘Get rid of them, and get rid of them quickly, because they are a relic of the past’. The boom gates — and I think I mentioned this in my introductory comments — are down for between 80 and 90 minutes during every 2-hour morning peak period. The community just wants them to be gone, so we have moved quickly since the contract has been awarded and announced, and that is why work has started with some preliminary site preparation work that was undertaken across the last weekend in April. There was a scheduled occupation of the line that had been planned by PTV for some time, so there was the opportunity with the awarding of the contract, of finalising that, to use that to do some works associated with the removal of those nine level crossings.

We have also acknowledged that those who live in the immediate area along the corridor have a range of issues and concerns, and they have been working through those with the Level Crossing Removal Authority, with the case management arrangements that have been put in place, giving residents and families the opportunity to have one-on-one private conversations about what it means for them and what options they may wish to explore. It was as a result of that — and can I say, Stephen, your advocacy as well — that we have responded with a voluntary purchase program to put that as something for the residents too.

Ms SHING — Thanks, Minister. I might take over now in relation to regional rail, if I may, and your presentation, which referred to station upgrades, track upgrades, maintenance upgrades and extra services along regional corridors. I would like to get an update on the initiatives being undertaken in the budget to improve regional PT and how, for example, the upgrades on the Ballarat line have improved or will improve amenity, reduce congestion and provide additional services and reliability?

Ms ALLAN — Certainly. I will struggle to do this in 20 seconds. I will do my best.

Ms SHING — We will straddle a couple of sessions on this, I think, Minister.

Ms ALLAN — The rail corridor — the Ballarat rail works, \$518 million worth of works, duplicate 17 kilometres of single track between Deer Park West and Melton, 3 kilometres of track west of Warrenheip. There will be three passing loops constructed — at Bacchus Marsh, Ballan and Bungaree. There will be a second platform added at Bacchus Marsh to accommodate the extra passengers, a second platform at Ballan and — —

The CHAIR — Order! The Deputy Chair, until 10.00 a.m.

Ms SHING — Thanks. To be continued.

Mr MORRIS — Thanks, Chair. Back to budget paper 4, page 16, Minister. The *Age* reported last Thursday that NTT Data is set to win the myki contract retender. In the article your spokesman is quoted as saying you would not comment on the retender process, because it is still officially open and contracts have not yet been signed. It does sound familiar. Yet on Friday an AAP report run in News Limited outlets said a government spokesman had said that the tender was:

... still open but current operator NTT Data had moved forward in the process.

On Thursday you authorised comment saying you would not comment, but on Friday you or someone else — perhaps the Premier or his chief of staff — authorised comment saying that NTT Data were in the box seat. Can I ask you: why the contradiction? Are the myki inventors in the box seat? Has the deal effectively been done?

Mr DIMOPOULOS — Budget reference?

Mr MORRIS — It was given to start with.

Ms SHING — The source for the spokesperson comment, please, Mr Morris.

The CHAIR — Order!

Mr MORRIS — That is the second one; that is the first one.

Ms SHING — Okay. Thanks. If they could be made available.

Mr MORRIS — And they were both identified.

The CHAIR — Order! Minister?

Ms ALLAN — Thank you, Chair. At risk of disappointing the member, I can only repeat what I said in my previous answer — that is, I am just not able to, nor am I going to, comment on a tender process that is still underway where no final decision has been made and no final contracts have been signed. I am not going to compromise the integrity of that process. I am not going to compromise the probity of that process, because it is too big a risk to the state in terms of liability. I am just not going to do that, and I would hope that members could understand and respect that. Insofar as the reference in the newspaper comment, I am sorry, I just cannot speculate on that comment.

Mr MORRIS — Minister, are you delaying the announcement of a decision on the myki retender and using that as cover for refusing to answer questions on the retender until after the federal election?

Ms SHING — No presuppositions in that either.

Ms ALLAN — No. I am sorry, I must confess I do not quite understand the conspiracy theory you are attempting to draw there. The tender decisions will be made in an appropriate way in the appropriate time lines.

Mr MORRIS — So you are not trying to hide it until after the federal election?

Ms ALLAN — In terms of the time lines of the tender, can I say that the time lines of this tender were laid out during 2014 when the previous government started the re-tendering process. Those time lines for the industry have been well understood since mid-2014 when the tender process first started.

Mr MORRIS — Thank you, Minister. In fact when the contract for the system was renegotiated a few years ago, three years were taken off the contract length with NTT Data — the contract with NTT Data. Three years were taken off so that we could get out of this dodgy deal sooner. Why are you going back to revisit this failing?

Ms ALLAN — Going back to revisit what, sorry? I missed the last part.

Mr MORRIS — NTT. Why are you going back to revisit this failure? The former government went to great lengths to cut three years off the contract, but we are back in the same mess again.

Ms WARD — I thought you did not want to talk about the past, Deputy Chair?

The CHAIR — Order! Ms Ward!

Ms ALLAN — Again, you are requiring me and inviting me to repeat commentary I have just made to this committee. Firstly, it is incorrect to say that it is the same company that operates the system now — —

Mr MORRIS — We are back to semantics, are we?

The CHAIR — Order! Mr Morris — —

Ms ALLAN — No, it is reality. I am sorry. I appreciate — —

The CHAIR — The minister is answering your question.

Ms ALLAN — Chair, I think, stripping it all away, I understand the political mileage that the opposition are attempting to make on this; I understand it well. There is no doubt that the issues and challenges with the ticketing system over the years have been a challenge for all governments during that period of time — Labor and Liberal governments over that period of time. They have been well understood; they have been well

documented. So I can understand why today you are wanting to gain further political mileage out of this; I accept that. But there are some facts that you just cannot simply — —

Mr DIMOPOULOS — Brush away.

Ms ALLAN — brush away for your convenience. The fact is it is a different company. It is a different company today than what it was when the contract — —

Mr MORRIS — It has got a different name.

Ms ALLAN — Perhaps I might ask the CEO of PTV in a moment to add to the difference in terms of the company that is running today.

Mr MORRIS — Chair, the question was not — —

The CHAIR — Order! The minister is answering the question, Mr Morris.

Ms ALLAN — The question also — —

Mr MORRIS — The question was addressed to the minister, but clearly she is not going to respond. Can I ask you — —

Ms SHING — She has responded. You just do not like the answer.

Mr MORRIS — Do you think the system has been a success?

Ms ALLAN — The ticketing system — —

Mr MORRIS — Has it succeeded?

The CHAIR — Order! Mr Morris!

Ms ALLAN — It depends — —

Mr DIMOPOULOS — You are challenging Tim Smith.

The CHAIR — Order! Mr Dimopoulos! The minister is attempting to answer the member's question.

Ms ALLAN — If I may, Chair, the operation of the ticketing system — there are two elements to it. There is the operation of the mechanics of the system itself and then there is the policy setting that sits around it, and some of the issues and some of the concerns that the community quite rightly have with the operating of the ticketing regime here in Victoria are actually about the policy settings. They go to issues of the enforcement of the ticketing regime — issues that have been commented on in an Ombudsman's report last year — and they go to the policy settings. That is why we are also, separately to the tender process, as I say — a tender process that started in — —

Mr MORRIS — Chair, the question is about the tender process, not whatever else the minister may be doing.

Ms WARD — I think the last words that left minister's mouth were 'the tender process'.

Mr MORRIS — The question is about the tender process.

The CHAIR — I think the minister is attempting to answer your question, Mr Morris — —

Mr MORRIS — I did ask her whether she thought it had been a success. I can only assume that the answer is it is not.

The CHAIR — The minister is answering your question.

Mr MORRIS — Minister, in terms of the tender — —

The CHAIR — Do you want the minister to conclude her answer, Mr Morris? Would you like another question?

Ms ALLAN — I appreciate the opportunity not to be — —

Mr MORRIS — I am not getting any useful information, Chair, and I am burning time.

Ms WARD — No, she is just not going to buy into your conspiracy theories.

The CHAIR — Order! Ms Ward!

Mr MORRIS — Minister, can you guarantee that the ticketing system that is proposed will allow commuters to swipe on and swipe off with credit cards?

Ms ALLAN — So you are asking me once again to speculate on a tender process?

Mr MORRIS — I am trying to establish what will be the benefits for Victorian commuters in this.

Ms WARD — Explain your questions better, Mr Morris.

The CHAIR — Order!

Ms ALLAN — Again, you are asking me to speculate — —

Mr MORRIS — I take it that is a no. What about swiping on and off with a mobile phone?

The CHAIR — Order! Mr Morris, you have asked — —

Ms Ward interjected.

The CHAIR — Order! Ms Ward!

Mr MORRIS — No, I am not asking for the minister to speculate; I am asking her a direct question and I am not getting an answer.

The CHAIR — Order! Deputy Chair!

Members interjecting.

The CHAIR — Order! Ms Ward! Mr Morris, you are making it very difficult for the minister to be able to answer your questions when you are cutting her off before she has even been given an opportunity to provide — —

Mr MORRIS — No, she said I was asking her to speculate. I am not asking her to speculate; I am asking her for a fact.

The CHAIR — You asked whether the minister could guarantee a very specific technical aspect in relation to a live tender process which the minister was seeking to answer before you cut her off.

Mr MORRIS — No. She suggested it was speculative. It is not.

