

**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**Inquiry into budget estimates 2009–10**

Melbourne — 15 May 2009

Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr T. Pallas, Minister for Roads and Ports;  
Mr J. Betts, secretary,  
Mr R. Oliphant, chief financial officer,  
Mr G. Liddle, chief executive, VicRoads, and  
Mr T. Garwood, executive director, freight logistics and marine, Department of Transport.

**The CHAIR** — I welcome the Minister for Roads and Ports and departmental officers. I call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information relating to budget estimates for the roads and ports portfolio.

**Overheads shown.**

**Mr PALLAS** — Thank you, Chair. It is good to be with you again. I want to begin with something of a history of Melbourne's major roads since the advent of the car as a popular mode of transport in the 1960s. This slide shows how that development has occurred in pretty much a radial fashion as a response to the population growth on Melbourne's fringes. In most cases freeways were built to extend Melbourne's transport network beyond the reaches of the existing rail and tram networks.

Completion of the Western Ring Road and the economic and population growth it has spurred in the west have led to the volume of traffic we see on the West Gate Bridge today. That has also contributed to some of the challenges that the Victorian Transport Plan aims to tackle. Since 1999 the government has delivered major road projects like the Hallam bypass, the Craigieburn bypass, the Pakenham bypass, EastLink and, just last month, the Deer Park bypass. This joint commonwealth-state funded project links the Western Ring Road at Sunshine West to the Western Highway at Caroline Springs. It has also, I think, raised the level of road construction, in an architectural sense, quite high.

In regional Victoria the government has concentrated on improving those links that connect regional communities and those links that connect Victoria's producers with domestic and export markets. This has seen resources devoted to major projects like the Princes Highway between Melbourne and Geelong; the duplication of major highways like the Goulburn Valley Highway and the Calder Highway; the construction of the Geelong Ring Road, which on completion this year will remove 29 sets of traffic lights that currently hinder access between Melbourne and the south-west of Victoria; and a new Donnybrook Road–Hume Freeway interchange at Kalkallo due for completion this year.

Despite the size of these projects, they represent only a small share of the \$2.7 billion invested in regional roads in Victoria since 1999. Work continues apace on the Monash–CityLink–West Gate upgrade, the first section of which opened to traffic just a couple of months ago when eight lanes of the 3.5 kilometre inbound and outbound carriageways between Forster Road and Warrigal Road were completed.

The M1 upgrade will include sophisticated traffic management systems that will not only improve safety but also increase capacity. The entire length of the M1 will use freeway ramp signals to monitor and control traffic and on-ramp signage to communicate to drivers. These improvements will not only increase the peak hour capacity of the M1 by about 50 per cent but also help reduce the incidence of serious crashes. This animation provides an idea of the sort of technology that we will see on the M1 and how that technology will contribute to better traffic flows.

Ultimately one of the most important dividends of our infrastructure spending is safety. The 303-deaths recorded in 2008 was the lowest number since records began in 1952, but I have to say it is still 303 too many. The government's road strategy Arrive Alive 2008–2017 aims to reduce road deaths and serious injuries by 30 per cent by 2017.

The channel deepening project is on budget and is also ahead of schedule, with about 76 per cent of the dredging now complete. A recent report by the Office of the Environmental Monitor found that the project is fulfilling all the requirements that the state government put in place prior to the dredging commencing.

We have become the first state in Australia to develop a stand-alone freight strategy. It has been very well received, I think, by both industry and the community in large measure. Freight Futures will do for land transport what channel deepening is doing for Port Phillip Bay.

**Ms PENNICUIK** — That is a worry.

**Mr PALLAS** — It is about establishing a principal freight network throughout Victoria.

**Mr WELLS** — Come on, Sue; get into it.

**Mr PALLAS** — You are not showing your colours on this, Kim, are you?

**Mr WELLS** — No, I am just supporting Sue.

**Mr PALLAS** — Okay; fair enough.

**The CHAIR** — Just ignore the comments, Minister.

**Mr PALLAS** — It protects major freight carrying routes from inappropriate development. One of the key initiatives of the roads and ports portfolio in the last 12 months has been Keeping Melbourne Moving. This program is aimed at extending tram and bus priority to help make public transport an attractive alternative to driving. Its key components include developing the bicycle and pedestrian network by building and upgrading shared paths, separating bike lanes and boosting priority; standardising clearways on existing arterial roads within 10 kilometres of Melbourne's CBD; expanding VicRoads' rapid-response services to arterial roads to keep traffic flowing by quickly attending to breakdowns; and minimising the impact of roadworks and events on traffic through improved planning management and communications.

This year's budget allocates \$4.77 billion in operating expenditure for the Department of Transport and \$1.46 billion for roads and ports. In terms of capital expenditure, \$2.72 billion is allocated to the total department and \$1.36 billion to roads and ports capital expenditure.

The largest investment is, of course, Peninsula Link — a 25-kilometre four-lane roadway that will ease the bottleneck in Frankston and get traffic out of residential streets.

**Mr WELLS** — Without a toll?

**Mr PALLAS** — Without a toll. I was pleased to be with the Premier today to announce that full funding availability from the state of \$750 million will be invested in this project over four years.

The Springvale Road rail crossing in Nunawading will be grade separated, improving mobility on one of Melbourne's key arterials. The Victorian government will contribute \$60-million to this joint state-commonwealth project. As you can see from this animation, the grade separation will lower the rail line and see the construction of a new station at Nunawading. The project will be carried out in the same manner as the Middleborough Road grade separation, which saw major efforts to minimise the disruption to traffic flows and the rail network and get the job done as quickly as possible.

Hoddle Street is critical to north-south traffic movements in inner Melbourne for both transport and the flow of Eastern Freeway traffic to and from the CBD. We are allocating \$5 million for a comprehensive analysis of how intersections along Hoddle Street can be improved to smooth the flow of traffic on Melbourne's central road system for trams, buses and cars. Grade separating is just one of the options being considered, and if this were to proceed, a key consideration would be how disruption of traffic could best be minimised during construction. It will be quite a complex task.

Some \$103.6 million of new money from the budget has been allocated to metropolitan road improvements, and \$74.6 million of this money will be used to complete the 3.5-kilometre Dingley arterial, which links the southern end of Westall Road with the recently completed Dandenong bypass, which I think gives us about 11 kilometres of uninterrupted arterial work.

In Taylors Lakes we will spend \$12 million from the program to remove a major bottleneck by duplicating Kings Road from Melton Highway to Palmerston Crescent. North of Palmerston Crescent we will extend Kings Road and use some commonwealth assistance in a \$25 million project to upgrade access to the Calder Freeway and also to improve safety.

Late last year the Prime Minister and the Premier turned the first sod on the \$2.25 billion joint commonwealth-state M80 ring-road upgrade, which will see widening and improvement along the Western and Metropolitan ring-roads for 38 kilometres from the Princes Freeway at Laverton North to the Greensborough Highway at Greensborough. The budget provides \$132 million to fund the upgrade from Tullamarine Freeway to Sydney Road.

We will contribute \$8.8 million over four years towards the duplication of the Western Highway from Ballarat to Stawell, beginning with the section between Ballarat and Burrumbeet. There is \$9.4 million over four years towards the upgrade of the Western Highway from Stawell to the South Australian border, which will include

overtaking lanes, rest stop improvements and planning for the Horsham bypass. We will complete the duplication of the entire length of the Goulburn Valley Highway to Shepparton with the completion of the Nagambie bypass with \$44.4 million of funding over four years from the Victorian state budget for this joint commonwealth-state funded project.

This year's budget also allocates \$13.2 million to the \$115 million Victorian cycling strategy. The strategy aims to improve the bike network within 10 kilometres of the CBD, install bike cages at 33 train stations by the end of 2009 and reinforce the safe cycling message through initiatives aimed at school-aged children.

**The CHAIR** — The member for Williamstown will be keen on that.

**Mr NOONAN** — I take my kids to that park, Minister.

**Mr PALLAS** — That is local for you, Wade. Some \$5 million has also been set aside to establish a public bike hire scheme. I advise the member for Williamstown that we will also fund a key section of the Federation Trail between Millers Road in Altona and Hyde Street in Yarraville, which should come as some comfort to the people in the area and further out to the west.

In addition to our cycling initiatives we are also taking action to reduce the size of transport's carbon footprint, so \$5.4 million will be dedicated to promote and encourage car-pooling, and \$4.2 million has been set aside to increase the use of low-emission vehicles in Victoria.

**Ms PENNICUIK** — Including the Parliament fleet?

**The CHAIR** — Thank you, Minister. We have until approximately 5 o'clock for questions, and I ask Ms Munt to begin.

**Ms MUNT** — You have detailed a number of road initiatives in your opening presentation, and as the International Monetary Fund has identified, infrastructure spending such as that is a very important way to stimulate the economy, particularly during the current global financial crisis. In budget paper 3 at page 361 a number of initiatives are detailed and budgets given for those initiatives. What is the overall budget for the road spend in this infrastructure rollout, and what will be the impacts as you see them for the rollout of that infrastructure?

**Mr PALLAS** — The Brumby government is obviously taking action to deliver on jobs. It is a key component of our focus and our support for Victorian families. It is about building better infrastructure, creating jobs and improving connectivity right across Victoria. The budget starts the delivery of our \$38 billion Victorian transport plan, which will build a world-class transport system for the state and secure jobs with a budget also securing up to 3500 Victorian jobs.

