

# TRANSCRIPT

## STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

### Inquiry into infrastructure projects

Melbourne — 20 April 2016

#### Members

Mr Joshua Morris — Chair

Mr Khalil Eideh — Deputy Chair

Mr Nazih Elasmir

Mr Bernie Finn

Ms Colleen Hartland

Mr Craig Ondarchie

Ms Gayle Tierney

#### Staff

Secretary: Dr Christopher Gribbin

#### Witnesses

Mr Richard Bolt, Secretary, and

Mr Robert Abboud, Deputy Secretary, Transport Network Development, Department of Economic Development, Jobs, Transport and Resources.

**The CHAIR** — I will begin by declaring open the Standing Committee on Economy and Infrastructure public hearing, and I welcome all those who are present here today. I will just begin by explaining that we are hearing evidence in regard to the infrastructure inquiry, and all evidence today is being recorded. All evidence today is protected by parliamentary privilege. Therefore you are protected for what you say in here today, but if you go outside and say the same things, those comments may not be protected by the same privilege.

I will begin by asking you to introduce yourselves and then move into any introductory comments. Thank you.

**Mr BOLT** — Thank you, Chair. Thank you, members of the committee. I am Richard Bolt. I am the Secretary of the Department for Economic Development, Jobs, Transport and Resources.

**Mr ABBOD** — My name is Robert Abboud. I am the deputy secretary of transport network development within the same department.

**The CHAIR** — Fabulous. And you have got a presentation for us as well.

**Mr BOLT** — Yes, we do.

**The CHAIR** — Thank you.

### **Visual presentation.**

**Mr BOLT** — Thank you, Chair. I understand that there is something like 10 minutes set aside for this, so if we can go to the first slide.

The committee's request was to particularly focus on the western distributor project and the lease of the port of Melbourne. As context, what this slide shows is work we have been doing to assess the corridors and places, as we like to call them, for the purposes of planning, across the Melbourne system. We are doing a statewide by the way, but this particularly focuses on Melbourne and some links into regional Victoria. It shows the performance issues that we are facing on some corridors that are shown in red and major issues in a kind of pink. You can see that there are other particular areas of performance pressure in the western corridor leading into the CBD and across the M1 corridor, if you like, also to the south-east of Melbourne, which provides a context for the particular projects we are here to discuss and the overall infrastructure program of the government.

Here is a reason why, or some forecasts which indicate why, some of those pressures are likely into increase. It is a busy slide. But to explain it, the size of the people denotes where current projections to 2031 indicate population growth will be — the larger the person, the more the population. Unsurprisingly perhaps to members of this committee, to the west, south-west, north and far south-east of Melbourne is where the largest population growth is.

Conversely the largest jobs growth is in the centre of Melbourne. That has to do with the particular growth of the professional services sector, for which there is a lot of capacity for expansion in and around the CBD, and as a worldwide trend, the forecast is that Melbourne will be showing that growth over the next 15 to 16 years. Jobs growth is also significant in other parts of the metropolitan area, but where the population growth is greatest is, in many respects, where the jobs growth is least. So there will be service jobs of a community nature. There will be some sectors such as transport, logistics and some manufacturing that locate out there but not to the large extent compared to the jobs we see in the centre. So that creates a significant transport challenge to link people to jobs.

The red-coloured areas are those where the access to work is forecast to be the greatest within 60 minutes. Yet again you can see in those high population growth areas that the access to jobs is significantly less than it might be in the business suburbs of Melbourne out to the mid-eastern suburbs. The purple lines, just to complete the picture, indicate that even with significant investment, this pattern of growth does lead to significant congestion in 2031. And so investment in infrastructure is one part of the solution to manage the total road and rail slate to the maximum benefit of Melburnians.

In addition to linking people to work — the commuting task — there is a rapid growth in freight that we are seeing to be particularly driven by wholesale trade, construction and the concomitant growth of the transport and warehousing sectors. The M1 corridor again stands out as showing substantial truck volumes by 2031, as

denoted by the red coding all the way down to what will be Pakenham by that graph. That is also compounded by the freight-intensive industries, which are the blue dots. The bigger the blue, the greater the level of industry growth that you will see, and so the same kind of pattern but north-west and south-east is where a lot of the growth will go, generating a lot of traffic in the freight area, and that again focuses the need to make sure the M1 corridor meets the demand.

Against that background there is a substantial pipeline of transport projects underway or close to underway, as the committee would be aware. The CityLink-Tulla widening, we are well aware, is happening. The western distributor project is in the developmental stages, and we will talk about that. The lease of the port is not only a financing method for level crossings but it also will provide a substantial opportunity for the growth of the port to be invested in to again meet the needs of a growing Melbourne and Victoria. And we have the Metro rail project with its 9-kilometre twin tunnels and five new stations, increasing the ability of both the north-west of Melbourne and the south-east to access the centre and free up capacity, by the way, across the entire train system, including other suburbs and corridors into the CBD.

In addition to what the focus is, particularly around the central precinct of Melbourne, you will see the 50 level crossings that the government has committed to grade separating from the road system. The ones coded in blue are the Cranbourne-Pakenham line upgrade level crossings. That is not only a level crossing removal project; it is also a rail corridor enhancement project. As a result of those being removed, it should allow for a significant increase in train volumes. To realise that increase requires not only the level crossings to be removed but signalling systems to be modernised and eventually moved to high-capacity signalling and high-capacity trains to be built to carry more passengers in longer train configurations. That work has now got underway and is in many respects an essential prerequisite to the Melbourne Metro project, because that is the line that will then ultimately go under the city and connect the south-east of Melbourne to the north-west and take pressure off the city loop, thus allowing other suburbs of Melbourne to get better access to the CBD with more services as well.

