

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 10 May 2011

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Ms J. Hennessy

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Witnesses

Mr T. Mulder, Minister for Public Transport,

Mr J. Betts, Secretary,

Mr H. McKenzie, Director of Public Transport,

Mr R. Oliphant, Chief Finance Officer, and

Mr T. Sargent, Deputy Director, Public Transport, Engineering and Asset Management, Department of Transport.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on 2011–12 budget estimates for the portfolios of public transport and roads. On behalf of the committee I welcome the Honourable Terry Mulder MP, Minister for Public Transport and Roads; Mr Jim Betts, secretary, Department of Transport; Mr Hector McKenzie, director of public transport, Department of Transport; Mr Robert Oliphant, chief finance officer, Department of Transport; and Mr Tom Sargant, deputy director, public transport, engineering and asset management, Department of Transport, as well as Mr Lloyd Browne, speechwriter, who will be operating the presentation only. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing to provide information to the minister, by leave of myself as chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room, and no more than two TV cameras are allowed at any one time in the allocated spaces. May I remind TV camera operators to remain focused only on the persons speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited. I am also pleased to announce that these series of budget estimates hearings are being audiocast live on the Parliament's website, and we had a test of that yesterday.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee has determined that there is no need for evidence to be sworn. However, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within 48 hours after the hearing.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off or at least switched to silent.

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 that relates to the budget estimates for the portfolio of public transport. Minister Mulder, welcome.

Mr MULDER — Thank you, Chair. The budget funds the coalition government's first steps in making public transport safer, making public transport more reliable and on time and expanding the public transport network. These steps are designed to accommodate and expand the Victorian population and growing numbers of travellers and commuters, as well as to address the need to move people more quickly and efficiently.

Our first steps in making public transport safer are well documented and have been well received by the community. The budget funds the first of 940 Victoria Police protective services officers to be permanently stationed at every metropolitan train station as well as regional stations from 6.00 p.m. until the last train every night seven days a week. Under the Baillieu government these train stations will be safe, secure and patrolled. The coalition government will not tolerate crime, violence or antisocial behaviour on our public transport system.

Three key strategies are under development that will shape transport in this state. The transport solutions plan will focus on increasing the competitiveness of the supply chain for the Victorian agriculture sector by removing bottlenecks in the road, rail and ports network. The government is determined to take action to improve the competitiveness of key industries such as dairy, grain, horticulture, viticulture and processed food exports by strategic investment in transport and logistics.

The transport solutions plan will also identify opportunities to improve services and infrastructure so regional communities are well placed to accommodate population growth, with Geelong, Ballarat and Bendigo taking most of the increased population.

The metropolitan planning strategy will consider the impacts of Melbourne's population growth in decades ahead. The strategy will manage current challenges and pressures as well as guiding future investment planning and investment. Both strategies will provide the basis for the government's thinking in relation to transport. They will have local community input, and both will contain projects that are fundable and deliverable.

'Growing freight on rail' is a document that will steer the development of a viable rail freight network, particularly in metropolitan Melbourne.

The government is committed to establishing the Victorian Public Transport Development Authority. The authority will be tasked with: auditing all Victorian public transport assets and reporting publicly on the value and condition of those assets and the cost of renewing them to bring them up to 21st century standards; promoting the extension of the public transport network, especially rail; delivering a safe, punctual, reliable and clean public transport network; ensuring services are integrated and priorities for expansion are identified and acted on; analysing service improvements and proposals; allocating funding for maintenance and renewals; auditing works programs; actively promoting public transport to Victorian families as an alternative to the car; and examining the prospects for high-speed rail between Melbourne and the other eastern seaboard capital cities. The authority will also commence an engineering cadet program within government aimed at reducing skill shortages by offering cadetships to rail engineers.

Chair, as just mentioned, one of the Public Transport Development Authority's key roles will be overseeing improved maintenance and renewal of the rail network. The coalition government has a real commitment to improving Melbourne's rail system.

On page 80 of budget paper 3 under 'Output initiatives' it shows the government's new Maintaining our Rail Network Fund, which provides an additional 25 million in each of the next four years to increase our total investment to \$900 million, or \$225 million a year. This is all about Melbourne's rail operator, Metro, and country Victoria's rail operator, V/Line, carrying more passengers more often and more safely.

Overheads shown.

Mr MULDER — I am pleased to report to the committee that I have just received Metro's annual works plan for what the Department of Transport calls year 3: 1 July 2011 to 30 June 2012. In the forthcoming budget year Metro expects to spend, among some of the more significant items — and I point out some of these time lines may change depending on issues that could come up outside the realm of what we might consider to be normal circumstances — \$47.8 million on renewing Melbourne's rail tracks, \$24.8 million on routine maintenance of Melbourne's rail tracks, \$16.5 million on routine maintenance of lineside structures, \$11.3 million on routine maintenance of power, \$9.7 million on renewing lineside structures, \$4.7 million on renewing power, \$6.35 million on renewing signals, \$6.5 million on reactive works regarding signals and \$4.4 million on reactive works regarding power.

I hope the committee members will agree that this is a really significant investment for the government in ensuring that the community has access to a rail system that can carry more passengers. Of course works programs, as I said, can be subject to change due to weather or other events, but I would like to run through some of the items that should be of interest to committee members.

In work that has already started Metro will be continuing to re-rail the Richmond to Caulfield section of the Cranbourne, Frankston and Pakenham lines until 31 July. I previously highlighted how some of Melbourne's tracks had old rail so it is vital that we get on top of this. The previous government had a view that rail could last up to 300 years. This is not the coalition government's belief. We are about to start renewing sleepers between Eltham and Hurstbridge in Melbourne's north-east suburbs, and this will continue until 29 May.

In work sure to please the member for Altona opposite me, Metro will be renewing sleepers between Footscray and Newport on both tracks between 31 May and 16 June. Then from 26 June to 23 July Metro will be renewing more sleepers between Newport and Altona Junction, which is where the trains junction to go to Seaholme, Altona and Westona.

In further evidence of the coalition government's commitment to residents of Melbourne's western suburbs and Ballarat, Bendigo and beyond, between 2 and 6 July, Metro plans to renew yet more sleepers, this time between Footscray and Sunshine. This will coincide with some major works for the regional rail link project. Metro will also fix the platform coping and resurface the platform at West Footscray around this time, along with reconstructing the station pit, the tracks between the platforms at St Albans and some works and signals. The station pit at Ginifer, near St Albans, will also be reconstructed with new ballast, among other improvements.

Around this time Metro will also renew further sleepers between Sunshine and Watergardens. This will improve the quality of the track for not just Metro passengers but also V/Line users travelling between Melbourne and Bendigo, Echuca and Swan Hill. On the weekend of 2 and 3 July 2011 Metro will be renewing a pedestrian subway on the line to Caulfield. The platform coping down the tracks at Carrum will be fixed and the platforms there will also be resurfaced. At the end of July Metro will also work on the level crossings at McGregor Road, Pakenham — the installation of a pedestrian crossing on the west side was a coalition government election commitment — and at Clyde Road, Berwick, along with fixing the platform coping and resurfacing the platform at Officer. Officer is not a busy station today but it will be in a few years when development of nearby land occurs, so it is important that the valuable asset of a local railway station is properly maintained.

In August Metro will invest in a crossing of the Lilydale line at Coolstore Road, Croydon, while the platform coping will be fixed and the platform resurfaced at Tooronga on the Glen Waverley line. Similar work will also occur at Tottenham station on the Watergardens line. A set of points at Werribee will be renewed and there will be re-railing of the Hurstbridge line near McLeod. During September Metro plans to renew sleepers between Laverton and Werribee as well as renewing another set of points at Werribee, the station pit at Albion, and the Watergardens line will be renewed. In October, some of the platform pits at the important junction station of Caulfield will be renewed along with the platform coping at Royal Park, the latter being on the Upfield line. Metro will also carry out works on electrical overhead structures on the Sandringham line that will continue right through until November. During November station pits at Hurstbridge and some of those at Richmond will also be renewed. Some points at Richmond Junction, between Flinders Street and Richmond, will also be renewed.

Coming up to Christmas a railway overpass at Victoria Street, North Richmond, will be renewed on the Epping and Hurstbridge lines. Pedestrian crossings at Hartwell and Willison, and the platform coping and the platform itself on the last three stations on the Alamein will all be renewed.

While I will not go through every future instance of work that Metro plans to undertake in the first half of 2012 — I won't go through all of it — the committee should be aware that Metro's plan for that six months includes work on the Cranbourne, Craigieburn, Frankston, Hurstbridge, Pakenham, Sandringham, Watergardens and Werribee lines as an absolute minimum.

Chair, I thank you for the opportunity to explain to the committee how the coalition government is committed to improving safety and travel on Melbourne's rail network for passengers who in 2011–12 are forecast to make 256.8 million trips. Our metropolitan rail network is the most important and heavily used form of public transport. Patronage on metropolitan trains grew by 6 per cent in the 12-month period ended December 2010 during which 226.6 million passenger trips were taken. Between 2004 and 05 and 2009–10 patronage on Melbourne's trains has grown by 51 per cent. It grew by more than 85 per cent in the 11 years from 1998–99 to 2009–10. Long-term train planning is predicated on annual train patronage growth of 6.5 per cent in peak and 7.9 per cent overall. Growth of this magnitude will require investment in infrastructure and new rolling stock, both areas where this government will deliver. While bus and tram patronage growth was negligible in 2010, there has been significant growth in the use of SmartBus routes, and the 50 new trams being built by Bombardier in Dandenong will allow for significant expansion of tram services and patronage from 2012.

As well as making the network safer we are also making the network more reliable, and we are doing this by buying new trains. Last month I welcomed the arrival of the 20th X'Trapolis train to Newport, the first of 19 to be assembled in Ballarat. A further 18 will enter the network throughout 2011 and 2012.

X'Trapolis trains are very reliable, with only a small number of incidents per kilometre of travel. By increasing the number of trains available Metro has greater flexibility in managing peak hour demands, and it is in the peak hour when commuters are being inconvenienced the most by delayed trains and by crowded trains. Of course in

addition to the order of 38 trains the Baillieu government is committed to purchasing a further 40 new trains for Melbourne commuters, including funding seven new trains in this budget.

In the longer term this government has plans to expand Melbourne's transport networks. There are four main projects that will do this: \$6.5 million has been allocated to the Melbourne Airport rail link to commence planning; \$6.5 million has been allocated for the Doncaster rail link to commence planning; a \$2 million feasibility study for the Rowville rail line will examine construction, operational land use and environmental considerations; and \$3 million has been committed in this budget for the planning of a direct rail line to Avalon Airport. The forecast project cost is \$250 million. The government is committed to contributing \$50 million and is seeking a contribution from the federal government for this project.

There is \$210 million plus \$11.4 million over four years for seven new X'trapolis trains as stage 1 of 40 new trains to meet peak demand and fill a gap in rolling stock when the RRL is completed; \$15 million in feasibility studies to extend the rail network, including extensions to Rowville, Doncaster and Melbourne Airport; \$16.5 million for preconstruction work for grade separation at Rooks and Mitcham roads and at Springvale Road, Springvale, for the delivery of one of these projects in 2012–13. In addition, there is planning for the removal of level crossings at a number of other metro locations. Mountain Highway and Scoresby Road in Bayswater, North Road in Ormond, Blackburn Road in Blackburn, Burke Road in Glen Iris, Main Road in St Albans and Murrumbeena Road in Murrumbeena have also been identified as priority projects.

The government is also proceeding with two grade separations on Anderson Road in Sunshine as part of the regional rail link project — a decision that has been warmly welcomed by Brimbank council and local residents. In addition, 940 protective service officers are to patrol metropolitan railway stations and the major regional stations of Ballarat, Bendigo, Traralgon and Geelong. There is \$20 million over four years for DDA compliance on the network, \$700 000 for planning a new station at Southland, and the establishment of the Maintaining Our Rail Network Fund to be overseen by the Public Transport Development Authority.

The regional budget priorities in 2011–12 include country level crossing upgrades — \$47.3 million over four years for up to 75 level crossing upgrades, which includes an upgrade of Warragul railway station, and at Talbot railway station there is \$2.5 million to reopen the local V/Line station for residents on the Maryborough line. For Wendouree rail services there is \$1.6 million over four years for extra rail services to ensure that more trains begin and terminate at Wendouree rather than at Ballarat. For Grovedale railway station there is \$1 million for the planning of a new station to service a growing and underserved part of Geelong. For the Avalon rail link there is \$3 million to bring rail services to Melbourne's second airport. For passing loops on the Geelong–Warrnambool rail line there is \$10 million to enable greater flexibility for rail freight operators who are currently restricted by the lack of passing loops between Geelong and Warrnambool. The installation of passing loops will improve reliability and reduce potential delays when two trains are using the line at once. In rail revival for Geelong, Ballarat and Bendigo there is \$2 million for planning to restore passenger rail between Victoria's three biggest regional centres.

This government will begin the process of reforming the taxi industry. The new taxi industry inquiry will be established to recommend and implement reforms to Victoria's troubled taxi industry. The Premier has appointed Alan Fels to chair that inquiry. The inquiry's key task will be to improve the disastrously low level of public confidence in the taxi industry. This government recognises that the taxi industry fails to provide safety and security for passengers and drivers. There is a high turnover of drivers, and many drivers are poorly skilled. There are complex ownership and management structures. There is a lack of competition, and industry revenue is not being sufficiently directed to the drivers and the operators. It is obvious that the current industry structure and regulation has failed, and these issues are longstanding and deep rooted. The coalition government has a responsibility to improve the level of service.

In the first stage of the reform process the Fels inquiry will undertake a comprehensive inquiry into the service, safety and competition issues in the Victorian taxi industry. Once Mr Fels's work is concluded a taxi services commission will be established as a statutory authority to take over the role of industry regulator so that Victoria gets the taxi service it deserves. The inquiry and the commission will be funded with \$1.2 million over four years.

