

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2010–11

Melbourne — 11 May 2010

#### Members

Mr R. Dalla-Riva

Ms J. Graley

Ms J. Huppert

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 T. Garwood, Executive Director, Freight Logistics and Marine,

Mr R. Oliphant, Chief Financial Officer, Department of Transport; and

Mr G. Liddle, Chief Executive, VicRoads.

**The CHAIR** — I welcome Mr Jim Betts, secretary, Department of Transport; Mr Gary Liddle, chief executive, VicRoads; Mr Terry Garwood, executive director, freight logistics and marine, Department of Transport; and Mr Robert Oliphant, chief financial officer, Department of Transport. We also add to the table Mr Lloyd Browne, speechwriter, Department of Transport. I now 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 the budget estimates for the roads and ports portfolio. Can you also advise the committee of your medium and long-term strategies and plans?

**Overheads shown.**

**Mr PALLAS** — Once again it is a great opportunity that you have provided us to brief the committee this afternoon on the implementation of the Victorian transport plan and also, more importantly, the funding in this budget that will continue this important work. The 2010 state budget delivers a record \$6.4 billion for new trams and more stations as well as road projects to reduce congestion, to increase capacity, to secure Victorian jobs and to build the state's economy for the future. This year's budget delivers an unprecedented level of investment to transform our transport network.

I want to begin this afternoon with a graph showing how the government has funded road improvements and maintenance over the last decade. Over this period the state government funding for state budgetary appropriations has more than doubled to about \$1.2 billion or 65 per cent of the total revenue in 2008–09.

The small dip you can see in this year's budget reflects the fact that we are close to completing the upgrade of the M1, the biggest state-funded road project in this state's history. The trend line will move upwards over the next few years as we boost spending on projects like the Western Ring Road and the Western Highway upgrades.

Using the most recent figures available, Victoria spent about 3.8 per cent of the state's operating expenditure on roads, a figure that as you can see from this graph compares favourably with other states and is clearly better than the national average at about 3.4 per cent. Over the same period, funding for improving and upgrading our arterial roads has increased nearly fivefold from \$186 million when we came to office to \$911 million in the current financial year. Much of this spending reflects the fact that Victoria's manufacturing and export industries are more reliant on road transport than, say, the commodities exported from other states which can easily be transported by rail from a mine directly to port.

The high spending has translated directly into new asphalt. Victorian motorists are benefiting from new roads this government has helped build in recent years such as the Hallam bypass, the Craigieburn bypass, the Pakenham bypass, EastLink and, more recently, the Deer Park bypass. This government has invested more than \$7.7 billion into our road network since 1999. That includes more than \$4.7 billion invested into metropolitan roads and more than \$3 billion into regional roads. In the metropolitan area we have completed 61 projects totalling more than \$2 billion — that you can see marked on the slide — and we are preparing to build a further 18 projects worth more than \$3.7 billion.

Last year saw the completion of several major road projects in the metropolitan area critical to our economic prosperity, including the duplication of the Western Port Highway between Cranbourne South and Langwarrin, the widening of Ferntree Gully Road in Wheelers Hill and the duplication of Thompsons Road. Just four months ago we rid Melbourne of one of its worst black spots with the completion of the Springvale Road rail separation project.

The multibillion dollar upgrade to the road network will continue throughout 2010 with the completion of the Cranbourne–Frankston Road in Cranbourne, the construction of the George Street extension in Dandenong, the duplication and grade separation of Kororoit Creek Road, the M1 upgrade, the Pound Road upgrade, the duplication of further sections of Thompsons Road, the duplication of Vineyard Road in Sunbury and the widening of the M80.

Four major projects are funded and the commencement of work on these projects is imminent. They are the Dingley arterial, the duplication of Kings Road from the Calder Freeway to Melton Highway, the construction of the Calder Freeway/Kings Road interchange and the duplication of Plenty Road in South Morang.

This slide shows the local roads funded under the black spot program in metropolitan Melbourne for this financial year. Among the new projects funded this year work is already under way on the \$759 million Peninsula Link, a project that will help create 4000 direct jobs, slash travel times and improve safety. The budget's commitment to outer metropolitan roads includes \$35 million to improve Hallam Road between Pound Road and Ormond Road, which some of you will recall was the site of two fatal crashes last year.

The budget will provide \$60.6 million for a number of projects being delivered in partnership with the commonwealth government. These projects include \$25.6 million to duplicate Clyde Road in Berwick and \$21 million for planning and early works on the truck action plan and Westlink which includes a vote of confidence in these projects from the commonwealth in the form of a \$6.2 million contribution.

Before I move on to regional Victoria, I want to recap on the amount of work that the Victorian transport plan is committing to the western suburbs. Rebalancing Melbourne's transport networks was one of the key aims of the Victorian transport plan, and this slide shows the number of projects either completed, planned or under way that will directly benefit the communities of the west. In fact, about half of the \$38 billion committed under the Victorian transport plan is dedicated to projects that directly benefit the western suburbs in Melbourne.

At this point I should note that of the \$38 billion this government pledged to the Victorian transport plan more than one-quarter is already committed. In fact, barely 18 months from when the Victorian transport plan was announced by the Premier, over \$10 billion worth of projects are either under way or are funded.

In regional Victoria in the last 10 years this government has spent \$2 billion on 59 major road projects, that you can see on the slides. These include the duplication of the Calder Freeway between Kyneton and Ravenswood, completed in April of last year; the opening of stage 3 of the Geelong Ring Road last June, and the upgrades to sections of the South Gippsland Highway and the Bass Highway. We are also close to completing a \$5 million upgrade of the roads servicing the green triangle, an area facing a big increase in the freight task as a result of the fast-maturing timber harvest. A trial of longer B-doubles has been approved on routes that you can see marked on the slide, and I expect to see the first 30-metre-long combinations using these routes by midyear.

In the medium term, underlying economic growth in the region is predicted to exceed 3 per cent per annum, most of this timber-driven, and freight volumes are forecast to triple. In total about \$8.7 billion in new investment is set to occur over the next three to five years. Perhaps more importantly, the green triangle freight action plan is an example of an integrated transport plan where we have not made a distinction between local roads and arterial roads; we have, rather, created an overarching plan that prioritises the economic needs of the network.

The next slide shows the commonwealth black spot funding that the Victorian government has ensured is allocated solely to local roads throughout regional Victoria. Among the major regional projects work is progressing on a number of these right across the state, including the replacement of the Barwon Heads bridge, the Bass Highway upgrade, stage 4A of the Geelong Ring Road, Princes Highway duplication between Traralgon and Sale, the Nagambie bypass, the removal of Anthony's Cutting on the Western Highway, the first stages of duplication of the Western Highway from Ballarat to Stawell, the upgrade of the Western Highway from Stawell to the South Australian border, the Yarra Glen truck bypass, and the Nhill trailer exchange.

Among the regional road projects, five are at the advanced planning stage. They include the final stages of the Bass Highway, the upgrade of Breakwater Road, stage 4B of the Geelong Ring Road, the duplication of the Princes Highway between Waurin Ponds and Winchelsea and the upgrading of the South Gippsland Highway around Cox's Bridge.

One of the biggest road project initiatives announced in this year's budget is the completion of the Geelong Ring Road. The \$76.9 million stage 4C links the Geelong Ring Road with the Surf Coast Highway. It brings a major boost to transport links for tourism and it is about getting much of the traffic bound for the Surf Coast and the Great Ocean Road out of the residential areas.

We will also be spending \$35 million upgrading 22 kilometres of the Princes Highway East between Traralgon and Sale, and we have made a \$129.2 million commitment to regional roads that will initially fund three projects: \$1.5 million for new traffic lights in West Bendigo, \$2 million for intersection improvements in Ballarat and \$36.5 million for the Kilmore link road.

In a big boost to road safety, \$16.7 million will be spent on the use of new automated numberplate recognition technology to improve the policing of unregistered vehicles, unauthorised drivers and fine defaulters. Unauthorised drivers accounted for about 12.8 per cent of the fatalities on Victorian roads in 2008, so we are talking about a budget initiative that contains a key safety component.

Last year we released the \$115 million Victorian cycling strategy. Just last month I released a report card detailing the unprecedented investment that we have made in cycling related projects over the last year. After we released the VTP, I committed to Bicycle Victoria that from the commencement of the VTP cycling infrastructure program in the 2009–10 financial year until the end of the 2013–14 financial year the government would dedicate an average of \$18 million a year towards cycling infrastructure. I am pleased to report that in this coming financial year projects delivered as part of the Victorian VicRoads cycling facilities program major road projects and as part of road safety programs totalled more than \$28 million.

Other key budget projects include \$22.6 million for additional maintenance of roads right across Victoria and \$1 million for a planning study for grade separation on the Dandenong rail corridor. Before I conclude, this last financial year has seen the successful completion of the channel deepening project which has increased the draft in Port Phillip Bay from 11.1 metres, or 11.6 metres with tidal assistance, to 14 metres. The project was completed more than \$200 million under budget, quite a remarkable achievement by the port of Melbourne.

#### **Animation shown.**

**Mr WELLS** — Is that a big fish?

**Ms PENNICUIK** — It's not a big ship.

**The CHAIR** — Ignore interjections, Minister.

**Mr PALLAS** — That is a graphic. I am just trying to illuminate, Chair. That is the dredging process in action, the scooper.

