

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2021–22 Budget Estimates

Melbourne—Thursday, 17 June 2021

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr James Newbury

Mr Danny O’Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

WITNESSES

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

Mr Paul Younis, Secretary, Department of Transport;

Mr Corey Hannett, Director-General,

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

Mr Evan Tattersall, Chief Executive Officer, Rail Projects Victoria, Major Transport Infrastructure Authority.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2021–22 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

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

Mobile telephones and computers should now be turned to silent.

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

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

We welcome you, Minister Allan, for your transport infrastructure and suburban rail loop portfolio. We invite you to make a 10-minute presentation, which will be followed by questions from the committee.

Ms ALLAN: Terrific. Thank you, Chair, and thank you, committee, for the opportunity to present on the transport infrastructure and suburban rail loop portfolios at this year's estimates hearings. As I have provided in previous hearings over the past six years, the Andrews Labor government has made an unprecedented level of investment in infrastructure. It has been the biggest in the state's history, and it is making a real difference in terms of supporting jobs and, most importantly, improving our transport connections. We are starting to see outcomes. For example, we have got the tunnel-boring machines that have finished their work on the Metro Tunnel, roads are being built across the state and over the course of this year an average of one level crossing is being removed every four to six weeks. So there is a lot to work through.

I mentioned the Metro Tunnel. With the completion of the Metro Tunnel's twin 9-kilometre tunnels we now turn our focus onto the really complex task of finishing the new stations, laying the track and getting the tunnels ready for the trains to run through. I just wanted to focus for a moment on the Metro Tunnel because it is going to be the centrepiece of a massive urban renewal across our city. The Metro Tunnel is not just going to deliver more trains more often, it is also going to importantly deliver a new precinct that will have a direct connection to the airport, attract thousands of jobs and provide another place. It will build another new community for Victorians, and I am talking here about Arden station. Arden station will be at the centre of a new precinct that will be home to up to 15 000 residents and 34 000 jobs by 2050, and this is all catalysed by that investment in transport infrastructure. We are seeing work go apace on the station's walls, roof and all the wiring and plumbing that goes into the operationalisation of a station box.

I have mentioned the airport. Arden station will have a direct link to Melbourne Airport by 2029. It will be within walking distance of the North Melbourne Recreation Centre and Arden Street Oval, and also right near the route 57 tram, creating a transport hub at the centre of that Arden and North Melbourne community. We are also looking at considering how new hospital services might be made in and around the Arden area, remembering that Arden will be connected to, for example, the Parkville precinct by a 2-minute train ride. It really does underscore the connectivity that we can have through the Metro Tunnel to existing precincts and new ones as a consequence of the station that is being built at Arden.

Turning now to level crossings, in 2014 I think it is well known that we promised to remove 50 dangerous and congested level crossings. In 2018 we committed to adding an extra 25 to that list, and we are now very proudly seeing 46 of these 75 level crossings have been removed, with the recent removal of the level crossing at Cherry Street in Werribee.

I know the Member for Mordialloc keeps a very close eye on the work that is going on with level crossings in and around the Chelsea community. The Swanpool Avenue, Chelsea Road and Argyle Avenue level crossings have been fast-tracked to be completed ahead of their original 2025 completion date and are being delivered at the same time as the Edithvale and Bonbeach level crossings. Work is really going to ramp up from the middle of the year on these sites and will result in a closure of the Frankston line for a period of time when the major construction blitz will take place. Over a couple of months crews will be working around the clock to remove these level crossings, excavate the trenches and extend Thames Promenade onto the Nepean Highway. There is going to be a massive blitz going on. At the same time, further along the Frankston line planning is also underway to progress the removal of two further level crossings at Glen Huntly, with works to start this year at that site. It will have a big difference on the movement of traffic in that area. Cycling and walking paths will also be made available, and of course it gives us the opportunity to run more trains on the Frankston line.

Importantly, too, for the Frankston line and also as a consequence of the work we are doing on the Metro Tunnel, Caulfield in the future is going to become an even more important interchange. As passengers on the Frankston and Dandenong lines know, this is already a key interchange point, and in the future with the completion of the Metro Tunnel, passengers from the Frankston line can interchange at Caulfield to jump onto a Metro Tunnel train, or alternatively people on the Cranbourne-Pakenham lines can change to Caulfield for a connection into the city loop.

This diagram before you shows how the current layout of the junction is inadequate for these kinds of turn-up-and-go services that will come with the delivery of the Metro Tunnel, which is why on the next slide you will see the scope of works that we will be delivering as part of the \$240 million of investment in this year's budget to commence work to untangle the tracks and to allow more trains to run more smoothly through the Caulfield junction. These works will separate the Frankston tracks from the Cranbourne-Pakenham tracks and eliminate unnecessary crossovers, which have an impact on reliability and performance across the network. Importantly we are starting this work now so we can be ready ahead of the Metro Tunnel being opened in just four years time. Also too we will be \$2 million into looking at what else we can do to improve the passenger interchange movements and the passenger experience in and around Caulfield station.

Also on investment in rail, this year's budget makes \$71.6 million worth of investments for a series of works to enable longer, nine-car VLOCITY trains to run to Wyndham Vale from 2023. We will be undertaking infrastructure upgrades along that part of the rail network, platform extensions at Sunshine station; there is other work at Sunshine and Deer Park stations. It is also important to note that this will be complemented by level crossing removals at Robinsons Road, Mt Derrimut Road and Fitzgerald Road to provide for more train movements in this corridor. The longer trains will mean that we can provide an increase in the number of seats for passengers in and out of Wyndham Vale by up to 50 per cent—with those longer trains. This is just another example of projects that we are investing in in Melbourne's west to support the growing communities there and to provide more train services, such as Melbourne Airport rail and Geelong fast rail as well.

The Suburban Rail Loop is another really important rail project that we are planning now to deliver for Melbourne's and Victoria's future. I am really pleased to report that a staggering 7 kilometres of ground—the equivalent of 15 laps of the MCG—has already been drilled by SRL workers as part of the investigative work to be done for the planning and delivery of this project. We have also had a huge amount of other—groundwater surveys and land surveys have been conducted, drilling rigs have been in the area to investigate ground conditions, and all of this work is helping to shape the six new underground stations that will be built as part of our first stage of works in the south-eastern suburbs. Also too we have got construction companies lining up to help us deliver the early works for this project, and we will be having more to say soon on who gets to deliver this first phase of this important project. And of course last year's budget provided an important \$2.2 billion for these works to commence.

One of the things I wanted to touch on, Chair, is how we manage projects at a time of great challenge, whether it has been the impact of the pandemic; the industry's capacity to meet the demands of an intensive capital program here in Victoria on the eastern seaboard, in New South Wales—and the federal government's

investment as well—plus also the high demand for skills and resources that comes with this sort of investment in an intensive capital program.

This graph that you can see before you compares how Victoria is performing—quite well—against international benchmarks for infrastructure delivery. This is data that is sourced from the budget papers and has also been published today by Boston Consulting in terms of a comparative piece of work around Victoria's infrastructure delivery in a global context. It does show, as you can see from this graph, the average size of cost overruns amongst a sample of OECD countries, and the overrun for a transport infrastructure project was a massive 59 per cent. The average for our projects here in Victoria is just 4 per cent. So we do compare favourably both on time and on cost when you compare it to those international projects, and also too—I think this is an important point to note—in the context of and perhaps in anticipation of the conversations that might follow, this benchmarking report identified the real challenges that are experienced around the world in delivering tunnelling projects. And I know I have spoken to this committee before around the complexity of tunnelling projects and how there is a need for more tunnelling projects in large industrial and populated cities like Melbourne. So this is important information for us to feed into how we continue to deliver to the highest standards our infrastructure program.

Chair, I am mindful of time. I wanted to touch on jobs and how our program is supporting 18 000 jobs and tens of thousands more jobs in the supply chain, and I look forward to that conversation over the course of the afternoon.

The CHAIR: Thank you, Minister, and I will pass to the Deputy Chair.

Mr RIORDAN: Thank you, Chair, and welcome, Minister.

Ms ALLAN: Thank you.

Mr RIORDAN: I want to move to level crossing removals first, and I refer to budget paper 4, pages 100 to 101, and the two level crossing programs that you have mentioned there.

Ms ALLAN: Sorry, Deputy Chair, I was grabbing my pen. Can you repeat those budget paper references?

Mr RIORDAN: Budget paper 4, pages 100 to 101. You referred to the level crossing programs. In your presentation you talked about the unprecedented level of spending that you have undertaken. I sort of suggest that there is also an unprecedented level of secrecy about what the spending is on, and my question to you is: we know that you have spent just under \$7 billion of public money but we know very little else, Minister. As you say yourself, there is an extensive list of 46 completed level crossings, but we—the Parliament—and the people of Victoria have not been told what those projects have cost individually. Now, if the department has been able to collate OECD comparisons, then surely the evidence exists for what each individual crossing has cost—whether it is on budget, over budget, around budget.

Ms ALLAN: Well, thank you for that question. I am really pleased to talk at length about the level crossing removal program and the budget and the investments it has made in level crossings. I just wanted to go directly to that assertion that we are not providing information on the individual costs of level crossing removals. As we award each contract for the removal of level crossings, and I have got a couple of examples here in front of me from just this year, we do publish the contract award price when we announce the contract and the progression of that individual level crossing—

Mr RIORDAN: You publish the finalised cost?

Ms ALLAN: And I will come to that, if you can try and not interrupt at the first outset. We will get to that part of your question.

Mr RIORDAN: Well, that was the nub of my question.

Ms ALLAN: I was picking up your direct assertion that we do not publish individual costs, because we do, and I can point you to them and I am happy to provide these to you. They are publicly available press releases and information that is on the level crossing removals website around the Glenroy level crossing. The contract award for that level crossing was \$285.6 million. We announced that on 4 January this year. And for Glen Huntly, on 20 April 2021 we advised that a \$507 million contract has been awarded for the removal of those

two level crossings. The budget papers then also do go on to provide the global investment that is being made in removing 75 dangerous and congested level crossings—

Mr RIORDAN: But that was specifically my question, Minister, not the global thing. Can you provide on notice to this committee for the 46 that you have completed so far what they have actually cost each?

Ms ALLAN: I believe—and let me just grab the budget papers here—the budget paper does provide you with the investment that has been made to date. Let me just find the—

Mr RIORDAN: By crossing?

Ms ALLAN: And this is the part of the conversation that I was going to go to directly before you jumped in. The way that we deliver level crossings—and again, if my memory serves me correctly, I talked a bit about this at last year's estimates—and part of the reason why we have been able to remove so many level crossings so quickly is because of the procurement method that we use for the delivery of level crossings. If you can bear with me for a minute, this is directly answering your question around how the costs are published and the investment that is published in the budget papers in terms of the investment to date at a global level in the program and how that equates and compares to the individual contract award prices. The procurement model that we use is through an alliance contracting mechanism, and that means there are different alliances that are formed, and they are awarded packages of work. And what we do through that alliance model is—it is through the level crossing removal program, through Kevin Devlin and his team—we are part of those alliances; we are part of the delivery of those projects. So we manage challenges. Cost is one challenge. There are also many other challenges. I talked about the trenches that we are digging in Mordialloc. That comes with challenges as well. And what the alliance model gives us is the opportunity to address those challenges within an overall budget frame. So we have a—

Mr RIORDAN: Are you saying that you do not look at individual cost—you do not look at what each crossing is going to cost you to remove—when it is finished?

Ms ALLAN: We absolutely do. We absolutely do, and we have rigorous industry benchmarking against the—

Mr RIORDAN: So can you supply that to the committee?

The CHAIR: Mr Riordan, if you could stop interrupting.

Mr RIORDAN: Well, it is a simple question, Chair. I am just asking: have you got a unit cost?

Ms ALLAN: Well, actually, can I pick you up on that?

The CHAIR: Well, you are not actually giving the minister the opportunity to answer it, Mr Riordan.

Mr RIORDAN: Well, I have. The minister has been going 5 minutes with one simple question: can this committee have the cost for the—

The CHAIR: Because you continue to interrupt, Mr Riordan.

Mr RIORDAN: No, I do not continue. I have given her a fair amount of time—5 minutes—just to say: can you supply the cost of the 46 crossings that you have done so far?

Ms ALLAN: And I was about to say it is actually not a simple question that you have asked.

Mr RIORDAN: Really?

Ms ALLAN: Yes. And the reason why is because it goes to those exact issues I was talking about around the—

Mr RIORDAN: So how do we know that you are getting good value if you cannot—

Ms ALLAN: We know we are getting good value because at the moment we are delivering; we have removed 46 level crossings ahead of time, and the project has completed 59 per cent of its work and spent 55 per cent of its budget. So we know we are getting both good value for money and good outcomes.

Mr RIORDAN: But how do you put up graphs that compare it to the OECD when you do not know what individual crossings cost?

Ms ALLAN: I have indicated to you we do know what individual level crossing sites cost us because we publicly make available the cost of the contract—

Mr RIORDAN: No, you told us what you have signed up for. You have not told us—

The CHAIR: Mr Riordan, could you please stop interrupting.

Mr RIORDAN: Well, it is a pretty simple question: can you supply the committee what each of the completed level crossings have cost?

Ms ALLAN: Well, again, as I was explaining to you, that goes to—

Mr RIORDAN: Yes or no?

Ms ALLAN: The answer to that sits in the way that the alliance contracting model is delivered, because what we can do is we can work with our contract partners. Also a big part of the cost of delivering and removing level crossings sits in the replacement bus program that we need to run alongside our level crossing removals. So I can assure you in terms of value for money, having completed 59 per cent of our work and only expended 55 per cent of the budget indicates that we are tracking bang on in terms of the investment and what the cost—

Mr RIORDAN: No, what would indicate that is if the government of the day could actually tell the taxpayer and the Parliament what the crossings have cost. It really—

Ms ALLAN: We do. We provide the information.

Mr RIORDAN: No. You have told us that you know what the contract is you signed for, and we have no measure to see whether that has come in on budget because you do not have the finished cost.

