

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Budget Estimates

Melbourne – Tuesday 6 June 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

WITNESSES

Mr Ben Carroll MP, Minister for Public Transport,

Mr Paul Younis, Secretary,

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

Ms Tammy O'Connor, Chief Executive Officer, Safe Transport Victoria, and

Mr Dean Tighe, Deputy Secretary, Investment and Technology, Department of Transport and Planning.

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

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

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.

I welcome the Minister for Public Transport the Honourable Ben Carroll and officers from the Department of Transport and Planning. Minister, you have 10 minutes to make an opening statement or presentation. This will be followed by questions from the committee. Your time starts now.

Visual presentation.

Ben CARROLL: Thank you, Chair. It is a pleasure to be here for the public transport portfolio, to be meeting with members of the Public Accounts and Estimates Committee and to be here with Secretary Younis and Deputy Secretary Will Tieppo and also Tammy O'Connor, who runs Safe Transport Victoria. Thank you for this opportunity.

Chair, I can begin with why we believe public transport is so important. We know public transport is the great connector, and it is a critical connector for Victorians to jobs, education and services but also to family and friends. Since 2014 the Andrews Labor government has delivered an unprecedented program to transform our public transport network. Beyond getting people to and where they need to get to, we see public transport as having social value and also the environmental benefits that come with it.

Our \$100 billion Big Build is unprecedented. It has modernised our public transport network and enabled us to run more services to every part of our state. We have added over 1000 services to the metropolitan train network, over 800 to our regional network and more than 20,000 additional bus services. Our \$9 billion rolling stock program has also ensured we are creating thousands of jobs across the supply chain. These are very good jobs for everyday Victorians, ensuring we deliver modern, accessible buses, trains and trams that are made in Victoria by Victorians.

The budget continues our commitment to public transport with over \$1.9 billion being invested. We have also delivered every single one of our election commitments in the public transport portfolio through this budget. Our aim is that no matter where they live, every Victorian can access good public transport, whether that is through new bus services, whether it is through a modern world-class rail system or it is through an accessible public tram network as well.

Next slide please. The budget highlights include a range, and I am going to go through our regions, maintenance, trains, trams and buses just briefly. A \$1 billion investment has been provided for our regional public transport network, and included in the breakdown of this is \$189 million to deliver our regional fare cap, which has been very much welcomed by regional Victorians, as well by Melburnians I should say; \$219 million to increase the frequency of weekend services on major train lines; as well as the \$601 million to purchase 23 new modern VLocity trains for our regional network, which also means that when you add on a new train you also get to retire the old inefficient classic fleet.

We are also doing transformational work with our maintenance. Like a car, the public transport network relies heavily on maintenance to keep it up and running and being very much on target, so there is \$322 million for stage 2 upgrades at the South Dynon train maintenance facility and \$111 million for maintenance and uplifts across the network, including the Bendigo rail workshops. Some of the maintenance facilities that will also go in are biowashes. On our train work network we do have a lot of strikes of animals and things like that, and we want to get the trains back on the network as soon as possible. \$59 million will also deliver a package of critical works to provide the enabling infrastructure for our next generation trams to deploy them on routes 57, 59 and 82, and that is really important, particularly for Melbourne's western suburbs.

We are also providing continued investment in the metropolitan train network, including additional services on the Hurstbridge and Mernda lines, following the completion of the Hurstbridge line duplication. Through some strong advocacy there is \$60 million to revitalise Boronia station, and there is \$339 million to prepare for the operation of the Metro Tunnel. How exciting is that, to think that the Metro Tunnel is getting closer day by day. There is \$36 million to deliver *Victoria's Bus Plan*, including service uplifts in growth communities and in the west as well as zero emission buses that we know more and more Victorians are wanting to see on their local transport network.

Chair and committee members, transport equity is a big part of the public transport portfolio, and bringing equity began with the regional fare cap – you should not be penalised simply for where you live or the postcode you have in how much you pay to get on the train network. Under our government we have made regional fares just as equal as metropolitan fares. Prior to 31 March fares were calculated based on the distance travelled. As an example, the Member for Gippsland South would appreciate, the daily return full fare from Gippsland would have cost \$62. The Member for Western Victoria would appreciate the daily return fare from Warrnambool to Melbourne would have cost \$78.80. In contrast, they are now equal to metropolitan Melbourne, so they currently will pay only \$9.20, as it should be – transport equity between regional and metropolitan Melbourne.

This is also a very important cost-of-living measure. Our estimates say that \$8 million has been saved and put directly back into the pockets of regional Victorians in particular, money that they would have otherwise spent on the V/Line public transport network going back into their pockets to spend in regional economies and wherever they see fit. We do expect, Chair and committee members, patronage to continue to grow as a result of the regional fare cap. That is why we have added 800 services per week since 2014. We are seeing a great uplift in weekend services. That is why this budget delivers an additional 200 weekend services for regional Victoria. These weekend services will add frequency and capacity on the regional network at a time they are needed most. We will also ensure, as the presentation slides show, that we are increasing and putting more funding through our Regional Rail Revival program into every regional railway line. It is a great partnership with the Commonwealth government of \$4 billion.

I mentioned maintenance before, Chair and committee members, as being one of the foundations of keeping our public transport system running. This budget ensures that we have continued large investments in regional maintenance capacity to ensure our trains are serviced and cleaned as our network continues to grow. This investment is the largest investment in regional maintenance in over 20 years. Investments in Bendigo and South Dynon are really important and will allow a 24-hour operation of heavy maintenance activities at the Bendigo rail workshops as well as providing additional train drivers to increase efficiency and maintenance activities.

Chair, the rolling stock program has been at the heart of our transport agenda; if anything, it is the envy of the nation. I had the pleasure of showing, before he became the Premier of New South Wales, the then opposition leader of New South Wales how we do tram, train and bus rolling stock here in Victoria. We are the envy of the nation; every other state has their eyes on how Victoria does it. That is why we have put \$9 billion since we came into office in our rolling stock agenda program. This budget includes further funding for 23 three-carriage

VLocity trains that will follow on from the pipeline of 12 trains already. These 23 new trains will enable nine-car services on the Melton line, allowing us to retire the classic fleets on the Geelong and Bacchus Marsh corridors.

I have mentioned the 100 next-generation trams that are really important for disability and accessibility access. When it comes to making our network more accessible, there are the two components. There is the work that goes on with the rolling stock – you know, low-floor trams – and there is also the work that goes on at the community level in terms of the train and tram infrastructure at that community street level. We have also got 25 new XTrapolis 2.0 trains, which are really important as well. Our rolling stock program continues to deliver, as I highlighted in the industry portfolio. A major component is our local procurement, and we mandate 65 per cent local content, which is really important. This also ensures that our factories in Dandenong and Ballarat have really important supply chains, or parts of them.

Chair, our tram network is synonymous with Melbourne – the biggest tram network in the world. I am very proud that the next-generation tram will go a long way to supporting our tram network becoming more disability compliant. We have already made important inroads where some 40 per cent of the tram fleet is now low-floor trams and we are about to add another 100 through the next-generation tram project, which is really important. But beyond that, at the street level: High Street, Northcote; Smith Street, Fitzroy; Droop Street, Footscray – there is funding for development and design and approvals to ensure these three corridors can also become more disability compliant, including the La Trobe Street corridor, which was funded in the last budget.

We are about unlocking the benefits of our Big Build for the metropolitan transport system, Chair and committee members. The Metro Tunnel is going to be a game changer for our state. It is going to be a game changer for public transport. This budget provides critical funding to get the operations going and to ensure we have the wayfinding customer service information and ensure that when the Metro Tunnel opens it will be a game changer – the biggest investment in the public transport network since the opening of the city loop. It is going to be such a wonderful milestone when it opens, and this budget provides the funding for the services to go with it as well as the wayfinding infrastructure – the public information displays to ensure that we unlock all the potential that the Metro Tunnel has when we untangle the city loop. The Deputy Premier, the Premier and I cannot wait for opening day.

The CHAIR: Thank you very much, Minister. The first line of questioning will come from Mr McGowan. You have 10 minutes, and your time starts now.

Nicholas McGOWAN: Thank you. Thank you, Minister. I would like to ask a question of Mr Tighe, if I could ask him to come up. While I am doing that, Minister, no doubt you have seen a copy of the letter today. It relates to the expenditure with respect to the public transport ticketing, and I note that it is covered in hard copy, page 184, as you are well aware. There is a copy of the letter here from Cubic. I am sure you have a copy of that by now, if you had not already.

Ben CARROLL: Yes.

Nicholas McGOWAN: Minister, why was the most expensive tender option not chosen?

Ben CARROLL: We chose the best option, to answer you, Mr McGowan. Conduent operate in some 24 countries, providing 400 ticketing systems around the world. They are a world leader when it comes to all digital payments. They are a world leader when it comes to open loop banking, and from the major cities right around the world it is wonderful that they will now be providing the digital services that Victorians know. A globally renowned ticketing company will be the next operator of our public transport ticketing, and I know we will get on with the job. We are really confident, given their track record in some 24 countries around the world, that we are adding Melbourne, Victoria to that as well.

