

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Financial and Performance Outcomes

Melbourne – Wednesday 20 November 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

WITNESSES

Paul Younis, Secretary,

Fiona Adamson, Head, Transport Services,

Natalie Reiter, Deputy Secretary, Strategy and Precincts,

William Tieppo, Deputy Secretary, Network Design and Integration, and

Andrew McKeegan, Deputy Secretary, Planning and Land Services, Department of Transport and Planning;

Kevin Devlin, Director-General, Victorian Infrastructure Delivery Authority;

Frankie Carroll, Chief Executive Officer, Suburban Rail Loop Authority;

Matt Carrick, Chief Executive Officer, V/Line;

Duncan Elliot, Chief Executive Officer, Major Road Projects Victoria;

Matt Gault, Chief Executive Officer, Level Crossing Removal Project; and

Joanne Wandel, Acting Chief Executive Officer, Development Victoria.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

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 joining us here today.

On behalf of the Parliament the committee is conducting this Inquiry into the 2023–24 Financial and Performance Outcomes. Its aim is to gauge what the government achieved in 2023–24 compared to what the government planned to achieve.

All evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of 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 Chair I expect that committee members will be respectful towards our witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

I welcome the Secretary for Transport and Planning Mr Paul Younis, as well as other officials that have joined us here today. Secretary, I am going to invite you to make an opening statement or presentation of no more than 10 minutes, and this will be followed by questions from the committee. Your time starts now.

Paul YOUNIS: Thank you very much, Chair. I also would like to acknowledge the traditional owners of the land on which we meet, the Wurundjeri people from the Kulin nations, and pay my respects to elders past, present and emerging.

Joining me today are the deputy heads of my department as well as agency heads from the transport and planning portfolios to support the committee today in the deliberations. What I am going to do just in my short presentation is cover a little bit about the challenges that we are having in Victoria and that are facing the Department of Transport and Planning and then go on to some of the data that is showing up over the past year, particularly the changes since COVID, and then a bit about how we are responding to those changes.

Visual presentation.

Paul YOUNIS: Firstly, in relation to the challenges – and I think we are all very familiar with the growth that is happening in Melbourne and Victoria – Victoria will be 10 million people by 2050. Melbourne will be the size of London – and that comparator is used often – by 2050. That is 8 million people. And I think that is an important comparator, because it puts the challenges that are in front of us in a land use context, a planning context and a transport context. That means that we need to build new homes. All across the world there are challenges, particularly the Western world, with home building at the moment, and that is a challenge that is facing Victoria as well.

Importantly, in the transport space that means that we are going to have to accommodate significantly more trips – that is not only on the public transport network but also across our roads and freight network – and we need to accommodate a much broader range of transport options. We quite frankly underutilise active transport and public transport at the moment, and we need to encourage and provide for greater uses in public transport and active transport. That will be done not just by providing the infrastructure and services but making sure we plan our cities to allow for those types of trips to occur and those types of trips to become the norm and the convenient way for people to travel.

,The freight task is also significant. We often forget about or talk over the freight task that confronts us. The freight tonnes are expected to go over 800 million tonnes in that period, up from 360 million, so that is well over double. That freight needs to be moved across a range of sources, whether it be rail and/or road, but also making sure our ports have proper access and are built to purpose. Fortunately, we have got some of the busiest and best ports in Australia at the moment.

I will go on to some of the trends that are facing us. These are the public transport travel patterns, and I put that up because it shows what has changed since COVID and the challenges we have. The pink line at the top on the left is 2019, so that is what the patronage levels were pre-COVID, and the lines underneath are the growth of that from 2022, 2023 and the blue line 2024, which is current. You can see that there is a continual growth, but we are not back to pre-COVID levels yet. We expect, and our modelling shows, that that growth will continue not only by the uptake of public transport, which is happening naturally, but also the growth that is happening in Victoria across the network.

The graph on the right is a good indicator of the changes in travel patterns that people are having. That is Monday to Friday travel. What it shows, particularly in the blue, the green and the purple I think it is lines, is that the travel patterns on Monday and Friday are significantly less than midweek. That is embedded now. We are planning for that now. We have made changes to our network to accommodate those changes in pattern, but what is not shown there, and I could not fit it on the graph, is the weekend travel. Weekend travel has risen significantly and has overtaken some of our weekday travel patterns.

The other thing that is not shown here is the trend of travel patterns across the day. We measure, and have measured for a long time, the patronage levels at the main CBD stations, and I had a look at this morning's numbers. Yesterday the commuter traffic at Flinders Street station was 57 per cent of what would be a normal COVID level whereas the travelled during the day was closer to 70 per cent. What that tells you is that there is a lot more travel during the day than in the peak, so the peak has dropped off but there is significantly more travel off peak, and once again we have been changing our service levels to accommodate that. But that needs to be built into the way that we are operating. Our modelling shows that those patterns are consistent across the Western world and are embedded into the way that people will be working into the future.

The next graph talks a bit about the challenges for housing. This is building approvals, and this is just one graph that comes from the ABS data. It is the latest building approvals across the entire country. I put that up not because we like to compare against states, but we kind of do sometimes. This is not homes built. Homes built is another metric that is measured as well as time to build a house and all of those other metrics. This is building approvals and what we would look for here for is trends, and trend data is important to us. It shows that in Victoria and across Australia there was a peak in building approvals in late 2021–22. That dropped off significantly. Importantly for us, and I think this is a trend that we are encouraged by, in Victoria, as opposed to New South Wales in particular, the trend of building approvals has reversed over the past 12 months. We are starting to head back to a positive direction for building approvals. That is what we wanted to see in relation to the work that we have been doing to encourage the private sector investment into homes, and to see that building number begin to move back up is a positive sign.

Other metrics on that – and as I said, I do not like to compare to other states but we kind of do – are that building approvals per capita in Victoria are greater than other states so that comparator is there. We are expecting to keep that comparator high with the measures that we have put in place.

To meet our challenges, I think the benefit of bringing transport and planning together, which was a MOC change made nearly two years ago now, is it has meant that we can have an integrated approach to our response to these issues. It is about identifying those areas where growth can occur, and we have done a lot of that in relation to our activity centres. It is making sure that we understand where employment is happening, where education is happening, where medical precincts are happening and how we connect those places together and how we set the framework for those areas to take on the growth that Melbourne needs to accommodate. What is not shown here are the regional areas. I certainly do not want to leave them out. They are a very, very important part, particularly our regional centres, of the growth story for Melbourne and for Victoria, and we need to make sure that they are connected and the right frameworks are in place for them to grow. We need to understand the way people move, and we do a lot of work on modelling – and I referred to that before – about understanding the movement of people across the network. Of course the important part of that is making sure that when we build homes in these places they are quality homes and they meet the needs of our community and particularly of younger people. What we are very conscious of is the impact that this growth has on younger people.

I will skip over the freight network, because I realise I have just about run out of time, but as I said at the start, we should not ignore the issue of freight. We have done a lot of work in relation to our freight network in particularly the regional areas. I think the grain freight up to July 2024 was over 650,000 tonnes. That was a 44 per cent uplift in grain freight movement on our rail network, and that is a reflection of the significant investment that we have made on our road network through this. Of course West Gate Tunnel and North East Link are important parts of making sure our freight continues to move across our network.

I will quickly just cover off, therefore, our priorities. Certainly there is making sure that we are operating our roads and managing our roads. New franchises and the ways they operate our network are really important, and we are doing a lot of work on our franchise systems – our new train and tram franchise, our new ticketing system. We are continuing to build the infrastructure and the trains and trams that need to operate. We are still maintaining a significant capital spend over the next four years for Victoria, and that will be an important part of us facing the challenges that confront us.

The CHAIR: Thank you very much, Secretary. The first set of questions is going to go to the Deputy Chair.

Nick McGOWAN: Thank you, Secretary. Secretary, you actually overwhelm me, because it is such a mess, the state of transport in Victoria at the moment, frankly, that sitting here right now I do not know where to start. You are honestly telling the people of Victoria after five – almost six – years patronage is still not at pre-COVID levels. Despite the billions and billions this government has wasted on all sorts of projects with little evidence base, with few business cases, we are not even back to pre-COVID levels. What does this mean? Let me put it succinctly: what does this mean for the SRL project, and has that been remodelled?

Paul YOUNIS: I presume – there are a lot of statements in there –

Nick McGOWAN: There was question at the end: what does it mean for the SRL project and remodelling?

Paul YOUNIS: I am assuming the question is in relation to the SRL project.

Nick McGOWAN: Have you remodelled for the SRL project, given the figures of patronage?

Paul YOUNIS: I will talk about the SRL project, because it is a really –

Nick McGOWAN: I do not want you to talk about it. I want you to answer the question. The question is about remodelling. Have you done remodelling based on these pathetic figures of use of public transport in Victoria since COVID?

Paul YOUNIS: I will just go back to the figures. By the way, V/Line patronage was the highest last year than it has ever been in its history – 23.9 million people across our V/Line network.

Nick McGOWAN: I could talk about your V/Line figures and the reduced capacity in your trains. I can talk about that later, but that is not the question.

The CHAIR: Excuse me, Deputy Chair –

Nick McGOWAN: That is not what the question is.

Paul YOUNIS: I can answer the question if you like.

Nick McGOWAN: I am not asking you about V/Line. You are not answering the question. I am not asking about V/Line.

The CHAIR: Secretary, if you could just pause for a moment. Deputy Chair –

Nick McGOWAN: No, I am not going to have my time wasted today.

The CHAIR: No, Deputy Chair, no-one is wasting your time.

Nick McGOWAN: I did not ask the Secretary about V/Line –

The CHAIR: Deputy Chair!

Nick McGOWAN: I asked him a specific question about whether there is remodelling with regard to the SRL project. That is what I asked him.

The CHAIR: Deputy Chair, I am going to remind you about my statement at the beginning of this session.

Nick McGOWAN: Do as you wish. You are wasting my time. Please make it quick.

The CHAIR: Then I hope you are listening and I only have to say it once today.

Nick McGOWAN: Please make it quick. I will interrupt your time, or your members' time, if you continue to do this.

The CHAIR: I am asking you to treat witnesses that appear before this committee with the respect that they deserve and that you would afford to other people. Please ask your question and allow the Secretary to respond.

Nick McGOWAN: I have asked it already. Secretary, what is the answer to the question?

Paul YOUNIS: Thank you, Chair. Just in relation to patronage, I think that figures show that patronage levels are increasing year on year. That is consistent with numbers –

Nick McGOWAN: They are not back to pre-COVID levels, Secretary. You yourself said that.

Paul YOUNIS: That is consistent with the numbers that are across the Western world and across Australia. In the V/Line numbers, in 2023–24 we had 23.78 million trips on the V/Line network.

Nick McGOWAN: I am not asking about V/Line, Secretary. Okay, I will go on to the next question. You are wasting my time, and I do not know why you are doing it. So I will go onto an easy question. Of the three contracts that have been signed for the SRL, on what date was each signed?

Paul YOUNIS: Sorry, Chair, am I answering the SRL question?

Nick McGOWAN: No, I have moved on, Secretary, quite clearly, and you can speak to me, not the Chair. I am asking the questions.

The CHAIR: Deputy Chair!

Nick McGOWAN: It is a very simple question: on what date was each of the three contracts for the SRL that have been signed to date?

The CHAIR: Deputy Chair, I am going to ask you once again to afford the Secretary the respect –

Nick McGOWAN: The Secretary has refused to answer my first question, so I have moved on to my second.

The CHAIR: The Secretary has not refused to answer your question. The Secretary is wanting you to stop speaking over the top of him so he has a chance to answer your question. Which question would you like an answer to? It is quite clear that the Secretary has an answer to it.

Nick McGOWAN: Secretary, the date of the contracts – all three, please.

Paul YOUNIS: I will go to Mr Carroll in relation to the date of the contracts, and I am happy to talk about the impact that SRL will have on our transport network and the importance of the SRL –

Nick McGOWAN: That is not what I asked about. I asked for the date –

Paul YOUNIS: in relation to the network.

Nick McGOWAN: Do not waste my time, please.

Paul YOUNIS: I will go to Mr Carroll in relation to the dates that the contracts were signed.

Nick McGOWAN: Mr Carroll, can you help us more than the Secretary can?

Frankie CARROLL: The date of award of contracts for initial early works was 25 November 2021. The tunnel south was 8 December 2023 and the tunnel north was 9 November 2024.

Nick McGOWAN: What is the expected expenditure for the contracts that have now gone to fewer bidders for the train stations themselves – the SRL train stations?

Frankie CARROLL: Sorry –

Nick McGOWAN: What is the expected budget impact for those six stations?

Frankie CARROLL: Six stations?

Nick McGOWAN: The six stations that you announced two days ago now. You have reduced it down to a number of bidders for those for the contracts to be signed in 2026.

Frankie CARROLL: The station boxes have gone to RFP to three proponents in relation to that. In relation to the value that is associated with that, it would be unwise for me to disclose that because we are in commercial negotiations and it will be a process of –

Nick McGOWAN: But surely you have some target or range that you are actually budgeting within?

Frankie CARROLL: I think it would disadvantage the people of Victoria to actually announce those target numbers in relation to the bids that are actually active and alive at this moment in time.

Nick McGOWAN: Secretary, have you ever used the legal firm Ashurst, or has your department, in any way, shape or form?

Paul YOUNIS: I believe we have a list of all the legal firms that we use in our annual report. They are in appendix 9, I think it is, of the annual report. I am happy to just go to that, if you like, and check if Ashurst is on that, but certainly Ashurst is a legal firm that rings a bell with me. I will check. Yes, we used Ashurst, and that is reported in our annual report.

Nick McGOWAN: What was the value of that contract of expenditure on Ashurst?

Paul YOUNIS: There are a number of contracts there, and that is listed in the annual report.

Nick McGOWAN: And the total value of those contracts, Mr Younis?

Paul YOUNIS: I can sit here and add them up for you, but I do not want to waste your time.

Nick McGOWAN: Or you can have one of your staff do that. I do not mind.

Paul YOUNIS: Okay.

Nick McGOWAN: You could have me do that. Take it on notice. You can do that while I move on to the next question.

Paul YOUNIS: Would you like me to answer that for you?

Nick McGOWAN: You can feel free to add it up or pass it to any one of your number of staff. You have millions of staff, surely.

The CHAIR: Excuse me, Deputy Chair. You will be respectful. This is a committee that treats others with respect. You are being incredibly disrespectful. You are being rude to the Secretary and officials before us, and you are also being incredibly rude to me. I will ask you to stop it once again in case you did not hear me the first time.

Nick McGOWAN: Secretary, you have talked about the amount of public transport usage. Why is Victoria still one of the worst states for providing public transport services on a Sunday morning before 10 am? We are the worst in the country for provision of services, whether it be buses, trains and so forth.

Paul YOUNIS: We provide a very extensive public transport service across Victoria. I am not sure how you come to the conclusion that we provide the worst service across the states. I think it is an easy statement to make without the evidence to support it. We have increased our weekend services over the past three or four years. Particularly during COVID we increased all of our off-peak services – we put on a number of additional services there – and our weekend services were increased last year. Next week we will be adding additional weekend services onto our network, and next year we will be including an extra 200 additional services and weekend services. So our service level on our public transport network continues to grow; the growth of patronage shows that in relation to the usage of that. We understand where the pressures are on our public transport network. We recognise, as I said in my opening statements, that weekend patronage has increased significantly since COVID. What government did was we provided budget in 2023–24 for an additional 200 services across the weekend, which will be implemented starting next week and the week after, and another tranche coming early next year.

Nick McGOWAN: In respect to the SRL, the Victorian government submitted its project proposal report to the Commonwealth government on what date?

Paul YOUNIS: It was about two months ago, around that time. The date was –

Nick McGOWAN: You do not have a date?

Paul YOUNIS: It was September, I believe. Have we got the date? I will have the date. Someone will text me a date, I am sure.

Nick McGOWAN: You can take that on notice? Thank you.

Paul YOUNIS: Yes.

Nick McGOWAN: Thank you. Why was this submission, this document, significantly delayed?

Paul YOUNIS: Mr McGowan, it was not delayed. The conversations with the Commonwealth in relation to what is required to remit the funding contribution of the Commonwealth were constant conversations with them. What the Commonwealth did do is a pause in projects. They did an independent review of Infrastructure Australia. That review was done by Mike Mrdak back in 2022–23. What that report and review identified was that there would be changes in the assurance and assessment role of major projects and there would be greater accreditation and peer review. Following that, the ANAO report came out midyear – it was around that June, July period – recommending that PPRs would then be submitted to Infrastructure Australia. We responded to that. When Minister King requested us to submit the PPR to Infrastructure Australia, which was a new process only flagged after the ANAO report in June, we submitted the PPR to Infrastructure Australia on the request of the Commonwealth.

Danny O'BRIEN: Secretary, can I just pick you up on that. On 3 August this year the *Age* reported that:

Billions of dollars in federal funding Victoria wants for the Suburban Rail Loop have been held up for almost two years because the state government has refused to hand over crucial details to Infrastructure Australia to make sure the project stacks up.