There is a rolling stock strategy, of which that high-capacity train program is a part, that takes a long view about how the public transport system will not only need new rail and signalling but it will also need new carriages essentially in order that we can meet the growth of Australia's fastest growing city.

When we go to the question of 'Why the western distributor?', the key challenges we are looking at in that and the Monash Freeway upgrade are that the transport capacity on the M1 is inadequate relative to growing demand and that we are over-reliant on the West Gate Bridge, which is well known I think to anyone who travels in from that direction. It is currently operating at capacity, and it also is vulnerable to the occasional disruption of bridge use, which as we all know causes reverberations throughout the road and rail systems of Melbourne when that occurs on the odd occasion, to the great frustration of travellers.

We have port and freight connections that could be significantly enhanced to enable growth and take a substantial number of trucks out of the streets of the inner west of Melbourne. The lack of transport capacity could act as a constraint on population and economic growth in Melbourne's west, where of course the level of disadvantage is higher than in most other parts of Victoria and where we are seeing in some cases quite substantial unemployment rates. Again, members here would be well aware of that.

The western distributor is proposed to be a \$5.5 billion project in partnership between Victoria and Transurban, all subject of course to forthcoming environmental assessments and commercial negotiations. There are three project elements: the distributor itself, which I will talk about in more detail in a second; the Monash Freeway upgrade, a \$400 million upgrade; and Webb Dock access is being improved as a kind of corollary of this project in order that there is direct access from Webb Dock to the CityLink freeway system — again all in pursuit of ensuring that truck movements are as far as possible confined to major freeways rather than the streets of residential Melbourne.

This will be difficult to follow, but I am sure it is reasonably familiar to the committee. The western distributor scope is to increase the West Gate Freeway from the M80 interchange to Williamstown Road from 8 to 12 lanes, so in effect four groups of 3 lanes, to increase the traffic capacity and reduce travel times. Then there will be a separate tunnel or a new tunnel which will find its way to the Maribyrnong, across the Maribyrnong and over the top of Footscray Road. There will be a further carriageway with several points of termination in the north-west of the CBD but, most importantly perhaps, good connections after the tunnel crosses the Maribyrnong into the port of Melbourne. I think that is probably as much as I need to say about that at the moment.

As far as the Monash Freeway upgrade is concerned, there are a number of ramp widenings, there are a number of new freeway ramp signal systems and upgraded signal systems, and in some cases both of those things are happening. In addition to that there is a widening from — what is it now? — four to five lanes. I have forgotten exactly which roads we are talking about; Rob can update us on that. That is the blue section; the green section is a widening from two to three lanes each way. As a result of all that, there is the ability to carry more traffic but also to manage the traffic flow much better. In conjunction with the western distributor, I am told it will be the longest stretch of managed motorway in the country — 90 kilometres from Werribee down to the south-east. The Monash Freeway upgrade is a \$400 million project, with 45 kilometres of freeway upgraded. You can see all of the statistics there. In the interests of time and not to outstay my introductory welcome, Chair, I will not go into more detail on that.

The benefits for Victoria of the overall projects: you see them all there. They are increasing capacity on the road system; travel time reductions; reduced vehicle emissions; trucks off the West Gate Bridge, bearing in mind the West Gate Bridge has capacity now to only take trucks of 68.5 tonnes and with the western distributor higher productivity freight vehicles will have access to the port of Melbourne directly through the freeway system, which will be a productivity benefit to the economy in the movement of freight; reductions in trucks in the inner west — I have mentioned them before — a few statistics on that; the missing link for cyclists on the Federation Trail, quite a long section there, which will be completed as early as possible to the benefit of active transport; reduced crash levels; and, as I said earlier, smart technology. We can go through any of those in more detail.

The economic assessment shows that under a conservative assessment, which are the Victorian guidelines, we have a benefit-cost ratio of 1.3. Using the commonwealth national Infrastructure Australia guidelines it comes to 1.9. That does not include wider economic benefits, which takes the figure above 2. The boost to Victoria's GSP is \$11 billion and 5500 construction jobs in the construction phase.

Here are those stats in more detail. When I say including the wider economic benefits being more than 2, that is under the Infrastructure Australia guidelines. As you see, if you use the more conservative Victorian guidelines, including what are called WEBs, it takes the benefit-cost ratio to 1.6. The Monash Freeway upgrade has a very high BCR, the western distributor 1.1 to 1.3, but it stands up on its own and is augmented if one includes the Monash Freeway in the project.

Here are some time lines. Again perhaps I will defer any detailed questioning or reflections on these for questioning, but essentially with the western distributor, after all of the processes to be undertaken, the expectation is of financial close, commercial close, at the end of next year and construction completed by mid-2022, following community consultation, environmental assessments — the EES — and approvals in conjunction or in parallel with commercial negotiations. As far as the Monash is concerned, the contract award is expected in the middle of this year, with the request for tender having already been released, and the construction period through to the third quarter of 2018 and Webb Dock access to be completed by the end of next year.

Finally, on the port lease, members of the committee would be aware that the government has requested expressions of interest as of 21 March. The submissions were received on 18 April. They are being evaluated now. It is a highly confidential process, as you can imagine, about which I cannot say a great deal. Indicative bids will be due based upon what comes out of the EOI evaluation midyear, and the binding bid stage will then follow. The market engagement process is expected to be completed by the end of October this year. It is highly sensitive, subject to serious probity oversight, and I am not at much liberty to speculate or to say anything further about this process, but I will take whatever questions the committee wishes to ask. I have some other slides here that I may refer to if it is in the committee's interest to do so.

**The CHAIR** — Excellent. Thank you, Mr Bolt. I might kick off with a question on a slightly different infrastructure project, that being the level crossing removals. I am just curious: the Level Crossing Removal Authority is indeed a unit within your department — is that correct?