Nicholas McGOWAN: It is very interesting you say that, Minister, because you mentioned specifically Paris, Dubai, Montreal and New Jersey in your press release. I think recalling from question time you gave some sort of, you know, ‘I fly over Dubai’ – well, in Dubai those services simply do not exist. In fact if you care to look at their website, they will tell you very clearly the sort of services we seek in Victoria do not exist. In fact the company you have now chosen does not provide those services in any of the countries that you list in your press release.

Ben CARROLL: If you look at my press release and if you look at my *Hansard*, I said they do provide those ticketing solutions, and if you look right across the world, and a great example is the –

Nicholas McGOWAN: I have looked, Minister. This is simply not correct.

Ben CARROLL: Six and a half million residents, so a similar size to –

Nicholas McGOWAN: They do not have a functioning open loop application –

The CHAIR: Mr McGowan, it is early in the day for me to again reiterate what I have said over the past couple of days. If you ask a question of the minister and witnesses, you will provide them the courtesy of being able to respond to you. Thank you.

Ben CARROLL: So if I can, Mr McGowan, to set the record clearly straight for you and the shadow minister as well: Conduent deliver in Paris. They do deliver a ticketing solution – nine million trips daily; in Dubai they have been delivering the ticketing solution for the bus network since 2009 and trams since 2015, and they are going through –

Nicholas McGOWAN: Minister, no open loop –

The CHAIR: Mr McGowan, there is a point of order –

Nicholas McGOWAN: And what you are actually doing here is you are misleading the public of Victoria, because you know that the systems we seek to implement are nothing like you are looking at –

The CHAIR: Mr McGowan, you are being rude. Mr McGowan, there is a point of order. Mr Galea.

Michael GALEA: On a point of order, Chair, I cannot hear the minister's answer over the interjections.

Ben CARROLL: Look, Mr McGowan, let me clear it up for you, okay –

The CHAIR: Minister, I have not ruled on the point of order. Mr McGowan, it is very difficult to hear the minister while you are interjecting. Could you please cease the interjections and talking over the minister? Minister.

Ben CARROLL: Mr McGowan, do not take my word for it. Take the press release that Conduent themselves put out, and I will quote:

Victoria's next transit ticketing system will be implemented in two phases. First, Conduent will install validators on buses, trains and trams and provide a contactless credit and debit card (Eurocard –

which might be handy for –

Nicholas McGOWAN: Having never done this before in any other jurisdiction in the world –

Ben CARROLL: I have not finished:

(Euro card, MasterCard, Visa and Amex) –

Nicholas McGOWAN: They have never done this before. You must know this.

Ben CARROLL: It continues:

The system will also allow passengers to pay with existing myki transit cards ...

Other people that might want to continue to use their Myki card can continue to.

Nicholas McGOWAN: You chose the most expensive bidder of all the bidders –

Ben CARROLL: No, no, we have chosen someone that can do Amex, Visa, MasterCard – even Tim Smith, when Tim Smith comes back to the Victorian Parliament, he will be able to use his Eurocard, they say. How is that!

Nicholas McGOWAN: They have not proven this anywhere in the world. You know that to be the case, yet you want to sit here, and you want to read verbatim. It is a complete nonsense, and you know that.

Ben CARROLL: Twenty-four countries around the world, Mr McGowan.

Nicholas McGOWAN: And not one of them can you point to where it exists with a loop system – not one country.

Ben CARROLL: I suggest you start doing a bit more, better research.

Nicholas McGOWAN: I have done my research well. I understand what I am talking about. In fact I was in Dubai two months ago, and I can tell you there was no capacity for the sort of system you envisage in Victoria. It is a lie, and you know it to be a lie.

Ben CARROLL: I was in Dubai too, and I have –

The CHAIR: Mr McGowan. I do not want to have to remind you to please be respectful towards ministers and witnesses. They are here to answer your questions. If you have a question, please ask it.

Nicholas McGOWAN: Mr Tighe, why was the most expensive tender option chosen?

Dean TIGHE: Price was one of the factors, but certainly we did not opt to choose the cheapest option, that is for sure. We were not actively seeking the cheapest option to operate the 15-year –

Nicholas McGOWAN: As part of the department's assessment, what visits did you make?

Paul YOUNIS: Deputy Chair, can I –

Nicholas McGOWAN: I am sorry, no. You are interrupting a question. With respect, this is your opportunity to respond to questions, not your opportunity to ask questions. Thank you.

Mr Tighe, in making the assessment, as I have said –

Paul YOUNIS: Can I –

The CHAIR: Mr McGowan!

Paul HAMER: Chair, I have got a point of order, which is: could you just point to the budget papers that we are discussing now?

Nicholas McGOWAN: We have already done that – page 184, \$543 million, taxpayer dollars. Mr Tighe, would you answer the question?

Paul YOUNIS: Chair, I oversaw the –

Nicholas McGOWAN: I understand. I have asked a question directly, and yet –

Paul YOUNIS: But Mr Tighe has been –

Nicholas McGOWAN: But I did not ask the Secretary. You know that.

The CHAIR: Mr McGowan! Mr Tighe, are you able to respond to the Deputy Chair?

Dean TIGHE: I partially answered. We have gone for a 15-year operator to operate the Myki system; upgrade 23,000 devices across the network; introduce progressively functionality for an account-based ticketing system, which we have seen them do in other jurisdictions; integrate a concession validation platform; and also provide and lead the back-office operations. All these things were considered – technical, commercial, financial and departures from contracts. All were considered in a two-year procurement process.

Nicholas McGOWAN: And did you visit any location anywhere on this globe where this system that you now seek is implemented right now?

Dean TIGHE: The team visited multiple jurisdictions.

Nicholas McGOWAN: Which ones?

Dean TIGHE: Adelaide, New Jersey, New York – not only for Conduent but for the other prospective bidders as well.

Nicholas McGOWAN: And where did it exist currently, the entire system in its complete entirety? Does it currently exist in the globe?

Dean TIGHE: I do not think anyone has claimed it does in its complete entirety.

Nicholas McGOWAN: That is my point exactly. So you have now given the tender to a company that actually does not operate anywhere in the world today, despite what we have been told, despite the minister referring to it as being off the shelf, isn't that correct?

Ben CARROLL: I can answer that question if you direct it to me, please.

Nicholas McGOWAN: Minister, I did not ask you the question.

Ben CARROLL: Eight systems – eight open loop systems: Adelaide, Netherlands, France, Mexico, Finland and Italy.

Nicholas McGOWAN: This is not your opportunity. This is not question time. This is not your chamber. You do not have the numbers here.

The CHAIR: Mr McGowan. You have a question. I am assuming you would like an answer, a comprehensive answer. The minister is offering to provide extra information.

Nicholas McGOWAN: I did not ask the minister. I asked Mr Tighe.

The CHAIR: Do you want that?

Nicholas McGOWAN: No, I do not want it from the minister.

The CHAIR: Mr Tighe.

Dean TIGHE: So yes – where they operate. I think you were talking about credit card, EMV-type operations – Adelaide, New Jersey and Lyon in France. Other back-office operations include Rotterdam in the Netherlands, Rennes in France, Flanders. These are all back-office operations where they are currently operating credit-card based systems – if that is the specific functionality you are talking about. Also there is Brescia in Italy.

Nicholas McGOWAN: Thank you, Mr Tighe. I think you have answered the question. Mr Tighe, the NTT Data contract for the old Myki ends on 1 December, as you know. What budget allowance has been made for the transition to the new operator?

Dean TIGHE: That is covered in the contract that I think is in the press release, which is the \$1.7 billion, 15-year contract term. That is inclusive of that transition period.

Ben CARROLL: Myki does not switch off, Mr McGowan. Myki continues under a new operator while we make, for the first time, a statewide solution that will be able to service, through the new public transport ticketing system, Mrs McArthur's electorate and regional Victoria, including Mr O'Brien's electorate. If you still choose to have your card-based Myki, you will still be able to use that, but we are also bringing in whether you want to use your mobile phone, your credit card or indeed your watch.

Nicholas McGOWAN: Thank you, Minister. A tap-on, tap-off system can only provide concessions and discounts to users if a customer's account software system is set up. The account and concession system has been provided to Conduent by the state government as part of its contract. Where in the budget has this software development been budgeted for?

Ben CARROLL: It is part of the contract. It is part of the business-as-usual part of our budget. It is a contract that has been awarded to a new company. The Secretary can supplement my answer, but it does not get a separate itemised line item in the budget. It never has.

Danny O'BRIEN: It is \$1.7 billion, and there is nothing in the budget. There is nothing about existing resources. Is that right?

Dean TIGHE: Correct.

Ben CARROLL: Exactly. Yes.

Dean TIGHE: The department's annual appropriation has –

Ben CARROLL: I have answered this.

Nicholas McGOWAN: Mr Secretary, perhaps you would like to.

Paul YOUNIS: Yes. So budget paper 3, in our train services and tram services, has cost outputs, which is consistent with previous years, and the operating of the ticketing network is covered in those cost outputs.