On 3 August that was. The story outlines a litany of requests from Infrastructure Australia to the Victorian government that went unanswered. In May in the estimates hearings I specifically asked you if the Commonwealth was waiting for any information from the Victorian government with respect to the Suburban Rail Loop. You said:

There is no further information that we are providing to Infrastructure Australia.

I replied:

That is not the question. The question is: have they asked for more?

...

Have they asked you for any now? Is there any outstanding request at the moment?

And you said:

They have not. No, there are no outstanding requests.

Why did you mislead this committee?

Paul YOUNIS: I would not say that I misled the committee, Mr O'Brien.

Danny O'BRIEN: The evidence suggests that you did, Secretary.

Paul YOUNIS: Let me explain. I will try to explain in simple terms the process. We have been in constant conversation and engagement with the Commonwealth of Australia around the funding for SRL. They have approved a \$2.2 billion funding process, and we have been engaged with –

Danny O'BRIEN: They actually have not. We know you have not got the money, because they have not approved it. This is the nub of the question. You told us that you had given the Commonwealth everything they needed. This story has comments from Infrastructure Australia:

Infrastructure Australia is ready to assess the Suburban Rail Loop Authority's next submission in line with our assessment framework once it is received.

And yet you had not actually given that information to them.

Paul YOUNIS: To be clear, our conversations are with the Commonwealth. The Commonwealth direct us as to what information is required.

Danny O'BRIEN: And you have not been responding. That is what this article actually says, and it outlines a litany of emails from Infrastructure Australia to the department and the SRLA that went unanswered.

The CHAIR: Mr O'Brien, allow the Secretary to answer. I am really keen to hear your answer, Secretary.

Paul YOUNIS: Thank you, Chair. Mr O'Brien, we submitted as part of the process. I will go back to what I originally said: we are in constant conversation with the Commonwealth about the approvals process for funding for SRL. They have approved a \$2.2 billion funding for SRL, and we are in conversations with them about what we expect to be the other third of the total funding for SRL. We are in conversations about that funding. We submitted to them the full business and investment case back in –

Danny O'BRIEN: 2022.

Paul YOUNIS: 2022 – thank you.

Danny O'BRIEN: And they got nothing since September 2022 – until a few weeks ago.

Paul YOUNIS: And we are constantly in conversation since that date with the Commonwealth of Australia in relation to the information they need to properly assess. Let us be really clear: in their defence, what they were doing is in 2023 they had an independent review done of Infrastructure Australia. They specifically had that review done and talked about changes to the assurance and assessment role that Infrastructure Australia would use in relation to assessment of major projects. This is important because that review, done by Mike

Mrdak, flagged that the assurance and assessment role of Infrastructure Australia would change and that the accreditation and peer review would be of greater emphasis. On that basis we were in conversations with the Commonwealth about what information they would like to have in relation to the approval process. Since that time the ANAO reported to the government, and Minister King said, ‘We will now request that the PPR reports’, which are quite frankly an administrative process to release funding, ‘go through an assessment process or a peer review process with Infrastructure Australia’.

Danny O’BRIEN: Yes, Secretary, we understand the new process.

Paul YOUNIS: When the Commonwealth of Australia asked us to present that to Infrastructure Australia, we did.

Nick McGOWAN: On what date was the project proposal report submitted to Infrastructure Australia?

Paul YOUNIS: 23 October.

Nick McGOWAN: Right. In respect to train stations, can anyone here tell me why there is not a toilet at the Ringwood East train station?

Paul YOUNIS: We have an amenities program, but they have different standards, and we have priority stations. We have –

Fiona ADAMSON: It is non-staffed. We have got premium stations.

Paul YOUNIS: I will go to Ms Adamson. She will be able to answer it far more fully than I can.

Fiona ADAMSON: Yes, so, Mr McGowan, it is a non-staffed station.

Nick McGOWAN: But I do note that it has got a staff toilet on the platform of the station for a non-staffed station. I am trying to understand the logic of that, and I have written to the minister and have offered the minister to pay that sign to be changed to ‘public toilet’. What I do not understand, Mr Secretary – you say, and I quote, you are a department that, presumably on behalf of the government, meets the needs of our community – is why on earth in 2024 do we not have a toilet at a brand new multimillion dollar train station in the state of Victoria? If you sincerely want women, women with young children, fathers with young children, people with disabilities to be able to use a public transport system, it is a disgrace that in 2024 each and every one of you can sit here and oversee a department and a system that does not have public toilets – a basic public amenity. The Romans were onto this before you guys were, and that was a long time ago. So how on earth do we not have public toilets at public train stations? It is disgraceful.

Paul YOUNIS: Thank you, Mr McGowan, for your comments. We have premium stations, and the premium stations are located at strategic points across the network, and they are located at places where they are most used and on a hierarchy basis like that. The premium stations have the full facilities.

Nick McGOWAN: But it is your same department that has anticipated a massive growth in population, and yet at the same time you are not actually providing the facilities. So what is it? You want the growth in population or you do not want the facilities to match that population growth? I cannot see which you prefer.

Paul YOUNIS: Mr McGowan, we identify those premium stations across the network. They are strategically located, so people have access to those facilities at premium stations. Those premium stations have staffing –

Nick McGOWAN: Okay, so what is the cost of the public artwork that you are putting there at Ringwood East train station? You are putting a turtle. What is the cost of the 2.5-metre-by-2-metre turtle? What is the cost of that at Ringwood East train station?

Paul YOUNIS: Sorry?

Nick McGOWAN: The cost of the turtle.

Paul YOUNIS: At?

Nick McGOWAN: Ringwood East train station.

Paul YOUNIS: I have not got a breakdown of the cost. That is a part of the development of Ringwood.

Nick McGOWAN: The sculpture you are paying to have a piece of public art. How much is the cost of that?

Paul YOUNIS: An important part of all public infrastructure and all of the –

Nick McGOWAN: I do not need the glib statement; I just need to know the cost.

Paul YOUNIS: I do not have a breakdown of that cost.

Nick McGOWAN: Can you provide the cost to me?

Paul YOUNIS: I am not sure if it is broken out in the contract.

Nick McGOWAN: I am sure the sculptor provided an invoice to the department. Can you provide the cost of the sculpture?

Paul YOUNIS: I will need to check because –

Nick McGOWAN: On what?

Paul YOUNIS: it may have been part of the overall contract for the development of the station and not a separate contract.

Nick McGOWAN: So if the sculptor has charged you for the turtle, you can provide a copy of the value of that?

Paul YOUNIS: If I have those figures, we will provide it, but as I said, that particular project may have been part of the overall construction. We have urban designers who will tell us that making places where people feel safe is important –

Nick McGOWAN: I am just wanting to know the cost of the public sculpture. What about the public sculpture at Greensborough station – the orchid at Greensborough station?

Paul YOUNIS: To have those types of sculptures, that type of public art is an important part –

Nick McGOWAN: That is fine, just tell me how much it costs.

Paul YOUNIS: of the amenities provided in public places, so that we do not build places –

Nick McGOWAN: That is the explanation. I just need to know the cost, Mr Secretary.

Paul YOUNIS: that are not accessible, that people do not feel comfortable or safe in.

Nick McGOWAN: Can you provide me also with the cost of the orchid at Greensborough train station?

Paul YOUNIS: Once again, if we have those costs broken down –

Nick McGOWAN: You will take that on notice.

Paul YOUNIS: I would be surprised if we have those costs broken down.

Nick McGOWAN: I would be surprised if you did not. The Antonio Park Primary School are now waiting for their 40-k zone right across the school. They are one of the few schools that do not comply with departmental guidelines. When will that work occur so those kids can get to school safely? It is a critical issue. There are eight lanes of traffic in front of that primary school right now.

Paul YOUNIS: We are working through speed zone changes all the time.

Nick McGOWAN: This has been reviewed already. I already know that from the minister. I am asking you when the changes will occur, when the 40-k zones will be erected.

The CHAIR: Mr McGowan!

Nick McGOWAN: I have got limited time, Chair. You are taking my time yet again. You are doing it on purpose.

The CHAIR: Mr McGowan, how you use your time is up to you. You have asked your question. You do not need to ask it three times.

Nick McGOWAN: You are interrupting it. You are interrupting my time.

The CHAIR: Allow the Secretary an opportunity to answer your question. He obviously has an answer that he wishes to provide to the committee. Secretary.

Paul YOUNIS: Thank you, Chair. Speed zones are a really important part of our safety program across all of our schools, but not only in our schools, in our activity centres as well. When we do a speed zone review it goes through quite a detailed process to ensure that putting a speed zone in does not create other safety issues that are unintended, and that is something that we need to be really careful of, particularly on high speed –

Nick McGOWAN: Mr Secretary, I am sorry I have to interrupt you here, but there has already been a review your department has done. You should know this. They have already agreed to change the speed zone. All I am asking for is when those signs will go up. That is what I am asking. When will that work happen? Perhaps Ms Adamson can help us.

Paul YOUNIS: I am talking about the process, how we go through a process.

Nick McGOWAN: We went through the process, though, Mr Secretary. I know more about this than you do, clearly. Mrs Adamson.

Fiona ADAMSON: Mr McGowan, it has been assessed and we have agreed that the speed changes need to occur. At the moment it is going through prioritisation and an understanding of what is required, because it is quite a complex location, as you know, Whitehorse Road. It is busy. We have got Maroondah Highway. We are just working through what the appropriate signage and changes will be. It is being worked through at the moment.

Nick McGOWAN: That is a pretty poor answer, I have got to be honest with you, because every day children cross that road. It is eight lanes wide. Sitting here today no-one in the department can tell me when they will simply change over. I am prepared to pay for the signs myself. They are static signs. All you need to change is from 80 and 70 k an hour to 40. I cannot get a basic answer as to when this government will do that. That is a disgrace. I tell you what: if there is an accident between now and the time you guys do this work, I will be holding each and every one of you responsible, because you are the ones who are supposed to run this government department. You are the ones responsible for implementing government policy. This is government policy. Your guidelines say it should have a 40-k zone. I do not know why it does not. I suggest your department get a giddy-up –

Paul YOUNIS: Mr McGowan –

Nick McGOWAN: and do the work it is supposed to do, which it has identified that it has to do, because it does not comply with your own guidelines as they currently stand, Mr Secretary. It does not comply.

Paul YOUNIS: Mr McGowan, we are very clear that when we implement any changes on our road network, they need to be done in a safe way, not only assurance of how we go about –

Nick McGOWAN: I am just asking you to do it.

Paul YOUNIS: You have accused us of providing an unsafe environment.

Nick McGOWAN: Your own guidelines say you do not comply.

Paul YOUNIS: When we –

Nick McGOWAN: If you knew what you were talking about, Mr Secretary, you would know your own guidelines say it currently does not comply, but you do not.

Paul YOUNIS: When we implement those projects, Mr McGowan, we make sure we are going to implement them in a safe manner.

Nick McGOWAN: You are speaking without knowing what you are talking about.

Paul YOUNIS: We are not going to put people at risk in doing that.

Nick McGOWAN: You are now embarrassing yourself because you are speaking without knowing what you are talking about, Mr Secretary.

The CHAIR: Excuse me, Mr McGowan. Mr McGowan, I am going to remind you once again you need to treat people with respect.

Nick McGOWAN: Well, it goes both ways, quite clearly.

The CHAIR: Treat them with respect.

Nick McGOWAN: The rail projects proposal report template asks for an outline, Mr Secretary, of funding and financing opportunities, with direct reference to value capture strategies.

The CHAIR: Thank you. We are going to Mr Galea.

Michael GALEA: Thank you, Chair. Good morning, Secretary. Good morning, officials. Thank you very much, all, for joining us. I do want to talk about public transport. We clearly know that, once again, the Liberals are running down Victorian transport projects and running down the investment that the government is making in better public transport and better roads for Victoria. It is confusing that they still continue to run down all these projects. Secretary, I would like to ask you about public transport services as well. I am very excited about route 800 going full time on Sundays as well from this week, but that is outside this scope. Within the scope, though, from the period that we are looking at is the 2023–24 budget papers, which articulate various bus service upgrades which were committed to, including several new services in Melton and Bacchus Marsh and the continuation of routes 152 and 182 in Wyndham and, excitingly for me, the 888 and the 889 in the Clyde North area of Casey. Secretary, can you talk to me about those outputs in particular, the status of them, and how they fit in with Victoria's bus plan?

Paul YOUNIS: Thank you, Mr Galea. The buses are a very important part of our transport network. If you go to the graphs that I showed before, the bus patronage actually maintained much more strongly through COVID and beyond COVID than the other forms of transport, and we have done a lot of work in relation to ensuring that that growth continues. I will go to Mr Tieppo, who is in charge of the rollout of those programs, but in relation to the bus plan, I think since the introduction nearly 4600 services have been added to the network. I will go to Mr Tieppo to go through that detail.

Michael GALEA: Thank you.

William TIEPPO: Thanks, Mr Galea. As the Secretary mentioned at the start, we have got significant pressures in our growth areas of the west of Melbourne, the north of Melbourne and the south-east as well. The services you have mentioned, particularly around the Melton station, which is really the Eynesbury service, is now really a new route that will be operating seven days a week. That will now give residents direct connection from that new estate to the Melton station. Those services will also begin on 8 December, in a couple of weeks time. Again, some of those new estates are really requiring those new connections to those stations and other places like shopping centres as well. I guess the other thing is on weekdays those new routes will operate from 5 am in the morning right through to 10 pm at night. They will run at 15- to 30-minute frequency in the busy peak periods and then go to a 40-minute period after that, and then there is a 60-minute frequency on the weekends as well from 6:30 through to 10 pm.

Again, there are some other growth areas like in Maddingley in Bacchus Marsh. Route 433 to Stonehill estate has been in place since July 2024, this year, and we have merged routes 433 and 435 together to connect the Stonehill estate into Bacchus Marsh. That is around 25 services a day particularly for that growing community through there.

In talking about the south-east, we have also had Casey. Casey has had a significant number of bus improvements there, with routes 152 and 182, which were originally funded through the Growth Areas Infrastructure Contribution Fund to recognise those growth areas and inject some public transport into those new areas. That output funding that was lapsing is now ongoing for that particular service. And there are a whole range of services – the 888 Clyde to Berwick station, with 32 extra daily services there, and the 889, again Clyde North to Berwick station. There is Tarneit station in the west, which is, as we all know, a hotspot in terms of a lot of growth on that corridor as well as route 82 for Werribee station.

Michael GALEA: Thank you. I look forward to the addition of those routes in the Clyde area in particular. The additional GAIC funding announced this year – I look forward to discussing that next year here with you. I am also grateful for your pronunciation of Maddingley; I deliberately did not say that word because I was not quite sure how to pronounce it, being from the south-east. Page 12 of the questionnaire lists the 41 service improvements as well as five new services plus additional school services that were provided in the 2023–24 financial year. Can you talk to me a little bit about those services? Are they some of those ones we have already mentioned, or are there other services as well?

William TIEPPO: Obviously, the Secretary raised the bus plan earlier on. Since we have implemented the bus plan, there have been nearly 200 bus routes that have been either improved or added to the bus network. I guess the bus plan, at a summary level, is really trying to simplify the bus network, really trying to remove poorly patronised routes that are not carrying that much, trying to create more services and reduce the duplication of buses running on the same corridors that trains are and obviously improving some of the weekend service levels in buses as well. We have seen, as the Secretary raised, 4600 additional services are running on the network each week, and obviously we have introduced and modified a whole range of different school bus services across the state, which really is focusing on those growth areas with all the new schools and how do we better utilise the existing bus services and school bus services there. There is a lot more reform to do, but I guess since the bus plan has been introduced and we have combined and refined all those new bus routes, that has meant just in one year an additional 1 million trips compared to the year before. Simplifying those routes, making them more direct and better connecting to where people want to go has made a big difference with those bus services.

Michael GALEA: Excellent. Just still on buses if I may as well, zero-emission buses have been a significant component of the bus plan as well. We know that even with diesel buses it is still a more sustainable mode of transport than single-occupancy vehicles, but there is a lot of room that we can improve in and indeed a lot of room that we have improved in. I have been out to bus depots in my electorate and seen the transformation of some of those depots to support electric buses. I know there has been a fair bit of work done in the past financial year as well. That is highlighted in the questionnaire. Could you talk to me about that as well?

Paul YOUNIS: I might go there, Mr Galea, because you are right. As I said, buses are a really important part in the way we transition our bus network into a modern network but also our franchises into a modern franchise operating environment. It is really important. With zero-emission buses we have just completed a three-year trial which put 52 zero-emission buses on the network, and we have just released the updated *Victoria's Zero Emission Bus Transition Plan*, which highlights some of the challenges with that transition but also the opportunities of transitioning the 4500 buses in Victoria's bus fleet into the zero-emissions framework. The policy position of government is that public transport buses purchased from July 2025 will be ZEBs, and the transition plan that was released, and it is available for everybody to review, reflects that policy position.