To put this into context, if I could, you will recall the \$38 billion transport plan was contingent upon some contribution from the federal government — I think it is about \$11 billion over a 12-year period. We started off pretty well, securing essentially \$3.25 billion from the federal government in respect of the regional rail express. Working in partnership, by investing in new roads, making our roads safer and tackling congestion we are generating thousands of jobs right across the state, driving new economic growth and also providing better transport options for Victorian families and also for businesses.

The 2009 state budget outlines over \$2.4 billion in new road projects, which include around about \$1 billion of new state operating capital. Packages now include: \$750 million over four years for Peninsula Link, which will secure 4000 jobs in construction for the life of this project; \$206 million for metropolitan and regional road improvements, securing up to 200 jobs in construction; \$27.8 million for green transport initiatives; \$13.3 million for noise walls; \$5 million for the Hoddle Street engineering investigation; and \$1 million for scoping works for a sophisticated urban road management system. This is an area that I am particularly interested in, because it is about not just building greater road space and capacity but getting greater efficiency out of the road space that we have — that is, working the asset harder for the purposes of delivering outcomes for the community. We are contributing \$390.1 million to the \$1.9 billion in the Nation Building AusLink 2 road projects being delivered in partnership with the federal government.

Projects to be delivered in partnership will also include \$129 million for stage 1A of the \$2.25 billion M80 ring-road upgrade, which will widen the Western Ring Road between Sydney Road and Tullamarine. An additional \$22.6 million will be provided for road maintenance in the 2009–10 financial year. These commitments come on top of \$900 million worth of major regional road projects and \$1.6 billion of major metropolitan road projects which are currently in progress, including the \$1.39 billion M1 or Monash–Westgate upgrade. We are investing in the future of Victorian families by pursuing a multifaceted agenda, reducing congestion, connecting important parts of the state and making our road network safer.

**Mr WELLS** — Minister, I refer you to page 229 of budget paper 3 in relation to road safety and regulation. I am interested in the road safety Safe System project. When you met with Victoria Police — Noel Ashby — on 2 April 2007 did you discuss the Safe System project? What did you discuss about that particular project, and what other matters did you discuss on that day with Mr Ashby, please?

**Ms MUNT** — Chair, does this relate to the forward estimates in any way?

**The CHAIR** — I rule that question out of order. It does not relate to forward estimates.

**Mr WELLS** — Hang on! This is about the origins of the Safe System.

**The CHAIR** — No.

**Mr WELLS** — Yes, it is. It is about the Safe System.

**Ms MUNT** — It simply does not relate to the forward estimates.

**Mr WELLS** — We want to know the origins of this Safe System approach.

**Mr DALLA-RIVA** — Did this come from Noel Ashby?

**Mr WELLS** — Did Noel Ashby start this?

**Mr DALLA-RIVA** — What else did he talk to you about?

**Ms MUNT** — The origins do not relate to the forward estimates at all.

**The CHAIR** — Thank you — without assistance!

**Mr WELLS** — I just want to know — —

**Ms MUNT** — No relationship.

**Mr NOONAN** — No relationship to budget estimates.

**The CHAIR** — The question seems to have no relationship to the forward estimates. Insofar as this particular program is included in the forward estimates, I am happy for the minister to talk about that program.

**Mr PALLAS** — Thank you, Chair. Obviously the issue of the Safe System of road safety is one that was put in place — —

**Mr WELLS** — Was Noel Ashby the initiator of that?

**The CHAIR** — Without assistance, please.

**Ms MUNT** — Once again, Chair — —

**Mr WELLS** — I am just asking.

**Ms MUNT** — Will the minister be allowed to answer or not? You have interrupted the whole time.

**The CHAIR** — Let the minister — —

**Mr WELLS** — Did it originate from Noel Ashby on 2 April 2007?

**The CHAIR** — Can you stop interrupting, Mr Wells? Your behaviour is not good. Please, Minister, answer.

**Ms MUNT** — It is — —

**The CHAIR** — One at a time. Thank you, Ms Munt. We do not need any assistance.

**Mr PALLAS** — Victoria has had a great opportunity to actually demonstrate its credentials in saving lives on our roads. Let us not forget where we have come from. In 1970 we had 1061 Victorians die on our roads. This is a very serious issue, Kim. You might think it is clever to try and make some cheap political point, but this is about people's lives.

**Mr WELLS** — Why do you not just answer the question now? Just answer the question.

**The CHAIR** — Without assistance, thank you!

**Mr WELLS** — Just answer the question — —

**The CHAIR** — Mr Wells!

**Mr WELLS** — We say this is a very interesting — a very serious matter.

**The CHAIR** — Mr Wells — without assistance!

**Mr WELLS** — We want to know whether Noel Ashby was part of it.

**Mr NOONAN** — Just answer the question about road safety.

**The CHAIR** — Mr Wells, I will have a bit of order, please — without assistance, thank you. The minister, to answer without assistance from anybody. That includes Mr Wells and Ms Munt. Thank you.

**Mr PALLAS** — The government has put in place a strategy for road safety. You will notice that we have been able to drive from 2001 our death toll on our roads from 444 down to 303 — six consecutive years of record low deaths on our roads. The Safe System of road safety, as you describe it — which is about safer vehicles, safer drivers and safer cars — was a system actually espoused in the Victorian government's Arrive Alive strategy and incorporated in the strategy for 2008–17. That strategy aims further to reduce our road toll by bringing the toll down by a further 30 per cent over the 10-year life of that strategy. If we are successful, Kim, we will be able to boast — perhaps with some degree of pride — that the lives that we are saving will be something like 100 every year going forward from 2017 onwards.

I am proud of the efforts that VicRoads, the TAC and Victoria Police put in on a daily basis in order to assist us in being able to deliver what I think is an outstanding road safety achievement. We now have, as a state, one of the lowest road tolls per capita in the nation; we are equal with New South Wales at about 5.75 per 100 000 road users. We have every reason to be proud of that. This state has every reason to be proud of its achievements in terms of road safety. Of course I am proud of the partnership approach that has been adopted with Victoria Police, with the TAC and of course with VicRoads.

**Mr DALLA-RIVA** — That is right. So you would have spoken to Noel Ashby.

**The CHAIR** — Without assistance!

**Mr WELLS** — How much credit do you give Noel Ashby for that figure?

**The CHAIR** — Once again, I said 'Without assistance'.

**Mr PALLAS** — Do you get points for actually mentioning a particular name? Is that it?

**Mr WELLS** — No. I am just asking how much credit Noel Ashby gets for this particular program.

**Ms MUNT** — Is this a clarification, a further question or of any relevance at all?

**The CHAIR** — Minister, have you finished answering the question?

**Mr PALLAS** — I have, thank you.

**The CHAIR** — Okay. Mr Noonan?

**Mr NOONAN** — Obviously a great theme of this budget is really about jobs, and you have highlighted jobs on a number of occasions through your presentation and initial responses. But in terms of the overall budget, which refers to securing up to 35 000 jobs in 2009–10, how many of those jobs will be created as part of the major road projects over the forward estimates period?

**Mr PALLAS** — Thanks very much, Wade. On the issue of jobs in terms of our major projects, I think it is important to recognise that since coming to office the Brumby government has invested more than \$6.6 billion in building better roads, including more than \$2.7 billion in regional roads. So through the Victorian Transport Plan the government will deliver an unprecedented investment in transport infrastructure and services.

The plan is expected to create up to 10 000 jobs per year during construction, resulting in more than 100 000 jobs over the next 12 years. The VTP creates jobs now by providing a pipeline of projects. It is one thing the industry says to us is critically important to it — not only that we have a substantial volume of projects, but that the industry has a clear appreciation of how those projects will be brought online, and therefore it has a capacity to gear up and manage its workforce going forward.

Apart from creating additional jobs in transport and construction, major road projects support Victoria's economy. They also provide a significant benefit to businesses and all road users. Such projects improve access to growing communities and employment centres, reduce congestion, improve travel times and also reliability on key freight and commuter routes, and improve road safety.

The Peninsula Link, for example, will not only deliver a vital new transport link for Victoria's south-eastern suburbs and the Morning Peninsula but also produce around about 4000 direct jobs and a significant economic stimulus for both the state and national economies. We are taking action to deliver this vital project, toll free, under a PPP availability model, allowing us to partner with the private sector to deliver some innovation in this area. Indeed it is the first time an availability PPP model has been applied in terms of road infrastructure, but it is not a new model in terms of its application for social infrastructure. We have seen it applied in schools, in hospitals and of course in courts.

As part of the \$1.39 billion upgrade of the Monash–West Gate more than 2100 jobs are being created during construction. We are building more lanes, and we are also increasing road capacity by 50 per cent in this particular arterial. Our investment will serve to decrease casualty rates by about 20 per cent and save around \$14.5 billion through more efficient travel options.

The Dingley arterial is another example of road building that is spurring both jobs and economic activity. An amount of \$74.6 million has been allocated for the Dingley arterial link — a 3.5 kilometre and four-lane section of road between Westall Road and Perry Road. I am sorry you could not be out there with us when we unveiled that, Janice, but I am sure you will be able to be there for the cutting of the ribbon. It will generate up to 87 jobs. This link will improve traffic flows in the outer south-east suburbs. It will take pressure off Cheltenham Road and will also improve access to the EastLink corridor and also into Dandenong proper as it is being revitalised.

Just briefly, \$140 million has been allocated for the grade separation at Springvale Road. That is a joint effort by the state and federal governments: \$60 million from the state and \$80 million from the federal government. Some 220 jobs are created in that. For the Kings Road interchange the consolidated amount is \$25 million, there is \$12 million for the duplication of Kings Road, and about 87 jobs will be created.

