

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 10 May 2011

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

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Mr M. Pakula

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Witnesses

Mr T. Mulder, Minister for Roads;

Mr J. Betts, Secretary,

Mr R. Oliphant, Chief Finance Officer,

Mr G. Liddle, Chief Executive, Vicroads,

Mr B. Gidley, Chief Operating Officer, VicRoads, Department of Transport.

The CHAIR — Welcome back. I would now like to welcome Mr Gary Liddle, chief executive of VicRoads, and Mr Bruce Gidley, chief operating officer of VicRoads. I now call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information relating to the budget estimates for the roads portfolio.

Mr MULDER — Thank you, Chair. The budget funds the first step of the Baillieu government's plan to tackle the traffic congestion that has become an unfortunate part of life for many Victorians, particularly in the metropolitan area of Melbourne. Melbourne's road congestion is costing investment, raising business costs, eroding efficiency and distorting decision making. To that end our key focus will be on metropolitan bottlenecks at key level crossings, and this budget funds planning work to get a number of grade separations under way. In addition to our efforts to ease road congestion in metropolitan Melbourne we are also looking at a number of projects to enhance freight flows in regional Victoria. We are in the midst of drafting a transport solutions plan, a document that focuses on the road and rail port logistical bottlenecks. Victorian food and fibre producers are being hampered by higher logistical cost caused by poor road and rail infrastructure and unacceptable delays and congestion around intermodal links, and this government is committed to addressing those costs.

Two key strategies are under development that will help to shape the road network 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 the state's population growth, with most of the growth in regional Victoria to be located in Geelong, Ballarat and Bendigo. The metropolitan planning strategy will consider the impacts of Melbourne's population growth in the decades ahead. The strategy will manage current challenges and pressures as well as guiding future infrastructure 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.

The Victorian government will embark on an unprecedented campaign to improve traffic congestion by removing ten of Melbourne's worst level crossings. Planning will commence for Rooks–Mitcham Road and Springvale Road, Springvale grade separations for the delivery of one of these projects in 2012–13. Initial planning funds have also been provided for Mountain Highway, Scoresby Road in Bayswater, Blackburn Road in Blackburn, Burke Road in Glen Iris and North Road in Ormond, and the coalition has also identified Main Road East and Main Road West in St Albans, and Murrumbeena Road in Murrumbeena as crossings that will be prioritised. Of course the government will proceed with two grade separations on Anderson Road, Sunshine, as part of a regional rail link, a decision warmly welcomed by Brimbank council and local residents.

Rooks Road and Mitcham Road are a source of considerable frustration for commuters and an unacceptable cost and inconvenience for business. This \$180 million grade separation will be completed in the government's first term. It will lower the Belgrave and Lilydale rail lines and build a new road crossing over the top separating vehicles and trains. A rail underpass beneath Rooks and Mitcham roads will reduce traffic congestion in and around this busy commercial precinct and improve safety for drivers, pedestrians and public transport users. As part of the planning process VicRoads will meet with local businesses and residents whose properties may be affected by the proposal. The proposal will go through a formal planning process and the broader community will also have an opportunity to make submissions as part of this process.

The \$140 million grade separation at Springvale Road in Springvale will also be completed in the government's first term. It will fix the problems of a crossing that is not only inefficient and inconvenient but also dangerous. The Mitcham Road and Springvale Road grade separations will be critical in freeing up traffic flows along Melbourne's key arterials. The number of at-grade crossings in Melbourne has long been a source of delay, frustration and cost for commuters and businesses in this part of the city, and the coalition will ensure that these vital arterials get the attention that they deserve.

Several major road projects are under construction or are about to commence. In this budget we funded planning for the incomplete section of the Dingley bypass, the section of Cardinia Road that intersects with the

Princes Highway, and the section of Stud Road from Boronia Road to Mountain Highway. Work will continue on the M80 upgrade to deliver the project within the current period of the national building program, with \$92.6 million for the section from Edgars Road to Plenty Road. Improvements to the 6.8 k. section will include an extra lane in both directions and further bridge widening and strengthening to accommodate high-productivity freight vehicles and provide for better traffic flow.

Work will also continue on the \$24 million Palmers Road rail overpass, and tenders for major construction will be awarded in the near future.

The \$48.5 million Kororoit Creek Road rail overpass is continuing with the construction of new westbound traffic lanes recently completed, with two-way traffic diverted onto the first stage of the rail overpass, eliminating the rail level crossing. Ongoing works on the remaining section of the Kororoit Creek Road include construction of the second half of the bridge over the rail line and additional roadworks and bridgeworks to ultimately allow two lanes in each direction.

Ms HENNESSY — Good Labor projects.

Mr MULDER — Duplication works are progressing well and remain on track for completion by the end of the year. Work on the \$62 million Calder Freeway-Kings Road interchange is also continuing, with changed traffic conditions starting last week to allow widening works to be undertaken on Melton Highway between McCubbin Drive and Parmelia Drive in Taylors Lakes. The West Gate Bridge strengthening works are 90 per cent complete with the remaining sections expected to be open in late June of this year. Private operator Southern Way and construction company Abigroup have made significant progress on Peninsula Link: detailed design is nearing completion; earthworks are well under way; and the first bridge beams were lifted in March at Frankston-Dandenong Road. Peninsula Link is on track to open in early 2013.

Victoria experienced record floods over the past nine months that have extensively damaged infrastructure and disrupted the lives of many Victorians. Nearly 100 roads were closed as a result of the flood damage. In addition to the obvious flood damage that occurs when water covers a road there is the less visible but equally serious damage inflicted on the pavement when moisture in the subsoil seeps into the foundations on which the road is built; \$127.5 million will be spent over the next two years to repair roads and bridges in regional Victoria that have been damaged by floods.