Ms ALLAN: Well, I am advising you that we are very clearly operating within our budget, because we have delivered 59 per cent of the program with 55 per cent of the budget expended.

Mr RIORDAN: Yes, but you cannot prove it.

Ms ALLAN: Well, we can. The budget papers provide that information for you—

Mr RIORDAN: No. Extraordinary.

Ms ALLAN: in terms of the investment that has been made by the government and the progress of the program to date.

Mr RIORDAN: But how—

The CHAIR: Mr Riordan.

Mr RIORDAN: Okay. Moving on, Minister. Minister, there are 21 level crossing removals underway at the moment, which you have highlighted. The budget papers tell us that you have spent around \$7 billion on the project so far. We once again have a list of crossings that are underway, grouped in accordance to the way the contracts have been awarded. So, Minister, the question is: what is the actual cost to 30 June 2021 for each contract that you have entered into in this current period?

Ms ALLAN: I am sure that on notice we can probably provide you with the list of the publicly available contract award prices that I just indicated to you. I have only got two examples here. All the other contract award prices have been made available.

Mr RIORDAN: We have got some of those. What we are asking for is to June this year—

Ms ALLAN: Yes.

Mr RIORDAN: what you have expended against each of those.

Ms ALLAN: The contract? Well, again, some of those are in progress.

Mr RIORDAN: It is all wrapped up again, is it? You just cannot separate it out?

The CHAIR: Mr Riordan.

Mr RICHARDSON: You are answering your own question.

Mr RIORDAN: I am just asking. It is the same answer.

Ms ALLAN: Tim is actually correct. You have answered your own question in understanding, and it is great that we are starting to get an understanding of alliance contracting, because—

Mr RIORDAN: No, it makes no sense to me at all, Minister. Like, no-one out there—

The CHAIR: Mr Riordan, you are both putting the questions and answering them. If you would allow the minister the opportunity that—

Mr D O'BRIEN: At least someone is answering them.

The CHAIR: Mr O'Brien, you do not have the call. Mr Riordan, if you could ask a question and allow the Minister an opportunity to answer it, then this may be a more fruitful discussion for you.

Mr RIORDAN: Well, it is becoming a frustrating discussion, because I think most people would find it totally improbable that you cannot say how much they cost to remove in aggregate. I mean, that is just hiding it. We are—

The CHAIR: Mr Riordan, you are again not allowing—

Mr RIORDAN: having to find out via union leaks how much West Gate Tunnel is out—

The CHAIR: Mr Riordan, you are out of order. You are again not allowing the minister the opportunity to answer your proposition or your question. If you could allow the minister an opportunity to answer, that would be appreciated.

Mr RIORDAN: It has been 10 minutes listening to—

The CHAIR: It has been 10 minutes of you putting a question and then interrupting the answer. If you could allow the minister to answer the question, that would be appreciated by everyone at the table.

Ms ALLAN: So where were we? I was not sure where your question was up to.

Mr RIORDAN: We are just wanting to know if there is any chance this government could tell us what individual level crossings, by level crossing, have cost to remove.

Ms ALLAN: We do. We publish the contract awarded price.

Mr RIORDAN: No, no—not the contract. We know the way you guys handle contracts. That means nothing. Look at the West Gate Tunnel, for heaven's sake. So if you have contracted it for, you know, \$524 million, what did it come in at? You know, if you have contracted it for \$100 million, what did it come in at?

Ms ALLAN: Look, I will, Chair, if it is okay, ask Kevin to—

Mr RIORDAN: My hypothetical is absolutely—

The CHAIR: Mr Riordan, you are out of order.

Ms ALLAN: I will ask the—

Mr RIORDAN: I think, asking the questions, I am totally in order asking.

Ms ALLAN: I will ask Kevin Devlin to perhaps do a better job than I have been able to achieve of explaining alliance contracting, and—

Mr RIORDAN: Are you resigning, Minister?

The CHAIR: Mr Riordan, you are being extremely rude and disrespectful to everyone at the table.

Ms ALLAN: I reckon you gave up years ago, mate. But I do think that—

The CHAIR: If you could allow Mr Devlin an opportunity to supplement the minister's answer, that would be appreciated.

Ms ALLAN: I am very happy to have Kevin do a better job than me in helping the Deputy Chair understand the procurement method.

Mr RIORDAN: Why you cannot tell us how much they would all cost to remove.

The CHAIR: Mr Riordan.

Mr DEVLIN: Just further to the minister's points about the alliance model, it is a rolling program of works that remain a source of competitive tension. So the final costs of the packages we track in detail and we benchmark, and the costs of the works to date on those 21 are included in the estimated expenditure to 30 June.

What we do not want to do is—and it is deliberate—compromise the state's position, because it is a rolling package and we seek additional pricing on additional packages, subject to good performance. We do not want to compromise the state's position to negotiate the right price, and we have five program alliance teams that do compete to deliver that work. So we do not want to declare the state's hand. We want them to price the jobs on the merits of each site. And we report in the budget papers at an aggregate level. The business case was established on that aggregate level, and a number of the sites do have interfaces and share occupations that share the costs across different packages, as we do the occupations. So it is not a straightforward exercise to isolate each individual site. So—

Mr RIORDAN: So can you answer this question: of the 46 you have completed, how many of them either were equal to or better than the budget, the contract that you signed?

Mr DEVLIN: Well, I think the information in the budget that shows that we are approximately 59 per cent complete and only 55 per cent expended is a good indication of how we are tracking in terms of contract performance.

Mr RIORDAN: Well, no. I mean, you could make that assertion, but you cannot prove it. What I am wanting to know is are you able to tell us—

Mr DEVLIN: They are slightly under. Those percentages indicate we are slightly under budget.

Ms ALLAN: And it is not an assertion, with all due respect; it is fact.

Mr RIORDAN: But it is not a fact that you can prove—

Ms ALLAN: It is. It is provided in the budget papers.

Mr RIORDAN: what your contract is. And the question was: is it publicly available—or for the Parliament available—what your contract price was and what it came in at?

Mr DEVLIN: Well, we publish on the government's website the contract price. But as I indicated, until tendering those rolling packages of work is complete, we do not want to compromise the state's position to

negotiate the right price with our contractors and declare, otherwise it gives them an indication of where they need to price to. We do not want that; we want them to price on the merits of the job to maintain the competitive tension and to get maximum value for taxpayers. So until we are complete with that program of works, which is a five-year program of works, we think it is in the state's best interests not to declare the individual pricing.

Mr RIORDAN: So following that logic, then, various competitors looking to tender for these things have seen what the others have come in at the contracts, because those contracts have been published.

Ms ALLAN: That is not—sorry. So that is exactly why I was wanting to endeavour to explain to the committee the model of procurement, because there are not individual contractors bidding in the way that you would bid for a one-off project, because we have packaged the level crossings up as groups. They are not one-off projects. They are part of a program of works, and that is how we have been able to get the efficiency in time and cost—

Mr RIORDAN: So how do we know we have not got what we heard with the previous minister, the sprinkle effect, where contracts are being let by the department and money sprinkling around for the benefit of—

Ms ALLAN: My guess is you are probably verballing whichever minister you are referring to—

Mr RIORDAN: No, no. That is the—

Ms ALLAN: and I cannot comment on hearings that I have not—

Mr RIORDAN: That is the Ombudsman's view of what happened with public transport on the cleaning contracts, and what we are trying to get to the bottom of—

Ms ALLAN: Well, let's be clear. Those contracts were not let by the department, so, yes, you are verballing the evidence that has been provided by the Ombudsman.

Mr RIORDAN: No, no, no. The minister was very apologetic for the sprinkling that went on. What we are trying to ascertain is—

The CHAIR: Mr Riordan—

Mr RIORDAN: the level of funds involved here that we are not seeing an opportunity for sprinkling.

The CHAIR: Mr Riordan, your time has expired. I will pass the call to Mr Maas.

Mr MAAS: Thank you, Chair, and thank you, Minister, to you and to your team for your appearance this afternoon. Thank you for your very informative presentation as well. I see that you are about to get into the Big Build, and I was hoping you might be able to elaborate a little bit on that. It is, of course, referred to in the budget papers—budget paper 4, page 26, with reference to the 'State Capital Program'—if you could advise the committee how the Big Build program expenditure is progressing, please.

Ms ALLAN: Thank you, Gary, and I am pleased to provide this information, and in responding to your question I will also be drawing on a lot of the information that is found in budget paper 4, to provide some supplementary information. Yes, the Big Build is an \$80 billion program of 165 major road and rail projects across the state and also supporting the employment of around 18 000 Victorians, and you will find in budget paper 4 an outline of the scale of this investment and also the critical importance that this investment is making towards supporting the Victorian economy. Indeed page 1 of BP4 provides this information around that this year's budget provides \$7.1 billion of new investment, how there is a total of \$144 billion in new and existing projects underway, and it also identifies that the construction sector and its supply chain are the mainstays of a healthy Victorian economy and the productivity benefits it brings to our community. The budget paper also goes on to identify that with the increased investment we are making in this year's budget, our infrastructure investment will go on to average \$22.5 billion a year over the forward estimates, and that is four times the 10-year average leading up to 2014–15, and also too it goes on to reference that important support to jobs and our economy.

If you are breaking that down further, that \$22.5 billion a year that we are investing in the next four years, that is unprecedented. And that is just happening here Victoria, and I will come back and reference the eastern seaboard again in a moment. It is unprecedented, that level of investment. And if you break it down even further, that represents \$60 million a day that is being invested in our economy, \$60 million a day that is supporting jobs: supporting jobs in the construction sector, supporting jobs in the supply chain, supporting jobs in those small businesses that work with us—\$60 million a day investing in the infrastructure that our state needs and \$60 million a day that is being invested to do things like reduce congestion and give us the chance to run more train services. There is also a chart on page 3 of budget paper 4 that shows that steady increase in investment over a period of time.

I then want to go on and draw the committee's attention to what is also referenced in terms of budget paper 4, page 2, and the global challenges of major infrastructure delivery, because it is not a simple yes or no proposition. It is not a simple answer, as others might like us to refer to. This is a complex environment that we are operating in. BP4, page 2, goes on to talk about how over the forward estimates there is around \$1.9 billion a month that is being invested and that with a diverse, complex and high-volume pipeline it is inevitable that there will be changes in project costs and completion dates. It also goes on to show that overall the program meets expectations and that there are 1141 existing budget-funded projects that show only a 3 per cent variance in increased project costs, and 16 per cent of projects had a variance on completion time frames measured over a two-year period. It goes on to talk of the 117 projects of over \$100 million in value that had a 4 per cent net increase in project costs, and 26 per cent of projects had a variance of completion time frames measured over a two-year period. So again, if we break that down just a little bit further, from our total of 1141 projects, 84 per cent are on time, and there is only a 3 per cent cost variance.

Now, of course the sorts of projects we are talking about here today in the transport portfolio are major projects that are incredibly complicated and complex and come with significant challenges, but when you look at that—and the budget papers have this information—and when you look at projects that are \$100 million or more, the cost variation sits at 4 per cent. That is where I draw the committee's attention to that international benchmarking work that has been done that shows that by international standards—and this is also information that has been made available today through the Boston Consulting work and also work that has been undertaken with the Office of Projects Victoria. BP4, page 19 outlines this: an examination of cost and time lines for 379 large-scale projects, transport and social projects, across 14 OECD nations—Canada, France, Germany, Japan, New Zealand, Spain, United Kingdom and the United States—shows a comparable reference point for the challenges experienced by public sector clients in delivering major infrastructure projects. It also goes on to review projects that were commenced before 2017 and are now complete, and these are road and rail projects. And the review of these 379 projects found that internationally—this is not Victorian figures; these are the international figures—32 per cent of major transport projects exceeded their estimated schedule and half of all major transport infrastructure projects exceeded their estimated costs, with an average overrun of 59 per cent. Remembering I have just quoted you the budget papers that found for us here in Victoria we are tracking at 4 per cent, by international standards we are tracking quite favourably.

Now, of course we want to manage every single project incredibly carefully. These are important taxpayer funds that we are investing in this vital transport infrastructure. But also the review goes on to identify the complexity, and this is a really important point. None of these projects are simple. None of what we are delivering does not come without some risk or challenge. The international review—this is the Boston work—shows the complexity and scale of projects undertaken, and those that had the highest overruns were tunnelling projects. It also goes on to find that where you spend the time up front derisking projects it leads to more effective management of costs and outcomes.

So as I said before, our major projects have a cost variation overall of 4 per cent compared to that global average of 53 per cent, but I also said we are not being complacent—far from it. There is a huge amount of work that we do, and importantly we do it in partnership with our construction industry partners, to respond to our domestic challenges but also those global factors. We work with global, international companies. We have to be alive to those international challenges and also understand the market constraints.

I mentioned skills and resources before, and that is why there is a range of measures that we are taking. I might finish on this point because budget paper 4 outlines how the broader Australian context around the increased volume of infrastructure spend across the country is pushing up demand on both materials and labour. And this is compounded by supply-side constraints, including some of the challenges that the market has with a limited

number of tier 1 contractors. So we are working very hard, as I said, with our contractors. There is a huge investment in this budget and in previous budgets in the skills sector as well to ensure that we have got the workforce that we need going into the future. So our infrastructure investment is huge. It is complex, it is challenging, but it comes with enormous broader community benefits in terms of supporting jobs and underpinning our economy. The construction sector and the investment we are making is underpinning the economic activity of this state, but most importantly it is also building those transport connections that get people home safer and sooner and is contributing to a fairer outcome in our community. By having better equality of access, it provides better equality of outcome, and our transport infrastructure supports that.

Mr MAAS: Terrific. Thanks, Minister. In terms of new initiatives would you be able to outline the new Big Build initiatives in the budget and the milestones you expect to achieve this year?