The other part of that transition to zero-emission buses is not just making sure that the pipeline of manufacturers is set up and that we can build those buses in Victoria and in Australia, like we have with our tram fleet, it is making sure that we have got the right infrastructure in place, and as you mentioned, the upgrades to the bus depots is a very, very important part of that. We have been working through it, particularly with our new franchise arrangements that we have just completed. That will improve those depots so that they can accommodate the zero-emission bus transition.

In the new franchise that we announced in September this year and will come into operation next year, there are 16 new contracts that we will be transitioning in relation to that. That has built into it a program to transition a significant number of fleets, and we expect I think the number is around 600 ZEBs to be on the network over the next period of a few years as we transition those older diesel fleets out of the network but also build the depots and the infrastructure to be able to accommodate that. It will be 600 buses on the network between 2025 and 2035, and we will sequence that rollout across all of those programs.

There are also the regional bus services, and in Victoria we have got a whole different range of service providers in our bus network. In our metropolitan network we have got 15 bus operators, but in our regional network we have got over 140, 150 regional bus service contracts and nearly 50 operators. Some of them are very small, so when we were setting up the plan we took feedback from those smaller operators and set up a process for them to transition their fleet later on in that period when they are set up properly and when the technology is around and in the right position to be able to accommodate that zero-emission transition.

The challenging part of zero emissions for buses is the long haul, the coach fleet, for which of course the technology in our battery-operated vehicles is not quite to the standard on all of our fleets that would operate that. A hydrogen mix is clearly an answer. The technology is there, but the infrastructure to support that is not there yet, so those longer haul coach operations we have put off until later in that transition period. The transition plan that we put up highlights in detail about how we will gradually move to a full transition of our 4500 buses across to zero-emission buses.

Michael GALEA: Thank you, Secretary. I was quite interested in the presentation, that patronage data, which is always good to see, and definitely the evidence of what we all see with our own eyes using trains and trams and buses around Melbourne, which is that difference now between Tuesday to Thursday and the Mondays and Fridays during the week. It is particularly exciting to see that regional rail patronage is now above pre-COVID levels as well. There have been a lot of investments in regional rail in the past financial year, including additional V/Line services and also of course the implementation of the regional fare cap, capping V/Line fares at metro rates. You did touch on this in your presentation, but can you talk to me a little bit more about the implementation of this and how you have adapted service levels in light of what has been obviously a very successful policy?

Paul YOUNIS: Yes. I might get Mr Carrick, who is the CEO of V/Line, to come forward because he has been responsible for implementing those service levels and the challenges in relation to that. But improving our service levels is not just about adding the services, it is about making sure the infrastructure is in place and it is also about building the rolling stock. We are continuing to build the rolling stock to accommodate that regional fleet. I will check with Mr Carrick if I have got the right number, but since the fair cap, the regional patronage has gone up by over 36 per cent on our regional network. So it has certainly been a popular choice for people to travel, particularly on weekends. But I might go to Mr Carrick to go through the implications of that and what they have put in place to manage that growth.

Matt CARRICK: Certainly. I might just start in terms of the immediate implications of the fair cap. So if you think back to where we were, you had this historic inequity where members of the public in regional Victoria had to pay significantly more for basic public transport services than people in metropolitan Melbourne. That varied right across the state. You could have been paying for a daily trip \$30, \$40, \$50, up to \$70 or \$80, and then it got capped at the metropolitan rate. Not only has that historical inequity now been vanished and is in the past, which is great, but that has also had the effect of encouraging people back onto the network. As the Secretary said, there has been an increase in demand, and if you compare us to where we were pre-COVID in terms of our numbers, we are now at 7 per cent above those pre-COVID levels. So we are actually one of the fastest growing railways in Australia. So people have been returning to the network.

It is interesting what it has done in terms of where and when that growth has been. What we are seeing is that there has certainly been a lot more weekend travel and also interpeak travel. So what that suggests to us is that there is much more discretionary travel taking place on the network than was historically the case. But of course we need to respond to that increased demand, and that is what we have done in terms of boosting capacity right across the network. We always look at pre-COVID late 2019 as being the last peak in services before we fast-forward to now, where we see that increased demand again, where we have surpassed what the numbers were. If you look back at our seated capacity in December 2019, we had around 630,000 scheduled seats that we would run each week in terms of our services. If you fast-forward to now, on 1 December with the

new timetable that will be, in round terms, 750,000. So while we have seen a 7 per cent uplift in terms of numbers on the network –

Nick McGowan interjected.

Michael GALEA: Excuse me, Mr McGowan. If I can actually ask a question, Mr McGowan –

Nick McGowan interjected.

The CHAIR: Mr McGowan!

Michael GALEA: Mr Carrick, I did actually want to speak on something that you already touched on. I know there has been a significant investment in rolling stock. Unlike Liberal governments around the country we actually buy rolling stock that is made in Victoria. The South Dynon train maintenance facility has been a big part of this, supporting that VLocity fleet in a central location. That is another initiative under this budget?

Matt CARRICK: Absolutely. So that is a \$320 million-plus initiative, which is really important for making sure that we can deploy our fleet across the network. What that means is that at South Dynon with this major upgrade – and it is the biggest upgrade in years and years and years – we basically can put more trains there. There is more capacity to repair and turn around those trains; there is a new wheel lathe there, which will be the first one that we have –

Nick McGowan interjected.

Michael GALEA: 120,000 more seats actually, Mr McGowan, but please continue, Mr Carrick.

Matt CARRICK: There is a wheel lathe there. There are also bio-wash facilities and cleaning facilities, which is really important because being a regional network we have quite a number of animal strikes. We have over 1000 animal strikes a year. We have to clean those trains. What this facility does is with –

Nick McGowan interjected.

Matt CARRICK: The trains are made in Victoria.

Michael GALEA: They are made in Dandenong in my electorate.

Matt CARRICK: The trains are made in Victoria. We run VLocities, made proudly in Victoria.

Nick McGowan interjected.

Michael GALEA: Do you realise he is from V/Line, not from Metro? Maybe you should pay attention.

The CHAIR: Excuse me. Mr McGowan, control yourself.

Michael GALEA: Sorry. Please continue.

Matt CARRICK: In terms of our Victorian-built trains, it is really important that we can deploy them across the network as quickly as we can, so by having this enhanced facility we can turn around the train repairs and get trains back on the network so that we can basically boost reliability and boost our services. This is a really important investment. It complements the \$600 million investment in new rolling stock. It complements the \$4 billion worth of investment in regional rail revival. All this put together helps make sure that there is more capacity out there on the network for regional Victorians.

Michael GALEA: Thank you, Mr Carrick. I am surprised that my Liberal colleagues do not know that the VLocities are actually made right here in Victoria in the great south-east of Melbourne in Dandenong.

Secretary, I understand as well that the new G-class tram is another Victorian-made public transport vehicle. They are also made in Victoria. They are going to be operating on routes 57, 59 and 82, I understand, in the north-west of Melbourne, and I am very excited to see that next generation of tram coming through. Can you talk to me about the work that has been done in the previous financial year on the new G-class trams?

Paul YOUNIS: The G-class tram – and I will go to Mr Tieppo who runs and looks after our rolling stock program – is a really important part, because it is a replacement for the construction of the E-class, which was a revolutionary tram in itself. The G-class is that next generation, which incorporates a heap of new technology and efficiencies in it but is also, importantly – you mentioned the 57 and 58, and it is on the 59. Are we putting it on the 59 as well?

Fiona ADAMSON: Eighty-two.

Paul YOUNIS: Sorry. Yes.

Michael GALEA: Sorry, I said 58. Fifty-eight is the other one – 57, 59 and 82.

Paul YOUNIS: Those routes in particular have not got the infrastructure and the services that can accommodate an E-class, so the design of the G-class is very much to be able to operate more extensively across our network. But I will go to Mr Tieppo in relation to the details.

William TIEPPO: Yes. Thanks, Mr Galea. In terms of the G-class tram, there are 100 new ones that we have just commenced manufacturing at Dandenong. That has gone through a pretty rigorous design phase process –

Nick McGowan interjected.

William TIEPPO: in terms of the co-design with people for disabilities and others.

Nick McGowan interjected.

Michael GALEA: Stop running down Victorian manufacturing, please. Sorry, Mr Tieppo – continue.

William TIEPPO: Those trams have now commenced manufacturing in Dandenong, with 60-plus per cent local content. Ms Adamson's team is preparing the network so that when the first tram comes onto those three new routes we are prepared to make sure that they are taking the new passengers, removing some of the high-floor trams that are not suited to some of the corridors that it needs to run on. But I think everything is on program at the moment for the first passengers in 2026.

Michael GALEA: Fantastic. I understand as well that there is going to be a new tram maintenance facility in Maidstone and a depot –

William TIEPPO: That is right. Yes.

Michael GALEA: to support the rollout of these new trams.

William TIEPPO: Yes. Part of the maintenance agreement and the manufacturing of the trams is a new maintenance tram facility at Maidstone. It is pretty much a state-of-the-art tram facility, which will also complement some of the other existing tram maintenance facilities.

Michael GALEA: Thanks, Mr Tieppo.

The CHAIR: Thank you, Mr Galea. We are now going to Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Could I have Mr Carroll come back to the table, please? Mr Carroll, can you tell us: are there exit clauses for the state of Victoria in the SRL East contracts signed to date?

Frankie CARROLL: The exit clauses are in line with the standard DTF contracts that are available.

Bev McARTHUR: Are you able to provide them to the committee?

Frankie CARROLL: They are available on the DTF website.

Bev McARTHUR: Thank you. And in relation to – maybe you can answer this too – the project proposal report that the Victorian government submitted to the Commonwealth, can a copy be provided to the committee, please?

Paul YOUNIS: I will take that on notice, Mrs McArthur, because I am not certain that that detail is available more generally. But if that is available, then we will provide a copy.

Bev McARTHUR: Thank you, Secretary, and in relation to the rail project proposal report template, it asks for the outline of funding and financing opportunities – Mr McGowan started this question – with direct reference to value capture strategies. On that basis, what is the value capture plan for the SRL?

Paul YOUNIS: Just what value capture is is a recognition that there is an increase in value of properties as a result of significant state infrastructure, and the value capture mechanisms – and there are a whole range of value capture mechanisms that are available –

Bev McARTHUR: We get the theory, Secretary. What is it? What is the value capture?

Paul YOUNIS: The value capture has not been announced or decided by government yet. There are a range of options that are available to them.

Bev McARTHUR: Well, what was submitted to the federal department?

Paul YOUNIS: Their funding is not part of the value capture. The value capture mechanisms are the state decision, and that mechanism is being run by DTF.

Danny O'BRIEN: The point of the question was that the template for the project proposal report that you have now submitted to the Commonwealth actually asks for an explanation of how the value capture will operate. That is the question. So what did you tell the Commonwealth that we are going to do?

Paul YOUNIS: I will take that on notice. As I said, if any information that we provided in the PPR is available then I will provide it, but I am not certain that that is available.

Danny O'BRIEN: Got it.

Bev McARTHUR: Okay, thank you. Secretary, more than \$5 billion was released for major projects via secretive Treasurer's advances. Why was this funding mechanism used as opposed to the normal process?

Paul YOUNIS: Thank you, Mrs McArthur. I think I answered this question last time I was in PAEC.

Bev McARTHUR: Try again.

Paul YOUNIS: Treasurer's advances are used to release funding to the department. So we are giving a TEI or we submit a TEI in relation to a budget. A significant part of that TEI goes into Treasury, and when we report back to cabinet committee on meeting milestones they release that money across to the department. It is a mechanism that Treasury use to manage cash and expenditure from the departments.

Bev McARTHUR: Okay. Secretary, will all five Metro Tunnel stations be fully operational by the end of next year, as promised?

Paul YOUNIS: I am happy to go to Mr Devlin in relation to the operation and construction of Metro Tunnel and the status of particularly our testing regime, which is very well advanced. He can update you on that Metro Tunnel program.

Kevin DEVLIN: Thanks, Secretary. Yes, we are confident we will have five stations operational next year. We have certificates of occupancy for three stations – Arden, Parkville and Anzac – so we are making good progress with those stations. Final escalators are going in as we speak at the moment in the two CBD stations. Again, I should point out those two CBD stations are quite different. They are a trinocular cavern. That was a –

Bev McARTHUR: Will they be operational by the end of next year?

Kevin DEVLIN: Yes.

Bev McARTHUR: Great. Fantastic. Mr Tieppo, at Major Road Projects Victoria do you try and support local companies – i.e. Victorian and Australian tier 3 contractors?

William TIEPPO: Yes. Most of those contracts provide – Mr Devlin and Mr Elliott encourage local contractors to be part of those things. That has been quite successful.

Paul YOUNIS: Mrs McArthur, Mr Elliott runs the major projects program. He might be able to give a bit of and overview of the local content input that goes into the contracts that run regionally.

Bev McARTHUR: Good. Okay. Mr Elliott?

Paul YOUNIS: Yes.

Bev McARTHUR: Thank you, Secretary. Thank you, Mr Elliott. Given that you do support local tier 3 contractors, can you tell me which company has been awarded the Barwon Heads Road project at a value of around \$50 million?

Duncan ELLIOTT: I cannot off the top of my head, but I am happy to take that on notice.

Bev McARTHUR: Okay. That is good. Well, I might be able to help you out a bit. The Spanish contractor –

Duncan ELLIOTT: That is right, yes.

Bev McARTHUR: has four Australian employees currently. So take it on notice –

Duncan ELLIOTT: So FCC?

Bev McARTHUR: and come back to me with your detail. And were they also awarded the Ballan Road intersection contract, again at \$50 million, and the Point Cook intersection work at \$60 million? Take it on notice?

Duncan ELLIOTT: No, they were not. They were awarded one package.

Bev McARTHUR: They were not? So who has that gone to?

Duncan ELLIOTT: I am happy to give you the names of all of the contractors, but they were awarded to five different contractors, each of those packages of work, and FCC, which is the company that you referred to earlier, is one of those, yes.

Bev McARTHUR: Did FCC Construction recently miss out on a big contract on the North East Link project? That is the Spanish company.

Duncan ELLIOTT: They were the underbidder on the west package –

Bev McARTHUR: So they did miss out on it?

Duncan ELLIOTT: in partnership with Gamuda. That is right.

Bev McARTHUR: So local companies like Decmil, Seymour Whyte, BMD, Symal and Winslow missed out. How many Australian employees does FCC have? I have suggested there are four. Have you got a better update?

Duncan ELLIOTT: I could not tell you how many employees, directly, they have, but they have completed projects in Australia previously and –

Bev McARTHUR: How many?

Duncan ELLIOTT: I would have to take that on notice.

Bev McARTHUR: Take it on notice? Okay. Thank you very much.

Now we will go to Mr V/Line. We had a discussion before about the increased service levels, but on the route from Warnambool to Melbourne we have gone from 390 seats down to 212. How is that improving the service?

Matt CARRICK: In terms of the service improvements on the Warrnambool line, it is in the context, Mrs McArthur, of the upgrade works that have taken place over the last little while. And basically what those advantages are are around reliability, they are around accessibility and they are around safety. So if you think of those works –

Bev McARTHUR: So it is better to just reduce the seat numbers –

Matt CARRICK: No –

Bev McARTHUR: so less people can travel?

Matt CARRICK: I will get to that, but I think it is really important to explain –

Bev McARTHUR: That there are less people able to travel.

Matt CARRICK: what the intention of the project was and what is being achieved. First and foremost, from a safety point of view you have seen an upgrade to over 60 level crossings on the network and you have seen an improvement to signalling, which is really important from a safety point of view, and that is absolutely a priority. Then in terms of reliability, what the new rolling stock – and the line upgrades now allow us to use the new, modern VLocitys, and what that means is that these trains, unlike the old trains, break down a lot less at its most basic. What that means –

Bev McARTHUR: No, what that means is we have got less people able to travel on the service –

Matt CARRICK: No. Sorry, I have not –

Bev McARTHUR: and they have got no food, so that is what that means.

Matt CARRICK: No. You have asked the question, so I am giving you the answer to the question. The answer to the question –

Michael GALEA: Point of order.

Bev McARTHUR: No, there is no point of order. I will move on to who is responsible –

The CHAIR: Mrs McArthur, you are not the chair of this committee; you do not get to determine if there is a point of order. A point of order has been raised. Mr Galea.

Michael GALEA: Mrs McArthur has asked Mr Carrick a question. I would appreciate if Mr Carrick could have the opportunity to respond.

Bev McARTHUR: Well, he is just wasting my time.

The CHAIR: Thank you, Mrs McArthur. You asked the question. Mr Carroll is trying to answer your question. Just because you do not like the answer does not mean he is not entitled to answer the question.

Bev McARTHUR: No. The question is not being answered, Chair.

The CHAIR: Mrs McArthur, I have ruled on the point of order. Mr Carroll – Mr Carrick, apologies.