An allocation of 23 million has been made from the budget towards increased road maintenance funding; 47.3 million over four years has been allocated to country level crossing upgrades, which include an upgrade at Warragul railway station; 3 million has been allocated to the Geelong Ring Road noise barriers; 8 million to Omeo Highway sealing; \$50 million to the Western Highway duplication; 2.5 million for planning of the Ballarat Western Link road; 4.5 million has been allocated for the Ballarat–Buninyong road; 20 million has been allocated over four years for passing lanes and planning for the duplication of the Princes Highway from Winchelsea to Colac; 50 million has been allocated to the Koo Wee Rup bypass; and 6.4 million has been allocated for rural overtaking lanes on the Melbourne-Lancefield road, Strzelecki Highway and Hyland Highway.

In regional Victoria seven major roads and freight projects are under way: the Nagambie bypass, a project that all but completes the duplication of the Goulburn Valley Highway between the Hume Highway and Shepparton; the Geelong Ring Road stages 4B and C that create an extended overpass of the Princes Highway in Waurin Ponds; the Western Highway realignment at Anthony's Cutting; an allocation of 50 million for the Western Highway duplication between Ballarat and Stawell; the Princes Highway East upgrade between Traralgon and Sale; the Western Highway improvements from Stawell to the South Australian border; and the Doon (Horsham) intermodal terminal, a road-rail interchange on the ARTC standard gauge line between Melbourne and Adelaide.

There is 1.4 million being provided in the budget to establish the Westgate punt bicycle ferry as a seven-day-a-week service. This funding will allow the service to be expanded to include weekday commuter services during the morning and afternoon peak periods as well as supporting infrastructure such as increased signage. The Westgate punt links the Bay Trail West bike trail to the Bay Trail and has capacity for 12 passengers with bicycles. The punt provides a short safe crossing of 100 metres compared to a 13-kilometre bike ride.

Off-road bike lanes and shared paths have been provided on metro and regional freeways as part of recent projects, including the Western Freeway-Deer Park bypass, Princes Freeway-Hallam bypass, Geelong Ring Road sections 1 and 2 and the Western and Metropolitan Ring Road, the M80.

Finally, police are still impounding an average of 10 vehicles each day for hoon offences showing that, despite the force's best efforts, some people are still not getting the message. This government will further strengthen anti-hoon laws to make Victorian roads safer and to better deter offenders from continuing to endanger other road users. A bill to introduce a 30-day empowerment to increase the prior offence calculated period to six years and introduce the requirement for a safety course is currently being prepared. The Road Safety Amendment (Hoon Driving) Act will be in place from 1 July with work proceeding now to ensure that these provisions are implemented by the end of next year.

As you can see, Chair, this budget begins the process of freeing up Victoria's road and freight bottlenecks. It allocates funding to the places of greatest need rather than pouring the bulk of Victoria's road funding into the M1, which was the previous government's erroneous strategy. There are roads beyond the M1 and this government recognises that — commuters and businesses are not travelling solely up and down the Monash. This government and this budget will fund relief for those Victorians whose travel takes them beyond Melbourne's main east-west thoroughfare.

The CHAIR — I note, Minister, that your presentation on this occasion fitted within the time frame allotted by 30 seconds.

Ms HENNESSY — Thank you.

The CHAIR — We are now moving to questions on the roads portfolio and that will take up the remaining time for this hearing.

Mr PAKULA — Maybe we will be able to go over by a few minutes. Minister, budget paper 2, page 4, talks about cost of living issues being addressed through a range of initiatives in the budget. Given the government's desire to keep down the cost of living and the desire that you have also expressed as a government to rein in debt, which you have not done in this budget but the Treasurer keeps saying he will in subsequent budgets, can you give the committee an unequivocal commitment that you will not introduce tolls or congestion charges to pay for new infrastructure?

Mr ANGUS — The pot is calling the kettle black!

The CHAIR — I heard the interjections to my left but I will not ask anybody to elaborate on those. Can the minister respond directly to the question through the Chair.

Mr MULDER — The coalition has no plan to introduce tolls or congestion charges. We went to the election and that issue was raised, but we had no plan.

Mr PAKULA — Is no plan the same as ruling it out?

Mr MULDER — What we did say is this: if indeed at any stage in the future there is, for instance, a major road project, any funding application for that project would be put on the table for the Victorian public to examine — any funding model at all. We would never go down the pathway of the former Labor government with the Scoresby freeway turning into a tollway straight after an election. That is not the way that we intend to do business. As I say, the projects that we had announced prior to the election did not have tolls associated with them.

Mr PAKULA — And they won't?

Mr MULDER — But if there was to be a major road project in the future — we have been very clear on this — we will put all the options on the table; we will explain it all to the Victorian community; we will not hide it and we will not deceive the public.

Mr PAKULA — So the options could include tolls?

The CHAIR — Steady.

Ms HENNESSY — The options include tolls.

Mr PAKULA — I just want to ask a quick question.

Mr MULDER — Which road project are you referring to?

Mr PAKULA — What you are saying is in the future if there are going to be tolls you will put it up front. But you are saying tolls are an option?