Ms ALLAN: Yes, thank you. I think I have mentioned a couple of times before that this year's budget adds \$7.1 billion towards our road and rail Big Build, and there are a number of those. I mentioned earlier in the presentation, so I might skip over it a little bit at this point in time, the work we are doing around Caulfield. I think I covered that pretty comprehensively in the presentation—the work that is being done there and also too the work we are doing on the Melton and Wyndham Vale corridors to increase capacity on that corridor, the Wyndham Vale corridor, by up to 50 per cent.

There is also \$145.2 million allocated for the planning and development of safety upgrades to ease congestion in Melbourne's growing northern suburbs, particularly to provide for better commuting outcomes for people in and around Mickleham and Craigieburn. These projects also complement the other road projects we have going on in the northern suburbs. But, can I say, across the suburbs we are making the biggest investment in suburban arterial roads ever—and I know you are so very familiar with this in your local community as well. There is \$2.7 billion allocated in the budget for level crossing removals, and we have had a good go at that already. There is additional investment of \$15 million on the Cranbourne and Hurstbridge line projects to include bike paths particularly in these projects. There is the money that is being invested in Melbourne Airport and Geelong fast rail that is shown in this budget, and of course, the Suburban Rail Loop and North East Link also have big allocations as well.

Mr MAAS: Terrific. Thank you. You have spoken a lot about the job creation and support that has come from the Big Build. If that is the case, would you be able to outline for the committee how that is so?

Ms ALLAN: Thank you. The 17 000 jobs that are supported on our Big Build are obviously—I have mentioned it a couple of times now—so important for our economy, and particularly over the past 18 months or so, when we have been able to sustain our construction pipeline and sustain those jobs and the families that rely on those wages from the program.

But also too, I mentioned before that \$60 million a day, when you break it down, that is made on our infrastructure investment. That does support our entire economy. There is a huge ecosystem that goes on in delivering our projects, beyond the very visible hi-vis activity you see. There is a huge army of people who work on the planning and the design. We need lawyers and accountants and HR professionals and people with communications and marketing skills, and then there are all those other small businesses, because of the deliberate procurement strategies we have in place around requiring local procurement and our social procurement policies that we have. We are also supporting a significant number of small businesses who get to partner on our projects. I know many of my colleagues are familiar with the local cleaning companies or the local social enterprises that have been able to secure work on our program. As I have mentioned, it has been particularly important through the pandemic to keep this pipeline of activity going because of that critical importance of supporting those jobs in our local community.

I have also mentioned local content. I will give you just one good example. The Metro Tunnel major contract has 84 per cent of its construction and materials coming locally, and then of course there is the local steel requirements with our level crossing removals as well.

Mr MAAS: Thank you. I think I can squeeze in one more. The Big Build has many different projects in terms of both scale and scope. Would you be able to outline for the committee the different approaches that you are taking to the delivery of these projects?

Ms ALLAN: This is a timely question. I am going to have another crack at explaining alliance contracting in the answer, because we do have a range of different procurement mechanisms available to us, and we do tailor the procurement model to the type of projects. So in the case of Metro Tunnel and the North East Link Project, they are big projects that are broken down into contracts. The Metro Tunnel has four project contracts and, for example, the tunnel and stations as part of that project and also for North East Link are delivered as a public-private partnership. What we have done with level crossings and we are now also applying to our major roads projects pipeline is we are using alliance contracting because it has proven to be so successful in helping us to not just remove 46 level crossings way ahead of schedule but manage the cost of the program as well and also manage the challenges that come with 46 level crossings. Each level crossing comes with its own complexity and its own challenges and the communities around it that you have to consult with and work through, and so that is why the alliance model has proven successful and that is why we over the course of last year reformed the way we procure our suburban roads and some of our regional roads as well—our suburban and regional roads program—to take a similar approach, because what it also achieves is a pipeline that our construction partners and the supply chain can rely on. They can see that there is a forward pipeline of work—in suburban roads goes out to 2025; in level crossings it also goes out to 2025. So the companies can have confidence to continue to invest in their workforces, to continue to put resources into Victoria and into the Victorian economy and community, because they can see that there is a pipeline, and we are now seeing that—my time is up, so thank you.

Mr MAAS: Thank you, Minister.

The CHAIR: Thank you. Mr Hibbins.

Mr HIBBINS: Thank you, Chair. And thank you, Minister and your team, for appearing this afternoon. I want to ask about airport rail and in particular the decision to have a flyover through Albion. I am reading from the Brimbank *Sunshine Priority Precinct Vision 2050*, which I understand the government actually sponsored or asked Brimbank to develop, and in its section on Albion it says:

Albion quarter: the redeveloped Albion station is the catalyst for the transformation of the northern end of Sunshine CBD.

And it has got a picture. In fact I think that is Albion on the front. It does not have a rail flyover. How did we end up with a flyover or why was the decision made to have a flyover through the Albion precinct, which actually locks out development rather than encourages it?

Ms ALLAN: Firstly, the document you refer to is a document that is produced by the Brimbank City Council, so it is not a document of the state. Yes, you mentioned that there is a huge amount of work going on with Brimbank council because they are at the heart of the airport rail project. Putting the airport rail link through Sunshine is going to provide a huge catalyst for the Sunshine area. There were a couple of key reasons why the Sunshine alignment was the right alignment. It provides a huge opportunity for economic development in and around Sunshine. It also provides for those regional rail lines—Geelong, Ballarat and Bendigo—to connect into the airport and then of course too to connect, as we subsequently made the decision in partnership with the federal government, into the Metro Tunnel. In terms of how we ended up where we are, I point to the fact that that document was produced before the decision was taken on the design of airport rail, so in terms of the answer to that question I would have to refer you back to the Brimbank council as to the production and the vision for that document.

But I should also say, on your question about, ‘How did we end up with a flyover?’, I would be a little surprised, Sam, if you were anti rail bridge. I would be a little surprised if you are going down that path.

Mr HIBBINS: Not at all.

Ms ALLAN: That is good. I just wanted to get the record clear on that.

Mr HIBBINS: Not in the slightest.

Ms ALLAN: Very good, because what we are seeing here is this section of the airport rail link—it is a section of elevated rail of just under 2 kilometres in distance—will be constructed between Sunshine and Albion, and you have asked how we ended up here. We ended up here for a number of reasons, and they are in some ways very similar to the reasons why we choose elevated rail at a number of locations. It reduces disruption on the road and rail network, it means we can deliver the rail connection much more quickly and it

also minimises impact to existing infrastructure. We work through these issues very, very carefully, and for this section elevated rail was seen as the right way to go. The federal government clearly agreed with us, because I was with Minister Paul Fletcher when we released the designs for this section of the project. And just finally, your allegation that this will preclude future development is simply wrong. We will see huge investment come into Sunshine. Sunshine and this broader Sunshine precinct, which Albion sits in and around, will be—I think 11 minutes from the airport to Sunshine will be the travel journey time. That is going to provide a massive opportunity, and we are really excited to work with the Brimbank council on realising that opportunity. That is why we have a precinct team established and dedicated to catalysing the opportunities that come from Sunshine as a consequence of the airport rail being delivered through their community.

Mr HIBBINS: Were alternatives assessed?

Ms ALLAN: Of course. Alternatives are always assessed. I would be very happy for Evan Tattersall, the CEO of Rail Projects Victoria, who is responsible for delivering this project—we always assess all the alternatives, and it does come down to a range of factors. If anyone knows this part of Sunshine and Albion well, you will know that there is a complex road network there. I know the Secretary knows this part of the world very well. There is a complex road network there as well. It is Ballarat Road that we have to get across as well, so we have to take into account the disruption that would be caused through construction and also the ongoing disruption and the impact on the road and rail networks of different alternatives. But as I said, if you want to have further advice—

Mr HIBBINS: Was a tunnel or a cut-and-cover option assessed?

Ms ALLAN: Well, while Evan is coming up, I will lead with the answer to the tunnel, because remember of course there was another alternative that was being promoted through a market-led proposal, that was being promoted by the private sector, that included a tunnel. When we assessed that proposal it was determined that it was not going to provide the benefits that were being claimed. Also, most importantly, it would not have brought the benefits to the broader Sunshine area in terms of the numbers of people who will be coming in and out of that area. But I am very happy now that Evan has settled in—

Mr HIBBINS: I am not referring to the full Sunshine CBD tunnel, but at this particular Albion location something that is either at grade or that actually goes underneath the roads.

Mr TATTERSALL: Just to gain a bit of an appreciation of that area, there are five rail tracks that run through that area and there is a jet fuel line that runs all the way through there out to the airport that is critical to maintaining fuel supply for the airport. It is obviously a reasonably constrained environment. The rock levels there are very high and very shallow. So we looked at all options. We looked at an underground solution, so a tunnel solution; we looked at a cut-and-cover option; we looked at an at-grade solution; and we looked at the elevated section, which we have kept to a minimum and as short as we can. The underground solution is horrendously expensive and would take a much longer period to deliver—over six months at least, plus risk. The at-grade solution meant pushing some of those five tracks out, which meant it encroached into existing car park areas and took up usable space. Plus we would have had to rebuild the bridge that goes over Ballarat Road and St Albans Road. There would have been major infrastructure impacts around there plus a very big impact on the existing operations of freight, regional and metropolitan services. So we did look at all options, and this by far was the best value-for-money solution.

Mr HIBBINS: Minister, are you descoping major infrastructure projects like this to save money?

Ms ALLAN: No. We deliver a scope that takes into account the local environment, as Evan has mentioned. And actually as Evan was talking about the jet fuel line, I was reminded of one of the key reasons why we delivered sky rail on the Dandenong line. It was to avoid the Longford gas pipe that runs through the level crossing site at Grange Road. So, no, we absolutely deliver the scope of the project that is right for the delivery of that project.

Mr HIBBINS: You referred me back to Brimbank council for their *Sunshine Priority Precinct Vision*, but isn't it the fact that the government actually encouraged Brimbank to develop this vision in response to airport rail?

Ms ALLAN: Absolutely we are working with Brimbank City Council on realising the opportunity, as I mentioned before, that will come to that community as a consequence of being 11 minutes from Victoria's major international airport. That is a huge opportunity for development and economic activity in and around Sunshine, and yes, we are absolutely working with Brimbank and will continue to work with Brimbank on how to realise that opportunity that will come for that community.

Mr HIBBINS: But, I mean, the question is: why did you ask them to develop this document and then ignore it when it came to the—

Ms ALLAN: No, let us be clear. What you are referring to there is a picture on the front of the Brimbank council's document that does not reflect the scope that has been agreed to between the Victorian government and the commonwealth government on the delivery of airport rail. In no way does the scope of the project reflect that. You are referring to Albion there in and around the Sunshine area, and what we are working on right now with the Brimbank council—and I would certainly hope that we can continue to have that collaborative work with them—is to realise that opportunity.

Mr HIBBINS: With some of your other projects like, for example, level crossing removals, you do open a consultation period which gives various options—rail over, rail under, what have you—but that was not done on this occasion for airport rail and the Albion flyover. Why was that?

Ms ALLAN: I think Evan has pretty comprehensively answered that. You cannot get around the fact that there is a jet fuel line running through the centre of Sunshine, so that automatically starts to really rule out options, and to be quite honest, to do otherwise would be leading the community astray. What I am a little concerned about here with this line of questioning is that you are assuming that the elevated rail around Sunshine and Albion precludes the opportunity to catalyse that precinct. Airport rail is an absolutely great opportunity, and I would hope that some of the negativity that you are expressing today does not become part of that conversation with the local community, because we are already talking with the Brimbank council and others. There are many other people in the local area who want to also see these opportunities be realised. There are some great opportunities, but it does come down to the fact that in some parts of the city and the state there is only one solution. Evan has gone through the other options that were examined and the reasons why they were ruled out.

Mr HIBBINS: Well, you would be aware that I am asking these questions because there is a lot of pre-existing community concern. You would be well aware of that, I imagine.

Ms ALLAN: Well, I have been talking regularly with my colleagues the Member for St Albans and the Member for Footscray and a Member for Western Metropolitan, Ingrid Stitt, on these very matters. They report to me about the huge interest in their local community about realising the potential of the airport rail for the job activity that is going to come in and around Sunshine. If you look at the presentation I gave before around Arden and how Arden is going to be the home to 15 000 people and bring in 34 000 jobs every single day in that precinct as a consequence of putting in a train station that is connected to the Metro Tunnel and connected to the airport at the heart of that precinct, that is exactly the same approach we are going to take with Sunshine. Now that we have landed the scope of the airport project, we have got agreement with the commonwealth government in terms of the delivery of that project and a partnership with the commonwealth government. Indeed Minister Paul Fletcher and I, every time we meet and talk about the airport rail project, talk about the opportunities that are going to come into Sunshine in terms of the economic and community benefits and how we have a shared commitment to drive those outcomes very, very hard, because I think to be frank this is a community that absolutely comes with a history of economic disadvantage and we have got a wonderful opportunity off the back of transport infrastructure to catalyse the future of Sunshine and the surrounding area.

Mr HIBBINS: Yes, you would be aware from that community that they do want to see those wider benefits that airport rail would bring to the Sunshine area. I am hearing that you are still committed to that. Can you outline the steps that the government is going to take beyond the actual transport infrastructure to actually then have those developments occur within the wider Sunshine area?

Ms ALLAN: In a similar way to the process that has been taken for Arden we have established a precinct team around Sunshine, because Rail Projects Victoria is responsible for delivering the infrastructure, and we have in the Department of Transport a precinct team that is responsible for realising that broader vision and the

economic opportunity. We are establishing a community reference group to help work with the Sunshine community—and that will involve the council but will also involve others as well—to work through these opportunities, because with airport rail being completed in 2029 we have over the next eight years an opportunity to do the planning work, because this also will require the involvement of the planning minister. I have mentioned local government as well. And then there is also how we can put the economic opportunities out to attract private development and private investment in and around Sunshine.

Mr HIBBINS: Okay, thanks. Thanks, Chair. Thanks, Minister.

The CHAIR: Thank you, Mr Hibbins. Mr O'Brien.