Matt CARRICK: No worries.

The CHAIR: It is difficult to see your name from down here. Could you please finish answering the question?

Matt CARRICK: Certainly. From a reliability point of view the trains run more consistently and more often than would otherwise be the case. The old rolling stock breaks down about two and a half times more often than the modern Vlocitys. In terms of actual capacity on the line, that is important.

From an accessibility point of view, with the old rolling stock you get basically two accessible spaces per train as opposed to six with the modern Vlocitys, and importantly you also get accessible toilets, which you do not

have on the current rolling stock. That is bringing in really basic, fundamental rights for people with accessibility needs on public transport, so that is a really important upgrade that you get.

Then in terms of capacity it is true that Vlocity in a three-car set have 222 seats, and so on a pure seats basis what we are looking to do is actually increase capacity on weekends through the addition of new services, because of course it is not just about the number of seats on a train, it is about how many services you have. What we have done in terms of the constant challenge in public transport of trying to balance capacity with demand is to ensure that we are running more services when they are needed, which is on weekends on the Warrnambool line. So let us go to this issue. During the week the average boardings on the Warrnambool line between Waurn Ponds and Warrnambool are about 65 to 80, so a 222-seat train set is on average going to meet those average demand figures. On weekends what we are seeing is an increase in demand. We are seeing average patronage of about 130, 140 per service. That is why it is really important that capacity is added, so come 1 December a fourth service will be added. Come early next year a scheduled fifth service will be added. So from 1 December on weekends you are going to see capacity increase from about 2048 seats up to 2220 seats when the fifth service comes on board. It is really also important to note that –

Members interjecting.

The CHAIR: Excuse me, Mr Carrick. There has been a point of order. I must say, I am struggling to hear over the ruckus that is erupting on this side of the room.

Mathew HILAKARI: Thank you. You have actually met my point of order. Could we cease the interruption so we can actually hear the responses?

The CHAIR: Thank you.

Bev McARTHUR: We have got the answer. Thank you very much.

Matt CARRICK: No, I have not finished my answer. In terms of the other thing which is really important –

Nick McGOWAN: I am sorry. That is not the way it works.

Matt CARRICK: I have not finished my answer.

The CHAIR: Mr Carrick –

Nick McGOWAN: We will ask the questions. You have to answer the questions. You have taken a huge amount of time. It is Mrs McArthur's call.

The CHAIR: Excuse me, Mr McGowan, you will stop treating me so disrespectfully. Mrs McArthur, if you have another question, please ask it.

Bev McARTHUR: I do. I ask the Secretary: can you define what 'switching on' the Big Build actually means?

Paul YOUNIS: I am happy to define that, Mrs McArthur. What switching on the Big Build means is turning on the infrastructure that we have been investing in over the last few years. An example of that is the level crossing removals that Mr Devlin has been rolling out. Switching that on means we have got new access into our stations. We are able to run cars through those intersections without them stopping every 5 minutes. That is that switching on means for level crossings.

With the Metro Tunnel, switching on will mean that we are going to be running 18 trains an hour through the city and connecting both ends of the city and freeing up the entire network to be able to run more trains and services.

For the regional rail link, switching on means that we can add more services on the weekend; we can run Vlocity cars onto the network and replace the classic fleet; and we can run 10-minute and 20-minute services to our regional centres, 40 minute services to our outer regions and five services a day to the Warrnambools and Bairnsdales of this world. That is what switching on means in those elements.

In relation to our tunnels, what switching on the West Gate Tunnel means is that we can run trucks straight into the port instead of going through the local streets and clogging up our local streets. Switching on West Gate Tunnel means that those trucks can be diverted straight into the port and taken off those local streets with direct access to those really important freight upgrades that we were talking about before. What switching on North East Link will mean is that trucks and commuters will be freed up across those corridors and be able to access the major corridors within the network across the network. I am happy to talk about what switching on the Big Build means, because that is actually what it means.

Bev McARTHUR: Thanks. Great. Fantastic. Mr Devlin, can you confirm the platform screen doors at Metro Tunnel stations are only compatible with high-capacity metro trains?

Kevin DEVLIN: At the moment the line is designed for those high-capacity trains. They are very significant investments in rolling stock in Victoria. The seven-car sets carry a huge number of people, with a capacity of up to I think 1380 –

Bev McARTHUR: So yes is the answer?

Kevin DEVLIN: and the screen doors have been designed purposely. There is a millimetre tolerance that is required on those platform screen doors.

Bev McARTHUR: Okay. No, I do not need the detail, just that yes is the answer. So to confirm, Mr Devlin, the station doors are incompatible with the X'trapolis 2.0 trains?

Kevin DEVLIN: It is a different rolling stock.

Bev McARTHUR: Is that right? They are incompatible with the X'trapolis –

Michael Galea interjected.

Bev McARTHUR: Do not interrupt, please, Mr Galea.

Kevin DEVLIN: Correct, but they are not designed to go – I need to clarify too: the Metro Tunnel runs on a high-capacity signalling system, so this is a very significant advancement for the network. Essentially, the trains operate on auto mode for nearly 30 kilometres as they move into high-capacity signalling. It enables us to run 18 trains per hour – a greater headway between the trains. So it is an extensive investment in rolling stock, software and infrastructure, to be able to increase the capacity of the network. The other rolling stock you are talking about is a very different train that is not designed to operate at that high frequency and high capacity within this incredibly modern and high-capacity system.

Bev McARTHUR: Good. Mr Devlin, whilst Melbourne has 460 trains, only the 65 HCMT trains, or 14.13 per cent of the rolling stock, can use the multibillion-dollar Metro Tunnel. Is that correct?

Kevin DEVLIN: There is more than sufficient rolling stock to run an incredible uplift from Sunbury to Pakenham on that corridor, which maybe the Secretary can talk to, but the network is moving to that end-to-end, corridor-based system, where rather than all the rolling stock –

Bev McARTHUR: So it is correct. Only 14.3 per cent can use the Metro Tunnel – is that right?

Kevin DEVLIN: If I could just explain –

The CHAIR: Excuse me. Mr Devlin is attempting to answer your question, Mrs McArthur, and this committee needs to hear the evidence that Mr Devlin wishes to provide. Mr Devlin, please proceed.

Bev McARTHUR: Basically yes, Mr Devlin. Is that the answer?

Kevin DEVLIN: The network at the moment is all interconnected, and that creates inefficiency. What we are doing is moving to – we have built the new state-of-the-art Pakenham stabling facility and maintenance facility. Being able to run those trains, a dedicated fleet with dedicated drivers, back and forth on that line increases the efficiencies and lowers costs – rather than a fleet that has to try and operate across the whole of

the network. That zone and corridor base is what a modern network looks like around the world, and that is what we are moving to.

Bev McARTHUR: Okay.

Danny O'BRIEN: Can I just confirm then, Mr Devlin, that the Suburban Rail Loop will be a different type of train again?

Kevin DEVLIN: Yes.

Danny O'BRIEN: So there will be three different sets of trains on the network. It will not be interoperable.

Paul YOUNIS: We have got about four or five different sets of trains on the network now, and on the tram network it is the same. There are a number of different trams. As I said before, the E-class cannot run across all of the networks –

Nick McGOWAN: We have spent decades trying to reduce it, and now they are doing the complete opposite. We are back to where we were 40 years ago.

Paul YOUNIS: Well, we are moving to a different operating system for the network. We are moving to end-to-end management of the network, which is much more efficient and the way that modern networks run.

Bev McARTHUR: So why then are trains being built that are siloed to certain lines? Is this another example of building infrastructure that works for some but not all parts of the system?

Paul YOUNIS: Look, I will answer that, Mrs McArthur. It is because it is really the way you build modern networks. You build end-to-end services, and you build dedicated –

Members interjecting.

The CHAIR: Excuse me. Members at this table will cease the interjections. Mr Younis is trying to answer the question. Mr Younis.

Paul YOUNIS: The way we are building the network now is not interconnected. It is with dedicated lines which are dedicated for specific purposes – our V/Line fleet cannot run across the entire network – and what that does is create significant efficiencies in relation to the operating environment, which is the big cost in relation to the long-term costs of running a network, and it creates efficiencies in the way that we manage and maintain the rolling stock.

Bev McARTHUR: Okay. So who is responsible for road building?

Paul YOUNIS: Major roads is Mr Elliott.

Bev McARTHUR: Okay. So just while Mr Elliott is coming up, Mr Elliott, I will ask you: a situation of flooding being presented as the reason for the appalling state of roads in regional Victoria has always been a pretty flimsy excuse. We have had floods since before we have had roads, and yet we have roads worse than ever. Yet we have got a situation, Mr Elliott, where PolyPave is a product that is waterproof, aimed at resisting flooding, certified by the Australian Road Research Board and not significantly more expensive than traditional road surfacing and construction. So why aren't we using that product?

The CHAIR: Apologies, Mrs McArthur.

Bev McARTHUR: Take it on notice.

The CHAIR: That question will not be taken on notice.

Bev McARTHUR: Why not?

The CHAIR: You are out of time, Mrs McArthur. You know the rules. We are going to go straight to Ms Kathage.

Michael GALEA: On a point of order, Chair, on a point of clarification –

The CHAIR: One moment. Mr Galea, on your point of order.

Michael GALEA: On a point of order, he has just left the room, but on a point of clarification, Mr McGowan in the last session just referred to and said that he was opposing V/Line extending services on the Warrnambool line. I am just wanting to clarify if it is Liberal Party policy to oppose more services on regional rail lines.

Danny O'BRIEN: On the point of order, Chair.

The CHAIR: On the point of order, Mr O'Brien.

Danny O'BRIEN: That is not a point of order.

The CHAIR: Thank you, Mr O'Brien. That is not a point of order, Mr Galea. Ms Kathage to proceed.

Lauren KATHAGE: Thank you, Chair, Secretary and officials. I also want to ask about rolling stock. I will also dip my toe into this pond. On page 320 of the 2023–24 budget papers, BP3, it lists a performance measure – I think it was a new measure at the time – which is the number of new metropolitan trains added to the network. How did you end up going with that new measure?

Paul YOUNIS: Once again I will refer to Mr Tieppo, who runs our program, but we have got a number of train and tram and rolling stock constructions happening now. We have got the X'trap 2 being built, and they are being built in Ballarat; we have just completed 70 HCMTs, which I am pretty sure have all been rolled out, Mr Tieppo; and we have got of course the continuation of the VLocity trains. But I will go to Mr Tieppo to talk about them – and you can cover one or all of those elements, which are all very much part of it. I think the important part of that is they are built in Victoria, they have local content and the supply lines that they have built up and the businesses that have built up supporting that system employ thousands of people in Victoria – in supplying seats, in supplying certain elements of the train, which is a very important part of that product line that we have been developing over a number of years.

William TIEPPO: Thanks, Ms Kathage. As the Secretary said, in June this year we did deliver and complete the full 70 HCMT trains in preparation for Metro Tunnel next year, so it is a fantastic milestone for a very complex project. Also, talking about some of the readiness activities that we are doing for Metro Tunnel is about how we make sure that all the integrated systems in that new, modern train are talking to the systems in the tunnel. In terms of the DPS metrics, we did deliver the nine extra for last year, so that was achieved. I think we have talked about the 25 new X'trapolis trains that are being delivered and manufactured here in Victoria, in Ballarat. The primary purpose of the 25 new X'trapolis trains is to retire the old Comeng trains and run on all parts of the metropolitan network, with the exception of Metro Tunnel, which is a dedicated end-to-end line, as Mr Devlin and the Secretary highlighted.

What we have got is that the first X'trapolis train, which is a fantastic milestone, will come off the production line in the coming weeks and will be moved to Newport so that the testing for the new train can commence. There will be a fair bit of testing, just like we did with the high-capacity metro train contract. They will be, again as I have said before, retiring the old Comeng trains that have run on various parts of the metropolitan network for over 30 years. So there are significant efficiency gains in terms of their operation, their reliability and reduction in maintenance costs, particularly of the old trains.

In terms of the VLocity trains, Mr Carrick talked about a bit of that. We are in the process of manufacturing the 23 remaining trains to make 141 VLocity train sets here in Victoria. Out of those 23, six have already been delivered. Some are in service, and some are still going through their testing. But that is the \$600 million investment that Alstom is doing in terms of delivering the new VLocity trains. In the last decade we have manufactured and delivered here in Victoria 82 three-car VLocity sets. The reason why we have added that many trains is because over the last 10 years we have added something in the order of more than 1400 extra services in regional Victoria, so you do need more trains. You do need to run more services to deal with that growth. 70 per cent of those have been delivered and the remaining trains that are currently being manufactured out of the remaining 23 will be predominantly used to uplift for the Melton line. The Melton line upgrade

project, a \$650 million investment, will enable nine-car VLocity trains to run on that corridor and some of those 23 trains will go to the Melton line and also top up the additional services that will go to Geelong.

There is a lot of work and a lot of integration going on between some of the regional projects as well, and Mr Carrick talked about how, with some of those investments, it is not just buying the trains; they have to be refuelled, they have to be cleaned at night and they have to be maintained. Through the Regional Rail Revival program we have seen additional stabling being introduced at Bairnsdale and South Dynon, which I think we have talked about. It is a significant investment at South Dynon that we talked about before. We have also seen a huge benefit to Mr Carrick's operations at V/Line around the new modern facility at Waurin Ponds in Geelong that allows refuelling at end of line and cleaning so that the trains can run out in the morning without being pulled apart, dealing with some of the inefficiencies that there would be without those investments. So I think a lot of that is happening as well.

As part of the Melton line upgrade, we are also investigating some further stabling opportunities at Cobblebank. Those are being looked at at the moment as part of the upgrade. We are also adding some stabling capability and facilities in those growth corridors.

Lauren KATHAGE: Thank you for that. The Secretary mentioned the work that is created through the manufacturing here in Victoria and also spoke about the supply chain and the businesses involved. What sorts of businesses are being developed to service this industry?

William TIEPPO: As part of the local content and manufacturing of our trains, it is all the different types of components that make up a new train. There are new skills that are being developed in Dandenong for manufacturing the shells for the X'trapolis train which then get taken to Ballarat. There are the fabrics they use for the train seats, the handles – all the different types of components that make up the interior. There are electrical cables that are bundled together to make up the electrical work that feed in, and we are using local contractors and local supply chains for those. And we do a lot of work with the supply chain to make sure that they can supply those local parts for those new trains and also multi-using those skills for the G-class trams, the VLocity program and the X'trapolis program.

Lauren KATHAGE: Thank you. You talked about the \$600 million VLocity investment. I just wanted to clear up – the water was a little bit muddied there with the discussion from Mrs McArthur about Warrnambool – so if Mr Carrick could return, please. I would like to talk about that VLocity investment and what that means for different lines. For people –

Members interjecting.

The CHAIR: Order!

Lauren KATHAGE: Mr Carrick, for people who live in regional communities, we are very protective of our trains because they are our access to work, to school and to so many things, so we take a keen interest in trains in our area. We have had additional VLocity trains added for the Seymour–Shepparton line, but they are not necessarily at the time that people are standing at the platform, and this is something that I have been working on on behalf of my community. I think it is really important to the committee to get an explanation around how the addition of VLocity trains will mean that people on the platform at peak times are going to get a seat.

Matt CARRICK: Indeed, and you have been very vocal on behalf of your community, and we have been working very hard to respond to community needs, in the context of what have been growing demands for V/Line services. If you look at your line, it is largely being serviced by our Sprinter fleet, which again is an older type of rolling stock and again prone therefore to breaking down more often than the modern VLocity fleet. And so with the introduction of more VLocitys onto the network – and Mr Tieppo has articulated that really well in terms of what is rolling off the production line literally on a monthly basis – that can therefore be deployed onto the network, that gives us more options in terms of what we can do in terms of where VLocitys are deployed and also in terms of building up the carriages, and also that has implications for the way we deploy our Sprinters. In effect what that means for your community is that we will be deploying VLocitys onto the network. That means that we will be able to build up Sprinter rolling stock and that will add to capacity on the line. It also means that it will have increased reliability as well by having those modern VLocity trains. It

will still be a mixed fleet, but we are really hopeful that it will address some of the reliability issues and also some of the capacity issues. But it is also really important to acknowledge –

Bev McARTHUR: What about the fact that everybody has got to stand from Tarneit onwards?

The CHAIR: Excuse me, Mrs McArthur.

Bev McARTHUR: There are no seats on the V/Line train.

Matt CARRICK: It is also really important to acknowledge that these things are never static and that we are constantly monitoring and responding, and –

Bev McARTHUR: No, you are not.

Matt CARRICK: we work really closely with the Department of Transport and Planning, who are responsible for future iteration states of the network, to always look at where demand is growing and what might be done in those circumstances, and that work never stops.

It is also important to recognise, in the context of the fare cap, some of the savings that have been generated. Since the introduction of the fare cap, we have now seen \$100 million returned into the pockets of regional Victorians thanks to the cheaper fares that are there. I think that in part helps explain why there is a rise in demand for V/Line services.