**Mr BOLT** — It is an administrative office; that is correct. It is within our portfolio.

**The CHAIR** — Do you know what assessments have been done with regard to noise impact, including anything like noise contours, with regard to the impact the sky rail may have?

**Mr BOLT** — I am aware that some noise assessments have been made. The detail of those is best referred to the Level Crossing Removal Authority, because it would be chapter and verse on those. I certainly did not come prepared to speak in detail about those. I will take that on notice, and I am certainly happy to inform the committee of them. Certainly noise impacts and noise mitigation are well and truly matters of focus for the authority. There are apparently some noise benefits that raising rail can produce, but it all depends upon the configuration and the noise barriers, and they are being assessed at the moment and will be responded to in the final design.

**The CHAIR** — Would you be happy to release those noise studies that you indicate you believe have been done?

**Mr BOLT** — Can I take that on notice?

**The CHAIR** — Indeed. I am also interested, with regard to level crossing removal, in whether or not any assessments have been done with regard to diesel exhaust fumes from the locomotives that will be going over the sky rail. Are you aware of any that may have been done?

**Mr BOLT** — Am I aware of them? I am not so aware of exhaust assessments that may have been done. I will certainly ask the question, and I will certainly come back to the committee on that.

**The CHAIR** — Very good. And if they have been done, would you provide those to the committee? I will come back to you on that.

**Mr BOLT** — I will take on notice the release of those. Sorry to talk over you, Chair.

**The CHAIR** — That is fine. I am also interested in any 3D models that have been done of sky rail, which I understand have been shown to residents during one-on-one sessions but have not been allowed to have been copied or photographed in any way and have not been made available to the public generally. I am interested in a copy of those 3D models, and I am wondering if that might be able to be provided as well?

**Mr BOLT** — Again, allow me to consult with the authority and provide a response to the community.

**The CHAIR** — That would be excellent, if you would not mind. I also understand that the Level Crossing Removal Authority undertook a series of consultations — they concluded on 18 March.

**Mr BOLT** — Yes.

**The CHAIR** — These submissions were to be submitted to the planning minister. I am wondering how many of these submissions were received and what documents analysing their contents has the Level Crossing Removal Authority produced, are you aware?

**Mr BOLT** — The Level Crossing Removal Authority did receive many submissions. The figure that is in my head is 1600 public submissions of varying kinds. They have been thoroughly assessed, and the response to those, as it might affect both the design and the delivery of the project, is still, to the best of my knowledge, being concluded. This feedback will allow for adjustments to the benefit of the community to be made to, as I said before, both the design and delivery of the project.

And so yes, the short answer as to whether they have been assessed, they have been thoroughly assessed, and they have also formed the basis of the self-assessment done by the authority against the guidelines for the conduct of an EES, which led the authority to conclude that no referral was required, that there was no trigger met to refer the matter to the planning minister for an EES. But at the same, as I said before, very close regard has been had to all of this input as to what might be the response of the design and delivery of the project itself.

**The CHAIR** — To clarify that, no EES is going to be developed with regard to the sky rail —

**Mr BOLT** — What the authority has done is to assess against the criteria in the ministerial guidelines, and it that has concluded that those thresholds for referral have not been met, that is right.

**The CHAIR** — Do you have oversight of that particular decision with regard to whether or not an EES is required? I find it interesting that it is being said that it is not required when one of the triggers for a referral is:

potential extensive or major effects on the health, safety or wellbeing of a human community, due to emissions to air or water or chemical hazards or displacement of residences.

From what I understand of the sky rail project, just about all of those triggers would be met.

**Mr BOLT** — I have not second-guessed or reviewed the decision that has been taken or the self-assessment that has been made by the authority, no.

**The CHAIR** — Will you review that decision?

**Mr BOLT** — Well, I do not propose to do so, no. The authority has a certain task to do. It has been commissioned at law to do that task. It is advising the minister directly on these matters. The question of the EES lies between it from the point of view of self-assessments and the planning minister given his powers under the act. I have no particular role in reviewing that assessment, no.

**The CHAIR** — Can you provide a copy of the advice that has been provided from the Level Crossing Removal Authority to the minister?

**Mr BOLT** — Again, I will have to take on notice what I can provide in that regard, or whether the Level Crossing Removal Authority corresponds directly with this committee. Let me take that on notice.

**The CHAIR** — Okay. I appreciate that. With regard to the business case for the level crossing removals, are you able to provide a copy of that to the committee?

**Mr BOLT** — The business case for?

**The CHAIR** — For the sky rail.

**Mr BOLT** — The program?

**The CHAIR** — Yes.

**Mr BOLT** — The government has made an announcement. It made an undertaking, or certainly has announced publicly, that it will be doing a program business case. Again, the government's decision on whether to publish that is a decision that is for the minister, not for me.

**The CHAIR** — To go back to the submissions that were received when the Level Crossing Removal Authority took their consultation process through, I am wondering whether or not the committee can be provided with de-identified copies of those submissions.

**Mr BOLT** — The submissions from the public?

**The CHAIR** — Yes.

**Mr BOLT** — There has been a request, I think, to do that, from the committee. That request has gone to the legislation committee as far as I am aware and it is being assessed at this stage. I cannot go further than that. That is a matter for processes underway at the moment involving cabinet.

**The CHAIR** — Okay. Thank you, Mr Bolt.

**Ms TIERNEY** — In regard to community consultation on the western distributor, how will the feedback from the community be reviewed and incorporated into the final design?