Mr D O'BRIEN: Thank you, Chair. Good afternoon, Minister. Can I just continue along the lines of some of the questions that Mr Hibbins was asking with respect to consultation, and I note that there are currently 21 different community groups that have been established and have raised complaints about the level crossing removal program. The fact that you have caused so much angst and concern—is that a reflection of the fact that you are pushing this through? And is that one of the reasons that you actually are ahead of schedule on these crossing projects?

Ms ALLAN: No.

Mr D O'BRIEN: So why, then, are there 21 different community groups up in arms over the proposals that you have put forward?

Ms ALLAN: Well, I would suggest you look at—oh gosh, there are so many different ways to start this. I would suggest that you might want to ask some of your colleagues who are very active in whipping up—

Mr D O'BRIEN: We are asking you, Minister.

Ms ALLAN: local opposition to level crossing removals. I think I mentioned this in my contribution before—each and every level crossing site is an opportunity to engage with the local community about not just the removal of that level crossing but also the other opportunities that sit around that. The Member for Mordialloc is living this at the moment—the removal of a level crossing is disruptive, particularly where you are excavating a large trench. And we saw this at Mentone and Cheltenham as well. That involves a large number of trucks coming in and out for the excavation of the soil and a significant number of workers coming in and out every single day for the those works, and that does come with some disruption. And, yes—I know the Chair also experienced this last with the work on the Upfield line—sometimes the work is noisy as well. And we work—

Mr D O'BRIEN: So you reject that you are just riding roughshod over local community concerns?

Ms ALLAN: I absolutely reject that.

Mr D O'BRIEN: Okay—

Ms ALLAN: No, no, you are not going to get away with cutting my answer off, because—

Mr D O'BRIEN: No, I asked a question, Chair, and she said, 'I reject it'. That is the end of the answer to the question.

Ms ALLAN: I am entitled to answer. I was answering. What I was saying is beyond the disruption of the works themselves we have great conversations with the local community about the opportunities that come from not just removing a level crossing but reconfiguring the road network. At the Toorak Road level—

Mr D O'BRIEN: Okay, can I ask—

Ms ALLAN: No. At the Toorak Road—

The CHAIR: Mr O'Brien, you cannot—

Mr D O'BRIEN: On a point of order, Chair, I asked a specific question, 'Do you reject something?'. The Minister said yes. That is the end of it. She does not get to then spend another 3 minutes. If you want to let the

minister just keep on talking, Chair—this is a point of order I am raising—then you remove the limits on the questioning time that we have. I do not have to sit here once I have got an answer to the question and put up with another 4 minutes of waffle. I would like to now move on.

The CHAIR: Would anyone else like to submit on the point of order? Mr Richardson.

Mr RICHARDSON: Just on the point of order, Chair, we see in the speaker's engagement, where there is a preamble, you are able to address the preamble. So if there is a preamble and it not a yes—

Mr D O'BRIEN: There was not any preamble.

The CHAIR: Mr O'Brien, you have had your turn to speak on the point of order. I have invited other people to speak on the point of order.

Mr RIORDAN: Are we stopping the clock while we—

The CHAIR: No. Mr O'Brien has raised the point of order, and he is entitled to do so, but other people are entitled to offer their view on the point of order. Does anyone else have a view on the point of order? No? I rule that there is no point of order. Mr O'Brien, once you put a question you are not entitled to truncate the answer just at a point at which it suits you. The minister is entitled to fully answer your question and not be cut off—

Mr D O'BRIEN: For how long? For 15 minutes if she wants?

The CHAIR: Mr O'Brien, I have the call. I am ruling out of order your point of order and I making the point that you are not entitled to truncate an answer at the point at which it suits you. The minister is entitled to fully answer the question. I invite her to do so.

Mr D O'BRIEN: Can I move on, Minister? Speaking of community reference—

The CHAIR: No, Mr O'Brien, you cannot move on. I have ruled out of order your point of order, and I have invited the minister to finish her answer as she needs to.

Mr D O'BRIEN: She has answered the question.

Ms ALLAN: I was only going to go for one more minute. You have wasted more time on the points of order. I was simply going to say that there are great opportunities to work with the local community. That input with the local community, rather than that presentation you have made about us ignoring their views or their concerns, has had direct input into the outcome. And the Member for Mordialloc knows full well the engagement we had with the Mentone community has resulted in some great outcomes around the historic area of the Mentone station.

Mr D O'BRIEN: On that point, you have appointed your Labor MP Paul Hamer to chair the community reference group for the Surrey Hills-Mont Albert project. Who else has been appointed to that community reference group, and how many times have they met?

Ms ALLAN: I would have to take that on notice. If there is anything further to add, I will provide that information.

Mr D O'BRIEN: While you are taking it on notice could you also table the minutes of any of those meetings, and could you table a blank copy of the confidentiality agreements that members of the group have been asked to sign?

Ms ALLAN: I would have to take that on notice, and if there is anything further to add, I will provide it, but what I would say more broadly about community reference groups is their very existence and establishment clearly refute your previous allegation that we ignored the views of local communities. We actively go out and seek and engage the input of local community members, and I know there are many members on this committee who have firsthand experience of the engagement with community reference groups.

Mr D O'BRIEN: So do members have to sign a confidentiality agreement? Because if they do, then you are not exactly consulting with the whole community.

Ms ALLAN: No. The CEO of the level crossing removal program is saying no. So I know you are running this conspiracy theory here.

Mr D O'BRIEN: No. I am just asking questions, Minister.

Ms ALLAN: I know that appears to be modus operandi of the opposition at the moment—to run all sorts of conspiracy theories. But off you go. Run them away.

Mr Riordan interjected.

The CHAIR: Mr Riordan, you have had your turn; you do not have the call. Mr O'Brien, I would remind you of the scope of the estimates inquiry, please.

Ms ALLAN: I hope you are not waving a prop around there.

Mr D O'BRIEN: Speaking of which, this is a document that was leaked from that community reference group which shows some of the plans for that particular project. I am actually wanting to know—

Ms ALLAN: Hang on. Well, first let us be clear: there is no leaking, because, as you have just been advised, there are no confidentiality agreements.

Mr D O'BRIEN: Well, I am actually wanting to know, Minister, then why these sorts of documents are not available to the wider community and are limited to the community reference group.

Ms ALLAN: I am happy for the CEO of the level crossing removal program to refute your conspiracy theory.

Mr D O'BRIEN: It is a question. I am not wearing a tinfoil hat.

Ms ALLAN: Oh, yes, you do.

The CHAIR: Mr O'Brien, would you like to hear from Mr Devlin, or would you like to continue asking—

Mr D O'BRIEN: Yes. I was waiting for him to come.

Mr DEVLIN: The community reference group, which we set up for every level crossing removal to get the input—at times we do want to involve the community in very preliminary concept work. We do ask that those community members not disclose that work in progress. It is just initial thinking that would mislead the broader community if that was released too early in the process, but we think there is value in engaging with that community group, which has been selected as a representative group to represent the various key interests of that local community. It is a valuable source of input into developing the design. Just recently we have now finally released the concept design for the new premium station at that location, which we think is an excellent outcome for that community.

Mr D O'BRIEN: Great. Thank you. It was not too hard, was it? Minister, BP3, page 344, has a 'Quality' measure 'Level Crossing Removal Project: milestones delivered in accordance with agreed budget and timelines', and the result has been 100 per cent, so you are hitting 100 per cent of the milestones. But we do not know what the milestones, the budget time lines or any of those are. Will you provide further detail on what the detail of that performance measure actually is—the agreed budget and time lines?

Ms ALLAN: Seventy-five level crossings removed by 2025.

Mr D O'BRIEN: Yes. Okay. The question was 'further detail'. We all know that. That is in the budget. What are the time lines and budget measures that that particular performance measure refers to? I am happy to take it on notice if you would prefer, Minister.

Ms ALLAN: No. I am going to go back and talk again about alliance contracting, because this goes exactly to what I was saying before both in terms of—

Mr D O'BRIEN: No, no—

Ms ALLAN: No, please do not cut me off.

Mr D O'BRIEN: I heard all that before.

Ms ALLAN: No. Please, just let me finish. When I was talking before about alliance contracting—and it goes exactly to the question you have just asked—we have committed to remove 75 level crossings by 2025. The budget papers outline the budget allocations that have been made across three line items for that work to be undertaken. We also, in the budget papers, outline the total expenditure to date, and as we have already talked about today, we have achieved 59 per cent of the program with 55 per cent of the budget expended. The purpose of alliance contracting is to establish a pipeline of works, and it gives us the opportunity to deliver that pipeline of works in the most cost-effective, time-efficient way that is available in the way we work with our contracting partners.

Mr D O'BRIEN: Okay. Minister, the question is still there. The budget papers give us one performance measure—that milestones are delivered in accordance with agreed budget and time lines—and you are saying, 'We've hit 100 per cent'. That is great. Nobody outside the department and those alliance members knows what those budget and time line measures are. Can you perhaps take on notice to give us some information as to what the detail of those performance measures actually is?

Ms ALLAN: Well, the performance measures are the performance measures that are in the budget, firstly—

Mr D O'BRIEN: Okay, all right. That is fine.

Ms ALLAN: and secondly, Kevin Devlin, in his contribution earlier, spoke of the process that we go through in terms of having a rigorous estimate of cost within—

Mr D O'BRIEN: But we do not know whether it is rigorous because you do not tell anyone.

The CHAIR: Mr O'Brien!

Ms ALLAN: Well, Kevin did just give you that answer a few minutes ago. I am sure he would be delighted to say the same thing again if you were interested.

Mr D O'BRIEN: No, no, no. No, Minister. I will move on, because you—

Ms ALLAN: You want to answer the questions and ask them?

Mr D O'BRIEN: No, you clearly do not want to give me the answer or give any more detail on these projects to the public. You have got one performance measure—

The CHAIR: Mr O'Brien, your questions have been answered.

Mr D O'BRIEN: for a \$13 billion program, and you will not provide any more detail.

Ms ALLAN: No. I am going to—

The CHAIR: Mr O'Brien!

Ms ALLAN: No. I am not going to have you verbal me. We have, over the course of the last hour, worked very hard to explain to the committee the way we structure the program, the way the program is budgeted, the way the program is delivered and how we are providing a significant amount of information to this committee and the broader community. The way you have characterised the community reference groups as 'false', the way you have tried to—

Mr D O'BRIEN: I asked questions.

The CHAIR: Mr O'Brien!

Ms ALLAN: misrepresent our position on the budget is wrong. I appreciate you might not like the answers you get, but you cannot verbal me in my answers and you cannot change the construct to suit your question.

Mr D O'BRIEN: Minister, page 105 of budget paper 4 lists the West Gate Tunnel Project. As you would be aware, the *Age* reported yesterday that there has been a further blowout in the cost of the West Gate Tunnel Project. How much will the West Gate Tunnel Project cost Victorians?

Ms ALLAN: I am happy to have Corey Hannett add to the answer on this. In answering this question—and if you will forgive me, it is not a simple answer; it is not a yes or no—you have to let me answer the question and not cut me off, firstly.

The delivery of the West Gate Tunnel Project is being done under the terms of a contract that the government signed with Transurban. Transurban is responsible for the planning, the design and the delivery of the operations and the maintenance of the West Gate Tunnel Project. They brought this project to government a few years ago, and off the back of that they agreed through that contract with the Victorian government and the Victorian community to deliver the West Gate Tunnel within the terms of that contract. Now, what that contract also has in it, which is standard for all construction contracts—not just ours but pretty much every construction contract across government—is the capacity for, should there be a dispute or a claim, contractual mechanisms by which those matters can be resolved. That is the situation we are in now, which is why we cannot give you a particular answer to that question. It is a matter that we are, under the terms of the contract, working through, and particularly in the terms that Transurban have indicated to date their failure to deliver against the contract that they have signed with the government, and we are continuing to work through those matters.

Mr D O'BRIEN: Will it cost more than the \$6.3 billion that is in the budget papers?

Ms ALLAN: I am not going to provide any further speculation on the cost of the contract other than to say we have a contract with Transurban. We expect Transurban to deliver against that contract.

Mr D O'BRIEN: People on the Monash and other parts of CityLink are already paying excess tolls to cover the cost of the West Gate Tunnel, which has not even started tunnelling. Will that be paused until this is sorted out?

Ms ALLAN: Well, that again goes to what I said before about the terms of the contract and the way those matters are worked through.

Mr D O'BRIEN: So why should Victorians, including country Victorians, be paying increased tolls for a project that they have not got and that has not even started yet?

Ms ALLAN: Well, you mentioned work—there is a huge amount of work actually happening right now on the project. There are something like 3000 people working on the project right now, widening the West Gate—

Mr D O'BRIEN: No, no, that is not remotely relevant to the question I asked. It was about tolls.

Ms ALLAN: No, actually it is.

Mr D O'BRIEN: No, it was about tolls.

The CHAIR: Mr O'Brien, it is not for you to decide what is relevant to the answer. The minister is trying to provide—

Mr D O'Brien interjected.

The CHAIR: Mr O'Brien, you put a question. The minister is entitled to provide the answer.

Mr D O'BRIEN: It would be nice if she did.

Ms ALLAN: You conflated—

Mr D O'BRIEN: No, I asked straight out about, 'Why should Victorians continue to pay tolls for something that hasn't even started yet?', and you are talking about workers. What is the relevance of that, Chair?

The CHAIR: Mr O'Brien, if you could allow the minister to finish what she is trying to say, you might learn something.

Mr D O'BRIEN: Probably not.

Ms ALLAN: I was pointing out to you that that allegation that work has not even started is incorrect. That was the point I was endeavouring to make—

Mr RIORDAN: Well, the posters on the freeway—

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

Ms ALLAN: that there actually is a huge amount of work going on right now on the project, and—

Mr D O'BRIEN: So when will it be completed then?

Ms ALLAN: Well, that is a separate question that I will now answer. So, as I said to you before, under the contract Transurban is responsible for the design, construction, tolling, operation and maintenance of the West Gate—

Mr D O'BRIEN: I am going to run out of time, Minister. Just a year would be good.

The CHAIR: Mr O'Brien, you are the one who is speaking.