The CHAIR — You asked the question of the minister. The minister is seeking to answer your question — —

Ms SHING — You do not like the answer that has been given to the question.

Mr MORRIS — I would like an answer.

The CHAIR — I would encourage you to let the minister to continue with her answer or alternatively you can ask another question, Mr Morris.

Mr MORRIS — Okay. What about swiping on and off with a mobile phone?

Ms ALLAN — It is interesting to note that these were not — —

Mr MORRIS — What about a smart watch?

The CHAIR — Order! Mr Morris! This is becoming rather tedious, Mr Morris.

Mr MORRIS — You asked me to ask another question and I asked another question.

The CHAIR — Indeed — —

Mr MORRIS — The minister did not answer the first one and now a second one.

The CHAIR — Mr Morris, you must allow the minister the opportunity to provide an answer to a question before cutting the minister off.

Mr MORRIS — I was getting no answers.

Ms SHING — The shouting stick was passed from opposition member to opposition member last night.

Mr MORRIS — It is pretty much a yes or no answer.

The CHAIR — Order! Ms Shing and Mr Morris! The minister, to continue.

Ms ALLAN — Thank you, Chair. Two points in response to — I think I am still endeavouring to answer the question that was asked two questions ago.

Ms WARD — How could you keep track?

The CHAIR — Order! Ms Ward!

Ms ALLAN — The answer is: I am not in a position to be able to comment on negotiations that are underway between Public Transport Victoria — —

Mr MORRIS — So — —

The CHAIR — Order! Mr Morris!

Ms ALLAN — If I may — —

Mr MORRIS — Minister, what you are saying is you cannot or will not say whether commuters will be able to swipe on with credit cards, with a mobile phone — —

The CHAIR — Order! Mr Morris, can you please allow the minister to continue to answer your question.

Mr MORRIS — No, Chair, there is no answer forthcoming. I am just trying to crystallise this in the minute and a half or the minute and 20 seconds that is left.

Mr DIMOPOULOS — You have taken up most of it.

Mr MORRIS — I am asking you: will commuters be able to swipe on and off with credit cards, with mobile phones or with a smart watch? Will it ever be instantaneous? Will myki top-ups be instantaneous? All of these things are important issues for commuters and you are refusing to answer all of those questions.

The CHAIR — Order! Mr Morris, the minister is not refusing to answer your question. You have been repeatedly cutting the minister off. I will allow the minister to answer the question —

Mr MORRIS — That is not accurate or fair.

The CHAIR — in the remaining 45 seconds.

Ms WARD — Hopefully without interruption.

The CHAIR — Order! Ms Ward! Minister.

Ms ALLAN — Thank you, Chair. As I have said, and I have endeavoured to address it, I understand there are many improvements that passengers are seeking to achieve from the ticketing system. I was endeavouring to impress upon the committee how some of the improvements that passengers are seeking to see from our ticketing system go to the operation of the ticketing system itself and some of them go to the policy settings. If I may, some of the things that you were putting forward in your running commentary cover both areas. Perhaps we do not have time now, but there will be an opportunity another time — —

Mr MORRIS — So the answer is — —

The CHAIR — Order! Ms Pennicuik until 10.06 a.m.

Ms PENNICUIK — Thank you, Chair. Good morning, Minister. Good morning everybody else who are here as witnesses. Thank you for coming this morning. Minister, if I could pursue with you an issue that I did pursue with you in the last budget estimates last year, which is in regard to signalling on the railway network. In particular, if you could update us on the progress of the high-capacity signalling trial on the Sandringham line, and this is budget paper 4, page 114. So I would like the update on how that is going. It is due to finish quarter four of 2018–19.

There is also the issue of the conventional signalling upgrade on the Caulfield to Dandenong line and how that relates with the business case for Melbourne Metro, released just three months ago, that says that that project will deliver high-capacity signalling from Watergardens to Dandenong, and an announcement seems to have just come out today regarding \$1 billion of signalling going to market between Lalor and South Morang and something else between Sunbury and the Cranbourne-Pakenham line. So if you could perhaps unpack all of that for the benefit of the committee and the Victorian public, that would be appreciated.

Ms ALLAN — Thank you, Sue. There are a number of elements to your question, and I keep trying to invite Jeroen to have an opportunity to speak, and I might also ask him to do that again this morning on the high-capacity signalling. So if I can just run through the issues as I understood them. I might start, unpack and separate out the question of conventional signalling on the Caulfield to Dandenong corridor. That is being delivered as part of the scope of works, the \$1.6 billion scope of works, to remove all nine level crossings. That project is more than nine level crossings; it is the five new stations and it is the power and signalling upgrades that we need on that line as well. So that I hope addresses that part of your question, or Jeroen can add to that if required.

High-capacity signalling: a couple of things have changed since we spoke last year, and that largely revolves around the work that has been done both by PTV — so PTV were pursuing the deployment of the trial of high-capacity signalling, doing all the preparation work for that — and at the same time because of the really fast-tracked work that was undertaken by the Melbourne Metro Rail Authority we have been able to bring together, and that is what today's announcement was about, those two pieces of work. So, yes, we know that we need high-capacity signalling across the network here in Melbourne, because it gives us the opportunity to run more trains. I think it gives us a chance to run 30 trains — —

Ms PENNICUIK — Fifty per cent more capacity.

Ms ALLAN — Yes. So 20 trains now; 30 trains following high-capacity signalling. Obviously, it is safer. It is more modern. It is what we need to move to across the system — —

Ms PENNICUIK — Yes, we need it.

Ms ALLAN — And people have been saying that for some time.

Ms PENNICUIK — Yes, we have been.

Ms ALLAN — One of the issues we have got here, and what we announced today, is actually that we are going to be deploying this trial in the existing network, and that has not been done before in Australia. The rollout of high-capacity signalling, as I am advised, has been done in other parts around the country on new lines that have been constructed. So we need to obviously put in place a system that works for the existing network, as well as have the technology proofed up, if you like — settled and ready to roll — when the metro tunnel is operational.

If I can add to that, one of the additional elements to that is I mentioned the purchase of the 65 high-capacity trains. They will have the high-capacity signalling technology built into them from day one. That was an added feature that we announced. When we announced the additional order of high-capacity trains, we added high-capacity signalling into that project scope as well. I might pause there and ask Jeroen if — —

Ms PENNICUIK — So what is the status on the Sandringham line? How does that relate to what is happening with the new announcement today. We have only got a minute and a half I think, so if we could get to that.

Ms ALLAN — Sandringham informed the work that we have done to date. So, if you like, the work was done in that corridor, but as a result of the work done by PTV and the work done by metro tunnel, they have come back and the clear advice to government is this is the best way —

The CHAIR — One minute.

Ms ALLAN — to get the best outcome for the system. And I will let Jeroen go for 1 minute.

Mr WEIMAR — Just to add to that, what happens with Sandringham is that we will be doing a conventional signalling upgrade on the Sandringham line. In terms of our future business modelling, we do not need HCS on the Sandringham line in the foreseeable future, so it will be a conventional signalling upgrade to ensure reliable and effective services on that part of the network. So we will continue that commitment. What the trial will do, and what the early deployment of HCS will give us, is to ensure that we understand how to fully deploy HCS across those other parts of the network where we need to run more frequent trains.

Ms PENNICUIK — So what is the announcement today? Where is this high-capacity signalling going? So now I was just told there is no high-capacity signalling on Sandringham line.

Ms ALLAN — Just to be clear, Sandringham was the trial to inform it —

Ms PENNICUIK — The trial, yes.

Ms ALLAN — and there was never a plan to put high-capacity signalling into the Sandringham line. It was going to be — —

Ms PENNICUIK — We danced around that last year, so where is high-capacity signalling going on the existing network in the foreseeable future?

Ms ALLAN — The tender documents identify the South Morang line as the likely one, between Lalor and South Morang.

The CHAIR — Ms Shing for 10 minutes.

Ms SHING — Thanks, Minister. I would just take you back to where we were in relation to regional public transport and BP4, page 16. You were finishing off commentary in relation to upgrades to the Ballarat line and how they would correspond to improve services and reliability. What I would like you to do, once you have finished perhaps with a list of improvements that will be made to that particular line, is to provide an update on the disruptions to V/Line services this year, which crippled many lines. I am on the record as a member representing Gippsland as saying that they were entirely unsatisfactory. I know that you also publicly shared that view, as did many other people. It was an issue which created enormous delay, disruption, inconvenience and upset for many, many passengers along that line in particular. So if you could update the committee in relation to when a full restoration of services can be expected and what the costs to date are of the wheel wear issue and any other updates in relation to the boom gate non-activation issue at Dandenong, which crippled the capacity of VLocity trains to work on the Gippsland line?

Ms ALLAN — Okay. Chair, there are two parts.

Ms SHING — There is a lot in that. Thanks, Minister.

Ms ALLAN — If I can quickly just go to the broader regional part of the question first. I was talking about the improvements to the Ballarat line, and I ran through I think in my previous answer the infrastructure

program that is going to be undertaken. What is that going to deliver? It is going to mean the capacity to run extra services in and out of Ballarat, along that corridor, two extra services in the morning and afternoon peaks. But also it will deliver 40-minute off-peak services. For those of us who grew up in regional Victoria, that is a dramatic improvement in services for country areas. But to do that we have got to do this infrastructure program work so the capacity of the line is increased. And of course too we need the rolling stock to deliver those extra services, which is why the budget had funding for the additional 27 carriages, in addition to the 21 carriages that were in last year's budget.