Major metropolitan rail projects funded or under construction include: Lynbrook station; Cardinia Road station, where major works have begun; Williams Landing, with tender submissions currently being reviewed and with

construction to start later this year; South Morang rail extension, where works are progressing well; an extra 60 car parking spaces were recently opened at Lalor station and 60 at Thomastown station; Sunbury electrification, with overhead gantry installation now under way; Mordialloc stabling, with works under way to reconfigure and upgrade the Mordialloc stabling yard to allow overnight storage for four trains; and Newport stabling, where six roads at Newport were commissioned in October and are now housing trains overnight, and works on stage 2 of the project have started. The proposed Melbourne metro system has federal funding that will see planning work continue.

In regional Victoria four major projects are under way: the regional rail link work has commenced on this project and completion date is scheduled for 2016; the Hamilton mineral sands siding will enable Iluka Resources to rail mineral sands from Hopetoun to Hamilton; the Dooen–Horsham intermodal terminal road–rail interchange on the ARTC standard gauge line between Melbourne and Adelaide; and Clunes railway station to service residents on the Maryborough line. In addition, the government has recently invested \$550 000 to make the Toolamba–Echuca rail line temporarily operational whilst urgent repairs are made to the Tocumwal–Seymour line section to avoid an embankment collapsing just south of Toolamba.

Finally, Chair, we want Victorians to be proud of their public transport network. We want Victorians to know they are safe and to feel they are safe. We want anyone travelling home on the train at night to do so with confidence and not with fear. By supporting public transport in this way we will bring together different parts of government to contribute to a comprehensive response to violence and crime. We will also encourage the community back to the transport system at all hours and ease the pressure on peak hour. We want a growing competitive economy in Victoria, but if we are to grow well, we must also have services that work. We must have a public transport system that works and that is extensive, frequent, reliable and clean, and it must be safe. Thank you, Mr Chairman.

The CHAIR — Thank you, Minister. We have approximately 2 hours and 10 minutes for questions on the public transport portfolio. I know my Deputy Chair will have a number of questions. I will open up by referring to your presentation and your remarks on population growth and incorporating some initiatives in this budget. I am interested to know: how have predictions concerning population growth shaped the budget for 2011–12 and the out years in the discharge of the portfolio responsibilities?

Mr MULDER — I guess the issue we are looking at is what our government is doing to improve the sustainability of the transport system and how we move forward. In Victoria greenhouse gas emissions associated with transport accounted for around 18 per cent of the total emissions in 2009, with more than 91 per cent of that from road transport. The transport sector is the second largest source of emissions after the electricity and gas industries, and emissions from passenger and freight transport are predicted to increase. Our transport activities also place pressure on Victoria's natural environment as well as the urban environment, and operating heavy construction machinery and the stopping and starting of motor vehicles and trains generate noise and pollution for nearby residents and for businesses.

The Victorian government sees it as essential that the transport infrastructure assets and services function continually, safely and uninterrupted. Reducing the environmental impact of the transport network requires attention on a number of fronts at the same time, and the Victorian government is investing in a range of initiatives, including enhancing the public transport network, supporting the ongoing development of cycling networks, supporting the introduction of more low-emission vehicles and reducing the environmental impact of the construction of transport infrastructure sector.

Public transport is a vital component of enhancing the sustainability of the transport network, and the Victorian government has committed to investing in new rolling stock; new stations and rail infrastructure, including \$222 million for 7 new trains, the first of 40 new trains for Melbourne commuters; train stabling at Calder Park; and business case development funding for the remaining 33 trains to be delivered in our second term.

There is \$100 million towards the rail network fund over four years for ongoing maintenance and renewal programs and planning for new railway stations at Grovedale and Southland, as well as upgrading Ballan and Balaclava stations and reopening the Talbot station in country Victoria. There is \$10 million over two years for the south-west passing loop on the Warrnambool rail line and \$8 million over four years to restore W-class trams and to introduce restored trams to selected tram routes in Melbourne.

Increasing priority for public transport and the road network will support the reduction of greenhouse gas emissions from transport. In 2011–12 improvements will be made to 11 bus and tram routes and other high-occupancy vehicle infrastructure. The 2011–12 budget released last week delivered \$1.4 million over four years to expand the West Gate Punt, with services to include weekday commuter services during the morning and afternoon peak periods. The punt services will provide a connection across the Yarra River for cyclists and pedestrians between Spotswood and Port Melbourne. Weekday services of the West Gate Punt will make it quicker and easier for pedestrians and cyclists to move between the inner west, the CBD and the port of Melbourne. The punt provides a short, safe crossing of 100 metres compared with a 13-kilometre bike ride. It is a great initiative.

The Victorian government recognises the important role of cycling as a sustainable and affordable transport mode and has identified the opportunity to expand the state cycling strategy to further include cycling for recreation. In terms of specific bicycle projects, the Baillieu government has made commitments to: provide an off-road path to link Box Hill with Ringwood along the existing railway corridor at a cost of \$5 million; undertake a feasibility study into the provision of an off-road path to link Morwell with Traralgon, and that comes at a cost of \$60 000; and investigate the implementation of bicycle facilities along the north–south routes in Prahran at a cost of \$270 000.

The CHAIR — Minister, I am sure you are getting toward the end of your answer.

Mr MULDER — I have a little bit to go; there is a lot here. We are doing an awful lot in this particular area, Chair.

Ms HENNESSY — We have got a lot of questions to ask.

Mr MULDER — I am more than happy. I mean, these are very important issues.

Mr PAKULA — We are almost half an hour in.

Mr MULDER — It was the opening question, and it was an important question from the Chair. I will go as quickly as I can, Chair.

The CHAIR — Thank you.

Mr MULDER — We will complete the construction of the Carrum to Warburton shared-use bike and walking track, with a particular focus on providing an off-road path to link Bayswater North with Mount Evelyn, at a cost of up to \$5 million. Some \$14.5 million has been included in VicRoads 2011–12 bicycle and pedestrian program. This funding will deliver a range of projects, including the ongoing operation of the public bike hire scheme, an off-road path along Footscray Road, and an east–west bicycle link between the Maribymong River trail and the Yarra River trail.

The government is also developing new guidance in providing for walking and cycling in land use and development. The guidance aims to assist in delivering sustainable growth by improving planning and design of walking and cycling facilities and reducing the need for families to rely on a second car. The government recognises the potential to provide bicycle facilities as part of all major transport projects. All feasibility studies for major transport projects announced in the 2011–12 budget will consider cycling in accordance with the Department of Transport policy, providing bicycle facilities as part of transport projects. The government will deliver parketeer facilities within the project scope of all new stations and park-and-ride or station upgrade projects as well.

The CHAIR — Minister, I take it you are just about at the conclusion of your answer?

Mr MULDER — I could go on, if you like. What I will do, Chair — —

The CHAIR — There are obviously a lot of initiatives that you could announce.

Mr MULDER — If you would like, I could continue and put this on hold for a time later on in the session. If the opposition runs out of questions, then I would be more than happy to go back to that particular issue.

The CHAIR — We will come back to that, perhaps. Minister, thank you for demonstrating your grasp of your portfolio, but I know that my deputy is anxious to ask a question. He has been extremely restrained. I call on the Deputy Chair to ask a question.

Mr PAKULA — Thank you, Chair. It is the first time I have had to endure a filibuster at PAEC. Minister, last year's asset investment program budget paper had an initiative listed as 'Public transport premium stations (various)'. When I look at the capital program for this year's budget, in budget paper 4, and I look under 'Existing projects' on page 103, I do not see that anywhere. Can you point out to me where the premium stations initiative is in the 'Existing projects' column in that budget paper?

Mr MULDER — What page are you referring to?

Mr PAKULA — Page 103 of budget paper 4, which outlines existing projects. It is the equivalent page to last year's.

Mr MULDER — Thank you, Deputy Chair. As you would be aware, prior to last year's state election there was a considerable amount of discussion in relation to safety at railway stations.

Mr PAKULA — Right.

Mr MULDER — Throughout my term in opposition I continued to get, via FOI, incident reports at railway stations throughout the metropolitan network. It became apparent to me through — —

Mr PAKULA — Can you show me where it is?

Mr MULDER — No, I am getting to the question. It became apparent to me throughout that course and the information that I had received that not only were assaults taking place against commuters at railway stations but also station staff were being subjected to abuse, harassment and assaults. As we know very well from recent reports, the level of those assaults had risen and, even though the government had claimed prior to the election that the level of assaults at railway stations had gone down, those figures had actually been doctored, which I think is an indictment of the former government — the fact that they covered that up.

Mr PAKULA — Can I just have an answer to the question I asked — that is, about where it is?

Mr MULDER — I get to the issue of what we do with railway stations. There was a very long and considered debate — —

Mr PAKULA — But, Minister, that was not my question.

Mr MULDER — There was a very long and considered debate in relation to this matter.

Mr PAKULA — Chair, I just want my question answered on where it is.

The CHAIR — Deputy, we have had this discussion earlier in these estimates hearings. The ministers, when asked a question, are entitled to answer them.

Mr PAKULA — Right.

The CHAIR — And they will answer them in the way they see fit.

Mr PAKULA — Whether it is on the question I asked or not?

The CHAIR — The issue is that he is getting to conclude his answer, so let him continue.

Mr MULDER — I guess what I am getting to is the root cause of this entire debate and the issue and the reason why the government has gone down the pathway that it has. There was discussion, and the former government made its commitment that it would put additional funding into premium stations and put additional staff in those stations.

Mr PAKULA — Yes.

Mr MULDER — Our position was that we would put 940 protective services officers at those stations, and we did not commit to remain those stations. We said we would put that money where it was required, and that was to provide a safe and secure environment for people who want to use the public transport network late at night. Now, as I say, the incident reports that I obtained through my years in opposition and the discussions that I had with commuters travelling the network on a regular basis said to me and said to the government our policy setting of putting 940 protective services officers on stations, and providing the infrastructure to house those officers was our commitment. It was our policy commitment; it was what we took to the election and what we were voted in on.

You have to remember that you actually lost, and you lost a lot of your votes on public transport — —

Mr PAKULA — Minister, calm down.

Mr MULDER — because you failed to protect the public.

Mr PAKULA — Minister — —

Mr MULDER — And when you failed to protect the public you then tried to cover it up — —

Mr PAKULA — Right, okay.

Mr MULDER — by playing around with crime statistics.

Mr PAKULA — Right.

Mr MULDER — And you got caught out. That is the reason we went down the pathway that we did, and we had the support of the public in doing it.

Mr PAKULA — Minister, thanks, but the question I asked you was: where is the line item in the budget? The old budget papers say ‘Public transport premium stations (various)’; the new budget says ‘Public transport safety (metro various)’, which is the same amount of money. I am assuming that is the same dollar figure for the same initiative, but under ‘Public transport safety (metro various)’, footnote C says, ‘Project will be influenced by rollout plans for the protective services officers initiative’.

Mr MULDER — Yes.

Mr PAKULA — Your answers to the questionnaire say premium stations are under review.

Mr MULDER — Yes.

Mr PAKULA — Am I to take it — and you can tell me if I am wrong, but it seems to me that this is what has occurred — that you are not going to proceed with premium station upgrades? You have said in the questionnaire answer that it is under review. You have said in the budget that it is — —

Mr MULDER — So is it under review, or am I not proceeding with it? What are you saying?

Mr PAKULA — You can tell me, Minister. It says in the questionnaire that it is under review. It says in here that it will be influenced by rollout plans for the PSOs initiative, but it appears to me that what you have done by changing the title under the ‘Existing projects’ heading is that not only are you not proceeding with the premium stations but you have also tried to hide the fact by sneakily changing the title in the budget papers. Is that right? You can disabuse me of that and tell me it is going ahead, if you would like.

Mr MULDER — We have not gone down the pathway of the former government in playing tricks. What we have done, and we were very, very open — —

Mr PAKULA — Why have you changed that, Minister?

Mr MULDER — We were very open in this issue.

The CHAIR — Deputy, let the minister answer.

Mr MULDER — We were very open in this issue leading right up to the election. We said we were putting 940 protective services officers — —

Mr PAKULA — Why have you fiddled with the budget papers?

The CHAIR — Let the minister answer the question.

Mr MULDER — We said we would put protective services officers on railway stations; the former Labor government said they would not. They said they would put staff on premium stations.

Mr PAKULA — So why is your budget not transparent about it?

Mr MULDER — We said that we would not.

Mr PAKULA — No, you have changed the title.

Mr MULDER — We have said that our major focus at this point in time is to provide the accommodation for 940 protective services officers — —

Mr PAKULA — I will come to the accommodation later.

Mr MULDER — on those stations. Once we have done that we will look at other initiatives as we go forward.

Mr PAKULA — Right.

Mr MULDER — We won an election off the back of a number of our transport initiatives. That was one of them.

Mr PAKULA — Well, why not be open about it rather than changing any — —

Mr MULDER — You ignored the safety of Victorians, and you paid the price of it.

Mr PAKULA — Why not be open about it?

Mr MULDER — You paid the price of it.

The CHAIR — Deputy, you are being extremely unhelpful.

Mr PAKULA — Well, why not be — —

The CHAIR — Deputy, that's enough!

Mr MULDER — The document is very clear. The document is accurate.

Ms HENNESSY — The document is not clear, minister.

Mr MULDER — It has been deferred. It will be reviewed.

Mr PAKULA — The document is sneaky and tricky.

Mr MULDER — It has been deferred. It will be reviewed once we have carried out our policy of 940 Victoria Police — —

Mr PAKULA — You deliberately changed the title.

The CHAIR — Deputy, you have made your point.

Mr MULDER — protective services officers on the stations. You had your opportunity to pick it up. You decided not to, and you lost an election off the back of it. Face up to it: you got it wrong.

The CHAIR — Thank you, Minister. Mr Angus.

Ms HENNESSY — You lied to the PTUA.

