

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Budget estimates 2020-21 (Allan)

Melbourne—Thursday, 17 December 2020

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

Ms Bridget Vallenge

WITNESSES

Ms Jacinta Allan, MP, Minister for Transport Infrastructure and Minister for the Suburban Rail Loop, and

Mr Paul Younis, Secretary, Department of Transport; and

Mr Corey Hannett, Director-General,

Mr Kevin Devlin, Chief Executive Officer, Level Crossing Removal Project,

Mr Evan Tattersall, Chief Executive Officer, Rail Projects Victoria, and

Mr Duncan Elliott, Chief Executive Officer, North East Link Authority, Major Transport Infrastructure Authority.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I would like to begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their culture, their elders past, present and future and elders from other communities who may be here today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2020–21 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

We note that witnesses and members may remove their masks when speaking to the committee but should replace them afterwards.

All mobile telephones should now be turned to silent.

All evidence taken by this committee is protected by parliamentary privilege. Comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

We welcome Minister Allan and officers from her department. Minister, we invite you to make an opening statement of no more than 10 minutes, and this will be followed by questions from the committee.

Ms ALLAN: Thank you, Chair. Thanks, committee, for the opportunity to join you this morning to present on the budget outcomes for the transport infrastructure portfolio for 2020–21.

Visual presentation.

Ms ALLAN: As you will see from this year's budget papers, it represents another big step forward in the delivery of the unprecedented \$80 billion that the Andrews Labor government is investing in road and rail projects right across the state. And importantly too, after what has been a really challenging year, these projects have also helped sustain and support existing jobs and new jobs during 2020. Certainly too we see how having a comprehensive infrastructure pipeline will also play a critical role in our economic recovery from the pandemic. The reason why I say this is that since 2015 somewhere between 20 to 25 per cent of the jobs generated in Victoria have been related to investment in infrastructure, the bulk of those associated with the transport infrastructure program. Being able to not just support the existing pipeline but sustain a strong forward pipeline is critical to, as I said, supporting those existing jobs and creating and generating new ones, and that is certainly what our Big Build pipeline does.

Chair, the scale of the investment in our program is nothing short of immense, and that is just, as you can see on the slide, a set of figures that go some way to telling that story. We are developing and delivering around \$80 billion in infrastructure across 165 projects in the centre of Melbourne, in the suburbs, in the outer suburbs and in rural and regional Victoria. We have employed 18 000 people, as I said, since 2015, and there has also over that period of time been 100 million hours worked across our program.

Now, I should point out for the benefit of the committee that the figures that you can see before you do not include the other smaller road and rail projects that sit with the Department of Transport—projects like new train stations, car parks, road and rail maintenance. That is not included in our \$80 billion figure. So the number of jobs we are supporting across Building Better Transport Connections is actually much higher.

Last financial year over \$8 billion was spent on our program, and this year, reflecting how we have stepped up another level, we will be spending around \$10 billion. Whether that is on removing level crossings, continuing with the delivery of the Metro Tunnel or other projects big and small, our focus has been on delivering these projects and supporting jobs. When we talk about jobs it is important to note too that the jobs we are referring to here are good, well-paid jobs. They are jobs that importantly have a skills and training component. That is part of why we have focused so heavily on infrastructure investment—investing in these jobs and investing in the training support that goes with these jobs as well. Also too, whilst a lot of focus is on the jobs that you can see out on the construction sites—the men and women in hi-vis and hard hats—the jobs we are supporting across our program go much further than that. There are jobs in professions such as urban planners, architects, ICT professionals, OH&S advisers, HR professions, lawyers, accountants, communication professionals, traffic controllers and so on, giving you a sense of the great breadth of the job opportunities that are on our program beyond what you can actually physically see in the construction site.

Also too as part of the program—I mentioned the training element—we are also looking at how we can continue to skill up our population to be part of this program into the longer term. That is why we have got things like the tunnelling centre of excellence and investment in rail signalling and track engineering so we can find these skills in our population here in Victoria. And that too comes as a result of having very strong Local Jobs First and local content policy settings in our procurement program to support that lasting legacy from our investment, because the Victorian government is the largest procurer of goods and services so we do understand how we have got a great opportunity to use that purchasing power to support broader economic activity.

So I should now turn, Chair, because I may be running fast on time, and it is very helpful to have the clock there; thank you. I will turn to the outcomes for the portfolio in the 2020–21 budget, and I will start with the \$2.2 billion that is being invested in the Suburban Rail Loop project. This is a project that is going to change how we move around Melbourne, really giving people the transport infrastructure that they need to get to the places where they want to go and also too opening up new opportunities in neighbourhoods that will have new train stations and be connected to the heavy rail network for the very first time. It will deliver those vital public transport connections into those locations in the suburbs that are home to major hospitals, universities, TAFEs and key shopping and employment centres around the state. This is the biggest infrastructure investment ever undertaken in Victoria, and we will be building the Suburban Rail Loop in stages, with work to start on stage 1 in 2022. Over the first stage of this project we will be supporting 20 000 jobs. Recently, along with the announcement of the funding for the initial and early works program, the alignment and precinct locations have also been confirmed, and the locations of the underground stations, which you can see on the screen.

I do want to point out that the opportunities and the benefits do not just begin and end around those new stations. As I said, it does give us this opportunity to plan what the areas around the stations look like, how we can provide more jobs in the suburbs closer to where people live, provide more housing opportunities also in those areas that are close to those key services that people rely on. Most recently yesterday too we confirmed the stabling location in recognition that we are going to need dedicated rolling stock, a stabling location that will also provide jobs as part of the stabling and maintenance facility associated with the Suburban Rail Loop.

Turning now to other investments in rail—Geelong fast rail—the budget allocated \$2 billion as part of the \$4 billion stage 1 Geelong fast rail project, which we will be delivering jointly with the commonwealth government. I think we all know Geelong's aspiration for faster rail services connecting Victoria's second biggest city to the capital, and this is a project that as part of stage 1 will slash travel times by up to 15 minutes by putting significant works along the Werribee corridor alignment. This corridor will see works along additional track capacity and power and signalling upgrades to provide for those up-to-15-minutes travel saving times. The Geelong corridor is our busiest regional network. It is the busiest line on our regional network, and we have seen passenger numbers increase by 191 per cent since 2009. We know that a lot of Geelong residents travel into Melbourne for work. Around two-thirds of them travel by car, and with better rail services we can shift a lot of that movement onto rail. And we also know too that doing the works along here gives us extra capacity for the Ballarat and Bendigo lines as well.

The next slide talks to other works that are happening in the Geelong region. I will flip through the next few reasonably quickly, Chair, in the interests of time. We are doing works again with the commonwealth on the South Geelong–Wairn Ponds duplication, providing additional services for the rapidly growing Wairn Ponds area. Stage 2 of the Warrnambool line upgrade has been funded in this year's budget, and stage 3 of the Shepparton line upgrade has been funded in this year's budget, both of those projects as part of our Regional Rail Revival program, upgrading every single regional passenger line in the state.

We are making very good, strong progress on the Metro Tunnel, as you can see on the screen. We are doing huge amounts of work. Over 60 per cent of the tunnelling is now completed, and actually the twin tunnels are complete, as you can see there, from Kensington to Parkville and Anzac station to South Yarra. We have got all four tunnel-boring machines in action, and really this is a great credit to the workforce, who during some of the real challenges of the pandemic have been able to keep the Metro Tunnel program going and going very strongly.

A quick run-through on the last slide there, Chair, of other projects we have got underway—the West Gate Tunnel, the Echuca–Moama bridge, Gippsland line, Princes Highway East. All of these are progressing strongly, with thousands of people working on each of these projects. The budget has also funded the delivery of high-capacity signalling on a number of our metropolitan lines. We have got work finishing up on the Ballarat line upgrade, which will see a significant boost to train services for the Ballarat community of 125 extra services. We have got early work construction underway on the North East Link Project. And also our level crossing program continues apace, and next year you will see one level crossing removed on average every four weeks across suburban Melbourne. That is my time, Chair. I look forward to continuing this conversation with the committee.

The CHAIR: Thank you, and I will pass to Mr Danny O'Brien to start.

Mr D O'BRIEN: Thank you, Chair. Good morning, Minister, and officials. Minister, the Premier recently appearing before PAEC advised that ERC for the next budget had already begun. With the ex-Attorney-General now out of the way, will you be overseeing the ERC as Premier or submitting as minister?

Ms ALLAN: Oh, Danny! Nice try.

The CHAIR: Mr O'Brien, this is about the scrutiny of budget.

Ms ALLAN: I think, Chair, the snark in a question like that really exposes the motivations and the base politics of the Liberal-National members not just on this committee but in our entire Parliament.

Mr D O'BRIEN: Will you still be minister? That is all I meant.

Ms ALLAN: What motivates me every single day is getting up, and whether it is for the constituents of Bendigo East or building better transport connections, it is an absolute privilege to hold both of those roles. You may not understand that, because you are all about the politics.

Mr D O'BRIEN: Just answer the question, Minister.

Ms ALLAN: I do, because I am deeply committed to holding these roles, and I look forward to serving in the Premier's ERC deliberations. You know what I will predict for the 2021–22 budget, Danny O'Brien? I predict it will be another really strong one—

Mr D O'BRIEN: Okay.

Ms ALLAN: that will continue the investment on jobs, continue to see investment on projects and continue to support the Victorian community as we rebuild from the pandemic. I reckon that is my prediction. I will have a bottle of wine bet with you, and we will see how we go on budget day next year.

Mr D O'BRIEN: Let us answer some questions for that Victorian community about your current budget, shall we, Minister?

Ms ALLAN: You wanted to talk about the 2021–22 budget, Danny, and I am happy to do some crystal-ball gazing with you as you talk about the 2021–22 budget.

Mr D O'BRIEN: Budget paper 2, page 105 refers to the general government capital program. Under the Department of Transport it has a \$46.89 billion total estimated value. In addition, VicTrack has a total estimated value of \$29 billion. That is \$76 billion, almost 70 per cent of the total government spend. Will you provide to the committee in tabular form the total estimated investment, by project, of all those projects in your portfolio? This is the table from last year. I am happy to hand that over to you, if you would like to fill it in for this year.

Ms ALLAN: As the Treasurer has previously reported to this committee, the detailed accounting for expenditure on individual projects will be provided in the 2021–22 budget that you seemed so keen to want to talk about in your first question.

Mr D O'BRIEN: Well, if I could get answers about any budget, that would be good.

Ms ALLAN: On budget day 2021, Mr O'Brien, let us sit down with that bottle of wine, and we will go through the capital program that will be detailed in that budget paper as part of the 2021–22 budget process.

Mr D O'BRIEN: As I said, the TEI for your department is \$46.89 billion compared with \$46.92 billion for the same projects in the budget last year, in 2019–20. We know that there has been a \$3.3 billion blowout in level crossing removals. We know you announced only a week or so ago a \$2.7 billion blowout in the Metro Tunnel. Why have those blowouts not been accounted for in the total expenditure for your projects?

Ms ALLAN: Well, firstly, when we talk about level crossings—and I reckon we have had this debate at least at the last couple of PAECs that I have attended—the level crossing budget has been clearly identified in previous budgets, where we have made an investment in removing level crossings, and we have made additional—

Mr D O'BRIEN: I am asking about the current budget, Minister.

Ms ALLAN: No. Well, you characterised an allocation to the level crossing removal program, and I am just pointing out to you how you are wrong in that characterisation. And I think that is only fair in answering your—

Mr D O'BRIEN: So it has not blown out by \$3.3 billion?

Ms ALLAN: No, it has not. And I will tell you why it has not.

Mr D O'BRIEN: What is the total current cost of the level crossing project?

Ms ALLAN: I will tell you why it has not. I think the allocation for our level crossings, remembering of course we have not just added to the 50 level crossings we committed to in 2014—we have committed to remove 75 level crossings, build new train stations, duplicate track—

Mr D O'BRIEN: Just the total, Minister.

Ms ALLAN: and build cycling and walking paths as part of the program; I will get the exact figure over the course of this hearing—is about a \$13 billion investment we are making to remove level crossings and upgrade the Melbourne metropolitan train network. That is not a blowout; that is an investment in our metropolitan train network, so you are wrong to characterise it in those terms.

Mr D O'BRIEN: VicTrack's TEI was \$27.4 billion in last year's budget, the 2019 budget. The total for existing projects is now \$29.4 billion. What project blowouts have accounted for that increase?

Ms ALLAN: Well, the additional costs and the additional investments that we make in our transport program are clearly accounted for either through budget papers or through public statements that we make, and as you indicated in your—

Mr D O'BRIEN: In which budget papers are they accounted for in this year's budget, Minister?

Ms ALLAN: In your earlier question you referred to the statement that we made last week regarding the Metro Tunnel. I think it is important to note that this is a feature in delivering transport infrastructure: whether it

is delivering it here in Victoria, in New South Wales or at a national level, there is no doubt that when you have a big program like we do here in Victoria it comes with some challenges. I think that has also been recognised in other states and other jurisdictions. I could not help but notice just yesterday that the federal government announced an additional \$5.5 billion for their inland rail project. Now, I would be interested to know, Mr O'Brien, if you characterise that additional—as they described it—injection of capital to provide extra enhancements to their project—

Mr D O'BRIEN: With respect, Minister, we are here to discuss the Victorian budget.

Ms ALLAN: I would be interested to know if you would describe that as a cost blowout.

Mr D O'BRIEN: If you want to talk about the federal government, I am happy to talk about their extra investment in the Murray Basin rail project.

Ms ALLAN: I would be interested to know if you call that a cost blowout, because I think we see—

Mr D O'BRIEN: A point of order, Chair, on the question of relevance. The minister is not being relevant. I ask you to bring her back to the question I asked.

The CHAIR: There is no point of order. The minister is being relevant. I ask the minister to continue.

Mr RIORDAN: She is waffling on about the federal government budget.

Mr D O'BRIEN: How is the federal government relevant?

The CHAIR: Mr O'Brien, there is no point of order. And Deputy Chair, you do not have the call.

Mr D O'BRIEN: Minister, can I go to expenditure to 30 June 2020. Again the table on page 102 of budget paper 2 indicates Department of Transport expenditure to 30 June this year of \$13 billion and VicTrack of \$12.8 billion—a total of \$26 billion. So we are talking about existing projects expenditure to 30 June this year. Will you provide us with a breakdown by project of the spending on those projects to 30 June this year?