Mr D O'BRIEN: A year would be good. Oh, look, we have waited until the time ran out.

The CHAIR: Mr O'Brien, you actually took the end of the period of time then.

Ms ALLAN: No, actually I am very happy to add two more sentences to that answer, lest the conspiracy theorists run away with this—

The CHAIR: Sure.

Ms ALLAN: because I want to make this really clear. Transurban made an announcement to the stock exchange in May of 2020 that they expected the project to be completed in 2023. They updated that advice on 11 February that they did not think that that 2023 completion date would be achievable. Now, I am incredibly disappointed and frustrated at Transurban's failure to deliver against the terms of the contract that they have signed with the Victorian government and the Victorian community, and it is under the terms of that contract that we are talking to them about holding them to the terms that they have agreed to on the delivery of the West Gate Tunnel.

Mr D O'BRIEN: Well, it is clearly not going to be 2023. You still have not answered the question.

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

Mr D O'BRIEN: On a point of order, Chair, the committee just gave the minister extra time to answer the question, and she failed to do so.

The CHAIR: Mr O'Brien—

Mr D O'BRIEN: What are we here for if she is not going to answer questions?

The CHAIR: Mr O'Brien, you talked out the end of your own time rather than allowing the minister to answer.

Mr D O'BRIEN: It is a sham.

The CHAIR: The minister offered you an answer as it was even though you talked out your own time. You do not have a point of order, and the call is now with Ms Richards.

Mr NEWBURY: Chair, point of order—I would like it recorded in Hansard as a point of order that earlier you spoke to Mr O'Brien and said he might learn something. I felt that comment was nasty and personal, and as Chair I think it was completely inappropriate of you.

The CHAIR: Mr Newbury, there is no point of order, and I think we all come here to learn something, don't we? Ms Richards, you have the call.

Ms RICHARDS: Thank you, Minister, and thank you, officials. I am looking forward to learning something now about the North East Link. I would like to refer you to budget paper 4, page 15, and I am interested in having you explore and provide some evidence to us, without interruption, on the delivery approach the government is taking towards this project.

Ms ALLAN: Thank you. I am very pleased to talk about the North East Link Project. It is Victoria's biggest ever road project, and for anyone who lives in that part of northern Melbourne, or indeed if you live in the inner south-east or in Gippsland and want to get across to that side of the city or take product to market at the Melbourne market or the airports, it is understood very well what this missing link in our road network is as an economic constraint and also what it means having in trucks on the local roads. The North East Link will cut travel times by up to 35 minutes and take more than 15 000 trucks a day off those local roads. Further, on its completion around half a million Victorians will live within 2 kilometres of a planned North East Link interchange, changing the way they will move around the city and the state forever.

Now, when it comes to the delivery of the North East Link Project, it is called the North East Link Project but it actually has a number of different packages that make up that umbrella of the North East Link Project. Each of these components, if you like, is a major project or program of works in its own right. For example, there is the critical enabling or early works, and that work is underway right now, moving something like 100 utilities along the project corridor. Thirty-four kilometres of gas, water and sewer pipes and drains are being moved as part of that early works package. There is the major tunnelling contract, which I mentioned before is being delivered through a public-private partnership. Then separate to this there is also a major upgrade of the M80 from Plenty Road to Greensborough Road and a new connection that will be made into the tunnel in the north, so that is being delivered as a separate package to the tunnelling package.

There is also a major overhaul of the Eastern Freeway as well, and this will significantly boost capacity on the Eastern Freeway. Separate again, there is the dedicated busway from Doncaster to Hoddle Street, providing an important public transport connection along that corridor. And then finally there is also a package of community and sporting upgrades along the project corridor as well, where we recognise there will be some disruption to the existing open space in this area and we are working really hard to provide improved community and sporting facilities as well. These are different components that make up that umbrella of the North East Link Project. I should also mention—I should have mentioned before—that community sporting package. There is about a \$68 million upgrade to those local sporting facilities.

Also too, just in terms of the tunnelling part of the project itself, we are working with our bidders. Again, I have talked about procurement a little bit already this afternoon. We are working closely with our bidders on the tunnelling package of work and looking at how we can work with them in a more collaborative approach on managing some of the risks. Obviously it is the longest tunnelling project that will be delivered in Victoria, and that comes with some risk. I mentioned before that by international comparisons tunnelling projects come with great complexity. So the approach we are taking is a more collaborative approach, very similar to the collaborative approach we take in our level crossing removal program, to working with our industry partners. That allows us to work with how we can get the best of the innovation out of the PPP while at the same time recognising that there are great complexities in the project that will need to be worked through in terms of the delivery.

I should say—and I think I have mentioned this on previous occasions—building a project of this size and scale in a densely populated urban area where there is no road reservation is a massive, massive challenge, and that is why we are doing huge amount of work in consulting with the local community and working with our bidders on getting the best outcomes. Just on that issue of working collaboratively with our construction partners, there are also examples internationally—projects like Crossrail, HS2, Grand Paris Express and the Gotthard Base Tunnel are all recent examples of collaborative contracting and greater risk sharing for construction packages. So we are responding to some of these global and domestic challenges that we have in making sure we get best value for money in delivering this important project. Actually it is not just a project, it is a program of works that sit under the umbrella of the North East Link program.

Ms RICHARDS: Minister, you initially described it as the missing link then when you were responding to that question. Can you perhaps, for the benefit of the committee, run through some of the elements of the project and the benefits of the project and its associated components?

Ms ALLAN: Yes. Thank you. I have mentioned some of the ways it will change people's movements. A good example of this is when it is completed, the North East Link will allow drivers in the eastern suburbs to avoid 36 sets of traffic lights and cut an hour off their return trip to the airport. So it is a significant time saving, and it avoids the frustration of traffic lights as well. It is also going to create something like 10 300 jobs during construction and return \$1.30 for every dollar that is invested, so that again demonstrates that size and the complexity of the project. But really importantly it will give local roads back to local people. Some examples are it is going to take 19 000 vehicles a day off Greensborough Road, 14 000 a day off Fitzsimons Lane, 9000 off Rosanna Road and 8000 off Manningham Road. So for people who live on these roads or near these roads who just know the daily experience of having trucks in their streets, there will be that great benefit once the North East Link Project is delivered.

I also want to touch on the Eastern Freeway component of the program of works. The Eastern Freeway has not had an upgrade since a Labor government built EastLink, and much of the freeway has not been touched since it was built in the 1970s. So we are also, while we are building the North East Link, recognising that there is an opportunity. Again, a bit like level crossings, when we have got the opportunity to do more, we want to do more, because they are often long-needed upgrades to our networks. It will also add more than 50 kilometres of new and upgraded lanes to the Eastern Freeway, again reducing congestion, improving travel times and also improving safety. And on that travel time question, it will take 11 minutes off a trip between Hoddle Street and Springvale Road. There are also going to be an additional three lanes between Chandler Highway and Bulleen Road and an express carriageway to separate longer journeys from people having to get on and off the freeway, remembering that there are a lot of people who are going to want to make those changes. There will be an additional eight lanes between Bulleen Road and Doncaster Road, and there will be an additional six lanes between Doncaster Road and Tram Road.

Three additional lanes will be added between Middleborough Road and Springvale Road. There are also going to be improvements to cater for heavy vehicles, and there will be an intelligent transport system also involved in the works on the Eastern Freeway. If I can, on indulgence, also there is the Doncaster busway that will deliver that important public transport connection along this corridor. The Doncaster area rapid transit routes currently carry more passengers than the Upfield line, so it shows that it is a very important public transport service, and we want to improve that by adding dedicated lanes to improve travel times and, importantly, run more buses in the corridor.

I should point out for the committee's information that early work on the Bulleen park-and-ride is already underway, four years ahead of schedule, creating 300 jobs along the way. Also the park-and-ride will have all those important safety features, like 24/7 CCTV monitoring and PSO services as well. Building the park-and-ride closer to the Eastern Freeway means that that the park-and-ride can open four years earlier than planned and it also removes the need for the temporary Doncaster park-and-ride facility and provides better access to the Eastern Freeway as well. So there is a lot going on as part of that. As I said, we are not just building the missing link, we are making a massive investment in the road network, in public transport services and in community facilities in the north-east of the city.

Ms RICHARDS: Thanks, Minister. You can see the progress. It is obvious along the Eastern Freeway corridor to the Ring Road. Can you take us through perhaps, for the committee's benefit, some of the early progress on those works that are going on at the moment?

Ms ALLAN: Yes. Thank you. There is, as you have said, a huge amount going on in the early works part of the project, and early works is a really important package in the delivery of projects like this. We took a similar approach with the Metro Tunnel and we are also taking a similar approach with the Suburban Rail Loop by having a comprehensive early works package, which de-risks a lot of the delivery of the major package of works. It also allows that work to get moving more quickly. Currently there are more than 900 people working on the project right now. I mentioned before the 34 kilometres of gas, water, sewer pipes, drains and 96 other utilities that all either need to be protected or relocated ahead of the major tunnelling works. Gas pipeline night works along Greensborough Road started in the middle of last year—so in the middle of the pandemic we were

able to get this program up and running—and we have got works to relocate a 2.5-kilometre high-pressure gas main that is located under Greensborough Road continuing.

We have a mini tunnel-boring machine working on the North East Link Project that is being used to relocate the Yarra East main sewer, and there are going to be three in total TBMs, mini tunnel-boring machines, that will be building 1.8 kilometres of new sewer from Bulleen Road to then connect back into the existing main sewer at the Eastern Freeway. Again, I hope this is demonstrating just how complex these sorts of tunnelling projects are, when you have got to look at what is literally underneath the ground and make sure that communities and businesses are having their utilities maintained whilst we are doing this work. As I said, the mini-TBMs are getting going, and the first of those has already had their first breakthrough. As part of the major works to relocate this key piece of Melbourne's sewer infrastructure, seven TBM launch and retrieval sites are being built as well, which is a bit of work on its own.

Also too, if you have been driving along the Eastern Freeway at Bulleen Road, you will have noticed the site establishment work at the new Bulleen park-and-ride, which I mentioned before. Also too, there has been a power of work done to construct and upgrade new and upgraded sport facilities. I had a couple of months ago a great opportunity with the Member for Ivanhoe to go and see the works at one of the sporting facilities there and hear from the president of the local footy club about the massive improvements that are being made there. And again, it demonstrates how, by sitting down and talking to the local community and understanding the challenges that come with construction and the disruption that flows but then the opportunities, we can leave behind a legacy of not just improved transport infrastructure but improved community facilities. We grab that opportunity to do that.

So that is why there will be four key sporting fields that will be where works are nearly complete to make sure that they are ready to be used before the North East Link major works start. This includes the Veneto Club in Bulleen, Ford Park in Bellfield, Binnak Park in Watsonia North and Greensborough College in Greensborough. And again, I thank the work that is being done with those local sporting and community facilities through the delivery of this project.

Ms RICHARDS: Thanks, Minister. In the short amount of time I have got left—there is a smidge of time left—the North East Link is a tunnel, I am very aware of that. I was wondering if perhaps you could go through what the alternative options were and the considerations that were undertaken there?

Ms ALLAN: Yes. Look, there are alternatives that are promoted by some that would be an alternative to the North East Link Project, and given the huge benefits that I have just spoken of in terms of what the North East Link will do in getting trucks off local roads and saving travel times and the benefits for the freight industry, it demonstrates how it is critically important. There is that other project, the east–west link, that continues to be advocated by some, that would not get a single commuter into the city any quicker. Anyone who currently exits at Hoddle Street would still have to make that exit, the only difference being with the east–west link that that would come with the price of a toll.

There is the work that has been done by the Auditor-General in Victoria and at the commonwealth that confirms that the cost-benefit ratio for the project is 0.45, meaning that we would lose 55 cents for every \$1 invested. So it would be a real tragedy to see if there was ever the situation of cancelling or delaying the North East Link Project to build this alternative. It would also have a great disadvantage to the local community, disadvantage those workers and also not make the difference it needs to make to those traffic movements that the North East Link will bring by building the North East Link Project.

Ms RICHARDS: Thanks. I will leave it there. Thanks, Chair. Thanks, Minister.

The CHAIR: Thank you, Ms Richards. Mr Hibbins.

Mr HIBBINS: Thank you. Thank you, Chair. On a more positive note, I am advised that the budget item in budget paper 3, page 121, planning for an upgrade for Windsor station—

Ms ALLAN: Sorry, Sam. Can you just repeat that reference?

Mr HIBBINS: Budget paper 3, 121, planning for an upgrade of Windsor station southern platform second entrance. It falls under your portfolio responsibilities. Would you be able to advise the committee in terms of just what exactly the scope of those works is, which my community are very keen to see?

Ms ALLAN: Yes, I am sure you are. I am going to have to take it on notice and come back to you, because there is some planning work underway. I will come back to you.

Mr HIBBINS: All right. Terrific. Thank you. Another project that I believe falls under your portfolio responsibilities in my electorate is the St Kilda Road bike lane. Now, the budget has indicated that over \$4 million has been spent so far. I understand that it is not due to open until the Metro Tunnel is completed in 2025. But I understand there is some advocacy from the City of Melbourne—

Ms ALLAN: Yes.

Mr HIBBINS: to have that brought forward, not an unreasonable request given the length of the proposed bike lane. It starts at Carlisle street, which is a very long way from Domain station. So is there any progress on bringing that project forward?

Ms ALLAN: Yes. You are right. The City of Melbourne are keen advocates for this project. The Member for Albert Park is keenly interested in this project, and the Member for Prahran obviously is as well. Look, Major Road Projects Victoria is currently preparing the business case that is going to look at a number of options to improve safety for cyclists along that St Kilda Road corridor. You mentioned Carlisle Street, so between Linlithgow Avenue and Carlisle Street, including at the junction. Depending on how much information you want I might also seek the assistance of Evan Tattersall, because yes, there is that commitment that was made to the bike paths on St Kilda Road, but we cannot avoid the fact that the direct interface with the Anzac station, both works and eventual precinct, has added some complexity to delivering against that commitment. So in March the final designs of Anzac station precinct were released to the local community. I know you know about how Anzac station is going to be a really interesting transport hub because it is going to be a train-tram interchange. And then you have also got how we want to make sure we provide for both pedestrians to get in and out of that train-tram interchange but also make sure that we are allowing the through movements for cyclists. The final designs of Anzac station show protected bike lanes that will allow cyclists to ride two abreast in both directions between Dorcas Street and Toorak Road, and then also—I have mentioned before—that broader piece of work and that business case that Major Road Projects is undertaking. But, as I said, if you want any further information, you can—have I covered it off, Evan?