**Mr BOLT** — There is planned and has just begun a quite significant community engagement process. It will inform the final design is the best I can actually say. It depends clearly on what feedback comes from the community, but the purpose of it all is to look at questions of community amenity and other community impacts and make adjustments where that is possible, where that can be reasonably accommodate within the scope. I cannot say much more than that because the process has begun and we do not really have at this stage much detailed feedback from the community. But by the end of the process there will be a lot of it. The intention is to ensure that the project is scoped to meet the needs of the community as best as we can.

**Ms TIERNEY** — We have heard from witnesses today and on other occasions that there are some concerns about not enough detailed information being provided in the consultations.

**Mr BOLT** — Right.

**Ms TIERNEY** — And also that there is not enough translated material, and that the translated is often done by professionals and not in the vernacular that is used within those different communities. They are the sorts of things that are percolating up towards this committee, and I am not sure whether you are prepared to make comment on that. I also would like to know whether there are further opportunities for the community beyond this round of consultation — I think this round kicks off tonight in Altona — whether there will be ongoing opportunities for consultations with the communities to continue as a living, breathing part of the project as it goes on.

**Mr BOLT** — On the first question, I am not aware, and I do not think my colleague is aware, of concerns about how accessible the material is. Any information that would help us make any adjustments to communication would be gratefully received. So if there is anything you can provide us with by way of those concerns in more concrete form, we are very happy to receive it and ensure that any adjustments to the engagement program are made.

As to the ongoing engagement, there is nothing concrete that I can think of that has been put in place, but my expectation would be that as the project moves to delivery, assuming that occurs, that we would continue to consult with the community on the impacts they are perceiving and any adjustments that can be made to the way construction is being undertaken. That would be typically done these days with any construction project, as I am aware, so where there is community interest, then we would expect to be in consistent dialogue with the community about those concerns.

**Ms TIERNEY** — Just two further questions that are related but different to the first. What is the governance structure of your department for the western distributor? And how will this ensure that the project is delivered properly?

**Mr BOLT** — We are moving to establish another administrative office. So we have the one that you mentioned earlier for the Level Crossings Removal Authority. There is another one for the Melbourne Metro rail project. There will be one for this as well. It will be a smaller office. We are not talking about an office that needs to deliver directly the entirety of the construction program, simply because Transurban would be. Under the marketed proposal approach, Transurban will be doing much of that delivery, but we need the ability to provide advice to government on the scope, on the cost, on community engagements, on environmental impacts and how they may be mitigated and so on, and to that effect this a slimmed-down administrative office will be established in the first instance within my department and it will work directly with Treasury.

Treasury will still be the overall lead for the project up to commercial close. It is for them to provide ultimate advice on the value for money proposition of the project and to particularly provide advice on any changes to tolling arrangements, concessions and toll levels and so forth that would assist in the financing of the project. So this administrative office will have its particular role. It will be close to Treasury. There will be relevant governance across the two agencies, so between my department and Treasury, to make sure that what ministers get is joined up and coherent advice. At such time as commercial close is reached, then the oversight of delivery of the agreed project would come under the administrative authority in its own right. It will either sit at that point in the department or be transferred then or possibly earlier to the coordinator-general.

**Ms HARTLAND** — I have a range of questions on the western distributor. I actually live in Footscray. I have been to a number of the sessions. I think they are incredibly inadequate. It is not consultation; people are being told what may happen, and there is a lot of confusion because we are now up to five options. People do not know what is happening. The mapping is incredibly poor. People do not know. Are their houses going to be affected? How close are they going to be? That basic information. I have not seen anything translated into another language, and considering Footscray, Yarraville, Spotswood, in all of those areas about 50 per cent of the community was not born in Australia. So if I am not seeing it, and I am going to many of these sessions, I am not sure where this material actually is.

**Mr BOLT** — Right. Again, I am not aware. I have not seen any translated material itself but I would not expect to have necessarily seen it — —

**Ms HARTLAND** — I have not seen anything.

**Mr BOLT** — Can I go and check what has been done?

**Ms HARTLAND** — Yes.

**Mr BOLT** — We clearly understand that adequately translated material is important, and we will ensure that that is done.

**Ms HARTLAND** — Obviously one of the boasts of Transurban is that no houses will be acquired with this project, yet if this project actually went ahead, there are a number of houses that should be acquired. I am particularly thinking of houses on the corner of Hyde and Francis, Globe Street, Vockler Street. In front of them are the Mobil refinery tanks. On the side is Francis Street and on the other side of them is AusNet, which was an SEC substation. There are about 22 houses in this pocket. A number of people have indicated to me that they would want to be bought out. Is there any money in the budget to actually acquire these houses?

**Mr BOLT** — At this stage there is not a budget as such because there is no, as I said, commercially negotiated final commitment. But is the government open to receiving representations on the need to acquire houses and will it consider them? Definitely. So no decision has been made on that subject and the representations will be looked at. That is the purpose of engagement.

**Ms HARTLAND** — Clearly people have been offered voluntary acquisition along the sky rail, so we could expect a similar offer in Yarraville?

**Mr BOLT** — I cannot commit to that, Ms Hartland, as you know, but I can certainly commit to ensuring the government is given advice on those representations.

**Ms HARTLAND** — And how would those people make that representation?

**Mr BOLT** — One, through the various avenues. The community engagement program should provide — obviously I will go back and check the detail of that, but they can either come to sessions, they can make submissions in writing and they can make submissions also of course through representatives such as yourself.

**Ms HARTLAND** — But if they actually want to be acquired rather than going to five different organisations, who do they actually make that representation to? Also, a number of these properties already have VicRoads overlays on them and acquisition orders from previous projects.

**Mr BOLT** — Yes. I would suggest they make it to the email address or the physical address that has been provided for feedback. I cannot tell you precisely what that is. I do not know if Robert has it here, but we will come back to you and ensure that you know who that is.