Mr ANGUS — Thank you, Mr Chairman. Minister, I refer you to budget paper 3, pages 80 and 85, in relation to a range of initiatives, some of which you have just expanded on. I am just wondering if you could perhaps take those comments a little bit further in relation to any other initiatives that you wanted to highlight for the committee that the government will be undertaking regarding public transport.

Mr MULDER — As we said in opposition, and we have followed through in coming to government, one of the major problems that the former government failed to recognise was that the basics of problems of the metropolitan in particular and to a lesser degree the regional rail network were a lack of commitment to maintenance funding. We know very well that when Connex left Melbourne, after running the metropolitan network, they left with a sour taste in their mouth in the fact that they believed they had been starved of maintenance funding. When the new operator, Metro, took over, albeit too late for the former government, money was committed to maintenance on the network. In opposition we said all along, and we are carrying this through in government, that it is about the drainage, the ballast, the sleepers, the rails, the signals, the points, the crossings, and the overhead power. Unless you put money into those types of issues and unless you are prepared to address the basic maintenance of the network then you will not get reliability and punctuality into the network. Our commitment is to do that.

In our opening presentation I outlined a large number of initiatives that we will be carrying forward. As we go forward as a new government, our Public Transport Development Authority will be monitoring the investment that is being made by Metro and V/Line to make sure that we get absolute value for money. We want to be able to benchmark to make sure we are not getting taken for a ride in terms of the funding that we are spending and that the community get a genuine benefit out of that. As I said before, on top of that we are putting money into rolling stock as well — \$222 million into new trains for the network. We have to continue to put new trains into the network. We have patronage at the moment that is growing at around about 7 per cent a year on rail in particular. Trams and buses are somewhat staggered, but the rail network is where the pressure is coming from and that is where we are prepared to put our money.

We have also allocated in this budget \$16.5 million to key level crossing upgrades. We will be doing Rooks and Mitcham roads in Mitcham and Springvale Road in Springvale. We will be doing grade separations at those particular crossings. We will be starting those in our first term. There is also considerable funding for upgrades to station projects, including Balaclava station and Southland railway station — we are planning a new station there — and an upgrade to Ringwood station. As I pointed out before, we are putting money into W-class trams. We are putting \$10 million into opening up unused railway stations so that we can ensure that on stations where there is not a commercial opportunity, there may be an opportunity for community groups to be able to use those particular stations. There is also money going into disability access for public transport.

Ms HENNESSY — Not enough.

Mr MULDER — It appears at this point in time that we will meet our targets in terms of our compliance with the federal legislation by 2012, except for the area of trams and low-floor trams. There is an order in place for low-floor trams to start from 2012 going through to 2018, but also there will be money going into improving tram stops.

There is a significant investment by the government. We have recognised the problems with the metropolitan and the regional rail network. We are committed to getting on top of the problem. We have not come out with rash statements such as were made by the former Premier when Metro were appointed to run the metropolitan rail network, when the former Premier said, 'You will see a difference day one'. That was without a doubt one of the bravest statements that anyone could possibly have made given that Metro, when they did their due diligence on the network, informed the government that — I believe it was four of the metropolitan lines — the lines were in such a poor state that there was a risk of trains derailing. They also pointed out a whole range of infrastructure projects and asset renewal that was required. That work was never going to be completed day one. That was nothing more than a whole host of government spin — cross your fingers and hope for the best. It is not the approach we are taking. We recognise that we cannot do this overnight. We are making the investment. We are putting in place the appropriate management structure of a public transport development authority to see this work through. We believe it will make a significant improvement and a massive change to the public transport network and we are committed to do that.

The CHAIR — Thank you, Minister. Mr Scott.

Mr SCOTT — Thank you, Chair. Minister, where in the budget papers is the funding for the 10 new trams you promised prior to the last election?

Mr MULDER — Pardon?

Mr SCOTT — Where in the budget papers is the funding for the 10 new trams you promised prior to the last election? It is a very simple question. I did not think it needed repeating.

Mr MULDER — What page are you looking at?

Mr SCOTT — I am asking you.

Mr MULDER — You are talking about the budget papers. Where is it in the budget papers?

Mr SCOTT — That is the point of the question, Minister, and your facetious response does not help. I asked you a very simple question. Where in the budget papers is the funding for that promise?

The CHAIR — We have got the question.

Mr MULDER — As I indicated before, there are 50 trams on order. The first of those trams will arrive in 2012. The remaining trams will be rolled out through until 2018. That funding, I believe, is in the budget.

Mr PAKULA — But you promised 10 more.

Mr MULDER — It is in the budget.

Mr PAKULA — No, you promised 10 more.

Mr MULDER — There is in the budget funding for 50 new trams.

Mr PAKULA — They were our trams.

Mr MULDER — Not only that, there is the issue in relation to the retention of the Bumblebee trams as well.

Mr PAKULA — But you promised 10 more.

Ms HENNESSY — You promised 10 more.

Mr PAKULA — Where is funding for them?

Mr MULDER — As I said to you, there is funding in the budget. There is funding in the budget — 2012–2018 for 50 new trams for Melbourne.

Ms HENNESSY — Would that be an admission that you have broken your promise?

Mr PAKULA — But what about the other 10 that you promised?

Mr MULDER — As I am telling you, that is the position as it stands. There are 50 new trams. Those new trams are in the budget.

Mr PAKULA — They were already funded.

The CHAIR — Deputy, Mr Scott asked the question. Let Mr Scott — —

Ms HENNESSY — Those 10 — no money for it?

Mr SCOTT — So the 10 new trams that you promised — —

Mr MULDER — Those new trams are in the budget. There are 50 new trams, 2012 until 2018.

Mr PAKULA — They were already paid for. They were paid for in the last budget.

The CHAIR — Deputy, it is Mr Scott's question.

Mr SCOTT — I am happy to take up the point there. So the trams that we funded are there, but the trams that you promised — the extra 10 trams on top of that, are not going to be funded — is that correct?

Mr MULDER — Number 1, as I will point out again, there are 50 trams in the budget.

Mr SCOTT — You have just confirmed me. Thank you. That is enough. That is fine.

Mr MULDER — Number 2, Mr Scott, as you realise, this is our first budget. We have a number of budgets to follow on. There is ample opportunity for us to go forward to invest in more rolling stock.

I believe that at this particular point in time, in terms of the commitments we made to the Victorian public, we have delivered on our election commitments. We will continue to deliver on our election commitments, and if indeed it appears that there is demand for more rolling stock as we go forward, we will meet that demand.

I will point out to you at this point in time that when you look at the patronage levels we focused very heavily in our first budget on looking at trains for Melbourne with somewhere in the order of 7 per cent patronage growth. That is where the real demand is at this point in time. As I pointed out, as we go forward there is ample opportunity for us as a new government to make further commitments to trams.

The CHAIR — Do you have a follow-up question?

Mr SCOTT — I do have a follow-up. To take up your point about one aspect of it, could you explain why you have trains that are being delivered in 2014 and yet the moneys for the 10 new trams that you promised are not in these budget papers? In these budget papers you have trains that will not be delivered until 2014 already included, yet the 10 new trams that were promised at the last election are not included in these budget papers?

Mr MULDER — If someone were to say to you that patronage growth on the Melbourne train network was running at 7 per cent — —

Mr SCOTT — There will be 8 million new passengers within the next 12 months.

Mr MULDER — And patronage growth on the tram network was pretty much stable — —

Mr SCOTT — It was 8 million. That is actually not correct. You are misleading the committee.

Mr ANGUS — Let him answer.

Mr MULDER — And there has been an order placed for new trams, where do you think you would put your priorities, Mr Scott?

Mr SCOTT — He is misleading the committee. There are 8 million new passengers.

Mr MULDER — Where would you put your priorities?

Mr PAKULA — You promised it. It was your promise.

Mr MULDER — You obviously do not understand the issue of patronage growth and the need to match that with rolling stock.

Ms HENNESSY — We do understand what a broken promise is.

Mr PAKULA — It sounds like the 10 new trams — —

The CHAIR — Thank you, Deputy Chair. That is enough. We can have only one at a time.

Mr MULDER — We know where the patronage growth is. We know where the rolling stock should be apportioned to, and that is where we have put our money.

Mr SCOTT — So there are not, in your own budget, 8 million new passengers for trams?

The CHAIR — Mr Scott, let the minister finish his answer.

Mr MULDER — That is where we have allocated our funding. As you can appreciate, when you sit down with the operators and look at forward patronage figures you look to match those figures with the appropriate level of rolling stock. The patronage figures that have been provided to us indicate that the great level of demand at this point in time is on the metropolitan train network. Because that has been identified by the department — and I believe all the figures that the former government had at its fingertips would have told it exactly the same — that is where the funding has been allocated. It has been allocated where it is required and where it will be needed to make sure that we can cater for future patronage growth. We do not want to find ourselves in the position that the former government found itself in with people stranded on platforms because trains were too full and whistling were past them.

Mr PAKULA — We will come back to those extra trains.

Mr MULDER — All those patronage growth figures were there and the former government failed to act. We are taking the appropriate action. We will continue to take the appropriate action. We are going to work with Metro, we will work with V/Line and we will work with the Yarra Trams to make sure that the patronage growth figures that they provide us with are matched with a commitment by the government to ensure that we have the infrastructure and also the rolling stock to accommodate people who want to travel on the public transport network in Melbourne, particularly on the tram network. As you would also understand, there is a commitment of \$8 million to the W-class trams, or did you forget that?

Ms HENNESSY — No, we have some questions about that.

Mr MULDER — There is an \$8 million commitment, and they do carry passengers, too. They do carry people as well.

Ms HENNESSY — Just not people with disabilities.

Mr PAKULA — We will come back to them.

Mr MULDER — We believe that that is an important initiative as well. You seem to have missed that, Mr Scott, in your question.

Mr PAKULA — That is a long way to say you broke your promise.

Mr SCOTT — Thank you for confirming you have broken your promise, despite all the hyperbole.

Mr MULDER — It is a very important initiative.

The CHAIR — Order!

Mr PAKULA — Bring the minister to order, then, Chair.

Mr MULDER — We will deal with the further requirements that are pointed out to us by the operators as we go forward.

Mr SCOTT — Thank you for confirming you broke your promise.

The CHAIR — Before I proceed to the next question, which will be from Mr O'Brien, I would like to observe that it does not help the proceedings for there to be a jabber of interjections from three or four people at a time. I am quite happy for the person who asked the question to follow up with a more detailed question, if there is an appropriate follow-up question, but there is absolutely no point in constantly interjecting so that we cannot actually hear what the minister's response is.

Mr PAKULA — The minister's response was highly provocative, Chair.

The CHAIR — If the member is provoked — —

Mr MULDER — You do not like the facts!

Ms HENNESSY — The fact that there is tram growth and bus growth that you have not funded?

The CHAIR — Minister, you do not need to help the Chair, thank you. On my right — and it is unusual to have you on my right — I would like you to observe some courtesy so that we can actually get through the proceedings and you can get the information that you want.

Mr PAKULA — That would be a nice change.

Mr O'BRIEN — Minister, I refer you to budget paper 3 and the transport output initiatives on page 80. In particular I direct you to the Maintaining Our Rail Network Fund, which you touched on in your presentation. Could you please explain what this extra \$100 million over four years means?

Mr MULDER — Thank you for the question. As I said, it was covered significantly in our presentation, but it is such an important part of delivering a reliable and punctual rail network for Melbourne. As I pointed out in one of my earlier contributions, it is to get back to the absolute basics of the system and to make sure that our rail operator does have a sufficient amount of funding available to carry out the improvements to the network to get reliability and punctuality up to a standard that enables the rail operator to deliver on its performance standards which are outlined in the contract. It is one thing to sign an operator up to a contract that sets a certain level of reliability and punctuality, but unless the state government is prepared to then support the franchise operator with the infrastructure, which is basically the responsibility of the state, then of course it is very hard to call on the operator in terms of those levels of service that it is contracted to supply to the state.

As I said, we conducted a very thorough investigation prior to the last election in terms of what was going wrong with the metropolitan network and why the former Labor government had continued to fail so dismally in the performance of public transport services in Melbourne, particularly in relation to the rail network. We are committed with what is now a \$900 million fund over the next four years to get the basics right, to make the improvements that are required to run the additional trains that are coming through the network, to provide the additional pathways for those trains and to make sure that we get the reliability factor up. That has to be a major priority, and we have to be assertive in ensuring that we get the works undertaken.

As I said, there is \$47.8 million on renewing Melbourne's rail tracks, and when Metro did their due diligence on the metropolitan network they discovered there were sections of the metropolitan network that had rail that had been there for some 300 years. I think engineering standards of today will indicate that you may get, I think it is about 75 years would — does that sound right, Hector, out of a rail?

Mr McKENZIE — Yes; it would be a bit less than that.

Mr MULDER — Seventy-five or even less than that.

Mr PAKULA — Rail that has been there for 300 years? Is that what you said? Did you say it has been there for 300 years?

Mr MULDER — That is sections of rail I am talking about.

Mr PAKULA — Three hundred years?

Mr MULDER — Three hundred years.

Mr PAKULA — What, since 1700? What are you talking about?

Ms HENNESSY — That would be before settlement. There has been no settlement in Australia for 300 years.

Mr SCOTT — We have not had settlement in Australia for 300 years.

Mr SARGANT — A 300-year life.

Mr MULDER — Can I explain that to you? The rail replacement process of the former government indicated that rail would be there for 300 years.

Mr PAKULA — Would be there?

Mr MULDER — Would be there for 300 years.

Mr PAKULA — You said it had been there for 300 years.

Mr MULDER — It would have been there for 300 years if you had stayed in government. So we had to make sure that we — —

Mr ANGUS — Eleven years was too long.

Mr MULDER — Eleven years was too long. We had to make sure that we dealt with that particular issue. There is \$24.8 million on routine maintenance of Melbourne's rail tracks, \$16.5 million on routine maintenance of line-side structures, \$11.3 million on routine maintenance of power, \$9.7 million on renewing line-side structures, \$4.7 million on renewing power, \$6.35 million on renewing signals, \$6.5 million on reactive works regarding signals and a \$4.4 million commitment to reactive works regarding power.