Ms ALLAN: Well, my answer to that question is the same answer that I gave to your previous one, and that will be provided as the Treasurer has indicated as part of the 2021 budget process.

Mr D O'BRIEN: Sorry, Minister. This is expenditure up to six months ago. Are you seriously telling the people of Victoria, this committee and the Parliament that you cannot tell us what was spent up to six months ago?

Ms ALLAN: I am indicating to you, as the Treasurer has done previously—based on the advice, as you know, from the Department of Treasury and Finance—that that information will be made available through the 2021 budget process. It was advice that the government took from the Department of Treasury and Finance that there have been many impacts on the way we do business as a result of the COVID pandemic, and one of those was the way the budget papers have been published this year. That information will be provided in the 2021 budget.

Mr D O'BRIEN: Could you explain for me how expenditure to 30 June this year has been so dramatically changed that you cannot provide it to us by project?

Ms ALLAN: I have indicated to you that that information will be provided, as the Department of Treasury and Finance have already advised, in the 2021 budget process.

Mr D O'BRIEN: What are you hiding, Minister?

Ms ALLAN: We make information available consistently and regularly every time we award a contract for a level crossing removal project. Every time we award a contract, whether it is for part of our Regional Rail Revival program or for a suburban or regional road, we make that information available as to the awarding of that contract and the cost of that contract as part of that process. In terms of the—

Mr D O'BRIEN: Okay. Well, I ask again—

Ms ALLAN: No, if I can finish, in terms of the—

Mr D O'BRIEN: No, you—

The CHAIR: Mr O'Brien, you asked the minister a question. She is entitled to answer it.

Mr D O'BRIEN: She has just answered it: 'We always make it available'. I would like to ask a supplementary question.

The CHAIR: Mr O'Brien, I do not think the minister had completed her answer.

Mr D O'BRIEN: So do I just sit here and let her go for 15 minutes, Chair? Is that the rule?

The CHAIR: Mr O'Brien, I think you have had a number of questions already, so I think that that is an unfair characterisation.

Mr D O'BRIEN: No, Chair, either the—

Mr RIORDAN: No, it is a pretty fair characterisation.

The CHAIR: Deputy Chair, you do not have the call. Mr O'Brien—

Mr D O'BRIEN: The point is: you either let us interrupt when a minister is waffling or you remove the cap on time. We do not have to sit here and let the minister say what she wants to say ad infinitum.

The CHAIR: Mr O'Brien, we have had this discussion I think every day this committee has met, and—

Mr D O'BRIEN: And you continue to waste our time, Chair.

The CHAIR: You cannot—

Mr Riordan interjected.

The CHAIR: Deputy Chair, you do not have the call. You cannot put a proposition to the witnesses at the table without giving them due opportunity to answer the proposition. If you just asked a question—

Mr RIORDAN: And you have an obligation to insist on some relevance.

The CHAIR: Deputy Chair, you do not have the call. Minister.

Mr D O'BRIEN: The minister—

Ms ALLAN: You guys totally lost your high moral ground with your first question, Danny. Sorry, you totally lost your ability to prosecute any sort of argument on that front with your very first question.

Mr D O'BRIEN: You have just indicated that whenever you announce a project—

The CHAIR: Mr O'Brien—

Mr D O'BRIEN: I am asking a question, Chair.

The CHAIR: Well, I am not if sure if the minister has—

Ms ALLAN: No.

Mr D O'BRIEN: Yes, she just did. She just answered the question.

The CHAIR: Mr O'Brien—

Mr Riordan interjected.

The CHAIR: Deputy Chair, you do not have the call, and you are being rude. Mr O'Brien, I am not sure, as Chair, whether the minister has or has not completed her answer to the previous question that you asked. It is your job to ask the questions. The minister is entitled to give them a due answer.

Mr D O'BRIEN: Sorry—

The CHAIR: Mr O'Brien!

Mr D O'BRIEN: Chair, the minister just said in response to my question, 'We always provide the information on these projects when we make announcements and when we go to tender'. I am now asking a follow-up supplementary question to that answer.

The CHAIR: Mr O'Brien, I think you cut the minister off before she had completed her answer.

Mr RIORDAN: No, the only cutting off is you, Chair. Please let us ask the questions.

The CHAIR: Deputy Chair, you are the person interrupting and wasting time on this occasion.

Mr D O'BRIEN: Minister, if you always provide that information, can I have it in table form for the projects under your watch?

Ms ALLAN: The Chair is correct. I was part way concluding my answer to your question, which is that that information, as has been previously advised to this committee through the Treasurer and through other public comments, will be provided in the 2021 budget based on the advice of the Department of Treasury and Finance.

Mr D O'BRIEN: Minister, budget paper 2, table 5 on 102, says there is \$27 billion remaining expenditure for Department of Transport projects. That is a massive increase on the forecast figure of \$15.2 billion last year. Now, even accounting for the \$6 billion that was scheduled to be spent in the last budget year, that is still a well over \$6 billion increase on the total. What accounts for that increase in expenditure on projects in your portfolio?

Ms ALLAN: Well, we have removed 44 level crossings. We are 66 per cent of the way through the tunnelling of the Metro Tunnel project.

Mr D O'BRIEN: No—increase on the previous budgets.

Ms ALLAN: I was at Mordialloc Freeway yesterday in terms of seeing the tremendous progress on that project. I think in terms of—

Mr D O'BRIEN: On a point of order, Chair, the question was very clear. What accounts for the increase? Not the projects that she has listed in the past—what accounts for the increase that she indicated in the budget last year compared to what the increase is now?

The CHAIR: I think the minister was about to answer that question.

Ms ALLAN: And I am just asking the—

Mr D O'BRIEN: No, she was not.

The CHAIR: Mr O'Brien, before she has even opened her mouth you are not giving her an opportunity to do so.

Ms ALLAN: You might also recall during, I think it was, April/May that the government announced a building works package, of which a substantial amount of money went towards the Department of Transport for—

Mr D O'BRIEN: How much, Minister?

Ms ALLAN: And I am just asking the Secretary for that information. I apologise, I do not have it in front of me, but it went to projects like road and rail maintenance around the state. I think there were some

conversations about this at the previous PAEC hearing we had a couple of months ago. There was additional investment that was made right across a range of portfolios, and that included the transport portfolio.

Mr D O'BRIEN: Does that account for the \$6 billion increase?

Ms ALLAN: That is part of the investment that has gone towards the additional works that are being done to support jobs right now. There is—

Mr D O'BRIEN: Okay.

Ms ALLAN: Okay. You are not interested. That is all right.

Mr D O'BRIEN: Minister, the Regional Rail Revival project: what is the current completion date for the Shepparton and Warrnambool line upgrades, given they have both blown out already?

Ms ALLAN: Well, I am very glad you asked about the Shepparton line upgrade, Danny, as you know that is one of my absolute favourite—

Mr D O'BRIEN: Well, that is good. Just give me an answer: what is the estimated completion date?

Ms ALLAN: projects, and I was absolutely delighted that collectively—and I will acknowledge the support for the third stage from the federal government—we have now committed \$750 million towards the Shepparton line upgrade. We are in the process of procuring the works, and of course we have already seen some additional services undertaken. As I said, we are in the process of finalising the procurement for Shepparton stage 3. Stage 2 is on track for completion in late—

Mr D O'BRIEN: Just—

Ms ALLAN: I am getting to it—just wait. Stage 2 is on track for completion in late 22. Given the funding for Shepparton stage 3 was just announced by both state and federal governments in the recent budget, and pending the federal government's advice—and I do not mean that with any political overlay—we need to have a conversation about how we can accelerate the procurement of stage 3, look at the opportunity for folding it into stage 2—

Mr D O'BRIEN: Minister, I am running out of time. Can I get on notice, then, the completion dates for the Warrnambool, Gippsland, north-east and Echuca line upgrades?

Ms ALLAN: Well, we can provide that information, pending the tender processes that need to be resolved in consultation with the federal government, because we need their approval for some of those procurement processes to proceed.

Mr D O'BRIEN: Thank you.

The CHAIR: Thank you, Mr O'Brien. Mr Gary Maas, MP.

Mr MAAS: Thank you, Chair, and thank you, Minister and departmental officials, for your attendance. Thanks, Minister, for that presentation. With 165 projects as a part of the government's Big Build agenda, some might say with the momentum of a runaway steam train, if I could take you to budget paper 3, page 358, I was hoping you could, with 165 projects, I guess just briefly outline the progress the government is making on the delivery of those projects.

Ms ALLAN: Thank you, Mr Maas. I am very happy to as briefly as I can, because, as you rightly point out, there are a lot of projects underway right across the state. I refer you to the figures that I provided in the presentation, where it is an \$80 billion investment, 18 000 direct jobs—it does not take into account a significant number of indirect jobs—and that we have had 100 million hours worked across our Big Build program. The work is tremendous and—I have mentioned this at previous appearances before this committee in relation to the pandemic—the fact that we have been able to hold our program across such a big program during the course of the pandemic where there was significant disruption to everyone's working lives is a great credit to the construction crews and the workforce who are on our projects.

As I mentioned, tunnelling on the Metro Tunnel project is 60 per cent complete and the project is a year ahead of schedule, with the potential to be nearly two years ahead of schedule, pending some further work with the construction companies. We have got early works underway on the North East Link Project where there are something like 34 kilometres of underground utilities that need to be worked through as part of the early works project. We have made great progress on delivering an airport rail for the state, with agreement with the commonwealth on the preferred route for the Melbourne Airport rail, which was announced a few weeks ago, plus the budget commitments by both federal and state governments of Geelong fast rail. That means we can now really push on into the program delivery phase of both of those projects.

We have just had a bit of a chat about regional rail. As I said, with the Shepparton and Warrnambool projects, pending some agreements with the commonwealth given that they are involved in the funding of those projects, we are looking at how we can fold the funding for the additional stages of work into our existing program so we can accelerate it to the best of our ability. We recently saw the Avon River bridge opened as part of the Gippsland line upgrade—a great outcome, building a new bridge that can see trains run at 90 kilometres over that new bridge for Bairnsdale line passengers. It is great for Bairnsdale that they have got their train line open and they have got a new Avon River bridge.

Forty-four level crossings are now gone, with work going on at a whole range of other sites and also the recent announcement of fast-tracking of level crossing removals at Pakenham, Surrey Hills and Glen Huntly. We have awarded recently \$1.5 billion worth of contracts across our level crossing removal program. The Member for Cranbourne can probably tell us very well the great work that is going on on the Cranbourne line duplication. Work is really proceeding. You can probably too, Gary; it is your neck of the woods as well. My apologies. Also too the Hurstbridge work will soon start on the Hurstbridge line duplication. That is Hurstbridge stage 2. Then there are the works on the suburban roads program right across Melbourne. As I said, I was at Mordialloc yesterday seeing the great progress there.

We can see early works start on the Suburban Rail Loop in 2022, which means with the allocation of funding in this year's budget the program will really ramp up to achieve that. A program of this size and scale does come with challenges, there is no doubt about that, and we see that in projects big and small right around the country. But what we do when we are faced with some of these challenges is we do not use it as an excuse to not deliver a project or to break a commitment; we work through those challenges, we provide information about them and most importantly continue to push on and get these projects completed.

So that is a very quick snapshot. You encouraged me to be brief about what we have got going on across the program at the moment.

Mr MAAS: Great. Thanks very much, Minister. You mentioned the challenges with delivery. I was just hoping you would be able to take the committee through the kind of approach that the government is taking to meet some of those challenges.

Ms ALLAN: Yes. Look, there is no doubt, whether it is here in Victoria, other jurisdictions around Australia or indeed around the world, there are challenges when you deliver major infrastructure projects. The vast majority of our 165 projects are on track, within budget and on time, and that is a terrific achievement for the team of people who work really hard every day on delivering these projects. We are not just seeing many on schedule; we have worked really hard to see how we can fast-track many of these projects, because we know that we need to continue to build the infrastructure our state needs and support those jobs during these challenging times. Often people like to make comparisons with previous times and previous eras, but it is just not possible with this agenda because of its size and scale. There has never been a transport infrastructure agenda like it, and this is as a result of very careful and comprehensive planning and management that is undertaken from project design to assessment, procurement and delivery phases.

When you look at the procurement and contractual arrangements for each project, we make each decision based on what is right for that project. We do not take a cookie-cutter approach; it is based on what is right for each project, and particularly on larger projects, where the use of an early works package not only helps get the project underway but also helps inform the tendering and the procurement process for the major part of works on each project.

As I said, we have been quite upfront about where we have met some challenges, and the most recent announcement we made around the Metro Tunnel project is an example of this. The Metro Tunnel is a terrific project, but there is no doubt that through some of the delivery phases there have been some challenges, and rather than have fights and see the project go through a lengthy legal dispute we sat down, and the team of Rail Projects Victoria sat down, and negotiated with the contractors, and last week announced the outcome of those negotiations.

An alternative approach that we have seen deployed in other places would have been to have a costly legal dispute. That would have just added cost to the project and added delay as well. So that is a really good example of how we have worked proactively to deal with the cost pressures associated with that project. Also, through those negotiations, we have been able to not just remain on schedule with the Metro Tunnel project but potentially have the opportunity to complete the project in 2024, two years ahead of the original schedule.

I think when you look at similar projects internationally—Crossrail in London, the Grand Paris Express—these are other major infrastructure projects that are being built in big international capital cities that face challenges where the governments have had to sit down and work through those challenges with their contractors. Similarly in Sydney there have been challenges that they have also had to work through on each and every one of those projects, and as part of that the state of Victoria is working in partnership with the New South Wales government—and also the states are working with the commonwealth government—to further understand what is contributing to some of the cost pressures on these big projects, whether it is workforce or skills or materials, and what are some of the ways we can improve our planning and approvals process to help manage some of the costs on these projects. There is a lot to learn from those international experiences. There is also a lot of information that is being shared collaboratively with New South Wales, and the budget papers refer—I think it is budget paper 2—to some of that collaborative work that New South Wales and Victoria are undertaking. We are obviously the two biggest states. We are two states with two very big agendas and we can work together to not just learn from each other but also look at how we can collectively engage with the market to help manage through these issues. It is good to see also that the commonwealth government has got on board with working through these issues as well.

Mr MAAS: Thanks, Minister. It is a huge infrastructure investment for the state. What sort of role will that play in the recovery from the pandemic?