Danny O'BRIEN: Which page, sorry, Secretary?

Paul YOUNIS: Budget paper 3, page 320, in the costs there. Page 321, 'Total output costs', and page 322. Similar to the way that we pay for NTT services, the Myki services now, they are covered in the appropriations provided for in our BP3 papers.

Nicholas McGOWAN: Minister, is there a clause in the contract –

The CHAIR: Thank you, Mr McGowan. Your time is up. Mr Galea, you have 10 minutes.

Michael GALEA: Thank you, Chair. Minister, I would like to ask you about a subject very close to my heart, and that is bus reform. I note from budget paper 3, pages 96 and 97, table 1.21 discusses *Victoria's Bus Plan*. Minister, could you please expand on this and what this will mean for bus services for all Victorians?

Ben CARROLL: Yes, certainly. Thank you for that question, Mr Galea, and I think it is close to just about every member on this committee's heart, buses. I was very proud – we are the first government since the Bracks government released *Meeting Our Transport Challenges* to actually roll out a dedicated bus plan. This is a very clear statement of intent for the future as we work towards modernising our bus fleet – zero-emission buses. But also too, many of our bus routes have not been looked at since Sunday trading came in, and that is why there is a real multitude of work to occur when it comes to our bus network, and it is why we are very committed to it as well.

Often buses are referred to as a bit of the poor cousin of public transport, and we want them to be one of the first choices for people to use the bus network to get to the tram or to the train or wherever they need to go. So this budget does provide the \$36 million in funding for new and upgraded bus routes as well as a significant package for improved metropolitan bus services, as well as we do have the funding for that transition to zero-emission buses. Many members would be aware we have committed from 2025 that all new buses that the government purchases will be ZEBs – zero-emission buses.

We know buses do a lot of the heavy lifting for our public transport network. Some 135 million Victorians every year use the bus to go to work, to school or to visit loved ones or to visit the shops or the chemist. We also know that a full bus, in terms of environmental benefits, is the equivalent of taking 50 cars off the road. We have always recognised the important role buses play right back to 2014. Over \$550 million of investment has been made in our bus network since 2014.

The bus plan also signifies how we will build on our record investment, rolling out more bus rapid transit, which the Chair is very familiar with in her electorate. We have started the journey with the FlexiRide services where you have got more on-demand buses. We have also introduced all-door boarding, a bit like the tram network, where you can enter the bus from the rear door and not just go through the front, which is an also important health and safety measure for our drivers.

We also want the Victorian community to know that we are very committed. So we have got bus service reviews that are active right as we speak – all the information is up on the public transport website – in Mildura, the north-eastern suburbs and Melbourne’s northern suburbs. We are working with different stakeholders to ensure we can get the best benefit of our bus network in Melbourne’s west, in the Melton area. Eynesbury and Maddingley are also provided for in this budget. And this will really go a long way to meeting our legislative targets too in relation to net zero by tackling transport emissions.

Michael GALEA: Thank you, Minister. And I would like to pick up – you touched on zero-emission buses. I also note from the budget papers that funding has been provided for the further implementation of those vehicles. Can you please explain how this funding will provide benefits to Victorian bus users as well as of course contribute towards our efforts to tackle climate change?

Ben CARROLL: Yes. Thanks, Mr Galea. Everyone wants cleaner, greener, quieter, more modern buses, and not just the people that are travelling on the bus. You ask any cyclist that is out there and that is travelling behind a bus: they want it to be a zero-emission bus. People in cafes love it when their neighbourhoods are being populated by zero-emission, clean, green buses. Overseas jurisdictions have buses literally going through their libraries, they are that quiet. So this is the modern future that we are very much creeping towards, and I am very proud of our government’s commitment and the work I have done with the climate action minister to have that commitment from 2025 of the government purchasing only zero-emission buses.

It is also going to be great for our manufacturing base and particularly companies like Volgren in Dandenong South, which we know manufactures buses as well. We know land transport is the biggest component of transport emissions, and the way we tackle that predominantly is through having zero-emission buses. You think of all the passengers that are on these buses as well. We have rolled out, Mr Galea, \$20 million where we have been able to basically try and map out the state on what we need not only for the rolling stock but what we need at the ground level in terms of the bus depots, the infrastructure and the work that goes underground – power. How do you really map this out? Do we also need charging at certain bus areas or train stations? Most buses, though, interestingly, can go out all day – the modern-day zero-emission bus – and come back with still a lot more battery life left in them. They pretty much charge overnight, go out all day and come back. But we are also a bit agnostic on this in terms of we are rolling out zero-emission buses but we are also going to have some hydrogen buses on the network to really try and make sure we get the future right.

I am particularly proud. We have got several members here from Melbourne’s west: Member Hilakari; obviously the Chair, Member Connolly; and me. We have some challenges in Melbourne’s west in terms of climate. Rolling out zero-emission buses and trying to make it a bit of a home of zero-emission buses through Transit Systems, Kinetic and CDC is really important, and I am really excited by it.

Michael GALEA: Thank you, Minister. How will the investment in the metropolitan bus service contracts provide value for money for Victorians and also align with the objectives of *Victoria’s Bus Plan*?

Ben CARROLL: Thanks, Mr Galea. This is one of the hard parts of the portfolio. You have probably heard me speak before about buses and contracts going right back to the 1890s. Essentially we need to have reform, and that does require reform at the contract level. There are a lot of contracts in transport, and buses are not immune to that. We are working through this. Thirty per cent of the metropolitan network will go out to world’s best practice contracting. There have been three Auditor-General’s reports on this. Paul Mees, in his book *Transport for Suburbia*, said this is the nut you need to crack. We have done it in the past. Minister Allan, to her credit, started this journey back in 2018. We have seen Kinetic be awarded the Metropolitan Bus Franchise contract. Minister Allan did about 40 per cent of the network when she was in charge; I am doing another 30 per cent of the network. We are basically inching towards 2035. It seems a long way away, but these are hard reforms that we are making now as a Labor government in bus reform at the contract level, and it does set us up for the future. It very much is international best practice, and I am really looking forward to what comes of this next stage in our bus reform journey.

Michael GALEA: Thank you, Minister. I am very pleased to hear reference to one of my favourite books on the subject as well. If I might ask, I notice that this budget has a number of provisions for extra services, including one from Eynesbury to Melton, as well as the new cross-peninsula bus. As someone who used to commute on the peninsula, often by public transport, I know just how big a deal that is. Could you please expand on some of these new services and what they will mean for these communities?

Ben CARROLL: I have been in these areas recently. I was with Mr McGhie in Melton. He took me around the Eynesbury estate, which is very much a growing estate. Again, it needs a bus network. There are schools there that need to be connected to rail. We actually talked to local residents and spoke to community members. This budget has money in it for the Eynesbury estate bus service. Just recently I was down with the Member for Hastings Mr Mercurio and Hastings area as well has been talked about as having the growing port. It is growing. It is having a new bus service review. It has been talked about, but this budget actually has the money there to go ahead and do it. We are very proud of these investments, but we have got a bit of an eye to innovation as well. You have got your dedicated bus routes and your incumbent operator. We are also trying to change things up a bit with on-demand buses, where you have got the FlexiRide services as being incredibly popular, where you can basically order the bus via your mobile phone and it comes and takes you where you need to get to. I was with Mary-Anne Thomas just recently, going around the FlexiRide in her electorate and seeing firsthand the change it has made to customers of all ages – being able to order the bus through their mobile phone, have it come to the stop that they know and then take them to the local shops to put in their script at the chemist or to go visit their local GP. We know for every dollar invested in buses there is some \$5 return, we know the benefit–cost ratio is very good and we need to continue that investment.

The CHAIR: Thank you, Minister. Mrs McArthur, you have 10 minutes.

Bev McARTHUR: Thank you. I need Mr Tighe to come back to the desk, please. While he is coming back, we have heard about transition in this whole process of a new ticketing machine, and it is being done by Convergint in Port Melbourne, Mr Tighe, on behalf of Conduent. But Convergint have never run a ticketing system. They have only installed security systems. So what due diligence did you do on Conduent's partner?

Dean TIGHE: Chair, to the best of my knowledge Conduent are the lead partners that the state has signed up with, and Convergint, as you mentioned, the local firm there, are effectively to the best of my knowledge a subcontractor for Conduent.

Bev McARTHUR: But you are parting with \$1.7 billion in taxpayers money when we know that other tenderers – NTT proposed \$900 million, Cubic \$1.66 billion. So you went for the most expensive operation, and now they have got a –

Ben CARROLL: The best, Mrs McArthur. The best.

Bev McARTHUR: Excuse me, Minister, I am asking Mr Tighe a question.

Ben CARROLL: You are reading your question from your mobile phone. You will be able to use that mobile phone on the public transport system soon.

Nicholas McGOWAN: It remains to be seen that it is the best. Your form on these ticketing systems is pretty woeful.

