

CHAPTER 5: DEPARTMENT OF TRANSPORT HEARINGS

5.1 Introduction

The Department of Transport is responsible for the administration of two portfolios:

- Public Transport; and
- Roads and Ports.

5.2 Key budget themes for 2009-10

The Department of Transport advised the Committee that the following were key themes for transport in the 2009-10 Budget:¹⁷

- linking rural, regional and metropolitan Victoria. The continued growth of regional Victoria is supported through major investment in transport links to support key regional communities and industries, improve safety on the transport network and meet current demand and future growth;
- better public transport – trains, buses and trams. Significant new capacity will be built into the existing network, while short, medium and long term initiatives will be introduced to extend the reach of the public transport network into growth areas;
- moving around Melbourne. A range of measures have been funded to deliver new and upgraded roads that cater for all users, while reducing congestion and keeping traffic flowing;
- shaping Victoria and taking practical steps for a more sustainable state. The budget provides funding for integrating transport and development to enable more people to live closer to their workplaces and opportunities, and initiatives to move towards a more sustainable and low emission transport system; and
- strengthening Victoria's and Australia's economy. Investment in projects that improve connections between freight origins and destinations in metropolitan Melbourne and across regional Victoria.

5.3 Key assumptions that have been used to develop the Department's projections for 2009-10

The Department of Transport advised the Committee that the key assumptions underpinning the department's contribution to the *2009-10 State Budget* were:¹⁸

- State Government funding based on current policy settings and approved budget initiatives,
- Federal Government funding for road and rail projects through the *Nation Building and Jobs Package*;
- motor vehicle taxation estimates based on Department of Treasury and Finance modelling of demand for car purchases and registration; and
- economic projections for consumer price index, population growth etc. based on Department of Treasury and Finance forecasts.

¹⁷ Department of Transport, *Response to the Public Accounts and Estimates Committee Budget Estimates Questionnaire*, May 2009, p.1

¹⁸ *ibid.*, p.2

5.4 Major Expenditure Policy Shifts in the 2009-10 Budget

The Department of Transport advised the Committee that:¹⁹

There have been no major expenditure policy shifts for the Transport Department. In December 2008 the Government reaffirmed its commitment to investment in transport with the announcement of the \$38m Victorian Transport Plan.

5.5 Public Transport Portfolio

5.5.1 Introduction

The Committee received evidence from the Hon. Lynne Kosky MP, Minister for Public Transport, on 13 May 2009. The Minister provided an overview of her portfolio at the start of the hearing, assisted by Mr Jim Betts, Secretary; Mr Ray Van Kuyk, Deputy Secretary; Mr Robert Oliphant, Chief Financial Officer; and Mr Hector McKenzie, Director of Public Transport, Department of Transport. The Committee thanks the Minister and accompanying officers for their attendance and assistance.

5.5.2 General comments

At the budget estimates hearing, the Committee raised various matters concerning the budget estimates for 2009-10 (see Volume Two for the transcript of proceedings). Transcripts of the budget estimates proceedings are also accessible on the Committee's website at www.parliament.vic.gov.au/paec. Documents provided at the hearings of the budget estimates (see Section 5.5.4) are available on the Committee's website. Written answers to questions on notice should be submitted to the Committee by 22 June 2009. These answers will be considered by the Committee for inclusion in a further report.

5.5.3 Key matters raised at the budget estimates hearing

Key matters raised at the budget estimates hearing included a standard question on Federal Government grants and the following (page references refer to the transcript in Volume Two, Section 5.1):

Enhancing infrastructure

- modal interchange upgrades at metropolitan train stations (pp.10-11);
- South Morang Rail Extension project (p.12);
- Sunbury rail line electrification (pp.23-24);
- Footscray-to-Caulfield rail tunnel (pp.18-19);
- regional rail freight network improvements (pp.21-22); and
- new tram funding (pp.26-28).

Enhancing services

- metropolitan train and tram franchise agreement (pp.7-8);
- actions to address regional rail patronage growth (pp.9 and 28-29);
- actions to address metropolitan rail patronage growth (pp.15-16);

¹⁹ *ibid.*, p.15

- actions to address tram patronage growth (p.28)
- *improving train operations, rail service efficiencies* output funding allocations including information on the Metrol project (pp.16-17);
- SmartBuses and improved public transport connectivity (pp.17-18); and
- train service increases and associated costs (pp.11-12).