Ms ALLAN: Look, I think we are seeing Victoria, other states and the commonwealth all understand that having infrastructure projects, big and small, across a vast geographic spread will contribute to our economic recovery from the global pandemic. I mentioned in my presentation before that construction is far more than those who wear hard hats. As important as the people out on the actual projects are, there is a vast range of jobs across a whole range of different professions that our construction agenda supports. From the most technical senior engineers, who design the projects; we engage a lot of artists in the use of our open space; through to our social procurement program, where we engage a lot of locally based social enterprises, whether they be to provide services like cleaning, landscaping or catering, it really does support a great range of jobs across our state. That is why we are seeing governments invest in these projects big and small.

It is important I think to reflect that in any infrastructure program you need to have a mix of projects. You need the small short-term projects that you can get in and out and make a difference on straightaway. They are particularly characterised by some of the maintenance work that we do in road and rail, and that featured heavily in our building works program as part of the response to the pandemic earlier this year. Then it is also important to have medium and larger projects and also projects that are delivered over a short, medium and longer term horizon, because this helps the industry see the pipeline, understand the pipeline and understand that they can invest in their resources here in Victoria, because they know that there is a suite of projects—small, medium and large projects—that are going to be delivered over a certain period of time.

Having that visibility of the pipeline is really, really important. That is why you see in this budget, at a state level—and I think all jurisdictions around the country have been encouraged by the governor of the Reserve Bank and the federal treasury secretary to particularly invest in this area because of that understanding that it does provide economic stimulus right now but also sets up a strong pipeline that will be a sustaining one. We have understood that since we came to government at the end of 2014. We have understood that, and that is why we have invested heavily, particularly in the transport infrastructure space. But you have also seen in this

year's budget that tremendous investment in housing—I think the Minister for Housing is here before you tomorrow, so I am sure he will have a great opportunity to talk more about that—and in schools as well.

We understand that we need to continue this effort. And on observations about what might come in future budgets—well, we know you need a sustained effort. You know, that is why we have added 25 extra level crossings. Because we have worked so quickly to get rid of 44 to date, at the last election we added another 25. When you have a pipeline and when you fast-track elements of that pipeline, it makes it easier to keep adding to that work. In the last couple of years we have added a significant number of suburban and regional road projects to our infrastructure pipeline, which help to support a particular section of the market in that kind of medium-term, medium-size construction company area of the market to provide them with support.

Then finally, I made mention in the earlier discussions around how we have the procurement settings. Well, having the right procurement settings in this place, particularly around local content, has seen, for example, as part of the West Gate Tunnel Project the work going on in Benalla in the manufacturing of the concrete segments for the West Gate Tunnel Project. So you have got to have all elements of your program pulling together, and that is what we work very hard to achieve.

Mr MAAS: Terrific. Thanks, Minister. I have got 30 seconds. With 30 seconds left, I think I might leave it there. Thanks, Minister.

Ms ALLAN: Can I take the last 20 seconds to have a drink, then, to recover my throat?

The CHAIR: Thank you. Sorry, Siri had clouded the clock. I will give the call to Mr Sam Hibbins, MP.

Mr HIBBINS: Thanks, Chair, and thank you, Minister, and your team for appearing this morning. I want to ask about the public-private partnerships model used to fund major projects. My understanding is that in public-private partnerships you have not only got the construction costs but then you have got the availability payments after that, paying private finance rates, which is paying over and above what public debt would be. The reasoning behind that is that the private sector is supposed to take the risk for the projects. Now, from what we have seen so far—and you have said, the government has said, on multiple occasions, 'The price for these projects is fixed', but what we have seen—is the builders turn off the boring machines, they threaten to walk away from the projects, they threaten lengthy legal action, with the West Gate Tunnel they sack workers, and the government coughs up. Is it not the truth that it will always be the government taking the financial risk with these projects?

Ms ALLAN: Look, with no disrespect to any other questions that are asked, this is a really good and interesting question to explore in this forum because there are many elements to the answer to that question. I will ask Corey Hannett to assist in answering this question because there are a number of parts to that answer that go to your final observations around, 'Isn't it always government taking the financial risk?'. Because ultimately these are projects that governments commit to, so yes, they are government projects. They are projects that government—and particularly our government, we are determined to deliver the projects we commit to. When we say we will do something we do it, and we work very hard to deliver those projects.

There has been no doubt that in more recent years the pure PPP procurement model has come up against some of the challenges that come with the delivery of infrastructure projects that I talked about in the answer to Gary's question before. That is why, as part of your final observation around, 'Isn't it government always taking the financial risk?', in understanding that what we have done particularly over the course of this year—and the pandemic has also played a role in this, because obviously the movement of finance internationally has been challenged this year, the delivery of projects has been challenged by this year, the financial sustainability of those big companies has been challenged as a result of the pandemic. That plus the fact that we are now six years into a big infrastructure program with projects of all different sizes and scale, but particularly on the big ones, we have a lot to learn from what has happened in the past and how we can apply that to future procurement models. That is why I mentioned before we do not take a cookie-cutter approach to procurement of projects; we look at each project and look at what is the best way to deliver those projects and then work back from that and see what is the best procurement method that achieves that delivery outcome.

A really good example of that is the level crossing removal program, where by delivering that under an alliance model means that we can fast-track projects. We work collaboratively with the companies, we can work collaboratively with the rail operator, we can package projects up that give those alliances a pipeline that they

can gear their work around. As a consequence of that approach, it is credited with the fact that we are well ahead of schedule on removing those level crossings and also that we can add work very quickly and easily, like the Cranbourne line upgrade, the Hurstbridge line upgrade—works are added to those alliances, because they have got their teams geared up, they have got workers in the ground and they can get the work done more quickly.

So what we are now doing is in terms of understanding where the ultimate risk lies. We have made a couple of important procurement decisions this year, particularly in the roads program, and I will let Corey talk in a little bit more detail about what we have undertaken on the North East Link Project, because of those reasons that I described before—pandemic issues that companies are facing globally. We want our construction companies to be strong and stable, and we understand that we have a role to play in that in supporting them through the procurement processes. Based on the industry feedback we have had from both the construction companies and the industries more broadly, we have made some modifications to the PPP tendering process associated with the North East Link Project, and I will get Corey to touch on that on a minute.

The other procurement change we made this year was to the suburban roads program, a package of 12 road projects in the north and the south-east. Initially we had planned to deliver that via a PPP mechanism, but again based on those issues of cost and risk and delivery and as a consequence of the pandemic we have actually moved away from that and made an announcement a few months ago that we will be delivering those road projects through a similar program approach to the level crossing removal program. Indeed the success of that is already apparent where we have already got the first tranche of four projects very close to being underway. I appreciate that is a long answer to your question—

Mr HIBBINS: It is. I have got another question.

Ms ALLAN: but I hope by giving you that long answer you see that we understand the point you are making, which is where the ultimate risk lies. We understand that where we see a looming issue we have to calibrate accordingly, and that is why we have made those procurement changes in those two examples. Did you want me to get Corey to answer this, or did you want to go to your next question? I mean it is up to you. I appreciate you might have—

Mr HIBBINS: I tell you what, just quickly, the availability payments for projects like Melbourne Metro and North East Link—you do not release them publicly, do you?

Ms ALLAN: No. Let me just check how much of this is available in the contracts that are published online through our partnerships. There is the Partnerships Victoria framework that is administered by DTF—but Evan is saying no, not the availability payments.

Mr HIBBINS: Well, for example, with the Melbourne Metro, given that clearly the government is paying more for it and you are taking on the financial risk, will the availability payments be reduced in acknowledgement that it is actually the taxpayer taking on the risk?

Ms ALLAN: Well, this is also going to invite a longer answer than you may want, because it is actually not quite correct to say that it is government fully taking on the risk. Yes, it became identified and we have indicated publicly for some time now that we were negotiating with the consortium, CYP, on the delivery of Metro Tunnel because it was facing cost pressures. Because of the way the negotiations were structured in good faith—we sat down around the table, rather than having a fight in a courtroom or having a fight through the media—what we have been able to achieve is a 50-50 share of the cost overrun for that project. So the \$2.7 billion is being shared 50-50 between Victoria and the consortium, and also as a result of those negotiations and because of the very good work that Rail Projects Victoria did we have also been able to resequence the program of the project to see it finish not just potentially a year earlier but potentially up to two years earlier, which also provides a significant saving, if you like, but also realises the benefits of the Metro Tunnel much sooner.

Mr HIBBINS: Thanks, Minister. I will get to my next question, and it is around the environment effects statement process. I mean, the government has touted its Big Build—you know, big infrastructure build—but the *Environment Effects Act* is 40 years old. It has not been updated that much in 40 years. It did not pick up the PFAS for the West Gate Tunnel. You basically ignored the major findings from the North East Link—you did not have to actually even adhere to them. The councils dropped their Supreme Court challenge thanks to some

funding that you provided those councils. There have been numerous inquiries into the environment effects statement process over recent times recommending that it be strengthened. Are you deliberately keeping that Act and that process weak so you can proceed with these projects and ignore the environmental effects?

Ms ALLAN: This is where we are going to start getting to be a bit disagreeable with each other, Mr Hibbins. The answer is a flat-out no. I am happy to answer it, Chair, as best I can, noting that I am not the minister responsible for the *Planning and Environment Act*. Obviously our portfolio operationalises aspects of the Act, but I am not the minister for the Act. So that is perhaps one you can save for tomorrow when the planning minister is here. But in terms of how we engage with an environment effects statement, I think it is notable that you have identified only two road projects that you are politically opposed to in your criticisms of the EES.

Mr HIBBINS: No, I think there are some genuine reasons to oppose those projects—I mean, the Auditor-General and the environment effects statement independently had some issues with it too.

Ms ALLAN: We had an EES for the Metro Tunnel project. We have signalled there will be an EES for the Suburban Rail Loop, and we had an EES for the Bonbeach and Edithvale level crossing removals. In the delivery of transport infrastructure we have a very rich and varied regulatory environment that we have to operate in, and we know that we need to navigate that very carefully. On your presentation of the EES in relation to West Gate Tunnel and the North East Link, I have to disagree with you. The issue of contaminated soil was identified through the environment effects statement process for the West Gate Tunnel Project. On the North East Link Project, it is wrong to say we have ignored the EES requirements.

Mr HIBBINS: You rejected them.

Ms ALLAN: I am guessing the answer is going to be no, but I would be very happy for Duncan Elliott to come and talk to you about how we are implementing both the decisions out of the EES and also the environmental management plan and the regulations that accompany that. This goes to questions about cost as well. There are many elements that the EES makes recommendations on that we subsequently need to pick up. That changes and enhances the scope of these projects. I think it was with the Westgate Tunnel, the EES recommended a longer tunnel. As a consequence, the government accepted that recommendation and that added cost to the program. Others may want to call that a cost blowout, but it was accepting the advice from the independent planning and environment process that involved extensive consultation. Having said that, though, you are going to have to ask the minister responsible for the Act about whether it is up for change. We operate with the regulatory environment we are given.

Mr HIBBINS: You have made infrastructure a major priority, launching billions of dollars worth of infrastructure through environmentally sensitive areas. You have got contaminated soil out in the west. You have got some of our most sensitive urban green space in the north-east. It did not give you cause to review the EES process or to act on previous recommendations to strengthen the EES process—this did not trigger you at all to look at that particular legislation?

Ms ALLAN: Sam, I understand the point you are endeavouring to make. I am not the minister responsible for the *Planning and Environment Act* under which the EES requirements are set. So I cannot answer that, in terms of the operation of the Act. What we do is we operate within the regulatory environment that is set, and we work very carefully and respectfully through that process. Can I also, though, just point out, particularly when it comes to the North East Link Project and the Suburban Rail Loop, one of the issues going forward—here in a big city like Melbourne and other big cities as well—is if we want to build better transport connections, it will mean more tunnels. It is why we have got a very large tunnel associated with the North East Link Project, and why the Suburban Rail Loop project stage 1 is 26 kilometres of twin tunnels. Because the alternatives to do these sorts of projects at grade just are not available to us anymore. By building tunnels it means we do protect and do go beneath environmentally sensitive areas. It does avoid the acquisition of potentially thousands of properties—

Mr HIBBINS: Just finally—

Ms ALLAN: That is why we pursue those projects in that way.

Mr HIBBINS: In terms of the North East Link, the tolling revenue, the government has decided to retain that tolling revenue itself rather than the private sector—either was not interested or you did not offer it to them. Is that because you do not trust your own traffic modelling or the private sector does not trust the traffic modelling for the North East Link?

Ms ALLAN: No.

Mr HIBBINS: Why is it then?

Ms ALLAN: Well, again, it goes in part to the answer I gave you to one of the earlier questions around procurement models and why we look at what is the right and the best procurement model for the delivery of projects. But in the instance of the North East Link project the tolling revenue will go towards the longer term maintenance of that asset. So that is why the decision has been struck at this time for the revenue to be retained in that way.

The CHAIR: Thank you, Mr Hibbins. Mr Richard Riordan, MP.

Mr RIORDAN: Thanks, Chair. Good morning, Minister, and Transport. Minister, I refer to budget paper 2, page 97, which gives the update on the completion of level crossing removals. This committee would have huge concerns about the transparency and accountability for, you are saying, \$13.2 billion of public money, and yet nothing has been disclosed—not only in the budget but your department has not disclosed any information on this in the budget estimates questionnaire. Is there any concept of how much money you have spent to date?

Ms ALLAN: With all due respect to your question, I canvassed this quite extensively in the questions from your colleague. I really have little more to add other than to start repeating myself, which I am going to guess you are not going to be happy with—

Mr RIORDAN: No.

Ms ALLAN: So rather than avoid you getting upset, let us move on to your next question.

Mr RIORDAN: The point I am getting to, Minister, is that you have endlessly told us, both in the chamber and this morning again with the slide sheet, how proud you are of your Big Build. My question is: are you very proud of how much your Big Build is costing? Because you are wanting the Victorian public and this parliamentary hearing and this Parliament to just accept your word that for two years you are not going to tell anyone how much this is costing.

Ms ALLAN: So, as I indicated to you before, when we award contracts for the removal of our level crossings we provide information publicly on how much that contract is worth. Also, the answer is that we are investing \$13.2 billion in improving our metropolitan rail network. Now, the Melbourne metropolitan rail network for a very long time did not have the investment that it needed to support more train services for our growing city. Removing—

Mr RIORDAN: Point of order, Chair, relevance.

Ms ALLAN: No, no. This is—

Mr RIORDAN: No, the question was: are you proud of not telling—

The CHAIR: Mr Riordan, are you taking a point of order or are you arguing with the minister?

Mr RIORDAN: I am, but my point or order is—

The CHAIR: Mr Riordan, you cannot do both at the same time.