Once again, Chair, if you go back to the due diligence that was carried out by Metro before they took over the metropolitan rail network, these are the types of issues that they identified that had been let go by the former government. They also indicated that the former government and operator were engaged in basically reactive maintenance — breakdown maintenance. They also indicated that trains were going out of a morning with faults because the faults were not repaired on trains. There was not enough rolling stock available, therefore trains were being pushed out with faults of a morning, and of course if they go out with a fault, they come back with a fault or a driver refuses to take the train out.

There has been a significant amount of money invested in making sure that, no. 1, we get the maintenance of the network to a satisfactory standard, but no. 2, that the trains are maintained properly, and in that regard Metro have altered the way in which they carry out maintenance of trains. A lot more work is being carried out at night to ensure that the maintenance of the trains is such that when they are ready for service of a morning the faults have been rectified.

It is important, no. 1, that we deal with the infrastructure issue, and no. 2, that we then pick up the issue of the reliability of the rolling stock, and there has been an enormous amount of work put in by Metro in relation to improving the reliability of the rolling stock. Currently we have got sanders being fitted to the Siemens trains that have had problems with the braking structure. I understand that possibly half of those trains have been fitted at this point in time, and the rest of them are to be completed, I believe — Hector?

Mr McKENZIE — Probably by July.

Mr MULDER — Probably by July. That will in turn do away with the issue of speed restrictions around some of the stations. There has been an ongoing program; there has been an enormous amount of work put in. We understand that we cannot stand still; we understand there is a lot more work to be undertaken; we cannot let ourselves fall into the same trap as the previous government.

As I said, the situation arose where something as simple as a rail replacement program was put in place indicating that the rails would last 300 years; we do not believe that is the case, and you could have a look at the rail replacement programs currently being carried out by the operator at the moment. It is important that the tracks are reliable. It is important that the tracks are safe. As I pointed out very early in the piece, with one of their analyses of the system before they took over they indicated that some of the lines were in such a poor condition that there was a real risk of trains derailing. We believe we need a safe system, not just safety in and around the platforms. Safety on the network itself is imperative.

Ms HENNESSY — Minister, if I could just take you to budget paper 3 at page 336. Given that your own figures indicate that patronage on buses will in fact increase by 3.7 million passengers over the next 12 months, why have you failed to allocate a single dollar for new bus services and completely ignored the people living in Melbourne's outer suburbs? There is not one dollar in this budget, Minister.

Mr MULDER — I would like to thank you and acknowledge that. As you can understand, we went to the election with a range of commitments. We did not go to the election with a significant contribution to bus services. We looked at bus patronage, we looked at tram patronage, we looked at rail patronage and we

recognised where the major demand was, and where the major demand was going to continue to be with the train network, and that is where we put our money.

We also would like to have found, as I said, in coming to government a nice nest egg to be able to put more money into public transport and more money into bus services; however, as you can appreciate, it is difficult when you walk through the door and one of the first briefings you get is from the Regional Rail Link Authority and they inform you that you have actually got a black hole there of somewhere in the order of \$1 billion, and then the next briefing you get is in relation to the myki ticketing system, which tells a very similar story of whether we go forward or whether we go back — another major black hole. I believe that each and every one — —

Mr PAKULA — And every day you delay is adding to the cost.

Ms HENNESSY — Every day that you do not make a decision around myki, \$200 000 a day because you refuse to make a decision.

Mr PAKULA — Every day you dither adds to the cost.

The CHAIR — Deputy Chair, there is no need to interject; let the minister finish his answer.

Mr PAKULA — It is true; every day he dithers adds to the cost of myki.

Mr MULDER — Didn't you perform well!

The CHAIR — Deputy Chair, Ms Hennessy asked the question; let the minister respond to Ms Hennessy.

Mr MULDER — You want to interject on myki? Are you kidding?

Ms HENNESSY — Two hundred thousand dollars a day, Minister.

Mr PAKULA — The facts are the facts: every day you delay a decision adds to the cost.

Mr ANGUS — You promised it would be in by the end of the year.

Mr MULDER — Commercial in confidence! Wood ducks with cheque books; that is what you all were, and the commercial sector knew it too.

Ms HENNESSY — You are the government, and you could make a decision, Minister.

Mr PAKULA — Just make a decision!

Mr MULDER — You got taken for a ride — every single project you got taken for a ride. Back of envelope; work it out, back of envelope.

Mr PAKULA — You have been there six months; just make a decision.

Mr MULDER — The issue was, as I said, that we recognise that there is more to be done in relation to bus services and we recognise that there has been a significant investment made in bus services in the past, particularly SmartBuses, which have proved to be very popular, where the vast amount of patronage is coming from — the growth in patronage. We would like to, in future budgets, be able to make a commitment to buses. We did not prior to the election make a commitment to a major expansion of the metropolitan bus network. We delivered what we thought we could deliver responsibly. Our election commitments were proven to be correct by Treasury. Treasury looked at those election commitments. They were ticked off; they were responsible; they will be delivered. I acknowledge what you say in relation to bus services, but as I say, there are other budgets to come and we will look to those as we move forward.

The CHAIR — Ms Hennessy, do you have a follow-up question?

Ms HENNESSY — No, just noting that there is growth of 3.7 million bus users and 8 million in tram users, and not a dollar in the budget. Thank you, Chair.

The CHAIR — Minister, I refer to budget paper 3, page 80, and the 6.5 million allocated for a Melbourne Airport rail link feasibility study. Can you, Minister, advise me and the committee in relation to this proposed project: will Victoria finally get a rail link?

Mr MULDER — Given the fact that the former government had 11 years to look at this particular project and continually turned its back on it, I think the community has every right to be outraged, as do the tourism operators and the people of Victoria. The simple fact is that people, particularly in outlying suburbs, find themselves —

Ms HENNESSY — Without a bus service.

Mr MULDER — having to take taxi trips to get to Melbourne Airport. When you come back from overseas and you are in Brisbane, you can jump on a train at Brisbane and find yourself in the CBD and walk to a hotel or motel. The fact that Melbourne cannot provide that level of support for the state I think is just outrageous. That is why we believe that our Melbourne Airport should be connected to rail. We have made a \$6.5 million commitment to start the planning for that particular project. You only have to look at the traffic volumes that have continued to grow on the Tullamarine, and if we allow that to continue, it will have a major impact on people doing business in Melbourne. We have tourists who are travelling out to the airport getting locked in traffic, missing flights and getting caught up in major delays. We simply cannot allow that to continue. Melbourne must have a connection to its major airport.

Not only that, Chair, you would also be aware that we have also made a significant commitment to Avalon. It was amazing how the former government ruled out Avalon Airport as being not worth it. It did not want to touch it; it talked it down; it talked our commitment down. It talked it down and said that because it was owned by a private company we should not be funding it. The simple fact is that it is owned by the federal government; it is leased to a private company, which has made a significant investment in Avalon Airport and a significant investment for the state of Victoria.

We believe that Avalon Airport, which is the first airport that will be connected to rail, will play a significant role in, no. 1, reducing congestion on the roads, but also in terms of providing a facility that Melburnians and people around country Victoria have been waiting for for years. The simple fact of the matter is that the federal government is sending out very positive messages to us in relation to their support for Avalon Airport. I understand the two issues unresolved at this point in time are in relation to customs and federal police. The federal opposition were very supportive of Avalon becoming a second international airport for Victoria. The state opposition, now the state government, are throwing our weight behind it, and we are putting money into the project to make sure that Avalon does get up and does get running and becomes an international airport.

The only knockers, day one, the Geelong knockers and the Avalon knockers, are the members of the Victorian state opposition and former Labor government, who refused to even breathe the words ‘Avalon Airport’ leading up to the election. In fact I think there might have been a sort of a hushed tone, ‘Well, we might look at it’ as it got closer, when they realised they were on the wrong pathway and the community was supporting us hand over fist to make sure that we could get Avalon up and running.

Avalon is in a unique position. It has both standard and broad-gauge rail lines running past the front of it. It is the easiest option in terms of getting an early start for a rail link to an airport in Victoria. It is beyond the owners of the airport to understand why the former Labor government continued to snub them and refused to give them any support in Avalon Airport.

Mr PAKULA — Who are the owners?

Mr MULDER — The former Labor government snubbed them.

Ms HENNESSY — Who owns it?

Mr PAKULA — You just said the commonwealth was the owner.

Mr MULDER — The former Labor government snubbed them. The simple fact of the matter is that when the time comes and we get Avalon up and running as an international airport, wherever you are in Victoria you will be able to jump onto a V/Line train, get to Southern Cross station, switch to an airport train and arrive at

Avalon Airport. People in Melbourne will be able to jump onto a train, rather than having to take a car or a taxi, and arrive at an international airport. It is a great initiative. It has been well supported, and with a standard-gauge line running alongside it also offers an opportunity into the future for air freight and for boutique businesses, manufacturers, to set up in and around Geelong and in the western suburbs and to be able to use that facility in terms of air freight.

Our intention is to connect that line not just from the metropolitan Melbourne end but also from the western Victorian end as well. People from as far away as Warrnambool, Terang, Camperdown, Colac and Geelong will also be able to get a train service over to Avalon. As I say, it is a low-cost option: it is about \$250 million. A lot of that work has been undertaken by the Fox group in terms of their endeavours to get Avalon up and running as an international airport, and it should be supported. But not only that, we are also providing funding to Avalon to assist with its aviation fuel requirements. At the moment the aviation fuel runs from Shell down to Newport and trucks then truck it back up the highway and take it into Avalon. Our commitment is to provide funding to assist Avalon Airport for a branch line — the aviation fuel line — straight into Avalon. They indicated to me that that will take about \$20 to \$30 off the price of an airline ticket. They will become highly competitive, and when they become highly competitive that will automatically put pressure on our Melbourne Airport to become competitive as well. So we will be in the very unique situation of having two international airports competing with one another for business, and what could be a better outcome for Victoria?

Sydney would have loved an initiative like this. They would have loved an initiative like this with the restrictions that they have with their airport. We believe this is going to play a significant role in placing Victoria well ahead of New South Wales — Melbourne well ahead of Sydney — in terms of us being able to cater for future growth in terms of smaller manufacturers, but also future growth and patronage and getting more people off the roads and onto rail to be able to travel directly to an airport. That has to be seen as one of the best initiatives in this entire budget.

The CHAIR — Minister, you have given a very expansive answer to that question. I note that my colleague the Deputy Chair has a question for you now, but I am also conscious that — just planning ahead — around about 10.15 we will take a 5-minute break for the usual courtesy.

Mr PAKULA — I want to follow up on your answer without inviting you to repeat it, because I do not think any of us could take it.

Mr MULDER — You love Avalon, do you? Now you love it; you did not before.

Mr PAKULA — You have gone through a whole range of projects that are made — Melbourne Airport, Doncaster, Rowville. The one that is a definite, which you have said is going to be funded, is Avalon. I suppose this is a triple-burger question, which I think you have shown a capacity to answer. Firstly, what are the projected patronage figures through the airport that justify Avalon above all others being fully funded? Rowville is a study, Doncaster is a study, Melbourne Airport is a study, but there is \$50 million for Avalon. That is the one that is a definite go-ahead. I am wondering what the projections through the airport are that justify that.

Secondly, you talked about the private company at one point being a lessee and at another point being an owner, but there is no doubt that they are going to be a significant beneficiary from the project, so I am wondering what co-contribution they are going to be asked to make. You have talked about the federal government's contribution; you have not talked about Linfox's.

Thirdly, you are going to provide them with a gas line and a railway line, and you talked about the competitive pressure that puts on Melbourne Airport. Are you not as transport minister obligated in a competitive sense to treat those two airports, which you have said are going to be competitors, equally rather than providing a massive government subsidy for one and leaving the other one to fend for itself?

Mr MULDER — You obviously did not pick up on the fact that we are planning a rail link to Melbourne Airport.

Mr PAKULA — No, you — —

Mr MULDER — You had the opportunity to do that for 11 years and you did not do it, so no. 1: we need to do that. No. 2, we have to put the plans in place. As an opposition, when we came into government we made

these announcements, we have to do the planning. We do not want to do that off the back of an envelope. If you are expecting a multibillion-dollar announcement in this budget in terms of Melbourne Airport, we are not going to fall into the same trap that the former government did with the regional rail link, whereby it was all worked out on the back of an envelope. When you did go to the federal government for funding — —

Ms HENNESSY — Patronage figures, co-contribution, competition law — —

Mr MULDER — You did not have the figures right and subsequently we are paying the cost of that now.

Mr PAKULA — Patronage figures, co- — —

Mr MULDER — There will be commitments as we start the planning process for Melbourne Airport. I have already had discussions with Melbourne Airport. VicRoads is working currently with Melbourne Airport in relation to some road improvements in and out of the airport. You have to have vision; you have to have a plan for the future. We saw a great opportunity in relation to Avalon Airport. We have had several meetings with the operators of Avalon Airport. As I say, the federal government is supporting our initiative. The federal opposition is supporting our initiative. You have to make sure if you are going to attract international flights that you actually have the facilities there for those people. The simple fact of the matter is there is no good going down the pathway of making the declaration, which is something that I have no doubt a Labor government would do as they are great in terms of making announcements, and then say, 'What are we going to do about it now the planes are arriving?'. Ours is a different approach, you see. Ours is about planning.

Mr PAKULA — You do not have to rant and rave.

Mr MULDER — Ours is about having a vision. Ours is about providing infrastructure, making sure that we have got the infrastructure in place, making sure that we give the operators of the airport the opportunity to encourage the investment and to attract the international companies to come there.

Mr PAKULA — Are they making a contribution? Are they going to make a contribution?

Mr MULDER — They are making a contribution in relation to the aviation gas line.

Mr PAKULA — And the railway line?

Mr MULDER — We will be having discussions with both the owner and operators of the airport, both Linfox and the federal government. We have asked as a state government for funding of the project as we go forward.

