

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2013–14

Melbourne — 15 May 2013

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Witnesses

Mr T. Mulder, Minister for Public Transport,
Mr D. Yates, Secretary, Department of Transport, Planning and Local Infrastructure,
Mr R. Oliphant, Chief Finance Officer, Department of Transport, Planning and Local Infrastructure,
Mr I. Dobbs, Chair and Chief Executive Officer, Public Transport Victoria, and
Mr N. Gray, Director Network Operations, Public Transport Victoria

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2013–14 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 Minister for Roads, and other witnesses: Mr Dean Yates, Secretary, Department Of Transport, Planning and Local Infrastructure; Mr Ian Dobbs, Chair and Chief Executive Officer, Public Transport Victoria; Mr Robert Oliphant, Chief Finance Officer, Department of Transport, Planning and Local Infrastructure; and Mr Norman Gray, Director Network Operations, Public Transport Victoria. 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 gallery that they cannot participate in any way in the committee’s proceedings. Only officers of the committee are to approach 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 Chair. 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. Cameras must remain focused only on the persons speaking and the panning of the public gallery, committee members and witnesses is strictly prohibited. Filming and recording must cease at the completion of this hearing.

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, including any comments made on social media from the hearing itself. The 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 for fact verification within two working days of the hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee’s website immediately following receipt, to be replaced by verified transcripts within five days of receipt.

Following a presentation by the minister, committee members will ask questions relating to the inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly. Sessional orders provide a time limit for answers to questions without notice of 4 minutes, while standing orders do not permit supplementary questions. It is my intention to exercise discretion in both matters; however, I request that witnesses answer each question as succinctly as is reasonable, recognising that many responses may include a degree of complexity. I ask that all mobile telephones be turned off or turned to silent.

I now ask 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 public transport portfolio. Welcome, Minister.

Mr MULDER — Thank you, Chair. May I, firstly, congratulate you on your elevation to Chair and thank you and your committee for the work you do with public accounts and estimates. There have been solid improvements in the performance of Victoria’s public transport network, particularly over the last 12 months. Punctuality is up and fare evasion and overcrowding are down. The budget builds on these improvements with investment in new trains and also new infrastructure. It also continues our commitment to tackle the backlog of maintenance, particularly maintenance on the rail network.

In the last 12 months the South Morang extension and the Sunbury electrification have been completed. New stations have opened at Cardinia Road, Lynbrook and also Williams Landing. The preferred tenderer for 30 per cent of Melbourne’s bus network has been announced, and the coalition has overhauled bus services around South Morang and also Williams Landing.

Overheads shown.

Mr MULDER — There is no doubt that train services have improved. With Public Transport Victoria now in place, we want to see continuous improvement. As this graph shows, punctuality is the best it has been in

eight years. Punctuality is regularly above 90 per cent, and on some week days we are seeing on-time running at 94 per cent, which is light years ahead of when we came to government. Because we are running more services than ever before, the number of services arriving on time is easily the best it has been. As this graph demonstrates, there has been a major improvement in the number of actual services running on time over the past two years. What is really pleasing is that we are getting sustained improvement on some of the lines which had been among the worst performing. There is no doubt that performance on the Cranbourne, Pakenham and Frankston lines was unacceptable at the start of 2011. When you look at this graph, you will see that these early performances can only be described as appalling. Improvement only occurred when the major timetable we implemented in May 2011 had an impact. The new timetable consistently drove punctuality back up to around 90 per cent. Crowding is also down. We have achieved steady improvement through the rollout of new trains and the implementation of major timetable changes, which have spread peak loads on busy lines.

Lastly, one thing I am particularly happy with is the drop in fare evasion. Fare evasion of any sort is unacceptable. But the level of fare evasion we saw when we came to office was nothing short of disgraceful. Fare evasion on trams was up to 20 per cent, and when I was in opposition I predicted that this would happen when the former minister in the previous government ordered operators to go soft on myki. Now with PTV working with the operators to get tough on fare evasion, we have seen a dramatic fall in fare evasion, particularly on trams. Millions of dollars have been saved as a result, and I know PTV and the operators are committed to doing even more to drive fare evasion down to even lower levels.