#### **Members interjecting.**

**Mr PALLAS** — You have put me off my game. I am proud of the fact that this project, Victoria's largest ever marine infrastructure project, has only affected about 1 per cent of the bay area and beat Sydney's \$1.8 billion desalination plant and Brisbane's \$3 billion Clem Jones tunnel to win the prestigious national infrastructure award. The project will be critical in coming years in ensuring that Melbourne can cope with the huge increases in container trade generated by an increasing population and also increasing prosperity. Nevertheless, a fourfold increase in the number of containers will require a greater attention to the land-side challenges that this increase will create. I do not underestimate those challenges. Thanks very much to the committee this afternoon. I am more than happy to take any questions.

**The CHAIR** — Thank you, Minister. In terms of your medium and long-term strategy, it is pretty much the Victorian transport plan, that you have given us in appendix E and budget paper 3.

**Mr PALLAS** — We have got many more than that publicly out there, Chair, but I am more than happy to take you through them if you wish.

**The CHAIR** — Perhaps you can just give us a list on notice of your various plans. That would be a good idea, because you have already given us an extensive presentation.

**Mr WELLS** — Minister, I am not sure whether you have been on the West Gate–Monash Freeway coming in from the east. It is an absolute disgrace, an absolute shambles. How you can say there are improvements has got me.

**Ms GRALEY** — Ask the residents.

**Mr WELLS** — No, it is a disgrace. I refer you to budget information paper 1, page 69. It is about the West Gate–Monash Freeway improvements. You previously announced a cost blow-out of \$363 million, and you would also recall that Terry McCrann from the *Herald Sun* criticised you about this deal, saying it was a worse deal for the Victorian taxpayers than anything entered into by either the Cain or Kirner governments of 1982 to

1992. My questions in regard to this West Gate–Monash Freeway are: how many days are you forecasting over the calendar year 2010 will the lanes be closed or traffic be reduced in the Burnley or Domain tunnels, and do you expect there to be any further blow-outs in costs, or do you guarantee that there will be no further cost blow-outs, and when will the actual completion date be for this \$1.1 billion project?

**The CHAIR** — I think that is a little bit more complex than it appears.

**Mr PALLAS** — Thanks, Chair. I suppose the first point I would make in respect of the performance of the road and the work that has been going on is that it would not have gone on if you had been in government because you had no plan for dealing with congestion on the M1.

**Mr WELLS** — What are you talking about?

**Mr PALLAS** — Not one plan, not one proposal.

**Mr WELLS** — What about CityLink? Is CityLink not part of it?

**Mr PALLAS** — CityLink? Is that your plan?

**The CHAIR** — Through the Chair, please.

**Mr WELLS** — CityLink was not part of the plan?

**The CHAIR** — Minister, ignore interjections.

**Mr PALLAS** — That was 10 years ago, so clearly not part of the M1 upgrade.

**Mr WELLS** — Bolte Bridge? Bolte Bridge is not part of it?

**Mr PALLAS** — No, clearly not.

**Members interjecting.**

**Mr PALLAS** — Perhaps we could go forward to the current time. Any time you want to be quiet, feel free.

**Mr WELLS** — You made a stupid comment.

**Mr PALLAS** — We will go through stupidity in due course, Kim, but I think it is probably when we look at your attempts to look at budget papers we see stupidity writ large.

**Mr WELLS** — What are you talking about?

**Mr PALLAS** — The M1 upgrade is the largest state-funded road project ever undertaken in Victoria. The \$1.39 billion investment that is being made into the corridor will save Victorians — —

**Members interjecting.**

**Mr PALLAS** — Take as much time as you want, Kim. I am happy for you to suck up all the time you want in bombast. Feel free.

**Mr WELLS** — I just want some answers.

**Members interjecting.**

**The CHAIR** — If you would like to stop talking, we can get the minister on, answering the question. I ask members not to interject and not to talk over the minister and I ask the minister not to respond to comments and not to provoke the other members of the committees.

**Mr WELLS** — Stupid comments.

**The CHAIR** — That is most unfortunate, and I ask you to withdraw that comment, please. You should show more respect for the proceedings.

**Mr WELLS** — I withdraw the word ‘comments’.

**The CHAIR** — Thank you. I think that is actually just not proper, and I think you need to consider your behaviour. Also I think everyone, including the witnesses as well as the members, need to reconsider their behaviour —

**Mr WELLS** — Yes, that is right.

**The CHAIR** — In the way this is being conducted. The minister to answer the question, please, without interjection and without assistance.

**Mr PALLAS** — Thanks, Chair. It is a \$1.39 billion investment that is being made in this corridor. On our economic modelling it will save Victorians something like \$14.5 billion through more efficient travel, so the benefit costs of this project are quite profound. As part of that, what we will be delivering is five lanes in each direction on the West Gate Bridge. We will be delivering additional lanes on the Monash Freeway from Heatherton Road. We will be providing new ramps on the West Gate Freeway between the CityLink tunnels and also on the Bolte and West Gate bridges, and a new state-of-the-art freeway management system to improve traffic flow between Werribee and Narre Warren. The project is due for completion by the end of this year, but significant progress has been made to date.

To take you through that, the lanes have been opened on the Monash Freeway outbound between the CityLink tunnels and the South Gippsland Freeway. Lanes have been opened on the freeway inbound between the South Gippsland Highway and also around Toorak Road. New ramps have been opened on the West Gate Freeway between the CityLink tunnels, the Bolte Bridge and also the West Gate Bridge. The overhead lane use management system has been switched on and is operational between the eastern side of the West Gate Bridge and High Street. We are also making progress to deliver the West Gate Bridge upgrade, the largest upgrade undertaken on this vital piece of infrastructure since it was completed in 1978.

So the progressive opening of the corridor is helping motorists to spend less time in traffic and more time at home. Our latest data on this issue shows that the average travel speeds between Toorak Road and Jackson Road in the p.m. peak have doubled from 42 kilometres an hour to 85 kilometres an hour — —

**Mr WELLS** — When is that? At midnight?

**The CHAIR** — Without assistance, please, from any member.

**Mr NOONAN** — There’s the inconvenient truth.

**The CHAIR** — Thank you, Mr Noonan.

**Mr PALLAS** — During the a.m. peak, travel speeds along this same section have increased from 68 kilometres to 87 kilometres. In a practical sense, what that means is that motorists living in suburbs such as Hallam and Hampton Park are enjoying travel time savings of up to 20 minutes when they come home from the CityLink tunnels. Motorists coming from the Bolte Bridge to the CityLink tunnels are also benefiting from increased travel speeds — up to an average of 10 kilometres an hour in both the morning and the afternoon peaks.

At my request, VicRoads is reviewing signage in the area to better advise motorists how they can get to where they want to go, which will help improve traffic flow on the Bolte Bridge, and works are continuing along the corridor particularly around the West Gate Bridge, at the entrance to the Burnley Tunnel and inbound around Transurban’s southern link section of the Monash Freeway. Both the state and Transurban are taking action to ensure that these sections are open to traffic as soon as possible. Once these works have been completed, motorists will see even better improvements in terms of travel time — benefits from the project all the way from Werribee out to Endeavour Hills.

But the project is not all about smoother travel; it is also about safer travel. Through the Port Melbourne area, where the new ramps have been opened up between the tunnels and the West Gate Bridge, we have seen the number of incidents on the freeway halve. It is a profound improvement and contribution to safety. The old Lorimer Street tango, where vehicles moved from one direction to another and crossed each other in their

movements, has been removed and dedicated ramps are getting motorists directly to where they want to go without the need to merge and weave from one side to the other.

Motorists have been patient while the work has been undertaken along the corridor. I certainly acknowledge their patience while these works have been going on, but of course, there is no way around maintaining the state's most important economic corridor and doing the necessary upgrade. We have 160 000 vehicles travelling along the road every day, so undertaking works of this size and scope cannot happen without some measure of disruption to motorists. We work to minimise the disruptions as much as we can, and I appreciate our alliance partners and VicRoads for their efforts in that regard.

While we know there are significant benefits already occurring along the corridor, motorists will see greater benefits once further works are completed this year. It is important to remember that businesses and transport operators will also benefit from the improved works by improved travel times and more efficient trips, and ultimately that has an impact upon their bottom line. The M1 corridor is a key economic connection to Melbourne, and these works will enhance its value to our community.

**Mr WELLS** — Of the two questions I asked, you did not answer either of them. The first one was: will you guarantee there will be no further cost blow-outs? That is the first point. The second one is: what will be the actual date that it will open?

**Mr PALLAS** — I told you they would be open by the end of the year.

**Mr WELLS** — The end of the year? And you guarantee there will be no further cost blow-outs?

**Mr PALLAS** — You did not listen; that is the problem.

**The CHAIR** — All right, without the comments.

**Mr WELLS** — And you will guarantee there will be no further cost blow-outs?

**Mr PALLAS** — The government is working towards the budget that has been allocated. Obviously our aim and intention is to ensure that we meet budget. I am not in the business of providing guarantees; I am in the business of working to a budget that is allocated.

**Mr WELLS** — So you cannot guarantee it?

**Mr PALLAS** — I am in the business of delivering the budget as allocated.

**Mr WELLS** — You have not so far. You have already announced a \$363 million blow-out.

**The CHAIR** — I think we have had the answer to that one.

**Ms GRALEY** — The member asked you a question about traffic congestion. As you know, I am a big fan of road projects.

**Mr PALLAS** — I do, indeed.

**Ms GRALEY** — I know there have been a lot of — —

**Ms PENNICUIK** — We know that, Ms Graley.

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

**Ms GRALEY** — Robust discussion over the last year regarding urban congestion. We have had talk of it in the Henry tax review, and also getting out there on the existing network. I would like to refer you to budget paper 3, page 240, where it lists a number of congestion projects completed, and I ask: what else will the Brumby Labor government do in the short, medium and long term to reduce congestion on the road network?