**Ms HARTLAND** — Is that Transurban? Is it VicRoads? Is it the government? Who exactly should they be directing those questions around acquisition to?

**Mr ABBOUD** — It would be the western distributor project team, effectively the departmental staff.

**Mr BOLT** — It is us.

**Ms HARTLAND** — Right. If you could supply me with an email, because they do not even have that level of information.

**Mr BOLT** — Sure.

**Ms HARTLAND** — Can I ask when it was that either the government or the department first received the unsolicited proposal for the western distributor from Transurban?

**Mr BOLT** — The receipt of market-led proposals — they go to the Treasurer and Treasury, and I do not have that date in my head. It is a question best directed to them.

**Ms HARTLAND** — You are not able to supply that date?



**Mr BOLT** — I could take it on notice and come back to you with a date, yes.

**Ms HARTLAND** — How much total revenue do you anticipate that Transurban will make from the western distributor project from tolling?

**Mr BOLT** — That is not a finalised number because commercial negotiations have yet a long way to run before the revenue stream that Transurban will get for its part in the project is known. So I cannot give you an estimate of that at this stage. Transurban has, as I am aware, certainly put its proposal forward, but the state has not agreed to that proposal. It is still a matter that is between us and them, and to reflect upon that now would be to simply tie the state's hands potentially in a negotiation that has a long way to run yet.

**Ms HARTLAND** — I am a bit surprised that that kind of information is not available, considering that the government keeps on talking about what a great project this is and the government is prepared to put a large amount of money into the project, yet we are not actually seeing a business case, we do not know how much tolling is happening, we do not know whether there is actually going to be a truck curfew in the local area. So without a total truck curfew, trucks are not going to use the western distributor. If they can rat-run along Francis Street, they will continue. There are 21 000 truck movements a day through Maribyrnong. There is no assurance that this project is actually going to help that.

**Mr BOLT** — On the first question on the tolls, to repeat the point I made earlier, those are matters for the Treasurer and the Treasury to negotiate. They are not known, and once they are known they will certainly be matters for, as I said, the Treasurer to announce.

On the truck curfew point, in general terms the expectation is that in addition to building the infrastructure there will need to be other regulatory measures of the kind you mentioned to ensure that the benefits to the inner west of reduced truck traffic are actually realised. I do not know if Robert can say any more about that.

**Mr ABBOUD** — I would only add that the business case which was released assumes that 24-hour, seven-days-a-week truck bans will be placed on roads such as Francis Street and Somerville Road as part of the project.

**Ms HARTLAND** — That is interesting because the Premier said that there was no need for such truck bans, and this has been a huge concern to local residents. Groups that have actively campaigned for a project such as this are really disturbed by the fact that there is no guarantee that there will be a total truck ban. I would like to see that in writing, because that is certainly not what the Premier has been conveying.

**Mr BOLT** — I do not think we can answer for the Premier, Ms Hartland, as you can understand.

**Mr FINN** — I do not think anybody can.

**Mr BOLT** — All I would say is let us see what further clarification we can find on the point of truck bans.

**Ms HARTLAND** — And if you could direct me to which part of the business case that is stated in, because we have certainly not seen that. We have FOI'd a great many documents, much of which have been ruled through with black text, and we are actually about to go to VCAT for a number of other documents that the government has refused to give us around the business case, around the traffic modelling, around tolling, et cetera. So if we cannot get that information as local members of Parliament, the local residents feel they just are not being told what the actual benefits or deficits of this project are.

**Mr BOLT** — I take all of that and understand all of that. What I would just reiterate perhaps is that we are in an engagement phase, we are actually listening. I am sure what the community feels is required to realise the benefits, it still clearly has many opportunities now to put those views forward and to ensure that we listen to them.

**Ms HARTLAND** — As someone who has attended a dozen or so of these, I do not feel very listened to at all. And going along with community members, they do not feel like they are being listened to. So there seems to be a very wide gap on this. What you perceive is happening and what I am actually seeing on the ground are two totally different things.

**Mr BOLT** — Can I just clarify the point about the Premier? I am not aware of any statement that has ruled out curfews or additional measures to ensure that truck movements are limited in the inner west. Again, if there is any clarification we can give you on that point, we will certainly do so.

**Ms HARTLAND** — I would appreciate it because the community certainly does not know about that. In terms of travel times from the West Gate Freeway to CityLink or to Montague Street, the business case has shown that modelling even though these are not actual destinations. Why were travel times for actual destinations in the CBD and surrounding areas not modelled into the business case?

**Mr BOLT** — I understood they were modelled into the business case.

**Ms HARTLAND** — If you could direct me to where it is in the business case, because we certainly could not find it.

**Mr ABBOUD** — We will take that on notice.

**Mr BOLT** — Yes, we will have to. Generally speaking of course travel time reductions are a large part of the benefit stream, so to speak, that the business case relies upon.

**Ms HARTLAND** — Is there, to your knowledge, a significant cost difference between the short and long tunnel design options?

**Mr BOLT** — There will be a cost difference. I am not sure that we have yet seen a reliable estimate of that difference. Anything to add on that?

**Mr ABBOUD** — No.

**Mr BOLT** — So that is clearly going to be a matter for further analysis before any kind of decision on scope is finalised.

**Ms HARTLAND** — If there is a difference between the long tunnel and the short tunnel, how is that difference being built in — this will obviously be another question on notice — because at this stage I am really concerned about the lack of community benefit out of this project? And that money that is saved by having the short tunnel, where will that go? Will that be of any benefit to the community?