Myki ticketing system

- development and roll out of the Myki ticketing system (pp.25-26 and 29-30).
- Myki ticketing system recurrent and capital expenditure (pp.5-7);
- on-board ticketing console issues and effect on revenue in the forward estimates (pp.8-9 and 20-21);
- impact of the Myki ticketing system on patron throughput and corresponding rail operator revenue (pp.9-10); and
- commercial variations and changes to the scope of the Myki ticketing system contract (pp.13-15).

Other issues

- taxi rank safety improvements (pp.19-20);
- *Disability Discrimination Act 1992* compliance and related output measures (pp.22-23); and
- V/Line punctuality and the bus replacement program (pp.24-25).

5.5.4 Documents tabled at the budget estimates hearing

The Minister provided an introductory slide presentation at the budget estimates hearing. The slides are available on the Committee's website.

5.5.5 Questions taken on notice at the budget estimates hearing

A number of questions were taken on notice by the Minister at the budget estimates hearing (see Appendix 2 - Questions on Notice, and the transcript in Volume Two) relating to:

- Federal Government grants;
- variations to the Myki contract;
- copy of the *Victorian Transport Plan*;
- public transport compliance with the *Disability Discrimination Act 1992*; and
- explanations for delayed, substituted and cancelled V/Line rail services.

A written response by the Minister to the Committee on these questions is due by 22 June 2009 and will be considered for publication in a further report.

5.6 Roads and Ports Portfolio

5.6.1 Introduction

The Committee received evidence from the Hon. Tim Pallas MP, Minister for Roads and Ports, on 15 May 2009. The Minister provided an overview of the portfolio at the start of the hearing, assisted by Mr Jim Betts, Secretary; Mr Robert Oliphant, Chief Financial Officer; Mr Gary Liddle, Chief Executive, VicRoads; and Mr Terry Garwood, Executive Director, Freight, Logistics and Marine, Department of Transport. The Committee thanks the Minister and accompanying officers for their attendance and assistance.

5.6.2 General comments

At the budget estimates hearing, the Committee raised various matters concerning the budget estimates for 2009-10 (see Volume Two for the transcript of proceedings). Transcripts of the budget estimates proceedings are also accessible on the Committee's website at www.parliament.vic.gov.au/paec. Documents provided at the hearings of the budget estimates (see Section 5.6.4) are available on the Committee's website. Written answers to questions on notice should be submitted to the Committee by 22 June 2009. These answers will be considered by the Committee for inclusion in a further report.

5.6.3 Key matters raised at the budget estimates hearing

Key matters raised at the budget estimates hearing included a standard question on Federal Government grants and the following (page references refer to the transcript in Volume Two, Section 5.2):

Roads

- 2009-10 State Budget funding allocations for road infrastructure (pp.4-5);
- initiatives to reduce road congestion (pp.9-10);
- Princess Highway West duplication project (pp.10-11);
- regional road infrastructure projects (pp.11-14);
- Peninsula Link road project (pp.16-17);
- contingency arrangements relating to the possible outcomes of the Peninsular Link *Environment Effects Statement* (pp.18-19);
- EastLink Tollway (pp.21-22);
- inner-west heavy vehicle infrastructure planning (pp.20-21); and
- pavement resurfacing output performance measure (pp.23-24).

Ports

- channel deepening (pp.7-8);
- channel deepening *Environmental Effects Statement* contingency (p.19); and
- Port of Melbourne Corporation funding and support for bay side businesses (pp.8-9).

Freight

- regional rail freight investment (pp.14-16); and
- freight transport planning (pp.22-23).

Road safety

- *Safe System* road safety project (pp.5-6); and
- road safety policies and initiatives (pp.19-20).

Other issues

- job creation through infrastructure investment (p.7); and
- VicRoads response to the Victorian Bushfires (p.18).

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A number of questions were taken on notice by the Minister at the budget estimates hearing (see Appendix 2 - Questions on Notice, and the transcript in Volume Two) relating to:

- Federal Government grants;
- facilities improvement program;
- grants for business support;
- *Multi-stage Tourism Marketing Campaign*;
- small business education aspects of the channel deepening support package;
- accountability mechanisms employed to acquit Federal Government grants;
- road resurfacing projects undertaken by VicRoads;
- correction for erratum identified in the *2009-10 State Budget*; and
- \$22 million in road maintenance costs not included in output group.

A written response by the Minister to the Committee on these questions is due by 22 June 2009 and will be considered for publication in a further report.