Overall too, just briefly on services, we have announced as part of this budget 170 extra services across the regional network. When you add that to the 340-odd services that were introduced last year with the opening of the regional rail link, that brings around 500 extra services in two years that we are putting on.

Ms SHING — Peak and off peak?

Ms ALLAN — A combination. The services in this year's budget are off peak, and also, importantly, they deliver service — a modest service increase, but a much welcome one — to the communities of Warrnambool, Shepparton, and Maryborough, and they are extra services that have been called for for some time by those communities. So it is a big improvement.

If I can turn to your question about the V\Line services from earlier this year, and, look, there is no doubt it has been a really challenging start to the year for V\Line.

Ms SHING — Absolutely.

Ms ALLAN — I was deeply concerned at the way it affected services for regional passengers. I think there were two issues that you touched on, and the two issues happened at exactly the same time, in mid-January. I was, firstly, notified of the issue with the accelerated wheel wear rate that was identified in early January by V\Line and advised to me, and that required the removal of trains, some of those V\Locity trains, from services; and, secondly, on the Gippsland line, the issues with the V\Locities not properly triggering the boom gates, which required, as a result of Metro's intervention — Metro Trains's intervention, who are the accredited operator of the network — and with the oversight of the safety regulator, they had to shut that line until that problem was addressed.

So I am very pleased to report that, firstly, the issue for the Gippsland line has been addressed in terms of the short-term resolution to the issue that was put in place with trap circuits. That program finished in early March and the line opened in mid-March, and the longer-term solution — the permanent fix, if you like; there is funding in this year's budget for the axle counter program — that is currently being rolled out, and I think that is scheduled to be finished in mid — —

Mr WEIMAR — July.

Ms ALLAN — July. So that will be the permanent solution to that boom gate failure problem on that corridor.

On the wheel wear issue, that is continuing — the services are continually being restored, and now 97 per cent of all V\Line services are running as trains and only 3 per cent are being replaced by buses, and we expect — —

Ms SHING — That is 97 per cent across the board, overall, across all lines?

Ms ALLAN — Yes, and that represents 11? — —

Mr WEIMAR — Yes, 11 services.

Ms ALLAN — services in total; 11 services in total. Now you asked about the issue of costs, and until we see full services restored in late — the expectation is late — June, July, until all services are fully restored, obviously we will not know the final costs. But I was able to provide some information yesterday when I was in Shepparton to regional passengers that, based on what we know to date in terms of the costs of the replacement buses, the free travel arrangements that have been put in place for people whose service is a bus but would normally be a train, they continue to receive free travel. The increased maintenance work that is needed to be

undertaken and the actual replacement of the wheels themselves — we expect the total costs of this to be between 50 to \$60 million. So that is no doubt a significant cost.

The issue was addressed in terms of — as soon as this issue was elevated within V\Line and PTV the immediate decision was taken to remove the trains from the network, and the immediate decision was also taken to try to get them back on as quickly as possible.

Mr WEIMAR — That is right.

Ms ALLAN — So there was an accelerated maintenance program that required additional support from other companies to provide their wheel lathes. There had to be an acceleration of the order from the company in New South Wales who produces the wheels. So there was an acceleration, in terms of accelerating that. That is added into the costs that I have just shared with you.

Ms SHING — Thanks, Minister. In relation to the maintenance and wheel lathe upgrades and that work, is that over and above the maintenance for ordinary outgoings to make sure that tracks are performing and that rolling stock is going to where it needs to go as part of the business-as-usual operation of V\Line?

Ms ALLAN — That is correct, and we have put in additional funds in this year's budget of \$141 million?

Mr WEIMAR — That is right.

Ms ALLAN — Yes, for maintenance going forward for V\Line.

Ms SHING — So what is the funding overall then for regional Victoria's public transport improvements in the budget, and not just on the fixed rail but also from an intermodal perspective, and buses more generally? And you might want to touch on the Regional Network Development Plan too, as part of that answer.

Ms ALLAN — Sure. So all up, this was a budget that provided \$1.3 billion for better regional public transport. I have touched on the Ballarat line works, the extra V\Locality trains; we are also doing work on rolling stock for the north-east line. One of the key issues that causes problems with the services on the north-east line is faults with the trains themselves, so we need to overhaul those carriages and services. There is also work that you have mentioned, in terms of looking to the future, and that is what the Regional Network Development Plan is all about. We, on coming to government, recognised that there had always been a plan to guide considerations, policy considerations, investments in the metropolitan network, but there was not the companion document, or the companion piece, for the regional network. So we undertook an extensive consultation program last year — and again, Chair, with your indulgence, I have copies of the results of that conversation to share with the committee —

The CHAIR — That would be helpful, yes.

Ms ALLAN — because we had, can I say, just an absolutely tremendous response.

Ms SHING — Was that because it was the first time it had happened? Has there been anything equivalent to that in the past, Minister?

Ms ALLAN — Yes, I think you are right. It was the first time that regional Victorians had been invited to have a conversation about not just what they want now, but what do we think needs to be undertaken into the future and how do we get there? Regional people are practical people. They understand that you cannot flick a switch and have everything happen overnight. They understand that there need to be sustained investments in improving infrastructure and buying new rolling stock. Those are issues that are touched on in the work that we have done in the Regional Network Development Plan.

Can I also say that buses featured incredibly strongly in the consultation that we had with regional communities. They are really seen as a crucial part of the public transport system, connecting smaller towns to larger regional centres. I see you are keen to — —

Ms SHING — Yes. The budget contains several line items that relate to specific destinations and route availability. Will there be additional announcements made as part of the Regional Network Development Plan in relation to the way in which regional services are delivered, for buses?

Ms ALLAN — Yes. The Regional Network Development Plan is very much about a policy document. It is very much about guiding investments into the medium and longer term future. The budget lays out many of the shorter, immediate-term priorities. The putting on of extra services is a good example of that.

Ms SHING — Thank you.

The CHAIR — Order! Mr Smith until 10.26 a.m.

Mr T. SMITH — Thank you, Chair. Minister, I refer to budget paper 4, page 24, ‘Level crossing removal program’. Minister, I refer you to the industrial dispute between Metro Trains and the RTBU in relation to infrastructure maintenance staff and the potential for protected action to be undertaken. My understanding is that protected action could impact on the ability to undertake level crossing removals, due to the requirement of the involvement of Metro Trains infrastructure or maintenance staff. Will you instruct the Level Crossing Removal Authority to be a party to any Metro Trains action to stop strikes or other industrial action by the RTBU?

Ms ALLAN — Well, Chair — —

Ms SHING — Let’s not talk about the budget. Let’s just talk about IR.

Mr D. O’BRIEN — You do not think the RTBU and an EBA has something to do with the budget?

Ms SHING — No. Just interested to see how you are just not talking about the record spend in public transport.

Ms WARD — Let’s talk about policy.

The CHAIR — Order!

Members interjecting.

The CHAIR — Order! The opposition has asked a question.

Ms SHING — It is almost an unhealthy obsession.

Ms ALLAN — Look, there are a number of speculative elements to that question that makes it a little bit hard to unpack it, and I am sure over the next few minutes we have got we will endeavour to do that. But you are presuming something that is not in play at the moment so that makes it very difficult for me to answer that question. You are speculating that there may be industrial action. That is purely your speculation.

Ms SHING — Just because it happened so often under them.

The CHAIR — Order!

Ms ALLAN — It is just very difficult to answer the balance of that question, given that it is based on a speculative issue.

Mr T. SMITH — Minister, there has been a ballot that has been supported by the majority of the workers to engage in protected action. So I do not think it is speculation at all; I think it is a perfectly reasonable question and — —

Members interjecting.

The CHAIR — Order!

Mr T. SMITH — I would just like an answer, Minister, as to what is going on here.

The CHAIR — Order. I think the minister has answered the question in the sense, Mr Smith, that it is speculative, the basis of your question.

Ms SHING — You know you have to give notice before taking a period of — —

Mr T. SMITH — Be quiet, Harriet, please. I am asking the questions here.

The CHAIR — Mr Smith, can you please speak to other members of the committee with a degree of respect, as you would expect in the normal forms of the house.

Mr T. SMITH — Chair, it is not a speculative question. We want some answers — for example: is the minister going to instruct the Level Crossing Removal Authority to become a party to this dispute?

The CHAIR — Mr Smith, like you, I have not been a union official. I have not been heavily involved in union actions, but what I would say to you is that it is not clear at this stage that industrial action would be taken, and I would have thought that asking the minister to comment on what action she may or may not take in a dispute that may or may not occur would be speculative and might be disadvantageous to the state.

Mr T. SMITH — So, Minister, you are telling me that there is not going to be a dispute here, there is not going to be protected industrial action?

Ms SHING — Let's try verballing again and see how we go.

Ms ALLAN — That is most certainly not a matter I can answer, clearly. I am the Minister for Public Transport, not one of the industrial parties — —

Mr T. SMITH — But the RTBU are an affiliated union of your party? They are.

Ms ALLAN — I think that question there exposes the political nature of your question.

Ms SHING — Fixated.