**Mr PALLAS** — Thanks, Judith. We are obviously taking action to deal with the congestion in the short, medium and long term. Recently VCEC estimated the cost of congestion as being up to \$2.6 billion a year to the Victorian economy, so in their projections this figure could triple over the next 10 to 15 years if it is not

addressed. The government is tackling congestion through a number of programs and initiatives. The \$30 million congestion improvement program, the \$112.7 million Keeping Melbourne Moving congestion plan, SmartRoads, our network operating plans — and I see the document has been circulated to you — and the \$38 billion Victorian transport plan.

In 2006, in the \$30 million congestion improvement program, we identified a number of key bottlenecks in the arterial road network where substantial investment was going to be made to address what essentially was a design fault in the way that the roads were performing. So we have replaced roundabouts with traffic signals at St Georges Road and Merri Parade in Fitzroy, and at Pascoe Vale Road and Somerton Road in Coolaroo. We have put new traffic signals at Wellington Road and Lysterfield Road, at Clyde Road and Centre Road, at Karingal Drive and Weidlich Road, to mention but a few. We have also provided intersection improvements at Diamond Creek Road and Yan Yean Road, Ballarat Road and Gordon Street, Plenty Road and Albert Street, again just to name a few. The 2009–10 target is higher than expected due to the projects that were not anticipated to be completed in this financial year, and the 2010-11 target in these projects is two, which basically means the last two projects yet to be completed.

The specific initiatives, in addition to other ongoing initiatives that are aimed at congestion, include smart buses, walking and cycling, Keeping Melbourne Moving, smart roads and the Victorian transport plan. Keeping Melbourne Moving, \$112.7 million; \$28.2 million has been allocated to cycling and walking, and we know that if we can encourage mode shift, particularly to cycling and walking, but also public transport, there is a very substantial benefit in terms of the overall performance of not only our transport strategies, but road performance; \$37.8 million to targeted bus and tram priority measures, such as priority lanes, improving signalling and infrastructure; \$11.7 million to expand VicRoads rapid response services to assist breakdowns; \$3.4 million to better manage the impact of roadworks; \$2.2 million to improve the efficiency of tram route 6 on High Street, Malvern, and route 96 from East Brunswick; \$16.8 million to improve information to motorists so they can make smarter travel choices; and \$12.6 million to standardise clearway times on state arterial roads in peak directions within a 10-kilometre radius of the CBD. We believe these investments will have a very substantial improvement in terms of the performance of both public transport on road and also in terms of the performance of the road network overall.

We have provided the committee with a copy of the network operating plans. These are not the sorts of things that necessarily make headlines, but they are world-leading strategies. What we are proposing here is putting in place an integrated proposal where you manage the complexion and structure of how roads operate. So if we look at every part of the road network, the arterial road network, we sit down with all councils, and in this case in metropolitan Melbourne, I think we have 24 of 31 councils already in agreement with these strategies, and we would expect that we will get all 31 of metropolitan councils ultimately to agree to it. This allows us to have a clear appreciation and to tell the community what the priority usages for those roads will be, to hold ourselves to account for the performance of those roads under those usages and to ultimately plan for engineering investment to ensure that they perform adequately.

We know that more than 80 per cent of Melbourne's public transport services use our roads, as well as bicycles, pedestrians, motorcycles and taxis, so they are a resource. They are not effectively a mode. They are an enabler, as we like to say. This strategy demonstrates that the government has a holistic approach to the way that we can utilise, for the overall benefit of the transport network, the road system.

On top of the network operating plans, VTP with its \$38 million is about providing an integrated strategy where we merge both land use and transport planning, and from a government point of view we think these investments are critically important. The strategies will enable us to be able to deal with congestion by essentially identifying what are the key areas of bottlenecks occurring, big investments in the infrastructure that is necessary, recognising that we need to ultimately provide for a variety of usages and preference for higher intensity usage on our road space that is a priority for public transport on road space, where appropriate.

**Mr DALLA-RIVA** — Minister, I refer you to the issue about the West Gate Bridge and the upgrading and strengthening and other things that are happening. It is outlined throughout the budget papers. One would be budget information paper 1, page 69, for reference, under DOT. I want to get to the point about your government's announcement of the spending of \$20 million on fairy lights for the West Gate Bridge, and also I refer you to some comments from Altona Meadows father, Ali Halkic, whose 17-year-son took his life at the

bridge in February 2009. Mr Halkic told the *Fairfax Mail and Advertiser* on 3 February this year that the lighting was a slap in the face for families who had lost loved ones on the bridge.

If they —

that is, your government —

really believe that fairy lights are going to make a difference ... they've basically lost focus and lost direction.

I ask: can you tell us what difference the fairy lights on the West Gate Bridge will make to improve safety on the West Gate Bridge, or will you concede that this money would be better spent on improving safety barriers on the bridge?

**Mr PALLAS** — No. Essentially the basic proposition that you are putting forward is that in some way these objectives are mutually exclusive. They are not. The question of suicide is a very serious one and one that the government obviously takes seriously. We recognise that the provision of the temporary barriers which are in place at the moment and of course the work that is going on in respect of the permanent barriers are important to assure the community that the investment is not just in infrastructure; it is about recognising that where it is appropriate and where the community has a substantial concern and action can be taken, we do take it, and as a government we did act as promptly as we could in terms of putting the temporary barriers in place.

It is a \$240 million project, the West Gate Bridge part of the process, and it is \$120 million effectively from the federal government and \$120 million from the state government. All up within the M1 project at \$1.39 billion of the budget, we would anticipate that the costs associated with lighting can be born from the overall budget. Might I say our expectation is that the budget — —

**Mr WELLS** — Twenty million dollars.

**The CHAIR** — Ignore it, Minister.

**Mr WELLS** — Twenty million dollars on fairy lights.

**The CHAIR** — As I said, ignore it, Minister.

**Mr PALLAS** — I will try.

**Mr WELLS** — To ensure your safety project.

**Mr PALLAS** — What are you going to do about this bloke? Any time you want, put a gag on him. His behaviour, quite frankly, is outrageous. Your behaviour is outrageous, Mr Wells.

**The CHAIR** — As I said at the beginning of the hearing, interjections should be ignored. When ignored, Hansard will ignore them. I have asked the member, who is the Deputy Chair by the way and not just a member of the committee, to look to his own behaviour.

**Mr PALLAS** — What we are doing in terms of the improved lighting on the West Gate Bridge, which is critically important both for safety and also for long-term illumination and therefore maintenance costs, and might I also say, by putting in place the lighting that we are proposing instead of the incandescent lighting that has historically been in place, we will be reducing the per-globe emissions that flow from it. It will effectively be a cheaper proposition per globe in terms of the maintenance that is being put in place. It is better for maintenance and better for safety, and ultimately it is a much better proposition in terms of the lighting of the bridge and, dare I say it, in the context of what we are seeking to produce here, it is a safer, better lit, better maintained and environmentally more sensitive use of lighting for the purposes of the community. From our perspective the replacement of the lighting, which effectively in terms of its development is as old as the bridge is itself, had to happen.

I find it quite bizarre there would be a suggestion that in some way that the improved lighting is inconsistent or in some way mutually exclusive from the provision of the safety barriers we are putting in place. We have made the decision to incorporate the safety barriers. We are moving as quickly as we can to deliver those barriers in a permanent sense. Might I say they are having, in the temporary sense, a dramatic improvement in terms of incidences that have been reported. All of those things are actually happening. But from a government point of

view we are very clearly committed to improving the performance of the road and improving its lighting which improves its safety and ultimately we are making sure that what we put in place serves the bridge and the community better into the long-term and on a per-globe basis it is a much better proposition both for maintenance costs and ultimately saves the community in terms of greenhouse emissions on a per-globe basis.

**The CHAIR** — We will take a break for 5 minutes.

**Mr NOONAN** — Minister, I think you would be a bit disappointed if I did not ask a question about freight.

**Ms PENNICUIK** — I would be, too, very disappointed.

**Mr NOONAN** — In particular, I ask about planning for Melbourne's expanding freight task, which is referred to in part in budget paper 3 at page 380. On that page there are references to two recent strategy papers on freight futures and port futures that you launched. I just wonder whether you can explain how the government proposes to assist the distribution of freight around Melbourne and Victoria both on rail and road through this budget?

**Ms PENNICUIK** — Predominantly road, I assume!

**The CHAIR** — Without assistance.

**Mr PALLAS** — Thanks, Wade. I think the management of freight is going to be one of the most vexed policy issues confronting government. It is going to be one of those issues that I think ultimately will define the look, the shape and the amenity of our community going forward. As our population continues to grow, our city faces a major challenge in terms of maintaining its efficiency and prosperity while also maintaining its livability. We have an opportunity to act now to develop and implement new solutions. That will give greater capacity, flexibility and more sustainable outcomes into the future.

What we know is that by 2036 there will be something like 5.4 million people living in metropolitan Melbourne. We anticipate that by 2035 the port of Melbourne will be handling something like 8 million TEU annually, up from about 2 million last year. I have a handout here, which basically shows graphically the nature of the challenge that confronts us.