Lauren KATHAGE: Thank you. Essentially where a morning service might have had reduced carriages due to a breakdown of a Sprinter, now we have got more spare Sprinters because we have added VLocity to the line as well.

Matt CARRICK: That is right. So what would happen is if there was a fault on a train, that means we would basically have to reduce the capacity of that train – take out some of the carriages. Of course when you take out some of the carriages, that puts pressure in terms of more people in less space. So the less that that happens, that means the pressure is reduced. That is why introducing VLocitys is not only a good thing in and of itself but it will also have positive implications in terms of the application for the Sprinter fleet.

Lauren KATHAGE: Great. Thank you. Mr Tieppo, you spoke about stabling yards, and you mentioned some that have already been delivered. You were talking about Bairnsdale and South Dynon, and you said potentially Cobblebank I think you said. Also, in that 2023–24 budget paper there was mention of Kananook. I am just putting all the different pieces together. We have got all these different pieces that are making the lines better. How do the stabling yards contribute to that?

William TIEPPO: I think I mentioned the importance of, and I think Mr Carrick mentioned the importance of, the stabling yards, particularly on regional lines, and how they function and the importance of those. We also talked about before the state-of-the-art facility at Pakenham for the high-capacity metro trains, where they all get maintained, stabled at the end of line and they run out in the morning to achieve those efficiencies. With Kananook, that is an expanded facility for the purpose of the Frankston line, to deliver additional stabling and maintenance facilities there. The reason for that is because when Metro Tunnel opens the Frankston line will go back into the city loop and will be segregated from that corridor. Where it normally gets maintained at the moment at Westall will be converted to another facility for another part of the metro network. With Kananook, the whole purpose is for those Frankston trains to be maintained and stabled at Kananook. That allows us to have an independent railway for Frankston so that it does not have to interact with other lines for the purpose of getting them back to the maintenance facilities or stabling. Pretty much the stabling facility is already up and running for Kananook, and the train maintenance facility is still under construction. That will be due for completion sometime next year in readiness for the Metro Tunnel.

Lauren KATHAGE: Thank you.

Paul YOUNIS: Ms Kathage, I just might add we did put out 18 months or two years ago a train maintenance and rolling stock strategy which identified where we would be putting our train maintenance facilities, how we would be running that end-to-end line management structure of our rolling fleet and the transition of our rolling stock into that end-to-end line management, and the placement and location of our

stabling facilities is crucial to that. There is quite a lot of work done on making sure that that strategy, which was released – Mr Tieppo.

William TIEPPO: Two years ago.

Paul YOUNIS: Two years ago is being implemented in line with a very strategic direction of how we manage our trains, how we stable our trains and how we get efficient use of those trains across our network.

Lauren KATHAGE: Thank you. I think I will be taking a look at that and seeing what there is on the northern side. I am always interested in that. Secretary, I want to move on to planning now and in particular activities centres and plan for Victoria. I guess there has been a bit of commentary around what sort of engagement and consultation has been occurring in terms of activity centres, and you have got information on page 31 of your annual report regarding activity centres. That is, for the committee's benefit, the 10 pilot locations around tram and train stations. Can you tell me a bit about what that engagement and consultation process was for activity centres and how many people were involved?

Paul YOUNIS: I will go to Ms Reiter for that detail. We have not talked much about activity centres, but I did raise it as part of my original presentation, which talked about the importance of identifying areas that already have that infrastructure in place and where we can provide housing for young people in particular but housing close to where the facilities already area. The activity centre area program has been through – and the plan Victoria – extensive consultation, which has been run by Ms Reiter.

Natalie REITER: Yes. Thank you for the question. The activity centre program is a really exciting opportunity to engage with local government, which we have been doing with monthly meetings since February on the progress of the activity centre work. We have also had two workshops with the planning directors from the relevant local councils to make sure that we can workshop the opportunities. The public engagement process has been complemented by having a community reference group for each of the projects, and the public engagement efforts have yielded almost 10,000 pieces of feedback, so it is a really rich engagement process that has helped us to take on board the wishes of the various communities.

What is really important is that this program will not just roll out a cookie-cutter response but indeed will be very responsive to those community aspirations for their activity centres. There are two phases of engagement, the first of which provided a high-level opportunity for the community to tell us what they loved about their centres and what they wanted to see protected in those centres, followed by a second phase of engagement which proposed an activity centre core and a catchment area for consideration for future opportunities to be brought forward. What is really important is that each of those centres will have a planning response that takes into account community aspiration and the potential for that centre to really flourish and become a thriving hub for not just that existing community but additional community members to be able to enjoy.

Lauren KATHAGE: It is interesting, isn't it, because it is not just the existing community – it is the potential future community of people that live there, so that is an interesting one to engage with. What was the assessment criteria to settle on those 10 in the first place?

Natalie REITER: One of the main criteria was the capacity of that location to accommodate additional growth, the servicing of that centre in terms of particularly transport access and the absence of constraints that may otherwise have meant that that centre would not grow. So we had the first 10 activity centres identified through some independent consulting work. What we learned through that pilot – and it was a pilot, because if you look at the various centres, what you will notice is that they were chosen for different reasons, a really broad range of opportunities, including, for example, Chadstone shopping centre, which is primarily serviced by bus but does have a different opportunity in being a shopping centre that could potentially take additional height –

The CHAIR: Thank you, Ms Kathage. The committee is going to take a very short break before resuming this hearing at 11:15 am. I declare this hearing adjourned.

The committee will now resume its consideration of the Department of Transport and Planning. Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Good morning, team. Secretary, page 54 of the questionnaire states that the TEI of the road safety strategy – that is, the total estimated investment of the road safety strategy:

... has decreased by \$42.800 million due to the budget transfer to the Department of Justice and ... Safety for additional intersection speed and highway network cameras.

Was this a directive of Treasury to raise more revenue?

Paul YOUNIS: Mr O'Brien, the road safety program is funded through a variety of different sources of funding, and Treasury makes decisions about how that is allocated across the budget portfolios. As far as the department of transport is concerned, we work very closely with the TAC, with the police –

Danny O'BRIEN: I know who you work closely with, Secretary; I do not need to be told that again. Who made the decision to transfer \$43 million out of the road safety strategy to speed cameras?

Paul YOUNIS: As I was getting to, the program that we have across our entire road safety program covers the federal black spot program. The road safety program covers –

Danny O'BRIEN: That is irrelevant background, Secretary.

Paul YOUNIS: Where that is funded for in the budget, I would have to take that on notice. When we deliver that program, we deliver it as a whole. How it is accounted for in the budget papers, I will have to take that on notice.

Danny O'BRIEN: Okay. \$42.8 million for speed cameras – how many speed cameras does that purchase?

Paul YOUNIS: The speed camera purchase, I have not got a number on those. That is managed by the department of justice.

Danny O'BRIEN: Okay. So they would also be able to tell us how much revenue those cameras will raise?

Paul YOUNIS: We hold the account that takes the revenue –

Danny O'BRIEN: Through the Better Roads trust.

Paul YOUNIS: and that is through the Better Roads trust. That account, which is reported in our annual report, which I am sure is here somewhere, will have the income for that, so you can refer to the annual report.

Danny O'BRIEN: No, I have got that for last year. This is a transfer to establish new speed cameras, \$42 million worth. How many would that usually fund?

Paul YOUNIS: I would have to take that on notice.

Danny O'BRIEN: Okay. I might move on from that. Given that this is taken from the road safety strategy, what road safety programs or road safety infrastructure will now not be funded because it is being put towards speed cameras?

Paul YOUNIS: We are at the back end of our road safety strategy, and we are doing some work in relation to an action plan for the renewal of the road safety strategy. I know that Ms Slatter, who is head of TAC, is here. Our road safety program has got, as I said, those whole groupings of programs, and our expectation is –

Danny O'BRIEN: I know what it has got. What I am asking is: what will it not have now?

Paul YOUNIS: There is no reduction in the program that we set in our road safety action plan.

Danny O'BRIEN: How can there be no reduction when \$43 million has been taken out of it? It was only \$185 million to start with.

Paul YOUNIS: I would have to take it on notice. We are delivering the road safety strategy and action plan that we set at the start of the year, and we are delivering that program.

Danny O'BRIEN: Okay. Thank you, Secretary. Last year on road maintenance you underperformed on road area rehabilitated or resurfaced by 30 per cent. We had this discussion last year. This year it is not listed in the area of underperformance in the questionnaire for the very specific reason that there were no targets whatsoever last year. They were listed as 'TBC' in the budget, and they stayed as TBC throughout the entire

year. The reality was, though, in 2023 your target for maintenance basically, rehabilitation or resurfacing, was 13 million square metres. You only hit 10 million square metres, and this year you only hit 444,000 square metres. It is a 95 per cent reduction. Given that dramatic reduction in the actual area of road maintenance undertaken, is that why you did not list any targets in the budget, because you knew it was going to be a debacle?

Paul YOUNIS: I know, Mr O'Brien, we spoke last time about how we have completely changed and made significant changes in how we manage our road maintenance in light of the change in the condition of the roads over a number of years. Those numbers reflect the new structure of increasing pavement strength rather than resurfacing works, and the BP3 numbers and the performance outcomes reflect that change in effort on the roads that we are doing. I think you know this quite well. We are doing less surfacing – that is, putting a seal over the top of the road. We are doing significantly more strengthening of the road. What happens when you do that is that there are less square metres that are covered but there is a greater outcome in relation to the pavement strength.

Danny O'BRIEN: I know we have discussed your experience as a road maintainer and builder in the past. Would it be correct to say that that preventative maintenance of road resealing costs \$6 to \$8 a square metre and then when the road itself has deteriorated so badly that you actually have to go in and rehabilitate it it costs more like \$100 a square metre?

Paul YOUNIS: It is a bit more than \$6, but the difference in amounts of figures is of that quantum, yes.

Danny O'BRIEN: Right. I understand the explanation you have given before about floods and that we could not reseal flood-affected roads, but is it not the case then that we are creating a ticking time bomb of road maintenance because we literally have had a 95 per cent reduction in the resealing in the last year or so? Is it just going to mean an absolute blowout in the future maintenance costs because those roads are going to deteriorate faster?

Paul YOUNIS: The benefit we have got now is we have got a 10-year program, so we can plan this over a 10-year period. What we are doing is allocating the funds that we have been provided through budget in the most efficient way that makes sure that we are managing the entire life cycle of the road. The benefit we have is we did a significant amount of resealing over the past five or six years, and that was greater than it had been, I think, for a very, very long time and therefore provides that seal across the network. We recognise now that, particularly with the deterioration of the pavement strength, we need to put the efforts into the pavement strength. We do not manage the road on a year-by-year basis, we manage the road and the effort on a life cycle basis. And the effort we are putting in now, we believe, through all the modelling that we are doing, indicates that that is the best investment to make to retain the network in its current condition.

Danny O'BRIEN: There were virtually no resealing contracts issued in 2023–24. How many will be issued in 2024–25?

Paul YOUNIS: We have got the list out now. Ms Adamson, I am not sure if you have got the number of road maintenance contracts? But we have done a reallocation of our road rehabilitation works, our road patching works, and those works are listed on the website. I have not got the updated figure.

Danny O'BRIEN: Last time I checked, which admittedly was a week or so ago, there was not a single resealing contract on the tenders website.

Paul YOUNIS: No, I will have to check the resealing. If we have got that information, I will provide that to you.

Danny O'BRIEN: Speaking of the 10-year program and having the money, we have mentioned the Better Roads Victoria Trust Account, which is where the speed camera revenue goes. It was left this year with \$99.7 million unspent against an average of the previous four years of just \$13.5 million. Is that being left there to help prop up the budget bottom line rather than actually fixing roads?

Paul YOUNIS: Well, the Better Roads Trust Account – I am just trying to find it now – was left with –

Danny O'BRIEN: \$99.7 million. I just said it. It is in the annual report.

Paul YOUNIS: Yes.

Danny O'BRIEN: Why wouldn't that have been allocated to actually fixing the roads?

Paul YOUNIS: The program of fixing the roads is not based purely on the 1 July, 30 June figure. We have programs that run across that, and the balance of that at that particular date does not reflect the effort or the program.

Danny O'BRIEN: As my question stated, in the last four years the average left in the trust at the end of the year was \$13.5 million dollars. This year it is \$99 million. Why?

Paul YOUNIS: That would reflect the timing of when we are doing works.

Danny O'BRIEN: So you are not doing the works this year?

Paul YOUNIS: We are doing the works, and we are expending all of the funds that have been allocated to road maintenance. What that does is give you a point in time of the 1 July figure. The timing of those works varies from year to year.

Danny O'BRIEN: The actual spend – the total payments out of the Better Roads Victoria Trust Account – to fix our roads is also down by \$76 million this year. Has that been made up in any other way?

Paul YOUNIS: The Better Roads trust is not the only source of funding for maintaining our road network.

Danny O'BRIEN: I appreciate that.

Paul YOUNIS: That is a transaction account, and the balance of that at any point in time does not reflect our program or the maintenance work effort that we do and it does not reflect the total spend on our road network.

Danny O'BRIEN: Okay. There was a new iPAVe report undertaken. You and the minister have flagged over the last couple of years the report that assesses the state of the roads; a new one was undertaken in April this year. It is referenced on page 39 of the annual report. What percentage of the surveyed network was found to be in poor or very poor condition?

Paul YOUNIS: On that particular report, we do a survey across our network regularly, and Mr Tieppo might have an update on where that is. That informs our program. Have you got an update on that?

William TIEPPO: Yes. Mr O'Brien, I think the August report for the pavement sites in poor condition on the network totalled about 480 kilometres under mitigation that is needed. To put it in context, the iPAVe report was on only 8700 kilometres of the network that were flood affected.

Danny O'BRIEN: Sorry, did you say this was an August iPAVe report?

William TIEPPO: No, that was at the end of August this year. We track our own pavements in poor condition as well, Mr O'Brien, as part of our maintenance program. We have identified, across the whole network, 487 kilometres that are under mitigation, whether it is a speed limit or ready to be programmed into the program. But I think the report that was done by ARRB at the time does not categorise pavements in poor condition. It purely just gives you road condition data.

Danny O'BRIEN: Well, it did last year. It gave you 'very good', 'good', 'fair', 'poor' or 'very poor'. And the one that you did last year was 91 per cent poor or very poor. What did the August one give it?

William TIEPPO: I have not got that information with me, Mr O'Brien.

Danny O'BRIEN: Can the committee have a copy of the August iPAVe report?

William TIEPPO: That is probably something that we can have a look at and take notice if you want, Mr O'Brien.

Danny O'BRIEN: Could we have a copy of any of the management and resilience reports interpreting the data?

William TIEPPO: Yes.

Danny O'BRIEN: Are you happy to take that on notice and provide a copy?

William TIEPPO: Yes.

Danny O'BRIEN: Given that, Secretary, as you would be aware, I have asked for this several times and you keep telling me that the minister has asked you to put it into some sort of form and it just never actually comes.

Paul YOUNIS: The data, yes. Sorry, I realise what you are asking for is the data. I have not done that work and put that in a form that can be –

Danny O'BRIEN: I think that was last year, actually, but anyway.

Paul YOUNIS: It was, yes. By the way, Mr O'Brien, in relation to resealing – there are 15 packages going out this year. I have just had a –

Danny O'BRIEN: Have they gone out yet?

Paul YOUNIS: No. They are going out. They are in procurement now.

Danny O'BRIEN: When will they go out to tender?

Paul YOUNIS: They are in procurement, is what I understand.

Fiona ADAMSON: Yes.

Danny O'BRIEN: Okay, so they are not necessarily open tender?

Fiona ADAMSON: They are a combination of going through our VRMC and through –

Bev McARTHUR: And you will not be using PolyPave?

Paul YOUNIS: PolyPave – I am happy to talk about PolyPave.

Danny O'BRIEN: I might come back to it if I have time. The questionnaire on page 22 lists a payment of \$269.5 million as payment to the joint venture for services provided in relation to the operation of the registration and licensing function – so obviously a VicRoads joint venture. I am just curious: why is the government, having just done a \$7 billion privatisation of that, now putting \$270 million into that?

Paul YOUNIS: There are still services that we provide for the joint venture. Ms Adamson might be able to give the detail of that.

Fiona ADAMSON: So we still provide, internally, services like medical review et cetera. There is still a team that does a lot of those types of transactions and overviews from a policy perspective.

Danny O'BRIEN: \$270 million worth? What is the point of the joint venture, getting the money in and having someone else run it, if we are still paying for it?

Paul YOUNIS: I am not sure I understand.

Danny O'BRIEN: Well, we have effectively sold the VicRoads registration and licensing division. I know the taxpayer is still a shareholder in it, but we are still putting money into it. Isn't that what they are meant to be doing?

Paul YOUNIS: We have retained a number of the services that made up the full suite, which are the medical services and a number of other services that we provide as a state. A lot of the high-security services we provide through registration and licensing are retained by the state. And there are still costs –

Danny O'BRIEN: So we will keep doing that?