Mr RIORDAN: Call the minister back to relevance. The question is simple: is she proud of it?

The CHAIR: Mr Riordan, can you give me an opportunity to answer your point of order, which of course is out of order, and I do not award the point of order. The minister is being relevant. It goes to exactly the same point. You have to let the Chair answer the points of order that you ask, and you have to let the minister answer the questions that you ask. The call is with the minister.

Ms ALLAN: Your interjection was a little premature, because I was answering directly your question about are we proud of our investment in level crossings, and the answer is yes—

Mr RIORDAN: Proud of not disclosing.

Ms ALLAN: and I was explaining to you why the answer is yes and why we are proud of our investment of \$13 billion in level crossing removal and our investment in the metropolitan network—because, as we saw very recently, the public transport minister announced a big overhaul of the metropolitan train timetable—

Mr D O'BRIEN: But did not release it.

Ms Vallence interjected.

The CHAIR: Mr O'Brien, you do not have the call. Neither do you, Ms Vallence.

Mr RIORDAN: Excuse me, Chair, I am not asking for that, Minister. I have asked you—

Ms ALLAN: You asked if I was proud of our investment, and I have given you the answer.

Mr RIORDAN: The essence of the question was: you are expecting Victorians to go two years based on your press releases of how much a contract costs, when do we know there are overruns.

Ms ALLAN: Chair, on the point of order—

The CHAIR: Mr Riordan, your question was specifically: was the minister proud of the investment in the projects, and the minister—

Mr RIORDAN: No, proud of the cost of the investment.

The CHAIR: We can go back and check the Hansard record, and that is the answer—

Ms ALLAN: Yes. That is the answer to the cost of the investment.

Mr RIORDAN: Let us move on.

Ms ALLAN: No, no. You cannot interrupt my answer in those terms, because—

Mr RIORDAN: I can.

The CHAIR: Mr Riordan, you cannot—

Mr RIORDAN: This is a question and answer. It is not—

The CHAIR: Mr Riordan!

Mr RIORDAN: Unlike your colleagues over here, who diligently read out the questions that you have written for them, we have questions and we seek answers.

The CHAIR: Mr Riordan, you are out of order. Could you stop arguing, Mr Riordan. You cannot put a proposition to the witnesses at the table, the minister or others, without allowing them the opportunity to answer it. If you persist in doing that, we will persist in arguing about it, and that is what is wasting your time.

Mr RIORDAN: No, Chair, you are wasting the time. We are moving on.

The CHAIR: Mr Riordan, the minister has not had an opportunity to answer your proposition.

Mr RIORDAN: Chair, your chairmanship is appalling quite frankly. You refuse to bring the minister back to relevance, and then you continue to chew up our time with pointless ramblings about how we have got to listen to the minister go on and on and on.

The CHAIR: Mr Riordan, if you ask—

Mr RIORDAN: The question was simple: can the minister justify why for two years Victorians have just had to go off her press releases as to how much her overruns are? And she will not give the answer. We will move on.

The CHAIR: Mr Riordan, that was not your question.

Mr RIORDAN: It is my question.

The CHAIR: No, your question was: was the minister proud of the investment—

Ms ALLAN: It is now.

The CHAIR: That is right. You have now put an entirely—

Mr RIORDAN: Proud of not disclosing the cost of the investment.

The CHAIR: Mr Riordan, you did not say, ‘Was she proud of not disclosing the investment?’. You asked if she was proud of the investment, and the minister was seeking to answer that. You have also now put—

Mr RIORDAN: And she said yes, so we move on.

The CHAIR: Mr Riordan, you have also now put another proposition to the minister and the witnesses at the table.

Mr RIORDAN: No, Chair. It is not for you to determine my questions, all right?

The CHAIR: Well, Mr Riordan, if you stop in your preamble putting a range of propositions that you then do not allow the minister the opportunity to answer, then we will not be having these arguments and you will not be running down your clock. Did the minister need to answer the further proposition?

Ms ALLAN: Well, I see that the member is quite excited. If I could just make one final comment on the answer to your question, which was: are you proud of the cost of the level crossing removal program?

Mr RIORDAN: Of not disclosing the cost of the level—

The CHAIR: You did not use the words ‘not disclosing’, Mr Riordan.

Ms ALLAN: The reason why is very simply summed up. In February of next year there will be an additional 280 weekly metropolitan train services running on the network. You can only do that when you remove level crossings, upgrade track and signalling, provide new—

Mr RIORDAN: Not relevant.

The CHAIR: Mr Riordan—

Mr RIORDAN: Call her to relevance. I do not care—

The CHAIR: Mr Riordan, the minister is being entirely relevant.

Mr RIORDAN: I do not care for her press release being reread. Finish her up.

The CHAIR: Mr Riordan, the minister is being entirely relevant.

Mr RIORDAN: She is going on telling me about train timetables. It is not part of the question.

The CHAIR: Mr Riordan, the minister is explaining why she is proud—

Mr RIORDAN: Quite frankly this is a disgrace. You are a disgrace, Chair—a disgrace.

The CHAIR: The minister is explaining why she is proud of the level of investment in the Level Crossing Removal Project, and she is entitled to answer—

Mr RIORDAN: That was not the question.

The CHAIR: It was your question, I am sorry.

Mr RIORDAN: Have you read my questions?

The CHAIR: We all listened to your question, Mr Riordan. Minister.

Ms ALLAN: You would get more out of this process if you did not carry on like this—you really would. And it is ‘Chair’; she is not a chairman. She is a woman; she is a chair.

Mr RIORDAN: We would get more if she would answer the question.

Ms ALLAN: The answer was about the investment we are making in the metropolitan train network. To support your endeavours, Chair, let us go to Mr Riordan’s next question.

Mr RIORDAN: Thank you. So before you had the excuse of COVID for not producing any costs on your overblown projects, back in March—before you had the excuse of COVID—you were asked the question then in the upper house what the costs on these projects to 31 March were. Considering that you cannot provide the current financial year or the previous financial years, do you have the costs of these projects to 31 March?

Ms ALLAN: Genuinely I am not sure what question in the upper house you are referring to, given I am not a member of the upper house.

Mr RIORDAN: Okay. The question that was given to you, question 2003, requested back then the costs of the projects to 31 March.

Ms ALLAN: In answering that question, genuinely I will need to go and check my response to that question.

Mr RIORDAN: I can tell you you did not respond.

Ms ALLAN: Well, then, do you want to continue asking your questions? Given you can know my answers, I might just let you do both. You can do questions and answers for the next little bit.

Mr RIORDAN: No, I am telling you that you did not respond. So my question to you is that you did not have the excuse of COVID, so presumably as the responsible minister up until that time you should have had some concept of what your projects were costing. Can you tell us what they were to that point?

Ms ALLAN: Well, as I have just indicated to you, I will need to go and check. In order to be accurate in giving evidence to this committee, I would need to go and check the answer I provided to that question. Given, I assume, you are referring to one of the many questions on notice, I would need to check my response in order to be accurate to this committee.

Mr RIORDAN: I am happy to take that on notice. So, Minister, my next question: the budget papers refer to 43 level crossings being removed. Today you have quoted twice now that 44 level crossings were removed. On the questionnaire returned to this committee your department said there have been 35. Can you confirm for us what the figure actually is?

Ms ALLAN: I most certainly can. It just shows you how quick we get rid of level crossings, doesn’t it? The department questionnaire—

Mr RIORDAN: All I have asked you is to confirm which the figure is.

Ms ALLAN: The department questionnaire was submitted some weeks ago, and in that period of time we have removed an additional nine level crossings to sit at 44 level crossings—

Mr RIORDAN: So how many weeks is that that you removed nine?

Ms ALLAN: Well, I would have to go back and check when the department questionnaire was provided, but if I can go off the top of my head, Cardinia Road was opened last week. We did the Upfield four a few

weeks ago, so that takes us to five. There are many level crossings we have removed in recent times. I am sure we can provide the committee—

Mr RIORDAN: On notice—happy on notice.

Ms ALLAN: with more dates on when we have removed level crossings. We have removed one on average every six weeks over the course of 2020, so you can appreciate that—

Mr RIORDAN: Well, no, I do not think the documents were handed in.

Ms ALLAN: information on removing level crossings and the number that we have removed does get out of date a little bit quickly because we are removing them so quickly.

Mr RIORDAN: Well, that would make 54 weeks ago, Minister.

Ms ALLAN: We did your three. We did the Member for Mordialloc's three more recently as well.

Mr RIORDAN: That would make 54 weeks ago. I think the budget papers were handed in—

But we will take that on notice; happy to take that on notice.

The CHAIR: There were four on the Upfield line in the last few weeks, Mr Riordan, I can assure you.

Mr RIORDAN: I have not asked you for questions. I have just asked—

Ms ALLAN: Yes, I have got them here as well. He is not—

Mr RIORDAN: We will take it on notice.

Ms ALLAN: Here we are. We have got—oh, no, they are the contracts we have awarded. Yes, the Upfield four, Cardinia Road, Evans Road—how can I forget Evans Road, of course—the three at Cheltenham—

Mr RIORDAN: I have asked for the number, Minister. We will move on. Minister, the Suburban Rail Loop—

Ms ALLAN: So we have worked to 44. Anyway, we are at 44.

Mr RIORDAN: Minister, the Suburban Rail Loop—how much is it going to cost us?

Ms ALLAN: So we are working right now—and we have indicated this publicly as well. An investment case is being developed. It will be released during 2021, and that will provide information on cost estimates for the completion of stage 1.

Mr RIORDAN: So you do not know yet how much it will cost?

Ms ALLAN: I have just indicated to you that on previous work we have a range of what we estimate it will cost. The investment case that will be produced next year will provide a more firm figure in 2021 figures of what the Suburban Rail Loop will—

Mr RIORDAN: So the business case that you have done for this, does it presumably have a cost-benefit analysis on how much it should cost?

Ms ALLAN: So again, that will be contained in the investment case, and the reason why very deliberately we are calling it an investment case is because this is a project that will span many decades, many, many years, and a business case for a project like this that will span many years would very quickly need to either be outdated or updated. So an investment case that will have a sequence of updates following it will be produced to guide the delivery of the Suburban Rail Loop.

Mr RIORDAN: But would it be usual for this government to want a business case before you actually started a project?

Ms ALLAN: So we undertook a strategic assessment of this project in 2018 that demonstrated it provided great value to not just the transport network but also more broadly to the Victorian community. The Victorian community also saw that it had great value, given its endorsement at the 2018 election. Now, I do know that your shadow minister has already said that they would scrap the Suburban Rail Loop, so this is a bit of a theoretical conversation we are having—

Mr RIORDAN: No, it is not. I am asking you—

Ms ALLAN: It is clear that you oppose the project.

Mr RIORDAN: You have sort of indicated \$50 billion-plus price tags for this. Other experts have looked at in excess of \$100 billion for this type of project.

Ms ALLAN: Who are those experts that have quoted those figures?

Mr RIORDAN: I mean, it has been in general discourse, and I am sure as minister you will have—

Ms ALLAN: I just thought you might have wanted to be more precise given you are keen for me to be precise.

Mr D O'BRIEN: We would like you to be more precise, Minister.

The CHAIR: Mr O'Brien.

Mr RIORDAN: No, well, the point is we would like you to be more precise.

Ms ALLAN: No, no. I am just keen for consistency, that is all.

Mr RIORDAN: No, no. Well, Minister, you are the one who is consistently spending billions and spending over budget billions and happy for us not to have any of the financial documents on it.

Ms ALLAN: No, you are not correct.

Mr RIORDAN: But moving on, my question quite simply is: will the business case be published and made public before final investment decisions are made?

Ms ALLAN: The investment case will be made public, yes.

Mr RIORDAN: The business case?

Ms ALLAN: Well, the elements that contain a business case will be laid out in the investment case, and as I have just explained to you, the reason why we are calling it an—

Mr RIORDAN: But what if the business case did not stack up?

Ms ALLAN: Sorry?

Mr RIORDAN: What if the business case did not stack up? How can you say, 'We're just going to put the business case with the investment case and go ahead with it', when we have not had a chance to assess the business case?

A member: East-west.

Mr RIORDAN: Well, I guess that is my point. This government was quick to waste \$1 billion of taxpayers money because they said they did not have a business case. Now you are wanting to commit us, as you said, for multi generations to a project without a business case.

Ms ALLAN: No, no. No, we will be producing the investment case that will provide that—

Mr RIORDAN: No, business case. It is sort of—

Ms ALLAN: Would you like me to go back and repeat my previous response to you, which was explaining—

Mr RIORDAN: No, no, I am just wanting you to be up-front: you will not be producing a business case in order to do an investment—

Ms ALLAN: Can you please not interrupt me?

The CHAIR: Mr Riordan, could you please—

Ms ALLAN: The business case will be contained within the investment case that we are producing for this project. I do not want you to leave this room and verbal me in saying that there is not going to be that information provided, firstly. Secondly, I remember a time when there was a government that produced a number of business cases—for Avalon rail, Rowville rail, Doncaster rail—and used those business cases as an excuse to stop those projects and not deliver them. We take a different approach. We take an approach where when we say we are going to deliver a project, we do it.

Mr RIORDAN: You are going to do them without a business case.

The CHAIR: Mr Riordan, stop interrupting.

Mr RIORDAN: You are going to do them without a business case and without publicly published financials—interesting.

The CHAIR: Mr Riordan, do you have a question?

Ms ALLAN: It is okay. We know you oppose the Suburban Rail Loop.

Mr RIORDAN: You made an interesting comment before that many of your business partners were financially unstable. Would you like to elaborate on that?

Ms ALLAN: Pardon me?

Mr RIORDAN: In your answer to Mr Hibbins earlier you talked about the instability of your business partners.

Ms ALLAN: No, no, you are verballing me again. I think the time has just expired, but with the forgiveness of my colleagues—

Ms RICHARDS: You can use my time.

Ms ALLAN: I do not want you to again verbal my evidence before this committee. What I was indicating in the answer to Mr Hibbins was how we procure big projects is we talk to our construction partners. And, yes, during the period of the coronavirus pandemic global companies have faced global financial pressures. I do not want you to take in my giving that answer to Mr Hibbins's question—to then infer—that there is some financial unviability of the construction companies in this country, because I think you would be—

Mr RIORDAN: So is that why you have given them a free kick on PFAS dumping?

The CHAIR: Mr Riordan, your time has expired. Mr Riordan, I am allowing the minister to answer your question but your time has expired.