Mr MULDER — What I am saying is each and every one of the road projects that we have announced prior to the budget and projects that have been funded in the budget — I am talking about the Kilmore–Wallan bypass, the Dingley bypass, the Koo Wee Rup bypass and the number of grade separations that we are funding — are not toll roads. If indeed there was to be a major road project into the future, we would be seeking funding solutions for that particular project. It has not been announced but in the future that is the way we would do it. But what we would do — we give an undertaking — is we would go to the public and we would put it to the public that we do have a major road project, this is the project, these are the funding options and we would like input from the public. As any responsible government should do, we would do it. We would not go down the pathway of leading a community by the nose to an election, promising a toll-free road and then straight after the election delivering a toll road. That is not the way that the coalition does business; it is the way that Labor governments do business.

Mr MORRIS — Minister, at budget paper 3, page 80, in particular towards the bottom of the page, under ‘Regional roads’, for the ‘Country roads and bridges initiative’ there is a commitment for \$160 million over four years. Can you indicate to the committee what the government is doing to address the deteriorating condition of Victoria’s roads, particularly given that we have had a substantial period when funding failed to meet the need?

Mr MULDER — Thank you for that question. This particular policy initiative came out of some very extensive discussion with our smaller councils. As the Minister for Public Transport and the Minister for Roads and in my role in opposition as shadow minister, I visited a number of these smaller councils to discuss with them what their major priorities were. Right across the board the continuing themes that were coming out of those councils were ‘Our assets are deteriorating’, ‘We can’t continue to maintain our roads’ and ‘Our bridge structures need repair or renewal’.

A lot of members from our side who have a rural background will understand what has been happening in regional Victoria.

Ms HENNESSY — A lot of members on our side have a rural background, too, Minister.

Mr MULDER — The farms have been getting bigger, the rate bases have been shrinking and a lot of shires of communities in regional Victoria have responsibility for a lot of roads that abut Crown land and they face great difficulty in maintaining those roads in a safe condition, particularly after you have a period of heavy rain. A lot of those roads are maintained by grader, by resheeting unmade roads with gravel, and they struggle with a lot of the roads that join the VicRoads arterial road network, the C roads, in terms of keeping them up to scratch.

We had a look at a report that was called the Whelan report. The Whelan report identified the 40 councils in country Victoria that were at most risk financially. We undertook some extensive investigation to work out as a new government what we could do to assist those 40 rural councils. A decision was made that we would set up a fund specifically for those smaller councils and that we would allocate to each one of those \$1 million a year over four years to upgrade their roads and their bridges.

Could I say this initiative was warmly welcomed. It was ridiculed by the former minister for roads, who made some uninformed comment about, ‘Well, how many kilometres of road could you seal or could you build for that amount of money?’. The simple fact is — and I think this is probably one of the great problems of the former government in Victoria — that they do not understand graders, they do not understand resheeting roads and they do not understand repairing bridges, and that is where a lot of that money is going to go.

Can I tell you that you could put a lot of graders out there by the hour for \$1 million and you could resheet an awful lot of unmade roads, and that is what a lot of these smaller councils will be doing: Glenelg, Moyne,

Southern Grampians, Horsham, West Wimmera, Ararat, Northern Grampians, Hindmarsh, Yarriambiack, Buloke, Swan Hill, Loddon, Campaspe, Moira, Gannawarra, Pyrenees, Central Goldfields, Golden Plains, Moorabool, Hepburn, Macedon Ranges, Mount Alexander, Mansfield, Murrindindi, Strathbogie, Mitchell, Towong, Alpine, Indigo, Wangaratta, Benalla — —

Mr PAKULA — Come on!

Ms HENNESSY — This is ridiculous. Why do you want to avoid questions?

Mr MULDER — I have only another four to go: East Gippsland, Wellington, Bass Coast, Morwell and South Gippsland.

The CHAIR — Minister, the opposition members are anxious to move on to some further questions, I know. It is a very comprehensive answer and I am grateful for the detail.

Mr MULDER — It is. It is a lot of money, Chair.

The CHAIR — I would like you to get to a conclusion, if that is possible.

Mr MULDER — As I say, let us have a look at it. There is no doubt when you look at the impact that that fund is going to have on those smaller councils, it has been welcomed with open arms. I was at a recent rural roads forum at Horsham and it was the talk of the town, the fact that it is additional funding. It is new money, not provided by the former Labor government. We recognised that there was a problem there and we have gone in and we have addressed that problem.

The CHAIR — Thank you very much, Minister.

Mr SCOTT — Minister, I refer you to budget paper 3, page 326 that states that one of the key priorities of your department is ‘to address current and future transport demand’. The Premier recently described a second east–west crossing as important for Melbourne and important for Victoria, but that it is not going to happen tomorrow, it is not going to happen until funds are available and there are the plans to do it. That was at a doorstep. When will the plans be completed and the funds made available to at least start this project and help meet future demand over the estimates period?

Mr MULDER — Quite obviously the former government had no plan for either — —

Ms HENNESSY — That is absolutely rubbish — a commitment to WestLink, and you committed nothing to deal with east–west congestion.

Mr MULDER — There was no commitment by the former government to complete an east–west connection.

Ms HENNESSY — You are misleading the committee, Minister. This is arrant nonsense.

Mr MULDER — We went to the election in a sense that we were going to be financially responsible. It was not a matter of us rolling out and committing to projects when we knew we did not have the funds up-front to deliver those projects. I agree with the Premier’s comments. In principle we agree that we need another crossing. In hindsight I would rather have had the money that went into upgrading the West Gate Bridge diverted to a second crossing — —

Mr SCOTT — That is interesting.

Ms HENNESSY — Really?

Mr PAKULA — You do not think strengthening the West Gate Bridge is important?

The CHAIR — Through the Chair.

Ms HENNESSY — You do not think strengthening the West Gate Bridge is a good project?

The CHAIR — Through the Chair.