Can I say this: all of the messages that we have had out of the federal government — all of the indications — are that they support Avalon becoming an international airport. The only ones who do not support it are the opposition — —

Mr PAKULA — That is not true.

Mr MULDER — And the former Labor government. Are you saying you do support it now?

Mr PAKULA — We never had an issue with that.

Mr MULDER — Well, there is your rail line.

Ms HENNESSY — We asked re patronage figures, the competition law implications, and the contribution of Linfox, and you have answered neither of those.

The CHAIR — Ms Hennessy, come on!

Mr PAKULA — You have answered — —

The CHAIR — Mr Pakula has got the call. Did you have a follow-up, Mr Pakula?

Mr PAKULA — My follow-up was I asked three questions and I got an answer to none of them — the patronage figures, the co-contribution and the competitive neutrality.

The CHAIR — Do you want to make any comment, Minister?

Mr MULDER — As I say, in terms of being competitive we have made significant commitments to both airports; both airports we have made significant commitments to.

Mr PAKULA — I bet you find Melbourne Airport has a very different view.

Mr MULDER — We did not do what the former Labor government did; we have made a very significant contribution in terms of developing the rail link to Melbourne Airport. We have done the same with Avalon. The difference — and I am sure you understand — with Avalon is it has a distinct advantage at this point in time in that there are both standard and broad-gauge lines going straight past the front of the airport. That is a standout opportunity for any government that has a vision for what is going to happen with Geelong, with what is going to happen with the western suburbs into the future, to make that announcement, to support the operator, to fall in line with what the federal government is saying in terms of Avalon becoming an international airport and the federal opposition's support for it as well. We stand by our commitments, we went to the election with them, we were elected off the back of them, we were supported by the community, and that particular project up there will drive investment in Geelong more than anything else that has happened in Geelong for a long, long period of time.

The CHAIR — Thank you, Minister.

Mr MORRIS — Minister, I refer you to budget paper 3, page 85, and in particular the reference to metropolitan crossings — 13.1 million in 11–12 and 3.4 million in 12–13. Can you advise the committee what impact this funding will have for motorists and pedestrians, and particularly for rail users?

Mr MULDER — Can I start off by saying that back in October 2006, during the election campaign, the previous Labor government minister at the time, Peter Batchelor, was dismissive of our commitment to deal with level crossings and to upgrade level crossings in the metropolitan area of Melbourne, claiming that they would cost around about \$60 billion. He basically indicated that we should not go down the pathway of embarking on a major level crossing program when in actual fact we did just that leading into this election.

We have embarked on a major commitment to deal with some of the worst level crossings in Melbourne. Irrespective of the fact that in the transport budget alone, with myki, the regional rail link, the blow-out on the M1 upgrade and bridge strengthening — I think it is around \$1.6 billion — we still have been able to manage to make a very significant commitment to level crossing upgrades and getting rid of level crossings in the metropolitan area of Melbourne. The budget provides \$16.5 million for the planning for the elimination of level crossings in Melbourne.

We recently made announcements in relation to Springvale Road, Springvale, and Mitcham Road and Rooks Road in Mitcham on the Belgrave-Lilydale lines, which are very, very busy lines. On a Monday to Thursday through Springvale's level crossings there are 104 timetabled metropolitan suburban trains, with the new 8 May timetable, that will pass through carrying passengers on their way to Cranbourne, Dandenong and Pakenham. On top of that there are 18 timetabled V/Line trains going to Traralgon or through to Bairnsdale on that line. On Fridays there are an extra two metro trains and an extra V/Line train. On top of that there are empty car movements plus the freight train each day that goes down to Maryvale Mill near Morwell to load containerised paper for PaperlinX, keeping many B-doubles off the Monash and Princes freeways.

When you double the number of trains for the opposite direction to the city, you are suddenly talking more than 250 trains a day through Springvale Road's busy level crossing. It is dangerous, of course, for pedestrians and you see an awful lot of motor cars sitting at those level crossings when the boom barriers are down, wasting fuel, chewing up motorists' time and costing industry millions upon millions of dollars due to delays because of the booms coming down. As we all know, as we move forward and we get greater demand on the metropolitan train network and we start to run more services, that means longer periods of time that the booms will come down, which will mean greater delays and greater traffic congestion, so we have to be prepared to deal with the situation.

So far in the first budget there is a total of \$11.7 million for planning to eliminate these three level crossings in Springvale and Mitcham. On top of that there is \$2.3 million to begin the planning for the elimination of such

level crossings as the ones on Mountain Highway and Scoresby Road in Bayswater. That project will be done as one.

Then there is North Road, Ormond, on the Frankston line; Blackburn Road, Blackburn; and Main Road East and Main Road West in St Albans. I understand that prior to the last election the former government gave some form of commitment but it was dependent on federal government support for that project. We have not gone down that pathway. We gave a commitment to the people of the west that we would deal with that level crossing. We intend to do that. We believe it is very important for the western suburbs to make sure that they have a crossing at St Albans that is safe and that it deals with issues in relation to the movement of traffic throughout that corridor.

Not only that, because we might not get a chance to cover this at a later stage, we also put \$47 million into regional crossings as well. There is a major grade separation to take place in Warragul, plus an upgrade to the car park there. There is also a balance of funds that we believe will deal with somewhere in the order of upgrades of 70 level crossings that have got passive protection at the moment — stop signs or give-way signs.

The only thing that could impact on what we are doing in country Victoria is this: as any member who has been involved in the Road Safety Committee will recall, we, the opposition, actually pushed for an inquiry into level crossing safety. That was after the horrific Kerang accident. We got an inquiry, and there were presentations at the particular inquiry on radio break-in technology. We were hoping that there would have been some low-cost options for the 1000-plus level crossings around country Victoria in particular that had no — —

Mr PAKULA — On a point of order — —

Mr O'BRIEN — I am wanting to hear this.

Mr MULDER — I agree. It is very important. What have you got against safety?

The CHAIR — I will hear the point of order.

Mr PAKULA — No-one is disputing that this is important but, Chair, it does appear that the minister is structuring his answers to deliberately minimise the number of questions that can be asked. Every answer he has given has been between 5 and 10 minutes long. Opposition members have a number of questions they would like to ask, and at the moment we have asked four and we will be lucky to get through another two or three, given the length of the minister's answers. I ask you to ensure that his answers are of a reasonable duration.

Mr MORRIS — On the point of order, Mr Chairman, I think it is refreshing to have a Minister for Public Transport answering fulsomely on the very significant issues —

Mr PAKULA — For goodness sake!

Ms HENNESSY — You two go outside then, and perhaps we can actually get some accountability about what is in the forward estimates.

The CHAIR — I will hear Mr Morris, thank you, Ms Hennessy.

Mr MORRIS — the very significant issues of major public concern in this state. We know what a big issue it is, so I do not see any difficulty with the level of detail that is being provided by the minister, and I certainly do appreciate it.

The CHAIR — Responding to the point of order in relation to Mr Morris's question, it is true that the content of the minister's answers today has been significant, but it is a matter for the minister to respond to questions as he sees fit. I understand that opposition members particularly are anxious to ask a lot of questions, but they may have to be patient because the minister wants to expand on answers.

Ms HENNESSY — And avoid scrutiny.

The CHAIR — I ask the minister if he has concluded his answer.

Mr MULDER — No.

Mr O'BRIEN — I would certainly like to hear about the regional level crossing programs.

The CHAIR — But could you complete your answer, Minister, please?

Ms HENNESSY — Let's speed it up, champ.

Mr MULDER — As I say, the technology in relation to break-in radio technology was on display at Yendon. That came as a result of the Road Safety Committee. It offers the opportunity for over 1000 level crossings in country Victoria to have this new technology fitted at a cost of around about \$3000. It operates by transmitter at a level crossing, and a heavy vehicle or a car with a receiver can be warned that there is a train approaching. I think that offers enormous opportunities. It has gone through the proof of concept stage, and business planning is now being undertaken. That may alter the structure of how we allocate our funding out of the level crossing program. I understand the Deputy Chair is not interested in anything beyond the Melbourne tram tracks, but for the people of regional Victoria this is very important.

Ms HENNESSY — That is just outrageous. That is a really outrageous assertion.

The CHAIR — Minister, you have concluded your answer, and I will now move to Mr Scott.

Mr SCOTT — Thank you, Chair. Minister, I just want to ask you a question regarding rolling stock for the metropolitan train system. I would just like you to confirm your election commitment to retire the seven Hitachi trains.

Mr MULDER — We would love to be able to retire the seven Hitachi trains. As I say, we have the Hitachi, the Comengs, the X'Trapolis and the Siemens trains — a blend of trains — on the network at this point in time. As you will understand, there was an announcement recently by Metro that those Hitachi trains will stay in use for a little bit longer until the new trains arrive on the network. There are new X'Trapolis trains arriving as a result of the former government's order, and we intend to expand on that with our order for seven trains that are coming on board. But as you can appreciate and understand, we do have a new train timetable that is being rolled out with an additional 600-plus services a week. I know that the previous minister, who is at the table and who was in charge of the formulation of that timetable, would well and truly be aware of the need for the additional rolling stock.

Mr PAKULA — I beg your pardon?

Ms HENNESSY — That is absolutely not true. You are the minister; you signed off on the timetable that deliberately disadvantaged people. Do not mislead the committee, Minister.

Mr MULDER — The minister would be absolutely aware.

Ms HENNESSY — Do not mislead the committee.

Mr PAKULA — Do not try to foist your decisions on previous governments. You decided on the new timetable, no-one else.

Mr MULDER — You are a squib. You hid, and you asked them not to show you the information.

Mr PAKULA — Chair!

Ms HENNESSY — You are misleading the committee.

Mr MULDER — You put in place the mechanism to develop a new Metro timetable, and you said, 'Hands off'.

The CHAIR — Minister!

Ms HENNESSY — You are misleading the committee.

Mr SCOTT — Chair, the minister — —

Mr PAKULA — We put in place a mechanism for Metro to provide a timetable for the government to consider, which you then considered and made decisions about.

Mr MULDER — Nothing in writing. Nothing in writing.

The CHAIR — Deputy Chair, I would admonish you for trying to engage in a debate across the table, out of turn.

Mr PAKULA — You do not think I was extremely provoked?

Ms HENNESSY — The minister attempts to mislead the committee, and we're not allowed to respond?

The CHAIR — But I have to acknowledge that the minister did make some provocative remarks.

Ms HENNESSY — Factually incorrect and misrepresentative remarks.

Mr SCOTT — I am happy to follow up, Chair.

The CHAIR — We are hearing Mr Scott's question. Mr Scott, do you have a follow-up question?

Mr SCOTT — I do have a follow-up.

Mr MULDER — I have not really concluded on that issue.

The CHAIR — The minister to conclude.

Mr MULDER — In relation to the requirement for the additional rolling stock, as I mentioned previously, Metro have embarked on a substantial change in the way in which they undertake maintenance to make sure that we do have the appropriate level of rolling stock to carry out the new timetable. I get a text messages probably three or four times a day that tell me how we are running reliability and punctuality wise and also what trains are available and what trains are out with faults. It gives me a good indication in terms of the requirement for rolling stock and our commitment to up the ante.

I will point out that the new train timetable that was part of the contract signed by the former Premier called for a greenfield timetable to be implemented by May. That would require additional rolling stock. It required Metro to bring on board experts from overseas to develop the timetable with Metro. The former Minister for Public Transport put in place a process within his own department to work hand in hand with Metro to develop that timetable, and when I came into government rosters were being drawn up for the drivers to carry out that timetable.

Mr PAKULA — Weren't we talking about Hitachi trains?

Mr SCOTT — Yes.

Mr MULDER — As per that contract, if that timetable is not delivered by May, there are significant commercial implications for the state.

Ms HENNESSY — Are we talking about Hitachi trains or the fact that you approved that timetable?

Mr MULDER — There are significant commercial implications. It was your contract, and you know it.

Mr PAKULA — Hang on. Are you saying you were presented with a fait accompli and that you are not able to make any call on that? Is that what you are suggesting?

The CHAIR — Order! Order!

Ms HENNESSY — Because if that is so, you are misleading this committee.

The CHAIR — Order! Ms Hennessy, Mr Pakula, order!

Mr MULDER — Your contract, Martin.

Mr PAKULA — So you were presented with a fait accompli, were you?

The CHAIR — Mr Pakula! Mr Pakula, just calm down.

Mr PAKULA — You have got no say in the timetable; is that what you are saying?

The CHAIR — Just calm down.

Ms HENNESSY — Let us go send a white car for Mr Betts every morning perhaps.

The CHAIR — I am not going to call anybody until we have some calm.

Mr PAKULA — I could have let Mr Lazala be the minister.

Mr MULDER — He would have done a better job than you.

The CHAIR — Minister! The question was asked by Mr Scott. You have been responding at length to Mr Scott's question.

Mr SCOTT — And provoking, frankly.

The CHAIR — We will just ignore the provocations on both sides of the table. Mr Scott, you have a follow-up question.

Mr SCOTT — I do have a follow-up question. You have confirmed to the committee that the seven Hitachi trains will be retired as Labor's commitment of more X'Trapolis trains come onto the network. Can you confirm, therefore, that there will be no increase in train services above and beyond the trains ordered previously under Labor, as the seven trains you are ordering will be cancelled out by the retirement of the Hitachi trains?

Mr MULDER — As indicated, those trains will stay in service as long as they are required.

Mr SCOTT — That is not what you said earlier.

Mr MULDER — We would like to retire those trains as quickly as we possibly can; however, Metro are the operator, and they have to be assured that they have the appropriate rolling stock to be able to carry out their contract. I think I am right in saying the trains you are referring to are the ones that the former minister, Peter Batchelor, sold for scrap metal, and then the Labor government realised it did not have enough trains for the operator and went and purchased them back at a significant profit for the person who had purchased them in the first place. They are the same trains you are referring to. Then we found out that they had significant rust problems and that a lot of money had to be invested in them. They are the trains you are referring to.