Mr HIBBINS: Well, if there is any further information in terms of discussions with the City of Melbourne—

Ms ALLAN: That is probably one we might come back to you on. Do you want to talk to that?

Mr YOUNIS: Yes. Thanks, Minister. Yes, we are in discussions with the City of Melbourne. We are preparing the business case together and it does incorporate all the elements that Minister Allan spoke about. We expect to have the business case finished later this year, which will have been informed by all of those conversations with the City of Melbourne, the interface with Rail Projects Victoria and Anzac station. So all of the elements are being discussed. The City of Melbourne are part of those conversations, and the business case will be out later this year.

Mr HIBBINS: So the \$4 million, that has gone solely into the business case?

Mr YOUNIS: There is some work that has been happening, temporary works that have been put in place, and so some of the funding has gone towards that, but a lot of that work has been towards that business case and investigations.

Mr HIBBINS: Okay, thank you. More broadly I want to ask about business cases. There is a discrepancy, obviously, between when business cases are made public and whether they are not made public. For example, my understanding is that North East Link, West Gate Tunnel, Melbourne Metro—those business cases are made public. Other projects—Mordialloc Freeway, South Yarra station upgrade—those business cases have not been made public. Why is that the case?

Ms ALLAN: Look, I might have to take that one on notice for you. In terms of those projects that you referred to—I think you mentioned West Gate, Metro and North East Link—they are obviously very large, complex projects. No disrespect to the Mordialloc Freeway, which is a very important project, or the South Yarra station. Those business cases are obviously done for very much the express purposes of going through the rigorous budget process for the allocation of funds, and the decisions on whether those business cases are released are obviously a matter for government.

Mr HIBBINS: That is why I am asking. What determines whether you make a business case public or not?

Ms ALLAN: I would have to say, and at risk of raising the ire of the opposition members of the committee, the decision on business cases is not one just for me to determine alone. Business cases are fed into the process led by the Department of Treasury and Finance, and for projects—you know, some are high-value, high-risk projects; others go through the budget process—the decisions to release business cases are not mine alone. And so in terms of that broader policy setting, I am going to have to refer you elsewhere to government, because it is not just a matter for business cases to do with transport projects, it is a matter for all projects.

Mr HIBBINS: So basically it is at the discretion of cabinet.

Ms ALLAN: Well, yes, and I would draw your attention to the fact that a project business case, for example, for the East West Link, was not released—just saying.

Mr D O'BRIEN: Oh, wow! Just plucked that one out of nowhere.

Mr Riordan interjected.

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

Mr D O'Brien interjected.

The CHAIR: Mr O'Brien!

Ms ALLAN: But, yes, it is very much—I mean, as has been practice for all governments of all different persuasions, the release of the business case is a matter for that government.

Mr HIBBINS: Okay, thank you.

Ms ALLAN: Thank you for helping me underscore my point, Danny. That was very helpful.

Mr D O'BRIEN: No problem. Always here to help, Minister.

Mr HIBBINS: Are you concerned that the additional costs to the West Gate Tunnel will change the material cost-benefit analysis of that project as found in the business case?

Ms ALLAN: I will need to draw you up. I mean, the claim you have made in your opening remarks goes back to the question that I think Danny O'Brien made, and I have addressed that issue, and I really do not have anything further to add.

Mr HIBBINS: Okay. Thank you. Will it undergo any sort of reassessment?

Ms ALLAN: Sorry, I am finding it really hard to hear over the lack of respect that some on the committee are showing you.

Mr HIBBINS: I will move on. Going back to airport rail, there has been some advocacy from Moonee Valley council for a station at Airport West. Is that in the scope of the airport rail project or is that under consideration by government?

Ms ALLAN: So there has not only been advocacy from Moonee Valley council. It is probably fair to say local members in the local area are also keen to see that. It is currently not in the scope of the airport rail project, but like I have mentioned a couple of times before, whether it was around the North East Link Project conversation we were just having or the level crossing project, where there is an opportunity to do more and if

it is of benefit, we absolutely look at that, but at the moment that is not part of the airport rail scope. That is not to say that it would not be considered in the future.

Mr HIBBINS: Right. Okay. Thank you. In addition to airport rail—

Ms ALLAN: Oh, yes—sorry. Thank you. The Secretary has just reminded me the airport rail scope is also futureproofed for a station in that corridor, in that part of the corridor, also recognising that it is also a part of Melbourne that is not serviced effectively by the heavy rail network. There are the public transport options but not the heavy rail network.

Mr HIBBINS: Okay. Thank you. In addition to airport rail, you have chosen the Sunshine alignment, but in this package of works you have not continued on through to Broadmeadows, which is part of the wider Suburban Rail Loop. Now, given that, you know, a large majority—I am sure a large amount—of workers and people who actually frequent the airport every day come from the northern suburbs, why hasn't that been included in the scope of the airport rail?

Ms ALLAN: Well, actually both projects, both the airport project and the SRL project, are being planned with the consideration of how they interface. So, yes, you are right. The airport rail stops at the airport, but how it then needs to take into account that connection into the Suburban Rail Loop is absolutely being taken into account in the delivery of both projects.

Mr HIBBINS: Right. Okay. And is there a time line for that part of the Suburban Rail Loop?

Ms ALLAN: The business and investment case will be released in coming months and will provide further information on the delivery of the project.

Mr HIBBINS: Okay. Thank you. Can I get an update on the high-capacity signalling project?

Ms ALLAN: I knew you were going to ask that, and yes, you can. I might ask Evan to come and help me out, because you will be pleased to know really the rubber is hitting the road on the HCS project. And we are now at the situation where we have the high-capacity trains in service, and two of those trains are being used for testing purposes associated with the high-capacity signalling trial that is going on on the Mernda line. But I will let Evan give you much more expert advice than me.

Mr TATTERSALL: So what we have done is a trial by installation of high-capacity signalling equipment onto X'Trapolis trains, so some of the existing trains, so that we can get ahead of the curve while we are waiting on delivery of the new HCMTs. And we have trialled those out on the Mernda section, because you have got about a 4-kilometre stretch there where you can actually install the lineside equipment and install the equipment on the X'Trapolis trains and then run them to prove that the new high-capacity system actually works—CBTC is the acronym. We have now got four of the high-capacity metro trains, so the new ones that will run on the Metro Tunnel corridor, that have been fitted with the new equipment. And we have trialled them at Pakenham, because there is a section of track at Pakenham depot down there that we have actually run them on, to prove that the new high-capacity system works on the high-capacity metro trains. And by about August we will take those trains up to Mernda and run them up there, because we can run them again on about a 4-kilometre section, so you can get them right up to the normal line speed and prove it up even more. It is all going really well, so that is on track, to verify them, before we then start rolling them out for testing on the main line.

Mr HIBBINS: Terrific. Thank you. Thanks, Chair. Thanks, Minister.

The CHAIR: Thank you, Mr Hibbins. Ms Taylor.

Ms TAYLOR: Thank you. Yes, I think it would be really good for the committee to understand more about the broad, statewide benefits of the Suburban Rail Loop project, so can I refer you to budget paper 4, page 12, and perhaps if we could unpack that.

Ms ALLAN: Thank you. I am very pleased to talk about the Suburban Rail Loop. It is the most significant and arguably the most transformative of projects on our capital works program. It is absolutely a project that is needed into the future and a project that, to deliver those benefits, we need to get started on now.

I share with you this information: Melbourne, despite some of the recent challenges, is a very fast-growing capital city. Our population is expected to grow to 9 million by 2056. To give you a comparison, that is the size that London is today—by 2056. To address this growth, we need to provide an additional 1.5 million jobs and 1.6 million more homes, and the public transport network will need to meet a demand of more than 10 million more trips per day. Now, it is pretty clear that our current system cannot provide for that, which is why, to make sure that it can by the time we hit 2056—and whilst it may seem some time off, these big projects do take a while to deliver, and we have always said the Suburban Rail Loop would be delivered in stages over many decades—we have to get started on that work now. So we are doing that, and we are also doing it in a way to make sure that that population growth, the employment that we need to cater for and the new houses and homes we need to provide for are supported by the right infrastructure. Because the alternative, when you get to be a city of that size, is you risk increasing urban expansion, you risk worsening congestion, and that has a significant impact on our livability and on our productivity and economic outcome.

This is not a problem unique to Melbourne alone. It is a problem that international cities around the world face. That is why you see governments making similar investments, like in London, the Crossrail projects; Paris's Grand Paris Express; and we are seeing in New South Wales the Sydney Metro project, a project delivered over many, many years over many stages. These are projects of a similar size and scale. This recognises that you need to plan and deliver these projects over a longer period of time.

Particularly important with the Suburban Rail Loop is that it is going to connect our major growth centres outside the CBD, so really providing that critical connection into those health, education, retail and employment precincts that are found in those suburban areas but do not have that important connectivity to the heavy rail network. We know that there is already significant demand for orbital public transport connections in the middle suburbs, and that is why we need to plan for the Suburban Rail Loop—to unlock those connections, to make it easier, but also to ease demand on our road network.

I should also point out, it is not just a suburban project. It is also going to provide important connectivity and benefits for regional Victorians. There will be super-hubs at Clayton, Broadmeadows and Sunshine, providing direct interchange for regional services. So, for example, if you rely on public transport to travel from the Gippsland and Hume regions into Melbourne, you can do so by connecting in at Clayton and Broadmeadows and you will not have to come into the CBD. If your destination is not the CBD but somewhere else, you can connect through the Suburban Rail Loop, and you will be able to connect to those suburbs. Then, in answer to Sam's question before, we also talked about the connection this will also make into the airport.

In terms of jobs, and this is also important in terms of the pipeline that our program has established, this will create a massive pipeline of work—20 000 jobs during construction. We will make sure that there is support for 2000 apprentices, trainees and cadets, and there will be 800 jobs supported through the early works program as well.

Importantly too—and I have mentioned the economic outcome if you do not build the Suburban Rail Loop and the impact that can have on productivity and economic outcome—the SRL is not just going to transform our transport network and have those impacts on alleviating congestion and better connections. It is expected to directly contribute \$48.5 billion to \$58.7 billion in economic, social and environmental benefits to Victorians, and it is also expected to deliver a \$50.8 billion increase to Victoria's GSP and \$14.1 billion in an increase in Victorian and Australian government tax receipts. So this is a huge project with huge benefits that also comes with huge risks if it does not get delivered, as I said, in terms of those impacts on congestion and lack of connections for people wanting to move around the city and the state.

Ms TAYLOR: Thank you. So you mentioned early works, and I note that there is \$2.2 billion in the budget for early works. Can you please outline the scope and the timings of the early works?

Ms ALLAN: Yes, thank you. Yes, I think it was last year's budget that was the \$2.2 billion for the early works package on the Suburban Rail Loop, and I just mention the 800 jobs that that will support. The allocation also follows, I should mention, the \$300 million we made in the 2019 budget for the planning, which was also delivering the collection commitment we made in 2018 to get on and plan to deliver the Suburban Rail Loop with that \$300 million of investment.

To date—and I think I might have mentioned some of this in my introductory comments earlier—more than 425 boreholes and geotechnical investigations have been undertaken. They have been drilled between Cheltenham and Box Hill, remembering that as we deliver the airport rail connection in the west, which will ultimately join up with the Suburban Rail Loop, we have also identified this section between Cheltenham and Box Hill as the first stage of works in the south-east. We have got five drilling rigs currently in the ground, with another two rigs being brought online in coming weeks. And I mentioned the 7 kilometres of ground that is being drilled as part of the works to date. We are on track to see initial and early works commence next year, in 2022. That was also an important commitment we made to the Victorian community. A contract to deliver this big package of early works—because \$2.2 billion is a big package of early works—will be awarded by the end of this year.

To give you a sense of the difference between initial and early works, initial works include activities like providing construction power, utility relocation protection, site establishment and ground improvement works—similar to what we were talking about with North East Link—and then the early works package will also include the provision of construction power and site establishment activities, road modifications and preparation for the launch sites for the massive tunnel boring machines that will dig those 26 kilometres of twin tunnels between Cheltenham and Box Hill. And importantly, like we have done with Metro Tunnel and with the North East Link Project, having a big package of initial and early works really does help set the pace for the major works to commence in a more de-risked way, if I can use that phrase, and also helps limit the disruption to local communities during the delivery of the main works package.

Ms TAYLOR: Very good, thank you. No-one likes being stuck in traffic, so could you outline the travel time savings that commuters can expect to benefit from this project?

Ms ALLAN: Yes, and I have touched on this briefly in passing in some of the earlier comments around how it is going to provide a significant addition to our public transport network but also as a consequence reduce some of that congestion that you would get as a city of 9 million people if we did not have the Suburban Rail Loop alternative.

So more than 80 per cent of Melburnians are expected to experience reduced travel times as result of the Suburban Rail Loop. and I will share with you a few examples. There will be those faster connections to Deakin University in Burwood and Monash University in Clayton, obviously both locations that are not currently serviced by heavy rail; they will be connected to the train network for the very first time. The trains will take between 3- to 4-minute journeys between stations, so a journey from Cheltenham to Box Hill will be just 22 minutes. And also—and the Member for Mordialloc knows this well—the commuters from Cheltenham will save between 40 minutes and an hour when travelling to either Monash, Glen Waverley or Burwood by using the Suburban Rail Loop.