Mr MULDER — The former government chose not to do that. It chose to throw all its money into the M1 project — —

Mr PAKULA — What? Would you have waited until it fell into the Yarra?

Ms HENNESSY — So it was a waste of money to strengthen the West Gate Bridge, was it, minister?

Mr SCOTT — So increasing capacity of the south-eastern suburbs is a waste of money? Is that really your position?

Mr MULDER — The fact is the West Gate Bridge is an ageing piece of infrastructure. We do need another crossing and we will develop the plans for that. We will make announcements in due course.

Ms HENNESSY — To service the west and the east was a waste of money, Minister?

Mr MULDER — Can I just say that you need to be responsible about these projects. We are not going to go down the pathway of the former government's transport plan where it rolled out a whole host of projects with indicative costs and no money to fund any of them. We want to make sure that we are responsible in the way we go about delivering our projects.

Ms HENNESSY — This is just rubbish. We are talking about roads.

Mr MULDER — We want to make sure that we are very responsible in the way we go about delivering those projects.

Mr PAKULA — You do not think strengthening the West Gate Bridge was important?

Mr MULDER — As I say, we will make further announcements in due course.

Ms HENNESSY — Thank you for that open and transparent answer.

The CHAIR — Thank you very much, Minister. Mr Scott, do you have a follow-up?

Mr SCOTT — No, I will let it go.

The CHAIR — You do not have a follow-up question?

Mr ANGUS — Minister, I refer to budget paper 3, pages 331 and 332, which set out vehicle registration and driver licensing measures. Could you please explain what the government is doing to continue to support the new graduated licensing system for young drivers?

Mr MULDER — Thank you for that question. Nothing could be more important than throwing a high degree of support behind our younger drivers, people who are taking to the roads for the first time. Not only are we supporting younger drivers by ensuring that they have the skills to take to the road, but we are also going to ensure that those who do earn the privilege of being able to drive a motor car are going to be held to account via the hoon legislation that will be introduced into Parliament shortly.

On that particular note can I just say that we pushed very strongly for amendments to that hoon legislation. When it was first introduced the former government was seeking for cars to be impounded for 48 hours. Our view was that a lot of younger people would see it as a badge of honour to drop their car off on a Friday night and pick it up on a Monday morning. We did not think that was going to curb the problem. The then government pushed to move that to 7 days, through amendments we got it up to 14 days and since being in government we have said that cars will be impounded for 30 days. That is going to put a massive dint in the egos of a lot of younger drivers who believe they do not share a degree of responsibility for other people on the road.

Not only that, but we have captured drivers who fall into the age bracket of 18 to 24 whereby if those drivers are picked up for a subsequent offence the penalty will be increased to six years rather than three years. We did this because that is the age bracket with which we seem to be having the most problems and for which we are getting those horrific fatality figures on the roads.

In relation to the graduated licensing system we have allocated \$12.3 million to continue the rollout of the graduated licensing system. It was introduced in three phases, commencing in 2007 through to July 2008. Through the new graduated system young drivers are eased into driving through a safer, evidence-based approach rather than the older approach which consisted of a few lessons with a friend, a few lessons with mum and dad, and then just take a risk and see whether you could get through the process.

It addresses the key crash risks and behavioural issues of this group and encourages young drivers to adopt critical safety behaviours; it requires learners under 21 to complete their 120 hours on-road supervised learner driving experience and a four-year probationary period; it introduces an improved and more challenging driving test; it prohibits mobile phone use by learners while driving and P1 first-year drivers; it prohibits towing for first-year drivers; it allows P1 first-year drivers to carry no more than one peer passenger; and it requires a good driving record to graduate to a full licence with tougher measures for young drunk drivers.

I will just touch on the first dot point that I raised in relation to learners being required to complete 120 hours on-road supervision. One area that I have raised in Parliament in the past and for which I have followed through in government is in relation to motorcycle licences. I have been horrified at the increasing number of deaths in relation to motorcycle riders on our roads. It is out of proportion in relation to people who drive cars. I decided to take the test myself and got my motorcycle licence.

For someone to get a licence to drive a car 120 hours on-road supervision is required. In order to get a motorcycle licence what I had to do was go to a facility near Tullamarine over a two-day period. I would say that in that two-day period I wobbled around on the back of a motorbike for about 6 hours maximum. At the end of that time I was given my Ls and was allowed to go out, buy a motorbike and take off into the traffic.

Ms HENNESSY — This is a lovely story.

Mr PAKULA — Chair, on a point of order.

Mr MULDER — You do not like the answers.

Mr PAKULA — No, I do not like the length of the answers, Minister. In the last eight years under the two previous chairs no minister was ever allowed to speak for more than 5 minutes in response to an answer. This is just a tactic to minimise the number of questions that can be answered. I would ask you to draw the minister to a conclusion, Chair.

The CHAIR — Thank you for your point of order, Deputy Chair. I understand the frustration some members of the committee are feeling with regard to the voluminous amount of information which the minister is getting across in these hearings.

Mr PAKULA — He is welcome to table it.

The CHAIR — This is a very fine balance for the Chair of any committee. We do not formally have time restraints. However, there is a general understanding and a courtesy to the committee that we will allow as many questions as is reasonable within the time. That therefore depends on the length of the question and the length of the answer. I am sure the minister is getting to the conclusion of this answer.

Mr MULDER — Road safety is an important issue. In conclusion, I would like to talk about what has been put in place with the graduated licensing system — and I have asked for some further work to be undertaken on this — and the issue of one passenger being allowed in the car with a new licence-holder. When I talk to a lot of younger people the information that I am getting is that that particular law is continually broken by young people who will not leave friends behind. Whether it is at a nightclub or whether it is on the side of the road, they will not leave friends behind. They will put them in a car and they will lay them down rather than leave them behind. All I am doing is seeking information to see whether or not that particular component of the graduated licensing system is having the desired impact because I think it is something that we need to look at. It needs to be challenged, given the information that has come forward. I am not saying we will change it, but I think we need to review it.