Ms ALLAN: To make that sort of statement in this forum is deeply irresponsible, and I would suggest there might be some construction companies getting on the phone to you to explain how that sort of reckless comment is undermining their investment in Victoria. My comment—

Mr RIORDAN: Minister, I asked a question stemming from your own comment.

The CHAIR: Mr Riordan, your time has expired.

Ms ALLAN: No, you are verballing me, and by extension you are challenging the status of these companies, who employ tens of thousands of Victorians and Australians on projects delivered by Victorian, federal, New South Wales governments right around the country. They are an important part of our program, and being an important part of our program—

Mr RIORDAN: So as a result of that, there is hundreds of millions of dollars in a free kick on dumping PFAS.

Ms ALLAN: No, you are going to let me finish.

The CHAIR: Mr Riordan, your time has expired, and we are in Ms Richards's time.

Ms ALLAN: And being important partners on our program, through the procurement process we take on board their feedback and we listen to them about how best to deliver these projects. Your sort of reckless commentary and your unwillingness to listen to the information in this forum deeply undermines your authority in this area.

The CHAIR: Thank you. Ms Richards.

Ms RICHARDS: Thank you, Chair. Mr Riordan and I are both interested in level crossings, so I would like to start by referring you to budget paper 3, page 358. Like Mr Riordan, I am also interested in the progress the government is making on the delivery of the removal of level crossings, and I am hoping, without any interruption, you can help us get the evidence we need to get that understanding.

Ms ALLAN: Thank you, Pauline. I am very pleased to be able to remind the committee of the progress we are making on removing dangerous and congested level crossings right across the city. You will recall that in our first term we removed 30 of the 50 we originally committed to, remembering of course the target was 20. We have far exceeded that by removing 30, and as a consequence of that we added another 25 to our program to see 75 removed by 2025. And, yes, 44 have now been removed. I know it can be hard to keep up with the number of level crossings that get removed because there has been a great flurry of activity in the back half of this year, removing level crossings. Just this year, in 2020, we have seen these level crossings removed: two in Carrum; one at Toorak Road in Kooyong; Charman and Park roads in Cheltenham; Balcombe Road in Mentone; of course Evans Road in Lyndhurst; the four on the Upfield line—at Moreland Road, Reynard Street, Munro Street and Bell Street; and most recently, just in the last week or so, at Cardinia Road in Pakenham. So, as I said, on average one every six weeks has been removed in 2020. When you compare that to the previous 10 years before we came to government, the 10-year period before 2014, when only seven level crossings were removed during that period of time, it gives you a sense of the scale and the speed by which we have removed these dangerous and congested level crossings.

What we have also taken the opportunity through the period of this pandemic to do, and it is not as visible as what you obviously see out on the ground, is we have undertaken a lot of planning work so that we can keep up the pace and in fact next year accelerate the pace of removing dangerous and congested level crossings. We now have an even greater list of shovel-ready level crossing removals than we have ever had before, giving that pipeline certainty to the construction industry. In addition to the ones I have mentioned that have been removed in 2020, there is currently work occurring on 16 level crossings, with detailed planning underway on the remaining projects.

I endeavoured to make this point, but I do not feel I was perhaps given the opportunity to fully explain this point in previous answers: the reason why this is an investment in our metropolitan train network, the reason why it is so important, in addition to the safety benefits, the road benefits from having reduced road congestion, in addition to the walking and cycling paths that we create, is that it also gives us the chance to run more services. It gives us the opportunity to run more train services, and particularly in the case of the Cranbourne line. The removal of the level crossing and the duplication of the Cranbourne line means we can deliver 10-minute frequencies for the Cranbourne line passengers. Now, you cannot do that if you have got the congestion traps of level crossings. You cannot do that if you do not duplicate sections of the track. That is why the \$13 billion of investment that we are making includes level crossing removals, it also includes new stations, it includes track duplications, it includes track and signalling upgrades, because we have a very, very big and in some areas old metropolitan train network that has been in need of an upgrade. Where we remove level

crossings and we see there is an opportunity to add scope to those projects, we grab that opportunity and do that work.

You can also, Pauline, speak about the work that is happening at Merinda Park station. There is the station car parking upgrade at Lynbrook. These are the sorts of investments that we are making that, yes, are part of the level crossing removal program. They are delivered by Kevin Devlin and the Level Crossing Removal Project team. Others want to characterise that in very negative terms as a cost blowout. This is an investment, and it is an investment that we are proud of because it is giving better passenger outcomes—more train services, new train stations, better reliability, better punctuality. These are really important investments for our train network. As I said, where we have had the opportunity to do more we have grabbed it rather than let the network in some of these areas languish, with very old track and very old signalling.

Ms RICHARDS: I understand that—using the same budget paper reference, so BP3, page 358—there has been a series of projects that have been fast-tracked. I am interested in finding out which of these projects have been fast-tracked.

Ms ALLAN: Yes, there is a range of projects that have been fast-tracked. As I indicated, there was the opportunity through the period of the pandemic for a lot of planning work to be undertaken that has resulted in the government being able to award \$1.5 billion in contracts for nine level crossing removals and also the fast-tracking of another seven level crossing removals. Examples of the areas where level crossings are being fast-tracked include Surrey Hills, Mont Albert, Pakenham and Glen Huntly. The level crossings at those sites will be removed earlier. And as I mentioned, one in every four weeks on average will be removed in 2021.

The areas where contracts have been fast-tracked and contracts will be awarded by the end of the year are in areas such as Hallam, Williamstown, Deer Park, Ardeer, Glenroy and Bell Street, Preston. I know the Chair knows Bell Street, Coburg, very well. She probably knows Bell Street, Preston, very well. Indeed anyone who travels along Bell Street in that part of the city knows the congestion that those two level crossings can create. They will both be gone. That will see a significant reduction in delays along one of Melbourne's busiest arterial roads. As part of this package of works that we are talking about, it will see the delivery of five new stations and also support around 3400 direct local jobs—again, very important given where we want to be coming out of this year that we have had.

Ms RICHARDS: Thank you, Minister. I am very conscious that the level crossing at Union Road in Surrey Hills was the scene of a really tragic double fatality. I am interested in understanding the approach the government has taken to the design of this particular removal.

Ms ALLAN: Yes, in 2016 there was that terrible accident and double fatality at Union Road, Surrey Hills, and we have committed to remove the level crossing at Surrey Hills and also at Mont Albert. These level crossings are part of the package that we have just recently announced will be fast-tracked, and these level crossings will be removed by 2023. We will be removing them using a rail trench design and building a new premium station. The purpose of choosing this design approach has been obviously all the important things that I mentioned before around easing congestion and improving safety, but also by delivering the level crossings in this way, we can run more train services in and out of Surrey Hills through the new premium station. After extensive engineering undertaken by the team, removing the level crossings via rail trench was considered the best way, as was consolidating the Surrey Hills and Mont Albert stations into the premium station. Some of the key reasons for this have been reducing the construction impacts during the construction program; it also avoided the need to compulsorily acquire homes and businesses. We do work very hard across all of our program to minimise acquisition. Sometimes it is necessary and that is a very challenging process to work through, but we always work very hard through our design phase to minimise acquisition and we have been able to do that with this approach at Surrey Hills.

Also too there were some real challenges with the lay of the land and the geometry of the track in this part of the network. It is a curved section of track, and also the lay of the land would have seen the station platforms, if we had retained both platforms, being up to 12 metres below ground at Mont Albert. Now, that, for a suburban station, is very, very deep, and it would have been a very poor passenger outcome as well as seeing, as I mentioned, the compulsory acquisition of properties. Also building two stations at this location would have seen the closure of Beresford Street permanently. So this is a site where, after going in and doing extensive engineering and further design work, we can come back with a design outcome that is very much focused on

what is the right outcome for passengers and what is also the right outcome in terms of that local community by keeping that local road open, not acquiring properties and also minimising the disruption during the construction phase. There still will be some disruption. Anyone who knows this part of Melbourne knows that it has tight local streets and lots of residents and shops, so there is going to be some disruption during the construction phase. Delivering it this way will mean that we can minimise disruption in the short term during the construction phase and provide some of those longer term benefits into the future.

And just finally, when these level crossings are gone in 2023, the train line from Ringwood to the city—Melbourne's second-busiest train line—will be level-crossing free. So that is again another demonstration of the point I was endeavouring to make before around why the level crossing removal program brings benefits beyond the removal of level crossings—which are a significant benefit all on their own. It is about providing those longer term benefits to the network to give us the chance to run more trains more safely and more consistently across the network.

Ms RICHARDS: Taking you a little bit further out to the south-east, the government recently announced that as part of the removal of three of the level crossings on the Pakenham line the line will be extended. I am interested in how you are extending a line as part of the level crossing removal program.

Ms ALLAN: Well, again, this is another terrific example of what some might describe in more negative terms—I would see as a great positive: extending the metropolitan train network by a further 2 kilometres and building a new train station as part of our level crossing removal program brings great benefits to that growing community around Pakenham, and in this instance in Pakenham East, and we can get in there and do this while we are removing the three dangerous and congested level crossings around Pakenham.

The three level crossings in Pakenham at McGregor Road, Main Street and Racecourse Road are three of the 17 level crossings we are removing along the Pakenham line. As I have said a couple of times already today, we have recently seen the removal of the fourth level crossing in Pakenham, at Cardinia Road. These other three are part of that program we are fast-tracking, and we will see these level crossings removed in the 2023–24 financial year.

The way we are removing the level crossings here is with an elevated train line over the roads, building a new station in Pakenham as well as the new station in Pakenham East, and also there is a great opportunity for the community to provide their feedback on how that open space that is going to be created in Pakenham can be really well developed. I was recently in Pakenham with the Member for Bass and the mayor and the CEO of the Cardinia shire, and they are really excited about being able to now have this conversation about how Pakenham can be made whole, that it will not have the train line dividing the local community, and how that will be a really important outcome for residents and for the retail sector in Pakenham—by having people be able to move more easily throughout the centre of Pakenham. Also, for those of us who like to go and visit Pakenham—I think you never go to Pakenham without getting stuck at one of those level crossings—it makes it easier to travel in and out of Pakenham as well.

Also too there are great benefits in removing the level crossings in this way for V/Line passages on the Gippsland line as well, because Pakenham is a real bottleneck because it is the interface point between the metropolitan and the regional network, and by doing the project in this way it untangles that and gives V/Line trains an easier pathway through Pakenham.

The CHAIR: Thank you. Mr David Limbrick, MLC.

Mr LIMBRICK: Thank you, Chair, and thank you, Minister and team, for appearing today. It is quite interesting hearing about the level crossing removal at Evans Road. I grew up on that road, and my memory of that level crossing is it was a dirt road, almost unused, and the level crossing was one of those ones that did not even have lights and you had to stop and look both ways before you would go.

But anyway, I wanted to follow up on some of the excellent questions by my colleague here, Mr Hibbins, around the risk of some of these projects and what we are talking about with what the government and the companies are taking with regard to risk. Now, I think, Minister, you spoke about how there was a cost overrun, and you had a meeting with these companies and came to an arrangement where the company and the government agreed to take part of the risk each. Now, my understanding is when companies put in tenders for these projects that are fixed price they will build in risk premiums into their quotes, right? Now, the fact that a

cost overrun has actually—effectively from the company’s point of view they are taking on less risk than they anticipated because actually the government has stepped in to take some of that risk. Does that mean that future tenders should have a lower risk premium built into the tenders that they are putting forward—and therefore cheaper costs maybe?

Ms ALLAN: Look, again this is a really good question. I might, Mr Limbrick, as I have kept promising Corey to have a go at answering some of these questions, take up this opportunity, because as you rightly point out there is a tender process that is followed for these projects. Companies do bid for these projects, and then what has happened, whether it is been here in Victoria or as we saw earlier this year in New South Wales, with the construction of Sydney Metro, where the New South Wales minister was equally up-front about how there had been cost pressures come into the project post the awarding of the contract and the tender process. He spoke—this is Minister Constance; as I mentioned before, we are doing a lot of work with New South Wales on understanding these issues—in very similar ways on the Sydney Metro project that we have got here in Victoria on our Metro around pressures around skills and materials, the heat of the market on the eastern seaboard and some of the issues with the tender process and around the risk allocation. With that introductory comment I might, Corey, ask you to add to that about prospectively—that is what you are interested in, isn’t it—how we are addressing these issues.

Mr HANNETT: Thanks, Minister. We have a smorgasbord of contracts across our \$80 billion program, whether it is alliance contracts, PPPs, design-and-construct contracts, managing contractor contracts, franchisee contracts and some others. If I look at purely the bigger jobs, in particular in Melbourne we have got some of the most difficult ground conditions in the world for tunnelling. Our last tunnelling project for a new railway line was opened in 1985, so it is essentially 40 years ago from when Metro Tunnel will open. And so essentially when we set up a team six years ago we developed a reference design, we did a tender process and we got global companies to tender that work, so we had people from all around the world as part of that process.

I must point out that a contract essentially is a commercial relationship from start to finish for a project being delivered, and there are various obligations in contracts. When we come into a commercial challenge with our partners, we basically undertake a risk assessment and determine the best way to deal with that is to manage it carefully and resolve it. That is what we have done with Metro Tunnel. The specifics are a bit more detailed than that, but in reality tenderers put submissions to government, we assess the best bid, we take it, we sign them up, we get them going and we work closely with them. And they base their tenders on assumptions. Now, sometimes those assumptions can work, sometimes they have challenges, and we have that contractual relationship that they rely upon to work with us to finish the project. Essentially we endeavour to solve those risks and work through them on every single project we have from the start to the finish. Whether it is a dispute or whether it is a contractual discussion or whether it is a commercial issue, they are things that we are managing across our \$80 billion program every single day and every single job that we are building right now.

The thing we are doing closely with New South Wales—Transport for NSW, other departments in New South Wales—and actually other agencies around Australia and the ACA is that we are looking at lessons learned from around the world and what we have learned in Australia and applying them back to our projects. So on North East Link we have made a very conscious decision to alter how we actually manage risk in a more collaborative way where we believe we will get a better outcome with our contracting parties. And just to point out on the big tunnel projects, they are not just a delivery phase; they are a delivery phase and an operations phase. The operations phase on Metro is not changing, and there is a huge amount of risk to the PPP with the project that they are overtaking that concession period for that tunnel. Tunnels in Melbourne, as I mentioned before, are very difficult to build, and they come with big risk. We are not changing that. We essentially on Metro Tunnel have resolved a commercial issue and undertaken a very detailed risk assessment to make sure that the state of Victoria gets value for money with the outcome we are delivering. Finishing projects on time is a very good way to have the best possible outcome, and that is what we plan to do.