Bev McARTHUR: Yes. I mean, the one across the road here, Minister, does not even work, and it was put there by Conduent. So they have not got a good track record. But if we are using taxpayers money to operate a new ticketing system and the subcontractor, as you referred to, has never run a ticketing system before, wouldn't you want to make sure that all operations in this process are being run by competent people?

Dean TIGHE: Both Conduent and Convergint are in the special-purpose vehicle which was a prerequisite for the contract.

Bev McARTHUR: So they are learning on the job, Mr Tighe, would you say?

Dean TIGHE: Sorry, Chair, I had not finished.

Bev McARTHUR: Are they?

The CHAIR: Mr Tighe.

Dean TIGHE: Both Conduent and Convergint are in the special-purpose vehicle which was a prerequisite as part of the procurement process. Both have been checked out and are operating together. On transition, over all the implementation plans and operations, we are confident in the partners that we have selected for the next

15 years both, as I mentioned before, to continue to operate Myki but also to replace the 23,000 devices – installation of new devices I think is what the minister mentioned, particularly to our regional customers and commuters – and progressively roll out that functionality of the account-based ticketing. Whilst Myki is still there, people might still want to use their cards. That progressive roll-out of account-based ticketing has the concession validation platform, which is not in other jurisdictions. I think if you go to Sydney, you will not be able to use concessions, for instance. There is a different process for that. We are really confident and quite happy with their reputation.

Bev McARTHUR: This company has 20 people operating out of a shed in Port Melbourne, whereas NTT, for example, has 100 staff that would have been able to roll this out.

Dean TIGHE: Part of the transition is that those staff at NTT will largely be expected to transition over to the new operator.

Bev McARTHUR: It would have been better to give them the contract, wouldn't it?

Nicholas McGOWAN: Mr Tighe, that is an interesting question. You are expecting NTT the present operator will actually just hand their staff over.

Dean TIGHE: They are also in a special purpose vehicle at the moment, so as I mentioned, that is an important part of the contract.

Nicholas McGOWAN: Very special by the sounds of it. Go on.

Dean TIGHE: So what will happen: as part of that transition on 1 December those employees will largely transition over to the new operator.

Nicholas McGOWAN: Says who?

Dean TIGHE: My understanding is the interim CEO has already had a virtual town hall meeting. Sorry, the interim CEO of Conduent has already addressed those staff from NTT and –

Bev McARTHUR: Well, we know, Mr Tighe, that no employees have been spoken to.

Dean TIGHE: They have had a workshop – online of course. My understanding is around 130 staff attended that workshop – or up to 130 people participated in that workshop. My understanding is the interim CEO for Conduent has started the process of handing over, getting those employee details and being able to have those conversations. That is subject to a tripartite agreement between NTT, the state and Conduent. So we are really confident and really comfortable with where this process is at. The contract was only signed a week or two weeks ago. That transition is to happen over the next six months to 30 November this year.

Nicholas McGOWAN: So just to be absolutely clear, Mr Tighe, for the people of Victoria, not a single person has actually been contracted in respect to the takeover arrangements for the new company – not a single person.

Dean TIGHE: So they are still NTT employees for the transition period – that is correct. That is not unusual. Conduent do not take over operations of Myki until 1 December, just to be clear on that.

Nicholas McGOWAN: I understand.

Bev McARTHUR: Mr Tighe, can you tell us whether any department of transport staff were involved in the tender process?

Dean TIGHE: Yes, we led the tender process.

Nicholas McGOWAN: Minister, you told the Parliament that Conduent had no connection to the bungled Myki set-up. Do you still stand by that?

Ben CARROLL: I do.

Nicholas McGOWAN: You do?

Ben CARROLL: Yes, because – I think the shadow minister needs to do his homework – Conduent were not part of the original NTT Data Myki set up when that was implemented by the Brumby government.

Nicholas McGOWAN: Has your department confirmed with you then, Minister, that the fare collection system for Myki was supplied by Ascom?

Ben CARROLL: The department have provided me with relevant briefings, yes.

Nicholas McGOWAN: Conduent was called Ascom between 2005 and 2010, Minister. Are you aware of that?

Ben CARROLL: But you are talking 2005.

Nicholas McGOWAN: And 2010, Minister.

Ben CARROLL: Yes, but that is – well, your time lines do not marry up with Myki.

Danny O'BRIEN: Between 2005 and 2010.

Ben CARROLL: No, Myki is a separate system altogether, and Conduent were not part of the original Myki set-up.

Nicholas McGOWAN: The company called Ascom. That is right, Minister.

Ben CARROLL: You have also got to remember, too, Myki before it was Myki was also under another company called Kamco, so there have been lots of different iterations. Also, open-loop ticketing systems around the world are done by several major players that work together, work collaboratively, across multiple bus, train and tram networks, and the one we have chosen happens to be in 24 countries operating 400 ticketing systems around the world to a very good standard.

Nicholas McGOWAN: I appreciate you are now answering the question I asked some 20 or 30 minutes ago, so I am glad you are now coming to the fore with that. Minister, Conduent until 2018 was owned by Xerox, the same company your government went into business with for two years with Eloque, as you know –

Paul HAMER: On a point of order.

Nicholas McGOWAN: who lost in the order of \$80 million of taxpayers money.

The CHAIR: Mr McGowan, there has been a point of order raised. Mr Hamer, on your point of order.

Paul HAMER: I would just like the member to come back to the budget paper that he is referring to in his question.

The CHAIR: Thank you, Mr Hamer. On the point of order, Mr McGowan, could you please point to a budget reference?

Bev McARTHUR: \$1.7 billion of taxpayers money.

Nicholas McGOWAN: That's right. I think I have already pointed out the budget reference, but I am happy to point to it again.

Danny O'BRIEN: The Secretary referred to it before.

The CHAIR: I am conscious of your time, Mr McGowan. Can you please point to a reference in the budget papers? It is the intent of this inquiry to look at the budget estimates 2023–24 before us.

Nicholas McGOWAN: On page 184, budget paper 4 – hard copy.

The CHAIR: Thank you.

Nicholas McGOWAN: Mr Tighe, on what basis was the figure of \$543 million put in the budget papers?

Dean TIGHE: That was a budget bid which reflected the department's best guess of the infrastructure requirements for the device replacement. I mentioned before that there was device replacement of roughly 23,000 devices across the network plus the installation of new devices for our regional commuters, so the V/Line commuters. In addition, that figure that you mentioned – \$543 million – also includes other things that are not in the Conduent contract, such as the concession entitlement validation platform, which is a new feature – that is what I mentioned they do not currently have in New South Wales. It also has a vehicle tracking system, which will be implemented on our bus network. It also covers some state-side costs associated with the rollout.

Paul YOUNIS: Deputy Chair, I might be able to add to that too, because that \$500 million was budgeted last year, and we budgeted that last year because we knew that there were supply chain issues in relation to ticket machine supply due to COVID. Now, what has happened since that is the supply chain has loosened up, and we have included the works and the replacement costs as a part of the Conduent contract.

Nicholas McGOWAN: Was that figure also informed by the tender process itself in respect to the bidders?

Paul YOUNIS: So the replacement process is now part of the tender process.

Nicholas McGOWAN: I understand that.

Paul YOUNIS: We did tender that last year. We did budget for that last year in the budget, and this is an existing project, a carryover from last year's funding.

Bev McARTHUR: Mr Tighe, can you tell us if you or any other public servants on behalf of the government travelled to Singapore and the USA last September?

Dean TIGHE: Yes, that is correct, as part of the due diligence for this very project.

Bev McARTHUR: Do you play golf, Mr Tighe?

Dean TIGHE: No.

The CHAIR: Mrs McArthur, I hardly see how that is relevant. If you can show relevance, please do so and enlighten the committee.

Bev McARTHUR: We are interested to know whether you were entertained by Conduent on that trip.

Dean TIGHE: No, I was not –

The CHAIR: Thank you, Mrs McArthur, your time is up.

Dean TIGHE: and no-one from my team who came with me on that trip was entertained.

The CHAIR: Thank you, Mr Tighe. The time is up. We will go to Ms Kathage. You have 10 minutes.

Mathew HILAKARI: I might actually take up this question, if that is okay, Chair.

The CHAIR: Mr Hilakari.

Mathew HILAKARI: Thank you, Minister, and officials. I appreciate the time that you are giving us today. Minister, I might refer to budget paper 3, pages 96 and 100, related to cheaper public transport for the regions. I am just wondering if you could give us a bit of an understanding of the first two months of operation and how it has all been going so far.

Ben CARROLL: Yes, thanks very much, Mr Hilakari. We know the regional fares have been an outstanding success. That is why in the budget we have additional funding to do the weekend services, adding an additional 200 weekend services to the regional fares. We also know more and more now people are coming via the regional network, whether it be major events, such as the grand prix, or whether it be AFL games as well. So it is really important that we now have this investment that will see trains every 20 minutes on the Geelong line between 8 am to 8 pm on weekends. And I note the longstanding advocacy. I know Mrs McArthur would love to know also there are trains every 40 minutes on the Ballarat line between 8 am and 9 pm –

Bev McARTHUR: It took you 500 days to get the gates open.