Mr SCOTT — So I take it that you are confirming the proposition I put before you.

Mr MULDER — Yes.

Mr SCOTT — Yes, you are. Thank you.

Mr MULDER — Are they are the same trains you are referring to? They are.

Mr SCOTT — No, I was actually referring to no net increase in trains.

Ms HENNESSY — No net increase in trains.

Mr SCOTT — Thank you for your answer.

Mr ANGUS — Minister, I refer you to budget paper 3, page 85, the table and the line item 'Public transport development program', which totals \$17.9 million over three years. I am just wondering if you can explain for the committee whether any of that amount relates to any new railway stations.

Mr MULDER — Thank you for your question; it certainly does. As the member will be aware, there are already 212 railway stations, but there is always a need for more of these vital community facilities in country

Victoria and in metropolitan Melbourne. In this budget the government is fulfilling its commitment to have trains stopping at Talbot railway station on the Ballarat to Maryborough line, and there is a \$2.5 million commitment for that purpose in the 2011–12 budget. Talbot is in the central goldfields and is one of Victoria's more historic towns. It has some wonderful Victorian buildings, and our commitment is to extend the platform, provide a small car park and do other minor upgrades to allow passengers to board and alight from the daily V/Line train there.

This initiative has been welcomed with open arms by the Talbot community, and we are also providing initially a free bus from Lexton to Talbot to enable people to get to the train each day. Lexton is a community of similar size to Talbot, but it is important that both these small communities have access to the train service.

When we looked at the issue of putting a train into Talbot, the matter was raised about Lexton and the fact that there is not a connecting bus service, and we are prepared to provide that free of charge in the initial stages to gauge patron support. We believe it is going to be very successful. Under the development plan we are also providing — —

Mr PAKULA — Delivering another promise.

Ms HENNESSY — Just none for the outer suburbs; just none for where there is massive growth.

Mr MULDER — You do not like it? You are from Melbourne; you do not like it?

Ms HENNESSY — I did not say I did not like it at all. I think it is a good thing. I just think you have 3.6 million growth in other parts of Melbourne to which you have committed not one dollar.

Mr MULDER — Okay. I am sorry. You should come to the country from time to time.

Mr O'BRIEN — We like it in western Victoria.

The CHAIR — Minister, I would rather you directed your responses to the questions through the Chair, and then we will not have so much interchange across the table.

Mr MULDER — Under the program we are also providing 11.9 million to upgrade the Balaclava railway station on the Sandringham line so it is Disability Discrimination Act — DDA — compliant. We will be installing DDA-compliant ramps to replace the current historic ramps that lack DDA compliance, and we will be improving facilities at the station to better accommodate the 3000 Balaclava or St Kilda East residents or visitors who use the station on weekdays.

At Syndal station on the Glen Waverley line there is \$600 000 to begin a multistorey car park as required at this very busy station. For Eaglehawk and Epsom residents in the Bendigo area there is 500 000 to begin the tasks of extending every second V/Line train to and from Eaglehawk or Epsom, building a new platform at Epsom and equipping the Howard Street level crossing at Epsom with boom barriers.

At Grovedale, in the fast-growing area of Geelong's southern suburbs, the budget public transport development program provides for \$1 million to commence planning for a new Grovedale railway station that will feature a large car park, track works to allow for V/Line trains to stable out of the way of others and modern facilities in the station building, such as air conditioning and passenger waiting facilities.

For the Ballarat line at Ballan the budget provides 700 000 to begin the planning of a new crossing loop and a second platform. The Ballarat line is largely single track beyond Deer Park West, and there is currently a 17-kilometre stretch of track on which trains cannot pass one another from the bank box loop at the top of the hill to what we call Bungaree East junction, where the newer and straighter line goes away from the old curvy track through the Bungaree township. There is a lot more that is being done on that line; the people from Ballarat are going to benefit enormously from the regional rail link project when their trains will be separated from the metropolitan trains.

Wendouree will get additional train services. Ballarat will get PSOs on their stations, and the Ballarat, Geelong and Bendigo communities are excited at the prospect that they finally have a government that is prepared to pick up the baton in relation to connecting those regional cities so that they have their own rail system. It is something that will drive economic development right throughout those broader communities. They are our

three major regional cities and they deserve that level of support. In terms of having a vision for regional Victoria, I do not believe you could get any stronger than connecting your three major regional cities to rail.

Ms HENNESSY — Minister, I refer you to budget paper 4, pages 103 and 105, specifically the line item ‘Accessible public transport in Victoria — Disability Discrimination Act compliance’. I would like to draw your attention to Abbie Kinniburgh, who is here in the public gallery today with her mother and who has already experienced a lack of consideration for disabled commuters, demonstrated by the recent timetable changes. The former government, as you will see in the budget papers, invested \$80.6 million in DDA compliance; page 103 is the reference for that. In stark contrast you have only allocated \$25 million for the next four years. Can you explain to the committee why you have cut DDA compliance funding by over \$55 million?

Mr MULDER — With respect to those who are in the audience today — —

The CHAIR — Excuse me, Minister, I remind you and members of this committee that under the standing orders of this place it is inappropriate for members to refer to the gallery in any proceedings. I remind the minister and the member that that is entirely out of order. Thank you, Minister.

Mr MULDER — Thank you, Chair. In relation to the issue raised by the member, the \$20 million commitment to DDA compliance — —

Ms HENNESSY — It is the \$55 million cut that I am interested in understanding.

Mr MULDER — I understand where you are coming from. There are a number of issues that we have had to deal with in relation to DDA compliance. At this point in time it appears as though Victoria will meet its requirements up to 2012 in all areas of DDA compliance in line with the federal government’s requirements except in the area of trams and access to trams — low-floor trams and tram stops.

Another issue that has come to light is access to railway stations. I visit a number of stations, stations that have been newly built — —

Ms HENNESSY — Why have you cut \$55 million from the DDA compliance budget?

Mr MULDER — I am getting to the issue. These are brand-new stations that have significant issues in relation to access for people with disabilities. I am absolutely astounded that the former government allowed form to take precedence over functionality in relation to — —

Ms HENNESSY — So why then would you cut \$55 million from the budget?

Mr MULDER — I am getting to it — in relation to how stations are built and designed. You get no greater indication than, and I might get to this later, in terms of Laverton railway station — I think \$92 million — —

Ms HENNESSY — Why would you cut \$55 million — —

The CHAIR — Ms Hennessey, allow the minister — —

Ms HENNESSY — On a point of order, Chair, I would just like him to focus on exactly what my question is — which is, what is in his budget — —

The CHAIR — Ms Hennessey, that is not a point of order. You are out of order! The minister has taken a question and is responding, through the Chair, to the question. If you do not like the answer, you are entitled, as you know — the practice is — to ask a follow-up question. You will save your remarks until then. The minister to continue.

Mr MULDER — Thank you, Chair. In relation to that particular facility, each time the lifts break down, elderly people or people with disabilities have to be taxied around to the other side of the station or taxied to a station further down the line. There are situations — —

Ms HENNESSY — It is like commuters have to change platforms six times under your new timetable like — —

The CHAIR — Minister, you may continue your answer and ignore the interjections please.

Mr MULDER — I became extremely concerned about some of the design functions that had been built into the new railway stations by the former government. What has happened is that rather than having DDA compliant ramps, the new stations are being built with stairs that look as if they are built for billy goats and lifts that continually break down leaving people who have disabilities and elderly people stranded — —

Ms HENNESSY — And the cuts, Minister?

Mr MULDER — I find it absolutely appalling in this day and age that the government of the day, the former government, went down the pathway with the development of these new stations without taking into consideration the needs of people with disabilities, elderly people, mums with prams and people with bicycles.

Ms HENNESSY — Just like your timetable changes for Altona, Seaford and Westona, which make it impossible for a person with a disability to get into the city on an off-peak train.

The CHAIR — Ms Hennessy, I am being as tolerant as I can be, but your behaviour is not acceptable.

Ms HENNESSY — Perhaps the minister could answer the question.

The CHAIR — Would you conclude your answer, Minister.

Mr MULDER — To give an indication of what I have done, I tried to intervene in each and every station that was in the process of being built when we took over. Some of them were so far advanced that we could not intervene; it would have cost tens of millions of dollars to stop projects and redesign them. I was successful with one — Williams Landing — and I have insisted that disability compliant ramps be installed at Williams Landing at an additional cost of \$7 million — —

Ms HENNESSY — So why the \$55 million cut?

Mr MULDER — We have other railway stations that are going to be built going forward such as Grovedale. The same situation is going to apply there. Not only that, I have put in place a station user panel — VCOSS — people who represent those in the disability sector, to make sure that the government and the department are properly informed on railway station design — —

Ms HENNESSY — And just got their funding by \$55 million so they cannot actually deliver anything.

Mr MULDER — So we do not end up with the mess created by the former government.

Ms HENNESSY — A \$55 million cut.

The CHAIR — Ms Hennessy, I have heard enough from you!

Mr MULDER — You have to think about people. You have to think about the way the stations are used.

Ms HENNESSY — That's right.

Mr MULDER — And you have to look at railway station design.

In conclusion, I also visited Wendouree station, which is a new station, and I pointed out some issues to the department in relation to that which I believe the panel needs to look at going forward. Firstly, the material used on the outside of the station creates a flash for train drivers coming, and they had to put a lean-to onto it. That material needs to be reviewed. Secondly, on the station itself — the platform and the bus shelter are of a lovely design, but unfortunately if the weather is coming from in front of you, you get wet. You get rained on.

Mr PAKULA — Right off topic, Chair.

Mr MULDER — When you are approaching the entrance to the station from a certain angle the doors do not open. We have got to get it right. I am saying we have to get it right. Thank you, Chair.

The CHAIR — Ms Hennessy has a follow-up question.

Ms HENNESSY — Just on the point of my question, Minister, could I take you to budget paper 3, page 339, specifically the disability discrimination compliance for public transport infrastructure, level access tram stops. Is your decision to slash overall funding for DDA compliance, noting the \$55 million cut, the reason why only 16 tram stops will be upgraded by 2011–12 as compared to 25 upgrades in 2010 and 2011? On the issue of accessible trams — —

Ms HENNESSY — Excuse me, Sir, could I just finish my question? I know we have to get him up to speed on the issue but — —

The CHAIR — Ms Hennessy, just keep speaking. The minister will hear your question.

Ms HENNESSY — Have you decided which additional tram routes will have W-class trams?

The CHAIR — Thank you, Minister. You may respond to the follow-up point.

Mr MULDER — In relation to the W-class trams, that will be determined by the department. In consultation with Yarra Trams we are aware that there are issues in relation to disability access on W-class trams. My understanding is that those trams will be running on lines that have very high capacity in terms of the number of trams that do go through those particular tram stops ensuring that people with a disability have an opportunity to get on board a low-floor tram.

In relation to the amount of money that has been allocated for tram stops into the future, you are looking at an initial commitment by our government. It is our first budget in terms of our commitment to improving tram stops and access for those people with disabilities. We acknowledge that as we go forward — —

Ms HENNESSY — Just not building any more level access tram stops — —

Mr MULDER — Come 2012 we recognise we are heading in the right direction in all areas except in relation to trams. We understand that is an issue for us with new trams and also with tram stops. We will continue to work on that. We have a number of initiatives, made a number of improvements and intervened in a number of areas where we understand there has been a significant problem and where the former government failed to take into consideration the difficulty that people with disabilities have in relation to access to our public transport network. You get no greater example than doing away with disability-compliant ramps and putting in place staircases in front of them. I find that absolutely extraordinary.

Ms HENNESSY — And cutting \$55 million!

Mr O'BRIEN — Minister, my question relates to their taxi services commission. I refer you to budget paper 3 on page 80 where there is a \$1.2 million allocation for the taxi services commission. Can you tell me what the government is doing to improve taxi services?

Mr PAKULA — Reducing the number of compliance inspections for a start!

The CHAIR — I did not call on you, Deputy Chair.

Mr PAKULA — Sorry, Chair.

The CHAIR — I will call on the minister to respond to the question. I ask that, at least initially, the minister be allowed to open up the response.

Mr PAKULA — My apologies, Chair.

Mr MULDER — There is no doubt that our taxi industry in Victoria is in tatters. I believe the industry leaders recognise that, taxidriviers recognise that, and the Victorian public recognise that we have a significant problem with the current structure of the Victorian taxi industry. You could take one of two approaches in relation to this. You could do what the former government did, flood the network with licences on a pure revenue-raising basis, turn your back on structural reform of the industry and let the industry continue to decline. We took a very strong stance in relation to the taxi industry, both prior to the last election and the election before that. We have continued to come out with strong policy in relation to reforming the taxi industry, and now in government we have set the ball rolling to start that reform process. As has been reported publicly,

the Premier and I on the front steps of Parliament announced that we had appointed Allan Fels to conduct an extensive investigation, an inquiry into the Victorian taxi industry, and Allan Fels is going to be supported by David Cousins, who is well known in his area in terms of working with consumers, as indeed is Allan Fels.

The first discussions that I had with Allan Fels were to ensure that as a starting point we are firmly focused on customer safety, driver safety and improved service levels. In terms of the work that Allan Fels is doing and in putting in place that as a stepping stone, we have asked Allan Fels to proceed with his work and conduct this inquiry. This has come off the back of even worsening customer dissatisfaction with the taxi industry under the former government. The March quarter showed a customer service index score of 53.4, the lowest since the survey began six years ago. It is our view that Victorians are sick and tired of the taxi service that we have. They are sick and tired of taxis that do not turn up. They are sick and tired of Melbourne being embarrassed internationally by the level of service provided by drivers who do not know their way around the city. There are many instances where people have been picked up by taxidriviers in Melbourne and have asked to be taken to the airport only to find the driver of the taxi asking to get directions. We cannot continue down that pathway. We intend to ensure that we have a safe, clean and reliable taxi industry in Victoria.