Channel deepening, of course, is \$2.2 billion in terms of the vitality of the national economy; it means 2200 jobs. To give you an appreciation of the breakdown of those 35 000 jobs, in the general government area, over about 8000 are likely to be created; in education and housing, over 10 000; the transport plan directly, 1500; the national Nation Building projects, around 2000; Partnership Victoria projects, about 900; desalination, about 1500; food bowl, about 800; and direct supply chain jobs, about 10 000. Of course that does not include the greater multiplier across the economy that the MBAV uses for many of its projects.

**Ms PENNICUIK** — I would just like to start by saying, Minister, that I was very disappointed that the Port of Melbourne Corporation offered 50 per cent as the figure for ships that are now not able to come into the port

fully laden. That is higher than the erroneous figure that you yourself and the port corporation were quoting, which was anywhere between 25 and 48 per cent.

**The CHAIR** — Can we have the question, please?

**Ms PENNICUIK** — I am getting to the question. At the upper house standing committee the chief executive agreed that it was not any higher than what the Essential Services Commission said, which was around 13 per cent.

**The CHAIR** — It is not a time for speeches; it is a time for questions.

**Ms PENNICUIK** — The question is, if I can draw your attention to page 285 of budget paper 3, which deals with the channel deepening support package: given that the Port of Melbourne Corporation is meant to be a commercial entity, why is it that the government is allocating \$0.7 million this year and for the next three years for the facilities improvement program; \$1 million next year and the year after for grants for business support; and \$0.6 million over three years for a multi-stage tourism and marketing campaign, given that the Port of Melbourne Corporation is already spending \$4 million on advertising when there is no rival container port that it has to compete with? Can you detail what these things are for and why the government is allocating money to the Port of Melbourne Corporation?

**Mr PALLAS** — I think it does give us an opportunity to look at exactly how the port of Melbourne is operating. There is no doubt that the channel-deepening project is going on extremely well. I am pleased and, I have to say, satisfied about the professionalism by which the Port of Melbourne Corporation is going about its overall statutory responsibilities in terms of the delivery of its functions, and, importantly, channel deepening is a critical part of that. As I have indicated, we have moved about 17.42 million cubic metres of dredge material, about 76 per cent of the volume.

Channel deepening will allow vessels of up to 14 metres draft to end up in Port Phillip Bay at all times. The limit for the commencement of the project was 11.6 metres without tidal assistance. The size of the ships directly affects the price of goods that Victorians pay for the materials that they receive. It is the case that the Port of Melbourne Corporation is currently in the process of advertising. I think that is critically important. They are a core constituent economic part of the Victorian economy.

**Ms PENNICUIK** — Who is their target audience? Advertising in the — —

**The CHAIR** — The minister to answer, without assistance!

**Mr PALLAS** — The target audience is clearly the community of Victoria. It is necessary that people appreciate that a port right on their doorstep — and I would have thought that those who live in the inner-west would recognise and want to appreciate exactly the value of the port — —

**Ms PENNICUIK** — They recognise it, because they have got trucks going through!

**Mr PALLAS** — So you are advocating what? A move to the port of Hastings, are you? Or just magically receiving freight?

**Ms PENNICUIK** — No, I am asking you to answer what you were asked about.

**The CHAIR** — The minister, to answer without assistance and without reacting to interjections!

**Mr PALLAS** — From a government point of view, we think it is appropriate that the port is able to receive funds from the government when the projects that they are undertaking sit comfortably with government policies. For example, we have made a direct allocation for improvement to particular aspects of the port's capacity to improve infrastructure. I think we gave about \$50 million, and we publicly stated that at the time that we gave funding support for channel deepening. That was to enhance port-side infrastructure as well.

In November 2008 the government also announced that it would give a \$9.2 million package to support businesses in and around Port Phillip Bay. One of the great criticisms and concerns expressed at the time of the channel deepening was about the impact that a loss of confidence in the amenity of the bay from channel deepening would have on it.

As a government we took a very strong view that it was therefore important that we make a commitment in support of those things. The package comprises \$3 million for the development of a marketing campaign to promote bay tourism, \$2 million to enhance boat infrastructure and \$4.2 million for ongoing beach renourishment. All of those things, I would have thought, would effectively add quite substantially and valuably to the port's activities and operations.

**Ms PENNICUIK** — Minister — —

**The CHAIR** — Okay.

**Ms PENNICUIK** — No, he has not answered the question. I asked him what those particular programs were — the facilities improvement program — —

**The CHAIR** — I think it would be okay to move on to the next one. Ms Huppert?

**Ms PENNICUIK** — I will just put it on notice, thanks, Chair.

**The CHAIR** — Talk to Hansard.

**Ms PENNICUIK** — He did not answer it.

**Ms HUPPERT** — Thank you very much, Chair. I understand road congestion in Victoria is in fact not as bad as it is in some other Australian capital cities. However, I note that budget paper 3, page 244 lists a number of congestion projects which have been completed as well as some moving forward during the forward estimates period. Could you please outline to the committee what else is being done in the short, medium and long term to reduce congestion on the road network?

**Mr PALLAS** — Sure. We obviously take the issue of congestion seriously. It does have a quite dramatic effect upon not only the amenity and the efficiency of our city — it is one of those things that, if we do not take substantive action towards addressing, it will build up and become increasingly a problem. VCEC has in the past identified the cost of congestion as amounting to as much as \$2.6 billion in metropolitan Melbourne.

That is a challenge that we do have to account for because it goes to the attractiveness of our port as a landing destination and the capacity of people to go about their business efficiently and also be able to go to the places where they would prefer to be rather than the places that they actually have to be — caught in traffic is clearly not one of those places.

There are a number of measures that we are putting in place to tackle congestion through a number of programs and initiatives — \$30 million for the congestion improvement program, \$112.7 million towards the Keeping Melbourne Moving congestion plan and also a \$38 billion Victorian transport plan. I will go through each of those individually.

The congestion improvement plan — since 2006 the \$30 million congestion improvement program has effectively alleviated congestion at several bottlenecks right across metropolitan Melbourne: the intersection at Pascoe Vale Road and Somerton Road; and the roundabouts at St Georges Road and Merri Parade, due to be completed shortly.

Improvements are also being made to the operational capacity of other key traffic routes — an enhanced traffic signal linking and improved integration of these with railway level crossings; CCTV is also a key opportunity for us in terms of managing traffic, and employment of this technology is just one of the improvements being implemented in 2009 on routes such as Bell Street and Warrigal Road. They are aimed to improved the flow of traffic for all road users.

The 2009–10 budget target is lower — we have got 12 projects, reflecting what are effectively larger and more costly programs, which are being completed in the latter years of the congestion improvement program. The specific initiatives that I have taken you through are in addition to other ongoing initiatives that are also aimed at congestion, including SmartBus, walking and cycling, Keeping Melbourne Moving and, of course, the VTP in the broader sense.

Keeping Melbourne Moving, at \$112.7 million, is part of the government's congestion plan, which includes a range of initiatives such as \$28.2 million for cycling and walking infrastructure. I might say that Victoria has now produced a comprehensive cycling strategy. I think it is the first time we have ever seen a comprehensive cycling network having been identified and the government committing to substantive infrastructure upgrades for that network. There is \$37.8 million for targeted bus and tram priority measures, such as priority lanes, improved signalling and infrastructure; and \$11.7 million to expand VicRoads rapid response services to assist with breakdowns.

I have got to say that this is a key and important area of activity. We are increasing the rapidity by which we respond to breakdowns, and a point behind that is that if you get a point of congestion and you allow it to build up, it takes that much longer to clear, so getting in quickly and removing the point of breakdown and blockage on the arterial network stops it flowing right across the network.

We have allocated \$3.4 million to better manage the impact of roadworks, \$2.2 million to improve the efficiency of tram routes such as High Street, Malvern, tram route 6, and tram route 96 from East Brunswick to St Kilda; \$16.8 million to provide more information to motorists and help them to make travel-smart choices, and \$12.6 million to standardise clearways on state arterial roads in peak directions within a 10 kilometre radius of the CBD.

On projects to ease congestion we are making an ongoing investment in major road infrastructure, as you would be aware — \$1.39 billion on the Monash–CityLink–West Gate project, the Deer Park bypass, the Geelong Ring Road, the Vineyard Road duplication, the M80 Ring Road upgrade, Kororoit Creek Road and other roads.

On top of this, the Premier last year released a \$38 billion transport plan that will transform the way Victoria's transport network operates. It will also shape the way that the city operates and assure us of a prosperous, liveable and sustainable state. The plan is the result of a comprehensive process of consultation, and it is also a plan that will deliver both short, medium and long-term projects right across Melbourne and Victoria, starting with immediate initiatives to address congestion and also to increase public transport capacity.

Over the next two years Victoria will see the first of 17 new metro trains arrive, new regional trains, new regional rail services, metro trains, extra police on trains, the start of construction of the South Morang railway line, the regional rail link — and we are very pleased to see the federal government have made a very substantial commitment.

**The CHAIR** — We will try and keep to roads and ports, I think.

**Mr PALLAS** — Of course we are talking integrated transport now, Chair. It is a wonderful thing. It increases people's options. There is construction of the Dingley arterial, the grade separation of Springvale Road, Peninsula Link, and let us not forget the on-road public transport options that are continuing to occur. I think the last figure, Jim, was 88 per cent — I keep getting this wrong. You can correct me if I am wrong, but 88 per cent of all public transport journeys happening on road.