In the current financial year the government has spent \$372 million on maintenance and renewal of Victoria's rail network statewide and \$61 million on the tram network. By the end of the financial year, Metro will have replaced more than 14 kilometres of rail and more than 106 000 sleepers, 50 stations will have been assessed for repainting and 28 kilometres of overhead wire will have been replaced. V/Line will have reconstructed or renewed 10 level crossings, restored three regional rail stations and replaced or restored 32 rail bridges. Yarra Trams will have renewed more than 10 kilometres of track, 15 track junctions and 20 kilometres of trolley wire, in addition to upgrading more than 120 overhead poles and replacing four automatic points.

One of the key changes the coalition has made to the operation of public transport in this state has been the establishment of Public Transport Victoria. As the system authority, PTV is responsible for planning, coordinating and delivering Victoria's train, tram and bus services, infrastructure and assets. PTV is now a one-stop shop for public transport customers around the network. PTV is responsible for delivering trains, trams and buses that run on time; simple and reliable timetables; and timely and accurate passenger information.

With Melbourne's population expected to grow from 4 million to 6.5 million over the next 40 years, strong patronage growth is anticipated. Average weekday boardings on trains are forecast to more than double to 1.7 million passengers per day by 2031, with patronage growth strongest in Melbourne's north-west and south-east. PTV has completed a comprehensive review of the metropolitan rail system, based upon a detailed suburb-by-suburb, line-by-line analysis of the current and forecast demand. The resulting plan has been submitted to me as the basis upon which PTV will provide advice going forward. The PTV rail plan aims to provide capacity for an extra 50 000 people in the peak within 10 years and capacity for an extra 130 000 people in the peak within 20 years. PTV's plan is underpinned by three key initiatives: new trains, high-capacity signalling, and of course Melbourne Metro.

The coalition is delivering on its commitment to 40 new trains for the metropolitan rail network. In 2011 we committed \$222 million to seven new trains and stabling, and this year the budget allocates \$178 million for eight new trains, all of them to be assembled in Ballarat and all of them delivering jobs to regional Victoria. New trains are important not just for the capacity they bring to the network but also for the reliability dividend that they deliver. In the longer term PTV recognises that the city needs a major boost in capacity to cope with growing patronage. This is to be delivered by Melbourne Metro, an underground rail tunnel from South Kensington to South Yarra. Melbourne Metro is Victoria's no. 1 public transport project submitted to the commonwealth for funding consideration. Last year the project was declared under the Major Transport Projects Facilitation Act. The project will continue in 2013–14 with \$10.2 million for planning and development work. Each is an important step in moving Melbourne Metro towards construction. The completion of this project will also be critical for the fulfilment of the government's plans for future rail links.

A major investment in the rail network in this year's budget is a project that reinforces the links between transport and planning. As well as delivering a brand-new transport hub, the \$66 million revamp of Ringwood

station will also enable Queensland Investment Corporation's \$500 million investment in the nearby Eastland retail precinct. Without the redevelopment of Ringwood station and the associated improvements to the Maroondah Highway, the Eastland project may not have proceeded. As the Premier said in his announcement, this project was a tremendous example of how integrating transport and urban planning can deliver a better outcome.

The government has committed to the removal of 10 level crossings across the metropolitan area, with a further two level crossings at Anderson Road in Sunshine to be removed as part of the regional rail link project. This budget provides \$52.3 million over two years for early work on the remaining six grade separations targeted by the coalition, including the development of a business case for the crossing at Murrumbeena. While the cost of grade separations are high — usually around \$100 million to \$200 million each, depending on complexity — the benefits in terms of safety and reducing congestion are considerable. Three grade separations at Springvale and Mitcham were funded in last year's budget and contracts for construction have been awarded.

Elsewhere in the network, we have committed \$10.2 million for the construction of a multideck car park at Syndal on the Glen Waverley line; \$4.5 million for a trial of high-capacity signalling; \$25 million over four years for new services on the Dandenong line; and \$100 million for an upgrade on the Frankston line which will see track signalling and power upgraded as well as improvements to railway stations along that line. We have also committed to building the Southland station, which was one of our election commitments.