Metro Tunnel has three contracts, not just one: it has got the tunnels stage, and that is a PPP; it has got a rail systems alliance, so the signalling that goes through the tunnels but also from end to end for the corridors, part of Metro Tunnel; plus the rail infrastructure alliance, which is a contract where we extend the station platforms, change the power and do a whole heap of things on the railway line to make it ready to run for the new HCMT trains. And those three contracts have to talk to one another, so it is quite a complex environment. We have two alliance contracts in the PPP, and we have had to make sure that they talk to one another, they work closely together and they are going to finish at the same time, so we have been able to actually grab those three parties

and just make sure that we line up certainly going forward. Contracts are also a continuous improvement process from start to finish as well, so just making sure that we do learn lessons, we do apply them to the next projects and we do carefully manage what we do. That is of the utmost importance to us for value for money.

Mr LIMBRICK: Thank you. Minister, one of the things that you mentioned here today, the heat of the market on the eastern seaboard, is something that I spoke to the Treasurer about. I challenged him. I said, 'If it's good to invest \$150 billion, why not invest \$300 billion if the government is so good at investing?'. And he said, 'Well, the limiting factor is capacity constraints', and he indicated that a lot of these projects were already reaching what could be considered capacity constraints, whether it is in terms of disposing of waste, raw materials, labour or any of these sorts of things. How are you going to ensure that you are not pushing up prices? With all of these projects running at once, they are all going to be competing for labour, resources, disposal of waste and all of these things that are necessary in projects. How are you going to ensure that you do not inadvertently blow out the cost of these projects by competing with yourself, essentially, by doing so many things at once?

Ms ALLAN: Yes. Again, there are a few parts to the answer to that question. If I miss anything, Corey, please jump in. Part of the answer lies in what I was saying before. It is about having, across the pipeline, projects of different sizes and different delivery time lines, because obviously a project like the Metro Tunnel is a project that your tier 1 companies will bid for and will work on, but they will not bid for your roundabout or your traffic light projects. Similarly, you have got to make sure that the projects at the smaller end of the market are giving that opportunity for local builders that are commonly found in the suburbs and the regions to work on those projects. Part of the answer is making sure we have the right balance across the pipeline of small, medium and large projects across short, medium and long-term delivery time frames. In the case of the big projects, you know, we have got a couple on the go at the moment like Metro Tunnel, West Gate Tunnel, level crossings, then we are heading into the delivery phase now for airport and Geelong fast rail and then we are also in the planning for Suburban Rail Loop, so that gives you a sense of that pipeline on the big projects. Then in the medium and smaller projects, as I mentioned before, we have got a whole range of suburban and regional roads that we have committed to that we plug into that part of the program. That is the first part of the answer—making sure you have got your program calibrated by size and time.

The next part of it is then understanding each of the components that make up, as you described, the heat of the market. Some of that is around skills. The minister for skills I think has already been before your committee. We are spending a lot of time and effort with the minister for skills on supporting more skills and training up in that area. There is a great example as part of the North East Link Project where we are doing some dedicated work in the northern suburbs about making sure that the local TAFE providers and training providers are looking at their training offerings to then plug the people into the project as it heads into the delivery phase. There is also work going on with the planning minister and the Minister for Resources on the availability of quarry sites, both the number of sites across the states and also their capacity to produce the raw materials. You and I have spoken previously about some of the issues around storing contaminated materials, and that is another part of understanding the landscape.

And then finally—I found it while you were talking; this is also referenced on pages 94 and 95 of BP2—there is the work that is going on, that we have touched on a few times already, with New South Wales and with the commonwealth. Some of the conversations I have been having with New South Wales are: whilst protecting our jurisdictional interests, how do we share at a very high level our forward pipeline, so we are both not putting big procurements into the market at the same time? So that is part of it.

Mr LIMBRICK: The last thing we want is governments competing with each other like that.

Ms ALLAN: Yes, that is right. And part of that—and this is why I pushed back a little bit on the question earlier about the fragility of the construction companies—is also talking to them and having them as part of the conversation. I will get Corey to talk about it. The Construction Industry Leadership Forum is a joint forum with New South Wales, Victoria and the Australian Constructors Association where these issues are talked about every single day. The construction companies are as very much a part of this conversation as governments are, because it is a genuine partnership. We need a strong, viable construction market. We have obvious obligations in terms of providing the right regulatory setting and the project pipeline and things like availability of skills and supply of materials, but also too we need to know from them what their challenges are.

I do not know, Corey, if you might want to jump in on talking about—sorry, I will just check: are you okay if Corey—

Mr LIMBRICK: Look, I am almost out of time. There is one other question I was going to ask about. You talked about a lot of tunnelling projects, and we have seen some of the issues—there are technical issues but there are also issues with spoil disposal. With the Suburban Rail Loop that we are talking about, a lot of tunnelling is going to have to happen there. Have we done analysis on that? Do we know what sort of spoil we are going to be looking at and where we are going to be putting it? Are we at that stage yet where we have an idea of where that is going to go?

Ms ALLAN: We are in that stage of understanding the size and the scale of that issue. I mentioned before the transport delivery of the project will go through an environment effects statement process that will examine this issue. The expectation is that because of the part of Melbourne stage 1 will be going through, the soil there will not have contaminants that you would find, frankly, in more industrialised parts of the city, so it is not expected to pose the same volume of contaminated soil. A good example—

Mr LIMBRICK: So it would just be clean fill in that case?

Ms ALLAN: Again, I cannot—

Mr LIMBRICK: Potentially?

Ms ALLAN: It has to go through the EES process, obviously, that will determine that. A good example is: through the North East Link Project the EES examined this issue, but also the project itself, the project team, did its own extensive work through its own testing regime to understand the level of contaminants and the amount of soil that may be contaminated to help inform our own internal processes.

Mr LIMBRICK: Thank you. I believe I am just about out of time.

The CHAIR: Thank you, Mr Limbrick. The call is with Mr Tim Richardson, MP.

Mr RICHARDSON: Thank you, Chair, and thank you, Minister and department representatives, for joining us today. I can confirm that we do not want the Cheltenham and Mentone level crossings put back, and we are very proud of the cost down on the Frankston train line. I am going to take you to the Regional Rail Revival topic, Minister. I refer you to budget paper 2, page 90. The budget contains additional funding for the Shepparton and Warrnambool lines. These projects are both part of the government's Regional Rail Revival project, which is upgrading every regional rail line. Can you update the committee on the status of this project and the details of what this extra funding will deliver in the budget?

Ms ALLAN: Thank you. I most certainly can. It is great to be deep into the delivery phase of our Regional Rail Revival program, which is upgrading every single regional passenger rail line in regional Victoria. Those of us who live in regional Victoria know just how important it is to have not just a good connection with the state's capital but also for our cities and towns along the train line to be better connected to each other, because it certainly brings great economic benefit to those communities but also it provides fairer and more equitable access to services. If you can jump on the train at—and if I can use a very local example—Echuca or Castlemaine, you can come into Bendigo to go to TAFE or go to uni or access services at our wonderful new Bendigo Hospital. That provides a better equality and outcome of service provision for regional communities.

That is why we have been pedalling very hard on the program since 2017. It was also informed by a lot of policy development work that involved consultation with regional communities throughout 2016 through our regional network development plan. I am very pleased to acknowledge that this is a program of projects we are delivering in partnership with the federal government, and as a consequence of the completion of the Regional Rail Revival program it will see more train services. It is a little frustrating, I will confess this morning, that I have had to labour the point that transport infrastructure results in better services and that is why we do it, but I am very happy to emphasise that that is the outcome of investing in this rail infrastructure.

As you mentioned, this year's budget adds to both the Shepparton and the Warrnambool line upgrades—a confirmed \$660 million in funding from state and federal governments for these projects. It was with great pleasure I was in Shepparton a few weeks ago with the Independent Member for Shepparton to talk about the

\$400 million for stage 3, which takes it to a total of \$750 million of investment along the three stages of that project. Stages 1 and 2 were undertaken by the Victorian government, particularly after some very strong advocacy from the Shepparton community, who were pretty sick and tired of having had their voices ignored for a very long time by local representatives in that area. We were able to listen to their concerns and have now been able to put in place a program of infrastructure that means the delivery of nine daily return services for Shepparton, when that project is completed, on the modern VLocity trains. So there is a big program of works going on there. As I indicated, we had previously been in stages 1 and 2 on our own, so we were proceeding on the procurement of stage 2. Now that we have the additional \$400 million for stage 3, jointly delivered by state and federal governments, we want to get on with that as quickly as possible, but we will need to consult with the commonwealth to get their procurement approvals in place to deliver stage 3 as quickly as possible. Part of the reason why we do want to move on as quickly as possible is not only do you get the job done more quickly, it will also support around 600 construction jobs. Again, by having the local procurement levers in place there will be a lot of opportunity for local businesses in the Goulburn Valley region to bid in for work on this project, which is that double benefit that you get from delivering infrastructure.

On the Warrnambool line upgrade, the budget confirmed \$260 million for stage 2 of the Warrnambool line upgrade. Again, this is about giving us the opportunity to run extra services to Warrnambool, an issue that the passengers along the Warrnambool line have been concerned about for some time, but also to run the more modern VLocity trains along the corridor. It is a source of frustration for regional passengers that many of our lines do not have the new VLocity trains. There is a lot of older stock on the network, and part of the reason why is that the newer VLocity trains cannot run on the older parts of the regional network, which is why we have to go in there, upgrade the track, upgrade the level crossings, to then be able to not just run the extra services but run them through the new trains—

Mr RIORDAN: The future funding for those—

The CHAIR: Mr Riordan, you do not have the call.

Mr Riordan interjected.

The CHAIR: Mr Riordan, you have well and truly had your turn.

Ms ALLAN: It is great to see that we have got major construction underway on stage 1, and that will see the delivery of that fifth service to Warrnambool, something the Warrnambool community—well, I should say Warrnambool line passengers—have been seeking for some time. Twelve level crossings along the corridor have already been upgraded, and work is also underway on building a new crossing loop and upgrading signalling between Waurin Ponds and Warrnambool, because we need that extra track capacity that you get through the crossing loop to be able to run the extra services. And over the course of the Warrnambool line upgrade that is another 300 jobs that are being created through the life of this project.

Mr RICHARDSON: I am glad the Member for Gippsland South made it back in time from his coffee run, but I am a bit concerned about how he might—

Ms ALLAN: He did not get one for the rest of us, though.

Mr RICHARDSON: I am concerned how the caffeine might excite the Member for Polwarth. But I want to take you now to the Gippsland line. Can you provide a bit more of an update on how these investments will support the upgrades to the Gippsland line?

Ms ALLAN: Yes. Look, it is great to see the progress on the Gippsland line. I mentioned before the work around Pakenham, and it is important to see how each of these projects lock in together and build on the benefits that each of them bring. Unlocking the bottleneck at Pakenham will see V/Line trains, Gippsland line trains, have a more reliable pathway, a priority pathway through the Pakenham area. But further along the line there is a big program of works as part of the Gippsland line upgrade. There is the work, as I mentioned, in terms of the completion of the construction of the Avon River bridge at Stratford. The VLocity trains ran over the new bridge just a week or so ago. That was completed three months ahead of schedule—another example of a project that held program throughout the course of the pandemic period in 2020. The old bridge at Avon River is a lovely bridge. It is historic, but you could only run trains at 10 kilometres over it, which is an obvious constraint on the network. With the new bridge trains can run over it at 90 kilometres an hour. Also as part of

the project, safety has been improved for road users and pedestrians at the nearby McAllister Street level crossing. That level crossing has been upgraded with boom gates, Mr Limbrick will be pleased to know—it is a level crossing with boom gates—and a pedestrian crossing as well. We had a nine-day construction blitz in late November–December to connect the new bridge to the new train line, and there were 7000 hours worked during this period of time. It is another example of where we are not just doing the work on the track; there were signalling upgrades undertaken as well.

Another package of work, actually a very big package of work along the Gippsland line more broadly between Pakenham and Traralgon, is also to be undertaken, and Rail Projects Victoria has selected a preferred contractor, VicConnect—UGL, Decmil and Arup—to deliver this major package of work. Again I will emphasise it, because it appears it is a point that needs to be emphasised this morning: once this package of works has been completed—and it is a package of work that includes duplicating the track, extending the Morwell crossing loop, upgrading level crossings and signalling and adding a second platform to four station locations along the line—this major package of works will bring additional services to the Gippsland line.

Mr D O'Brien interjected.

The CHAIR: Mr O'Brien!

Ms ALLAN: It will give us the capacity to run 40-minute off-peak frequency for trains between Traralgon and Melbourne. For people in Melbourne that might not seem so much, but when you have less than one train an hour on regional lines, which so many of the major regional centres do, being able to bring that to 40-minute off-peak frequencies is a big step improvement in train services along the Gippsland corridor. We have early works—

Mr D O'Brien: A point of order, Chair.

The CHAIR: Sorry to interrupt you, Minister. Mr O'Brien, your point of order.

Mr D O'Brien: Just given the invitation offered by the questioner and my interest in this, I wonder whether, given the minister is now going over—

The CHAIR: Mr O'Brien, there is no point of order.

Mr D O'Brien: some of the issue she has raised, I just wonder whether she could answer my question that I asked earlier—

The CHAIR: Mr O'Brien, there is absolutely no point of order, and you know that.

Mr D O'Brien: about the time lines for these projects.

The CHAIR: Mr O'Brien, there is no point of order. Minister.

Mr D O'Brien: I got invited to—

The CHAIR: Mr O'Brien, there is no point of order, and you know that.

Members interjecting.

The CHAIR: Mr O'Brien. Mr Riordan. Minister.

Mr D O'Brien: The minister was actually going to give them to me. She just ran out of time.

The CHAIR: Mr O'Brien, you know there is no point of order. You are being frivolous. Minister.

Ms ALLAN: I think it would be very disappointing for anyone tuning in from Gippsland to hear their local member interrupt the provision of this information being provided to the committee. I was about to say that early works will be—

Mr RIORDAN: They actually wanted real information.

The CHAIR: Mr Riordan.

Mr D O'BRIEN: Tell us about all the bits that have been taken off for Gippsland.

The CHAIR: Mr O'Brien.

Ms ALLAN: We will see early works start on the project in—

Mr D O'BRIEN: Traralgon stabling—not happening anymore, is it?