Ben CARROLL: and, rather than just use her mobile phone to ask questions, in the future with the statewide solution she will be able to use her mobile phone to pay for the ticketing system. There are also five return services on Saturday and Sunday on the Shepparton, Warrnambool and Ararat lines. So we are building a modern, world-class public transport system but also making sure, Mr Hilakari, that it is targeted to when Victorians are wanting to use the network. Predominantly we are seeing that strong, strong uplift, particularly on weekend services – also Melburnians going to our world-class galleries in Bendigo and Ballarat for some of their exhibitions.

Mathew HILAKARI: I have had that exact feedback from people in the community I represent, saying, ‘Well, I can visit friends and family in regional Victoria’, in a way they never could before, because of the cheapness of the fares now. It is so much more accessible. Maybe if you could put some detail around the number of Victorians who are taking advantage of this program, I think that would be appreciated.

Ben CARROLL: Certainly, Mr Hilakari. In the first two months more than 2.7 million took a trip on public transport across regional Victoria. As a direct result of our election commitment to cap regional fares, the regional network had 420,000 passengers travelling in the first week. This made it its busiest week since the COVID-19 pandemic. I am also happy to update the committee and declare that one of the first passengers on it recently was the member and the minister Mary-Anne Thomas. I was with her. We met with passengers. We saw them in their grand prix uniforms going to the grand prix. We saw them going to see the best that Melbourne has to offer. We know – whether it is the Ballarat line, the Bendigo line, the Geelong line or indeed the Warrnambool line – that more and more Victorians are wanting to use the regional fare cap. Thanks, Chair.

Mathew HILAKARI: I could not hear exactly. Was it 2.7 million that you said? That is incredible.

Ben CARROLL: Yes, in the first two months more than 2.7 million took a trip on public transport across regional Victoria, and Minister Thomas was one of those.

Bev McArthur interjected.

The CHAIR: Mrs McArthur, sideline commentary is unnecessary.

Ben CARROLL: So 2.7 million people took a trip on the regional network.

Mathew HILAKARI: That is fantastic. Could you maybe equate that to some of the savings that regional Victorians and metropolitan Melburnians have achieved as a result of this?

Ben CARROLL: Thanks, Mr Hilakari. Eight million dollars is estimated to have been put back into the pockets of Victorians who would have been paying those very expensive fares, who have now been able to put that money back into regional communities, whether it is the cafe, the gallery or the shop. It is a very important cost-of-living measure, and it ensures that we get more people out of cars and on the public transport network. One of the great things is there has been an uptick in people who have not used the public transport network for some years who have now got that incentive to use it, going to visit family or going to Melbourne on the weekend. It is going really well. But importantly, we made the commitment of around \$1 billion at the last election to put more rolling stock onto the regional network, to retire some of the classic fleet, to add 200 additional services and then to do this regional fare cap as well, which has been really, really important.

Mathew HILAKARI: Is this process having any changes in the travel patterns of Victorians, both regional and metro?

Ben CARROLL: It certainly has. We know the Geelong corridor, for example, has always been busy, and you would appreciate, Mr Hilakari, with your electorate, that many people going through Melbourne’s western suburbs continue on to Geelong and vice versa. We have seen more and more people on the Geelong network, the north-east line, the Ballarat line and the Bendigo line, and we are now tailoring a lot of our response to that. Can I give some credit, if I can, to V/Line and the chief executive officer. They have really been hands-on with this process. They have ensured that we have backup trains, and they have ensured that we have all the modern communications to ensure that, where we need to, we are running an agile train network that can really support Victorian passengers to get to where they need to get to.

Mathew HILAKARI: You mentioned some of those changes then but earlier as well around V/Line services for regional public transport users. What is the Andrews Labor government doing to make those improvements for V/Line?

Ben CARROLL: We have made a lot of changes at V/Line, and I had the pleasure to be with the Premier at V/Line head office recently meeting with the CEO and some of the staff. They are the purple brand – we have tried to roll out the purple carpet, so to speak, at our regional offices. We have really wanted to make sure that we not only boost capacity but make sure too that we boost frequency. It is wonderful that regional Victorians now have price parity with Melburnians. But in many respects Melburnians have a rich public transport system with high frequency, and that is why this budget goes a long way to ensure that we have – on the Geelong corridor, for example – more punctual train lines despite the huge growth and the patronage growth and have increased frequency of up to 10-minute intervals in peak periods. It has clearly been a great benefit. I know the Chair is very fond of the Geelong Cats and that many supporters go to Kardinia Park. We must ensure that more and more people that get to use the V/Line network get to use it and get to travel in comfort. We want to boost the frequency.

The Ballarat line had a \$500 million upgrade recently. It really goes hand in hand with the work of the transport infrastructure minister. She does a lot of the transport upgrades, and then I essentially, with the department and V/Line, do a lot of the service upgrades that come in following that record transport infrastructure investment. They go hand in hand. But we are not resting on our laurels. Having the Anthony Albanese government and the \$4 billion Regional Rail Revival, Mr Hilakari, is another great benefit that will see world-class infrastructure and more services as well.

Mathew HILAKARI: I might take you to weekend services, if that is possible. I heard your comments about Geelong and the football. Could you give us a bit more detail about that? I will take you to budget paper 3, pages 96 and 100.

Bev McARTHUR: Isn't he a Cats supporter?

Mathew HILAKARI: I am a Bombers supporter – who are having a ripper of a season, by the way.

Ben CARROLL: He is a Bombers supporter.

Danny O'BRIEN: I think you both should be ruled out of order.

Ben CARROLL: You beat my side on the weekend, Mr Hilakari.

Look, we have more targeted services for weekends, and it is really important. Let us just take the Geelong corridor because it is just about the fastest corridor growing and it will continue to grow, and we know many members here know that it comes through Melbourne's western suburbs as well. The Geelong corridor accounts for a significant part of V/Line's business, serving 46 per cent of V/Line's customers. So there you go, one corridor having 46 per cent. It has also experienced patronage growth of more than 100 per cent since 2011–12. That is obviously prior to COVID, but it has been bouncing back, and we are seeing more and more now some corridors at prepandemic levels because of the regional fares. That is why it is so important – this billion-dollar investment in more rolling stock, 200 additional weekend services – to increase frequency. So we know we have the community that are very much wanting to use public transport. They are coming back to public transport, which is wonderful, and it is these incentives like the regional fare cap that have been well thought through and well done.

Just imagine if those opposite had actually got into power with their \$2 fares across the whole network. Can't you imagine the chaos and the party of financial responsibility having to pay out the money for not being able to fulfil their contracts? We have been well thought through, and the Victorian public voted overwhelmingly for our reform. They saw through the Happy Meal gimmick on the other side and went for the regional fares fair.

Danny O'BRIEN: It is a Happy Meal gimmick for us –

The CHAIR: Thank you, Minister.

Danny O'BRIEN: but when you do \$9.70 fares across the board, that it is really good economic management. What is the difference?

Ben CARROLL: Yours was \$2. Seven dollars is the difference, Danny.

The CHAIR: Mr O'Brien, your time has already started.

Nicholas McGOWAN: Mr Secretary, just with respect to the \$543 million, do you know how much of that has already been spent?

Paul YOUNIS: The budget paper refers to the amount that has been spent on that, and I will just find it quickly.

Nicholas McGOWAN: Sure. While you look for that I will just ask the minister: Minister, will the government re-evaluate the tender process?

Ben CARROLL: Can you repeat the question?

Nicholas McGOWAN: Will you re-evaluate the tender process?

Ben CARROLL: This has been an incredibly thorough tender process, and Mr McGowan, you should know, of all people, it is not for politicians to run tender processes.

Nicholas McGOWAN: No, I agree.

Ben CARROLL: It is for government departments. Those opposite like to talk about America and talk about Europe. We are focused on Victoria, making sure we have a world-class public transport system that has been tested and tried in 24 countries around the world, and we are getting on with the job, focused on Victorians while you continue to look overseas.

Nicholas McGOWAN: Awesome. Thank you, Minister. Minister, while we are talking about Victoria and focusing here: Campbell Rose, where is he at the moment?

Ben CARROLL: Well, Campbell Rose, I will ask the Secretary to answer that, but that comes under –

Nicholas McGOWAN: I thought you might. Thank you, Secretary. Campbell Rose, where is he? His whereabouts is unknown.

Paul YOUNIS: Cam Rose – well, I do not know personally where he is. He is no longer the CEO at VicTrack.

Nicholas McGOWAN: When did he cease being the CEO?

Paul YOUNIS: I understand that was earlier in the year. It was earlier in the year, February or something of this year.

Nicholas McGOWAN: Okay. Would you mind getting a date for us for that, please?

Paul YOUNIS: It was around February this year.

The CHAIR: Mr McGowan, how is this relevant to the budget estimates, please?

Nicholas McGOWAN: Campbell Rose was the CEO of VicTrack. It is incredibly relevant to the expenditure undertaken every year by this department – intrinsic, I would have thought. Was Campbell Rose paid out a figure to leave VicTrack?