Paul YOUNIS: Yes.

Danny O'BRIEN: Will there be further payments every year?

Paul YOUNIS: There will be costs associated with that every year, yes.

Danny O'BRIEN: It is listed as a Treasurer's advance, which again is neither urgent nor unforeseen, but I think we have done that issue to death, so I might move on. The other part of it is the state of Victoria financial report on page 71 indicates that the joint venture, which as I said, the state remains a minor shareholder in, made a \$45 million loss for the state. How can we do a privatisation that brings the government in \$7 billion but we are still paying for services for the joint venture and then we have made a \$45 million loss? How is that possible?

Paul YOUNIS: So the joint venture contract and the transition have been managed by DTF, but the ability to run the services by the joint venture were paid for, so there was a \$7.9 billion payment for that. And as a part of that joint venture, they are required to provide updates to a number of services, so there will be periods where there are losses and profits through that process.

Danny O'BRIEN: Okay. Page 28 of the questionnaire lists the metropolitan road and intersection upgrades program, and there is a slight variation on the spending there. Can I get a list of what those projects were when they were funded, the total EOI at announcement, the total EOI expected now and the expected completion date?

Paul YOUNIS: Yes, I have not got them here, but if we have that, we will put that –

Danny O'BRIEN: The projects are listed in the previous budget papers. Can I get those updates on notice?

Paul YOUNIS: We can do that.

Danny O'BRIEN: Thank you very much, Secretary. Can I move onto a couple of other issues in planning. I am interested in the development facilitation program. Are you able to provide a full list of all the projects that have applied for development facilitation and what ministerial decisions have been made on them?

Paul YOUNIS: Mr McKeegan might be able to help us in relation to the development facilitation program. He runs that program. There has certainly been an increase over the last 12 months in the scope of that program, and he might be able to give us a rundown of that particular program.

Danny O'BRIEN: Is it correct there were 78 projects eligible when the scheme was first announced?

Andrew McKEEGAN: So through the DFP pathway there have been 11 applications that have been through and approved, which have delivered 2155 dwellings. There are a number in the pipeline for the DFP, so there are still a number of active programs. The way the DFP works is that proponents will come to the government and they will work within the front end of facilitating their project to get it through, so that we can make sure that they have got all of the material, they have got it right and the applications are there. And then once it comes into the system, they become a live application that goes into the system.

Danny O'BRIEN: Just to clarify, you mentioned housing, but this is not just a housing project.

Andrew McKEEGAN: No, DFP does a whole range of pathways – so both, yes.

Danny O'BRIEN: Would it be possible to get a list of all the projects that have applied and their current status?

Andrew McKEEGAN: So the number of applications and where they are at in the system?

Danny O'BRIEN: Yes. Can you provide that on notice for us?

Andrew McKEEGAN: Yes.

Danny O'BRIEN: Thank you. Secretary, what measures are currently in place to examine the probity of the minister when making direct approvals on planning applications, including political interests such as political donations? Where a project has bypassed the usual process and goes directly to ministerial approval, what is the process?

Paul YOUNIS: Our internal mechanism of assessing and giving recommendations to the minister is well established, and that is run by Mr McKeegan's department, and they are the statutory approvals. If there are any conflicts of interest or any interests, there is a mechanism for that be declared. If there are any conflicts that are seen to be material, then there is a mechanism of delegation or changes to the decision-making process.

Danny O'BRIEN: Who is the delegation to?

Paul YOUNIS: That will depend on the nature of the application.

Danny O'BRIEN: So, if the minister had a conflict of interest, for example, on a major project, would it be delegated to another minister?

Paul YOUNIS: The minister could delegate it to a cabinet committee. He could delegate it to a planning officer within the department. That would be upon recommendation. We would get advice, and that would be a decision of the minister and the department but done on recommendation.

Danny O'BRIEN: Has that occurred at all in the past 12 months?

Paul YOUNIS: I am not aware of any occurrence of that in the past 12 months. I will just double check with Mr McKeegan. No.

Danny O'BRIEN: Okay. Could I ask you to take that on notice – to double check that that is accurate?

Paul YOUNIS: Yes.

Danny O'BRIEN: Thank you. Is there any legal requirement for the minister to disclose to the department that they have a conflict of interest, such as in the case of a political donor?

Paul YOUNIS: There is a general requirement for all decision-making on any statutory decision to declare interests and take the appropriate action if there is an interest perceived or otherwise in relation to any administrative decision, and that is across the public sector.

Danny O'BRIEN: There was a development project in Glen Iris recently. Are you aware of any conflict of interest declared for that?

Paul YOUNIS: I am not aware of any issues with that.

Danny O'BRIEN: Do you know that a decision was made by the minister, though?

Paul YOUNIS: I am aware of the decision that was made by the minister, yes.

Danny O'BRIEN: Thank you. Very briefly, in the time I have got left – according to Federal Court documents, unlicensed marine pilots of major cargo ships and fuel tankers working for one company allegedly helmed 56 ships without holding the appropriate licence between late 2020 and early 2023. Why has Victoria's transport safety regulator failed to investigate these allegations?

Paul YOUNIS: Those particular allegations were never made to the transport safety regulator, and there is no record of those allegations ever being made to the transport safety regulator. It is pretty hard for them to investigate issues that have never surfaced. Interestingly in relation to those allegations and the documentation, I requested the transport safety regulator follow that up, and there is no record of those allegations being made. We have not been able to make that out.

Danny O'BRIEN: Is there a distinction here between formal complaints and informal complaints? Were any informal complaints made?

Paul YOUNIS: There is no distinction. There is no record, or any evidence, of any complaints made in relation to that.

Danny O'BRIEN: Thank you, Secretary.

The CHAIR: Thank you, Mr O'Brien. We will go straight to Mr Tak.

Meng Heang TAK: Thank you, Chair, Secretary and officials. Digital drivers licences have become very popular. I refer to page 6 of the DTP annual report, which talks about the launch of digital licences. Can you please update the committee on the rollout of this program?

Paul YOUNIS: I will go to Ms Adamson on that. That was a key element of the transition to the joint venture, and it is at various stages. I will go to Ms Adamson to give the update on where that sits at the moment.

Fiona ADAMSON: Thank you, Secretary. We know digital drivers licences are something that people across Victoria want and wanted. Not long after the joint venture arrangement with VicRoads was established, we got on with developing the digital drivers licence product, and that was committed to as part of the JVO bid. This has included working with Service Victoria to ensure customers would have the choice to access the digital drivers licence via the myVicRoads app or the government's Service Vic app. The benefits of digital drivers licences are the dynamic hologram and a timed QR code so businesses and authorities can scan it to verify authenticity and prevent fraudulent use, and the licences can also be updated in real time if there are changes to licence conditions or personal information like home addresses, which is a great benefit.

Prior to the pilot we worked closely with VicPol to make sure that they were comfortable and it was going to work for them in a wide range of settings and functions, including highway patrol, general duties et cetera. We had a pilot in Ballarat last July 2023 and then we had full rollout in May of this year. Part of the rollout, or leading into it, was a lot of industry engagement, which has continued. That is working with Australia Post, banks, the casino and local councils. We also conducted further rigorous security and privacy checking, including what we call red teaming, or otherwise known as ethical hacking, so people can identify any potential vulnerabilities that bad actors might want to exploit. We had a great uptake of the digital drivers licence when we launched. We had 120,000 people who took it up in the first 24 hours and approximately 300,000 in the first week, and we have now got 1.2 million full licence holders with a digital drivers licence. So that is one in four of our full licence holders who have the digital drivers licence. We did know that the most active users would be those on Ls and Ps, and the great news is that it was released yesterday and so far the uptake this morning was 6500 L and P users who have got the digital drivers licence. We continued a lot of engagement with industry, particularly working closely with secondary schools and the tertiary education sector, hospitality, gaming organisations and their ID scanning providers. That became the big thing that came through during this engagement from industries – that they wanted something that was not possible during the main launch, but we have been pleased to be able to work with those scanning providers to make sure that they are able to verify the licence. The other thing I want to just point out is that VicRoads will continue to issue a physical licence card. There are no plans to phase out production of the licence card, so we encourage everyone to continue to hold that, but the digital drivers licence is supplementary to that.

Meng Heang TAK: Thank you. Thank you for the feedback. In terms of engagement within the industry or stakeholders, what has the feedback from industry been on the statewide rollout and how is it informing preparation for the introduction of the digital drivers licence, especially as you already said to P-plates and L-plates?

Fiona ADAMSON: I think, as I mentioned, the feedback has been really positive. We have done a lot of work with VicPol, but with Ls and Ps the feedback from hospitality and those gaming venues and licenced venues was they really did want it to be compatible with their scanning devices. So that was something that had not been in our original scope, but we were pleased to be able to work through that with the JVA and Service Victoria so that that is available now. We will continue to work with private providers as they progressively update their technology over time. So that was probably one of the key things for Ls and Ps. The other thing is that we continue to do further security and privacy testing. We want to make sure that we manage all these aspects. So we did the red teaming again with Ls and Ps. Obviously it is people's personal data; it is critical that it is secure. We will continue engaging community and working with different providers and people out there as the product continues to evolve.

Meng Heang TAK: Thank you. In terms of the red team, as we are moving increasingly to digitisation of services, security and privacy, as we know, are key concerns. Can you tell us more in terms of what process the digital licence goes through to ensure it is safe for use in the community?

Fiona ADAMSON: Specifically around the red teaming?

Meng Heang TAK: Yes.

Fiona ADAMSON: An independent security consultancy, CyberRisk, was engaged by the department to undertake the exercise for the digital drivers licence. CyberRisk is one of the reputable specialist organisations used by the Victorian government. Red teaming is an offensive model of testing, it is called, which allows the testers to act like hackers and try anything they can, anything that might work, to try and basically break into the product. This is different from penetration and performance testing. It is a more structured model, which involves working through a checklist or use cases. Government agencies really do not routinely undertake testing like this. This is an additional layer of assurance applied due to the sensitive nature of the digital drivers licence data. We will continue to be vigilant and have ongoing security and safety testing programs to ensure that all further releases go through the same rigorous testing.

Meng Heang TAK: Thank you. Moving on to housing, the Secretary referred to budget paper 4 on page 17. It notes that at the time it is a work-in-progress on the initial and early stage – I am talking about the Suburban Rail Loop – particularly on the precincts and developments and activation. There has been recently quite a lot of talk about precincts development and what that will look like for the community. What progress has been made in that area, and what are the expected community benefits through the precincts?

Paul YOUNIS: Thank you, Mr Tak. I might get Mr Carroll to go because he is running that program of consultation across those specific SRL precincts, and the SRL precincts are planned to provide an additional 70,000 houses into Victoria. I am actually happy to just, if you will give me a second, say that SRL is one of the most significant projects, which is really designed to reshape the spatial framework of Melbourne. When I talked before about the way that Melbourne needs to grow, the way that Victoria needs to accommodate growth, we need to change the way that the spatial arrangements of the city work. Relying on a hub-and-spoke mechanism to grow our city, either being build in the centre or build around the edges, is not a sustainable model with the growth patterns that are happening, so we need to change that. What SRL does is connect up all of those important elements. It sends a really important message to the industry that this is the direction that government are going, that growth in those precincts is supported by government policy – not only supported by the words in government policy but supported by the infrastructure that is put in place to support it. Those messages are all very important in giving confidence to our community and to the development industry that they can invest with confidence in Melbourne in these growth precincts. In relation to the specific work being done on the Suburban Rail Loop precincts, I will go to Mr Carroll to give an update on that.

Frankie CARROLL: Thank you, Secretary. Thanks for the question. Just to go back a little bit and bring forward to where we are today, the precincts discussion paper was issued in August 2023, which was about collecting information from the community and putting a document down to say what the community was saying. It was downloaded more than 3500 times approximately, and about 615 surveys completed on that, which was in August 2023 for about a three-month period. In December 2023 that allowed us to issue six draft precinct visions. The visions were ideas which we put to the community to get an understanding of what the community would like to see in the precincts going forward and allow the community to comment on those precinct ideas going forward. We had more than 3000 responses received from the local communities on that. The engagement summary report on the discussion papers and the draft vision documents and the online service was completed on 17 April, and then we issued the precinct key directions. The key directions talked about possible height levels in relation to the precincts. That was issued in June 2024. We had over 5400 respondents across a three-month consultation period on that.

That brought us to taking the feedback in relation to the precinct vision documents and actually incorporating that into final vision documents, which we were hoping to release either later on this year or at the start of next year, and that will lead into draft structure plans, which the government is hoping to release in quarter 1 2025. We have held over about 120 community pop-up groups and information sessions, about 24,600 community interactions, numerous meetings with councils and interested parties. The consultation has been extensive in relation to doing this. We are listening to the community and taking that feedback and actually reshaping what the documents say after the community has had its say.

Meng Heang TAK: The same budget paper on page 17 also notes that the first stage of the SRL will create more housing options in Melbourne, such as in my electorate in Clarinda. What do you anticipate the impact on housing supply will be?

Frankie CARROLL: It is very interesting. When we talk to communities it is actually about more housing closer to transport nodes and closer to where people want to live. We are estimating 70,000 dwellings in the SRL precincts in the eastern section across the board, and it is a combination of dwellings in relation to affordable dwellings, dwellings for people at different stages in life. It is actually that mix-and-match of dwellings which is really important to the community going forward, making sure that they have a place to live close to where they work and close to where their family and community are at the moment.

Meng Heang TAK: Thank you. Would you be able to tell us a little bit more in terms of the choice of that anticipated housing? Will it be apartments, skyscrapers, tall apartments?

Frankie CARROLL: Thanks for the question. There has been some misinformation in relation to what we are doing out there. In the precinct core, so around the station boxes, the OSD/ASD (over station development and adjacent station development), we will have high-rise buildings, but that will quickly actually taper out to about six storeys. The majority of buildings we are talking about are townhouses and up to six storeys in that tapering out. It is actually to blend into the landscape that is there. It is not the fear campaign that we are seeing in relation to some of the information that we have received. It is actually a combination of housing supply but integrating the housing supply into the landscape that is there. As I restate, the majority of the housing will be up to about six storeys.

Mathew HILAKARI: So are you saying it is untrue, this campaign of people saying 20 storeys all across Melbourne?

Frankie CARROLL: Unfortunately, it is not the truth in what we are doing. We try to put the information out that actually says – in the station core, of course there will be higher density buildings. But as you rapidly go out from that it will become lower density buildings going forward.

Mathew HILAKARI: It is disappointing that such a scare campaign should be run.

Meng Heang TAK: Thank you for that. Secretary, also with the building reform, pages 57 and 58 refer to the department's objective of a safe and quality built environment. The key initiatives include new penalties that were introduced for builders who fail to take out the required insurance when entering a major domestic building contract, which responded to the appalling conduct that we saw from Porter Davis Homes last year. Secretary, can you talk to us about the initiatives that are being progressed to strengthen the protections for consumers who are buying and renovating a home?

Paul YOUNIS: Thank you. Another part of that sweep of reforms that we are doing that is important in developing Victoria is making sure that the quality of the builds that are built is up to the standard and expectation. We have been doing a lot of work in relation to reform of the building sector, and Ms Cronin is here as well if there are any questions we need to put directly to her. I think Mr McKeegan will just go through some of those particular elements around the reform we have done, but I do acknowledge that we have not talked much about the building reform, which also is an incredibly important part of making sure our building structures and the product that is being put to our community are up to standard. I will go to Mr McKeegan to cover off on that.

Andrew McKEEGAN: Thank you. Thanks for the question. Firstly, I would like to point out that the building sector within Victoria is an incredibly important part of our economy, and the majority of builders do an excellent job and are a very key part of what we need to do in relation to meeting our housing targets. But there are situations, as we have identified, where things can go wrong, and a recent reform in addition to the ones that you just spoke about then was the importance of bringing together a very strong regulator and having a one-stop shop for consumers so that if things do go wrong, they are able to go to the one place and they know where they need to go in relation to those matters. That one-stop shop for consumers is bringing together those regulation functions of the VBA as well as insurance and dispute resolution into a single agency – so just that important ability to go to that one place and find out about the issues that you need to talk to.

The other thing that we have identified recently relates to the way in which the insurance scheme has been structured. The domestic building insurance scheme arrangements for those buildings up to three storeys were required to kick in only once a builder had effectively been made insolvent. The reforms are about making that a first resort insurance so that people can access that insurance and fix their properties that are under three storeys. In addition to that, we are also looking, for those four storeys and above, for a longer-term decennial

liability insurance to give people certainty of insurance for those apartments and taller buildings and, while that product is being developed and brought in, a bond system that can ensure that consumers are able to go and have a bond collection against any defects that might have occurred.