**Mr BETTS** — Public transport services, yes.

**Ms PENNICUIK** — I think I read that figure somewhere.

**Mr PALLAS** — When people think about roads and they want options in terms of transport, they should not just see roads as exclusively the preserve of the motor car. Yes, people have a right to choose to use a motor car, but governments have a responsibility to address congestion, increase the efficiency of the existing network and grow the network to meet people's expectations, but in the long term ensure that people have more, realistic and better choices going forward.

**Mr WELLS** — Is it because they can't get on the trains that the figures are so high?

**Ms MUNT** — It is because the bus services are so excellent.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the Princes Highway West duplication, the Waurin Ponds to Winchelsea project, which, according to the VTP is an AusLink project. I notice from the asset investment budget paper that there is \$5 million committed in the 2008–09 financial year out of a total of \$110 million, which I assume is the state contribution, with the balance to be committed beyond that. What is

the completion time frame for that project, where is the remaining \$105 million budgeted, and what is the commonwealth contribution and time frame for that project?

**Mr PALLAS** — It is, I think, a vital project and one which this government obviously sees as being the continuation of the Geelong Ring Road investment that we are making. One of the things from our perspective is that the ring-road is being delivered at an integrated and sustained level, and that means that we need to get each and every one of the stages completed.

I was pleased recently to see that stages 1 and 2 of the ring-road are now open; they opened in December 2008. We are likely to see stage 3 open by the end of this year, which will mean effectively that the ring-road all of the way around to Waurn Ponds is operational. There will be work around section 4A of the ring-road, which has already started and which will provide that vital connection to Anglesea Road. Once fully constructed, the Geelong Ring Road will provide an opportunity to avoid something like 29 traffic lights in and around metropolitan Melbourne.

The AusLink projects will be completed essentially in the next round, so this is a commitment over a sustained period of time. Those projects that are not fully funded in the context of AusLink 2 — what are we now calling it, nation-building program?

**Mr LIDDLE** — Yes.

**Mr PALLAS** — They will effectively be completed to full funding profile, and by agreement with the attachments to the agreement struck with the federal government they will be delivered in the time frames identified. It would be our intention to ensure that essentially once we complete the Geelong Ring Road, stage 4A, we will then proceed with the delivery of the remaining parts of the network, stage 4B, and Princes Highway West.

**Mr RICH-PHILLIPS** — What is the time frame specified in the agreement on Winchelsea?

**Mr PALLAS** — The agreement contemplates that it will continue into the AusLink 2013 time frame.

**Mr LIDDLE** — Yes, the agreement with the federal government is that it will continue as part of the next AusLink agreement, so not in the current five-year program between 2009–10 and 2013–14. I think 2013–14 is the end of the current one, so it will be completed within the five-year period after that.

**Mr RICH-PHILLIPS** — Beyond 2014? As far as the state's contribution — beyond the \$5 million that was in the asset investment?

**Mr PALLAS** — The state's contribution should not constitute a concern. We have these discussions regularly. I just want to be clear about this. One of the things that the government is committed to doing is to meet the time line profiles that we specify for the delivery of these projects. How federal money flows and how state money flows from budget to budget is largely irrelevant. It is that we actually keep the funding up to deliver the project within the specified time frames. That is essentially our aim. As Gary indicated, our intention is to continue the work on Princes Highway West, progressively through both what was formerly known as AusLink 2 and into AusLink 3.

**Mr RICH-PHILLIPS** — Essentially we will not see the funding until we get to the time frame that Terry has spoken about?

**Mr PALLAS** — In fact that is the federal government's preference. What they have done in terms of their funding profiles in respect of the attachment to our AusLink agreement, the Nation Building Program agreement, is we get a single year's allocation, but they have a commitment to the complete project upon a funding share between state and federal. We will have responsibility for managing the cash flows. We have to do it within specified time frames and we will meet those time frames.

**Mr SCOTT** — Minister, I would like to draw your attention to budget paper 3, page 18 where there is a reference to regional road infrastructure. What action is the government taking to ensure country Victorians have access to high-quality road infrastructure?

**Mr PALLAS** — In respect of regional roads, the Brumby government clearly has a strong and ongoing commitment to road links between our regional communities. We know the valuable role that roads play in regional communities. They connect communities but are also very substantial economic enablers.

Since coming to office in 1999 we have invested \$2.7 billion into building better roads in regional Victoria. That investment ranges from large-scale capital works improvement projects to road safety and maintenance treatments. Our investment significantly improved connections between Melbourne and also connections in Victoria's provincial centres of Geelong, Ballarat, Bendigo and Traralgon. There are now fully duplicated connections between the city of Melbourne and these regional centres, which is quite an outstanding achievement really, when you think of it.

It provides better access to Melbourne for residents in these communities, better opportunities to attract visitors from the city to these regions, and it also supports rural businesses. They need high-quality road links to maximise their competitiveness and local and international markets.

Through our agreements in place with the federal government we will deliver similarly high-standard duplicated links between Melbourne and Stawell, Shepparton, Winchelsea and Sale. Those are effectively the next areas of duplication and activity. This year alone the Brumby government has completed two major road projects that will better link the city and our regional centres. The final stage of the Calder Freeway upgrade between Kyneton and Ravenswood, which was opened on 20 April, will effectively take something like 15 minutes travel time off a trip between Melbourne and Bendigo.

The Deer Park bypass, which was completed on 5 April, will also reduce travel time between Melbourne and Bendigo by up to 15 minutes. Both of these projects help create and sustain around about 600 direct jobs each. They are two examples of why the state and the federal governments are working together to invest in transport infrastructure — because it creates jobs, and it also creates greater economic enabling opportunities, linking communities.

We have also opened the first stage of the Geelong Ring Road between Corio and the Midland Highway and the Hamilton Highway. This took place in December last year. We are progressing well on stage 3, which will complete the 23-kilometre link from Corio all the way through to Waurn Ponds. The physical works have also commenced on stage 4A of the Geelong Ring Road. That stage of the project is \$125 million in terms of the investment that we are delivering, in collaboration with the commonwealth. Works are currently under way on the Colac-Lavers Hill Road, which is also a jointly funded state-federal initiative worth about \$15 million.

The state budget handed down by the Treasurer last week has provided funding to continue upgrades of our major roads in regional communities. There is \$56.9 million to upgrade the South Gippsland Highway between Sale and Longford, which will include an upgrade of Cox's Bridge. It is a pity that Bill is not here with us today; I am sure he would be doing cartwheels on behalf of his leader.

**The CHAIR** — That is why we are asking the question for him.

**Mr PALLAS** — This project not just benefits Gippsland residents but also improves access for local agriculture, dairy and gas, and those industries will be well serviced by it. The floods in June and November 2007 really demonstrated that the South Gippsland Highway needed those connections. They had their highway closed for around seven and five days respectively, with a one-lane operation under traffic lights for a further seven days. Quite frankly, it was a project that needed to be done. It will also reduce the frequency that the highway is closed during flooding.

We are also investing \$44.4 million in the Nagambie bypass on the Goulburn Valley Highway, with the federal government, and committing a further \$216 million to the project. It will provide a freeway standard bypass to the east of the township and will also duplicate the existing highway to the north. It is one of those projects that will be the last remaining link for the Goulburn freeway connection between the Hume Freeway and south of Shepparton. Also the traffic count showed that about 6300 vehicles use that section of the highway, including around about 1900 freight vehicles.

There is \$8.8 million for the Western Highway, Ballarat and Stawell, together with \$9.4 million for the Western Highway from Stawell to the South Australian border, which are both safety and capacity improvements, and \$5.7 million for the Nhill trailer exchange. That is a critically important piece of work. It is

actually a midway point between Adelaide and Melbourne. It will enable essentially the smooth and safe exchange of vehicles at the halfway point.

**The CHAIR** — Thank you, Minister. I would like to ask, as I have asked all the other ministers in respect of their portfolios, what federal funding or grants — which includes both output and asset — your portfolio and any department or agencies associated received in the budget. Can your department provide the committee with a list and description of these grants including the accountability mechanisms, both federal and between departments and agencies with respect to these grants and funding.

**Mr PALLAS** — Yes, certainly, Chair, the government continues to work in partnership with the federal government. I think it is a work in progress, but it is a good work in progress; we are actually making good progress to improve transport infrastructure in Victoria and also to secure jobs and also create opportunities in the difficult times we find ourselves in economically.

The 2009–10 federal budget provided \$760 million to Victorian projects through the Building Australia program, otherwise and formerly known as AusLink 2. I am advised by the commonwealth that this is an increase of \$265 million or 53 per cent over the 2008–09 budget; so there was quite an appreciable increase, \$120 million of which will be provided immediately in 2008–09. A lot of that money will hit the ground running, as it were.

The \$760 million includes \$74 million for the Western Ring Road upgrade; \$17.5 million for Princes Highway East, Traralgon to Sale; \$10.5 million for the Geelong Ring Road stage 4A; and \$37 million for the Nagambie bypass.

Both road and rail freight will also be well served with \$34 million for Anthony's Cutting; \$5 million for upgrades to the Geelong port on the Melbourne–Adelaide rail line and also \$8 million for the Altona–Laverton precinct and the Dandenong intermodal terminal; \$5.2 million for the Wimmera intermodal terminal.

Another important inclusion in the Nation Building Program is the commonwealth's \$80 million commitment towards the \$140 million Springvale Road process. I will not take up any more of your time on that; I have spoken about it a bit.