Really what it shows is that even if 30 per cent of all containers were able to be moved by rail — and currently metropolitan receipts from port to destination within the metropolitan area show we have no containers being moved by freight — we would still have over 5 million containers that will need to be moved by road. Containers remaining within metropolitan Melbourne represent the lion's share of the distribution task. That is about 1.6 million TEU last year, growing to something like 6 million TEU by 2035. We have to accept that trucks are an integral part of an efficient operation of the port and also the Victorian economy. But we also have to recognise that genuine concerns of residents who live in areas affected by truck noise do need to be addressed.

That directly impacts upon amenity issues. In producing Freight Futures — I think it is our first nationally policy that has been produced that identifies how you manage the freight task — the Victorian government has identified a freight network strategy. We responded to the concerns by planning for an economically, socially and environmentally sustainable freight network in Victoria. Some of the key initiatives in Freight Futures are identifying a principal freight network for road and for rail that will connect our key freight activity centres to better identify the key corridors for moving freight in Victoria; providing a focus for planning and investment in transport infrastructure across the state — and the important thing is that it actually identifies that here are the networks, both road and rail, that we see are important and we will make the necessary investment progressively to ensure that they occur; also planning the development of the metropolitan freight terminal network to enhance the movement of freight in and around metropolitan Melbourne and also to reduce congestion and truck traffic from residential areas around the port; and trialling the use of high-productivity freight vehicles on-road on selected routes in Melbourne and also in the green triangle region to further reduce the number of trucks on the arterial road network.

The department produced a discussion paper on the metropolitan freight terminal network strategy, which we recently released. It is green because it is a green paper; it is effectively a discussion paper. What it seeks to do — and I have got copies here available for committee members if you wish — is outline the key propositions

that the government intends, sounding out industry and the community for the operation of the metropolitan freight terminal network. The modelling work undertaken by the Port of Melbourne Corporation indicates that the intermodal network to complement the current road–rail direct model could reduce truck distances travelled by up to 35 per cent.

It could reduce diesel use by up to 17 per cent. It could reduce carbon emissions by up to 17 per cent. It could reduce transport costs by up to 10 per cent, and it could also increase the average number of containers per truck entering and exiting the port from 1.2 currently to approximately two, and it could reduce the average number of trucks entering and exiting the port each day by up to 48 per cent. This work independently confirms that the outcome of earlier modelling undertaken by DOT, which concluded that adopting an intermodal system could create positive economic benefits and also reduce truck trips to and from the port from an estimated 12 000 trips per day in 2035 to 6000 trips per day, so the development of an intermodal strategy is a key component of our overall plan in order to deal with these issues.

We are obviously going to have to work with stakeholders. We are going to have to work with industry and the community to come up with viable intermodal solutions. I do not think there are a lot of examples that demonstrate anywhere in the world, as we have scoured the world for them that these sorts of things come easy, so that will require a diligent and consistent level of effort from government and the community and industry. The government's truck action plan is designed to reduce the number of trucks using residential streets, and through the inner west stage 1 is expected to remove up to 70 per cent of truck traffic from Francis Street and Somerville Road in the inner west — that is, 5000 trucks a day, and up to 1.2 million trucks a year.

Eventually the port of Melbourne will reach capacity. We are going to ultimately have to make a commitment to improving and developing the port of Hastings as a complementary container port with container-handling capacity. We are in the process of integrating the two ports — the port of Melbourne and the port of Hastings — into a single governance structure which will also ensure that we have not only expertise but the capacity to provide necessary port-related investment for the long-term viability and development of a complementary container port.

In our submission to Infrastructure Australia we identified WestLink, the truck action plan, the western interstate freight terminal, the Donnybrook interstate freight terminal, the Melbourne international freight terminal, the development of a second container port at Hastings and green triangle region road and rail package as being key components of how we intend to deal with the growing freight task.

We do have challenges in terms of how you get about dealing with that task and from our perspective making investments so that we can effectively assure the community that we have an integrated strategy, developing a principal on-road freight network, removing those vehicles as far away from suburban streets as possible, improving their efficiency, and ultimately making the necessary investment to get intermodalism and rail freight structured in a way that it can deal with a substantial amount of the task. It will improve inner-urban amenity. It will reduce the environmental impact of the freight industry, and ultimately it will assure the ongoing prosperity of what is a freight and logistics hub of the nation, and 14.7 per cent of gross state product is generated by the freight and logistics industry.

**Ms PENNICUIK** — On a point of clarification, Chair, the minister says even assuming 30 per cent of all container movements are by rail. How many currently are by rail? What percentage?

**Mr PALLAS** — Zero per cent, as I said when I spoke before — that is, container movements in metropolitan Melbourne, none.

**Ms PENNICUIK** — So looking at this graph are you expecting it to be up around 30 per cent by 2035? Is that what this graph is meant to say?

**Mr PALLAS** — No, that is essentially to say were we to put in place a strategy —

**Ms PENNICUIK** — Were you to?

**Mr PALLAS** — What we are seeking to do — and make no mistake about it — is build the infrastructure necessary to enable rail freight to carry an increasing level of the task. But were we to put that in place, even if we were to do it by 2035 and they carried 30 per cent of the freight task, given the projected growth of freight

moving up to 8 million TEU you are still going to have 5 million, which is over twice what is currently being moved by road at the moment, so we need to have an integrated freight task that deals with the development of intermodalism, investment in rail — and \$1.3 billion has been invested in rail freight in recent years by this government. All of those things need to happen in order to make it come together.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the variation in funding for the road safety and regulation output group, which is on page 225 of budget paper 3. The funding shows the target for 2009–10 was \$177.7 million, dropping down to \$119.7 million for the budget year, so a reduction of \$58 million, and there is a footnote (j) a couple of pages over —

**The CHAIR** — On page 229?

**Mr RICH-PHILLIPS** — On 229, which says:

The ... target differs ... due to the completion of projects provided for under the commonwealth government's Nation Building economic stimulus plan (black spots program).

Which would suggest the \$58 million difference is due to the ending of the Nation Building program. There is a letter from the federal minister, Anthony Albanese, to yourself dated 24 February last year setting out the funding under that program, which says:

Victoria's black spot program allocation in 2009–10 is \$27.232 million (comprising \$13.566 million under the standard program and \$13.666 million under Nation Building 2).

In the next paragraph it says:

My department has previously advised VicRoads that the amount of funding currently identified for black spots on the national network under the Nation Building 2 funding is ... \$15 million in 2009–10 nationally.

That is a combined amount of \$28 million, versus the \$58 million reduction in the output group, so can you account for the difference between what was apparently paid by the commonwealth, according to the federal minister's letter, and the amount that is now being reduced from that output group?

**Ms GRALEY** — Excuse me, Chair?

**The CHAIR** — Yes?

**Ms GRALEY** — I was just wondering if the document could be made available to the committee.

**Mr RICH-PHILLIPS** — It certainly can.

**The CHAIR** — Okay, so the secretariat needs to make sure it gets a copy —

**Mr PALLAS** — What I can do is indicate to you, Gordon, that there is a reduction in the allocations which is substantially related to the reduction in federal allocations under the funding that was provided as a counter-cyclical investment that has a direct impact upon funding that was provided for essentially safe roads. From our perspective, the reduction has a very substantial impact upon the cash flows.

As you can see, our view is that the investment made up front by the federal government at 226 in 2010–11 is down from 312 in the expected outcome for 2009–10. That is in the safe roads category. But in no small part we do get the benefit of that investment nonetheless, because we have invested it in safer roads and we have the benefit of those safer roads, which have a profound and dramatic effect upon road safety more generally.

In terms of the exact inconsistency between those figures — why they are less than you have expressly identified — I can take it on notice. But the letter we have received — we think it effectively only incorporated money that was in respect of specific and pre-existing federal allocated funding. We do not think that that money was allocated, and Minister Albanese's letter is not the whole story. Essentially we think it does not include the stimulus package allocations that subsequently occurred. I will need to confirm that, but that is what we think — it is essentially pre-existing allocations but it does not include the stimulus package allocations.

**The CHAIR** — Right, which, under these footnotes —

**Mr RICH-PHILLIPS** — The letter refers to Nation Building, which I assume is the stimulus package.

**Mr PALLAS** — We think there might be a disparity between what the letter says and what was ultimately received and they may have been provided, because as you would acknowledge, the processes the federal government went through were identifying capacity of jurisdictions to deliver projects quickly. Victoria is historically identified as such a jurisdiction. It may well have been that there were additional federal funds that were received. I want to be clear and accurate in terms of the response I give you, so I will have to take it on notice to confirm that.

**The CHAIR** — If you could do that and sort that out, and if Mr Rich-Phillips could provide the secretary of the committee with that letter?

**Ms HUPPERT** — In budget paper 3 on page 38 there is a bit of a discussion about improvements to regional and metropolitan road networks as part of the Victorian transport plan commitments. You have talked at length previously this afternoon about some of the initiatives that will be affecting the metropolitan road network. I just wonder if you could outline for the committee the actions contained in the budget going forward concerning the connections for regional road networks and the impact that will have on communities.

**Mr PALLAS** — We have nearly tripled the annual investment made in improving and upgrading regional roads in Victoria since coming to office. We understand the important role that these roads play in connecting communities and economies right across Victoria, but most importantly we recognise that in regional Victoria that is particularly important as more and more people are calling regional Victoria home. Unlike what has happened historically, we have seen a tremendous population growth throughout our regional communities occurring and occurring in the last few years.