Another example is a trip from Lilydale to Monash University will be between 20 and 40 minutes quicker with that interchange at Box Hill, and Box Hill will be that really critical interchange point for the transport network. And a trip from Cranbourne to Deakin University will be cut by 20 to 40 minutes one way. And then I have also mentioned too it will take tens of thousands of cars off the roads and will contribute to that reduction in traffic congestion. But also too remembering that reducing congestion is also important for our freight industry—and I know Minister Carroll talks about buses and how they share the road; what did he say this morning, ‘The trucks: the roads are their rails’?—we have got to make sure that we can reduce congestion for all of our road users. Also in the longer term, and this goes to that question around Broadmeadows, as the SRL is connected further around to the north and the west there will be those other improved traffic flows to our arterial networks, cutting travel times even further. So these are some of the big benefits that will come from what is the big project that is the Suburban Rail Loop.

Ms TAYLOR: Very good. So noting that the stations in stage 1 have been determined, can you take us through how the new stations will connect with the existing stations?

Ms ALLAN: Thank you. Of course before November 2018, I think it was in August, we released the strategic assessment documentation around the Suburban Rail Loop, its alignment and I guess the suburb location of the train stations. We have done a huge amount of work to refine the precise locations down further, and that work has been informed by some of that geotechnical and drilling work that I have mentioned previously. So we have identified now and we have released information on this as part of the advanced stages

of planning we have been doing on the Suburban Rail Loop for this section between Cheltenham and Box Hill. The line will start, if you like, at a location near Southland, and the station will be located underneath the Sir William Fry Reserve. There will also be stations situated adjacent to Monash and Deakin universities, as I said, connecting them to the heavy rail network for the very first time. There will be a station central to the Box Hill and Glen Waverley activity centres. It is very important to have that connectivity into those existing very busy areas. Then in Clayton the station will be north of Carinish Road, and this will be that transport super-hub, remembering Clayton is where the Gippsland line and the Cranbourne and Pakenham lines travel through. So the Clayton station is going to become a very important precinct with the existing station and the new underground station connecting into the Suburban Rail Loop.

I should also say on that point of interchange that the stations at Cheltenham, Clayton, Glen Waverley and Box Hill will serve as interchange stations for passengers who will be changing between the SRL and the existing metropolitan network. So whilst we are building, if you like, a standalone orbital rail loop, it is going to interconnect with the existing rail network and, by connecting up every major rail line in that orbital loop, will provide those improvements for the movement of people around the city and the state.

What we have also been thinking very carefully about at these interchange stations is how to make it easy for passengers to move in and out of those stations, and that is why at these interchange stations commuters will be able to change services easily but also importantly without having to touch or touch off. We want to make the interchange seamless. It is a bit like what I was saying before about Caulfield. It will be a feature of our train network in the future as we add lines, as we duplicate sections of track and as we extend the existing metropolitan network but also whilst we add to it with the Suburban Rail Loop. If you are a regional passenger, interchanges happen all the time in terms of your use of the network, but we will see more of that in the metropolitan network. Making those key interchange locations as easy for passengers to use as possible is a really important priority in both the work we are doing in the Suburban Rail Loop but also more broadly in our station design and planning into the future. That is why, whilst we have established a dedicated agency in the Suburban Rail Loop Authority to deliver the Suburban Rail Loop, clearly the authority is working very closely with the Department of Transport, because there is that interface with the existing network, the existing stations, but also thinking about, as we build these new stations, those other parts of the public transport system—the bus connections, the cycling and walking connections—that are primarily the responsibility of the transport department but clearly interface into the project, the Suburban Rail Loop.

So yes, we have been working really hard on the planning and design. I should also mention the thinking behind the station locations is to have them at a particular depth to make it quick to move. Obviously the deeper the stations are, the longer it takes. We have all done Parliament station. We know it can be a while from platforms 3 and 4 up to the top, so we are thinking they will be designed in a way to be a bit closer to the surface to enable that easy passenger movement as well. Thank you.

Ms TAYLOR: Thank you.

The CHAIR: Thank you, Ms Taylor. Mr Newbury.

Mr NEWBURY: Thank you, Chair. Before getting into some of the substance of the questions, can I just clarify something Mr Devlin said earlier?

Ms ALLAN: Sure. What was the point?

Mr NEWBURY: Mr Devlin, earlier we were talking—well, we actually fell into a 15-minute hole—about the individual costing of all the 46 level crossing removals. We had a discussion about there being an aggregate and how 55 per cent of the funds had been spent for 59 per cent of the delivery. I do want to understand why there is a competitive pressure in keeping the outcome cost of an individual crossing effectively commercial-in-confidence when the original contract price has no commercial-in-confidence value, because it is publicly available.

Mr DEVLIN: That is right, yes. But the actual costs are the important items that we are tracking and benchmarking, and again, setting that actual cost outcome, we want the bidders being able to price the jobs on their merits for the particular locations of site—

Mr NEWBURY: The price is the contract, effectively.

Mr DEVLIN: and not look at what someone else has achieved and target their price at that point and that outcome.

Mr NEWBURY: Well, the contract price is that price.

Mr DEVLIN: Correct, but that is their contract price, and a program alliance model is a shared-risk model between MTM, the operator, the builder, the designer and the state. Again, it is a different contractual model to, say, a PPP contract, which is a hard dollar agreement with the state. It is a shared-risk model. It is a collaborative model. We call it our target outturn cost, our TOC, and then there is an AOC, an actual outturn cost, and it is that actual outturn cost that we do not want to declare to each of the bidders, because it is a time-bound contract. It is a five-year contract with a further five-year extension, and subject to good performance each of the five parties who have a master contract have work orders that are then progressively priced, so that is why we want that competitive tension in not just matching actual costs outturn—

Mr NEWBURY: I guess my point was simply: it is very difficult to have it both ways, isn't it? I think the only value in keeping it in confidence is stopping embarrassment to the government on the final price. So I did want to go back to that—

Ms ALLAN: No, that is wrong.

The CHAIR: Sorry, Mr Newbury. If you put a proposition, the witnesses are entitled to answer it. You are putting words in the witnesses' mouths, and I will ask them if they need to clarify.

Ms ALLAN: That assertion is incorrect.

Mr NEWBURY: Thank you.

Ms ALLAN: Kevin has very clearly explained to you the benefit of taking that approach, and I would remind you that we are 59 per cent completed and within 55 per cent of the budget.

Mr NEWBURY: On that, Minister, the 55 per cent, in terms of transparency—and I am not in any way suggesting this is the case—can I put a proposition—

Ms ALLAN: Sure you are not.

Mr NEWBURY: in terms of the 55 per cent? What if you had completed the easier crossings first or the less complex crossings first?

Ms ALLAN: Well, I would point out to you that no crossing is easy. There are some with different complexities.

Mr NEWBURY: No, but you get my point.

Ms ALLAN: There are some with different complexities, but any work in a live rail operating environment is incredibly complex. It comes with an incredibly high safety overlay that has to be taken into account, and then there is the disruption to passengers. But there are some level crossings—the Glen Huntly ones are probably a good example because they have the tram network running through them as well. So, yes, there is no doubt some are more or less complex, but we do also take that into account in the way the projects are delivered.

The other point I would also make is it is not just the complexity of the individual site. There are two other points I would make. One is how we can deliver, if we can, multiple sites at once—and the Upfield line is a good example of that; we were able to deliver four through an elevated rail design—so that also has an influence on when that is plugged into the program. And then, finally, the other overlay is making sure we are not disrupting too much of the city all at once, so we have to make sure that we are scheduling our rail works in a way that—

And there is also a big program of roadworks as well. You do not want to have the rail line and the road network being disrupted in the same corridor at the same time, so we also have to phase our works geographically to minimise disruption on the different modes of the network.

Mr NEWBURY: I take your point. The only point I would go back to is my original one, and that was that effectively there is no—and I am not in any way suggesting otherwise, but there is no transparency with the proportion that have been completed as to whether or not once the final lot are completed there is a complexity difference and therefore a cost difference.

Ms ALLAN: There is absolutely—

Mr NEWBURY: Sorry, Mr Devlin, I think, just—

Ms ALLAN: Well, I will lead and then let Kevin follow. There is absolute transparency in what has been completed. The Victorian community can drive around the suburbs and see for themselves the different level crossings that are removed and can see that, yes, the Toorak Road level crossing was a little bit simpler than, say, the Upfield line or the sky rail or the works we did at Mentone with the trenches, but there is absolute transparency in the complexity of each of the sites. You can see it with your own eyes, but I am happy to let—

Mr NEWBURY: But can I just confirm actually while we are on this—

The CHAIR: Sorry, Mr Newbury, could you allow the minister and Mr Devlin to finish answering your previous proposition. I think Mr Devlin had—

Mr NEWBURY: Chair—

The CHAIR: Mr Newbury, as I have indicated, you cannot put a proposition to the witnesses and not—

Mr NEWBURY: But you also cannot use your role to—

The CHAIR: Mr Newbury, you cannot put a proposition to the witnesses and not allow them to complete their answers. You yourself invited Mr Devlin to provide an answer to you, and I think Mr Devlin had some supplementary information that he would like to provide.

Mr DEVLIN: Just to supplement the minister's advice, in the budget papers the forecast remaining expenditure is our latest estimate on the forecast remaining costs, which is based on a very considerable amount of works to date. That is the advice that we have provided to government, that we would remain on budget.

Mr NEWBURY: Thank you. Looking at the slide we had earlier on the number of level crossing removals I counted 18 on the Frankston line, 15 on the Cranbourne line and 17 on the Pakenham line. The Sandringham line looked like a starved dog. Are there any on the Sandringham line?

Mr RICHARDSON: The Sandringham electorate? Mentone and Cheltenham.

Ms ALLAN: There you go.

Mr NEWBURY: On the Sandringham line?

Mr DEVLIN: There are level crossings on the Sandringham line; that is correct.

Mr NEWBURY: So where? On the Sandringham line—

Mr DEVLIN: There are level crossings there that are not level crossing removals in the 75.

Mr NEWBURY: Sorry?

Mr DEVLIN: We are not removing any of the level crossings on the Sandringham line.

Mr NEWBURY: Okay, thank you. Moving on to the Suburban Rail Loop, which—I mean, also the Sandringham line is the poor little starved dog again. It is not touched on by the Suburban Rail Loop either, just noting.

Ms ALLAN: Well, just—

Mr NEWBURY: Can I ask—

The CHAIR: Mr Newbury, you have put a proposition and the minister is going to provide you with an answer.

Mr NEWBURY: I noted it, actually.

The CHAIR: Mr Newbury, you put a proposition. You made a statement. The witnesses who are here before us are entitled to put their view in response to your proposition or statement.

Mr NEWBURY: Thank you, Labor Chair.

The CHAIR: Minister, did you need to make a—

Ms ALLAN: No, no. I think the performance speaks for itself.

Mr NEWBURY: Secretary, can I refer to budget paper 4, page 12, and:

Detailed development work, including an investment case, will be delivered later in 2021.

When you say in terms of ‘delivered’, what does that mean? Does that mean publicly released in full?

Mr YOUNIS: We will complete the business case by that time. It is a government decision whether it is publicly released.

Mr NEWBURY: So you said business case or investment case?

Mr YOUNIS: Business case and investment case by the end of the year—later in the year. It is a government decision as to whether that business case is released publicly.

Ms ALLAN: And I can advise that it will be.

Mr NEWBURY: Both, in full?

Ms ALLAN: Yes.

Mr NEWBURY: Okay. Thank you.

Ms ALLAN: In the usual way that this government releases business cases—unlike the east–west link, just saying.

Mr D O’BRIEN: You spent \$2.5 million—

The CHAIR: Mr O’Brien, you do not have the call.

Mr Riordan interjected.

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

Mr NEWBURY: Minister, in terms of cost, we have seen costs reported between \$50 billion and \$150 billion. What would you say, or what public comment would you make, in terms of the costs now, with such a huge variance, about what you estimate the current costs to be?

Ms ALLAN: That information will be released in the business and investment case.

Mr NEWBURY: So would you say that the higher end is impossible or you just have no comment at all?

Ms ALLAN: No, I am saying that the business and investment case is being finalised and that information will be made available with the release of the business and investment case.

Mr NEWBURY: Thank you. I am just having a look at the department’s high-value high-risk guidelines.

Ms ALLAN: Our department’s, or the Department of Treasury and Finance’s?

Mr NEWBURY: Sorry. Excuse me—treasury, yes. If I can quote, one of the managing risk requirements that applies to all projects is that they should be viewed as an ongoing process throughout a project that begins with stage 1, a business case. Was that completed?

Ms ALLAN: I am sorry; I am not following.

Mr NEWBURY: In terms of the guidelines, in short, when you complete a big project or you propose a big project, step one in terms of managing risk is a business case. Was a business case completed?

Ms ALLAN: So we are in the process of completing and finalising in anticipation of releasing business cases, but can I also remind you of how projects come about. They usually come about with a commitment to that project, and as Victorians have become very familiar with the approach we take, we are a government that, when we say we are going to deliver a project, we deliver it. So, yes, we have committed to deliver the Suburban Rail Loop. We are in the process of delivering the business case to support that work. I know that there are different approaches. As I have mentioned, the east–west link is a good example, but we will be delivering the Suburban Rail Loop, because that is a commitment we have made to the Victorian community.

Mr NEWBURY: So the decision was made, and there was no business case.

Ms ALLAN: Well, the decision was made off substantial work that was done in 2018, and we released publicly the strategic appraisal work in a very similar way—in fact an almost identical way—to the way the federal and state governments committed to the airport alignment through Sunshine. That decision was also based off work that had been undertaken and was then subsequently publicly released through the strategic appraisal work. There was a similar approach taken with the Suburban Rail Loop. We put that proposition forward to the Victorian community. That position was clearly supported by the Victorian community. And for you to suggest that no project should be committed to unless there is—

Mr NEWBURY: That is not what I said. I just read directly from the document.

Ms ALLAN: If you are suggesting that there should be no project committed to without a business case, I will assume that every one of your election commitments next year will come with a properly developed business case.