In the nation building and jobs package the commonwealth has announced a range of economic stimulus measures.

**Mr WELLS** — Minister, are you trying to talk this out to 5 o'clock?

**Mr NOONAN** — There is so much good news.

**The CHAIR** — The minister, without assistance!

**Mr WELLS** — We are going to get about one question each.

**Mr NOONAN** — There is \$265 million.

**The CHAIR** — The minister has only been speaking for 3 minutes on this one.

**Mr PALLAS** — I am effectively talking about millions of dollars that are coming to the state of Victoria.

**Mr NOONAN** — That is a lot of projects.

**The CHAIR** — Without assistance!

**Ms MUNT** — It is the same for everyone.

**Mr PALLAS** — Infrastructure Australia recently released its priority list. Perhaps it may be important to some members of the committee that \$3.25 billion has been allocated for the commonwealth for regional rail express. Certainly that will have a very substantial effect upon rail freight as well into the long term.

That list identifies 28 projects right across the nation in terms of the priority pipeline that will be considered for future funding from the Building Australia fund, including Peninsula Link, the green triangle road and rail

package, Donnybrook-Beveridge freight, port of Melbourne international freight terminal and port of Hastings development.

The accountability issues: we are accountable for these projects to the commonwealth through a range of legislative instruments and bilateral agreements which have been undertaken with the commonwealth and states. Essentially the accountability measures that are required include monthly project reporting, including key milestones and project completion dates; monthly project financial reporting; annual auditing and also post project completion evaluation.

The one good news part of the allocations and the story that flows from these contributions is what we have seen the share of Victoria grow essentially to, if you use the old AusLink 2 category of allocations; we got to a little bit over 20 per cent, 20.4 per cent of federal allocations.

If you add the recent Infrastructure Australia or national building and jobs package allocation — that is, if you include the rail contributions where we picked up 40 per cent of national allocations — we are actually close to 23 per cent; it is 22.9 per cent of national transport allocations.

It is the job of roads ministers to complain if the federal government does not give us enough on roads. I might be able to keep that up but if we are talking transport, we are coming very close to our national GDP share.

**Mr DALLA-RIVA** — Minister, I refer you to budget paper 3, page 386, ‘Chart B 14: proportion of freight transported by rail to and from Victoria’s commercial ports’. There was a media release by the then Minister for Ports, dated 7 May 2002, which was budget day, stating that \$5.1 million would establish dual gauge rail access at the port of Geelong; and that this would improve access and reduce freight cost for regional Victorian export producers. To date not one sod has been turned on this vital project for creating jobs and increasing efficiency.

There was also a media release by the Minister for Transport in respect of the state budget 2001 in which there was an assurance that the rail link between Mildura and Portland would be converted to standard gauge as a key priority. Not 1 centimetre of track north of Ararat to Mildura has been converted to standard gauge.

Is it the fact, not these statements about what you have mentioned in the budget paper but the fact that the lack of commitment to the projects or the promises that you made; and is that the reason why freight being transported by rail to and from Victorian commercial ports has plummeted from 20 per cent to only 12.3 per cent over the past decade under your government?

**Ms PENNICUIK** — It is supposed to be going to 30, isn’t it?

**Mr PALLAS** — There is a lot in that.

**Ms PENNICUIK** — Is the target 30, Minister?

**Mr DALLA-RIVA** — It was going to 30, Ms Pennicuik, you are right.

**Mr PALLAS** — It is starting to be clear: it may actually have escaped the attention of at least one side of politics in this, but there actually has been a drought.

**Mr WELLS** — So it is the drought?

**Mr PALLAS** — The principal commodity carried by the port, by volume — —

**Mr DALLA-RIVA** — So the drought was the reason you did not do the — —

**The CHAIR** — The minister, to answer!

**Mr DALLA-RIVA** — I am just curious: would the drought stop the Mildura road — —

**The CHAIR** — Without assistance!

**Mr WELLS** — The Mildura line.

**Mr PALLAS** — We will get to it because I relish the prospect of actually talking freight with the opposition because — —

**The CHAIR** — You are talking with the committee actually, Minister, so answer the question, please.

**Mr PALLAS** — It is good to actually see that you understand the word ‘freight’, you did not use it in any of your election policies.

**Mr DALLA-RIVA** — It was freight, what happened to the \$5.1 million, did it go into cyberspace?

**The CHAIR** — The minister, to answer it.

**Mr PALLAS** — This government has been serious about proceeding.

**Mr WELLS** — So when you do it, we know you are not going to deliver on it? There is a big difference.

**The CHAIR** — Thank you, Minister, just ignore their comments.

**Mr PALLAS** — This government has been serious about delivering on a massively improved freight issues.

**Mr WELLS** — No, you are not.

**Ms MUNT** — I do not think we have closed down any of the country rail lines.

**Mr WELLS** — So where is the Mildura line?

**Mr PALLAS** — For example, we are committed to the efficient movement of all freight in Victoria. We have put in place a plan for improving the efficiency of road-rail and sea freight, so actually maximising the carrying capacity of our freight linkages.

The Eddington report actually identified that the government should re-evaluate its rail freight target, so it was actually Sir Rod Eddington who recommended that the freight target be re-evaluated. Freight Futures, released in December 2008, actually notes that the government agreed with this recommendation and that we would re-evaluate the freight target. Quite frankly, the government supports rail playing an increasing role in the overall freight network, not just in the area of port freight.

In partnership with the federal government we have actually put in place something like \$1.3 billion in terms of committed rail freight activities. We bought back the rail freight network. We have actually started making some very serious contributions towards those areas.

So \$134 million towards regional rail network buyback; \$45 million for the Tottenham-Dynon project; \$15 million for the Tottenham flyover; \$173 million for the Dynon-port rail link; \$73 million for the Mildura line access; \$33.4 million for the Geelong rail access improvement program; \$42.7 million for the gold line funding and freight network maintenance; \$33.4 million for the silver line funding; \$551 million for the north-east rail revitalisation project; \$50 million for the Seymour-Sunshine crossing loop, \$15 million for the Maroona to Portland upgrade; \$50 million for the port of Melbourne rail access improvement project; and \$20 million for the rail freight support package. That is in stark contrast to the Liberals who effectively have not mentioned the word ‘freight’ once except in terms of criticism of the efforts that this government is putting in place.

We have taken the view that in terms of being able to put in place a sustainable freight strategy, the first thing you need to do is to demonstrate how you integrate your freight capacities right across the network, building up the capacity of our rail freight network. In respect of Geelong rail freight access, we have made a very substantial contribution — \$33.4 million to the Geelong rail access improvement project — in terms of the completion of the Lascelles Wharf issue. We have always said that unless and until there is an adequate business case that demonstrates the viability of delivering on that project, from our government’s point of view it should not proceed — that is, unless there is demonstrated demand for it.

But importantly, we need to recognise that if rail freight is all about just access of agricultural produce to our ports, we will never achieve a substantial, sustainable and contestable rail freight industry. We need to make

investments around intermodal facilities, and the government has identified how we will go about that, in the Victorian transport plan. We have identified the provision for Donnybrook, for the works to deliver on a western and south-eastern upgrade for an intermodal facility. The Melbourne international freight terminal will be built on the current site of the markets.

It is about actually being able to give some capacity for contestability for rail freight up against road freight in metropolitan areas. Not so long ago the ACCC indicated that if you are talking about contestable freight between road and rail, only something between 20 and 15 per cent of freight is actually contestable in terms of market pressure. So the government has to make some very substantial investments, give some clear market signals and get a system operating. Given that metropolitan freight is such a key component of being able to meet any higher volumes, we recognise that you have got to get those intermodal hubs working effectively, and that will not be a short-term strategy. Our investment into the long term will be complemented with a reaping of rewards in terms of the investment that we are putting in place in respect of regional rail freight.

**Ms MUNT** — Minister, can I speak a little bit more about Peninsula Link as detailed on page 19 of budget paper 3 under the heading ‘Moving around Melbourne’? You touched on this very important piece of road infrastructure that will be fabulous for the south-eastern and southern suburbs. You mentioned in passing that there has been an update on Peninsula Link this morning. I wonder if you can please detail that to the committee. Also, what do you think the benefit will be to motorists in the south and the south-east, and motorists who come from the rest of Victoria, of course, and visitors to the region?

**Mr PALLAS** — Peninsula Link is one of those projects that the Brumby government sees as being key to the delivery of the Victorian transport plan. One thing we said to the federal government about the Victorian transport plan — and I might say they have complemented Victoria on being one of the best prepared states, if not the best prepared state, in terms of being able to elaborate what an integrated transport system looks like. I think it has yielded results certainly in respect of the share of the allegations that the federal government has made.

One disappointment was that the federal government did not provide immediate funding for Peninsula Link but indicated it was a project that had the potential for future funding. Quite frankly, we cannot sit back and wait for that. As a government we are committed to meeting the sort of timelines in terms of delivery of our projects that the Victorian transport plan operates. Obviously, we accept that with a 12-year plan with \$38 billion worth of investment there is going to be some rejigging of cash flows along the way, but there is absolutely no doubt that the government has a capacity for the purposes of the delivery of this vital project.

Today I was pleased to join with the Premier when we indicated that the government will be allocating the full \$750 million for the project which will generate and sustain about 4000 direct jobs during construction. The Premier announced today that the Peninsula Link project will be fully funded, and reiterated that it will be a toll-free motorway.

