



**PARLIAMENT OF VICTORIA**  
Legislative Council  
Economy and Infrastructure Committee

# **Second report into infrastructure projects**

Parliament of Victoria  
**Economy and Infrastructure Committee**

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This report is available at the Committee's website.

# Chair's foreword

The need for investment in infrastructure is unquestioned. Well planned and carefully designed infrastructure can boost the economy and improve the lives of Victorians. But big infrastructure is expensive. If the planning and design are not done well, significant amounts of money can be wasted and there can be negative impacts on the community. If the delivery of projects is not efficient and effective, there can be costs and delays.

I am therefore pleased that the Parliament has tasked the Economy and Infrastructure Committee with this ongoing inquiry into major infrastructure projects. This inquiry will look at key projects in Victoria, including the Level Crossing Removal Program, the Western Distributor, the Melbourne Metro Rail Project and the lease of the Port of Melbourne.

This is the Committee's second report as part of this inquiry. When the first report was tabled in December 2015, the projects under consideration were in the early phases. The public hearings held between February and May 2016 with delivery agencies and stakeholders provided a better understanding of what the projects are intended to achieve and how they will be delivered.

The Committee has spent a substantial period of time inquiring into the Government's Level Crossing Removal Program.

Communities along the Caulfield-Dandenong rail corridor have raised significant concerns about the Level Crossing Removal Program; in particular, the community is concerned about the decision by the Government to build an elevated 'skyrail' on the line between Caulfield and Dandenong.

The Committee heard evidence from community members who expressed dismay that a skyrail on the Caulfield-Dandenong rail corridor has been imposed on their community without proper consultation. Many residents become aware of the Government's skyrail plan by reading *Herald Sun* newspaper reports.

The so-called 'consultation' surrounding the skyrail project was entirely insufficient. Far from using community consultation to shape the project, the Government made a series of drastic decisions about the project without consultation. The Government then gave the community an opportunity to have piecemeal input into cosmetic decisions which are of no real consequence.

There have been concerning suggestions that the Government's decision to build a skyrail rather than a proper rail under road solution is designed to meet electoral timeframes and not the long-term best interests of the community.

In the wake of widespread community outrage with regard to the skyrail project, the Government undertook a deeply flawed survey which did not seek people's views on the preferred method of removing level crossings, and then used this survey in a cynical attempt to manufacture support for skyrail.

In addition to the lack of consultation, health and safety concerns have also been raised. There have been no independent noise studies to establish the impact skyrail will have on local communities. The Government has also done nothing to alleviate community concern about the impact that diesel fumes from trains on the skyrail will have on the health of local residents.

Despite the Government's attempts to promote the open space under the skyrail, there is still uncertainty about who will be responsible for the maintenance of this space. It is likely that maintenance will be a substantial and ongoing burden which will include the removal of graffiti and dumped rubbish.

Another area of concern which was raised with the Committee is the voluntary purchase scheme for houses affected by skyrail. This proposed scheme has been criticised for being overly complicated and too narrow in its application.

Remarkably, despite the long list of concerns, the Government will not be undertaking an Environment Effects Statement (EES) for the skyrail project. With clear evidence from impacted resident and business owners that an EES is wanted and needed for the skyrail project, the Government has once again ignored the community and proceeded with its own agenda.

After setting and then failing to meet a number of deadlines, the Government has not yet completed a business case for the Level Crossing Removal Program. The Government continues to move forward with the projects without communicating the cost-benefit ratio to the Victorian public. It is impossible to measure the success of this project when nothing is known about exactly what the Government hopes to achieve.

While considering the Western Distributor project, the Committee heard from community groups who expressed concerns that this project will significantly reduce the already limited public open space that currently exists in the Maribyrnong municipality.

Due to the lack of open space in the area, there is community support for the longer tunnel or 'West Gate Option' over the shorter tunnel or 'Hyde Street Option.' The longer tunnel would have less of an impact upon the Stony Creek Reserve, enabling its continued use by the community. There is concern that the shorter, less costly tunnel is being favoured over the longer, more expensive tunnel to the detriment of the protection of precious public open space.