We believe we are up to the task of making sure that we invest in improving these roads, not only helping cater for a rising population but also to meet the needs of the growing economies that are developing in regional Victoria. So we have invested more than \$3 billion in regional roads, in the regional road network. We have helped significantly improve safety and travel times between Melbourne and Ballarat, Melbourne and Geelong, Melbourne and Bendigo, and Melbourne and the Latrobe Valley — we have effectively duplicated road access through all those locations.

In partnership with the commonwealth government we are also improving links even further out — to Stawell, to Winchelsea, to Sale and to Shepparton — and this year's state budget continues the effort that we have made to improve and link those regional communities and towns.

It is highlighted by the \$76.9 million contribution that we have made in terms of the Geelong Ring Road and Surf Coast Highway connection. This project will be constructed as a two-lane, two-way arterial road with a future capacity to upgrade effectively to six lanes in total. It will improve links for tourism into Torquay and right around the Great Ocean Road and the Surf Coast. The funding takes the total ring road contribution to just under \$700 million — \$694.9 million to be exact. We have provided \$401.4 million of that funding directly, as a state government.

We are also putting \$36.5 million into the construction of the new Kilmore link road, which will help reduce traffic in Sydney Street, Kilmore by between 60 per cent and 70 per cent. That will mean fewer trucks coming through the centre of that township. It is also an initiative which will improve the amenity of one of Victoria's more historic towns. In addition to that, we will be working to identify a potential corridor for the long-term bypass to the east of the township that could further decrease truck traffic through the middle of both Kilmore and Wallan.

This year's budget will provide \$35 million towards the upgrade of Princes Highway east — Traralgon and Sale. This funding will also help upgrade 22 of the 43 kilometres of the unduplicated road between those two centres. Works on the \$220 million Princes Highway west upgrade will commence later this year. It is a 50-50 funded project between the state and the federal government. By the end of the year works will have been completed on the \$125 million stage 4A of the Geelong Ring Road. Stage 4B will start. That is a project of about \$110 million in terms of its total contribution. Two hundred and twenty million dollars is being invested collectively with the federal government on the Nagambie bypass. The work that we are putting in place at Anthony's Cutting will essentially ensure that one of the more dangerous stretches between Melton and Bacchus

Marsh is removed. We will also be upgrading the Western Highway between Stawell and the South Australian border.

The Brumby and Rudd governments have collectively committed \$755 million to these projects. It is the largest upgrade ever undertaken along this critical corridor. Over the course of the next financial year we will also be putting money into the Bass Highway upgrade to Phillip Island. We will complete work on the Barwon Heads bridge. We will upgrade the South Gippsland Highway. We recognise that we are essentially making a very substantial contribution in terms of regional roads. We have delivered 59 significant regional roads worth \$2 billion— —

**Ms PENNICUIK** — Do we get such long answers to our questions?

**The CHAIR** — Yes. I think we can put some of that on — —

**Ms PENNICUIK** — Do you think he was ready for this question?

**Mr NOONAN** — It is a lot of good news. So many projects.

**Mr PALLAS** — I am almost finished.

**The CHAIR** — Maybe you could put some of that on notice or something like that. Okay?

**Mr PALLAS** — There is so much to tell.

**The CHAIR** — Yes, I know. But we do need to make sure that we — —

**Ms PENNICUIK** — It was not a surprise question; I was kidding.

**The CHAIR** — Thank you. We really need to make sure that we have a chance to get everyone — —

**Ms PENNICUIK** — The question is: who wrote the question? Ms Huppert or Mr Pallas?

**The CHAIR** — Thank you, Ms Pennicuik. Normally the process is that followed in questions without notice in the Legislative Assembly, so answers should be no more than 4 minutes. Thank you on that one. Ms Pennicuik.

**Ms PENNICUIK** — Can questions be as long as 4 minutes?

**The CHAIR** — We actually like — —

**Mr DALLA-RIVA** — Absolutely. Take your time.

**The CHAIR** — You could read the standing orders if you are concerned, but questions should be succinct, direct and to the point.

**Ms PENNICUIK** — Yes, thank you. Minister, you were mentioning truck movements in suburbs before. You particularly mentioned truck movements in the inner west, which has 20 000 truck movements a day and around 5000 on Francis Street. Other streets in the area experiencing thousands of truck movements a day include Williamstown Road, Somerville Road, Buckley Street and Moore Street. The community in that area has been calling out for something to be done for 10 years but has only seen truck numbers increase and increase in time.

Also, EPA testing in 2001 found that during the 30-day testing period the levels of particulates exceeded the intervention level on 4 days. Since that time the actual standard has been reduced, so that if it was tested now — which it has not been — it would probably equal or exceed it on 9 out of 30 days. The only intervention the government has done in this time is to introduce curfews on two roads only — Francis Street and Somerville Road. The Victorian transport plan lists the truck action plan stage 1, which you were mentioning before, as a priority project.

**The CHAIR** — Is there a question?

**Ms HUPPERT** — It is a long question.

**Ms PENNICUIK** — Yes. However, the project — —

**Mr DALLA-RIVA** — Well, we are learning.

**Mr PALLAS** — Take your time.

**Ms PENNICUIK** — However, the project, in budget paper 3 on page 473, has only \$11 million out of the \$380 million that is needed is allocated. That is \$4 million for last year, 2009–10, and \$7 million for this year. My question is: what was going to be achieved with that \$11 million, and when will the remaining funding be allocated so it can be finished and relieve this truck problem in the inner west?

**Mr PALLAS** — Thank you, Sue.

**Ms PENNICUIK** — That is all right.

**Mr PALLAS** — We do acknowledge that one of the things that is critical to government is that you actually make an investment in terms of urban amenity, but we do have to also recognise that in making that investment you have to assure the community of its long-term economic viability — that is, that our freight and logistics capacity is enhanced, not diminished as a consequence. From our perspective that means an integrated approach. It means facilitating and improving the means by which you move on-road freight to the port. That is what the truck action plan and WestLink are about. It is also about improving the capacity of our rail freight to take an increasing level of the task, and that is why we have been making the investment that we have in rail freight. It is also about making sure that intermodalism works properly.

It is this government that identified and advocated for the development of the truck action plan. It was incorporated into the Victorian transport plan. It remains a priority process that we have advocated to the federal government and to Infrastructure Australia. Funding of \$11 million has been allocated by the state and the commonwealth for the preconstruction planning and the early works at Shepherds Bridge at Yarraville.

Importantly the truck action plan will connect the West Gate Freeway with the port of Melbourne via on and off-ramps on the West Gate Bridge via Hyde Street to Whitehall Street. WestLink will subsequently upgrade Sunshine Road, Dempster Street and Paramount Road and provide a new road tunnel from Geelong Road under the Footscray Road business district to the port. We need to effectively recognise that these are integrated and necessary projects that have to be managed collectively and cooperatively, and we are working with the federal government to assure their delivery. So if you try to do just one part of this process — that is, if you try to pick off a particular part of the truck action plan or all of the truck action plan — you need to recognise that WestLink is also a vital part of that.

These measures will be developed and there has been quite exhaustive involvement with the community in terms of how the truck action plan will be developed. VicRoads effectively is managing that process. The improvements in the links will be complemented by additional traffic management and enforcement on roads like Francis Street and Somerville Road to enhance urban amenity. As a government, once these projects are delivered, we would see that these measures would once again be developed not only with the community but with the logistics industry and of course local government to ensure that trucks delivering to addresses in the inner west are exempted from broader restrictions, but broader moving vehicles will have substantial restrictions upon their access into those areas.

So we are making the investment. We have started work. We have started the strengthening work on Shepherds Bridge. We effectively are in the position of looking at both WestLink and the truck action plan. We have something like \$20 million that is being directed to those projects, and we think that if you manage an integrated project, if you have an integrated freight strategy, then every step of the way we need to move closely and cooperatively with the federal government. But we have been leading the charge as a government. We have identified this project as vital, and it is good to see ultimately that it is increasingly getting high levels of support. I know that the Greens have indicated their support for the truck action plan, Sue. I think it has got to be the first road in history that the Greens have supported.

**Ms PENNICUIK** — Minister, I have not got the answer to the question, which is the estimated time of arrival of the rest of the funding and when do you think this is going to be finished. How many more years do the rest of us have to wait?

**Mr PALLAS** — In accordance with the time lines incorporated within the Victorian transport plan. We have met the time lines of all our projects. We indicated then that the project would be under way by 2013, I think.

**Ms PENNICUIK** — Under way?

**Mr PALLAS** — Yes.

**Ms PENNICUIK** — It is under way now.

**Mr PALLAS** — It is, progressively. It is under way a lot earlier than we indicated in the VTP that it would be.

**Ms PENNICUIK** — So a few more years yet, Minister?

**Mr PALLAS** — Yes. From a government point of view this is a very substantial project, as you would understand. It is a project of \$380 million effectively, or thereabouts, and it will require a fair degree of community consultation. There will be land acquisition required, and obviously we are going to need to deal sensitively with the community as we work forward. I am pleased to say that VicRoads has been managing that process extremely well.

**Mr SCOTT** — Minister, I draw your attention to budget paper 3, page 25 and the text under the heading ‘Improving road safety’. I note that in his ministerial statement on the National Road Safety Council in February this year, when talking about the national road safety strategy, the federal Minister for Infrastructure, Transport, Regional Development and Local Government commented that it was ‘very unlikely that we will meet the 40 per cent target in the final year of the strategy’. With reference to that section of the text, I ask the minister: what progress will we make in Victoria in meeting our own Arrive Alive road strategy targets and how do we compare nationally?