Paul YOUNIS: The employment of Cam Rose as the CEO of VicTrack is a matter for the board of VicTrack. They manage the employment of staff and particularly the CEO, and the arrangements with Cam Rose are a matter for the VicTrack board.

Nicholas McGOWAN: Secretary, budget paper 4, page 89, ‘Eloque (statewide)’ expenditure to 30 June 2023 of \$9 million. Secretary, in May 2021 the Andrews government announced a joint venture with Xerox PARC called Eloque. Funds from Transport were committed to being a 37.5 per cent shareholder. I am sure you are all familiar with this, although the relationship dates back, I recall, to 2017 when VicTrack received in the order of 500K from DPC. In February last year Eloque was telling the market it was going to triple its bridge monitors; this is in Victoria – remember we were all going out there spruiking these fantastic developments? Then in June later on they told the market they had over 100 bridges monitored in the state of Victoria. Two months later in August 2022 the company was broke and it was wound up. Secretary, what went wrong?

Paul YOUNIS: So the program of rollout of the Eloque technology, and I think it is worth going back – VicTrack had an innovation program that they developed and was looking at new technologies that could support the infrastructure program that we have. We have an extensive bridge network across the state, and the potential of the technology that VicTrack were proposing to support the asset that we have in the bridge technology was put together. What we did do was partner with Xerox in relation to the supply of the technical parts, and we, with part of VicTrack, set up a company to roll out the technology and trial it across the network. That is what the expenditure shown in the budget papers has gone to: the trial of that program. I would just COVID expenditure that they did at the time. The rollout of that operated over about 12 to 18 months, and if it had been successful, it would have been a very beneficial part of the asset. We do a lot of inspections –

Nicholas McGOWAN: The problem was, Secretary – I am just going to interrupt to take you up on that – it was not successful, was it?

Paul YOUNIS: We do a lot of inspections, manual inspections of our bridge network, and if we could have a system that provided that remote access and remote monitoring of our bridge system, it would have been incredibly beneficial for our network.

The unit cost of the rollout – we could not get that unit cost down, and when we did an evaluation of that unit cost, trying to get the unit cost of rolling that sort of technology out onto the network, we felt that it was not worth proceeding with the trial, and our recommendation was that we cease the trial, having given it every opportunity to succeed.

Nicholas McGOWAN: Well, the evidence is it did not succeed, very clearly. But, Secretary, just to be clear on the costs here, in 2017 there was a grant from DPC of 500 K – so I am trying to understand where the nine fits in this; this is where it is relevant. So is that correct: \$500,000 by DPC in 2017 to VicTrack?

Paul YOUNIS: To DPC?

Nicholas McGOWAN: From DPC to VicTrack.

Paul YOUNIS: There was a budget allocation in 2020–21 to VicTrack, to DOT, to roll out the program, yes.

Nicholas McGOWAN: In June 2020 there was \$32.5 million. That was part of the crisis cabinet, correct?

Paul YOUNIS: Yes.

Nicholas McGOWAN: Right. Then in November 2020 there was a further \$50 million.

Paul YOUNIS: Correct, yes.

Nicholas McGOWAN: Okay. So in total we have got in the order of \$80-plus million. Is that correct?

Paul YOUNIS: Yes, and \$9 million has been spent of that.

Nicholas McGOWAN: What do you mean \$9 million has been spent?

Paul YOUNIS: Well, if you look at the – I am trying to find the figure.

Nicholas McGOWAN: Because a great deal more has been spent than \$9 million, obviously, in the course of this history from 2017 forward.

Paul YOUNIS: The other has not been spent. That was allocated for a full trial over three years. We truncated the trial. We stopped the trial after the first tranche. There were a number of milestones in the trial that we wanted to work through, and those milestones were testing the technology – whether the technology worked or whether we could get the unit costs to work. So there were milestones we wanted to meet. If we did not meet those milestones – as you do with the trial of any innovation program, you test it, you trial it, and if it is not succeeding, you do not go on with the rest of the program.

Nicholas McGOWAN: Minister, some 1700 Xerox employees are now at Conduent. Nearly all the senior Conduent management worked alongside senior Xerox staff. Can Victorians be sure that all necessary conflicts of interest were managed in awarding the Conduent contract?

Ben CARROLL: Yes.

Nicholas McGOWAN: What gives you that confidence, Minister?

Ben CARROLL: Because I have confidence in my department. They run a very thorough procurement process at arm's length and they have been very diligent, and I am confident in the department. I understand, Mr McGowan, that different companies, when they are not selected and they have not been awarded the contract, may be upset, and that is just part and parcel of doing business. But we have awarded a system to a company that has a proven track record in 24 countries around the world, rolling out 400 ticketing systems. I have seen it, I have used it and I have experienced what they are going to bring to Melbourne, Victoria, just like their eight open-loop systems in other places around the world, and I am very confident about the diligence and the procurement process that the Department of Transport and Planning ran, obviously at arm's length from me as the minister.

Nicholas McGOWAN: As they say, Minister, 'Trust but verify,' right? And I can understand how Victorians might want to reasonably understand how we have three tenderers, one bidding in the order of \$900 million, the other \$1.6 billion and the third \$1.7 billion, and we give the tender to the \$1.7 billion. There are serious questions to be asked, would you not agree?

Ben CARROLL: We have gone for the best and the most reliable, and we are very confident of their track record in 24 countries around the world about account-based ticketing. They have rolled out ticketing systems on buses, trams and trains. You heard Mr Tighe talk about some of the field work. We have been talking to all different players right around Australia and right around the world, and we have selected –

Bev McARTHUR: Where have you used the system, Minister?

Ben CARROLL: I got to use the system here in Melbourne.

Bev McARTHUR: It does not operate without an account, does it?

Ben CARROLL: No, but they can set it up where you do a trial. A bit like you were using your mobile phone there, they let me trial the system with my mobile phone, Mrs McArthur.

Bev McARTHUR: And it worked well?

Ben CARROLL: And it worked well, yes.

Danny O'BRIEN: Can I just go back to – sorry, Secretary, is it Eloque?

Paul YOUNIS: Eloque.

Danny O'BRIEN: As was indicated before, about \$83 million had been allocated to that project. Is it literally \$9 million that has been spent?

Paul YOUNIS: Correct. Yes. There was \$50 million allocated to the project in 2020–21, and \$9 million of that \$50 million has been spent.

Danny O'BRIEN: What about the \$32 million in 2020?

Paul YOUNIS: The total expenditure on that program from the department is \$9 million.

Danny O'BRIEN: \$9 million from the government?

Paul YOUNIS: Yes, the government.

Danny O'BRIEN: What happens to the rest? Has it just gone back into consolidated revenue now?

Paul YOUNIS: That is something for the Treasurer.

Danny O'BRIEN: Yes. Can I just ask – the Deputy Chair mentioned Campbell Rose. He was on the board of Eloque. Has its collapse got anything to do with his disappearance from VicTrack?

Paul YOUNIS: No. The Eloque program and the rollout of the FiBridge – we had a number of milestones to work through through that, so his departure made no impact in relation to the assessment that we did and the success or otherwise of the rollout of that program.

Danny O'BRIEN: I appreciate it was –

The CHAIR: Thank you, Mr O'Brien. The time has expired. The next 10 minutes belong to Ms Kathage.

Lauren KATHAGE: Thank you, Chair. Minister, I would like to talk about switching on the Big Build in metropolitan areas and budget paper 3, pages 96 to 107, regarding the government's infrastructure investment in delivering benefits for public transport users. Are you able to explain a little about that?

Ben CARROLL: Yes, certainly. Thanks, Ms Kathage. Look, we are making important investments right across the public transport network, in particular through the Big Build, servicing metropolitan Melbourne, our outer suburbs and regional Victoria as well. A \$600 million investment will build 23 brand new VLocity trains to ensure we improve capacity on our regional lines as well as work to replace our classic fleet, which is essentially the older train system that is not reliable, is not as energy efficient and is not as good for the environment, so to speak.

These investments build on our work with the Albanese government, the \$4 billion Regional Rail Revival program and our rolling stock investments. Most important too is the \$601 million to deliver the 23 VLocity train sets. This will build on our last budget, which delivered 12 VLocity train sets, and will ensure that we have increased services to Shepparton. This does bring our total commitment to VLocity trains since 2015 to 82 three-carriage trains, and it does continue to affirm Victoria as the leader when it comes to transport rolling stock, predominantly built right here in Dandenong.

The latest order – and I had the pleasure to be with the Premier at Alstom just recently, as well as with Minister Williams – will ensure we can comfortably retire classic trains on the Geelong and Bacchus Marsh corridors. What is wonderful about these new VLocity trains is obviously the comfort, the overhead luggage racks and the wheelchair-accessible spaces as well. As Mr Hilakari identified, with the regional fare cap there is more and more patronage, and with these new VLocity trains – apart from being a lot more energy efficient, better for the environment and more reliable – each car set takes 222 passengers and also has some of those modern-day features like mobile phone signal-boosting technology and all those things that we know that people travelling from regional Victoria or from metropolitan Melbourne to regional Victoria to work need and deserve.