The other key part of that is making sure that the one-stop regulator has the powers that they need to ensure that they have got the right inspections, the right regime to be able to go in and check and make sure that buildings are to the quality and standard that we need them for Victoria. Already we are seeing through the work of Anna at the VBA a much stronger and risk-based approach to the way in which they are addressing that regulatory role within Victoria. We have been able to see, in addition to that, the addition of a new building monitor to work with consumers and make sure that the system is operating as it should be as well as working on things like making sure that the education is continuing through continuous development improvement programs for our builders.

Meng Heang TAK: Thank you. So all of this is to ensure that consumers feel confident when they want to build their dream home. Moving on from building homes to building new communities, Secretary, I refer to page 257, which refers to the Building New Communities Fund and its total balance of close to \$300 million, of which \$251.6 million is allocated to existing commitments. Secretary, can you please outline how this funding has been allocated to support and unlock new communities in Melbourne's greenfield and also in the outer regions?

Paul YOUNIS: Yes, Mr Tak. The unlocking new communities fund is a part of the GAIC funding suite, which has been funding a lot of the local projects that are really important in those growth areas. I will go to Mr McKeegan again to just outline some of those projects but also the importance of that fund in that greenfields development area.

Andrew McKEEGAN: Thank you, Secretary. The fund is really important for those seven major growth area councils, so Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham. The growth-area fees are collected and go into two special purpose funds, the Growth Areas Public Transport Fund and the Building New Communities Fund. The most recent tranche of announcements, as you mentioned, during 2023–24 committed \$401.33 million, and that was across 37 projects, 10 of those projects to the value of \$160 million in the public transport fund and 27 projects to the value of \$241 million in the Building New Communities Fund. Just a summary to give you a bit of a flavour of the types of projects that can go into that: \$60 million was able to deliver a critical road link on the Ison Road overpass in Werribee; \$35 million went towards a new school at Cobblebank; \$29 million towards land purchase for a proposed school Wyndham Vale; more than \$150 million for new bus services across Melbourne's north, west and south-east; \$10 million for an intersection upgrade in Mernda to support a future recreation precinct; and \$6 million for road and traffic upgrades in Pakenham. They are just examples of some of those key projects out of that program.

Mathew HILAKARI: Some of those are important projects in the community that I represent. How are we going with particularly the Ison Road upgrade?

Andrew McKEEGAN: That work is going well. My role is in relation to making sure that funding is available. I am not sure, Secretary, if you have any greater update in relation to the actual project.

William TIEPPO: Mr Hilakari, the project is well underway. Major Projects Victoria is doing a fantastic job in getting that job off the ground very quickly and is progressing to time and program.

Mathew HILAKARI: Terrific to hear.

Paul YOUNIS: Chair, I apologise, but can I correct a statement I made earlier on about a planning permit application that Mr O'Brien asked about?

The CHAIR: Yes, Mr Younis.

Paul YOUNIS: That application was not made by a minister, it was made under delegation to the department.

Danny O'BRIEN: So a department official?

Paul YOUNIS: Yes.

Danny O'BRIEN: Was it you yourself, Secretary?

Paul YOUNIS: No, we have certain department officials that are appointed to delegate to, and it was the head of the DFP program.

Danny O'BRIEN: Okay. Thank you.

The CHAIR: Thank you for the clarification. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good morning. V/Line are captured under the federal government's safeguard mechanism, which means they will be required to reduce their emissions in coming years. The bulk of V/Line's emissions come from operating diesel trains and coaches. How does the department plan to reduce those emissions?

Paul YOUNIS: I might get Mr Carrick back up here in relation to that, but certainly the first thing is that operating V/Line trains is far more efficient, and making that an efficient mechanism for people to travel rather than by car is the first way to reduce emissions.

Aiv PUGLIELLI: That is not being disputed. I am asking about V/Line's emissions.

Paul YOUNIS: In relation to the diesel engines in particular, there has been quite a bit of work done in relation to managing emissions for the diesel fleet.

Matt CARRICK: Indeed. There are a range of initiatives that we are undertaking, and probably three I really wanted to highlight. One is in terms of the older, classic, ageing rolling stock that we had. There has been quite a lot of work in terms of upgrading the engines so that effectively they emit less, they pollute less. But nevertheless, it has to be said that the older rolling stock, even with those upgrades, still pollutes more than the modern VLocitys that are being introduced. So that is also the second aspect of our attempts to address this really serious issue, and that is the retirement of the classic fleet and the replacement with more modern, up-to-date trains that emit less. So that is an important aspect to it. Another aspect is in terms of the amount of idling that we do as well, and for us to try to minimise the level of idling that we do. Now, some idling is required in terms of our train services. It is required, basically, to have power for our braking system; it is required for heating, it is required for cooling. So there is no way that we could just turn the engines off and on, and in fact, if we try and do that, that actually is more polluting. So it is a challenging area for us, but we are trying to do that.

Also, in conjunction with the Department of Transport and Planning, we are looking at what other alternatives might look like in terms of other efforts that can be introduced over time. One of the things which we are looking to do, though we are not quite there yet, is the prospect of a new fuel trial where we might use vegetable oil, if you will, to basically blend into our diesel, which, if successful, might provide a pathway forward for use. It has to be said that, as a fuel product, that is more expensive, but it is something we are looking at. I think ultimately, though, longer term we have to look at what other hybrid efforts might be possible, and indeed, I know there is already a lot of thinking going on inside the department about what the next generation of rolling stock looks like and what possibilities there might be to further reduce the emissions that take place as a consequence of our operations.

Aiv PUGLIELLI: Thank you. I have just got some follow-on questions from that contribution. The fuel trial you spoke about, when can we expect that to be completed?

Matt CARRICK: We do not have a set date on that, but if we choose to proceed with that, that would be next year. It is something that we are looking at at the moment, but I cannot confirm with you the exact details.

Aiv PUGLIELLI: Thank you. And the engine upgrades you spoke about – how many engines are being upgraded and by what date will those have been completed?

Matt CARRICK: The classic fleet engines, they basically have been upgraded. I will have to check for you in terms of if there are any remaining outstanding ones, but the chief focus there with those ones has actually been the retirement of those older train sets. Now, there are some lines – Swan Hill line – that will continue with that rolling stock for the foreseeable future, so we will retain some of those. But if I can take that on notice, please, just to confirm.

Aiv PUGLIELLI: Absolutely. Thank you.

Paul YOUNIS: Can I just add to that, because it is a really important part – and we have got our rolling stock team looking at what the other options are ahead of the diesel fleet, because we know it is inefficient and we know it emits. There has been quite a bit of work on hydrogen, and hydrogen is still in its infancy. It is being used quite a bit in a couple of circumstances in the freight industry for long haul, but the infrastructure is not there yet. Other electric rolling stocks are not to the stage where we can put that in, but I think that is developing quite rapidly, and we expect over the coming period – not the next two or three years, but decade – there will be other options available that allow us to increase the transition into more efficient rolling stock.

Aiv PUGLIELLI: Thank you. Just looking at your 2023–24 annual report, on page 231 it shows an increase of over 213,000 per cent in non-road diesel in depots, total energy used in transportation. What is that? Is that a typo?

Paul YOUNIS: I had better go to that so I know exactly what I am looking at. So, page –

Aiv PUGLIELLI: Page 231 of the annual report.

Paul YOUNIS: It shows the LPG in buildings –

Aiv PUGLIELLI: So, non-road diesel in depots, and it is the table of total energy use and transportation. 213,000 per cent plus increase – percentage-wise, what is that?

Paul YOUNIS: I will have to take that on notice. I actually cannot find that figure.

Aiv PUGLIELLI: Okay. It is just it is quite an astonishing number, and I just wanted that clarified.

Paul YOUNIS: It does seem significant. I know that there will be some elements. As part of the model, we took over some depots and other functions of land and buildings, so it might include an increase because we have taken over some from other departments. But I will need to check that, because it does seem like a large amount.

Aiv PUGLIELLI: Thank you. Non-road diesel engine emissions are the largest source of unregulated air pollution in this country. They emit particulate matter, mainly farm particles, PM2.5, oxides of nitrogen, volatile organic compounds and a range of air toxics that are harmful to human health. What is being done to rectify this?

Paul YOUNIS: Sorry, I missed the –

Aiv PUGLIELLI: The emissions of non-road diesel engines.

Paul YOUNIS: The emissions of non-road diesel engines.

Aiv PUGLIELLI: Diesel engines, yes.

Paul YOUNIS: I will have to take that question on notice.

Aiv PUGLIELLI: Sure. No worries at all. Looking ahead to *Victoria's Bus Plan* that was released in mid-2021, reform objective 3 was for better performing buses, and it referred to measures like bus lanes and priority traffic signals. Could I ask how many bus lanes and priority traffic signals the department has implemented since 2021?

Paul YOUNIS: We would be able to give you that on notice, but there are a number of works underway now in relation to dedicated bus lanes. Part of the North East Link project increases the dedicated bus lanes significantly. A lot of our major projects, as we are doing those major projects, increases those bus lanes and reallocates road space to the appropriate use. The North East Link is the prime example of that. Mr Tieppo, I am not sure if you have got other examples of that, but we will have to come back to you on the breakdown of how many lanes are being done.

Fiona ADAMSON: And the signals – we will have to come back on the signals.

Paul YOUNIS: And there is other work being done on signals. We have done a lot of signal rationalisation, which gives buses and active transport priority. That number is in the hundreds, where we have put those in in the last two or three years, but the exact numbers I have not got in front of me now.

Aiv PUGLIELLI: Broader data on notice would be wonderful, thank you. Reform objective 4, with respect to that one, can I ask how many routes have been simplified and which routes those are?

Paul YOUNIS: We have done a fair bit of work in relation to traffic signals. In the bus plan, you are referring to?

Aiv PUGLIELLI: Still on the bus plan, yes.

Paul YOUNIS: Since the introduction of the bus plan we have been progressively upgrading and reviewing routes. The number of routes exactly is in the hundreds that we have viewed, and there are still quite a few to do. Mr Tieppo, have you got the number?

William TIEPPO: We have not got that exact number with us at the moment.

Paul YOUNIS: We will give you that number.

Aiv PUGLIELLI: Thank you.

Paul YOUNIS: It is in the hundreds, and we are continually working through those.

Aiv PUGLIELLI: Yes, it is just the routes simplified and which routes – that would be great on notice. Could I ask how many real-time information screens have been installed since 2021?

Paul YOUNIS: As a part of our smarter roads program, we had – sorry, this is on the buses, you are talking about?

Aiv PUGLIELLI: Still on the bus plan, yes.

Paul YOUNIS: Once again I will take that on notice, because we talk about redoing routes, but part of the bus plan was upgrading stops. There have been quite a number of stops in the order of – well, 80 was on our last program to upgrade to accessible stops but also accessible displays, real-time displays on our buses. I know Kinetic, when they took over their contract, did a lot of work in relation to real-time displays. The exact number I have not got in front of me, and if that is available, then we will provide that on notice.

Aiv PUGLIELLI: On notice. That would be great, thank you. Looking at action 1 for the 2021–23 period, it is to develop a bus reform implantation plan. Where is that?

Paul YOUNIS: We have got a zero-emission bus transition plan. The bus reform plan –

Aiv PUGLIELLI: Implementation plan phase. Is it in the room with us right now?

Paul YOUNIS: Mr Tieppo?

William TIEPPO: I have not got it.

Paul YOUNIS: We will have to get back to you on the status of that.

Aiv PUGLIELLI: All good. Thank you. The department did public consultation on potential network reforms in northern Melbourne, north-western Melbourne and Mildura in late 2022. I understand a raft of those reforms in those areas have not taken place. Why not?

Paul YOUNIS: When we do trials there will be a range of those trials and reforms that are put into place, and it could be to do with they did not meet the needs of the community, the impact on other areas were too great or the funding is still subject to funding. There will be a range of reasons why certain reviews have not been implemented in full.

Aiv PUGLIELLI: Thank you. I might move ahead to talk a bit about Melbourne Water. Over 900 residents in Kensington Banks are still in limbo after it was reclassified as a high-risk flood zone, the main issues being insurance costs and lack of mitigation efforts. Melbourne Water has put out a tender for mitigation planning options. There have been some concerns raised of transparency around that contracting process and the lack of timelines for implementing any mitigation solutions. Where is that contracting process up to?

Paul YOUNIS: Melbourne Water is under the management of DEECA, so that is a question you should put to DEECA. The planning function in relation to water and flooding is to reflect the policy settings that are set by the appropriate water catchment authorities, and the planning system just reflects those existing policies. The status of the policy development work is a question for DEECA.

Aiv PUGLIELLI: Okay. But the contracting process, that is not a question for you?

Paul YOUNIS: No, the contracting process in relation to the flood mapping is done by Melbourne Water and managed by DEECA.

Aiv PUGLIELLI: Okay. Thank you. Can I ask – and you can clarify if this is for the wrong department – has the government made any representation to the federal government’s National Emergency Management Agency’s Disaster Ready Fund to help access mitigation options for Kensington Banks or the Maribyrnong catchment areas?

Paul YOUNIS: Any submission from the state to the Commonwealth is managed by DPC. They coordinate them because generally those types of inquiries cross a number of departments – unless DPC hand it to somebody else. I am not aware of the input in relation to that. That is a matter for DPC and/or DEECA to give that feedback.

Aiv PUGLIELLI: Okay. So your department has not advised them to do so?

Paul YOUNIS: We did not make a direct submission, and I would have to take on notice, if there was a submission from the state, whether we made a contribution to that submission.

Aiv PUGLIELLI: Thank you. That would be appreciated. Just some questions now on Sydney Road. There are currently no accessible tram stops on Sydney Road for 5.5 kilometres, stretching from Brunswick Road in Brunswick East all the way to Bakers Road in Coburg North. When construction of the sky rail along the Upfield train line starts, train station access is going to be cut off and this long stretch of Sydney Road will have no accessible public transport options for months on end unless the government builds accessible tram stops first. Will accessible tram stops be installed on Sydney Road before the sky rail construction starts?

Paul YOUNIS: On the implementation, I might go to Mr Gault in relation to the program. We are very aware of the impact of construction activities on all users and put in measures that can accommodate those. The mechanisms we put in for disability access in the construction of sky rail, there are multiple options in relation to that. I will go to Mr Gault as to where that planning is at at the moment.

Matt GAULT: We are in a constant conversation with residents and affected users out there, including in particular the council, and we have been working with the council. The project is obviously in the very early planning stages, so finalised plans have not been resolved for how construction disruption will occur. But the changes we are going to make to the train line are going to give a massive boost to accessibility generally through the suburb. It will create a linear park again and connect that to the work we have already done from Bell to Moreland, connect through and widen and enhance the scope of the bike path and walking trails under that corridor. Whenever we do works, we have a whole variety of measures to manage disability access in and around the disruptions, but we are a long way from having any of those disruption plans finalised.

Aiv PUGLIELLI: To make sure I have understood you correctly, you cannot confirm for the committee today that accessible tram stops will be installed on Sydney Road before the sky rail construction starts?

Matt GAULT: The accessible tram stops are being looked at. In particular they are beyond the scope of our project. But to the extent that we can build and construct in a way and manage the disruption that supports that and supports any of our temporary works that we do, supports the long-term deployment of those accessible tram stops on Sydney Road, that is what we have committed to doing.

Aiv PUGLIELLI: So if the tram stops are not built in that timeline that I have just outlined, what is the plan for people with additional mobility requirements to be able to access that long stretch of Sydney Road?

Paul YOUNIS: Mr Puglielli, whenever we do a Big Build project, accessible options are provided as a part of those options and there is a whole suite that we will be working through. We will be consulting with the community infinitely, of course. Providing accessible tram stops is one. And, no, we cannot say right now today that that is the solution that is going to be put in place for accessibility when that program comes online, but there will be accessibility options provided as part of the replacements when this project is undertaken.

Aiv PUGLIELLI: Thank you. I would like to ask now a bit about public land. Can you provide to the committee an inventory of all public land sites deemed surplus to government requirements and proposed or likely to be proposed for private sale?

Paul YOUNIS: We have identified 45. There are different types – there are sites that we sell privately that are surplus to government requirements. What has happened in the last 18 months is that government made a policy direction that if there are any surplus to requirements it should go first to a potential housing site if the unlocking of those sites could add to housing. There are 45 sites that have been identified. Not all of those we have made public, because we are still working through a whole due diligence in relation to a number of those sites and that due diligence needs to happen prior to release to the market. But those sites will particularly deliver I think around 9000 homes. We have also put in place a land coordinator-general, who will manage our land transactions from start through to delivery so that we can ensure that, as much as possible, the land that is surplus to the normal requirements of government, what are traditionally the requirements, is made available to support the housing demand process. The list of sites is not available publicly as yet because we only provide that list once we have gone through our due diligence process of release, and I think there would be 20 or something that we have got listed now. We will provide that list, but there are a number that we have identified separately where we are working through a due diligence process.

Aiv PUGLIELLI: The total of which and the breakdown – can you provide that as an inventory to the committee?