**Mr PALLAS** — I think we are doing extremely well comparatively, but of course talking comparatively does not deal with the reality that any life that you lose on the road is one too many. So from our perspective our efforts are always aimed and directed at trying to maximise the benefits of road safety.

Victoria has recorded its seven lowest consecutive road tolls over the past seven years. From 2001 to the end of the last calendar year we estimate that we have saved 874 lives on Victorian roads and something like 182 lives in regional Victoria. In 2009 Victoria recorded its lowest road toll on record. We have brought the road toll down from 444 in 2001 to 290 last calendar year; that is a 35 per cent decrease. I have a graph for PAEC members showing the effect of the legislation and other initiatives that demonstrates the reduction in the road toll.

What it really shows is that the government’s current road safety strategy contained in Arrive Alive aims to reduce road deaths and serious injuries by about 30 per cent to the end of 2017. We are well on our way to achieving that. Serious injuries for the 12 months to 30 June 2009 represented 12 per cent reduction against the target baseline. The fatalities rate per 100 000 head of population for Victoria has decreased from 8.2 in 1999 to 5.34 in 2009, which I might say is below the identified road safety target that the federal government had us signed up to. I think it was 5.6 per 100 000. There are five jurisdictions that are lower than us at the moment, effectively the Netherlands at 4.1, Great Britain at 4.3, Sweden at 4.3 and Japan and Switzerland at 4.7. So we actually made some outstanding progress in this area.

Our investment is paying off. We have invested \$790 million in over 2200 road safety projects right across the state; \$330 million in 950 metropolitan projects and \$460 million in 1250 country projects. So with those improvements we have essentially seen that \$36.4 million in projects to improve motorcycle road safety and \$21.1 million for 134 black spot treatments for motorcyclists have shown that there has been a 24 per cent reduction in motorcycle injury crashes at our first 85 treatment black spots. In terms of school speed zones, we have seen the number of casualty crashes drop, to the end of June 2008, by 29 per cent.

Our investment is continuing. We are doing extremely well. We are certainly the lowest state in terms of deaths per 100 000 on our roads, and we are well on target to continue that process. But I have to stress that there is no replacement for continued diligence. Our investments are right and our strategies are right. The safer system — safer roads, safer drivers and safer cars — is a key component to ultimately our success.

**The CHAIR** — Thank you, Minister. One is always too many.

**Dr SYKES** — Minister, as the only representative at the table here from rural Victoria, I would appreciate you allocating about 10 minutes of your time to answering two or three questions from me.

**The CHAIR** — We will give you one.

**Mr DALLA-RIVA** — It depends what the questions are!

**Dr SYKES** — I will make them question 1, parts (a), (b) and (c).

**The CHAIR** — Put them up front.

**Dr SYKES** — I will start with a clarification — which is not a question — in relation to the previous answer you gave where you provided the statistics on a statewide basis. Are you able to tell us now or take on notice a request from me to split the fatalities into metropolitan and rural and regional fatalities?

**The CHAIR** — I am sure that can be done on notice.

**Dr SYKES** — I am happy to have it on notice.

**Mr DALLA-RIVA** — That's one.

**Dr SYKES** — No, that was a clarification. Question 1(a) relates to the funding — —

**The CHAIR** — Give us the whole lot at once. Come on, keep going.

**Dr SYKES** — No, I want to make it simple.

**The CHAIR** — I want you to make it simple too; give us the whole question. Come on.

**Dr SYKES** — Just one step at a time. In relation to the funding of local government roads, a number of local governments in my area have massive maintenance budget deficits. Strathbogie shire, for example, has a cumulative deficit of about \$60 million — it works out that they are going backwards at about \$3 million a year. Given that the shire only has a budget of about \$20 million, that is not a sustainable situation. You have been made aware of that. What is the Brumby government that governs for all Victorians doing to help shires such as Strathbogie shire address that issue?

**Mr PALLAS** — This is a question in respect of local road funding, is it? We are taking action to improve Victorian roads by and large, because we want motorists to spend less time in traffic and spend more time at home with friends and family. We also want them to recognise that the investment that we make is about ensuring that we have a safer and more efficient arterial road network. The state provides around \$6 million for local road funding, and that is part of a longstanding intergovernmental agreement and responsibilities that the government has preserved as a result of arrangements struck with the federal government.

VicRoads also provides funding for the Local Roads to Market program. We have recognised that local roads play a key part in effectively managing the overall economy. We have highlighted that by agreement with the Australian Local Government Association in *Victorian Local Roads — Critical Links in the National Supply Chain*, a jointly produced paper between the state government and local government associations. Importantly, what that paper recognises is that agreements have been in place since 1991 that say that local government has a responsibility for maintaining their roads with the assistance of the commonwealth. It is accepted by local government, it is accepted by the commonwealth, and it is absolutely something that this state government remains committed to — those longstanding intergovernmental agreements that say that management of local roads is the responsibility of local government but funding is the responsibility of the federal government.

We will continue, as part of our local government funding arrangements, to preserve those levels of funds that the intergovernmental agreements struck in 1991 require us to maintain — we are doing that — but in respect of calls for the state government to effectively acquire a responsibility for the delivery, preservation and upgrade of local rates, we do not see that as being a state government responsibility. Indeed it would be a breach of intergovernmental agreements. More than that, it would effectively undermine agreements and understandings that we have with local government in Victoria about where the funding responsibility lies for this. It is not a state government responsibility; it is a federal government responsibility.

Around two-thirds of all travel on Victorian roads takes place on state arterial roads. These roads have to continue to be the focus of state government responsibility. The best way we can improve our road network and our responsibilities is by managing the arterial road network. The responsibility for funding, as encapsulated within longstanding intergovernmental agreements and as recently reaffirmed by the Australia's local government associations and the Victorian government in our *Victorian Local Roads — Critical Links in the National Supply Chain* document that we jointly produced and delivered to the federal government, really does demonstrate that it is in the interests of local government, the Victorian government and the Victorian community that the funding responsibility remain as it has been set.

**Dr SYKES** — So it is not your problem? I have not had my 10 minutes worth.

**The CHAIR** — No, I did not give you the 10 minutes. I gave you a clarification and a question. If you seek to make a further clarification, that is fine, but be very quick.

**Dr SYKES** — You made reference in your answer to the management of arterial roads and indicated that two-thirds of the traffic travels on arterial roads. Can you advise the committee what action and policies are in place in relation to the management of roadside vegetation on our arterial roads, particularly in the context of access to and egress from fire-risk areas, access to neighbourhood safer places in the event that we have fire disasters and also the role of the management of fuel loads to prevent the spread of fires from arterial roads?

**The CHAIR** — That seems to be far more than a clarification. Minister, very quickly; if necessary, take it on notice.

**Mr PALLAS** — In terms of management and bushfire preparation, the fuel load around our road system is a key part of that. VicRoads plays an important role in supporting fire authorities and other agencies in terms of the preparation for the bushfire season. In the lead-up to summer VicRoads carries out grass cutting and also rubbish removal on arterial roads as part of its regular maintenance program.

This year VicRoads worked with the CFA and councils on roadside clearing works and on access and exit routes in the township protection plans which were prepared for some 52 at-risk towns. A list of critical works of these access and exit routes was developed, with the majority of those works completed in November and December of 2009 and the remaining works completed by March 2010.

On the Hume Freeway, for example, VicRoads cleared 4.5 metres of vegetation behind the guide posts on either side of each carriageway as part of its regular vegetation clearing.

**Dr SYKES** — It needed a little prompting, Minister.

**Mr PALLAS** — This is the agreed firebreak width required there by the CFA for fire prevention. There is also been additional clearing on the freeway with vegetation being cut back on the median and grass being cut to the fence line where the train allows.

**Dr SYKES** — One specific relates to the massive number of trees in the alpine areas — say, impacting on that Great Alpine Road — which were burnt back in 2003 or the 2006–07 fires; they are now dead skeletons. There are thousands of them waiting to fall over the road. What is your management strategy for those?

**The CHAIR** — Can you take that one on the notice, Minister?

**Mr PALLAS** — If you like, yes. Bill, we will get back to you with an answer.

**The CHAIR** — In terms of the Victorian transport plan, appendix E in budget paper 3 and progress in this regard, I note that you have funding there for noise walls. I could not fail to mention this one; I have raised this

in Parliament on a number of occasions and with you personally. My local residents, and I am sure residents also in other parts of the state, have been very interested in this. Could you tell us a bit more about what is going to happen?

**Mr PALLAS** — Sure. Thanks, Chair, and I acknowledge that you, along with quite a number of other members, have been quite concerned about these issues and making sure that we can actually balance amenity together with efficiency as our road network expands and ultimately as we have greater levels of traffic. It is a key driver of the government's desire to ensure that we have a noise wall strategy that has both integrity and relevance to the community. Since 1985 there has been an ongoing program to retrofit noise wall attenuation barriers on freeways at locations where noise levels exceed 68 decibels at nearby properties. That policy has been in place for many years. Certainly it was supported by the previous government during its time in office.

From 1999–2000 to 2009–10 funding of more than \$50 million has been allocated to noise wall retrofit projects, and a further \$100 million has been committed as part of the Victorian transport plan. Of the VTP, about \$19.3 million has been allocated in this year's budget towards noise walls and also towards investigating new noise technologies around new sections of the Monash Freeway from Glen Iris through to parts of Mulgrave. Those new noise technologies will be trialled along the Monash Freeway from Solway Street to Auburn Road and Estella Street to Saxby Road.