The budget funds \$16.5 million towards the construction of a new \$26 million station at Grovedale, in one of the state's most important growth areas. It also funds a study into reviving the rail line from South Geelong to Drysdale, as well as looking at the possibility of a rail link from Geelong to the growth areas in and around Torquay. We have declared our intention to see Geelong grow, and one of the best ways to encourage this is by exploring the possibility of upgraded transport links.

Elsewhere in regional Victoria, the budget commits \$8.8 million over four years to extend Bendigo trains to Epsom and Eaglehawk, with a new station and boom gates at Epsom. It will see the construction of a new station at Epsom and an upgrade of several level crossings, including the installation of boom barriers at Howard Street in Epsom. Work on the regional rail link is well under way, and progressing well, to give regional passengers from Geelong, Ballarat and Bendigo their own dedicated line into Southern Cross station. The Warncoort passing loop will allow more trains and longer trains on the Warrnambool line, and trains entering the Geelong grain loop can now carry more grain after an upgrade of the axle limit to 23 tonnes. At Warragul a \$26 million contract has been advertised for the delivery of a new station car park, rail underpass, bus interchange and pedestrian connection between the station and the new car park.

Throughout the state 24 level crossings are being converted to boom barriers, and in northern Victoria the Echuca to Toolamba line is about to undergo a \$7.1 million upgrade as a result of an agreement recently signed with SunRice. Export rice has been successfully freighted on rail from Deniliquin since the end of the drought, and this has seen trains transporting much of the southern New South Wales rice harvest to the port of Melbourne via Echuca and Bendigo. However, this saw freight trains sharing the line with V/Line services, with a number of bridges on the line preventing the use of SunRice's taller containers. The agreement with SunRice is a \$7.1 million joint investment in re-sleepering, new signalling at Toolamba and overhead wire works at Coolaroo to enable higher clearance for the more productive, taller containers. Ultimately, it will see trains from Deniliquin rerouted via Seymour, as an alternative to the heavily used section between Melbourne and Bendigo.

Protective services officers are being increasingly deployed across the entire metropolitan rail network. They can be found at locations including Berwick, Essendon, Frankston, Lilydale, South Yarra and Williams Landing. PSOs are improving safety at railway stations, and the 2013–14 budget includes \$67.8 million for safe and secure workplaces that include a handover room with CCTV surveillance to allow PSOs to detain offenders; a kitchen; toilets; meal facilities where existing facilities are unavailable; lockers; workstations to allow PSOs to write reports and connect to the police IT network; and car parking spaces for police vehicles when they are required.

That concludes my presentation on the key points of the 2013–14 state budget as it relates to the public transport portfolio. As the committee can see, there has been significant improvement in a very short period of time under the coalition government in public transport services. Expansion of services, improved reliability, improved

punctuality, improved safety around railway stations, massive investment in infrastructure and asset renewal — it is a pretty good story to tell today.

The CHAIR — Thank you, Minister. We have around 2¼ hours left for this session, which will conclude at 11.30. I might ask the opening question. Minister, in the context of this budget, can you outline to the committee examples of capital infrastructure projects in the public transport portfolio which will be either commenced or completed in the next financial year?

Mr MULDER — Chair, as you would be aware, the 2013–14 Victorian budget *Building for Growth* identifies somewhere in the order of a \$6.1 billion infrastructure spend across the state. I have been very fortunate that \$1.1 billion-plus of that was allocated to my transport portfolio, and more than \$520 million of that is for public transport, which in its own right is a jobs plan for Victoria going forward.

New projects identified in the 2013–14 budget include eight new trains, which is a \$176 million investment, and that will be supporting more than 130 jobs. Those new trains build on the seven that were ordered in the previous budget that are being fitted out in Ballarat, providing jobs for apprentices and securing the ongoing workforce in Ballarat at Alstom’s plant.

At Ringwood, as I mentioned before, there is the \$66 million project supporting around 100 jobs. It is enabling the \$500 million Eastland investment, and that is expected to create something in the order of 2000 construction jobs while that project is being developed, and a further 2000 retail and service jobs. On top of that, right between the Ringwood station and Eastland there is a very large land-holding that belongs to VicTrack. Basically there are some run-down shops. We are sitting back waiting for the rail development to start and for Eastland to start, which we believe will give a massive boost to the value of that piece of real estate through there, and then VicTrack will move down the pathway of developing that, once again developing jobs in the area for locals and also construction jobs through that phase.