The Committee heard that the business case for the project fails to address the core community concerns. There is a problematic difference in focus between the issues addressed in the business case and the concerns of local residents' groups. The main factors used to justify the project in the business case are the benefits to car users; in contrast, residents' groups are much more concerned about preventing any significant impact on the amenity of Yarraville and Footscray.

Concern was also raised that, despite the longer tunnel option previously being agreed to by Government and the community as the preferred option, the shorter, less costly tunnel, was again being considered.

The public consultation process for the Western Distributor project has been criticised for failing to effectively engage with the community. Instead of genuine consultation, many members of the community feel that the process has been to simply inform residents about the Government's plans. Despite strong support for the longer 'West Gate Option,' the cheaper, shorter 'Hyde Street Option' appears to still be under consideration by the Government.

The extension of CityLink tolls to help fund this project has also prompted opposition from the community. This funding model would see motorists who do not use the Western Distributor paying the road off over ten a ten-year period. The Government is yet to make a compelling case to support this plan.

A core concern raised with the Committee was the impact that the Western Distributor will have on truck movements on residential roads. Melbourne's inner west has a significant number of truck movements on residential roads which impact upon the health and wellbeing of residents. If appropriate truck bans are not placed on these roads, the Western Distributor project could cause an increase in truck movements on residential roads. This would clearly have a negative impact on the lives of local residents.

The proposed location of the Western Distributor project raises questions about possible soil contamination. Given the history of heavy industry in the area, as well as the close proximity to Stony Creek, local residents want some clarity around what contaminants exist at the project's proposed location and what impact these contaminants could have on their health and wellbeing. Another related issue is the potential environmental impact the project could have on Stony Creek.

The Committee also heard evidence with regard to Melbourne Metro Rail project. It has been acknowledged that there will be significant disruption as a result of this project. This disruption will impact upon many businesses and there is concern surrounding how businesses will be compensated for this disruption.

The decision by the Government not to include the South Yarra station, the 6th busiest in Melbourne, as part of the Melbourne Metro Rail Project has met with opposition, with this omission being seen as a short-sighted decision, as it would be extremely costly to retrofit two new underground platforms at South Yarra once Melbourne Metro is built.

I am pleased that at least Infrastructure Victoria has now seen fit to consider the option of a metro station at South Yarra as part of the Melbourne Metro Rail Project, as stated in *All Things Considered: Exploring Options for Victoria's 30-Year Infrastructure Strategy* (page 41).

Recent hearings also investigated the disruptions to V/Line services in the first half of 2016. They explored the causes of the disruptions and investigated V/Line's responses. I note the importance of making sure that processes are in place to prevent similar problems occurring in the future.

I would like to thank my fellow committee members for their contributions during our inquiry's hearings.

Many people have given their time to assist in this inquiry, including public servants, members of community groups, representatives of private enterprises, staff from local councils and other stakeholders. Their efforts have included appearing at public hearings, providing written statements and responding to questions on notice. The Friends of Stony Creek were also kind enough to facilitate a site visit to the Hyde Street Reserve. On behalf of the Committee, I would like to thank all of the people who provided evidence to the Committee.

I am disappointed however that some members of the Committee did not see fit to give the concerns of residents and local community groups proper consideration by tabling a more substantial report.

Finally, thanks are due to the Committee's Secretariat for their exceptional support in conducting this inquiry. The high quality of their work has been appreciated by all members of the Committee.

**Joshua Morris MLC**  
**Chair**



# Report

In May 2015, the Legislative Council referred the following inquiry to the Economy and Infrastructure Committee:

... to inquire into, consider and report, at least once every six months, on public sector infrastructure and public works projects, including current and past infrastructure projects and proposals and, in particular –

- (a) projects relating to the removal of railway level crossings;
- (b) the Western Distributor;
- (c) the Melbourne Metro Rail Project;
- (d) the sale/lease of Port of Melbourne; and
- (e) Melbourne Airport Rail Link;

and any other public sector infrastructure or public works projects the Committee determines appropriate.