Lauren KATHAGE: Thank you, Minister. We know that we see benefits of that in my area as well on the Shepparton line, with the upgrade providing for additional trains. Can we talk a little bit perhaps about that rolling stock program and some of the jobs benefits that might come from that.

Ben CARROLL: Yes, certainly. When we came to office, Ms Kathage, train, tram and bus rolling stock was very much an up-and-down process. The previous government did not order much, so it was a particularly down process. But there were lots of peaks and troughs, and we have tried to eliminate the peaks and troughs by having a steady budget commitment. Pretty much every year we have an investment in rolling stock, whether it be bus, train or tram. Those engineers and workers – whether it be at formerly Bombardier and now Alstom or even at Volgren – have a steady stream of work, and they can be adaptable and continue to work.

There is no doubt these are good-quality jobs right across the supply chains. Whether it is high-capacity metro trains or the X'Trapolis 2 trains that will get to service the Craigieburn, Upfield and Frankston lines, this really is ensuring – whether it is electrical engineers; fabricators of seats made by McConnell in Broadmeadows; or glass, electrical and all of those features through our supply chain and our procurement policies – that our rolling stock program continues to be world class.

I was just yesterday with the Member for Footscray at Maidstone looking at the new tram maintenance facility that is being built there to service Melbourne's western suburbs. When this is finished, it will be a world-class facility where people literally from other parts of the world will come to see the biggest tram network in the world but also see the maintenance facility, which is cutting-edge and technology-driven, providing good jobs and high-quality jobs for people, who are getting to work on something as unique as Melbourne's wonderful tram network.

Lauren KATHAGE: Thank you. Some of the other investment is also around the areas of Hurstbridge and Mernda and Boronia as part of that Big Build work. Can you explain generally – and I am referring to budget paper 3, pages 96 to 107 – how this investment is delivering benefits for public transport users?

Ben CARROLL: Yes, certainly. If I take Boronia first, I was out there with Mr Jackson Taylor just recently. Boronia station will be transformed through our budget process. This is another election commitment that we are fulfilling. Again, it was designed decades ago and is not modern and not fit for purpose. Our funding will go a long way to essentially covering over the trench – Boronia station is built into a trench. We will elevate it and make it more accessible and do the covering from the weather elements where applicable too.

You are right to highlight the Hurstbridge line, Ms Kathage. Again, under the transport and infrastructure minister a lot of important track work and duplication has occurred. That allows us to increase capacity on that line as well, which is something we are very committed to doing. I met with the Member for Eltham just recently on this very topic. We will continue to invest in all our networks, through both metropolitan and regional Victoria as well.

Lauren KATHAGE: I think on the Mernda line, which is within the Yan Yean electorate, we have something like 35 extra services available. I understand that some of that relates to – this is perhaps outside your portfolio – the removal of level crossings further down the line. So you can see how it starts to all work together to provide the benefits for people in Mernda, and I know that they are also looking forward to earlier services that get you into the city by about 7:30. That is helpful for people that are on PAEC committees.

Ben CARROLL: Yes. You are exactly right with your phrase, Ms Kathage, 'how it starts to all work together'. Essentially you do the infrastructure and then you do the services, and then you do the rolling stock as well. You identified the level crossing removal program. That is a great, important thing for safety, but it also allows better frequency, because you do not have the cars going through the level crossing. It also has a great social benefit for the local amenity – and Mr Hamer spoke about the level crossing in his area – the spurring of local industry, cafes, culture, and then add to that hopefully a zero-emission bus coming to the train station in the near future too. Train stations generally are magnets for cafes, students, those important things.

I work very closely with the transport infrastructure minister. We unlock the Big Build. We work on the services. Obviously, as I said in my presentation, the most exciting thing on the horizon is the Metro Tunnel. You may have seen some newspaper reports on the underground – I think they were described as underground museums almost, or –

Lauren KATHAGE: Cathedrals, I think they said.

Ben CARROLL: Underground theatres. That is going to be a very important day. If I could just, with indulgence, commend the department and all our public transport operators. We were one of the few jurisdictions in the world that kept our public transport system going right through the pandemic to support particularly emergency service workers, nurses and doctors to get to work, and we are still making investments. We are obviously doing more modern rolling stock and a more 21st-century ticketing system, but we cannot rest on our laurels. We want more and more people to be on public transport, because we know it has a great social dividend. We want it to be user friendly and disability friendly, and we want to continue focusing on tackling transport emissions. And the way to do that – as Paul Mees would say, Mr Galea – is through getting more and more people back on public transport.

The CHAIR: Thank you, Minister. We will now go to Ms Sandell. You have 10 minutes from now.

Ellen SANDELL: Thank you, Chair. Thank you, Minister. It is probably no surprise I am going to ask about a couple of specific train stations – South Yarra station to start with. Obviously the budget allocates \$60 million to upgrade Boronia station; there is no further allocation for South Yarra. We understand that the government has developed a master plan for an upgrade. Will the master plan be released to the public?

Ben CARROLL: I have spoken to your colleague on this one, Mr Hibbins, in the past, Ms Sandell. But could I take that on notice and come back to you?

Ellen SANDELL: Could that be when it will be released as well as whether it will be released?

Ben CARROLL: Yes. I know, having spoken to Mr Hibbins, there were some issues with I think water, obviously graffiti and other things, as well as user accessibility. So yes, we certainly have done some work in this area, but I would have to follow up where that is at.

Ellen SANDELL: Thank you very much. Then onto my favourite topic, South Kensington station, *Time Out* said it is ‘the Death Valley of train stations’, a place ‘where Satan himself won’t tread’. RACV’s survey of commuters recently called it the worst train station in Melbourne. I am just wondering if you can talk us through the thinking as to why South Kensington has not received an upgrade in such a long time.

Ben CARROLL: We are doing an incredible job on our level crossing removal program. I go through South Kensington myself and see it regularly. There are also more upgrades that we could do on other lines. But I know the Minister for Transport and Infrastructure has a lot of advocacy and a lot of advocacy on all of our level crossing removal program.

Ellen SANDELL: This is not a level crossing, this is a particular train station. It does not have anything to do with a level crossing.

Ben CARROLL: But you are still looking at the upgrade, aren’t you, at South Kensington?

Ellen SANDELL: Yes, South Kensington, not Kensington. South Kensington does not have anything to do with a level crossing. I guess if you or the Secretary or someone else can talk me through whether any work is being done around looking at South Kensington, particularly also because services do not stop at South Kensington on the way out of the city. A lot of those services do not stop. My understanding is that is an infrastructure problem to do with the design of the platforms. We have no shelter at that station. It is not DDA-compliant. The government had a commitment to make public transport DDA compliant, so I guess I am looking for a little bit more detail on some of those considerations.

Paul YOUNIS: I will come back to you, Ms Sandell. We have done a whole audit about all of our train stations on DDA compliance and all of those issues. Certainly we are working through a program of upgrades of all of those stations based on the criteria of the number of stops and the number of people that access it. I think in the last number of years we have upgraded nearly 44, 45 train stations across the metropolitan network – not the regional network – and they would be, as a part of that, the criteria we looked at. We advise government on a program based on all of those criteria, but we have done an audit on all of our stations and are working through a strategy to upgrade those that have the best benefit.

Ellen SANDELL: I appreciate that. Based on that audit, is there any information you can give me about South Kensington and, given the criteria that you use, why it has not been prioritised? By what criteria is South Kensington not eligible for an upgrade, given all the things I have said about it?

Paul YOUNIS: I will have to come back to you on that, because the criteria we use are issues such as the amount of usage, the people it impacts and the number of stops of trains there. I presume, and I would have to go back to the criteria and the assessment of South Kensington, that it does not meet the criteria as much as other stations do on all of those issues. But I will come back to you on that issue.

Ellen SANDELL: Are you able to provide us some of that assessment work?

Paul YOUNIS: I will provide you some of that assessment.

Ellen SANDELL: Okay. Thank you. I would appreciate that. Similarly, when we are talking about buses, you talked a bit about your bus plan in your presentation. I will ask about a specific bus to start with. The 402 bus is in my electorate, but it is one of the only east–west bus routes across the inner city. It goes from Footscray through North Melbourne and Carlton out to East Melbourne, one of the only ways to actually get east–west across that inner city. However, it does stop at 10 pm every night, including Friday and Saturday nights. It is actually one of the most well used bus routes, as I understand it, in the city. Can you talk us through some of the thinking about why that bus stops at 10 pm and why those hours have not been extended?

Ben CARROLL: I might get the Secretary, because he just told me, Ms Sandell, that he uses that bus service himself, which is a good thing.

Ellen SANDELL: He will know it then. Hopefully he is not at work after 10 pm, because he will not be able to get home.

Ben CARROLL: It obviously caters for the inner city, and you are probably right to identify its hours of operation. But that is what the bus plan is about, having a more modern bus service that does reflect the community's needs, and the needs in the inner city would obviously have extended hours versus some other parts of the state. Again it is something we could certainly consider and look at, but we are working through trying to make sure that our bus operations, frequency in particular, do reflect the local people that use them. That, for example, might have a lot of hospital workers, and that might be where you are getting to.