In terms of the level crossing blitz, there is an extra \$52 million for early works, supporting more than 130 jobs, on the remaining level crossings that we have identified to be abolished. That involves the removing of services, powerlines, underground water, cabling — any of the early works that can put the level crossing in a state where a large construction company can basically move in and start to carry out the work they need to, as has been the case with Mitcham and Rooks roads and Springvale Road.

In terms of the protective services officers’ infrastructure, there is \$68 million in 2013–14, which is supporting around 70 jobs, to do a tremendous amount of work out there. My role as the minister for transport is to keep in line with the recruitment process to ensure that as the PSOs are rolled out the facilities are there for them when they arrive. A lot has been said this week in relation to what we are actually doing for protective services officers at those locations. I think ‘building gold-plated dunnies’ was one of the claims. I think out of the last 52 that we have upgraded, 3 have involved toilet blocks. At the rest of them we are utilising existing facilities where we can. Where we need to provide those services and those facilities for PSOs, naturally we will provide them, but there is a lot more in terms of providing facilities for PSOs other than simply a toilet block for them. You can understand that.

In terms of the bayside rail improvements project, it is a \$100 million project, supporting up to 50 jobs through that construction phase. There are the continuing projects, as I said, of grade separations at Springvale and Mitcham roads. That is a \$350 million project, supporting approximately 1500 jobs through that construction period. I think at both of those crossings through peak period the booms are down about 40 per cent of the time, so it is going to make an enormous difference to the amenity in that area, safety on the rail line and safety at those particular level crossings for pedestrians and motorists.

For regional rail maintenance there is \$172 million over four years in the 2012–13 budget, supporting around 130 jobs. In terms of regional rolling stock for V/Line, we have ordered the new V/Locity railcars, a contract worth \$200 million with Bombardier, and that is supporting around 60 jobs.

As you can see, we have looked at the projects, we have a good understanding of what sort of jobs we are going to create and what work we are going to create out there for the Victorian workforce. I think it is a very, very good story that we have to tell.

Mr PAKULA — Minister, I want to talk about your so-called Frankston line blitz — your bayside rail improvements. You have talked about \$100 million. In budget paper 3 at pages 52 to 54, between now and July 2014 you are actually proposing to spend \$10 million. When you look at the commentary on page 54 it talks about infrastructure upgrades to support the deployment of X'traps on not just the Frankston but also the Werribee and Williamstown rail lines. It seems like it is being split between more than just the Frankston line, between Frankston and others. Can you tell us, of that \$10 million, how much of it is actually going to be spent on the Frankston line, and what is it going to be spent on?

Mr MULDER — No. 1 in terms of what it is going to be spent on: as you would be aware, in order to run the X'trapolis trains through that corridor the sighting of the signalling by the drivers is affected because with the X'trapolis the drivers sit in the middle of the train and in other trains they sit in different configurations, so in order to get the X'trapolis trains onto the line we have to alter the signalling through that particular corridor, which we are going to do. There are upgrades to take — —

Mr PAKULA — On all three lines, or just on Frankston are you talking about?

Mr MULDER — It is going right through that section of line.

Mr PAKULA — From Frankston to Werribee?

Mr DOBBS — I think what you have to realise here is that the Frankston line operationally is integrated with the Werribee line so that in introducing the trains on the Frankston line you have to do a little bit of work on the Werribee line as well, including stabling at Newport, because if you do not do that, you then have a problem on other lines.

Mr PAKULA — Sorry, did you say 'including stabling at Newport'?

Mr DOBBS — Correct.

Mr MULDER — The other works we are undertaking, of course, are platforms and shelters, and as much as that is an issue of public amenity, as Metro has pointed out, one of the major problems we have with the loading of passengers and slowing down loading and slowing down the trains is that when you have a small station with a small area that is basically under shelter, that is where people tend to congregate, and that is where they attempt to load onto the train as soon as the train pulls up. By putting shelter down the platforms, we will get a better spread, we will get quicker loading and we will get quicker travel times out of it.