**Mr WELLS** — Tolls?

**Mr PALLAS** — Do you want to toll it, Kim?

**Mr WELLS** — No, I was just wondering if I had missed what you said. Toll?

**Mr PALLAS** — So you want to toll it?

**Mr WELLS** — No. I am just asking you what you said — ‘Toll’ what?

**Mr PALLAS** — I am just trying to get clear what you — —

**Mr WELLS** — I am just asking what he said, Chair.

**The CHAIR** — Thank you! The minister, without assistance! Hansard should ignore the interjections.

**Mr PALLAS** — Putting aside the Liberal Party’s love for tolls — —

**Mr WELLS** — I just said, ‘Toll’ what?

**Mr PALLAS** — We will proceed with a toll-free road despite — —

**Mr WELLS** — A toll-free road. That's fine.

**Mr PALLAS** — As a government we remain committed to taking this action to secure Victorian jobs and also to build crucial infrastructure.

As the Premier said, this is a shovel-ready project. It ticks every box. We are already taking action to ensure that we can get preliminary works at the Lathams Road overpass commenced in July this year. The state budget allocated \$354 million for the project. The remaining balance of the funds set aside in the budget will effectively come out of unallocated capital. As the Premier has made quite clear, there is ample capacity for the budget to meet that.

As the committee would know, the Brumby government has announced that the project will be delivered as part of a public-private partnership through an availability model — the same model that has been useful in this state to build social infrastructure, as I have said previously. The availability model will not be based on traffic numbers. It will be based on service performance and meeting key performance indicators in terms of design, construction, delivery and maintenance in an ongoing sense. It actually allows us to get greater ongoing performance out of the way that the asset operates. Expressions of interest have now closed for the main works, which have attracted five high-quality bids; there is a fair bit of interest in terms of bidding for this project. They are currently being reviewed with a request for proposal being issued for short-listed tenders in June. We would expect to be in a position by the end of the year to make determinations about that. Subject of course to the EES processes being approved, we would anticipate that work would commence by the end of this year.

Peninsula Link will provide a 25-kilometre, four-lane freeway standardised road between EastLink at Carrum Downs all the way through to the Mornington Peninsula Freeway at Mount Martha. It will reduce travel time to just 17 minutes, saving up to 40 minutes in terms of travel time. It will not only boost the local tourism industry but will improve the linkages with the city and the summer hinterland. This is a key project. It is one that the government sees as being critically important for delivery.

I think the announcement today is a demonstration also that not only are we focused on jobs, but we are focused on making sure that the things contained within the Victorian transport plan that require greatest attention and implementation are being met and delivered. Whilst there are areas which we would have preferred the federal government to have immediately accepted and agreed to give us funding for, we can hardly complain when we are almost at 40 per cent of national allocations. We have to rejig cash allocations, and we think that we can do that quite comfortably.

**Mr RICH-PHILLIPS** — Just to follow up on that, Minister, what is the estimated construction cost of Peninsula Link, as opposed to the project cost?

**Mr PALLAS** — We anticipate that, excluding the land from the process, which is about \$30 million to \$40 million, it is around about \$700 million to \$710 million in terms of construction costs. We clearly do not want to go too much into the specifics of the cost of the project because we want to maximise the outcome of our commercial negotiations with any successful tenderer.

**Mr RICH-PHILLIPS** — I am just wondering: what would it cost if you built it and owned it like a conventional procurement — if you commissioned a contracted builder — given that you are already committing \$750 million to this model?

**Mr PALLAS** — Can I be clear about this? When the government made its decision that it was going down the path of making a determination about which of the models it would seek to apply, whether it be a D and C model or an availability charge model, it looked at what a public sector comparator build would do. There are a couple of reasons — more than a couple, but I will take you through some of them — why the government took the view that an availability charge model is far and away the best.

Firstly, it drives innovation in terms of design, construction, operation and maintenance. It gives us the capacity to make sure that there is ongoing rigour and commitment to the quality of the roadway, not just at construction but all the way through. Secondly, it gives us the capacity to make sure that there is a contestable market. We continue to encourage and engage the private sector in circumstances where currently private sector capital is

not there. Finally, because of the competitive nature of the bidding process, we believe that there will be incentives for earlier completion, and that is why we believe that a 2013 conclusion of this project is eminently attainable as a consequence of exactly these measures. Viewed in context, we believe that essentially we could get to a position where we get a better result in terms of the timeliness, the maintenance, engagement with the private sector, and design excellence around design, maintenance and the speed at which construction can be achieved.

**Mr NOONAN** — Minister, I just wanted to ask you about the response to the bushfires. I note at budget paper 3, page 9, there is an allocation in this budget to restore roads in bushfire areas. I would be keen to understand what role VicRoads played in responding to the bushfires in terms of recovery, and what work remains over the budget estimates period in terms of the restoration of roads.

**Mr PALLAS** — Thanks. I want to take this opportunity to place on record my appreciation of all the work that VicRoads staff have done during the bushfires. It has been an outstanding effort, whether from people who have actually had to manage the reconstruction and remediation of damaged and fire-affected roadways, or whether it was actually coming up with practical solutions to assist communities or people who have lost everything to reconnect with their communities by taking away a lot of the red tape and making sure that registration, licensing and proof of identity was in place quickly.

I have heard from a wide variety of people as I have wandered around these fire-affected areas. They have been full of praise for VicRoads for how quickly they have moved, how sensitively they have moved and how imaginatively they have moved in terms of overcoming what would be standard processes. I am very pleased, thrilled and gratified by their efforts.

At the height of the bushfire activity on Black Saturday, there were around about 100 roads that were closed. Overall VicRoads estimates that there were about 490 kilometres of roads that were affected by the bushfires, with damage to something like 35 kilometres of guardrail, 3100 signs, 16 750 guideposts and approximately 45 kilometres of boundary fencing along the Hume Highway. Drainage lines, areas of pavement, pavement marking, retaining walls and rest areas were also damaged. To ensure that both the access was restored to communities and that roads were reopened safely, VicRoads provided support to the police and emergency services, including assistance with roadblocks and access to fire-affected areas.

They cleared at least 9000 roadside trees in the worst affected areas. They returned roads to an acceptable level of safety. They made safety assessments and opened roads once clearances were given by the fire authorities and also by the police. They reinstated affected fencing, they installed new guideposts and they also progressively repaired affected guardrails. They provided regular updating of road closure information on the VicRoads website. VicRoads has now reopened all roads. There are still some temporary closures being put in place from time to time to undertake repair work. When roads did open, some had reduced speed limits for a period of time.

As well as ensuring the safe opening of the roads, VicRoads customer service arrangements were put in place to respond to registration and licensing needs of people affected by the fires. Many of these people were dependent upon identification such as licences for access to other assistance. In the time since the fires we have staffed 11 relief centres, we have issued 560 duplicate licences, 880 vehicle registration refunds, 260 duplicate registration labels and 135 three or six-month registration renewals. We have answered 2600 bushfire helpline calls, 11 700 road and traffic line calls, and 42 VicRoads people put their hands up to help assist in emergency coordination centres around the state.

**The CHAIR** — Thank you very much for that.

**Ms PENNICUIK** — I would have to say that I am probably the only person at this table who is not in the cheer squad for Peninsula Link, or the continued predominance of road funding over public transport. However, what I want to go to is the fact that this particular proposed road is still the subject of an environment effects statement and yet the conversation around this table has been that this road as planned, as presented in these budget papers, as the route that was put on the slide show, is the road that will go ahead — probably because there has been a route drawn on a map, dare I say, since the Bolte time that that was the way it was going to go.

But since that time a quite significant flora and fauna reserve has established itself unfortunately in the route of the road. My question, Minister, is: if the environment effects process identifies that as a hazard and

recommends that the road not proceed on that route or some other arrangement be made, what contingency arrangements have you and VicRoads put in place for that eventuality?

**Mr PALLAS** — I think from a government point of view we have consistently taken the view, when it comes to the environment effects statement process, that we do appoint independent panels; they have a responsibility and that responsibility is about giving the necessary approvals in order to enable work to occur.

We take a very firm view that we believe this project clearly will meet the necessary requirements. We are not planning on failure and we believe that we can deal with the environmental issues sensitively. I am advised the independent panel report considering the EES is currently being reviewed by the planning minister, and the contract for the main works of the project will not be awarded until the EES review is completed. That will allow any measures coming from the review process to be incorporated into the project.

We do take the EES process seriously. What we see the EES process as being hopefully about is assisting government in managing its environmental responsibilities, not about actually telling government that projects should not proceed. They can, of course.

**Ms PENNICUIK** — They have.

**Mr PALLAS** — They have that capacity.

**Ms PENNICUIK** — The channel deepening, for example.

**Mr PALLAS** — The channel deepening is actually happening. But from a government perspective, we take our responsibilities seriously. We believe that we can meet them. We are confident that we have met them in respect of the considerations the panel put in place, and we believe that the design of the road will ultimately be the subject of approval by the panel and the EES. But we wait to find out.

**Ms PENNICUIK** — I suppose it is a matter of principle, Minister, in that you need to have in place some sort of contingency arrangement. For example, the channel deepening project, as you say, has gone ahead but it was recommended it did not go ahead and it cost the port another several million dollars.

**The CHAIR** — We need to have questions rather than statements.

**Mr PALLAS** — I suppose the contingency response in terms of channel deepening is a classic illustration: make sure that you manage your responsibilities in terms of satisfying environmental safeguards. I have every confidence that we will not need to fall back on a contingency because we have made the right effort to get the right result, and I am sure that the panel will take its responsibilities seriously. But as a government, we are committed to this project. We believe that it is the right project, a project that can be managed in the interests not only of the community but the environment.