Mr T. SMITH — Minister, your condescending tone may well be appropriate for — —

Members interjecting.

The CHAIR — Order! Mr Smith, do you have another question?

Ms SHING — The young Sir Les Patterson is in the house.

Mr T. SMITH — To be fair — —

Ms SHING — Oh, really? So little fella is okay?

The CHAIR — Order!

Mr T. SMITH — Chair, if I can move it on, the point is this: I simply want to know what the minister is going to be doing to prevent potential disruptions to rail services in Melbourne, with this potential action on the horizon.

The CHAIR — Order! I think the minister has answered the question in the sense that it is not clear whether industrial action will occur or will not occur. Again, Mr Smith, I think it is not advantageous, if such an event were to occur, for the minister to telegraph what action she might take or might not take in the event that that event were to occur or not occur. I am not sure whether the minister would like to elaborate further?

Ms ALLAN — Perhaps, Chair, it might assist in explaining the roles and responsibilities of the various participants in these situations. Obviously in our privatised franchise arrangement that we have in place negotiations around enterprise bargaining agreements, issues of an industrial or a human relations matter are dealt with between the employer — in this instance, Metro Trains Melbourne — and the workforce representatives. Now, within the workforce there are three unions that represent the workforce, the RTBU, the AMWU — I am happy to explain the acronyms, if you like — the Australian Manufacturing Workers Union —

Mr T. SMITH — Thanks.

Ms ALLAN — the Rail, Tram and Bus Union and the Electrical Trades Union. Now, they are the three workers' representatives that negotiate and deal with these matters on both a day-to-day basis and indeed when

there are times of negotiating enterprise bargaining agreements. They do that with the employer directly. Therefore there is not a direct role for the minister. We are not a participant in those negotiations. Indeed there is a requirement, through arrangements that are put in place, where Metro Trains Melbourne — in this example that you are giving, the level crossing removal program — are a participant as part of the overall contract arrangements, the alliance arrangements. They have obligations to manage their workforce appropriately and to manage it in a way to ensure that whatever other issues may be going on within a very large organisation do not come across and cause issues with the level crossing removal program.

Mr T. SMITH — So you can guarantee us that there will be no loss of days of work on the level crossing removal program by any potential strike action in the foreseeable future.

The CHAIR — Sorry, Mr Smith, I think given the fact the minister has just outlined that the minister is not a party to this matter, it would be very difficult for the minister to provide any guarantees of that nature.

Mr T. SMITH — Chair, with respect, she is the minister and I am wanting to get an understanding about potential loss of work — days' loss of work — in this program that she has been spruiking all morning.

The CHAIR — Mr Smith, the challenge for the minister in attempting to answer the question is the minister is not a party to that dispute. It would be like asking the minister to guarantee that the sun will be shining on Saturday. She might hope that the sun will be shining on Saturday, but it is not really within her gift. It is difficult for her to guarantee something that is a bit beyond her scope. Perhaps you might like to rephrase your question or — —

Mr MORRIS — Chair, I am sure the minister is delighted that you have elected to answer the question for her, but she is responsible for the operation of the rail system, she is responsible for the level crossing removal program and she has said that there will be a 37-day shutdown, but we want to know will it be extended as a result of this action?

Ms SHING — That is not what was asked; she was asked for a guarantee. That is a very different proposition to the one that you are putting forward now, Deputy Chair. Re-ask the question.

Mr MORRIS — I am happy to phrase it that way. It is agreed it is 37 days. Will she guarantee it will not be extended by this industrial action?

Ms ALLAN — Well, I think it is important to note that there is no industrial action afoot.

Mr MORRIS — So that is a yes, you will guarantee it.

Ms ALLAN — Can I repeat: I will not be verbed by members of the committee in such a way. There is no industrial action underway or planned that I am aware of, so to speculate — you may have other information that I am not privy to — and therefore draw a link about how that impacts on the level crossing program is frankly a little bit absurd and really again goes to the fact that this is about trying to draw some long bow between the political wing and the union wing of the Labor Party. It is really a bit of a stretch.

Can I say, Chair, what would cause greater disruption and what would cause more significant problems, particularly on the Dandenong corridor, would be taking an alternative approach that is advocated by some, which would see the rail line on the Dandenong line, if we were to take a different approach, shut for seven to eight months. So on the concern about how it might impact on closures and extending closures of rail lines, what is good for the goose is good for the gander. They should be consistent about how they want to apply the policies in this way, the policy thinking in this way.

The CHAIR — Dr Carling-Jenkins until 10.33 a.m.

Dr CARLING-JENKINS — Minister, I would like to revisit a supplementary question I had actually from my previous questions around budget paper 3, page 46. I understand it was a fair while ago, a few questions ago, so I will just refresh your memory. We were talking about accessibility on the bus services. As you know, and we have had previous conversations around this, accessibility is a much broader concept than just physical accessibility. In western metro there is a unique program running where volunteer liaison officers — —

Ms ALLAN — I can hear you.

Dr CARLING-JENKINS — Are you able to hear? Thank you. Okay, so in western metro there is a unique program running where volunteer liaison officers work on CDC buses. They are officers from the Maori community, who identify from the Maori community. They travel the buses, and they are assisting bus users. They contribute a lot to increasing safety, which, as you appreciate, has been quite a big problem, particularly in Point Cook. They provide welfare and education on public transport, and they act as a deterrent to fare evasion. I would argue that they help to improve accessibility on our bus system, especially for young people from the CALD communities. And they do not just work with the Maori community; they work across the different backgrounds that are represented in the west. I guess I just wondered, firstly, were you aware of this program, and secondly, is this program something that you would support being rolled out more extensively across Victoria and what role you would see for the department in assisting programs like this?

Ms ALLAN — Thanks, Rachel, for that question. Again, I will ask Jeroen to add to it. That is the first I have heard of this specific program that you referred to in the west. I would be really keen to hear more about it, because you are right in identifying that it is about encouraging people to use the bus services and making it accessible to all, and that is certainly consistent with the approach that we are wanting to take and, as we are wanting to roll out more bus services, whether they are extension of routes, new routes into growth areas or better services in existing areas, making sure that people are comfortable and they can use the services is a really important priority. Jeroen is nodding in agreement. He is from — —

Dr CARLING-JENKINS — Furiously, he was, yes!

Ms ALLAN — I might ask him to respond too, but it is certainly something that I would be keen to pursue separately, get some more information and talk with the department and PTV about.

Dr CARLING-JENKINS — For sure. I am really happy to supply more information, but thank you.

Mr WEIMAR — It has been a very successful scheme launched by the local community and by CDC. I believe it started back in 2014. It has worked particularly well because it has also brought young people into contact with the wardens, so there is a lot of work into local schools and youth clubs and it has really helped the drivers at CDC who sometimes do face great difficulty in the environment. It has really helped to de-escalate some of the difficult situations they sometimes face. So it has been very successful.

CDC has been, I think, really pioneering in how it has taken it forward. We are working with other participants in the bus industry to see how we can learn the lesson from that kind of scheme. There is a range of other measures we are deploying with other bus operators, including things like CCTV and better passenger information, and of course working with Vic Police and with authorised officers across the bus network. There is a range of measures we are employing, but we really like the kind of community engagement that this scheme is giving us. The kind of help we can give is providing free travel to members of the warden schemes so that they are always able to use the buses in a very proactive way. We will certainly be following it up and looking to expand it over the next year or two.

Dr CARLING-JENKINS — Fantastic. Thank you very much.

Ms ALLAN — It is something, too, we are working on a public transport accessibility advisory committee to me, as minister. The committee is mostly focused on the challenges for people with mobility issues, and, as you say, your question was broader than that in a broader accessible sense. But again it is an area where there is a lot of work going on. We are wanting to do more work, and the establishment of the ministerial advisory committee is part of that.

Dr CARLING-JENKINS — Sure, and I do appreciate that, and I think that people with physical disabilities are certainly being heard. This is just an extension on that around people with lower literacy, for example, and how they can access the services. I appreciate your work in that area.

If I could move on now in the short time I have remaining to comment on rolling stock, on budget paper 3, page 49, and I also note that you brought this up in your slide where you spoke — sorry, it is not numbered, but that is okay, rolling stock investments — about training being central to the rolling stock strategy. It is great to see the local manufacturing and the local job creation that you have been focusing on in this area; I just wanted to mention that. I note that you mentioned that you have a 10 per cent apprenticeship target. I just wondered if you could describe for the committee what other elements there are to the statement that training is central to the

rolling stock strategy. Particularly I wondered if you could describe if there are any targeted retraining opportunities, given the decline, for example, in the automotive industry — and this is the nexus with your next portfolio, obviously — where workers potentially have transferable skills in this area.

Ms ALLAN — Absolutely. I will be brief in anticipation, as this might be something that comes up in the next hearing on the employment portfolio, where I am responsible for that major projects skills guarantee. We are really keen to make the most of our investment in rolling stock by, as I said in my presentation, training the next generation of the workforce. For example, with the rolling stock we need to extend and do works at the Pakenham depot, and there is a partnership with Chisholm as well. I might hand over to Jeroen, because there is a lot that actually is going on in this space where because we have built the training requirements into the tender documents, the companies have responded by forming partnerships with local training and TAFE providers. So by deliberately writing it in, that generates the outcome that we are talking about today.