Ellen SANDELL: It does indeed: hospital users and hospital workers.

Ben CARROLL: Yes, and car parking at hospitals is not cheap and all those things. Secretary, do you want to just supplement what I have said?

Paul YOUNIS: We will be doing a review of that one. Because when Metro Tunnel opens, we will have a new station at Arden and we will have a new station at Parkville, and we are looking at all of those bus routes – the 401, the 402 – that run through there and reviewing how they will operate in conjunction with the Metro Tunnel. That is actually part of the funding that was allocated in turning on Metro Tunnel and the readiness and of course then the operation of Grattan Street. So the 402's service schedule as well as its time of operations will be a part of that review.

Ellen SANDELL: When would that review happen?

Paul YOUNIS: We are looking at Metro Tunnel opening in 2025, so that would be the timing for implementation of that.

Ellen SANDELL: Post the opening or pre the opening, so that the new hours can align with Metro?

Paul YOUNIS: We have not gone to that detail yet. It would most likely be post opening so that it lines up with the new station opening.

Ellen SANDELL: Thank you. Further on buses, just to ask about regional and rural services, we have got \$1.9 million for the bus plan. Is any of this allocated to rural, as opposed to regional, bus services?

Ben CARROLL: There is money allocated. Mildura you would probably classify as more regional rather than rural, but Ms Cupper advocated very strongly to me as public transport minister that the Rural City of Mildura had not had a bus service review but had had a lot of investment in it, including a range of new services, and needed it. So it is going through its review right now, Ms Sandell. We have also concluded just recently the contracts for a lot of our regional and rural operators. One thing we are mindful of, though, is the Commonwealth Games coming in 2026. The bus network is going to be very important for the Commonwealth Games for getting people to venues, not only within those regional areas but also from Melbourne to Victoria, above and beyond the V/Line network. Whilst there might not be significant sums, particularly on this subject matter, in the budget, we have very much an eye to the future on how important the flexi service will be in rural and regional Victoria and also just more services in general. I have also just recently spoken to the owner of Christians. Obviously they were involved in that really awful incident that happened near Exford school and Eynesbury. We have good, collaborative relationships with our regional bus operators. They do a wonderful

job. We obviously work very closely with regional and rural members of Parliament that come and advocate regularly about local bus services, and we will continue to do that as well.

Ellen SANDELL: Thank you. My time is up, isn't it?

The CHAIR: Thank you, Ms Sandell. I am going to throw over to Mr Hamer for the last session. Your 10 minutes start now.

Paul HAMER: Thank you, Minister and officials. I would like to talk about the investment in our tram network and in particular the \$60 million or so which has been budgeted for the rollout of the next-generation trams. I was just hoping that you could explain in a bit more detail how that investment is going to benefit the tram network.

Ben CARROLL: Yes, certainly, Mr Hamer. This is close to my heart, because the only steel wheels I grew up with in Airport West were the tram steel wheels. I did not live near a train station. I lived a fairly big walk to the tram, but it was the last tram stop in Airport West on the 59 line. So I am very proud, obviously as the public transport minister but also as the local member, that these next-generation trams will go on the 59, from Elizabeth Street all the way up to Airport West. But also I was with the Member for Footscray yesterday, and she will be getting them on her routes, the 57 and the 82, as well. It will be quite a game changer for our tram network. I have always said we have got the biggest tram network in the world, but we want it to be the best. To make it the best we have to make it a lot more disability compliant, and that begins with retiring our old high-floor trams and bringing in new modern low-floor trams. Given the tram network is so old, a lot of the big modern-day trams just do not fit – the Essendon tram depot, for example, cannot take a big modern-day tram. This new next-generation tram will be able to go into the tram depot. We have actually got a few disability stops on the 59, but we have got the high-floor trams. Once you do the two parts of the equation – the rolling stock plus the level crossing or the tram design at the street level – you get to have a much more accessible tram network. We have invested \$1.85 billion in this next-generation tram. It is really important. It sets the benchmark.

One thing the department should be very proud of is the work they do as a transport department with the disability sector. I see all the time with our train, tram and bus procurement the role of disability advocates like Tricia Malowney and the consultation we had with her. We had members of the Deaf community recently visiting our new train order seeing that that has all the modern features for hearing and things like that. We are really proud of this. It is going to be really important in terms of disability, and also to help Melbourne's western suburbs get new modern trams is also a really good thing for the communities out there.

Paul HAMER: Thank you, Minister. I can certainly relate to your experience of growing up in Airport West. I had the same situation in North Balwyn. The only access was by tram, and just to walk to the terminus at the top of the hill was a very regular experience for me. Just on those routes you mentioned – 57, 59 and 82 – could you just explain a bit in more detail some of that infrastructure investment? You mentioned some of the accessibility stops, but what is the breadth of the infrastructure program that will come out of that?

Ben CARROLL: Yes, certainly. I spoke about the 59 running from Airport West through my electorate of Niddrie all the way through to Essendon, Moonee Ponds and then through Flemington Road to the Parkville precinct and into the CBD. That will ensure that literally dozens of stops will be able to operate more efficiently and more effectively. If you then take the 57 – which would be around where I was yesterday with Ms Hall – from West Maribyrnong, it will run into the city to Flinders Street through Ascot Vale, Flemington, Kensington and North Melbourne. Again, there will be works at stops along that route to ensure it has the proper infrastructure for the new next-generation trams. It will obviously have to have better, more modern safety features as well, because we are basically retiring one of the oldest trams on the network, the Z class. When you retire that, you need to do a fair bit of work too along the corridor to make sure it is safe, it has the right power efficiency and it has the right street level access given the changes as well. Some of the great features of the next-generation tram are the features it will have in terms of wheelchair accessibility. The floor of the next-generation tram at the moment is being programmed where part of the floor is a ramp that can actually be mechanically automated and operated where it comes out to meet the tram stop. At the moment you would appreciate, Mr Hamer, at train stations and things you often see the train driver come out, put the platform down and make it more wheelchair accessible. Under the design at the moment of the tram network we are

looking at having an automated sort of sliding floor that will meet the wheelchair. So that will be a really major benefit, and the accessibility component is really important.

Paul YOUNIS: I think we have got 72 tram stops along those routes, so there are quite a few to work through. The benefit of the new tram is it is actually a longer tram, so it takes a lot more passengers. So a lot of the work will be extending some of those platforms. Some of the back doors will not be accessible from some of those shorter stops – if you think about a lot of those ones with the old safety zone arrangements set in place – so a lot of the work will be going through and making sure that the trams actually fit into those stops. There will be upgrades, as the minister said, but I think 72 is the last number that I saw when we looked at the work required on those stops.

Paul HAMER: So 72 stops along those three routes, and as part of this investment they will be all upgraded?

Paul YOUNIS: What we will be doing is making sure that those stops are accessible. I think we will need to prioritise the investment, and I would not like to say now that we will upgrade every stop. That would be a step that we are not ready to make yet, but we will be making sure that the stops that are there are accessible for the new trams, which will be longer.

Paul HAMER: Thank you. The other question that I have on the new-generation trams is: how is that going to improve safety for tram users and provide a better experience for customers?

Paul YOUNIS: This is the new tram. We have the mock-up being done now in relation to the new tram, and I was taken through some of the detail. The accessibility issues that the minister spoke about are really important elements of making sure that the tram is safe for everybody, not only in accessing and getting on the tram but also in relation to being able to be comfortable with the hold points and where you can stay on the tram. The tram will have opening doors at the front and the back, which means that access through the tram will be far safer and access to and off the tram will be safer. The information that we are able provide on the tram will be significantly upgraded, so particularly at those stops where you are stepping off into traffic the information displays and the supply of information to the customer will be significantly improved. The other element is their braking. They will have automatic braking and they will have all the upgraded technologies that you would expect on a new, modern network that will inherently make it safer. The crash stability of the tram will be safer; it will meet all of the modern crash standards. The braking systems will be upgraded and there will be regenerative braking using battery technology in that, so there will be a heap of power issues there. So there is a range of elements that this new tram will roll out which will be safer for the users, safer for the drivers and safer for those getting on and off the tram.

Ben CARROLL: Mr Hamer, I spoke about the bus plan previously, but we are also working to have the equivalent for our trams and a tram plan that will be a lot more of a corridor approach – so where are those major, busy corridors that we need to do a lot of work on at the street level to make them more accessible? What work do we need to do with local government to help them pave the way better for us to have better planning approval and planning processes? Also, with the tram network you have to do substations. Some people do not like substations, some people are okay with them. They are getting more and more modern as well in terms of their amenity and aesthetics. So it becomes all encompassing working with local government, schools, town planners and disability advocates first and foremost to ensure the tram network is modern and fit for purpose.

The CHAIR: Thank you, Minister.

Minister and department officials, 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 are required within five working days of the committee's request.

The committee is now going to take a lunch break before beginning its consideration of the agriculture portfolio at 1:30 pm.

I declare this hearing adjourned.

Witnesses withdrew.