This is the second report in relation to that inquiry, covering the period of December 2015 to June 2016.

In relation to this period, the Committee sought details about the progress of the projects specified in the terms of reference. It also investigated specific issues in relation to the CityLink-Tulla Widening, the disruptions to V/Line services in the first half of 2016 and the activities of Infrastructure Victoria.

A number of witnesses were invited to attend public hearings to provide evidence in relation to these issues. A full list of the public hearings and witnesses can be found in Appendix 1. The transcripts of the hearings are available online at [www.parliament.vic.gov.au/eic](http://www.parliament.vic.gov.au/eic).

The Committee held three public hearings with representatives of V/Line, Public Transport Victoria and Metro Trains Melbourne. These witnesses provided details about the disruptions to V/Line services in 2016, including the causes and what solutions were put in place.

The Committee met with the Chief Executive Officer of Transurban, who provided details about the progress of the Western Distributor. The Committee also met with representatives from community groups in the Yarraville and Footscray area where the Western Distributor will be built: the Concerned Locals of Yarraville, the Friends of Stony Creek, the Maribyrnong Truck Action Group and the Yarraville Community Centre. These groups discussed the consultation processes undertaken in relation to the Western Distributor and raised a number of concerns about the potential impact of the project on the local area.

Representatives from Maribyrnong, Hobsons Bay and Melbourne City Councils also attended a public hearing to discuss the Western Distributor. They outlined the councils' involvement with the Western Distributor and some of their concerns about the project.

The Committee held one hearing with representatives of the Australia Pacific Airports Corporation, which operates Melbourne Airport. The main focus of that hearing was transport options to the Airport, including both current and future options. The anticipated growth in airport patronage in the coming decades was noted in this regard.

In relation specifically to the CityLink-Tulla Widening project, the Committee heard from two members of the Strathmore Secondary College school council. They raised concerns about a new elevated road that is being built close to the school as part of that project. They noted how this had come about and what some of the potential effects of this road on the school might be.

A hearing with the community group Lower Our Tracks Incorporated discussed the planned removal of level crossings between Caulfield and Dandenong through elevated rail. The group expressed concerns about a number of impacts that the proposal might have on people living in the vicinity of the elevated rail. The Committee also met with the Chief Executive Officer of the Level Crossing Removal Authority, who provided more details about the proposal, and also discussed other level crossing removals that are in planning. The Victorian Government Architect and one of her officers appeared before the Committee to provide their perspective on level crossing removals, particularly issues relating to elevated rail solutions.

The Committee conducted a public hearing with the Chief Executive Officer of the Melbourne Metro Rail Authority to understand progress in relation to the Melbourne Metro Rail Project. Another hearing took place with the Chief Executive Officer of the Port of Melbourne Corporation and representatives of the Department of Treasury and Finance to understand progress on the lease of the Port of Melbourne.

The Committee held hearings with a number of government departments and agencies whose responsibilities relate to multiple infrastructure projects. These included the Department of Environment, Land, Water and Planning, the Department of Economic Development, Jobs, Transport and Resources, VicRoads, the Environment Protection Authority Victoria and the Department of Treasury and Finance. A range of issues were discussed with these entities to better understand the roles that they are playing in relation to the infrastructure projects under consideration in this inquiry.

The Committee also explored a range of projects with the President of the Public Transport Users Association. He provided the association's perspective on the projects and key considerations from the association's perspective.

As part of this inquiry, the Committee also met with the Chief Executive Officer of Infrastructure Victoria, who provided information about the activities of that relatively new body.

These hearings provided a significant amount of information on the state of these projects and explored a range of issues associated with the projects and with infrastructure delivery in general. Further detail can be found in the transcripts of the hearings.