Mr WEIMAR — I think there are two key elements, one of which is the requirement we have put into the contracts, into all future procurement contracts, for local content and training requirements, explicitly calling out apprenticeships. We are also providing a steady stream of demand for orders, so we are able to provide continuity to allow the suppliers to plan ahead in terms of when the train order is going to come in so they can actually build longer term jobs and longer term training schemes that support that long-term demand. We have a very good skills centre at Newport where we are looking to expand that and to make that available to a number of operators in the industry so that apprentices and trainees get real hands-on skills in a safety environment as to how to build specific rail engineering skills. We are talking to some of the — —

The CHAIR — Order. We will break until 10.43 a.m. If there is further information that can be provided on notice to Dr Carling-Jenkins, that would be great.

Now we will continue with government questions until 10.53 a.m. Ms Ward, I think, has the call.

Ms WARD — Minister, welcome. Everyone, thank you very much for coming this morning. Minister, as you can imagine, there is something that was in this year's budget that I was pretty excited about, which was the money allocated for the duplication of parts of the Hurstbridge line. I also know that people in my community are very interested in the Mernda rail extension project. Can you please talk us through those projects, what they involve, where they are currently up to and where they are going?

Ms ALLAN — Thank you, Vicki, very much for your question. And, yes, it is probably not a great surprise to me that you are keen to talk in further detail about the project around Hurstbridge, but also Mernda. And when you put these two projects together, that brings together about \$1 billion worth of works — rail works and public transport works — that will be underway in the north of Melbourne. They are both very exciting projects.

If I can start with some of the work on the Hurstbridge line, which is where you started, the budget provides \$140.2 million to duplicate what is known as a notorious section of single track on the Hurstbridge line between Heidelberg and Rosanna. Anyone familiar with running train services understands that the single track part of the system in the metropolitan area is a significant constraint, meaning you can only run trains one way, and so it certainly has been a constraint along this line. It limits the capacity to run extra services, and it also has issues with being able to address challenges with reliability as well. And so we are wanting to remove this bottleneck, and that is going to be what the main substance of that work is about.

Also too, it goes to some of the earlier conversations we were having. Power and signalling upgrades will also be part of these works. I should have mentioned, if I can, Vicki, in some of the comment I was making to Sue's question, that where we are going in and doing, whether it is level crossing removals or other works like this, where we can there are also often power and signalling upgrades as part of those projects becoming very much standard.

Ms WARD — Taking advantage of opportunities as they arise.

Ms ALLAN — Yes, exactly. If you are in the ground in the area, you are taking advantage and doing broader network enhancements while you are also doing the infrastructure work that was the primary focus of the project. And so the construction of this second track will provide those additional services to run in both directions, and I can appreciate how there is a great keenness from people who travel on your corridor to see that work is underway and completed and those extra services delivered.

This will be a package of work that is going to be undertaken by the Level Crossing Removal Authority. They are clearly doing a lot of work around significant expertise, because there is also, in addition to that \$140 million track duplication, the removal of the congested and dangerous level crossings at Alphington and Rosanna as well. So it is going to be a big package of work. You also talked about the — —

Ms WARD — I am anticipating you going on to Mernda, which I do want to know about. I just want to talk a little bit too about the study that will happen between Greensborough and Eltham, which I think is a part of the package.

Ms ALLAN — Yes, certainly.

Ms WARD — I am anticipating that you would be encouraging community consultation around the duplication of the line in that area.

Ms ALLAN — Yes, most certainly we will be. You are right; as part of the work that the level crossing authority will be doing, they will also be undertaking some planning, and that will involve community consultation — I will come back to that in a minute — on what needs to be done between Greensborough and Eltham so that we can see further service improvements on that line and on consultation.

Indeed there has already been some community consultation undertaken around the Grange Road area, and obviously we will be wanting to do a lot more of that over the next 12 to 18 months as this program rolls out. It is very much standard practice for us to have a significant community consultation program that runs in alignment with the level crossing removal and infrastructure program.

Mernda: again, I think I might have mentioned Mernda a little bit in my introductory presentation. This budget delivers every single dollar needed to deliver the rail extension to Mernda. Just to share with the committee a little bit about the scope of this project, this is constructing 8 kilometres of duplicated track between South Morang and Mernda. There will be the construction of a new premium station at Mernda — a new station at a location called Marymede. In response to some earlier community consultation we have done, we have also put into the tender material an indication back to the market about what a potential new station at Hawkstowe might look like as part of the package, because I think we all understand — I think, Vicki, you better than most — how that is a rapidly growing part of Melbourne, and we need to make sure — —

Ms WARD — Massively growing.

Ms ALLAN — Again, if we are putting in place infrastructure programs now we want to make sure that they have the capacity to serve the community when they are open but also have capacity to take up growth into the future.

As part of this, there will be five grade separations guaranteeing that this rail line will not create any new level crossings along that 8-kilometre section of corridor, and there will also be significant investment in car parking, with 1500 new car parking spaces created at the Marymede and Mernda stations.

Ms WARD — So that was 1500 at Marymede and Mernda together?

Ms ALLAN — Yes. I think it is 1000 at Mernda —

Mr WEIMAR — It is 1000 at Mernda.

Ms ALLAN — and 500 at Marymede. Also too, we are wanting to have appropriate bus interchange facilities so we can coordinate the bus services, similar to what I was saying earlier to Rachel about coordinating buses better with the train services. We are also doing some consultation around the local community on the bus network configuration as well. That is also an exciting project that is obviously going to create a significant amount of jobs during the construction program.

As Gill is sharing with me, you asked about the planning and community consultation. We have done a lot of community consultation, getting their feedback on, as I have mentioned, the location of stations and ideas about design and rollout. There is a lot of environmental-type work around the surveys of flora and fauna, cultural and historical heritage. I think there has been an archaeological dig go on out there — —

Ms WARD — Is it following along the old train line that was there in the past, that goes along parallel to Plenty Road?

Ms ALLAN — There is a rail corridor along there. I am getting lots of nods, so it is the rail corridor that is there. I guess echoing something I said earlier, the previous Labor government extended the rail line to South Morang, so we see this very much as a continuum of that work, recognising that we need to keep pace with that growing population.

Ms WARD — Is it right that there is going to be an extra bus service from Greensborough to Hurstbridge?

Mr WEIMAR — That is right, in late 2016.

Ms WARD — That will come in late 2016?

Ms ALLAN — That will come online before the train services in 2019.

Ms WARD — Okay, great. Thank you very much.

The CHAIR — Mr O'Brien until 11.03 a.m.

Mr D. O'BRIEN — Minister, I just want to go back to V/Line. The budget paper reference was BP3, page 155. You mentioned before that the estimated cost of the calamities earlier in the year was \$50 million to \$60 million. Is that to come from V/Line base funding, or has there been supplementary funding provided both in 15–16 and going forward?

Ms ALLAN — I might ask Sue Eddy to provide some additional information. We have had to provide V/Line with some additional funding over the course of the year, and, at risk of exciting committee members, the primary driver behind that was that we had to address the arrangements that were put in place in the service agreement that was signed in 2013 by the previous government that had a forward projection of \$120 million being taken out of V/Line. When we came to government at the end of 2014 and were briefed on it — —

Mr D. O'BRIEN — Minister, I am asking with respect specifically to the — —

Ms ALLAN — You are asking about costs provided to V/Line. This is part of it because we had to do — —

Mr D. O'BRIEN — No, I am asking specifically about the problems that we had this year, not the contracts — —

The CHAIR — Order! Mr O'Brien, the minister is answering the question.

Mr D. O'BRIEN — It is a nice try, Minister. I am prepared to let it go, but — —

The CHAIR — Order! The minister is answering your question, Mr O'Brien.

Ms ALLAN — And so we have had to put in some additional funding in that regard. The budget provides for \$198 million to rebuild the capacity of V/Line. I think I touched earlier on the \$141 million that has been going on with maintenance. In so far as the cost associated with the wheel wear — —

Mr D. O'BRIEN — Just on that question — a genuine question — is that the budget paper item — —

Ms ALLAN — As opposed to the non-genuine ones?

Mr D. O'BRIEN — They are all good questions from this side, I know, Minister. Is that what is termed as a line item 'Regional rail sustainability'?

Ms ALLAN — Just remind me, which page are you on?

Mr D. O'BRIEN — That is BP3, page 39. The line item simply says:

Funding is provided to ensure sustainability and adequacy of the regional rail network

Ms ALLAN — There it is. Sue, do you want to answer?

Ms EDDY — Yes, sure. So that does reflect the allocation of funding to V/Line in the budget, and it does include additional appropriation and some reallocation of existing funding from other outputs where there have been efficiencies. Particularly we have had lower fuel prices, so that has allowed us to redirect some money from that to the V/Line cost.

Mr D. O'BRIEN — Including in 15–16?

Ms EDDY — Yes.

Mr D. O'BRIEN — Sorry to harp on this, but you mentioned, and I think Jeroen also mentioned, \$141 million.

Ms EDDY — That is for maintenance.

Mr D. O'BRIEN — Yes. The out-years tallies to 161. Is that just a coincidence or are we confusing the figures here?

Ms ALLAN — Where are you looking at the maintenance figures?

Mr D. O'BRIEN — That line item is at the top of page 39.