The way that this is being structured is that Allan Fels will set up his investigation and it will be broad ranging. He will be talking to drivers, he will be talking to people who use the taxi service, he will be talking to users of the multipurpose taxi scheme, and he will be in discussion with the Victorian taxi association, with the depot owners and the network service providers. He will no doubt be having discussions in relation to Cabcharge's very strong hold over the EFTPOS machines in taxis that sees Cabcharge taking something like 10 per cent for a transaction, which is an extraordinary amount of money to be taken out of an EFTPOS transaction. He will be investigating that. Once Allan Fels has concluded his work, he will step aside. His recommendations will then be handed over to the new chair of the taxi industry commission that will drive the reforms that Professor Allan Fels, supported by David Cousins, have put in place.

I believe this is an opportunity that we must take up at this point in time. My concern is that if the government had not gone down this pathway, the taxi industry would have deteriorated to such a state that we may not have been able to lift it back up to where we want it. There was 11 years of complete and utter neglect. We all saw the sit-down strikes out the front of Flinders Street station by taxidriviers, we saw the assaults continue to occur on taxidriviers and we saw the former government pulled kicking and screaming in relation to providing safety screens in taxis. But overall I believe the industry is firmly of the view that the former Labor government treated the taxi industry as a milking machine in terms of announcing new licences, without thinking anything about the structure of the industry and how the release of those new licences would actually impact on current service providers and improve services to customers throughout the state.

There are significant challenges. The taxi industry operates differently in country Victoria than it does in the metropolitan area of Melbourne. We have a situation in Melbourne where a taxi licence is worth over \$500 000, owned a lot of times by passive investors who have no interest whatsoever in the industry or do not believe they form part of the Victorian public transport system. We believe they do. We believe they have a significant role to play.

No doubt through the course of Professor Fels's inquiry that issue will be examined, and it should be examined. We want to make sure that we get career drivers back into the industry. We have a problem out there at the moment. Depot owners will tell you that on the weekends they have taxis sitting in their depots without a driver. It is costing the industry money, and it is ensuring that when people ring up for a taxi there is every chance that a taxi will not turn up. So from top to bottom the industry needs a massive shake-out. We are the government that has determined that we are going to do it.

Mr PAKULA — Shake-down!

Mr MULDER — We are the only government that has had the courage to tackle this issue. The Deputy Chair may laugh and snigger — —

Mr PAKULA — No, it was just the term shake-down.

Mr MULDER — You had your opportunity but did nothing about it, the former minister did nothing about it, and the former Labor minister. Three Labor ministers all turned their backs successively on the taxi industry.

It has taken the new Baillieu government to take up the challenge and to deliver to Victorians what they want — that is, a reliable, punctual, clean industry that the people who work in it can be proud of.

Mr PAKULA — You have done nothing of the sort. You announced an inquiry; that is all you have done.

Mr MULDER — And we look forward to receiving Professor Fels's outcome. It is interesting that there has not been an awful lot said by the opposition in relation to this matter because I think they know and understand we are on the right track.

Ms HENNESSY — Yet another inquiry, Minister. It is almost one a week.

The CHAIR — Thank you, Minister, for your comprehensive response.

Mr PAKULA — Minister, I want to ask you about south-east rail lines, particularly Frankston and Sandringham. You have allocated in the budget \$2 million to re-open the crossing at New Street. Obviously there has been a lot of conjecture in the community about whether that will be reopened as a manually operated or a boom gate-operated crossing. You have committed the funds, so you have obviously worked it out. I would like to know whether it is going to be manual or automatic. And in regard to the Frankston line and Southland station — —

Mr MULDER — How many questions do you have here, one or two?

Mr PAKULA — No, just one. I said I wanted to ask about the south-east. In regard to Southland you promised \$13 million, and you promised faithfully to build it. You have allocated \$700 000 as a planning study. My question is: are you going to build it, and do you stand by the \$13 million figure?

The CHAIR — I will take it that you have received the follow-up question with the initial question.

Mr PAKULA — It depends on the answer.

The CHAIR — Minister, would you like to respond — at least to one question at a time?

Mr MULDER — The member would understand that the former Labor government did make a commitment to this particular project — or, I should say, it had an investigation, a cost investigation into this particular project — and I think it came in under \$13 million.

Mr PAKULA — No, we made a \$45 million commitment to Southland.

Mr MULDER — No, hang on, there were some cost estimates carried out on this particular project by the former Labor government, and that project came in, I understand it, at under \$13 million. We have given a commitment of \$13 million; we have allocated \$700 000 for the planning of the station. As the former minister I am sure would understand, you cannot build it unless you plan it, and there would be a lot of planning and engineering work to be undertaken. We look forward to delivering that project. I think it is a great project, strongly supported by coalition members in that area, and important to Southland. We will be having negotiations with the owners of the shopping centre there to ensure that they are fully informed of the planning process as we go forward. But, as I say, also we will make sure that we pick up the issues of disability access that Ms Hennessy has raised on a number of issues and is extremely concerned about. Because once again this particular railway station, the design of this station, will have input from our station panel that we are putting together to make sure that we get the best outcome.

Mr PAKULA — So you can do it all for 13 million?

Mr MULDER — In relation to New Street gates — —

Mr PAKULA — Sorry, you can do that all for 13 million?

Mr MULDER — In relation to the issue of the New Street gates — —

There is \$13 million allocated; you are right, it is in the budget.

Mr PAKULA — No, it is not; there is only 700 000 in the budget.

Mr MULDER — There is a \$13 million commitment; there is 700 000 allocated for the planning. We have to plan before we build them; I think you would understand that.

Mr PAKULA — So you would build it for 13 million?

The CHAIR — You have asked the question.

Mr MULDER — Although we do know the former government's approach was: make the announcement, find the money, overrun the budget and then try to explain. We do not do it that way, I am sorry.

The CHAIR — Thank you, Minister.

Mr MULDER — In relation to the issue of the New Street gates and the opening of the New Street gates, a lot of discussion has been held down there, particularly by the people in the Brighton area, in relation to the New Street gates. We understand, and there have been several reports in the past whereby when they were manually operated there was an issue in relation to safety. There were, I think, some minor collisions and there were also some near misses. The New Street gates, in terms of their heritage value, are keenly supported by the people within that community. You will note that in the budget we have allocated \$2 million to the New Street gates. I have had significant conversations with the member for Sandringham and the member for Brighton, who has also had discussions — —

Mr PAKULA — So did I, mind you!

Mr MULDER — I would, of course. You did too, as I understand.

Mr PAKULA — I did.

Mr MULDER — Yes, you did. I have had a number of discussions with them in relation to our commitment. I understand the member for Brighton is also having discussions with her local council in relation to a resolution to the New Street gates problem. We are currently investigating a further option, which we believe could be very strongly supported by the community; that is in relation to a small-grade separation very close to the New Street gates but not at the New Street gates, which would do two things: first, it would preserve the New Street gates in terms of its heritage value to that community; and second, it would enable us to look at a totally different approach to dealing with traffic volumes through that level crossing. We did look at the issue of providing boom barriers at the New Street gates, removing the New Street gates; that would have also involved putting traffic lights out on the main road — —

Mr PAKULA — On Beach Road.

Mr MULDER — Which would have made it a very difficult scenario. Not only that, but with the additional train services that we are going to be running through these lines we thought it was prudent to explore other options. As I say, the option that we are working with at the moment, with council through to the Department of Transport, we believe will be very well supported and well greeted by the local community. Tom may wish to expand on that.

Mr PAKULA — Are you talking about going under?

Mr SARGANT — That is certainly a possibility, not to a crossing that would permit large vehicles, just enough for local traffic to enable the movements in that area that are crucial to the community. The community has been concerned about the right-hand — —

Ms HENNESSY — BMW size?

Mr SARGANT — Small vehicles, not buses or trucks or anything like that, with a small headroom of, say, no more than 3 metres, two lanes, possibly with room for a footway or something like that, and with very limited movement. You would not be able to turn right out of the crossing on to Holyrood Street, for example. There is still a lot of detail to go through.

The CHAIR — Thank you, Mr Sargent, for clarifying that.

Mr PAKULA — It just seems an extraordinary expense to go to to fix the member for Brighton's political problems.

Mr MULDER — You did not think of it, did you?

Mr PAKULA — Hold on. Minister, what we did was we reopened the crossing at South Road.

Mr MULDER — You did not think of it.

Mr PAKULA — Given that you can now turn right across Beach Road at South Road, which is only 300 metres up the road, to grade separate New Street does seem to be an extraordinary expense to go to because the member for Brighton promised her constituents that she would do it. It just seems amazing.

The CHAIR — I think I will have to call on the minister to respond to that comment.

Mr MULDER — Obviously the member believes the right thing to do is to, no. 1, give a commitment prior to an election and then run away from it afterwards, which we have seen the former government do time and again.

Mr PAKULA — No, your commitment was to reopen New Street, not to grade separate. You never committed to grade separate.

Mr MULDER — The member for Brighton has been very active in relation to this issue, trying to find the best solution for her community. Number 1 was to try to retain the heritage gates. They are an icon in that area. This particular solution actually deals with, no. 1, the heritage gates being retained and, no. 2, dealing with traffic movements. It is a wonder that the local council, as I understand it from talking with the member for Brighton, seemed very positive about the work that was being undertaken.

Mr PAKULA — I am sure they are!

Ms HENNESSY — A grade separation down in New Street, Brighton!

Mr MULDER — We gave a commitment.

Mr PAKULA — You did not commit to grade separation.

Mr MULDER — We have gone beyond it, all right? We have gone beyond our commitments. That is what you might see the new government do from time to time. We are not going to oversell and underdeliver.

Ms HENNESSY — We look forward to that in the western suburbs as well, Minister!

Mr MULDER — That is what the former government did — oversell and underdeliver. We know where we are heading with this, all right?

The CHAIR — Thank you, Minister. I think you have concluded your answer. Even I, from Gippsland, am familiar with the New Street gates.

Ms HENNESSY — The power of Brighton!

The CHAIR — I know there is a good deal of attachment in the wider community to their heritage values.

Mr PAKULA — You went to Brighton grammar, didn't you?

The CHAIR — I refer to budget paper 3, page 85, with the public transport development program and its allocation of \$17.9 million over three years. I understand that this relates to new stations. However, there has been a lot of community concern about how both some stations and some recently refurbished stations are poorly designed. Would you care to elaborate on this, Minister?

Mr MULDER — Thank you, Chair. I will elaborate on this because it is an extremely important issue for people who use the public transport network. With a former question that was asked, I did cover off on some of these issues, but I was very concerned when I started to visit some of the new railway stations that had been

constructed by the former Labor government and also some stations that were under construction and advanced design. As I mentioned before, it would appear to me that form had taken precedence over functionality with the design of the stations. There did not seem to me to be, I suppose, a module that dealt with the very basics of, no. 1, car parks that seemed to have a great deal of vegetation landscaping through them that provided great coverage for people who break into cars. One of the real problems we have in and around rail stations is thefts from motor vehicles and indeed thefts of motor vehicles. I raised that as an issue of concern with the department.

As I say, I went to Wendouree station and looked at that new station up there because I had concerns raised about it. As I said, a swooping-up roof on the platform at the front and the same with the bus shelter would almost guarantee that if the weather came from that direction, you would get rained on. It looked good, but in my view it did not function properly. I spoke to the person who worked behind the counter and inquired as to material available to the public. Unfortunately when you open one set of doors, another set opens and all of that material blows out into the station pit. As I pointed out before, there was a problem in relation to the material used that caused a flash for train drivers, so there had to be a lean-to put on it. I came to the conclusion that there was not enough thought going into the stations and perhaps we needed to put in place a process whereby people who actually use stations, particularly people with disabilities, the elderly and so forth have some input into the design of the stations so that their needs are catered for.

We also had an issue in relation to lifts at stations, where a lot of the stations have gone away from using ramps and have replaced those particular facilities with staircases and lifts. The ones at Laverton and Footscray in particular — and I do have a document here that outlines day after day delays of 1, 2, 3, sometimes up to 4 hours or more, where lifts have broken down, and you have elderly people and the disabled, women with prams — what do they do when there is no lift available?

Ms HENNESSY — That is what they are asking themselves, Minister, about the timetable changes in the western suburbs as well.

Mr MULDER — The idea then, of course, is you have to get a taxi and take them around to the other side or taxi them down further.

Mr PAKULA — We have had this diatribe. Chair, we have gone through this.

Ms HENNESSY — We care about it there, just not about the timetable changes.

Mr MULDER — I just found it very difficult to understand in this day and age how a government and local members of Parliament who should have input into stations and how the stations are designed, what they should look like and what functions they should provide, how on earth we ended up with a situation whereby we have railway stations that do not meet the needs and expectations of the community.

Ms HENNESSY — The timetables as well.

Mr MULDER — We have in place now a station user panel, as I say. They will be working to provide information in relation to the design of stations as we go forward. It is most unfortunate when you see the money that is being spent at Footscray and Laverton, what is going into South Morang, that time and again this is being repeated. We had situations at Laverton where someone had collapsed at the railway station; the ambulance turned up and they could not fit an ambulance trolley in the lift. These are the sorts of decisions that have been made by the former government and I am determined not repeat those.

Ms HENNESSY — Just to cut \$55 million.

Mr O'BRIEN — It is not the money; it is how you spend it.

Ms HENNESSY — It is how you make a timetable change.

The CHAIR — Less chatter, please.

Mr MULDER — With the new stations that we are going to be building we will be dealing with a lot of those issues to make sure that we get the basics right and we do not make these types of mistakes. I mean, Cardinia and Lynbrook — how could you build a new station when there is not enough power to power the

trains up? There has been a lot of fundamental mistakes that have been made by the government in this area. We do not want to repeat those. I believe that our approach is a sensible approach. I believe the work carried out by the panel will be completed later this year. In the meantime with stations such as Williams Landing we will be paying very close attention to how that proceeds, but as I say I intervened in that station and I asked and insisted that ramps be installed. I believe it was at a cost of around \$7 million.