The CHAIR: Mr O'Brien, you have had your turn. Could you please stop interrupting the minister's answer to the other member.

Ms ALLAN: It is okay, Chair. I think the record will perhaps reflect that the member—

Mr D O'BRIEN: Another \$300 million—

The CHAIR: Mr O'Brien.

Mr D O'BRIEN: Tell us how you have managed it.

The CHAIR: Mr O'Brien! No-one can hear. Could you please contain yourself.

Ms ALLAN: I think the record will reflect that the Member for Gippsland was more interested in interrupting important information being provided on the Gippsland line upgrade for political reasons than the interests of his community. But it appears to be the National Party way.

Mr D O'BRIEN: I am. When is it going to be finished? That is what I asked.

The CHAIR: Mr O'Brien, it is not your turn to ask the questions.

Mr D O'BRIEN: Even your staff do not want to listen to you, Minister.

The CHAIR: Mr O'Brien! Minister.

Ms ALLAN: Do you know what I forgot to mention when I was talking about the Avon River bridge? I neglected to mention how pleasing it was that the Avon River bridge is providing better train services for the Bairnsdale community, given it was the previous Liberal-National government that closed the Bairnsdale line.

Mr D O'BRIEN: No, actually, I do not think you did. I think you did mention it earlier, Minister.

Ms ALLAN: It was one of those five regional train lines that the National Party and the Liberal Party closed—

Mr D O'BRIEN: How old were you then? We are talking 27 years ago.

The CHAIR: Mr O'Brien, you are just being rude.

Ms ALLAN: that it took the Labor Party to not just reopen. Can I say, Mr Richardson, there were five country train lines that the Liberal Party and the National Party closed, and it took Labor governments to see many of them reopen, whether it was at Bairnsdale, Maryborough or Ararat. Not only have we had to work very hard on upgrading track, but it is even harder when you have got to reopen train lines, can I tell you. That is one of the legacies of the Shepparton line—

Mr RIORDAN: Not that you would have any idea how much that would cost.

The CHAIR: Mr Riordan!

Ms ALLAN: The Shepparton line was privatised. The Warrnambool line was privatised, can you believe, by previous Liberal-National governments.

Mr D O'BRIEN: Oh, my God—like the port of Melbourne?

Mr RIORDAN: And the trains kept running.

The CHAIR: Mr Riordan, Mr O'Brien, you have both had your turn.

Ms ALLAN: And that just saw those lines fall into terrible neglect—terrible neglect. It has taken a Labor government working very hard to repair them. So our task has been made so much harder, and I appreciate that National Party and Liberal Party members of this committee do not want the historical record read into evidence today, because—

Mr D O'BRIEN: Yes, historical—27 years ago. Why don't you talk about Yarram line—

The CHAIR: Mr O'Brien!

Ms ALLAN: It is made very, very hard to do this task, but I am really pleased to be able to share this information with the committee that we are seeing great progress along the Gippsland line. I was endeavouring to share with you and the Gippsland community that early works will be undertaken over coming months, so people in Gippsland will see work happening out in the field. And can I say I was very pleased to work on this project with the federal Member for Gippsland.

Mr D O'BRIEN: He gave you most of the money for it.

The CHAIR: Mr O'Brien!

Ms ALLAN: When he was the infrastructure minister, he was a collaborative partner on this. He was a positive voice on this—

Mr D O'BRIEN: Collaborative? He has paid for most of it.

The CHAIR: Mr O'Brien!

Ms ALLAN: unlike so many National Party voices. He takes a very different approach to many of his National Party colleagues when it comes to working with the government on improving regional rail services. I should also point out—and this has been a really big, important, historic issue in more recent times as well—there will be work along the Gippsland line to upgrade the drainage structures at the Morwell River. I know the Gippsland community will remember when for many, many months the Gippsland line was closed because of some neglect of the previous Liberal-National government in not doing the works that needed to be done around the Morwell River. Well, we recognise that this is an issue that needs to be addressed as part of this project. Also can I finish by sharing with you that there will be upgrades to signalling and a Victorian-first trial of wireless solar-powered level crossing detection technology at Farrells Lane in Stratford. It is a great project, the Gippsland line upgrade.

Mr D O'BRIEN: What about the Traralgon stabling? What else has been taken out of the scope of the project?

The CHAIR: Mr O'Brien.

Ms ALLAN: I am absolutely delighted that we are delivering it in the face of ongoing opposition and disruption—

Mr D O'BRIEN: Not opposition, just accountability and transparency.

The CHAIR: Mr O'Brien!

Ms ALLAN: from state Liberal-National party MPs. I am delighted that for a brief window—

Mr D O'BRIEN: Tell us when it is going to be finished.

Ms ALLAN: there was a National Party Member for Gippsland who wanted to get things done for his community.

Mr D O'BRIEN: Yes, we still do. When are you going to get it finished by?

The CHAIR: Mr O'Brien! Mr O'Brien, no-one can hear the answer.

Ms ALLAN: Thankfully, I was able to work with the federal Member for Gippsland to achieve this package of works. It is a shame it is not a consistent approach from National Party members who represent Gippsland.

The CHAIR: Thank you, Minister. Ms Vallence, MP.

Ms VALLENCE: Thank you, Chair. Thank you, Minister and team. In reference to budget paper 2, page 100, the Metro Tunnel is \$2 billion over budget, the West Gate Tunnel is several years behind schedule and level crossing removals are continually blowing out their budgets. Minister, can you name a single major project that you have delivered on time and on budget?

Ms ALLAN: I will, just for the record on the way through, refer to your characterisation of cost blowouts on the level crossing program as being a proposition that I reject resoundingly. It is incorrect. It is not a cost blowout to add scope, as I described in my earlier response—

Ms VALLENCE: I am inviting you to name a single project, a single major project, that you have delivered on time and on budget.

Ms ALLAN: Do not worry; I will get to your answer. I will get your answer. However, in getting to that part of the answer, I do think it is only fair and reasonable for me to place on the record why I resoundingly reject your characterisation—the continued characterisation—of the level crossing removal program being over budget. It is an additional—

Ms VALLENCE: Well, then table the costs for those level crossings.

The CHAIR: Ms Vallence, the minister is attempting to answer your question.

Ms ALLAN: We are investing—

Ms VALLENCE: To Mr O'Brien's questions, table those costs to prove that they are not over budget.

Ms ALLAN: We are investing \$13.3 billion through the level crossing removal program to remove 75 dangerous and congested level crossings, to build new stations, to extend the train lines—

Ms VALLENCE: On a point of order, Chair, just on relevance, I am not asking the minister to go through the election commitments. What we are asking for is whether she can convey to this committee if she has delivered one major project on time and on budget. If she wants to refer to level crossings, then let us know those projects' costs.

The CHAIR: Ms Vallence, there is no point of order. I have actually been watching the clock as the minister has been attempting to answer your question. You have spoken for more of the 2 minutes than the minister has, so if you would like the minister to answer your—

Ms VALLENCE: And soon you will have spoken for more.

The CHAIR: Ms Vallence, if you would like the minister to answer your question and you do not want to continue to have this conversation with me, then I suggest you quietly listen to her answer.

Ms ALLAN: Thank you, Chair. As I was indicating, each and every time you describe the level crossing budget in those terms, each and every time, I will put on the record why you are wrong—why it is wrong to characterise the investment in the metropolitan network that enables the additional running of 280 metropolitan services from next year as a blowout. It is an investment in better passenger services, safer communities and less congested roads. Secondly, in terms of the second part of your question, the level crossing removal program is not only on budget, it is ahead of time. We have removed 44 level crossings. Our initial commitment was to have 20 gone by the end of 2018, 50 by 2022. We removed 30 by the end of 2018. As I have said, we are—

Ms VALLENCE: Minister, if they are on budget, can you provide that evidence to the committee that they are?

Ms ALLAN: I have answered that question.

Ms VALLENCE: Okay. Right. Well, we will scrutinise that in May then.

Ms ALLAN: No, no, no. You asked me a question to go through the projects that are on time and budget—

Ms VALLENCE: No.

Ms ALLAN: You did. You asked me a question—

The CHAIR: You did. You specifically said—

Mr D O'Brien interjected.

The CHAIR: Mr O'Brien, it is not your turn.

Ms ALLAN: and I intend to share them with you. Forgive me while I read out the list.

Mr RIORDAN: Minister, it should not take very long.

The CHAIR: Mr Riordan.

Ms ALLAN: We have 165 projects as part of our Big Build agenda—big and small, road and rail—and almost all of them, I am going to disappoint you, are on time and on budget. I know you have opposed level crossings in your own community—

Mr D O'BRIEN: You would not even answer a question on the Regional Rail Revival.

Mr RIORDAN: How can you say that? You cannot present a document—

Mr D O'BRIEN: You will not even answer the questions.

The CHAIR: Mr Riordan. Mr O'Brien.

Ms ALLAN: I know you have opposed level crossings in your community. I know you have opposed rail upgrades in your community—

Ms VALLENCE: On a point of order, the minister should stop verballing me because, quite frankly, she is wrong when it comes to level crossings in my community.

The CHAIR: Ms Vallenge, you know there is no point of order and you know that you are being frivolous.

Mr RICHARDSON: Just on the point of order, there are literally three opposition MPs just berating the minister. Can they just do it one at a time at least if they are going to have a crack to just bring a little bit of decorum back to this committee?

The CHAIR: Thank you, Mr Richardson. Mr O'Brien, you have had your turn, and Mr Riordan, you have had your turn. The call is with Ms Vallenge, and I would ask Ms Vallenge when she asks a question or puts a proposition to the table that they be allowed to answer it.

Ms VALLENCE: Budget paper 2, page—

Ms ALLAN: Hang on. Hang on. Hang on, I have not finished answering your question yet.

Ms VALLENCE: I have the call.

Ms ALLAN: No, no, no. I have not finished answering your question.

Ms VALLENCE: The Chair said I have the call.

The CHAIR: Ms Vallenge, I asked you to allow the minister to continue to answer it.

Ms VALLENCE: You said I had the call.

The CHAIR: I said that Mr O'Brien and Mr Riordan do not have the call and that it is your turn to ask questions and the minister to answer your questions. The minister had not finished answering the question or the proposition that you had put to her.

Ms VALLENCE: I think the transcript will show that you said I had the call.

Ms ALLAN: The Mernda train line was concluded both ahead of time and ahead of budget. The Hurstbridge line stage 1 was completed. There are eight projects as part of the western roads project being completed within budget and within time. There are suburban road projects that are about to go out to market right now that meet those characteristics. There is a very long list. I know that does not fit your narrative, and as I have indicated to you, each and every time you put an incorrect proposition on the record I will use my right in answering your question to correct you. We have a big program. Yes, there are challenges with cost and time. Where we have those challenges we transparently report them to the community, as we have done more recently on Metro Tunnel, and we will continue to take that approach. It is a similar approach, I might add, to what was taken just yesterday by the federal government with their inland rail project, where they have added \$5.5 billion to that project. I wonder if the Deputy Prime Minister was before you today whether you would characterise that additional funding as a cost blowout. I am well and truly entitled to point out your gross hypocrisy when it comes to these issues.

Ms VALLENCE: Okay. On a point of order, this is not relevant to the question at all.

The CHAIR: Ms Vallence.

Ms VALLENCE: I asked about major projects—

The CHAIR: Ms Vallence, there is no point of order.

Ms VALLENCE: Okay. Minister, again in terms of the West Gate Tunnel, budget paper 2, page 100, it clearly states there in the budget that the project is experiencing delays. When will the West Gate Tunnel Project be completed?

Ms ALLAN: Well, Transurban have advised the Australian Stock Exchange that they believe the project will be completed in 2023.

Ms VALLENCE: And are the reports that it is \$3 billion over budget correct?

Ms ALLAN: Well, we have indicated publicly that we are in negotiations, as I have just indicated, in similar ways that we have been in negotiations on the Metro Tunnel project. We are undertaking negotiations on the West Gate Tunnel Project. However, I will make it very, very clear, the contract for the delivery of the West Gate Tunnel is not identical to the contract with the Metro Tunnel. We have a contract with Transurban, who brought this project to the government through the market-led proposal process and that contract was subsequently signed with Transurban, who then engaged their builders, CPB and John Holland, to deliver this project on behalf of them and on behalf of the Victorian community. We will be expecting Transurban and their builders to deliver against the terms of that contract.

Ms VALLENCE: Minister, 70 workers were made redundant last week on the West Gate Tunnel and this follows more than 600 workers losing their jobs earlier this year. Why are workers continuously losing their jobs on state government-funded projects?

Ms ALLAN: Look, I must say, there were media reports about those 70 jobs last week, and the advice from John Holland was that those reports were not entirely correct—that they were looking at offering other job opportunities for those workers.

Ms VALLENCE: There were 600 earlier this year and we discussed that before. Why are there workers continuously losing work on state government-funded projects?

Ms ALLAN: Again, you may attempt to interrupt me when I attempt to correct your inaccuracies and your misrepresentations, but I will endeavour to push on because you are just simply not correct to say people are

losing their jobs across our program. As I said before, there are 18 000 people employed directly plus tens of thousands more indirectly across our Big Build program. So that claim is just wrong. Secondly, just last week in the Victorian Parliament, the Liberal Party tried to stop the West Gate Tunnel Project from proceeding, as it did also in 2018.

Ms VALLENCE: A point of order.

The CHAIR: Ms Vallence—

Ms ALLAN: So it is completely rich for the Liberal Party to cry crocodile tears about cost and delay and workforce when you vote repeatedly to try and stop this project. The attempt in the upper house last week only would have caused delay to this project.

The CHAIR: Sorry to interrupt you, Minister, but Ms Vallence is attempting to take a point of order. What is your point of order?

Ms VALLENCE: The point of order is a point of relevance, and if you could bring the minister back to being relevant. She is verballing the Liberal Party about their attempts to protect the interests of the communities in Bacchus Marsh from a Labor government trying to dump toxic soil on their doorstep.

The CHAIR: Ms Vallence, there is no point of order, and you are being frivolous. The minister is attempting to answer your question. Ms Vallence, could you please refrain from speaking over the top of the Chair. The minister is being relevant, and I rule that there is no point of order. I ask the minister to continue her answer to your question.