Ms ALLAN — I think you are drawing a coincidence. The maintenance funding is shown — —

Mr D. O'BRIEN — Is that a separate line?

Ms ALLAN — That would be in the asset section, not that section.

Mr D. O'BRIEN — Okay. The additional funding that was needed for V/Line to cover the costs of the wheel wear and the level crossing issue is included in this figure?

Ms ALLAN — So can I unpack those two?

Mr D. O'BRIEN — Yes.

Ms ALLAN — The funding for the axle counter program is — —

Now, I was looking at this just last night. I think it is in BP4 under the maintenance section. What page is that on? BP3, page 50, is where you will find the funding for the axle counters. Remember I spoke earlier about the axle counters being the permanent solution to the challenges on the Gippsland corridor with the boom gates. You will see there major periodic maintenance in this current financial year — —

Mr D. O'BRIEN — Sorry, you said BP3. Do you mean BP4?

Ms ALLAN — Sorry. BP3. I was incorrect earlier. It is BP3, page 50, table 1.13. If you see, if you have got it there, in the 15–16 year, 23.3.

Mr D. O'BRIEN — Okay. Can I move on now, Minister — —

Ms ALLAN — Then — sorry, Danny, to draw it to your attention — if you rule your finger across to the end, you will see 141.

Mr D. O'BRIEN — Yes, 141. I see that.

Ms ALLAN — And then can I also just pull you up, in terms of the cost of the wheel wear, that final cost is not yet settled because the full service restoration program is not completed. So we have got an estimate on what we know to date, and we are nearing the end of that. In terms of the final costs, they will not appear in this budget obviously because they are not final costs.

Mr D. O'BRIEN — Will the taxpayer cover all those costs or is there going to be money sought to recover from any of the contractors that are involved — people that provide the wheels, for example.

Ms ALLAN — Look, there are some commercial conversations going on with the manufacturer of the VLocities, with Bombardier. I might ask Jeroen to comment on that in so far as he can, because again they are some commercial negotiations that are going on.

Mr WEIMAR — Thank you, Minister. There are two sets of commercial discussions going on, one with Bombardier, who are the maintenance provider of the VLocity trains. There is a separate conversation that we are having, commercial discussion we are having, with Metro trains with regard to the axle counter and the track circuit program. So both those are ongoing, and we expect to complete those in the next couple of months.

Mr D. O'BRIEN — So would you expect that you will not have to pay the entire lot? Will there be some compensation perhaps sought?

Mr WEIMAR — The nature of commercial discussions are to try to get some money back.

Mr D. O'BRIEN — Great. Minister, you ordered a capability review into V/Line as a result of all this, and the capacity of the organisation. Has that review been completed?

Ms ALLAN — That review has been completed. It is a review for the V/Line board. I have been briefed by the V/Line board on that review. It goes to a range of issues about how we need to strengthen V/Line as an organisation. If I remember correctly, the board has accepted all recommendations that were presented in that review. They have started the recruitment process already for a new CEO, and they have also been doing some work — —

One of the things, as the board briefed me on the issue, is that V/Line is in a stage of cultural change. It is an organisation that for ever has been primarily about delivering passenger services to regional communities. With the significant population growth in what you would call the 2-hour ring around Melbourne, and with more people moving into those areas, the demand is now shifting from passengers to more commuter-style services, which is a different type of service delivery.

Mr D. O'BRIEN — I understand that context, Minister; sorry, but I am conscious of time.

Ms ALLAN — Yes, sure.

Mr D. O'BRIEN — Can I ask: will that review be released?

Ms ALLAN — That is a matter for the V/Line board. It is not my review, it is the V/Line board's review.

Mr D. O'BRIEN — But didn't you ask for or order the capability review?

Ms ALLAN — I did, because I was concerned about how some of the issues back in January exposed some concerns that I had.

Mr D. O'BRIEN — So if you asked for the review, do you not get to say whether you are going to release it or not?

Ms ALLAN — No, I appreciate the distinction you are trying to make, but it is not my review. That is a matter for the V/Line board.

Mr T. SMITH — Again on the Level Crossing Removal Authority, Minister, has the successful contractor to construct sky rail secured an EBA with the workers for the project?

Ms ALLAN — There are a number of contractors within the alliance, so you might want to identify if there is a particular company and a particular part of the workforce that you are wanting to identify.

Mr T. SMITH — I would want to know about the sky rail project, as in, you know, the viaducts up in the air you are putting over people's back fences.

Members interjecting.

Ms WARD — Which particular EBA are you speaking to, Mr Smith, or which particular union?

Ms ALLAN — I would appreciate some clarification, Chair, because, as I said, a number of companies have come together as a consortium to deliver the Caulfield to Dandenong line level crossing removal program.

Mr T. SMITH — Let us start with that. Has any of them secured an EBA?

Ms ALLAN — Has any of them?

Mr T. SMITH — Has any of them.

Ms ALLAN — Well, look, it is a little bit challenging because some of them will use contractors. As nebulous as that question is, I might invite Kevin Devlin, if I may, Chair, to assist in terms of that.

The CHAIR — Sure, thank you, Minister.

Ms ALLAN — Just to be clear, there is an alliance here between Lendlease, CPB Contractors, WSP Parsons Brinckerhoff, Orecon and Metro Trains Melbourne. If the member could assist us in identifying which particular company and which particular part of the workforce he is keen to know. An EBA? There is clearly not one EBA that would cover that group of companies; they have different workforces. Some of them will engage contractors. Some of them will have their own workforce. Some of them will subcontract the work out. So I would be really keen to know which part of the workforce you are talking about.

Mr T. SMITH — Minister, you are really, really clever, I know, but I would simply like to know, for the much-vaunted sky rail project — —

Members interjecting.

The CHAIR — Mr Smith, there are 30 seconds left. Would you like to really zone in on the particular aspect of your question?

Mr T. SMITH — Why don't we just start with Lendlease? EBA?

Mr DEVLIN — Each of the parties to the contract have existing EBAs in place for their workforce. I understand that they are seeking to negotiate or enter into negotiations with the relevant unions for a project agreement. That is currently in progress.

Mr T. SMITH — So can you expand on that at all?

Ms ALLAN — I think, just to be clear, Kevin said it is currently in progress.

Ms PENNICUIK — Minister, I thank you for your answers with regard to the questions I raised about high-capacity signalling or signalling across the network earlier. As you know, that is an issue I have a great interest in.

Ms ALLAN — Yes.

Ms PENNICUIK — I would say that your answers actually raised more questions, which I would like to pursue.

Ms ALLAN — Well, you have come to the right place.

Ms PENNICUIK — Last year I queried the choice of the Sandringham line for the high-capacity signalling trial given its lack of interaction with the freight and regional rail. In budget paper 4, page 114, there is the investment of \$55.6 million, expenditure of about \$1.5 million to the end of this financial year and then the outgoing expenditure. But what are the budget implications of not going ahead with high-capacity signalling on that line? Is there a change to that budget line is sort of the question there. Also, can I clarify whether in the announcement today with a billion dollars of work for signalling — the press release says Sunbury–Cranbourne-Pakenham line, but you said South Morang line.

Ms ALLAN — Yes, okay.

Ms PENNICUIK — I think that does need some clarification. Are they trials? And also, is it high-capacity signalling or is it conventional signalling that we are talking about there? And how is this all going to integrate? Is there a plan to roll out high-capacity signalling? You did mention before capacity for high-capacity signalling in the new trains. I think there are a lot of questions that are raised by the answers you actually gave.

Ms ALLAN — There are, and again I will start and try. The rolling stock, it is a requirement of the tender that we announced — when we increased the order we added an additional requirement of the tenderers to have the trains high-capacity signalling ready. So they needed to put the technology in the trains that would be able to talk to the technology on the network.

Ms PENNICUIK — So it begs the question: is high-capacity signalling going on these lines or not?

Ms ALLAN — Well, the answer is yes. In fact that links to your — —

Ms PENNICUIK — Let us go to the detail, then.

Ms ALLAN — If I can. I mean, this goes to your question about the Sunbury — —

Ms PENNICUIK — And do not forget Sandringham, and the budget line.

The CHAIR — Ms Pennicuik, I think the minister is attempting to answer your question.

Ms ALLAN — The metro tunnel project joins the Sunbury line with the Pakenham line. It joins it together, so that is why the press release talks about it. Eventually the high-capacity signalling will run along that corridor; if you like, it will be one big corridor. You will be able to get on at Sunbury and get off at Dandenong, and that will be one continuous line, and the high-capacity signalling needs to be deployed across that line, because that is also the line that the high-capacity trains are going to be running on. So you have got the high-capacity trains with the high-capacity signalling capability in them running along the Pakenham–Sunbury corridor, which is the corridor that will be created as a result of the Metro tunnel project. Does that answer?

Ms PENNICUIK — Yes. ETA 2025.

Ms ALLAN — 2026.

Ms PENNICUIK — Ten years. The question is: what is the plan for high-capacity signalling on the rest of the network where trains that have that capability will be operating? And what is the situation with the Sandringham line and its budget line of millions of dollars to be spent on high-capacity signalling now apparently not going ahead, and why not?