Ms HENNESSY — Minister, if I could just take you to budget paper 3, page 326, and your department's objective to 'facilitate network wide efficient, reliable and free flowing movement of people and goods'. Every

day that goes by without a commitment from your government to continue the truck action plan, thousands of trucks use local roads in the inner west to access the massively expanding port of Melbourne. Given your government has now also recently approved plans for a new mini suburb to be built on the Bradmill site in Yarraville, which will drastically increase traffic congestion in the area, when will you commit to continuing this vital project, where stage 1 works have already started, and commit the necessary future funds to give local residents some peace of mind that this project is in fact going ahead?

Mr MULDER — Thanks for that question. I can understand the concerns that the people in the western suburbs have in relation to heavy vehicles. When we came to government there were a number of projects that we said we would review as a government: WestLink and the truck action plan, which are linked in terms of strategies into the future, regional rail link and the myki ticketing system. There were a number of projects we said we would review, and we are going through that. As I understand it, there has been work already carried out in relation to the truck action plan. There is an identified preferred route for the truck action plan, which has been selected through extensive consultation. The route would require the construction new on and off ramps to provide freeway access between High Street and the West Gate Freeway.

Ms HENNESSY — Yes, I am very familiar with the truck action plan, Minister. We want to know when you will commit to it.

Mr MORRIS — Mr Chairman, the rest of us are probably not quite as familiar, and it is useful for us to hear the information.

Mr MULDER — You have asked me about it. I am responding to it. I am trying to inform the committee — —

Ms HENNESSY — When?

The CHAIR — Ms Hennessy, the minister is attempting to answer your question but you are constantly interjecting. Allow the minister, through the Chair, to respond to the question.

Mr MULDER — The reason I am going through this small bit of detail, Chair, is that the other members are probably not aware of the details of the truck action plan. I think it is only fair that those issues be identified.

The preferred route would require the construction of new on and off ramps to provide access between High Street and the West Gate Freeway. To the west Hyde, Whitehall and Moreland streets would be upgraded and Shepherds bridge in Footscray would be widened and strengthened to ensure appropriate access for larger freight-carrying vehicles. An environment effects statement of referral has been prepared for the project to commence. The formal planning approval process for the preferred route alignment is being undertaken.

Ms HENNESSY — Yes, I know all this.

Mr MULDER — Formal exhibition of the planning scheme amendment is proposed in the second half of 2011 and finalisation of the amendment is expected by mid-2012.

Ms HENNESSY — So do you commit to the project?

Mr MULDER — The project is currently under review. We will be making an announcement prior to the end of this year in terms of what we intend to do with the truck action plan. Early advice that I received in relation to this indicated to me that, without WestLink this particular upgrade would be very quickly taken up with additional vehicles and no real benefit would be seen in the future.

Ms HENNESSY — We are very happy for you to commit to WestLink, Minister.

Mr MULDER — We will make announcements. We reviewed RRL, even though we were stuck with a \$1 billion-plus cost blow-out.

Ms HENNESSY — That is a gross exaggeration.

Mr MULDER — We went ahead and announced it. It deserved that level of scrutiny. Myki deserves that level of scrutiny. WestLink and this project deserve the same level of scrutiny. Given the fact that we are not

even at the stage of a formal planning process being completed or the environment effects statement process being completed, we have got time in front of us in terms of making those announcements.

Ms HENNESSY — The people of the west are merely looking for commitment. On a machinery of government issue, Minister, could you confirm whether or not you are responsible for freight and logistics or whether that is in the domain of Minister Napthine?

Mr MULDER — Minister Napthine and I work very closely on the issue of freight and logistics.

Ms HENNESSY — But who does the buck stop with when it comes to freight and logistics?

The CHAIR — You have asked the question. The minister will respond.

Mr MULDER — Minister Napthine deals with issues in relation to ports; freight and logistics insofar as they deal with the road network sit with me. When there is a crossing over of issues, Minister Napthine and I collaborate on a regular basis to discuss a number of those issues.

Ms HENNESSY — Clear as mud. Thank you, Minister.

The CHAIR — I refer to budget paper 3, pages 330 and 331, which relate to road safety and regulation. Can the Minister explain what the government's plans are for Victoria's future road safety strategy?

Mr MULDER — Thank you for that question. Victoria does have a 10-year road safety strategy that runs from 2008 to 2017, and that includes a target reduction of fatalities and serious injuries of 30 per cent over the life of the strategy. I believe, in terms of the national road safety strategy, that particular target is most likely to be taken up. The strategy is underpinned by the safe system approach to road safety. The safe system takes a total view of all factors involved in road safety and incorporates three major elements. One of these is safer roads and roadsides, and improving road and roadside infrastructure to reduce the likelihood and severity of crashes. You only have to look at the number of rollouts in relation to safety barriers that have occurred throughout the state. I acknowledge that the former government made a significant commitment to run-off-road crashes by installing safety barriers.