Mr McKENZIE — I believe so.

Mr MULDER — It was around \$7 million that went into that station, over and above, to make sure that we got the station right.

Ms HENNESSY — Engineers told me last year that that was already going ahead. That is a little bit slippery.

The CHAIR — Thank you very much, Minister. We will move to the next question.

Mr SCOTT — Minister, I refer you to page 105 of budget paper 4, specifically the section that relates to additional car parking at Merinda Park and Narre Warren train stations. Given that the Merinda Park station car park project was allocated funding to create an extra 350 car parking spaces through the 2010–11 budget allocation for Park and Ride, can you tell us from the Merinda Park and Narre Warren stations line item amounting to only \$600 000 in the 2011–12 budget how many additional car parking spaces over and above the 350 already funded that this additional funding of \$600 000 will create and where they will be?

Mr MULDER — I will have to take that question on notice. I do not have that specific detail with me, I am sorry.

Mr SCOTT — Would you be able to at least answer the sort of order of magnitude — —

Mr MULDER — I do not want to answer sort of; I would like to answer correctly.

Mr SCOTT — No, the order of magnitude. Within the department there must be an understanding of how much \$600 000 — —

Mr PAKULA — What will you get for 600 000?

Mr MULDER — What you get for \$600 000 — —

Mr PAKULA — In terms of parking spaces.

Mr ANGUS — It depends who is in government.

Mr O'BRIEN — You will get a lot more than you got under the previous government.

Mr MULDER — Is it on a hill? Is there significant drainage work with that? Are there environmental issues?

Mr SCOTT — I said 'order of magnitude'.

Mr MULDER — That is the way that you do business; it is not the way that we do business, I am sorry.

The CHAIR — Minister, that is enough.

Ms HENNESSY — You know you are not going to be able to deliver it for \$600 000. You will get six car parks for that.

The CHAIR — Ms Hennessy, that is enough. The minister has indicated that in relation to Mr Scott's question he needs to take it on notice and will come back with some detail. Mr Scott, would you like to clarify or perhaps rephrase your question?

Mr SCOTT — Perhaps the department could respond. From similar projects — for instance, the work that has been done at the Merinda Park station in relation to the park and ride — what would the comparative figure

be if you took the budget allocation of \$600 000 for this year and did a comparison of the number of car parks that are planned to be built from the previous funding allocation? How many would you get from that additional \$600 000 when you compare those exact comparable figures?

The CHAIR — I think that is a hypothetical question, and I think the minister has already indicated how he is going to respond to it.

Mr PAKULA — It is not, actually.

Ms HENNESSY — He knows he cannot deliver it for \$600 000.

The CHAIR — Minister, would you like to attempt to respond?

Mr PAKULA — I think Mr Sargent has a response.

Mr MULDER — I will give a brief response. First, as I said, in terms of specifics I will respond to that. Second, in terms of saying a certain amount of money will deliver a certain amount of car parks at any location around the metropolitan rail network — —

Mr SCOTT — No, it is the same location. There is an existing program at the same location.

Mr MULDER — You just cannot say that. There may well be significant challenges. There may be environmental issues. There could be site contamination issues. There could be a whole range of issues that would impact that.

Mr SCOTT — But we are building on the same site.

Mr MULDER — I am just telling you that there could well be a range of significant issues. There could be drainage issues — —

Mr SCOTT — So the work has not been done already at that site?

Mr MULDER — I said I would get back to you. To roll out a line of saying, ‘What do you get for \$600 000 — —

Mr O’BRIEN — Tick a box. One size fits all.

Mr MULDER — ‘One size fits all. Run a template over the top of it’ — —

Mr PAKULA — Roughly would be good.

Mr SCOTT — I said ‘order of magnitude’.

Mr MULDER — Sorry, it does not work that way.

Ms HENNESSY — You cannot deliver it, can you, Minister? Six hundred thousand will not cut it.

The CHAIR — I am just going to bring this to a conclusion. It is turning into a little bit of a shambles. I call on Mr Morris.

Mr MORRIS — Minister, I refer you to pages 336 to 338 in budget paper 3, in particular the passenger figures. The totals indicate that the number of passengers carried for 2011–12 is expected to rise on Metro trains by 18.8 million to 256.8 million trips and on V/Line rail and coaches by an additional 1 million to 15.4 million trips. Can you indicate to the committee what action the government is taking to ensure that our railways, both Metro and V/Line, can carry the growing number of passengers to meet demand?

Mr MULDER — Thanks for that question. We know that our railways are continuing to expand because of the role of our trains at peak hour. In particular it is most important for the livability of Melbourne and country Victoria. There is a responsibility to get people to work on time, to get them home to their families on time and to get schoolchildren to school on time. The rail network plays a very important role, and it is a very important service to the community.

One metropolitan six-carriage train, according to the current load standards, carries around 798 passengers. If you compare that to what you see out on the metropolitan road network, where quite often, more than not, one person sits in a car taking up a significant amount of road space. It is equivalent to taking approximately 700 cars off the road. One train will take approximately 700 cars off the road. A number of country trains at peak carry more than 300 passengers, and that is the same as taking around 270 cars off our roads in regional Victoria.

Our approach is multipronged. Firstly, it is about using the existing rolling stock as intensively as we possibly can. The new metropolitan and country timetables commenced on Sunday, 8 May, and Melbourne's operator, Metro, is operating 127 extra metropolitan train trips each weekday compared with the previous timetable. When you start to look at those additional train trips with around 800 people per train in the metropolitan area, that is a significant increase in the number of people who will be riding our rail network and will not be out there in cars. There are 18 new trips on the Sandringham line; 11 trips on the Frankston line; 6 on the Cranbourne line; 37 on the Werribee line; 25 on the Belgrave-Lilydale line; 2 new local trips from Blackburn to the city during the morning peak; 4 new trips on the Glen Waverley line; 1 on the Alamein line; 3 on both the Craigieburn and Watergardens lines; and 2 on each of the Upfield and Williamstown lines. There has been a massive increase in the number of services that are being provided in the metropolitan area.

Of course with the Maintaining Our Rail Network Fund, with an expenditure of \$900 million — up by \$100 million on the previous allocation — you can understand why that is required. If we are going to run more trains, if we are going to have more services, the maintenance requirements on the network are going to grow and we have to be prepared to match that patronage growth with support. As I said before, if we put in place the right management structures, then we believe we are entitled to expect that the operator is going to provide the outcome that the Victorian public would expect.

On top of that of course we are putting in place the Victorian Public Transport Development Authority. That authority will promote mass transit, particularly heavy rail, it will coordinate timetables better than the previous government did and it will do away with the silo-like approach adopted in the past and ensure that projects are shovel ready so that funding can be provided when those projects actually come on-stream.

One of the real problems I think we faced in relation to getting our system running properly and ensuring that we had the correct regulatory framework in place was the number of individual agencies that functioned under public transport yet there was not a shopfront for public transport as such. The new public transport development authority will be that shopfront. We are currently having discussions with possible interim chair/CEOs to head up that board. We will be looking to put in place people who have extensive experience in terms of transport, planning and engineering.

We will also be looking to make sure that we have community representation on that board and we will bring our public transport network under that shopfront. In the past one of the great problems and concerns with the community was that no-one could ever determine who was actually responsible when something went wrong. Naturally it is the government and the minister who takes ultimate responsibility, but in terms of having a shopfront for public transport this is a great step forward.

In the past we had V/Line, VicTrack, Yarra Trams, Metro, and then you add a host of others — Metlink, Transport Ticketing Authority — and it went on and on, and each and every time there was a problem involving public transport someone from one of those agencies would jump up, usually with the minister hiding behind the door and pushing them out, because the government of the day did not want to face the public in relation to issues that were basically government responsibility.

I believe the public transport development authority, with the amount of support being provided by the new government, with the new rolling stock, with the commitment to maintenance and asset renewal on the rail network, means we are heading in the right direction. At no stage are we going to make the bold statement that you will see a difference on day one, but what we would hope, throughout the period of our first four years in office, that we will see a continual improvement on the network, knowing all the time that we face significant challenges in relation to patronage growth.

Ms HENNESSY — Minister, if I could refer you to budget paper 3 at pages 336 and 337, in relation to Metro's 2011 performance figures, in January you were at 89.5 for punctuality and just yesterday Metro's

punctuality figure had plummeted to 75.5. Can you tell us what is going on and do you agree with Mr Lezala's comments that it is industrial?

Mr MULDER — From what I understand, there are a number of issues that have affected the performance standards. From the outset can I say that I am not happy about the current situation and the fact that punctuality is at the level it is. As I said, former ministers indicated that they got briefings on a weekly or monthly basis from Metro in terms of what is happening on the network. I get updates sometimes two and three times a day on what is happening on the network with both reliability and punctuality, and I think — —

Ms HENNESSY — So what is going on with the punctuality because — —

Mr MULDER — Let me finish, I am getting — —

Mr PAKULA — So did I, for the record, Minister.

Mr MULDER — You were a hider, so you were like them and you hid; you did not want to know about it.

Mr PAKULA — You are kidding! Am I entitled to respond to that, Chair?

Ms HENNESSY — Settle down, tiger. I just want to know why it plummeted down to 75.5? That is huge.

The CHAIR — I have advised the minister it is appropriate to direct his responses through the Chair and not to provoke members of the committee. Ms Hennessy has asked a question. Could you conclude your response.

Mr MULDER — There are a number of issues that have impacted on the rail network. First, the flooding caused a major problem for Metro in relation to damage to the infrastructure but it also impacted on the rolling stock. That caused significant problems for them.

There is also a large number of projects, particularly in relation to upgrading of sidings that have an impact on service levels as well, in that trains quite often were ducking from one side of the network to the other to try to find a park for the night because work had been undertaken to upgrade some of the sidings. There are issues with trespassers on the rail network. There are issues with passengers becoming ill. There are a whole range of issues that do impact on the network.

Mr PAKULA — You never accepted any of that in opposition as being legitimate.

Mr MULDER — Hang on, you asked for an explanation and you are getting it.

The CHAIR — Minister, ignore the interjections.

Mr MULDER — You asked for an explanation; you do not want to hear it.

The CHAIR — Minister, ignore the interjections. I ask the interjectors to cease, please.

Mr MULDER — Also, I understand that there are as many as 800-odd drivers in the Metro system. Metro's indication to me is that they have a highly responsive and responsible group of drivers, professional people who take their job seriously, but they have also indicated that a very small number of drivers have engaged in activity to slow the network down, that they were investigating this problem, that they had taken disciplinary action in some cases and that their investigations are ongoing. My view is that if indeed this is the case then the broader driver pool should be appalled that their reputation is being dragged into the dirt by just a handful of people who, for reasons unknown, because I am not aware of any major dispute that the drivers have with their employer — —

Ms HENNESSY — What do you see as your responsibility?

Mr MULDER — But this particular issue is of major concern.

Ms HENNESSY — What do you see as your responsibility in that? What do you do about that concern, Minister?

Mr MULDER — As I said, they are going through the process at the moment of gathering information. Under the contract they are responsible for handling the industrial relations issues in relation to their employees.

Mr PAKULA — You have got no role in that?

Mr MULDER — As I said, I am having regular discussions with them on that matter. They are taking certain courses of action, as I understand it, and I trust once the investigation is completed we will have a little bit more information in terms of how we go forward with it.

The CHAIR — Thank you, Minister; and there is a follow-up question.

Ms HENNESSY — Just to clarify around industrial issues, Mr Lezala — —

Mr MULDER — You want me to bag the union, do you?

Ms HENNESSY — Certainly not; I am merely trying to tease out what you see your responsibilities are in relation to the industrial issues?

Mr MULDER — Okay.

Ms HENNESSY — I am certainly not trying to be tricky, but Mr Lezala said that Metro's failing to meet its performance targets are largely the result of an industrial dispute. You just said you thought that might be a small part of the problem. What else would give velocity to such a speedy decline? We are talking about 89.5 to 75.5. That is a pretty dark trend.

Mr MULDER — I think what I indicated was that a very small number of drivers were involved in the issue, according to Metro. But as you can appreciate, on a network that is as entangled as it is, it would take only a small number of drivers to cause mass disruption across the network. If a small number of drivers decide to drive, say, 10 kilometres below the speed limit right across the network, then the entire timetable could be thrown into chaos. That is why it is important that a thorough investigation is carried out. That is why it is important not only for Metro and for passengers, but also I believe for the reputation of the wider pool of drivers, that the issue is resolved as quickly as is possible. I am not conducting the investigation. They are employees of Metro. Metro is conducting that investigation. As I indicated earlier, I understand it has taken some disciplinary action in relation to the matter.

Ms HENNESSY — But the figures are under your watch. That must cause you some significant concern —

Mr MULDER — Pardon?

Ms HENNESSY — to have such a massive drop in the performance figures.

Mr MULDER — If indeed such a small number of people have had such a massive impact, it is a major concern and it needs to be dealt with as a matter of priority. I do not walk away from the fact that when you look at the number of the issues that they face, particularly in the last couple of days, we are still getting problems in relation to infrastructure failure, signal problems, circuit problems, and through the course of the summer period where we had continual power failures; and looking at the age of some of the substations; and delays on the major viaduct between Southern Cross station and Flinders Street station— I understand that work has now been concluded.

But as I pointed out, we have \$900 million at our fingertips. We will have a group of individuals on the Public Transport Development Authority who will monitor to make sure that we get the best outcome. We will not fix this overnight. I did not say we could fix this overnight.

Ms HENNESSY — No, no.

Mr MULDER — But there is a lot of asset renewal and there is a lot of maintenance work to be undertaken. The money is being provided to Metro to do that, and we expect to see an improvement in the level of service as a result of our investment as a new government.

Ms HENNESSY — Terrific.

The CHAIR — Thank you, Minister. That brings us to the conclusion of this part of the hearing. I would like to thank Hector McKenzie and Tom Sargent for their attendance.

Witnesses withdrew.