VicRoads will investigate a new range of innovative traffic noise attenuation measures and technologies for both noise walls and on-road use. We will be looking at both. Absorptive noise barriers will soak up traffic noise rather than reflect it and will be the most effective at reducing noise at locations several hundred metres from freeways where noise attenuation occurs.

I have a document which I do not know has been circulated, but if we could circulate it, it will show you the noise wall construction in metropolitan Melbourne between 1999 and 2010. Effectively what you will see is the green dots are those retrofitted noise walls that have been put in place, and the blue dots are noise walls that have been delivered as part of major project upgrades.

We are currently investigating metal absorptive barriers that are widely in use in Europe. Investigations are also being made in terms of European paving technologies. These are sound absorbing technologies in terms of open graded asphalt.

There was \$13.3 million announced in the last budget for planning and preconstruction of the future projects. There are noise wall projects on the Mornington Peninsula in Rosebud, McCrae and Chelsea Heights; the Monash Freeway in Dandenong North; and the Princes Freeway in Narre Warren. These projects are planned to be completed by 2012. There were \$8 million for the installation of noise barriers on the Monash Freeway in Mount Waverley, and \$9.3 million once again on the Monash Freeway, in Mulgrave. Works commenced in July on those projects and were completed in January 2010. There is \$12.3 million for noise attenuation on the Princes Freeway at Beaconsfield and Berwick; works commenced in September 2009 and were completed in March 2010.

As I have said, we have made an investment in noise walls where we have built new infrastructure. We have maintained a commitment towards the noise attenuation policy. There is \$100 million for funding for the noise wall retrofitting program in the 12-year strategy under VTP.

**The CHAIR** — Thank you, Minister; I appreciate that.

**Mr WELLS** — Minister, I refer you to the green triangle freight action plan, which I think you may have referred to earlier. I note that you launched that in April 2009 and promised \$340 million in upgrades to road and rail systems servicing the port of Portland. Page 73 of budget information paper 1 shows only \$5 million for this plan. I ask: is this the same \$5 million which was the subject of your press release from 15 February 2010, entitled '\$5 million green triangle road upgrades on track'? Or is it a fact that no new funding is provided in the 2010–11 state budget for the much publicised green triangle freight action plan? When do you expect this green triangle freight action plan to be completed?

**Mr PALLAS** — The green triangle region in the south-west of Victoria and the south-east of South Australia is set to more than double its freight task over the next five years. This government, in cooperation with the local councils in the area, with local industry and with the South Australian government, has produced

the green triangle freight action plan. What we have identified is \$340 million of road and rail projects in Victoria and South Australia that are needed to secure trade and investment in the region. The \$5 million that you referred, Kim, is in fact the same \$5 million that I identified in the press release — that is, the upgrade to roads and bridges on the arterial freight network to facilitate a trial of next-generation high-productivity freight vehicles. As I said, \$5 million from this state government has been committed to date. Upgrades to the interstate rail lines between mineral sand mines in north-west Victoria and processing facilities at Hamilton — \$4 million has been committed. Upgrades to the Warrnambool rail line to reduce delays and facilitate growth in freight, meat and dairy, and passenger services are included in the plan, as is the standardisation and rehabilitation of the Mt Gambier–Heywood rail line to accommodate growth in the woodchip freight task, as well as enhancement of the receipt and transfer capacity of the port of Portland to enable efficient discharge of bulk carriers.

I did an assessment, in the 12 months-plus since we had released the plan, of how much funding we actually got, and remember our key objective here is to make sure that we get three jurisdictions making an investment to ensure the delivery of the \$340 million strategy. It is close to \$40 million or thereabouts. Essentially we have received money from the federal government through the ARTC for improvement of the Portland–Maroona freight line. We have also seen the South Australian government making necessary improvements and investments along the Riddoch Highway as part of its contribution towards the integrated transport systems that we are seeking to put in place. That is \$40 million out of \$340 million in 12 months.

Would we like to see a greater investment made? Absolutely, but as a government we remain committed to working cooperatively with our intergovernmental partners in terms of the delivery of these projects. I think we have taken a leadership role. We have come a long way, but we intend working together with the South Australian government and the federal government to ensure that these projects are progressively delivered to ensure that the freight task — which, as I said, will double in the next five years — is capable of being managed.

**Mr WELLS** — And you are hopeful of a completion date by when?

**Mr PALLAS** — The strategy does not actually identify time lines by which the project should be achieved, but essentially we have identified these as priority projects in terms of our advocacy to the federal government through our submission in terms of prioritised projects we have put to Infrastructure Australia. Clearly from our perspective it is a key part of the freight strategy we are putting in place, and from a government point of view we continue to advocate for these projects with the federal government. We want to work in partnership with the federal government. I have to acknowledge that it has made a dollar-for-dollar contribution towards the Nhill trailer exchange, which is a very important exchange point halfway between Melbourne and Adelaide. The federal government has made a contribution. Really what I am saying is that we have identified the projects that need to be done, we have identified that we need to work cooperatively with the federal government in achieving them, and we are making very substantial progress. I am told that the bridges on the Henty Highway will be fully completed by the middle of this year.

**The CHAIR** — Thank you, Minister. We have time for two more quick questions.

**Mr NOONAN** — Can I ask about the cycling and bike hire scheme you referred to in your presentation. I note on pages 236 and 237 of budget paper 3 there are some outputs in relation to cycling projects completed and also the public bicycle hire scheme. I wonder whether you can advise the committee what the government is doing as part of this budget to make cycling a more viable transport option for Victorians.

**Mr PALLAS** — I will circulate a copy of the cycling report card. When we produced the cycling strategy we also said that we would come back and review our progress in these areas to see whether we backed up with hard action the things we said were important. The Victorian cycling strategy was released in March 2009. One hundred and fifteen million dollars has been allocated to cycling infrastructure over the next 12 years, including \$100 million for cycling infrastructure in Victoria, \$10 million for a regional rail trail program and \$5 million towards the establishment of a Melbourne cycling hire scheme.

The cycling strategy basically sets out the blueprint to increase cycling levels right across Victoria by building a better bike network, developing a cycling culture, separating cyclists from other road users where possible and better integrating cycling and public transport into our land use and planning strategies. Priority actions we have taken in the strategy include significantly improving the network within the inner 10 kilometres in and around

the CBD, establishing the bike hire scheme for Melbourne, installing bike cages at 33 train stations by the end of 2009 — I am pleased to report that we had completed 40 bike cages by the end of 2009 — completing cycling networks in the central activities districts and regional centres, developing safe cycling programs in Victorian schools and also publishing a ‘Look out for cyclists’ campaign to educate road users about the cyclist safety, and reviewing cycling accident patterns to develop a series of appropriate countermeasures.

For the first time the government will factor cycling into the development of all new road and rail projects as a matter of course. To be honest, putting aside the dollars that are picked up in the Victorian cycling strategy, this is the most important policy development, where we are effectively mainstreaming cycling as a legitimate transport option for the community. It is already, but this is about making sure that when we build our other transport connections those charged with responsibility, whether it be the Department of Transport through public transport connections or VicRoads through arterial road connections, make a value judgement about the appropriateness of putting those arrangements in place. A great example of that is the Merri Creek Pipe Bridge, opened by Richard Wynne, where VicRoads built the new shared bridge at the same time as Melbourne Water upgraded the water pipe.

At the opening of the pipe bridge I also released the cycling strategy report card, which you have before you. In 2009–10 we allocated \$13.2 million to cycling infrastructure; this is on top of the 22 projects right across Victoria listed in the strategy that are either completed, under way or about to commence. In the 2010–11 year we have allocated \$28 million to cycling projects; \$16 million to deliver 44 cycling projects as part of VicRoads responsibilities; \$11 million for four cycling projects or facilities as part of major road project upgrades — Barwon Heads bridge, for example; and \$1 million for bicycling strategies in road safety programs.

The bike hire scheme — \$5 million was allocated in last year’s budget for that. The public bike hire scheme in Melbourne — we are likely to see that rollout from 31 May, with 10 bike stations and 100 new public bikes. The early rollout will allow for the ultimate full-time rollout a couple of months later with 50 stations and 600 bikes by the middle of the year.

**The CHAIR** — That does not include the project in my electorate, where about \$2 million has been spent.

**Mr PALLAS** — See, we are underselling and over-delivering.

**Mr WELLS** — No, I will give you a special brochure for marginal seats. It is a marginal seats brochure.

**Mr DALLA-RIVA** — I refer you to budget information paper 1, page 69; it relates to the West Gate-Monash freeways improvement package. I ask: who at VicRoads or which consulting engineer or other consultant was contracted to design the new off-ramp from the Bolte Bridge onto the West Gate Freeway that you said in the media release dated 3 October 2008 was ‘designed to stop ... any dangerous weaving and merging taking place’ but about which in the *Age* on 15 April 2010 CityLink spokesman Pat Wilson said, ‘It’s obviously not working as well as we would like’.

There used to be two lanes to exit from the Bolte Bridge; now there is one single-lane off-ramp to get to Power Street and the Burnley Tunnel, and the other to Docklands and Kings Way. The lane to the Burnley Tunnel is choked and the other is not. I ask: what money is allocated in the forward estimates to rectify this disaster of a road project?