Another element is safer vehicles — that is, increasing the proportion of vehicles on Victorian roads with higher safety features to reduce risks for all road users. A major initiative in the form of electronic stability control came out of the parliamentary Road Safety Committee. Another part of the safe system approach is encouraging safer road use — for example, increasing the safe behaviour of road users by tackling areas such as speeding, drink driving, fatigue driving and driver distraction and by focusing on particular groups of road users. One issue that I believe we need to pick up, as a government and as a community, is the behaviour of pedestrians. One only has to walk around Melbourne and have a look at people in their business suits who walk straight through red lights. Then we have an issue in relation to the question of whether we should lower speed limits in metropolitan Melbourne to protect pedestrians. I think there is a real issue in relation to pedestrian safety and pedestrian behaviour in and around particularly the metropolitan area of Melbourne insofar as it relates to crossings where traffic signals have actually been installed.

The baseline for the measure of 30 per cent is a three-year average from 2005 to 2007. The 2010 road toll represents a 15 per cent reduction against that baseline. Victoria's current road safety strategy is branded Arrive Alive and follows on from the Arrive Alive 2002 and 2007 road safety strategies. The first three-year action plan of the Victorian strategy finished in 2010. I have had a document provided to me in relation to a refresh of the current Arrive Alive strategy. We have already inserted into the Arrive Alive strategy our policy relating to hoon drivers. We have invested money in rural councils because we have a significant problem with death on rural roads. A number of level crossing upgrades will, we believe, also contribute to a significant reduction in the road toll. However, the strategy that I was provided with by the government that we are still evaluating had some fairly significant and hard-hitting recommendations in relation to the total banning of mobile phones in cars. We could not pick those sorts of issues up and say 'Yes, let's run with those' without doing a comprehensive investigation into the potential downsides. I know that when this particular issue was first raised I questioned — because mobile phones are now basically a tool of trade in a car — whether a total ban of mobile phones in cars would mean that people would pull off onto the side of road everywhere, take calls and pull back on, and whether that would in actual fact cause a greater level of danger on the road. I do not know

that that particular issue has been explored. I believe in relation to this particular document that I was provided with it needs to be explored because it could have significant consequences.

We will work with Victoria Police, we will work with the Transport Accident Commission, with VicRoads and with the broader community to do everything we can. I think road safety has had strong bipartisan support for a long period of time, and it should enjoy strong bipartisan support. There should not be politics about road safety as such because I believe every member of Parliament from both sides have a responsibility to drive down the road toll.

Mr PAKULA — Minister, on page 1 of budget paper 2 is a reference to the Victorian economic and financial statement, the one the Treasurer released on 14 April. In that statement, on page 6, it identifies a \$60 million cost pressure for the West Gate Bridge rehabilitation project. I am wondering if either you or perhaps Mr Liddle can confirm that that \$60 million is being absorbed within the overall cost of the \$1.39 billion M1 upgrade that includes the strengthening of the West Gate Bridge, which you do not seem to think is necessary, and the suggestion in the 14 April document to the contrary was nothing but a shabby attempt at spin. The fact is the money is absorbed in the total project cost, is it not?

Mr MULDER — What I understand with that particular project is that it was also supposed to be provided out of cost savings on the West Gate Bridge upgrade — \$50 million — to go to the Peninsula Link project. That in turn has put pressure on us in terms of having to find \$50 million from elsewhere to direct funding for Peninsula Link.

Ms HENNESSY — That is not what she said to the Victorian people. You called it a \$60 million blow-out.

Mr MULDER — That project was supposed to deliver \$50 million in savings.

Mr PAKULA — So you called it a \$60 million — —

Mr MULDER — That money was supposed to be transferred over to the Peninsula Link project, and that has caused significant cost pressure for us of the government.

Mr PAKULA — But you are confirming that the so-called \$60 million blow-out is actually all funded within the total project envelope.

Mr MULDER — The total project envelope, as I understand it — —

Mr PAKULA — For the M1 upgrade

Mr MULDER — I think it blew out by \$350 million — —

Mr PAKULA — No, the 1.39 — —

The CHAIR — Mr Pakula, just let the minister respond.

Mr MULDER — It was a \$1 billion project, and it out by \$350 million. Which envelope are you talking about — the original one or the upgraded one?

Mr PAKULA — But you are claiming the — —

The CHAIR — Allow the minister to respond.

Mr MULDER — Through the Chair, there have been a number of changes to the M1 project in terms of the cost of the project. Originally it was estimated to be somewhere in the order of 1 billion. I recall an interview with the former Minister for Roads who came out and said, 'Look, we are investing a further \$350 million' or a figure to that tune 'into the M1 upgrade'. In actual fact what it was was a cost blow-out, so I am not sure which envelope the member is referring to. But whichever envelope it is, Chair, there has been a significant cost blow-out.

The CHAIR — Mr Pakula has asked several follow-ups, so I am going to go to the next question, which is from Mr O'Brien.

Ms HENNESSY — What a misrepresentation. A black hole in your black hole!

Mr O'BRIEN — Minister, I thank you on behalf of the people of western Victoria for the funding provided for the Western Highway duplication between Burrumbeet and Beaufort. I refer to budget paper 3, page 144. I am just wondering, and I do not mind if you are comprehensive in this answer, if you can provide an update on the Western Highway duplication project?

Mr MULDER — Just a moment.

Mr PAKULA — You cannot find your own dorothy answers!

Mr O'BRIEN — I did ask for a comprehensive answer.

Mr MULDER — Thank you for the question. In the 2011–12 state budget we have allocated 50 million for works between Burrumbeet and Beaufort, including the construction of a second carriageway, a bypass and two interchanges. This follows an initial state government allocation of \$8.8 million in the 2009–10 budget for works on the 8-kilometre section between Ballarat and Burrumbeet.