Mr WEIMAR — The work we have been doing over the last year has been to identify the network requirements for high-capacity signalling given that, as we said this morning, this will be the first introduction of high-capacity signalling on an existing railway in Australia. It is a lot of work to work out how you introduce it into a live railway environment. Our original intention a year ago was to deploy that and to do some trial work on the Sandringham line. We have now formed the judgement, based on the technical requirements of the network and the rolling stock that we use on the network, that we would rather do the initial deployment on the South Morang line. It will be a limited deployment on the South Morang line at the existing budget that we talked about. What that will enable us to do is to ensure that we have a clean pathway to introducing high-capacity signalling on the existing railway. We will be using X'trapolis trains, which will be here for a significant number of years still — we will buy more of them — and that will provide us with the first pathway to introducing high-capacity signalling on the existing railway network.

We have decided to bring it together with the metro tunnel procurement for high-capacity signalling because we do not want to introduce two different types of high-capacity signalling onto one single network. So we will have one systems alliance that will both develop the introductory pathway to high-capacity signalling on the South Morang line using X'trapolis trains, and they will then install high-capacity signalling as a commitment on the end-to-end corridor, as the minister explained, between Sunbury down to Pakenham. That is where the high-capacity Metro trains will also run, so it is an integrated package.

We will at some future point come back to government with a proposal around the wider deployment of high-capacity signalling on other parts of the network. That has not been yet provided for in any budget

numbers, and we will be making separate submissions at some point in the future for a separate government decision.

Ms ALLAN — Based on the work that is being done as part of this project.

Ms PENNICUIK — So can I, sort of, infer from that that the budget line high-capacity signalling is just transferring that money off the Sandringham line to the South Morang line? Is that what is happening?

Ms ALLAN — So can I pick up on the references to the Sandringham line? Just to be clear, the high-capacity signalling — —

The CHAIR — 1 minute.

Ms ALLAN — Thank you, Chair — was not going to run at high-capacity frequencies. It was chosen for the trial, as we have said before, because it was an isolated part of the network, and so Sandringham services were never going to really change as a result of this trial.

Ms PENNICUIK — I have got that, Minister. I am just wondering if the budget line is now the same budget line.

Ms ALLAN — Well, that project is being picked up. It is now part of a much bigger \$1 billion alliance project that has been announced today.

Ms PENNICUIK — Okay. That is what I am trying to get to the bottom of. There is a budget line here for high-capacity signalling which is nowhere near \$1 billion. Anyway, if I can — —

Ms ALLAN — Sorry, Chair. Just to be in the interests of being consistent, these budget papers were printed and released before the announcement today, so I think these things are point in time.

Ms PENNICUIK — That is why it is worth questioning what has happened since the budget papers and how it all interacts. That is what I am trying to work out, and I think I have run out of time.

The CHAIR — Order! Mr Dimopoulos, for 10 minutes.

Mr DIMOPOULOS — Thank you, Chair. Minister, just going back to your presentation and BP3, page 38 — and I know you have covered it along the way — but just could you do a stocktake, in a sense, at this juncture in the term of the government and the commitments that are outlined in this output initiative at page 38? I know you have mentioned more than 20 level crossings and Melbourne Metro, but what would be the stocktake in terms of the election commitments and your delivery of them at this juncture? Are there any that have not been delivered?

Ms ALLAN — We are certainly on track. Across the portfolio? Election commitments across the entire portfolio?

Mr DIMOPOULOS — Yes. I mean, obviously I think there is enormous progress given what you have said in your presentation. You committed to 20 level crossings; that is just one example. You said now that there would be at least 35 started or completed. Just thinking in terms of both the rolling stock order and Melbourne Metro and a whole range of other initiatives, are there any that you are not as far progressed as — —

Ms ALLAN — Yes. Obviously election commitments are at different stages of implementation. The metro tunnel project obviously has a very long delivery phase in terms of its scheduled completion in 2026. The level crossing program I think we have talked about at length, and that is absolutely on track to be delivered in full by 2022. We made 26 election commitments in the public transport area, and my advice is that 10 of those have been delivered and indeed some of these have been exceeded. For example, we made a commitment to deliver 20-minute services for Geelong and when the regional rail link opened and the timetable changed we were able to put on 10-minute peak services for that Geelong community.

Other commitments, big and small. There are small things like putting in public facilities — public toilet facilities at the Hallam railway station — have been completed, establishing the Box Hill transport interchange advisory group, for example. There are other projects, as I said, that will take a little bit longer but they are well

and truly in implementation; for example, the \$100 million bus package. This budget provides the funding to accelerate the rollout of that package, so rather than deliver it over a four-year period, try to bring the funding forward so we can have many of these delivered much sooner, particularly given the importance of bus services to many communities. A project you are familiar with, which was a commitment around the Huntingdale bus interchange, that work is underway and is on track to be completed in 2017. That will make for a much better connection between the bus and the train services in that part of the community.

Mr DIMOPOULOS — Minister, I have just had a thought

Members interjecting.

Mr DIMOPOULOS — I know, dangerous, isn't it? I had a thought in relation to that project. The government has committed to a significant amount of local content and purchasing but also, I think, social procurement plans across some big infrastructure tenders. I was just wondering whether there is a view to extending that. I know it exists with the level crossing removal program, social procurement plans. Has the government got any intention to extend that to other purchasing arrangements?

Ms ALLAN — So our skills requirements apply to projects. The Major Project Skills Guarantee applies to projects with a \$20 million threshold or greater. Separate to that — and work is well advanced in that, and I may talk about that in about half an hour or so's time — and more broadly there is some work going on across government that I am involved with in terms of looking at how we can build some of those social procurement policy practices into the day-to-day business of government, so making sure that when we are investing taxpayer funds we can leverage the benefit of that in the widest way possible.

The best illustrative example of that is clearly when it applies to rolling stock and the local content requirements or the skills requirements that we are putting into tenders. But also, too, you may be familiar with some of the work that is going on as part of the Caulfield to Dandenong nine project and how we were talking to social enterprises along that corridor about how they can be involved in some of the purchasing arrangements. What we are wanting to do is have a policy put in place that enables, whether it is a government department, agency or contractor, really encouraging them, in some instances requiring them, to build those sorts of policy principles into the work that they are doing.

Ms SHING — Minister, I would like to take you back to regional public transport, which may come as no surprise to you and others on the committee, and in particular the *Conversation Report* as part of the *Regional Network Development Plan*. I note that this particular document, which has been provided to the committee and is available publicly, refers to the conversation with regional communities and in particular the 38 workshops and feedback channels — basically to paraphrase page 11 of that document — and indicates that all regions want more services to Melbourne that start earlier and finish later, and bus and train timetables that correspond, and specifically at page 13 it refers to a desire to have better services within the Gippsland line to enable people to shuttle between Gippsland towns.

Minister, I would ask you to talk about how the budget initiatives actually deliver on making this possible and, again, how the *Regional Network Development Plan* plus the \$100 million bus package will enable this to happen, by reference to the reliability and capacity as well as connectivity and services that were identified in the context of that particular process.

Ms ALLAN — Okay. There are a few elements to that question.

Ms SHING — There is a lot in that. Feel free to just go through them systematically if you would like.

Ms ALLAN — Clearly we were able to have the benefit of having this report, which was released in November 2015, to help inform the thinking of some of the budget and funding initiatives that are identified in the budget. Just to take a region, for example, that you are interested in, in Gippsland — —

Ms SHING — Let us go to Gippsland, shall we? Terrific.

Ms ALLAN — One of the things, and I think you referred to it, is as much as there is a focus on regional rail passenger rail services and the change and the needs that are growing there in that service, one of the really strong pieces of feedback through the conversation was around an overall better experience — better station facilities, car parking improvements. Those sorts of things came through really, really strongly in the

conversation. That is why there is \$9 million in the budget to upgrade stations on the Gippsland line, at Morwell station. We are also looking at upgrades of car parking at Morwell, Moe and Traralgon.

We are looking at also improving where we can compliance with disability standards. Public transport between platforms is quite an issue for our regional network, where you have got a lot of older stations. They are quite beautiful and historic buildings, but they do come with some accessibility challenges. There is improving the passenger information and tourist information at these stations as well. Again, we are wanting to encourage people from Melbourne to catch the train down to beautiful Gippsland and use that as a great way to get around the state. They are the things where we are influenced by the thinking and the feedback that came through the *Conversation Report* in the development of the *Regional Network Development Plan*.

Then, too, one of the things that also influenced the development of the budget priorities was we have put into the budget an additional \$170 million — —

Sorry — 170 extra off-peak services. Sorry. I would give the Treasurer a scare.

Ms SHING — I thought we were about to get a fantastic announcement that we could sing from the rooftops.

Ms ALLAN — With the 170 extra services that are off-peak services, as there should be there is a focus on improving peak-time services and keeping pace with demand, but we are now seeing people use regional public transport around the clock, and we have to make sure that there is a spread of services to meet that need as well.

Ms SHING — In addition to that, regarding the planning that has been set out in the document around the Bunyip River crossing and the duplication and the work that might be done there for a passing loop, is that part of the \$9 million or over and above?

Ms ALLAN — That is separate, I believe. If I am wrong, I will come back and confirm that, but that is part of some separate planning work that needs to be allocated.

Ms SHING — If you could perhaps take that on notice and advise the committee.