**Mr BOLT** — Again, that is based upon several hypothetical assumptions on which no decision has been made — —

**Ms HARTLAND** — Because we do not have the information, all we can do is make hypothetical suggestions.

**Mr BOLT** — No, no. I was going to go on and say, Ms Hartland, that the question of what measures to offset any impact on the community of a short tunnel in terms of open space provision, noise buffers and the rest of it would clearly be a consideration. If a short tunnel is decided upon, then there are ways of ensuring that the community does gain some offsetting benefits and possibly comes out ahead of where it is now. But all of that is subject to the community engagement, further design work and further costing work, and it is very early days yet to assume one result or the other. But clearly the impact on the community and offsetting measures would be a central consideration in the choice of tunnel configuration.

**Ms HARTLAND** — My last question. Back to the issue of the community information sessions. Is it possible that you or someone else from the department can go to witness those for themselves? Because one of the things that I find quite disturbing is that Transurban will not organise public meetings. They do what I call outrage mitigation. They get people on their own. They will not allow them to ask questions in groups. People cannot hear the information that their neighbours have asked. Often we have elderly people who do not speak English very well and they need to be able to be with friends and neighbours to ask those questions. The last time a group of us went along, as a group, to a Transurban community consultation — about 40 of us arrived at the same time — they actually called the police because they thought somehow us all arriving together was dangerous. That is the level of disregard that Transurban has for the community.

**Mr BOLT** — On the question of will I personally or senior people in the department go to any of the sessions, I will undertake that we will do that, and I am talking here between myself; Gill Miles, my lead deputy in transport; and Robert. Given the concerns that have been raised by the committee, we will acquaint ourselves with the way these meetings are being conducted, the avenues that are being communicated to the public as to how they can make input and to the translation of materials, that both you and Ms Tierney raised. I will certainly undertake to look at all of those points and consider what adjustments may need to be made or are required to the engagement program.

**Ms HARTLAND** — And also maps that actually have measurements —

**Mr BOLT** — Sorry, maps as well.

**Ms HARTLAND** — between houses and the project and which streets are going to be directly affected, because they are still squiggly lines on bits of paper.

**Mr FINN** — Mr Bolt and Mr Abboud, thank you very much for your time today. Can I refer you to your slide 3 to begin with?

**Mr BOLT** — You may, Mr Finn, but I have conveniently lost it.

**Mr FINN** — It has been eaten by the Treasurer? It is a pity we cannot get him here to ask about it. It is the ‘Major challenge: population and jobs growth mismatch’, page 3.

**Mr BOLT** — Got it, yes.

**Mr FINN** — You will see there is a section marked ‘Outer west’.

**Mr BOLT** — Correct.

**Mr FINN** — That I assume is the City of Wyndham or surrounds?

**Mr BOLT** — According to the chart here, that is an NDS — as in network development strategy — analysis region. Is it the City of Wyndham? I have to confess that I do not quite know what is within that boundary.

**Mr ABBOUD** — It is slightly broader than the City of Wyndham.

**Mr FINN** — Slightly broader than the City of Wyndham?

**Mr ABBOUD** — Correct.

**Mr FINN** — So that would be people who would largely at the moment travel down the Princes Freeway and onto the West Gate? Would that be right?

**Mr ABBOUD** — Correct.

**Mr FINN** — Okay. Fine. I notice on ‘Car access to jobs and tertiary places AM peak 2031’ that you have the outer west on the lower end of the scale. At the moment every morning the Princes Freeway and the West Gate Freeway are absolutely bumper to bumper. On those all-too-frequent occasions when there is an accident a good number of people just turn around and go home because they know it is a lost cause. Given that area that you mark as the ‘outer west’ is one of the fastest growing areas in the country — not just in Victoria, but in Australia — what is going to happen in the next 15 years according to this which is going to give the people of the west so much relief from traffic congestion?

**Mr BOLT** — Well, it goes to the infrastructure program and other measures I mentioned earlier. So the western distributor is one such investment. The Melbourne Metro project will provide additional capacity throughout the Metro train system, as I indicated earlier, because not only does it assist both particular corridors to get to and from the CBD, it ensures that there is additional capacity in the city loop for other corridors to increase their services. So the point would be that there will be additional train services from the west and the north into the centre made available by the introduction of the Melbourne Metro project by 2026. Those are the two main projects that will benefit that corridor. Those are the two main projects that will make a difference to that corridor.

**Mr FINN** — I can see that putting more trains on may be of benefit, but I have to say that the western distributor I see as possibly one of the greatest wastes of money that we have had in this state for almost a year. What you are suggesting, and indeed what the government is suggesting, is that people will pay tolls to sit on what will do for the west what the Eastern Freeway and Hoddle Street are doing currently for the east. You just have to look at the illustration that you have provided today. You are suggesting that people from the west are going to pay tolls to travel either onto the Tullamarine Freeway or to the west, which in fact is further than they would travel now not paying tolls. That clearly is not going to happen. The people of the west are not stupid, and they would have to be stupid if they did that. So the whole basis for this western distributor project is totally flawed, I would have thought.

**Mr BOLT** — The modelling we have done would suggest a reduction in travel times from the west, substantially more opportunity for people to make that trip and simply more road capacity, resulting in more people being able to access the centre of Melbourne and to do so with reduced travel times. Not to mention, as I said before, the amenity benefits of truck reductions in the inner west. So we see, on the business case done to date, quite substantial benefits in getting access to the centre of Melbourne and beyond on a widened, better managed and of course a redundant, as in duplicated, road system as far as river crossings are concerned. All the evidence that we have been able to model would suggest there will be substantial benefits to those populations.

**Mr FINN** — Do you seriously suggest that people are going to pay tolls to go further than they would normally not pay tolls to get into the city?

**Mr BOLT** — The tolling regime that is proposed does not mean that all commuter vehicles or all passenger vehicles will be tolled on the expanded sections. Robert, you could perhaps explain exactly how the tolling regime is intended to work.