The Western Highway duplication from Ballarat to Stawell is being jointly funded by the Victorian and federal governments under the Nation Building program. The 110-kilometre duplication of the Western Highway between Ballarat and Stawell will significantly improve safety on this important interstate route between Melbourne and Adelaide. The duplication will also improve traffic flow and contribute to the state and regional economic development. The federal government has committed \$404 million over five years to 2013–14 to complete the extensive planning work between Ballarat and Stawell, including town bypasses of Beaufort and Ararat and to commence construction. The federal government has committed to funding the project beyond the current Nation Building program, which is very important for the state of Victoria. The total project costs will be finalised during 2011 as planning proceeds and the new highway alignment and access arrangements will be confirmed at that stage.

Mr SCOTT — I will try to move through this quickly. First, I refer you to budget paper 3, which makes reference to the establishment of a regional office for DPC in Ballarat — —

Mr MULDER — I cannot hear you.

The CHAIR — We are all having trouble. Speak up.

Mr SCOTT — I refer to budget paper 3, page 66, which makes a reference to the establishment of a regional office for DPC in Ballarat. My question relates to the shift of 50 VicRoads call centre jobs from Kew to Ballarat which was announced last July by the previous government. When will that be completed during the estimates period?

Mr MULDER — The shift from Kew to Ballarat?

Mr SCOTT — Yes, of call centre jobs.

Mr MULDER — As I understand this particular issue, it is that it was announced as additional jobs when in actual fact with that shift, as I understand it, the jobs are created in Ballarat as positions fall away at Kew. That is my understanding. It is correct that it is not actually a situation of 'Let's employ an extra 50 people at Ballarat' — —

Mr SCOTT — I said 'shift'.

Mr MULDER — There is a shift; it is not a new initiative.

Mr SCOTT — I did not misrepresent it in the question.

Mr MULDER — As I understand it, it is dependent on those positions being vacated at Kew and then being able to be picked up at Ballarat.

Mr SCOTT — And I asked for the timing of that.

Mr MULDER — Have you got that timing with you?

Mr LIDDLE — There are 16 positions that have already been established in Ballarat as part of the shift. As we are moving forward the intention is, as the minister has identified, as those vacancies are identified at Kew, those positions will be filled in Ballarat. The intention is that over the rest of 2011 the shift of those positions will occur to Ballarat.

Ms HENNESSY — The previous government always said it would shift some of its control — —

The CHAIR — It is not your question. You have finished?

Ms HENNESSY — It is not like your black hole on the West Gate.

Mr MULDER — I agree they were very shifty!

Mr MORRIS — Minister, I refer you to BP3, page 330, which states that safer road users would reduce road incidents and accidents. Can you explain to the committee how the government intends to get hoon drivers off the road?

Mr MULDER — I touched on this briefly with some of my other answers in relation to road safety. I think if you go back in history, you will find it was the Liberal opposition that first raised this issue in terms of how we should deal with hoon drivers. It is a matter that was picked up by the former government. As I indicated, some of the measures that were put in place, particularly the provision to impound a vehicle for 48 hours, we felt were a badge of honour for hoon drivers. We put forward a policy prior to the election, and our legislation that is currently being prepared delivers on that policy, whereby for a first offence a hoon driver will lose their vehicle for 30 days, for a second and subsequent offence they will lose it for up to 3 months and for a third offence a vehicle may be crushed, with parts being stripped beforehand. This is going to send a very clear message to younger drivers that that level of behaviour will no longer be tolerated. We need to emphasise to these young people that they have a duty of care to other motorists on the road. People will make mistakes, people will make errors of judgement, but when young drivers or hoon drivers go out there in a deliberate attempt to risk both their lives and the lives of passengers and other people on the road, as a government we simply will not tolerate it.

In terms of a subsequent offence, a subsequent offender in the past was someone who had committed another offence in the last three years. We are extending that out to a six-year period. That captures that bracket of young drivers between the ages of 18 and 24, who appear to be the most at risk of fatalities and serious injuries. They are the drivers who we are actually targeting with this particular initiative.

We are also going to ensure that hoon drivers have to go down the pathway of going through a new course. That will focus on facing up to the circumstances of hoon driving and facing up to the circumstances of killing other people on the road or maiming other people on the road. It is sending a very clear message. Think of the consequences of hoon driving and compare that with a minor speeding offence: a hoon driver will, no. 1, get fined for the issue, whether it is losing traction, whether it is street racing or whether it is driving through a level crossing while the booms are down. We are also looking at further provisions for hoon drivers overloading cars. That is in relation to a very recent incident where I think there were 10 people found in a car. We are looking at including that, but there is further work to be done on it at the moment. There are the fines, the cost of having a vehicle towed away and the cost of impoundment of the vehicle, and just when the hoon driver thinks that is all over, they are going to have to go and complete a course to make sure they understand the ramifications of their actions. About 3000 hoon drivers are caught a year, and there are only about 300, at this point in time, who offend a second time around, so they are getting the message, but we want to make sure that we are giving it loud and clear.

This particular legislation I believe will turn around a lot of that behaviour. There have been a number of tinkering with legislation in the past in terms of trying to deal with hoon drivers, but we believe we have hit the right balance with this, and we believe it will have a major impact in driving down the road toll in that bracket and also serious injury in that bracket.

Ms HENNESSY — I will be brief, but if you can give me a brief answer, I would be ever so grateful. The Princes Highway bypass through Morwell: when are you going to reopen the road?

The CHAIR — Can I intervene? I would like to know the answer to that too.

Mr MULDER — Could I just say in relation to that that there is a lot of a very extensive technical work being undertaken in relation to the movement of that road. The work is ongoing. I get regular briefings in terms of my role on the flood recovery task force, but in terms of the very up-to-date information and where it stands right here and now, I believe — Bruce?