Paul YOUNIS: Once again, I need to be careful about what I can provide as to what is available to the committee. There are those parcels that have been completed where we have gone through their due diligence which we now know are either available for private sale, which is reducing, and/or are being made available for development. For example, the Kew former VicRoads site is one site that we have now made public.

We have been through due diligence, and it is going through a process of development that will increase housing on that site. But I am very conscious that there are some elements of the entire list that we are not at liberty to provide. What I will do is provide you the parts that are available for the public.

Aiv PUGLIELLI: On notice, that would be wonderful. Thank you. Just looking at the Gasworks site – 433 Smith Street, Fitzroy – did Development Victoria pay market price for that site?

Paul YOUNIS: I have the acting CEO of DV in the gallery, who has been managing that, so I will refer to Joanne for that.

Joanne WANDEL: Thank you, Secretary. And thanks for your question. Development Victoria did pay market value for the Fitzroy Gasworks site. We purchased the site from the Department of Treasury and Finance at the valuer-general's valuation.

Aiv PUGLIELLI: Thank you. This is set to be a mixed-use precinct with private housing in an arrangement that will presumably earn Development Victoria money back. It is a pretty extraordinary incentive for privatisation of increasingly valuable public land. Can the situation be changed so that land transfers that take place between departments, particularly Development Victoria, for example, can happen at no cost?

Paul YOUNIS: I will answer that, because the transfer of land between departments externally goes under the land policy settings of government. Government do have the discretion to change that in certain circumstances and do consider changes in using their discretion at certain times. So while there is a clear policy direction that has been in place for a number of years – decades, in actual fact – there is discretion with government to amend that.

Aiv PUGLIELLI: Just on Gasworks, how much did the remediation of the land at Fitzroy Gasworks cost?

Joanne WANDEL: The remediation of the site was managed by the Department of Treasury and Finance. Development Victoria does not have access to that information.

Aiv PUGLIELLI: Okay. Thank you. Words like ‘affordable’ get thrown around a lot in relation to housing, but unless something is genuinely affordable to people, rather than just a bit cheaper, the word does not really carry weight. What definition of ‘affordable’ will the developers be required to adopt at Fitzroy Gasworks?

Joanne WANDEL: Thank you again for your question. Affordable housing, pursuant to the development plan for the Fitzroy Gasworks site, is that definition under the *Planning and Environment Act*.

The CHAIR: Thank you, Ms Wandel. We are going to go straight to Mr Hilakari.

Mathew HILAKARI: Thank you, Secretary and officials, for appearing today. I am going to take us just slightly a little bit across to priority precincts and making sure that we are building more housing closer to rail, and particularly I take us to the Arden precinct. I am keen to understand what progress has been made on delivering housing in this pretty important precinct for all of Victoria.

Paul YOUNIS: I will go to Ms Reiter. She has been managing the Arden precinct development plan over a period of time. The Arden precinct is a classic example of where we have put in significant infrastructure, and what that infrastructure has done is unlock the potential for not only housing but jobs as well, which would never have been there in that precinct. The access Arden will have to areas in the west and the south and the connection it will have to regional Victoria in particular with the regional rail link is important. But the development parcel at Arden has been through quite a process.

Natalie REITER: Thank you – such an exciting project working together with Development Victoria as our delivery partner on largely VicTrack land. The expression-of-interest process that went out earlier this year attracted really strong responses, and on the basis of that the shortlist of respondents for the RFP are currently developing their responses. We will be able then to use our procurement processes to share appropriate information and really optimise the opportunity to get a terrific output from that process. As you will be aware, there is a commitment in the Arden precinct to a minimum of 10 per cent affordable housing, and we are expecting that 44.6 hectares of land to deliver a yield of 3700 dwellings. There is a further additional number of dwellings across the broader precinct, but on the government land it is 3700. The overall future residences are estimated to be 20,000, with estimated jobs at 34,000. We are well on track with the RFP to have a developer in place to begin to unpack that precinct.

Mathew HILAKARI: What sorts of jobs are we expecting in that area, of those 34,000?

Natalie REITER: We are really keen that we are able to provide key worker housing, particularly for the Parkville precinct, which is, naturally, just one train stop along the path and a couple of minutes journey. The Parkville precinct at the moment naturally has huge numbers of staff working in all of those hospitals and research centres. We are looking to have partnerships with appropriate providers of housing, particularly for that key worker market.

Mathew HILAKARI: That is terrific. Being close to work is a really important thing for many people in our community, and the access for some of our key workers is difficult at the moment, so I think there will be many people who are really looking forward to that development.

I might take us to the Sunshine Station master plan, which is referenced in the questionnaire at page 28. Can we just get an update on where this master plan is up to at the moment?

Natalie REITER: Yes. The Sunshine team are working really hard with the master plan and the council and on the future planning around the Melbourne Airport rail to make sure that we can continue to advance the development and opportunities at Sunshine on a no-regrets basis. There are terrific opportunities for engagement with the community too around their aspirations for the Sunshine precinct. We do not have as significant government land holdings at Sunshine, but local government have land holdings there and there is significant developer interest.

Paul YOUNIS: Mr Hilakari, I just want to add there, because we have not talked about Melbourne Airport rail, which I am surprised about to some degree, that what was recently announced was the development for the Sunshine station, and the redevelopment of the Sunshine station really is a catalyst for a number of projects. It is not only the catalyst to facilitate the precinct development and the potential that Sunshine has, remembering that Sunshine, for those that are not familiar, is the link for our regional rail to Geelong; it links our Melton line, it links our Bendigo line, and so there is significant access for regional Victoria into Sunshine. It is also the site of a major hospital and women's hospital, one of the only significant women's hospitals outside the CBD, and there is of course Deakin, no, Victoria University – they will not like me saying that –

Mathew HILAKARI: Melbourne's university in the west, thank you. Yes, that is right: Victoria University.

Paul YOUNIS: Yes, sorry – in that precinct as well, which is an important part of that. And the work we have just announced in the development for the upgrade of the Sunshine station will futureproof us to ensure that particularly access to Melbourne Airport, access to Melton and potential electrification to Melton in the future and access to other regional centres is provided for in that upgrade as well as accommodating the future growth of that precinct as a significant central hub.

Mathew HILAKARI: And I too am surprised that there was not much conversation about Melbourne Airport, but I am glad to hear there is no-regret work going on there to accommodate that in the future. I am glad for some of the discussions that have gone on with Melbourne Airport over time and improved circumstances there.

I might take us to East Werribee, which is even a little bit closer to home for me. We have seen the *East Werribee Opportunity Statement* released, which is fantastic; the stakeholder reference groups met in relation to that area. Can you just outline some of the ways that we can best utilise the government-owned land in East Werribee, considering it is so significant?

Natalie REITER: Yes. We are working very closely with Development Victoria as our delivery partner on this one as well. So, yes, 775 hectares at East Werribee, of which 600 hectares is government owned. So it is a terrific opportunity to accommodate around 15,000 future residents and around 58,000 future jobs. Naturally, there is already work underway down there with government assets. We have a school ready to be opened in 2026, and on top of that we are looking at opportunities for allied professionals to be able to locate proximate to the law courts as well as the potential for additional residents through the unlocking of some of the residential land. That is very much a top-of-mind and active project underway.

Mathew HILAKARI: That is great. And not just a school, a kindergarten and a specialist school alongside that. I think there are about 3500 jobs onsite right now, and that is before the law courts open, which are the biggest law courts outside the CBD. Are we projecting that there are going to be mainly law-based jobs there, or are there other industries that we are looking at, or have we got that far into it?

Natalie REITER: We have been doing some market sounding, and we are very keen to find a partner to provide the space for a range of allied professionals to come and support the aspirations of that precinct.

Mathew HILAKARI: Fantastic. I am going to take us now to the West Gate Tunnel Project. I hope that we are going to hear how much closer we are to opening the West Gate Tunnel next year. I am hoping you can just maybe give a bit of a flavour of where it is up to, and then I might have some more questions to follow on.

Paul YOUNIS: We will go to Mr Elliott in relation to that, and I am hoping that we hear the same, Mr Hilakari.

Duncan ELLIOTT: The West Gate Tunnel has reached a change in the milestones that we have seen over the course of this year. Tunnelling is well and truly finished now and all the cross passages for emergency access and egress are finished and fitted out. So now we are moving into the phase where all of the instrumentation and electrical equipment is being fitted out. There are around 370 electricians and commissioning people, specialists, in the tunnel at the moment, as we speak, undertaking that work, as well as completing the major structures at each end of the tunnel to manage the ventilation and the associated urban design treatments with cladding that is going on those at the moment; they are being lifted into place as we speak. And upcoming early in the new year we will complete the final asphalt surfacing program for the West Gate Freeway.

Mathew HILAKARI: Great. And in terms of the tunnel itself, are there any technological advances in this tunnel as compared to previous tunnels that we have built across Victoria?

Duncan ELLIOTT: Yes. Certainly as tunnel technology improves around the world we take on those lessons and deliver innovation in terms of particularly things like fire and emergency safety and response, deluge systems, the intelligent transport systems that the tunnel will manage – you know, the early trouble we had with mobile phone and GPS connectivity –

Mathew HILAKARI: So that is going to be sorted out when I am driving through listening to my AM radio?

Duncan ELLIOTT: That is right.

Mathew HILAKARI: Will I be able to listen?

Duncan ELLIOTT: That is part of the initiative, to make sure that the connectivity to the vehicle is maintained through that journey. The other aspect obviously is around the freeway itself and the managed motorway system that will be in place as part of that, managing the movements both in and out of the tunnel but also along the freeway for those using the West Gate and the West Gate Bridge.

Mathew HILAKARI: And of course the major benefit is having a second crossing from the western suburbs into Melbourne. What does that mean for timing? Do we have an assessment of that? And what does it mean for timing, particularly if there is a breakdown on the West Gate Bridge?

Duncan ELLIOTT: Yes, that is right. I think the resilience in the network – the benefit that we have is having an alternative. As we see today, any time there is an incident on the bridge or on the approach to the bridge, the network, the impact is very significant. So having an alternative to that with the tunnel and in fact alternative access for the port and also into the city will mean overall not only the benefits in travel time by reducing the number of signals that people have to go to if they want to access via Williamstown Road et cetera at the moment, but also having more free-flow conditions with incident management where there is an incident and being able to divert traffic around them with a much more significant alternative in place, and that includes the interchange back at the ring-road as well.

Mathew HILAKARI: Will it be open next year?

Duncan ELLIOTT: That is right, yes. We are still on track to complete the project by the end of next year.

Mathew HILAKARI: Terrific. That is the answer I am looking for.

Paul YOUNIS: Mr Hilakari, I think the issue you raise about the network resilience is important, and we know the problems that occur on the West Gate when there is a breakdown and the absolute gridlock that creates for particularly the west of Melbourne. Also, on top of that every summer we need to do significant maintenance works on the West Gate Bridge – and that is always when the Boxing Day test starts and there are people coming from all over Melbourne – and that is important maintenance work that cannot be avoided. The bridge is of such a design that annually that work needs to be done, so we invariably close a number of lanes on the West Gate Bridge over that summer period, and the impact is significant through that period. So certainly the opening of the West Gate Tunnel next year will provide another avenue for all of those issues to be better managed.

Mr Elliott talked about our traffic management system. We have got a lot now – we have updated our whole traffic control centre, and our ability to manage real-time across the entire network has been significantly enhanced over the last five or six years, where we have input cameras and sensing devices across the network and have real-time access. So having alternatives to the West Gate Bridge will be a significant improvement to overall congestion on the network but importantly the resilience of the network across that entire western part.

Mathew HILAKARI: Fantastic. I might take us to the Metro Tunnel Project. I know that we are a good way through the tunnelling and the track installation – they are completed, so that will be fantastic. I am just hoping you can provide us an update on what further construction works we might have to do between now and 2025.

Paul YOUNIS: I will go to Mr Devlin in relation to that. We were fortunate to go down into the West Gate Tunnel a couple of weeks ago and see the progress that is happening there. We're well into the testing regimes. It is interesting – Mr Devlin might talk to it. The testing regimes are fascinating to watch, because what you are doing is testing to failure, and that is a very intense process. But I will go to Mr Devlin to see where we are on the progress of that.

Kevin DEVLIN: Progress is going very well. As I mentioned earlier, we have certificates of occupancy for three of the stations, the three box stations. Our two CBD stations, at Town Hall and State Library, are larger; they are nearly three times the size of the box stations. Those are caverns, and there is a different construction methodology for those CBD stations. They are mined caverns as opposed to the top-down construction. We have been working very diligently – essentially doing keyhole surgery in the middle of the CBD – keeping Swanston Street open, St Kilda Road open and the city operating effectively while building massive underground spaces that will transform Melbourne's rail network.

The tunnel has put into operation, as I mentioned earlier also, the high-capacity signalling. We are now for the first time operating both high-capacity signalling and the existing conventional signalling systems in a mixed mode for the fleet. At the moment we have done, I think, nearly 28,000 kilometres of travel with test trains. We are up to the full capacity of the tunnel at 18 trains per hour running through, so train testing is going very well and we are building that reliability in the running of the trains.

Again, that testing phase, as the Secretary mentioned, is still very complex. We are now focused on stress testing the system. We have got the platform screen doors fully operational, and that communication between trains, the five stations – all those systems now need to talk together, talk to one another, to control the network. The smoke extraction systems, fire deluge systems, emergency evacuation systems – all are interconnected between the five stations in a controlled way. We are doing a lot of work now to commission and test the interconnectedness of those systems, and that is all progressing very well.

Also, we have opened Grattan Street, and we are returning now a number of the spaces. I think for people walking past some of the areas, if you go down past Anzac – or even at Town Hall now you can see the canopy to the entrance appearing, and we will be taking down hoarding and cranes very soon. People will be starting to see those spaces that from next year they will be able to use. Metro Trains have also launched the biggest station staff recruitment process.

So we are gearing up to operate those stations, and next year we will be doing trial ops with the movement of people as well through those areas. Most of the physical works are now complete. We are in that critical testing phase, and all is going very well.

Mathew HILAKARI: Three-minute intervals between trains is a true turn-up-and-go service.

Kevin DEVLIN: It will be, and the five new stations are interconnected with the city loop. Again, once people understand – we have got an education campaign to roll out. We do need to educate people on how we will transform regional people's ability to move throughout the city and interchange like a true metro system, like London and other areas. Pedestrian links between Town Hall station and Flinders Street and between State Library and Melbourne Central will create that interconnectedness and ability for people to both have additional services but be able to move around and get to where they want to go far quicker.

Paul YOUNIS: Just in relation to that, I think the other part of Metro Tunnel is not just the tunnel we are building. We are redesigning our tram network and the connections, because it is an integrated system. We have upgraded the stops in Latrobe Street in particular and upgraded the tram stops at the Melbourne hospital, on Peel Street, the interchange there.

Mathew HILAKARI: It needs to be an interconnected system, because that is one of the frustrations people have, where if one does not connect to the other, it can become not a 3-minute turn-up-and-go system but something that becomes really difficult to navigate, so I am glad to hear that.

Paul YOUNIS: And that is a really important part of the overall implementation and the readiness work that we have been doing to make sure that this is not just a line that runs end to end. It connects to an enormous part of Melbourne and connects to the rest of our transport network.

Mathew HILAKARI: I might take us to an entirely different matter, which is the medical cannabis closed-circuit trial. I am just hoping for an update. I know I am moving around a little bit, but –

Paul YOUNIS: The trials have just started. We are working with Swinburne University in relation to those trials, so you can join in with those if you wish, but Mr Tieppo –

Mathew HILAKARI: I am afraid I do not have a prescription.

William TIEPPO: Mr Hilakari, thanks for that. Like the Secretary said, it is a world-first trial, and I guess this is really acknowledging the increased role of medicinal cannabis in therapeutic treatments and options for individuals that have got health concerns. So really this is a trial that will help us better understand and provide government advice around impairment as a result of that. We do not have that intelligence or that information for these purposes, and that is the whole purpose of the trial – to actually uncover some of that information. Given it is a world-first trial, I am sure others will be looking at the same information and data that we are going to get from the trial.

Mathew HILAKARI: And we are hoping out of the back end of that to really be able to describe how safe it is for drivers, but then all users across our transport network?

William TIEPPO: Yes, that is right.

Mathew HILAKARI: We do not have any initial data points from it? You have mentioned it just started. How recently has it just started?

William TIEPPO: It has only started just weeks ago.

Mathew HILAKARI: Just weeks ago?

William TIEPPO: Yes. We are just in the initial stages of it, Mr Hilakari.

Mathew HILAKARI: There you go – breaking news.

William TIEPPO: It is, and we are looking at trying to complete that by the middle of 2026.

Mathew HILAKARI: Fantastic. Thank you.

The CHAIR: Thank you, Mr Hilakari.

Secretary and officers, our time today has come to an end. Thank you very much for taking the time to appear before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request. The committee is now going to take a break before beginning its consideration of the Department of Education at 1:30 pm.

I declare this hearing adjourned.

Witnesses withdrew.