**Ms HUPPERT** — Minister, I want to return to the question of road safety. I think we all understand the human devastation that is caused by road trauma — not just the road toll but the injuries that are caused by road trauma and the effect this has on productivity. Budget paper 3, page 33, talks about the road safety policies. Could you further expand to the committee on some of the work that has been done to reduce the road toll and the effect this will have in future years?

**Mr PALLAS** — Certainly. One of the things I think is quite debilitating in the job of minister with responsibility for road safety is to check the daily count in terms of the road toll. I think at the moment it sits at 120, which is exactly consistent with where it was last year. I know we would all like to see the road toll reduced. It is one of those areas where there is complete bipartisanship in terms of outcome and what we want to get. How we get there is one of those areas where I think we should have a healthy debate, but from the government's point of view, we announced our Arrive Alive strategies for 2008–17.

They come on the back of Arrive Alive 1, and that strategy saw the reduction of the road toll from 444 down to 332 from 2001 down to the end of 2007. That is important because it demonstrates that if you make the right investments, you get a good outcome. It is not just an investment in terms of hard infrastructure; it is about recognising that you have to get the system correct. That means integrating road safety, safer roads, safer vehicles and safer drivers, so the policy has to be a holistic one.

We have achieved six consecutive low road tolls over the last six years. Since 2001 we have had an estimated 720 lives saved, including 120 lives in regional Victoria. In 2008 Victoria recorded its lowest road toll of 303, which was quite a dramatic fall from the previous year of about 29 lives, which is a 9 per cent decrease in one year — quite appreciable. This eclipsed the previous record low of 330 in 2003.

As to the fatality rates, we have now driven our fatality rates from 8.2 by head of population down to 5.7 in 2008, so it is quite appreciable. We have also recorded our lowest country road toll on record with 137 fatalities — 37 fewer deaths than in 2007.

Based on preliminary information, there were 6615 serious injuries recorded in Victoria in 2008, which was a decrease of about 16 per cent compared to 2007, so it is quite remarkable that the work goes on not just in terms of the fatalities but also in terms of the casualties.

Our aim in Arrive Alive 2008–17 is to reduce the fatality rates again by 30 per cent. The budget contains an extra \$22.2 million for road safety initiatives. We are installing moving mode radar units in 200 police vehicles; we are extending tough vehicle impoundment laws to cover extreme speeding and repeat drink-driving and drug-driving offences. We will administer a further 20 000 drug driver tests per year. We are upgrading enforcement technology, and also increasing the number of hours of mobile camera operations by 3000 per month and the upgrade of 53 wet-film cameras to the new digital camera technology.

I know there is a lot of debate about this issue around, ‘This is really just an effort to revenue raise’, but can I say that all the research indicates and if you talk to Assistant Commissioner Lay, who has responsibility for road safety in Victoria Police, he will tell you that effectively the fear of apprehension does drive behaviour, provided of course there is a reasonable expectation that the state has got in place a more integrated and effective system to deal with road use and road behaviour. From our perspective, it is critically important that as a government we continue the efforts to reinforce the messages that responsible driving is critical. Our continued effort towards young drivers and our investments in respect of a graduated licensing system are critical in that part. I think importantly we do not want to reflect back too far, but it was not so long ago, in the early 1970s, when we had over 1000 people die on our roads. Importantly I think we have a commitment as a government in an ongoing sense to lead the nation in terms of innovative activities.

We led the nation in terms of mandatory seat belt introduction. We led nation in terms of random breath testing and random drug testing, and we are now leading the nation in terms of the movement towards requirements for electronic stability control and side airbag protection — to be in place for ESC by the end of 2010 and for side airbag protection by the end of 2011. That will have a profound effect upon the road toll, but it is once again Victoria demonstrating its commitment to an integrated approach to managing road safety.

**The CHAIR** — Thank you, Minister. We all appreciate the impact of road trauma, particularly on families, so I think anything you can do to further assist the road trauma association, which helps those families, would be appreciated.

**Mr WELLS** — Minister, I refer you to budget paper 3, pages 480 and 481 and the Victorian Transport Plan. The Victorian Transport Plan said in relation to growth in heavy vehicles that there were more than 20 000 trucks a day moving through Melbourne’s inner west. It appears that the Rudd government has refused to provide any money in the budget for either the truck action plan, which you said would significantly reduce the number of trucks on inner suburban streets, or the east-west metropolitan road link. How are you going to fund the transport plan for the first bit that you have mentioned that would require funding of \$380 million between 2009 and 2012, and what is your fallback position with the federal government not coming forward with their part of the money?

**Mr PALLAS** — As I say, we are gratified by the contribution that the federal government is making in terms of the Infrastructure Australia determinations, and I do not want to appear ungrateful because \$3.25 billion is a lot of money in respect of a project and it will be of enormous value for the uplift and the effectiveness of our passenger train system, but the truck action plan is a critical part of the Victorian transport plan and it is one that the government intends delivering on within the time lines contemplated within the VTP. From our perspective, we announced the truck action plan. It was also part of the Eddington report.

It is in two stages. The first stage is the construction of new ramps, including connecting the West Gate Freeway and Hyde Street, enhancing connectivity to the port of Melbourne. These ramps will face west to reduce

pressure on the West Gate Bridge. There will be upgrading of Hyde Street south of Francis Street and Whitehall Street, and the strengthening of Shepherds Bridge to ensure appropriate access for heavy vehicles.

The planning has commenced and is ongoing. VicRoads has sufficient capacity within its budget to undertake that planning within the current budget year. I do not anticipate any delay in terms of the planning work being able to proceed. As you would appreciate, that planning work will require extensive consultation with the communities affected. The cost of stage 1 of the works is expected to be in the order of about \$380 million. It was included as an immediate priority in the Victorian government's infrastructure plan. The critical works are under way.

I suppose one of the things I would say about this is that I would adopt the strategy that the state will press ahead with these projects, and we will make adjustments for their financing in future budgets. That will be our key and core message, but there will also be a noted delay in delivery. In saying that the state would press ahead with the projects and make adjustments for their financing in future budgets, I am in good company. I am in the company of Premier Colin Barnett from Western Australia, who has indicated that is his strategy in respect of areas where he believes future financing and funding should occur.

I think it is important, however, and the government is very committed to the implementation of the truck action plan. It will remove something like 1.2 million truck movements per annum through the inner west, and it will increase the amenity in the inner west quite appreciably when fully operational. The key part to the delivery of that is getting the design of the plan in place first.

From the government's point of view, Mr Wells, I will just draw your attention to table 3.4 on page 49 of budget paper 3, where you will see expenditure on approved projects. There is sufficient effectively unallocated capital for projects that are approved by government for these plans into the longer term to be met. But I have to say I do not really want the federal government off the hook. These are commendable plans. We think they should be adequately resourced in partnership with the federal government, particularly if we all recognise that our freight task is going to grow. It will effectively double in the next 20 years.

It is budget paper 2 — I said budget paper 3. I apologise for that.

**The CHAIR** — That's all right, we worked that one out.

**Mr PALLAS** — I am glad I have got adept staff.

**Mr WELLS** — We were looking at early childhood development!

**Mr DALLA-RIVA** — That is important, too.

**Mr PALLAS** — Absolutely — and no reference to committee members. Can I finally say there is adequate capacity, but from our perspective we think we cannot simply walk away from a proposition that partnership with the federal government is the best way to do this. High-performance freight vehicles are a core component to getting a freight strategy up and running. We remain committed to it.

We are committed to delivering on the planning stages, which is all we can do in this budget here in any event. We will recognise that there is sufficient expenditure available in unallocated capital for continued delivery of these projects into the future.

**Mr SCOTT** — On page 48 of budget paper 3 there is a mention of the opening of the EastLink project. Can you tell how the opening of this tremendous piece of infrastructure will benefit Victorians and how it relates to programs in the estimates period?

**Mr PALLAS** — From the government's perspective the EastLink project was one of the largest projects in Australia. During its delivery and its completion five months early it has set a new benchmark for infrastructure — sorry, did I say something, Kim?

**Ms MUNT** — He is not interested in EastLink now; that's all.

**Mr PALLAS** — The project just last week received the most highly acclaimed award in terms of engineering construction industry: the Australian Construction Achievement Award for excellence. I think this

is a key point in the fact that we are moving urban design and improving the form and the function of our roads and, more importantly and broadly, our transport systems

The judges praised the innovation shown by the project parties — CEDA, ConnectEast and Thies John Holland. EastLink delivers 45 kilometres of new roadway for the Victorian community. It is the biggest ever single addition to our freeway network. It includes two toll-free bypasses at Ringwood and Dandenong, delivered at no cost. The Dandenong bypass, as Ms Munt would realise, is part of the Dingley arterial. The construction of the 1.6 kilometre Mullum Mullum and Melba tunnels guarantee the protection of the Mullum Mullum Valley, which has since been preserved as a state park, with \$2.5 million funding from the Brumby government.

We have also provided \$26 million along 35 kilometres of the EastLink trail, which is the single largest addition to the Victorian cycling network, which allows cyclists to ride from central Melbourne to Seaford on a series of interconnected cycling paths. The environmental benefits are that more than \$50 million was invested in landscaping and also a range of environmental initiatives.