Mr NEWBURY: I just read from the government’s document. It was not my assertion; it was your own. In 2018 the Premier referred to the project and talked about value capture, and I understand you may not want to go into detail; I completely accept that. But just in general terms, in terms of funding of this project, what do you mean by ‘value capture’?

Ms ALLAN: I think ‘value capture’ is a pretty well understood concept in the delivery of projects. It is a mechanism that is being currently explored in New South Wales. They are looking at value capture mechanisms for the delivery of their Sydney Metro project. It is a mechanism that is being used by the federal government in terms of other sources of funding. Equity investment is being looked at by the federal government for the delivery of the intermodal freight terminal here in Victoria. It is a mechanism that is used in projects like Crossrail in London, for example. We were very clear when we released the strategic appraisal document for the Suburban Rail Loop that we were seeking that the funding for the delivery of the project would come a third from state government sources, a third from commonwealth government sources and a third from other sources, and it has become quite well understood nationally. As I said, in New South Wales, the New South Wales government; the federal government; and our government—and internationally—understand for the delivery of large, complex projects that have an impact on big, major cities and come with a significant economic uplift, this is a pretty standard mechanism that is looked at for the delivery of those projects.

Mr NEWBURY: When you talked about ‘other’—you talked about a third being ‘other’—could you rule out there being any impost on either local home owners or businesses?

Ms ALLAN: We will be releasing the information to do with the delivery and the funding of the project with the release of the business and investment case.

Mr NEWBURY: So you will not rule that out?

Ms ALLAN: I am not going to say anything that might enable you to run a conspiracy campaign, because you are big on conspiracy campaigns, so I am not going to do that.

Mr NEWBURY: Well, I am just asking you. If you live nearby, I think it is only reasonable for local home owners and businesses to know that they are not going to be charged. And if you are not intending to charge them, I think it is a pretty easy question to just say, 'No, we're not planning to do that, and we'll release the case later in the year'.

Ms ALLAN: You are very keen for the business case to be released, and we will be releasing the business case and we will be providing further information at that point in time.

Mr NEWBURY: I note that you have not ruled out that there may be a cost impost.

Ms ALLAN: I note that you are running a conspiracy theory and are verballing me, but that is okay.

Mr NEWBURY: Well, I have offered you the opportunity now three times. I have offered you an opportunity three times to rule out any cost.

Ms ALLAN: And I have said we will be providing further information in the release of the business and investment case.

Mr NEWBURY: So I note that you did not rule that out. Will you rule out any soil dumping affecting any of the local communities or home owners? I mean, the home owners around Cheltenham, Wheelers Hill, Burwood, Box Hill. Could soil dumping affect those home owners?

Ms ALLAN: In answering this question I am going to pinch a minute of your time as well, Tim. Your failure to understand how these projects are delivered and the way these matters are dealt with is quite astonishing. There are a number of existing—

Mr NEWBURY: You are not wanting to answer the question—

The CHAIR: Mr Newbury, the minister is answering the question in Mr Richardson's time, so I would suggest you are out of order.

Ms ALLAN: To claim that soil will be dumped in those communities is—

Mr NEWBURY: I did not ask that.

Ms ALLAN: You did.

The CHAIR: Mr Newbury, you are out of order.

Mr NEWBURY: I said 'could' it. Can you rule it out?

The CHAIR: Mr Newbury, we are in Mr Richardson's time. You do not have the opportunity to put another question. Your time has expired.

Ms ALLAN: The disposal of soil with all of our projects, whether it is the Suburban Rail Loop, the North East Link, the Metro Tunnel or the West Gate Tunnel, will be handled appropriately in facilities that are licensed to take that sort of material and the different classifications of that material. That is no different to how the private sector disposes of soil on its projects, no different to how we dispose of soil, and to run that sort of misleading conspiracy campaign really demonstrates that your ongoing opposition to the Suburban Rail Loop is well understood by the Victorian community.

Mr NEWBURY: Well, people only have to look at the government's track record to know what is covered.

The CHAIR: Mr Newbury, you are out of order. Your time has expired. Mr Richardson.

Mr RICHARDSON: Thank you, Chair. Thank you, Minister and officials, for joining us today. We might take a step away from the opposition's opposition to the level crossing removals and, for my regional colleagues, give them a bit of a chop out for regional rail projects.

Ms ALLAN: Someone had to, Tim.

Mr Riordan interjected.

The CHAIR: Mr Riordan, your time has expired also.

Mr RICHARDSON: I am surprised they have not got anywhere near it, but I will give them a chop out and we will play that out. I want to take you to budget paper 4, page 197, and the projects listed under 'Regional Rail Revival'. For the committee's benefit, are you able to outline the progress and the benefits delivered to date across these projects?

Ms ALLAN: I am. Thank you. The progress on the regional rail revival is in full swing, and I am very pleased to be delivering this in partnership with the federal government, who have understood the benefit of investing and providing additional investment in our regional rail network. We are seeing a huge amount of work happening right across the state.

Mr D O'BRIEN: Four years after you announced it.

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

Ms ALLAN: I think it is important to note that some might want to run scare campaigns to cover up for their embarrassment of closing train lines in regional Victoria in the past. Well, we are proud to be investing in those train lines in regional Victoria, and the reason why we do this of course is that it means additional services for country communities. A great example of that is the Ballarat line upgrade, which was completed earlier this year and saw the addition of 125 extra services to Ballarat. Now, that is why we invest in regional rail. It is about providing additional services, improved connectivity and better community outcomes for those country communities. The Ballarat line works have been completed, and there is great benefit from those extra services.

Over at Waurin Ponds we have got a new pedestrian overpass, which was installed overnight last week at Waurin Ponds station, and this is part of works going on in a nine-day construction blitz on the Geelong and Warrnambool lines. This new overpass will provide an accessible link to the new second platform once the project is completed. We have also got works taking place on installing track on the Boorcan crossing route and signalling upgrades as part of the Warrnambool line upgrade, which will enable that fifth service to Warrnambool—remembering of course a couple of years ago we added a fourth service to the daily services for the Warrnambool community. Contracts have now been signed on the Bendigo Metro 3 stations, and I was very pleased to be in Goornong a few weeks ago to mark this major milestone. It also signals that work on the Bendigo–Echuca line will also get underway, and that will pave the way for three services to Echuca for that community.

In Gippsland we have finished work on the Avon River bridge three months ahead of schedule. And as part of that project not only did we build a new Avon River bridge, we also made significant improvements to the community at Stratford—their Apex Park brought community benefit as well. With the works there, we have now got VLocity trains running to Bairnsdale—remembering of course that was a line that was once closed by a previous Liberal-National government. We are also preparing for major construction to duplicate track and upgrade stations on the Gippsland line, and we had more than 75 local contractors and suppliers attend the regional industry briefings in Warragul and Morwell recently—again demonstrating those policy settings that we put into our contracts around requiring local content, local businesses, to supply into the project, bringing those local job benefits to the community. Stage 2 works on the Shepparton line upgrade are well underway, again enabling VLocity trains to travel to and from Shepparton for the very first time. More than 10 kilometres of underground trenching, boring and above-ground pipe has been installed along the Shepparton line to enable cabling required to upgrade the 59 level crossings that are along this part of the corridor. Also there have been works to remove vegetation at Murchison East and site investigations on the line.

Of course the pipeline of these regional rail works that are happening around the state comes with additional funding provided by both the Victorian and federal governments in our budgets last year. Additional funding was provided, including \$400 million for stage 3 of the Shepparton line upgrade. This will bring those nine daily services to Shepparton; a significant commitment being delivered for the Shepparton community. And \$260 million for stage 2 of the Warrnambool line upgrade, which will deliver those VLocity trains to

Warrnambool. And just to finish off back on that issue of local supplier opportunities, there are also 3000 jobs being created across the Regional Rail Revival program.

Mr RICHARDSON: I will take you to budget paper 4, page 13. You mentioned, Minister, the partnership between the Victorian and federal governments around the airport rail link as well. Obviously this has been decades in the making and talked about for a long time, but it is coming out of the ground very soon. I am wondering if you could outline a little bit more for the committee's benefit the progress that is being made to deliver this vital project.

Ms ALLAN: Yes. Thank you. I touched on this a little bit earlier. Recently I was pleased to join with the federal urban infrastructure minister, Paul Fletcher, to release the concept designs for the new rail bridge over the Maribyrnong River. I know we spent a bit of time talking about the elevated tracks between Sunshine and Albion. There is also going to be a new rail bridge over the Maribyrnong River, which is also a significant engineering feat as well. The rail bridge is soon to be the second-highest bridge in Melbourne, so it is going to be a big construction feat, remembering of course that using the Sunshine alignment connecting the airport through the Metro Tunnel will take people from the airport straight into the heart of the CBD in less than 30 minutes. For my colleagues who represent areas along the Cranbourne and Pakenham community, you can go all the way from Cranbourne and Pakenham to the airport without having to change your train, and that is one of the great benefits that comes from this alignment of the airport rail project and why we are so pleased that we were able to reach agreement on the alignment with the federal government and get on and deliver it. I think something like 30 or 31 stations along what will be that airport corridor that will be directly connected into the airport.

We are doing a lot more detailed planning and development work on the project right now, which is informing the business case. It is informing the work we are doing with the commonwealth and also our partners. I should mention that the airport are important partners in the delivery of this project, and we are working closely with them as well. We are on track for construction to start in 2022, with that completion date of 2029 subject to all the various planning. It is a slightly more complex planning and regulatory environment we have got in delivering this project given that there are all the relevant and known federal and state planning, environmental and government overlays, but obviously the airport also has its own particular planning overlay that we will be working through with both the airport and the federal government in the delivery of the project.

Mr RICHARDSON: I just want to take you to another significant project, and that is the Melbourne Metro Tunnel—nothing boring about this news, Minister. I want to refer you to budget paper 4, page 17. Are you able to outline for the committee's benefit the progress you are making on this project?

Ms ALLAN: Yes. Thank you. It is really exciting to be able to say that the tunnel-boring machines have finished their work on the Metro Tunnel. Joan, Meg, Alice and Millie did a great job for us, tunnelling out the 9 kilometres—

Mr RIORDAN: Couldn't they get a Jacinta boring machine?

Ms ALLAN: Oh, bless you. You are so respectful and kind. Your contributions are just wonderful.

They are doing some great work, remembering of course they have dug 9 kilometres of tunnel and there are also the station boxes as well. So what we are seeing is that this project continues to remain ahead of schedule—a full year ahead of schedule; due to be completed in 2025—and every day, every week that this project is ahead of time means we are bringing the benefits to the Victorian community earlier as a consequence of the Metro Tunnel, because it will provide for more than half a million extra peak-hour trips each week in and out of the city. It will open up the capacity on other train lines. It will dramatically improve travel times to key destinations, particularly like Parkville or St Kilda Road, by having the train stations located in those precincts. I spent a bit of time earlier talking about the new precinct that is going to be created around Arden and the job and housing opportunities that come with it.

In terms of the progress of the Metro Tunnel, I mentioned, as I said, the huge milestone that was achieved in the completion of the tunnelling work. It still means there is a huge amount of work to be done, and a lot of that work over the next few years is incredibly complex work. There is the work in constructing the station boxes themselves. There is all the associated wiring and plumbing services and the technology that needs to be kitted out right along the Metro Tunnel corridor. We talked before about high-capacity signalling. This will be the

first time this sort of signalling is operationalised in a brownfields rail environment, so that is an incredibly complex task on its own, and there will be a significant amount of testing that will need to go on on every aspect of the tunnel to make sure the tunnel and the trains are talking to each other and that all the technology is operating appropriately as it should be. So there is still a huge amount of complex work to come on the Metro Tunnel, but we are really getting closer and closer to realising those significant benefits of being able to more people more often on more trains.

Mr RICHARDSON: I want to take you to the level crossing removals further, Minister, and I refer you to budget paper 4, pages 100 and 101, and the level crossing removal projects. I am wondering for the committee's benefit if you could outline a bit further the progress that has been made on these important projects?

Ms ALLAN: Thank you. Well, we have had a good go at level crossings today, so I am very pleased to continue the conversations on level crossing removals. We all remember that we committed to remove 20—I have got to get my dates right—by 2018, 50 by 2022, and as we know, we are well ahead of that, and we now have a program of 75 level crossings to remove by 2025, and 46 level crossings are already removed. Number 46 was Cherry Street in Werribee. Number 47 is on track to be the South Gippsland Highway level crossing site in Dandenong. That is set to be removed in August following some more works to be done there, and obviously that is a very busy manufacturing area for the south-eastern suburbs of Melbourne. There are works underway at 20 sites around the state, and they are seeing significant progress.

I have given the ones around your neck of the woods a very good run at Mordialloc today, but there is also work in the west at Ferguson Street in Williamstown. That is going to be removed via a rail trench, and that will result in an 85-day construction blitz from late August to early November. There is a huge amount of work to remove 50 000 cubic metres of clay and hard basalt rock out of that corridor for those works. There are works going ahead at Manchester Road, Mooroolbark, and Maroondah Highway, Lilydale. These works are ahead of schedule, and there are also two new train stations associated with those works that will open early thanks to that massive construction blitz that will kick off in the middle of this year. I know the Acting Premier is keeping a very close personal eye on the progress of those level crossings in his local community—

Mr RICHARDSON: He is, isn't he?

Ms ALLAN: He very much is. The construction blitz is an important one to note because it does mean we can get on and remove level crossings as quickly as we can, and we really do appreciate the ongoing patience of passengers as we get in and make these important network improvements.

Just finally, we announced late last year an accelerated delivery program for the level crossings in Surrey Hills, Mont Albert, Pakenham and Glen Huntly that will see those level crossings removed earlier, and again, the earlier you do this work, the earlier the benefits come for those local communities.

Mr RICHARDSON: Fantastic. Thank you, Minister.

The CHAIR: Thank you very much, Mr Richardson. That concludes the time we have available for consideration with you today, Minister. We thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request. The committee will now take a short 15-minute break before resuming at 3.30 pm for consideration of the ports and freight portfolio. We thank you for your time.

Witnesses withdrew.