Mr PAKULA — It has been diverted through Morwell for months.

Mr MULDER — Are you going to say it should be open tomorrow? Is that what you are saying?

Mr PAKULA — No, we want you to tell us when.

The CHAIR — Minister, through the Chair.

Mr MULDER — Through the Chair, I think once you hear the answer you will be embarrassed by that question.

Mr PAKULA — What — asking when? I do not think I will be embarrassed by that at all.

Mr GIDLEY — The works at Morwell — we are carrying on the monitoring works. Things have improved significantly in the last little while. There were concerns that there could be a significant slip very shortly. We would expect within the next month to be able to make a call on whether it can be opened safely or not.

Mr PAKULA — Within a month you will be able to make a call about the when?

Mr GIDLEY — No, whether it can be opened safely or not.

Ms HENNESSY — Or not?

Mr GIDLEY — Or not.

Mr PAKULA — Or not.

Ms HENNESSY — Or not at all, do you mean?

Mr PAKULA — What are the implications of — —

The CHAIR — It is Ms Hennessy's question, and I will allow a follow-up question, but then we will have to move on.

Ms HENNESSY — Thank you, Mr Gidley. In respect of your response that you will be in a position within the next month — and correct me if I have misinterpreted your reply — to know whether you can open it safely or not, when you say 'or not' are you foreshadowing that there may be some deeper structural or environmental issues that may inhibit your capacity to open the bypass within the next year, for example?

Mr GIDLEY — The works and the monitoring that have been going on would indicate that things have improved dramatically, and the expectation is that we would be able to make a call. We will have to reassess the risks in a month's time once we have got all the information available, and we will have to make a decision at that point in time.

Ms HENNESSY — If you were a betting man, Mr Gidley, what would you say — September, December?

Mr O'BRIEN — Chair, I would like to ask about the Princes Highway.

The CHAIR — Just one at a time. I will allow the minister to close the answer, and then I will move to the next question.

Mr MULDER — Just on the interjection, Ms Hennessy said, 'If you were a betting man'; this is not about betting. This is about the livelihoods of a very large community and the safety of people who use that road.

Ms HENNESSY — I accept that, Minister, which is why we want to know when. I accept that.

Mr MULDER — There is some significant geotechnical work and surveys being done. There is equipment inserted into the road to try to measure whether there is any movement. The face of the mine is being drilled out to relieve the water pressure. There is a commitment by the government to repair the drain that could be the source of a lot of the problems that are associated with the road. But the decision, based on the best scientific information, will be made. It is not a matter for a politician to say when, or not, that road will be opened. We believe, as Mr Gidley has indicated, that at the end of the month we will have some knowledge to be able to make a decision in terms of what is in the best interests of the public and road users.

Mr O'BRIEN — And a very good local member for Morwell, too.

Mr MULDER — And a good local member who has worked hard on it, too.

The CHAIR — We will take a final question from Mr Angus. We are a little over time.

Mr ANGUS — Mr O'Brien.

The CHAIR — Mr O'Brien?

Mr O'BRIEN — Yes, I am itching to ask about the Princes Highway west from Colac to Winchelsea.

The CHAIR — Mr Angus has deferred to Mr O'Brien, out of enthusiasm.

Mr ANGUS — Yes, very anxious.

The CHAIR — I will just explain what is happening. Minister, we did lose a few minutes at the changeover of portfolio, so if you could tolerate going over by a few minutes now, thank you.

Ms HENNESSY — Chair, we are able to table all of our questions on notice.

The CHAIR — Thank you.

Mr O'BRIEN — I am happy for the minister to be as brief as he can on this important initiative, which is referred to on page 85 of budget paper 3, and for which 5 million has been allocated for planning and 15 million has been allocated for overtaking lanes west of Colac. I ask the minister: what is the government doing to support the Princes Highway west corridor strategy?

Mr MULDER — This is a great initiative by the government. Basically, dealing with the issue of the Princes Highway duplication from Winchelsea to Colac, the passing lanes from Colac to the South Australian border that we have announced \$15 million for, we basically will have completed the upgrade of the Princes Highway west strategy. It is a very important initiative. As we speak we have construction commencing on that section between Waurn Ponds and Winchelsea — a combined contribution by the state and federal governments of about \$110 million each. The next section, from Winchelsea through to Colac, is in excess of \$500 million — once again, state and federal contributions. The state government has committed to that particular project, as indeed has the federal government committed to that project as being a priority out of its Nation Building program.

That particular road project, combined with the upgrade to the rail lane — the \$10 million that has been identified for passing loops on the rail line — will set western Victoria up for a massive economic boom into the future. The road toll and the number of serious accidents on that stretch of road have been well reported: a lot of very serious head-on crashes, a loss of life and, as I say, a lot of serious injuries. A duplicated road will put an end to that. You cannot help but think about those people, particularly in recent years, who have lost their lives on that road, and say, 'If only we had been able to carry out these sorts of roadworks at a far earlier stage'. Because for each day that goes by where that road is not completed, there is a significant risk to people who travel on it. For the town of Winchelsea and for the town of Colac it has been a long time in coming. It is going to be a pleasure to be the Minister for Roads and Minister for Public Transport to be able to open that project, because I know how much it means to people who live in that community.

The CHAIR — Thank you, Minister. That concludes the consideration of the budget estimates for the portfolios of public transport and roads. I thank the minister and departmental officers for their attendance. It has been a good session. Where questions have been taken on notice and where there were unasked questions,

the committee will follow up with you in writing at a later date. The committee requests that written responses to those matters be provided within 21 days. Thank you all for participating.

Witnesses withdrew.