# Appendix 1

## Public hearings

### Public hearings

#### Tuesday 9 February 2016

Name	Title	Organisation
Mr Gary Liddle	Interim Chief Executive Officer	V/Line
Mr Jeroen Weimar	Acting Chief Executive Officer	Public Transport Victoria
Mr Andrew Lezala	Chief Executive Officer	Metro Trains Melbourne
Mr Paul O'Halloran	Director of Engineering	

#### Tuesday 23 February 2016

Name	Title	Organisation
Mr Gary Liddle	Interim Chief Executive Officer	V/Line
Mr Jeroen Weimar	Acting Chief Executive Officer	Public Transport Victoria
Mr Andrew Lezala	Chief Executive Officer	Metro Trains Melbourne

#### Wednesday 24 February 2016

Name	Title	Organisation
Mr Scott Ellerton		Concerned Locals of Yarraville
Mr Steve Wilson	President	Friends of Stony Creek
Ms Narelle Wilson	Vice-President	Maribyrnong Truck Action Group
Mr Philip Dearman	Committee Member	

#### Tuesday 8 March 2016

Name	Title	Organisation
Mr Scott Charlton	Chief Executive Officer	Transurban

## Tuesday 22 March 2016

Name	Title	Organisation
Mr Stephen Wall	Chief Executive Officer	Maribyrnong City Council
Mr Chris Eddy	Chief Executive Officer	Hobsons Bay City Council
Mr Richard Smithers	Transport Coordinator, City Strategy and Place Group	Melbourne City Council

## Tuesday 12 April 2016

Name	Title	Organisation
Mr Gary Liddle	Interim Chief Executive Officer	V/Line
Mr Jeroen Weimar	Acting Chief Executive Officer	Public Transport Victoria
Mr Paul O'Halloran	Director of Engineering	Metro Trains Melbourne

## Wednesday 13 April 2016

Name	Title	Organisation
Mr Lyell Strambi	Chief Executive Officer	Australia Pacific Airports Corporation
Ms Carly Dixon	Executive, Corporate and Public Affairs	
Mr Anthony Morton	President	Public Transport Users Association

## Wednesday 20 April 2016

Name	Title	Organisation
Mr Michel Masson	Chief Executive Officer	Infrastructure Victoria
Mr Adam Fennessy	Secretary	Department of Environment, Land, Water and Planning
Ms Christine Wyatt	Deputy Secretary, Planning	
Mr Paul Smith	Deputy Secretary, Environment and Climate Change	
Mr Don Hough	Director, Regulation and Approvals, Biodiversity Division	
Ms Christine McCall	Chief Executive Officer	Yarraville Community Centre
Ms Tina Soumbassis	Chairperson, Committee of Management	Lower Our Tracks Incorporated (No Sky Rail)
Ms Karlee Browning	President	
Ms Dianne Hunt	Secretary	
Ms Beata Armatys		Strathmore Secondary College
Ms Anne Kershaw	School Council President	
Mr Jim Kounetas	School Council Member	
Mr Richard Bolt	Secretary	Department of Economic Development, Jobs, Transport and Resources
Mr Robert Abboud	Deputy Secretary, Transport Network Development	

<b>Name</b>	<b>Title</b>	<b>Organisation</b>
Mr John Merritt	Chief Executive	VicRoads
Mr Nial Finegan	Chief Executive Officer	
Dr Paul Torre	EPA Principal Expert, Air Quality	Environment Protection Authority Victoria
Dr German Ferrando-Miguel	Manager, Major Projects	
Ms Jill Garner	Victorian Government Architect	Office of the Victorian Government Architect
Ms Sophie Patitsas	Principal Adviser, Urban Design and Architecture	

### Wednesday 4 May 2016

<b>Name</b>	<b>Title</b>	<b>Organisation</b>
Mr Kevin Devlin	Chief Executive Officer	Level Crossing Removal Authority

### Tuesday 24 May 2016

<b>Name</b>	<b>Title</b>	<b>Organisation</b>
Mr Nick Easy	Chief Executive Officer	Port of Melbourne Corporation
Mr David Martine	Secretary	
Mr David Webster	Deputy Secretary, Commercial Division	Department of Treasury and Finance
Mr Nick Rizos	Acting Director, Port Transaction Unit	
Mr Evan Tattersall	Chief Executive Officer	Melbourne Metro Rail Authority