**Mr FINN** — Please do. I am all ears.

**Mr ABBOUD** — The existing corridor, the West Gate Freeway corridor, is not proposed to be tolled for cars.

**Mr FINN** — I am aware of that, but the western distributor surely will be.

**Mr ABBOUD** — That is correct, the western distributor is proposed to be tolled for all vehicles — cars and trucks.

**Mr FINN** — Yes, so what I am saying is: you are suggesting that people will travel through the western distributor, through the tunnel, and pay tolls to end up further away from where they would have normally gone without paying tolls. That does not make a lot of sense.

**Mr ABBOUD** — Those existing customers will have an option to continue to use three lanes of traffic across the West Gate Bridge, accessing the central city, free of tolls.

**Mr BOLT** — Mr Finn, I would have thought there would be some people for whom — in fact our modelling shows that for some significant numbers of travellers — that is a shorter road to where they want to go than what they now enjoy. Obviously for some that is not the case, but for many it will be. So there will be a significant number of travellers for whom it is worthwhile to pay the toll for the actual travel time reductions they get for that.

**Mr FINN** — What percentage would you have thought?

**Mr BOLT** — I do not have the numbers in my head, but it is in the business case. I do not know whether we can spend time finding it now. I do have a slide, but I am just wondering: does it actually go to that level of detail? Perhaps it does not, and if I spend my time trying to find it — let me come back to you on this point.

**Mr FINN** — That would be good. Can I also ask about the Tullamarine Freeway? Because if, as you suggest, people will be queueing up to pay tolls to use the tunnel, many of them will come out on the Tullamarine Freeway — CityLink — and that obviously is going to add to the congestion on the Tulla. Now, I use the Tullamarine Freeway almost on a daily basis. It is already highly congested, and we are going to be paying, as I understand it, about 12 years more tolls than we had originally planned to use the Tullamarine

Freeway to pay for this tunnel. So not only will people on the Tullamarine Freeway be paying tolls for longer, but they will also be putting up with more congestion as a result of the western distributor. Is that the situation?

**Mr BOLT** — The modelling would suggest that there will be travel time reductions for increased traffic flows. In some cases I imagine that people that are using the Tullamarine would be able to instead use the western distributor and take some pressure off the Tulla Freeway. There will also be some truck movement reductions.

**Mr FINN** — I would not have thought there would be too many people wanting to pay more tolls if they were wanting to go into the city or to the other side of Melbourne. If you wanted to go to the west of Melbourne from the Tulla, surely the Western Ring Road would be the way to do it.

**Mr BOLT** — There are always going to be scenarios in which people will make a choice that is unique to them.

**Mr FINN** — I am just thinking that I would not pay extra money if I use a road for nothing.

**Mr BOLT** — That is true.

**Mr FINN** — And I would not travel an extra 10 kilometres in order to do it.

**Mr BOLT** — All of which has been factored into the modelling, which suggests that there will be benefits of the kind I have mentioned simply because it is a matter of probabilities as to what your willingness to pay for things is and exactly where you are going is. So for some people it will be more useful to continue their current travel patterns, and for others it will not. As a result of all of that there will be a redistribution of traffic, and the benefits that I have just mentioned are expected to arise based upon the modelling we have done.

**Mr FINN** — I cannot wait to see this modelling. It is going to be highly fascinating, I would suggest. Can I ask: when and how did you first learn about the western distributor?

**Mr BOLT** — We became aware — and I cannot recall precisely when — that a market-led proposal had been made to government, and, as a department, we began to offer the advice that was asked of us in respect of that proposal. That was early in 2015 from my point of view.

**Mr FINN** — When you say early 2015, are we talking January, February?

**Mr BOLT** — I could not tell you. I cannot recall precisely, but roughly speaking it was in the first quarter of 2015 when I was aware that this proposal was under consideration or the government had been asked to consider it.

**Mr FINN** — So it would have been shortly after the election that in fact Transurban, from what you are telling us, would have approached the government with this proposal.

**Mr BOLT** — Yes, that is correct.

**Mr FINN** — No more questions just for the moment.

**The CHAIR** — I just had a couple of other questions that I am hoping to explore. It appears that the government has set up a model where they are creating various authorities to deal with infrastructure projects. We have seen the examples of level crossing removal, the western distributor, the Melbourne Metro Rail Authority. I am wondering: are these authorities staffed with public servants that have been moved out of the department or are these new jobs that have been created?

**Mr BOLT** — There is a combination of both. When it comes to the authorities that have been established for the level crossing removals and for Melbourne Metro, because the level crossing removal program was not a pre-existing program it has essentially been staffed by recruitment outside of the pre-existing government family, if I can put it that way.

**The CHAIR** — So new public servants?

**Mr BOLT** — New public servants with skill sets that involve themselves in engineering and in project management and financial management and so forth. A program of delivery of such a size requires extra people because it is new expenditure.

With the Melbourne Metro project, there were people already working on the previous government's cross-town tunnel, and so there were some existing staff that were able to be redirected towards the Melbourne Metro project. There has been some additional hiring required because simply it is now moving to more of a delivery phase, although of course it will still be some time before all of the elements of that project are fully contracted. So there are some pre-existing staff and quite a number of new staff. In the case of level crossings, it is largely new staff. In the case of the administrative office that we are thinking about for the western distributor, there are existing staff who will be allocated to that office. There will be a fairly modest number, possibly a modest number, of additional staff to make sure that we are able to adequately oversight what is again a very large project.

**The CHAIR** — A question for you to take on notice: can you provide the committee with what the costs of setting up these authorities would be? I am assuming there would be new logos, letterheads, branding and the like for the authorities. Can you provide that to the committee?