**The CHAIR** — I do not think we need the names of people involved in the project to answer the question.

**Mr PALLAS** — The important point from our perspective is and remains that I have taken you through the improvements in terms of overall traffic travel performance. This is before the completion of the project in total. I have also taken you through the economic benefits of this project — \$1.39 billion, generating \$14.5 billion worth of economic efficiency to the community.

As to Bolte Bridge and ramp Z: motorists are experiencing overall improved travel times on the M1 corridor. Since they have opened — the new ramps on the West Gate Bridge and the new lanes on the Monash Freeway — the Bolte Bridge and West Gate Freeway interchange design has eliminated one of the most dangerous intersections and what was essentially a design flaw in terms of the way that the Bolte and the M1 interacted. Anybody who has driven on that road previously would know that.

What I like to call the Lorimer Street tango not only contributed massively to safety issues but also contributed appreciably to congestion issues, as effectively merging and weaving led to nose-to-tail accidents the result of which meant you got a far from optimal performance from the road, even under its limited performance criteria. Under the arrangements we have put in place there is an underlying fundamental philosophy that motorists no longer need to merge and weave with conflicting traffic across the freeway, which I think anyone who uses the road will appreciate.

The new interchange is part of a complex section of road linking the West Gate Bridge, the Bolte Bridge and CityLink tunnels, which motorists are still getting used to. We do acknowledge that the performance of and the work on the road is a continuing work in progress. Steps are being taken to improve travel over the Bolte Bridge. I have asked VicRoads to review signage in the area.

What you can see is that there are options for people to move off before the Bolte Bridge or ramp Z to access the city. We need to ascertain whether these are issues essentially related to custom-and-practice driving behaviour, whether improved signage will address it or alternatively, whether more substantial issues associated with metering of traffic on-flows from, say, Footscray Road onto the Bolte need to be addressed. We are looking at those issues, and we are working cooperatively with Transurban as we look to deal with those issues.

Steps that have been taken to improve the performance of the road, with VicRoads to review signage in the area to give greater motorist appreciation, and also the state-of-the-art freeway management systems, which certainly lead Australia in terms of their design, will soon be fully active on the West Gate Freeway, including coordinated ramp metering which should have a beneficial effect on the way that the road operates. I think it is also important that we recognise that in developing this strategy we have given priority to the through-flow of the M1. Whether it is Warrigal Road or whether it is the Bolte Bridge incorporation, the key for the efficient performance of the M1 has been to ensure that the running lanes' throughput is improved.

We would anticipate that ultimately the overall travel times for all users of the road will improve, including those who use ramp Z on the Bolte Bridge. But we recognise there is queuing occurring at ramp Z, and we think it is important in terms of giving people a clear appreciation of overall travel times, how they are performing in terms of overall trip, and giving them a better appreciation of what alternatives they can use. Ramp metering and better signage are the keys to this.

**Ms GRALEY** — I think this is the appropriate time to ask you a question in your role as Minister for Roads and Ports. Is not Peninsula Link under that portfolio area?

**Mr PALLAS** — Yes.

**Ms GRALEY** — Minister, I refer you to page 14 of budget paper 3, which refers to the public-private partnership model being used to deliver the Peninsula Link project. Could you explain the benefits for the future of this project, particularly the PPP model as selected by the government to deliver this infrastructure?

**Mr PALLAS** — Absolutely.

**Mr WELLS** interjected.

**Ms GRALEY** — This is the time to ask it of the Minister for Roads and Ports.

**Mr WELLS** — We have already asked the question before.

**Ms GRALEY** — That was on major projects.

**The CHAIR** — This is about the private partnership model.

**Mr PALLAS** — This question is about the potential benefits and the value of the performance of the road?

**Ms GRALEY** — Yes.

**Mr PALLAS** — It is not exclusively around the PPP model.

**Mr DALLA-RIVA** — That was Mr Wells' first question.

**Mr PALLAS** — In the government's mind, the project is one that is crucial, ultimately, for the development of Frankston and the Mornington Peninsula. We believe the project will meet the needs of the 60 000 extra people who are expected to call this area their home in the next 20 years. It is also a project that has been identified as a very short-term project initiative under the Brumby government's \$38 billion Victorian transport plan.

As I have already indicated, works have commenced on the Lathams Road overpass, and that started in July. Works on the main contract in terms of the planning and the securing of the site are already under way. By getting on with the job of this project quickly the government has shown its commitment to deliver on the actions that were included in our transport plan, and \$759 million for the project includes a huge construction task — 11 local road connections, more than 35 bridges, 18 000 square metres of retaining walls and the planting of 1.5 million trees and shrubs. When completed in early 2013 Peninsula Link will slash travel times between Carrum Downs and Mount Martha to just 17 minutes, a saving of up to 40 minutes.

**Mr WELLS** — The same answer was given to my question.

**Mr NOONAN** — It is a good project.

**Ms GRALEY** — It is a good project.

**Mr PALLAS** — The 27-kilometre project will help to generate and sustain something like 4000 direct jobs during construction.

**Ms PENNICUIK** — It is a disaster.

**The CHAIR** — I know it's late, but without assistance. The minister, to finish the answer, please.

**Ms PENNICUIK** — What is the point of having a flora and fauna reserve if you just build a road through the middle of it?

**Mr PALLAS** — It will also boost local tourism. It will provide improved connections between the city and one of Melburnians' favourite destinations. It will ensure that motorists can drive all the way between inner Melbourne and Rosebud on freeway-standard roads without passing a traffic light, which they cannot do now. It will improve traffic flow along existing corridors such as the Mornington Peninsula and the Moorooduc Highway

**Ms PENNICUIK** — They can already do that. There are already three roads down to the Mornington Peninsula.

**The CHAIR** — Without assistance.

**Ms PENNICUIK** — Fix the Moorooduc Highway. Fix that. It will cost a lot less than \$769 million.

**Mr PALLAS** — It is a vital project, and it is one that really demonstrate that as a government we have a long-term strategy for dealing with the transport needs of the community. We have used the PPP model because we selected it as the best balance between the needs of the government and the needs of the private sector, and the rapid delivery of a quality designed project.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about road project costing, and I will use the Clyde Road duplication as the example that was announced in late April. It was costed at \$55.6 million, being the federal and state components, to upgrade Kangan Drive to High Street in Berwick — roughly a kilometre of single road to make it a dual carriageway, and I understand that does not include the grade separation at some future time.

By contrast, your predecessor announced an upgrade of Clyde Road between Pound Road and Greaves Road in 2004, which is roughly twice the distance — again a duplication — for \$8.9 million. We are now getting half the length of duplication for almost \$56 million compared to what we got for \$9 million six years ago.

What I am seeking to understand is: what exactly is included in that \$55.6 million that has been allocated as the cost of that particular project, and why is it six times higher than doing a similar section of road a few years ago?

**Mr PALLAS** — I might throw the question to Gary on the specifics of Clyde Road, because he can give the continuity of the history of the announcement.

But I want to make a point around your broad observation about costing for roads. We have a pretty good record in terms of road costing, and it is in no small part due to the level of expertise that VicRoads and the Linking Melbourne Authority bring with them, and the history and continuity of the delivery of these projects.

Just to give you an idea, Gordon, of the sort of performance we are registering, for the period, from 2004–05 to 2008–09, 63 per cent of suburban road projects were delivered below budget, and 84 per cent were on or below budget, so that is a pretty high level of performance in terms of their overall cost and deliverables. In no small part that is due to the level of expertise that goes into designing roads. The key to this is understanding the construction of the road design that we seek to put in place. Over to you, Gary.

**Mr LIDDLE** — Perhaps just to add to that, I think the substantive differences are that the section of Clyde Road that was done earlier was not as old an area and therefore does not have as many services and the like in it. Much of the road reserve was built with services in the long-term location.

A large part of the cost for the current project is around service relocation, so there are some substantial differences in that sense. Over that sort of time period, up until the last 18 months or so, road construction costs were escalating at about 5 to 6 per cent per year, so over that period of time that is a substantial increase in costs as well.

**Mr RICH-PHILLIPS** — It certainly would not account for a six-fold increase, though?

**Mr LIDDLE** — Services relocation — and I do not have all the details with me — can be very expensive.

**Mr RICH-PHILLIPS** — I think the minister mentioned the project design work, which I believe was undertaken by VicRoads, is that correct?

**Mr LIDDLE** — VicRoads would oversee the concept design.

**Mr RICH-PHILLIPS** — Is that included in that \$55 million capital cost?

**Mr LIDDLE** — Absolutely, total project cost.

**Mr RICH-PHILLIPS** — So the employee costs to VicRoads — —

**Mr LIDDLE** — Project management costs, project development costs, design costs — everything is within that estimate — land acquisition, whatever is involved.

**Mr RICH-PHILLIPS** — All those costs are capitalised?

**Mr LIDDLE** — Yes.

**Mr RICH-PHILLIPS** — So they are not included in VicRoads' operating budget?

**Mr LIDDLE** — They are in VicRoads' total budget, but they are within the capital component of this project. The total cost of this project includes all those operating costs.

**Mr RICH-PHILLIPS** — Are there any operating costs within the Department of Transport that would also be included?

**Mr LIDDLE** — The Department of Transport was involved with looking at whether grade separation was needed, but it would be very small, if at all.

**The CHAIR** — Thank you for that. Minister, that concludes consideration of budget estimates for the portfolios of major projects, and 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, and the committee requests that written responses to those matters be provided within 30 days. Thank you very much.

**Mr PALLAS** — Thanks, Chair, and thanks, committee, for your time.

**Committee adjourned.**