Ms ALLAN: Thank you, Chair. So, as I said, I am very happy to talk about the challenges of the West Gate Tunnel Project. It is an important project. Yes, as I have said before in answer to previous questions, we have projects of different size and scale, and they come with different challenges through the delivery phase. But we will not do through addressing those challenges what has been done previously by previous government administrations. They have walked away from those projects when they presented challenges; we will work through them. But I do think it is important to note that when it comes to the West Gate Tunnel, there have been repeated attempts in the Victorian Parliament by the Liberal Party to stop this project—opposing the jobs on the project, opposing the jobs in Benalla at the concrete-manufacturing facility.

Ms Vallence interjected.

The CHAIR: Ms Vallence, would you please stop interrupting.

Ms VALLENCE: There are enough problems by your own creation stopping this project.

The CHAIR: Ms Vallence, if you continue to put propositions, they will continue to be answered.

Ms ALLAN: I just will not accept the hypocrisy of the Liberal and Nationals members of this committee on the West Gate Tunnel Project, who just last week tried to cause further delay and put jobs at risk on this project. I just will not.

Ms VALLENCE: Minister, has any tunnelling work actually been commenced on the West Gate Tunnel Project?

Ms ALLAN: The tunnel-boring machines have been assembled, and the tunnel portal has been constructed.

Ms VALLENCE: Has any tunnelling been commenced?

The CHAIR: Ms Vallence, the minister is answering your question.

Mr D O'BRIEN: It is a pretty simple question. Yes or no?

The CHAIR: And you are getting an answer. Well, I think the answer is obviously, as the minister is indicating, that the things have been assembled. If the minister could complete, we might all learn some more.

Ms ALLAN: If there was the opportunity—but it appears today there is not going to be the opportunity—to explain how these projects work: for the tunnel-boring machines to commence, the contractors need to identify a soil disposal location, which last week in the Victorian Parliament you attempted to block and stop. So once a soil site has been identified, the tunnel-boring machines will be able to become operational. In the meantime, there are 3000 people right now working across the West Gate Tunnel Project. They are working on the works to widen the West Gate Freeway. They are working on the bridge beams that are being constructed as part of the project—

Ms VALLENCE: Thank you, Minister, but the question was specifically if any digging or tunnelling or boring has commenced.

Ms ALLAN: and they are working at the concrete-manufacturing facility in Benalla, which is manufacturing the concrete segments for the project. So there are, as I said, 3000 people working on this project right now, and they will continue to do this work while we work through the other issues associated with the removal and the disposal of soil as part of the tunnelling part of the project.

Ms VALLENCE: On the challenges with removing the soil on this project, given the environmental approvals were revoked and there was no power for your regulator to be able to give those to dump the toxic PFAS tunnel soil—

Ms RICHARDS: Point of order, Chair.

Ms VALLENCE: on communities in Bacchus Marsh and other areas—

The CHAIR: Sorry, Ms Vallence. There is a point of order.

Ms RICHARDS: You know I love to follow along in the—

Ms VALLENCE: Budget paper 2, page 100. It is the same reference that I have already provided, if you had been listening, Member for Cranbourne.

Ms RICHARDS: Thank you.

Ms VALLENCE: Given the environmental approvals have been revoked, will you give an iron-clad guarantee to this committee and to the Parliament and Victorians that no PFAS-contaminated soil to any level of PFAS contamination has been dumped without the approval to do so?

Ms ALLAN: I understand the minister for environment was at the committee yesterday and explained why your characterisation of the process is incorrect, and the EPA is working through the administrative matters to remake the environmental approvals. Secondly, there has been some soil removed from the site, obviously not associated with the tunnel boring. There has been some excavation on the site, and that soil has been removed and disposed of with all the appropriate environmental and regulatory approvals in place—

Ms VALLENCE: Could you table those approvals to the committee?

Ms ALLAN: That information has been made public. I will go back and examine what further information may be provided. But can I make the point that the soil that has been removed from the site has been disposed of in accordance with, as I say, the strict environmental regulatory approvals, and it has gone to existing landfill sites that are licensed to take this type of material. This is a very important point, because there are a number of sites around the city that are already licensed to take this category of contaminated soil, and that includes the three sites that are currently being considered by Transurban and their builders, CPB and John Holland, for the disposal of the tunnel-boring soil, and no decision on the location for where that soil will go has been made yet by Transurban or its builders.

Ms VALLENCE: Secretary, how much has been spent on the Big Build advertising for all advertising in the 2020–21 period, if you could take that on notice—

The CHAIR: Sorry to interrupt, Ms Vallence, but your time has expired. I will pass the call to Ms Nina Taylor, MP.

Ms VALLENCE: They do not want to share the cost on that either.

The CHAIR: Ms Vallence, your time has expired.

Ms TAYLOR: Yes. I thought we might move onto roads. If we could look at budget paper 2, page 90, the budget contains additional funding for roads upgrades across Victoria. Can you update the house on the status of major road projects?

Ms ALLAN: I would be very happy to, thank you, Ms Taylor. As you have indicated, a big part of our Big Build program is to deliver road projects across regional Victoria and suburban Melbourne to help families get home safe and sooner and also support the employment of thousands of people across those projects.

There are a range of different road projects that we have underway right now. In metropolitan Melbourne, and I have mentioned it a couple of times, I was pretty happy with what I saw yesterday out at the Mordialloc Freeway. We saw the great progress on the Mordialloc Freeway, where a huge amount of work has gone on. They have passed the halfway mark for the delivery of that project. It will be completed by the end of 2021. It is a terrific project, 9 kilometres of road connecting the Mornington Peninsula Freeway with the Dingley bypass, and also there will be new cycling and walking paths right along the new road corridor as well.

I mentioned earlier how we are entering a new phase of our suburban roads program, and there is a lot of work going on to deliver new road projects as part of that program. Some of the other existing works that are going on at the moment—there is work going on right now on the Monash Freeway, where there are extra lanes being added along the Monash Freeway, new ramps, and there is also the deployment of new lane-use monitoring technology that will help actively manage the traffic along the Monash Freeway. Again, anyone who travels along this road may have seen that there has been a lot of work going on during the quieter time, during the pandemic, when there was less traffic on our roads. There were 1000 jobs supported through the construction phase of this project, and we did take the opportunity through the quieter period on our road network in 2020 to get on with some of the more disruptive works as part of this project, and in particular the section between EastLink and Springvale Road, one of the busiest sections of the freeway network. A lot of progress has been made during this period of time on that part of the project.

Works on the M80 upgrade are well underway and works are about to be completed on the Edgars Road interchange. That is a big task as part of that work in the northern suburbs. In the western suburbs, as some of the biggest investments in our western arterial road network, the western roads upgrade is a \$1.8 billion investment in eight arterial roads. That is coming close to completion across all of those projects. Parts of the network that have already been completed include Leakes Road, Dunnings Road, Palmers Road, Dohertys Road east in Laverton North and Dohertys Road west in Truganina. Also more than 235 local roads are being resurfaced and rehabilitated through this package of works.

I will just also briefly touch on a number of regional road projects we have underway. There is the work on the Echuca–Moama bridge project, which is a much-needed improvement to the river crossing over the Murray, with work again on this project. It is the biggest project underway in northern Victoria at the moment and it will massively improve the connection between Echuca and Moama and support particularly the township of Echuca where 25 000 vehicles cross this bridge every single day, so it is a very busy road for the local community. It is an important freight connector as well. So that work on the Echuca–Moama bridge continued through the period of the pandemic even though it was straddling both sides of the river and had to contend with different sets of regulations and restrictions during the pandemic during the delivery of the project.

I will just finish on a couple of points. The Barwon Heads Road duplication is a \$365 million investment in duplicating 4 kilometres between Settlement Road and Reserve Road. The planning scheme amendment has been approved and major construction will begin in 2021. They are just some of the many suburban and regional road projects that we have got underway at the moment.

Ms TAYLOR: Fantastic, and good taking advantage of less peak with the pandemic as well. It makes sense. Just moving along there a bit to the Suburban Rail Loop, which I know so many in Southern Metropolitan Region and across Victoria are so excited about. If I can refer you to budget paper 2, page 85, the budget contains \$2.2 billion for the commencement of the Suburban Rail Loop. Can you outline the scope of this early investment?

Ms ALLAN: I would be very happy to provide additional information on the scope of the Suburban Rail Loop. As you pointed out, \$2.2 billion to begin initial and early works to see those works underway in 2022 and support 800 construction jobs is important for getting the project from a delivery sense underway, but also too we have had the opportunity in recent weeks to provide more information about the location of the six new stations that make up stage 1 of the project, remembering stage 1 is Cheltenham to Box Hill but as part of a Suburban Rail Loop that is connecting every major metropolitan train line in and around Melbourne. We have, as I said, announced the station locations at those six sites and we are now engaging in further consultation with stakeholders—and there is a whole bunch of different businesses and stakeholders in each of these locations—and an extensive community engagement program as well to help assist with the final refinement of those station locations. This is important. We have been asking Victorians to have their say on this project, and the response has been overwhelming. We have had thousands of people putting forward their ideas. It is clear that there is a tremendous level of excitement and support for this project from the local community.

I think when you consider some of the benefits that will come from this—for example, obviously connecting Monash University for the very first time to that heavy rail network and having a train station on the doorstep of Monash University, but also Deakin University as well, where there will be a train station located there. Also too stations like those at Clayton and Box Hill, they will be the first suburban stations where you will be able to travel by train in all four points of the compass. Whether you are travelling north, south, east or west, at those two parts of the network you will be able to go in a whole range of different directions, again underscoring the importance of creating that orbital connection onto our radial rail network that we have in and around Melbourne. I should also mention that Clayton along with Broadmeadows and Sunshine will be a regional super-hub, where the regional network will connect directly in to the Suburban Rail Loop. This is going to be a critical investment into the way our city continues to shape and grow. I think we have seen through the course of the pandemic—

Obviously building works do not stop at the Parliament while we are underway, but that is okay—I should not be complaining about disruption as a result of construction.

Mr D O'BRIEN: There is a really loud droning noise, isn't there?

Ms ALLAN: It is a really important project because we have seen through the pandemic how people's work habits have started to change, and people are looking for more job opportunities closer to where they live. I think we have all cherished quite a bit the ability to work differently, to spend more time at home, to spend more time with our loved ones rather than commuting. So the Suburban Rail Loop brings a lot of this to life. Yes, it is a number of years off in terms of its completion, but when it is completed it will provide train connections into key employment areas around Clayton, Monash, Box Hill and Deakin. It will also provide economic activity. It will spur on development in terms of retail and commercial opportunities, which in turn provides additional jobs for people to access closer to where they live.

The funding that we invested in this year's budget follows the \$300 million that was allocated for project planning in last year's budget. That came off the back of the strategic appraisal work that we did in 2018 that demonstrated the huge benefit that will come from delivering the Suburban Rail Loop through supporting construction jobs, reducing travel time for people around the city, getting cars off roads and getting people onto trains. I have mentioned already that the investment case will be released next year, and then we will also see how initial and early works will unfold. Initial works include activities such as construction, power, utility relocation, protection work, site establishment and ground improvement works. Early works also include some of those construction, power and site establishment activities as well as some of the work that needs to be done on road modification and preparation of the launch sites for the tunnel-boring machines.

I should also make the point that just yesterday we also announced the proposed location for the train stabling site. Remembering that the Suburban Rail Loop will have dedicated rolling stock, we need a dedicated train stabling and maintenance facility—a facility that will also provide jobs through the maintenance activities at that site. After a lot of work and a lot of investigation we have identified a site at Old Dandenong Road, Heatherton, as the best to provide the connection to the Suburban Rail Loop but also in terms of protecting local agricultural land in that area, minimising property acquisition, which is why that site has been chosen.

Ms TAYLOR: Very good. Excellent. Other projects have created a lot of excitement—we certainly had a bit of excitement here today as well. Looking at the Melbourne Airport and Geelong fast rail, if we go to budget

paper 2, page 97, could you outline the details on the decision recently announced by both the Victorian government and the commonwealth government on how rail to Melbourne Airport and the Geelong fast rail will be provided?

Ms ALLAN: Look, it was great to see the Premier and the Prime Minister jointly announce the Melbourne Airport project and stage 1 of the Geelong fast rail project a few weeks ago. There has been a huge amount of work that we have undertaken to get the alignment right on the Melbourne Airport project, remembering that we were determined to make sure that it provided the most connections into the network, which is why the Sunshine alignment was chosen because it was the best way to connect in with the existing metropolitan network but also enable regional passengers through the regional lines of Geelong, Ballarat and Bendigo to connect through Sunshine. Following the agreement on that alignment a lot more work was undertaken that led to the announcement recently by the Prime Minister and the Premier that the Melbourne Airport rail will run on dedicated new tracks from a new premium station at Melbourne Airport through to Sunshine station, where it will then travel through the Metro Tunnel into the heart of the CBD. And, as I know we have many colleagues from the south-east here today, you know that of course the Metro Tunnel is the Cranbourne and Pakenham line.

And that is why, after an extensive amount of work and a lot of detailed examination of how we can maximise the investment for the entire network from the \$5 billion that both the federal and state governments have committed to this project, using the Metro Tunnel gave greater connections for the rest of the network. So you can jump on the train at Pakenham, at Cranbourne, at Caulfield and you can go straight through to Melbourne Airport, or you can jump on the train at Frankston and with one change you can also get through to the Melbourne Airport. That is why that approach has been chosen by the federal and state governments—because it gives those really good connections into the rest of the metropolitan network. It gives a 10-minute turn-up-and-go service, and it also gives better airport rail connections into the Melbourne CBD.

Using the Metro Tunnel connects the airport rail line into the five CBD station locations as part of the Metro Tunnel project. So if you think about it, if you are someone who works in medical research and needs to go to Parkville, for example, well, you can get on the train at Melbourne Airport and get off at Parkville, because you will be using the new Metro Tunnel. You can get off at the new Parkville station. Similarly, if you are working in the financial services sector and you work on St Kilda Road, you can get on and off at Anzac station and go straight through to the Melbourne Airport—so really demonstrating how using the Metro Tunnel will give airport rail passengers more choice about how they access the CBD as well as giving people in the suburbs and the regions more access to the airport as well.

The airport will use the new high-capacity metro trains. So what we will be running on the Metro Tunnel will also be running through the airport rail project. It will support up to 8000 jobs during the construction phase, and now that we have had this announcement—

Time is up.

The CHAIR: Thank you, Minister, and that concludes the time we have available for consideration of the budget estimates with you today. We thank you and your officials very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request.

The committee will now take a break before resuming consideration with you in relation to our inquiry in relation to the government's response to the COVID pandemic. I declare this hearing adjourned. Thank you.

Witnesses withdrew.