This includes planting 3.5 million shrubs, more than 3 million square metres on the eastern corridor — an area larger than the parks and gardens of the city of Melbourne combined. That is quite an amazing amount of flora that has been provided. It is also enough to cover the MCG with Australian flora 147 times. That is half a million trees planted along the project to help absorb greenhouse gases.

The economic benefits: 7500 extra jobs during construction; 6500 jobs during operation. That is more than 13 000 people effectively, including engineers, design planners and managers. There were 14 million men and women hours in creating EastLink. At peak times there were 3000 people working directly on the project.

It is delivering \$15 billion of economic boost to Victoria's gross state product, with an additional \$275 million resulting from the project opening five months early. I suppose the traffic benefits to motorists are that there is a significant travel time saving on EastLink, with a full trip taking just 25 minutes, and on the surrounding road network, which is important in terms of us not cutting off people's options, we have been able to substantially reduce, by up to 30 per cent, travel times on Springvale Road, Blackburn Road and Stud Road. EastLink also allows motorists to avoid more than 50 sets of traffic lights, two railway crossings and several major shopping strips along the main alternative, Springvale Road.

Car tolls on EastLink are the lowest of any private toll road in Australia, and they also include Australia's first discounted car tolls for cars: a 20 per cent reduction on weekends, public holidays and single section trips.

**The CHAIR** — What happens to the authority that has been running it, SEITA?

**Mr PALLAS** — It is in the process of handing over responsibility for the ongoing management of the road to VicRoads. SEITA will take responsibility for the management of Peninsula Link and its delivery.

**Ms MUNT** — I want to return to the freight network that, as you mentioned, was sold off by the previous government and has been bought back by this government.

**The CHAIR** — Keep to the point.

**Ms MUNT** — In particular there was a report recently released by Infrastructure Partnerships Australia that estimates the freight task will triple by 2050 to 1540 billion tonne-kilometres, driven by population and demographic changes mostly. How is the government planning to respond to this large increase in freight task as it relates to the forward estimates?

**Mr DALLA-RIVA** — What page is that, sorry?

**Mr PALLAS** — Budget paper 3.

**Ms MUNT** — Page 360 under 'Regional rolling stock' is where it is mentioned, and at page 363.

**Mr PALLAS** — In December the government, at the time that we released the Victorian Transport Plan — I suppose one of the key components of the Victorian transport plan is it actually integrates our transport networks. It also recognises the high level of proximity, obviously, between transport usages and connections

and also land use. Importantly at the same time we produced Freight Futures. Freight Futures is designed to meet Victoria's challenge of its rapidly increasing freight task, which, as you rightly indicated, is growing massively and is likely to double by 2030.

To increase the freight-carrying capability on our road, rail and sea freight corridors it nominates those roads and rail lines that have been identified as the best conduits for Victoria's freight, taking into account all the factors that determine how freight actually flows across the network from the source to the destination, to the condition of the infrastructure, to concerns like residential amenity.

Quite frankly, you cannot look at freight without looking at how most efficiently you move it around the system, what the commercial tensions are in terms of the attractiveness of each of the modules and where the state can make the best intervention in order to make prudent infrastructure investments and work with industry to ensure that we have the capacity to manage the freight task going forward.

An example of the sort of investment already under way in the principal freight network is the \$2.25 billion M80 ring-road upgrade, which will see widening and improvement of both the Western Ring Road and the Metropolitan Ring Road for over 30 kilometres from the Princes Freeway at Laverton North to Greensborough Highway at Greensborough. The principal freight network will connect what we are calling freight activity centres, which is a catch-all term for ports, airways, intermodal terminals or any centres where large volumes of freight are generated.

As part of the process of establishing a freight terminal network, the government will relocate South Dynon interstate rail terminal to the Donnybrook-Beveridge area. One hundred and eighty trains per week go in and out of the Dynon rail terminal, carrying freight which is picked up by trucks and often moved to outer suburban metropolitan and industrial areas — a freight terminal network which will bring efficiency gains but will bring amenity gains as well. So it is about having the capacity to differentiate our on-road freight flows and servicing intermodal facilities in outer metropolitan areas.

We cannot simply keep sending more and more trucks into the inner city. It is unsustainable, and it affects the amenity of the community. So while Freight Futures talks about bringing new spending and new initiatives to make freight more efficient, it also looks at ways of lessening the impact of freight on the community.

We will build on and off-ramps at Hyde Street as part of the truck action plan. We are committed to it, and we will deliver it, lessening the need for trucks to travel along Francis Street and Somerville Road to access the freeway. We will fund \$100 million worth of noise barriers for installation on those parts of the principal freight network that intrude the most on urban amenity as well as establishing an environmental freight zone in the port precinct as a way of offering incentives to those operators who operate late-night, low-emission trucks and maintain their vehicles in a state that the community expects.

Victoria's regional rail network will be future proofed by maintaining public ownership of all remaining regional rail corridors and assets where the rehabilitation is not currently justified — the so-called bronze lines that Tim Fischer's rail freight network review identified.

Sorry, but I will be brief; I am being very valuably advised — I am not sure what I am being advised of! \$1 billion has been committed to that rail freight upgrade, so we are very pleased with that. Freight Futures is not just about building new freight networks but recognising the world-class network that we have in this state and working towards expanding it.

Victoria is the first state in Australia to produce a principal freight network. We understand that there is a fair degree of political pain associated with that, but it is the right thing to do in the interests of the community and the country. We have to recognise how we share road space, how we facilitate the efficient use of our on-road freight carrying vehicles, how we acknowledge that suburban amenity is something that we have to make very tangible steps towards addressing. Therefore we have to make substantial investments in intermodal hubs in order to differentiate the traffic and particularly the freight tasks to outer suburban areas where our intermodal facilities will be developed.

**Mr RICH-PHILLIPS** — Minister, I take you to the road asset management output group on page 245 of budget paper 3, and in particular the measure of pavement resurfacing. I note that for 2009-10 you expect the

area of resurface to decline, in the case of metropolitan roads to 1.9 million square metres and regional roads to 9.2 million square metres. A footnote notes one of the reasons for that is an increase in the cost of resurfacing.

With respect to the targets for 2009–10 are you able to, on notice, give the committee a list of the specific projects that VicRoads intends to undertake with respect to resurfacing in 2009-10 against those two measures? Given the increase in the price of resurfacing work, can you explain why the funding for this output group is growing at less than the inflation rate? It has only gone up by 2 per cent.

**Mr PALLAS** — Can I deal with the first part of the question? I might hand over to Robert then to give some clarification about what we believe is an error in the budget papers, which has subsequently been corrected, but I think we should provide some clarity on that.

In respect of pavements and activity where we would be making investments, I cannot give you that clarity at the moment because this is one of those areas where we are still in the process of formulating the budget for VicRoads as a consequence of the state budget having been prepared. It is also one of those areas where you do have to have some measure of flexibility in terms of where your pavement rehabilitation occurs. I will give you a classic illustration. It may be because of bushfire activity, flooding or an identified and evident need. There is that need for flexibility in terms of where the pavement is put in place. We seek to keep that flexibility.

I might also say from a VicRoads point of view, having the additional \$22 million in terms of maintenance incorporated within this budget will enable an improvement in terms of asset management for what is \$22 billion-worth of book value of our arterial road network. It is important that we have that increased capacity.

Robert, it might be worthwhile explaining the problems in terms of these measures?

**Mr OLIPHANT** — There has been a correction to the budget papers, which have been updated online. We are happy to provide back to the committee the correct budget paper references. For the road network maintained, the footnote that relates to that is (t) in the budget papers; and (s) relates to the pavement resurfaced, regional road. I know it is a bit difficult doing it like this, but we can provide a detailed update back to the committee.

**Mr RICH-PHILLIPS** — So the only errors relate to the footnotes?

**Mr OLIPHANT** — Yes.

**Mr RICH-PHILLIPS** — Minister, to clarify, you said an additional \$22 million for maintenance this year. That is not reflected in the output cost of this particular output group. Where is that accounted for?

**Mr PALLAS** — The allocation in terms of maintenance is reflective of also a forward allocation in previous years this financial year. When you add it together with the increase this year, you get to \$22 million. We have to bring forward from DTF in this financial year, which is effectively being applied in the coming financial year as it has been totally expended.

**Mr RICH-PHILLIPS** — Should that not still be reflected in the output costs, even if it is a bring forward?

**The CHAIR** — It should on an accrual basis. Perhaps you can give us — —

**Mr PALLAS** — I have very dutifully been advised again: if you look at budget paper 3, on page 354, you will see the maintenance funding for roads in 2009–10. It is about the fifth marked item down, at \$22.6 million.

**Mr RICH-PHILLIPS** — Okay, but I still would thought it would have shown up in that output group.

**The CHAIR** — Perhaps you can take it on notice and how that is not an output group. I might note that, in terms of the growth, it has ended up that your expected outcome is much higher than your original one, which was 366. It ended up 373.

**The CHAIR** — Okay. Mr Noonan?

**Mr NOONAN** — I did want to ask the minister about cycling, given his enthusiasm.

**The CHAIR** — You can put that one on notice, I think.

**Mr NOONAN** — I am happy to.

**Mr PALLAS** — I could talk to you for 10 minutes about cycling.

**The CHAIR** — I might add that Ms Pennicuik has also given me some additional questions on notice and clarification from today.

That concludes the consideration of the budget estimates for the portfolios of roads and ports. I thank the minister and departmental officers for their attendance today. Where questions were taken on notice the committee will follow up with you in writing at a later date. The committee requests written responses to those matters be provided within 30 days. Thank you, Minister.