Mr WEIMAR — I can certainly add, just for the benefit of the record, that overall we have committed around \$33.8 million to wider Gippsland transport improvements. Both across the rail space and the bus space, there is a lot of work we are doing with local government in the area around improving regional bus services, particularly in the Latrobe Valley.

Ms SHING — And including the Gippsland V/Line Users Group as well.

Mr WEIMAR — Absolutely. That is right.

Ms SHING — Thank you for that.

Mr T. SMITH — Minister, I again return to the level crossing removals program. I refer to your commitment to remove the level crossing at Toorak Road, and I ask: will you rule out using a rail-over-road or a sky rail approach to remove the level crossing at Toorak Road?

Members interjected.

The CHAIR — Order! Mr Smith has asked a question. There is a question before the minister.

Ms ALLAN — Let us be clear. I am going to take the advice, and the government will take the advice, from the experts and the engineers when it comes to delivering the best outcomes in removing level crossings. That will also be informed by consultation that will be undertaken with the community to understand what their needs and priorities are. That is what we have done all the way through this program, and we will continue to do.

Mr T. SMITH — So you will not rule it out?

Ms ALLAN — As I said, we have got work underway. By the 2018 election there will be level crossings either removed or under construction and on their way to being removed at 35 sites across Melbourne.

Mr T. SMITH — Okay, so that is a no. You will not rule it out.

The CHAIR — Order! Mr Smith!

Ms ALLAN — What we will do at each of those sites is undertake extensive consultation at each of those locations. We will work with the community at each of those locations — —

Mr T. SMITH — Is that a yes or no? You are speaking all this gobbledegook. Is it yes or no?

The CHAIR — The minister is answering your question, Mr Smith.

Mr T. SMITH — She is not answering my question, Chair.

The CHAIR — I heard the minister indicate that she will be seeking professional advice and will be guided by the professional advice received by the experts in relation to what option may or may not be used at Toorak Road.

Mr T. SMITH — The question is yes or no. The answer is no.

The CHAIR — I would encourage you not to verbal the minister, Mr Smith.

Ms ALLAN — This is of course, Chair, a level crossing that the Labor government committed to remove. There was not a commensurate commitment from others to remove this level crossing.

Mr T. SMITH — So that is a no.

The CHAIR — Order! Mr Smith, I would encourage you again not to verbal the minister.

Mr T. SMITH — I ask the same question for Grange Road, Alphington.

Ms ALLAN — Are we going to go through this for the entire program?

Mr T. SMITH — I ask the questions, you answer them. That is how it is meant to work.

The CHAIR — Order! I would encourage you, Mr Smith, to speak to the witness courteously and respectfully, as the rules of the committee dictate.

Mr T. SMITH — I am asking some very specific questions here. They are actually very tightly worded and very specific.

The CHAIR — Yes, and the minister was merely seeking some degree of clarification in relation to the 7 minutes remaining as to whether you were going to go through every one of the 50 level crossings.

Mr D. O'BRIEN — She does not need to ask what we are going to do next.

Mr T. SMITH — It has got nothing to do with her.

Mr D. O'BRIEN — She just answers the question. She does not ask it back to us. That is how this works.

Ms SHING — We cannot hear from up there on your high horse, Mr Smith.

The CHAIR — Order! Mr O'Brien! Ms Shing! I think a witness is entitled to seek a degree of clarification, which I think the minister was seeking to do.

Mr D. O'BRIEN — Not about what we are going to ask next.

Mr T. SMITH — It was really simple.

Mr MORRIS — The clarification the minister was seeking was not about the question; she was asking about what comes next and what comes next. That may well be determined by her answer to this question.

The CHAIR — I encourage all members to speak to witnesses respectfully and courteously.

Mr T. SMITH — Grange Road, Alphington — rail over road, sky rail. Yes or no?

Ms ALLAN — Again, we will undertake the approach consistently, if I can anticipate that this may be a matter that comes up again in the remaining time we have, at each of the locations as we have done to date and will continue over the balance of the program — a program that is committed to removing 50 dangerous, congested level crossings across the state, a program that has not been done at this size or scale ever before. We will remove these level crossings in consultation with the community to understand what their priorities and questions are.

Mr T. SMITH — Okay. You are not going to answer my question.

Ms ALLAN — If I can, Chair, just to complete that, we will consult with the community to understand what their priorities and preferences are, not the priorities and preferences of the Liberal Party but the priorities and preferences of the local community, and also base that on the best of expert advice from the experts and the engineers. That is responsible. That is responsible and appropriate. And if I — —

Mr T. SMITH — Okay. So — —

Ms ALLAN — Okay. You are going to go on.

Mr T. SMITH — In terms of the Frankston line, will you rule out the use of elevated sky rail on the Frankston line?

Ms ALLAN — I am really glad you asked that question, because it gives us an opportunity to put to rest the mischief making that is going on in this corridor. This is a very different project. The Dandenong line was an opportunity to get rid of all remaining level crossings as part of one project. The Frankston corridor is very different, where there are eight level crossings as part of this program. They are not all in a row. There will still be, I think, 19 along that corridor, so they are all very different. At each location we have started the consultation; at each location the treatment may be quite different to the one before it. If I can quote from someone, who says:

... rail over river or road is not sky rail, which is rail elevation along a corridor.

That was a tweet from Inga Peulich, and she is quite right. Rail over road is not sky rail; rail over road is an elevated rail bridge, which we do have in many locations across Melbourne, so that is why — —

Mr T. SMITH — Do you want to answer my question?

Ms ALLAN — I am answering the question. We are undertaking consultation. The communities along this area know their area, can I suggest, far better than some around this table who are making speculative comments about what may or may not happen.

Mr T. SMITH — No, I am asking questions, and you are not answering them.

The CHAIR — Order! Mr Smith!

Ms ALLAN — And we will be going through a respectful and consultative process. There will not be a Dandenong-style solution coming to the Frankston corridor, because they are very different projects. Let me be clear. I know Mr O'Brien has given you the next question, so I will let you ask it.

Mr T. SMITH — You do not answer the question, so it is really — —

The CHAIR — The minister has answered the member's question.

Mr T. SMITH — Minister, I want to know why there has been no environmental effects statement for the sky rail project undertaken, particularly given that on 20 April this year Mr Bolt told an upper house committee:

... no referral was required ... there was no trigger met to refer the matter to the planning minister for an EES —

based on 'the self-assessment done by the authority against the guidelines for the conduct of an EES'.

Ms ALLAN — Indeed the member has answered the question in his own question, but I am happy to also answer it. I might also, if I may, invite Kevin Devlin, the CEO of the Level Crossing Removal Authority, to provide some additional information once I have concluded my introductory comment.

Along the Dandenong line, where these works are being undertaken, this is an existing rail corridor and the requirements under the act — the long-established requirements under the act for an environmental effects statement — were simply not triggered when it came to this project. There are EES guidelines, and I will ask Kevin to go to those in a moment. There are EES guidelines that clearly set out what are referral criteria, that sets out — —

Mr T. SMITH — For example, if I could, Minister — —

Ms ALLAN — Sorry, if I can — —

The CHAIR — Order! Mr Smith, you have asked the question and the minister is answering your question. The minister to continue.

Ms ALLAN — The Level Crossing Removal Authority undertook the assessment that a referral was not required, which was entirely consistent with those criteria. I would like to invite Kevin to supplement that, as it was the authority that he leads that undertook that assessment, assessed the criteria against the project and made that recommendation. So, Kevin, perhaps you might want to add to that.

Mr DEVLIN — As I have been clear in the past, the authority based on expert technical planning and legal advice, went through the assessment under the ministerial guidelines under the Environment Effects Act and assessed whether an EES referral was required to the Minister for Planning. We completed that assessment and determined that no referral was required under those ministerial guidelines.

Mr T. SMITH — But, Sir, wasn't the project announced before an EES was conducted?

Ms ALLAN — Sorry, but that is not quite right. When you say 'before an EES was conducted', let us be clear: there is no requirement for an EES to be undertaken on this project, so your question is actually factually incorrect.

Mr T. SMITH — Okay. If I could ask Mr Devlin, you do not think, for example, this project will potentially create major effects on social or economic wellbeing due to a direct or indirect displacement of non-residential land use activities?

Mr DEVLIN — No, there is no compulsory acquisition of any properties required.

Mr T. SMITH — Potential extensive or major effects on the health, safety or wellbeing of the human community due to emissions to air or water, for example?

Mr DEVLIN — Quite the contrary. The project will improve air quality and noise emissions compared to the existing — —

Interjections from gallery.

The CHAIR — Order!

Mr DEVLIN — That is a matter that is very straightforward, and it is basic engineering — —

Mr D. O'BRIEN — There are some members of the gallery who do not necessarily agree.

The CHAIR — Order!

Ms ALLAN — That is highly inappropriate.

Ms WARD — Liberal Party members of the gallery do not agree, including Liberal Party MPs. What a surprise!

The CHAIR — Order! The time has expired. I would like to thank the witnesses for their attendance: the Minister for Public Transport, the Honourable Jacinta Allan, MP; Ms Eddy; Dr Miles; Mr Weimar; Mr Hannett; Mr Tattersall; and Mr Devlin. There were a number of handouts, and I think there were some animations provided. If they could be provided to the secretariat, that would be appreciated. The committee will follow up on any questions taken on notice in writing, and a written response should be provided within 14 calendar days of that request.

Witnesses withdrew.