**Mr BOLT** — I can certainly come back and provide a budget breakdown for those authorities. The cost of those authorities is internalised within the budgeted project costs. Inevitably they have to communicate to their publics, and I think you have made a very good case, as the committee has, that that is actually an important thing to do. They cannot do that without spending money, obviously. They are not largely spending money branding their existence so much as ensuring that they both communicate and listen to what is being said about the impact of their projects and make the necessary adjustments.

**The CHAIR** — Back to the western distributor, much of the government's economic modelling for the western distributor has been done combining with the upgrades to the Monash Freeway. I am interested: that is obviously in a completely different part of Melbourne. Was it a direction from the minister's office not to do an economic analysis of the two parts separately but rather to put the two together because the Monash Freeway made the business case look better?

**Mr BOLT** — Chair, we did both. We have done them separately and together in order to be quite transparent.

**The CHAIR** — And have they both been made public?

**Mr BOLT** — The business case does in fact do both of those sub-business cases. It puts them both forward and the combined benefit-cost ratio as well. I am really saying both of those things have been provided.

**The CHAIR** — Both of those have been provided.

**Mr BOLT** — The business case is very detailed, and we were very clear that we wanted to show both the separate and the cumulative impacts of the projects.

**The CHAIR** — Back to sky rail, I was just interested with regard to the role Mr Devlin plays as the CEO of the Level Crossing Removal Authority. Effectively would it have been on his advice that the EES was not to proceed? Was it him was responsible for that? Whose advice was that?

**Mr BOLT** — He has the primary responsibility for putting that advice together, but he is not simply relying upon his own judgement in doing so. As you would expect, he has access to technical, legal and other advice to ensure that that very robust advice is given. As I said, while I have not reviewed and do not propose to review the self-assessment that is being done by the Level Crossing Removal Authority, I am confident that it is thorough and expert.

**The CHAIR** — I find it difficult to comprehend the fact that an EES is not being done, given the triggers that are detailed within the document that is the ministerial guideline for assessment of environmental effects. Is Mr Devlin your direct report? Does he report to you? Who does he report to?

**Mr BOLT** — He reports to Corey Hannett, the coordinator-general, and I deal directly with Corey.

**The CHAIR** — And so Corey reports directly to you?

**Mr BOLT** — He has employment responsibilities to me as well as of course being an administrative office in his own right.

**The CHAIR** — My concern really has come from what we have heard today from a variety of groups with regard to the impact that sky rail is going to have on their communities. The fact that an EES is not going to be done does not provide that certainty that communities want with regard to ensuring that the impact of sky rail is going to be taken into consideration when the project is developed. So I just find it very difficult to understand that this process is not going to be gone through given the significant impact that is going to occur to the community as a result of the sky rail project. I find it difficult to understand how that is not going to occur.

**Mr BOLT** — I understand. I hear your concerns, Chair. I think that the thresholds in the guidelines have been, as I am advised, thoroughly assessed for application to this project and the conclusion drawn that they are not met. That is all I can say to you about that. I can also just repeat the point that a very thorough dialogue is occurring with the community, and significant adjustments and, if you like, mitigating measures have already been announced by the government. You mentioned the voluntary purchase scheme, which is one of those. Considerable dialogue about what use can be made of the open space that an above-ground solution would provide has occurred, and therefore I think there is a close interaction occurring between the local community and the authority as to how to make the project workable and indeed beneficial to the community. In the absence of a referral of an EES, nonetheless all of that has been done.

**Ms HARTLAND** — Just one final question: I have gone back over my notes and had a quick look. So the business case actually says it is the third option for 24-hour curfews on Francis and Somerville, but there is no mention of Barkly or Moore streets. So what we are concerned about is trucks being funnelled onto Geelong Road, and there are a number of primary schools, childcare centres et cetera along that route. So if you could take on notice what consideration is being taken around the truck ban completely but in particular in relation to Barkly and Moore streets.

**Mr BOLT** — Okay. We will come back to you on that.

**Mr FINN** — One very quick question: the CEO of Transurban has gone on the public record in relatively recent times as saying that he believes that eventually a road linking the east and the west of Melbourne will be necessary. Do you agree?

**Mr BOLT** — A road linking the east and west of Melbourne? I am not aware of that quote, Mr Finn, so I am not precisely aware of — —

**Mr FINN** — Okay. He said it, but if you think he did not say it, do you agree anyway? Do you think at some stage we will need a road linking the east and the west of Melbourne?

**Mr BOLT** — Clearly the western distributor project with the Monash upgrade does enhance the east–west movement capacity of the Melbourne road system — —

**Mr FINN** — But do you think at some stage we will need a road linking the east and the west of Melbourne?

**Mr BOLT** — Can I go back to this slide — —

**Mr FINN** — Just a yes or no will be fine.

**Mr BOLT** — It depends on what road, Mr Finn.

**Mr FINN** — A road linking the west and the east. That is pretty, you know — —

**Mr BOLT** — A new road linking the west and the east?

**Mr FINN** — Yes.

**Mr BOLT** — There are corridor pressures that will in the fullness of time require some additional infrastructure in the east; that I am sure about. Precisely what that solution looks like is something that I am not

equipped to give you advice on here, and I would really only be able to give that advice to the government of the day as a professional public servant.

**Mr FINN** — Yes, Minister.

**The CHAIR** — Thanks, Mr Finn. Just one final question, if I could, with regard to the western distributor. Is the short tunnel option the less expensive option of the two?

**Mr BOLT** — Between the short and the long tunnel, the short tunnel would be the less expensive option.

**The CHAIR** — Less expensive, very good. Thank you for that. If there are no further questions, thank you, gentlemen, for your attendance today. We look forward to seeing you back in the future.

**Witnesses withdrew.**