Not only that, there is going to be improvement to the seating, there will be additional myki readers and CCTV cameras, and a lot of the stations will be painted and upgraded as part of that. As I say, we will be able to run the X'trapolis trains on that line, which we have not been able to do in the past. They are quicker, and they are the stars of the fleet in terms of reliability, and given the poor state of that particular line — the shocking state of that line — in terms of punctuality when we came to power, we believed it needed a major upgrade to get it up to where it should be. I think the work we have undertaken up to this point in time proves that, and that the work we will continue to do will make sure that does not slip.

Mr PAKULA — A quick supplementary, and by the way, Minister, I am sure that those passengers on the Frankston line last night when it absolutely packed itself in will be very glad to hear about how much it has improved. Let me say simply: only a few weeks ago PTV released their strategic document for the next 20 years. It talks about the key strategic objectives of the plan:

This document establishes a clear plan for the development of Melbourne's metropolitan rail network over the next 20 years and beyond.

Interestingly, there is absolutely nothing in the document about this so-called Bayside blitz, so I am wondering how it is that PTV can put together a document which supposedly outlines all of the strategic priorities for the metropolitan rail network for the next 20 years and makes no mention of this, and then a few weeks later it appears in the budget.

Mr MULDER — I will talk to that. As I say, this is an election commitment. This is an issue of a major maintenance blitz and upgrade. It is not a major new line or about building brand-new stations and a lot of the issues that are covered off in the network development plan that Public Transport Victoria has worked on. As

you would be aware as a former transport minister, that particular line was a focus of a lot of attention prior to the last election. I believe the former member for Bentleigh laid it out quite clearly — that had there been a strategy in place to fix that line, he would probably still be the member for Bentleigh, and he is not.

Ms HENNESSY — This is about the strategic document.

Mr ANGUS — Listen to the minister.

Mr MULDER — I think as a former transport minister yourself, you would understand that someone failed and failed badly in terms of responsibility to the people along that line. We are now doing what we said we would do — getting punctuality back up, getting it to where it should be — —

Mr PAKULA — By not stopping at the stations.

Members interjecting.

Mr MULDER — Mr Pakula was a former public transport minister — —

Mr O'BRIEN — A failed former public transport minister.

Members interjecting.

The CHAIR — Order!

Mr ANGUS — Minister, I refer you to budget paper 4, page 123, which identifies funding for new trains for Melbourne commuters, which you also touched on in your presentation. I ask: who will benefit from this new initiative?

Mr MULDER — Thank you for that question. The 2013–14 budget includes a \$176 million order for eight new X'trapolis trains and supporting infrastructure, and that was announced by the Premier at Alstom on 10 April. I was present when that announcement was made much to the surprise but absolute support of Alstom and their workforce. The supporting infrastructure includes signalling and stabling upgrades. Public Transport Victoria is currently finalising approvals for a new train stabling facility at Calder Park, on the Sunbury line near the Thunderdome. This follows seven new X'trapolis trains ordered in 2011 — five of those are in service now — and 40 new V/Locity rail cars ordered in 2012. The new trains will allow Public Transport Victoria to add to the more than 1000 extra weekly train trips added to the metropolitan train timetable since 2010.

The benefits for Ballarat of course are that the eight new X'trapolis trains will be assembled at Alstom's Ballarat North workshop, so that keeps their staff ticking over. Of the seven trains that have been ordered in the past, a number of those are on the lines now, some are in testing. When we were up there last time there was still a further train being worked on, so they can keep their workforce going along as a result of that.

The high-capacity trains — there is \$2 million in the 13–14 budget for a high-capacity train procurement strategy. The trains are a key part of Public Transport Victoria's network development plan for metropolitan rail. The high-capacity trains we are looking at bringing onto the network into the future have the potential to carry anywhere between 1100 and 1600 passengers at a time. Ian, would you like to say anything further on the high-capacity trains?

Mr DOBBS — I think the key issue here is that the trains we have today were designed 40 or 50 years ago. They are very conventional rolling stock. Time has moved on since then, actually, and modern rolling stock now tends to be better designed for carrying people. It has fewer driving cabs, it does not have intermediate driving cabs, and it does not have a break between carriages, so you can carry a lot more people. Very importantly, you can get them on and off the train quicker as well by having better designed seats around doors and wider doors. Life has moved on a lot, and we are looking now to take a step change with regard to the design of the trains we have.

Mr SCOTT — Minister, I would like to move on to the Melbourne Metro rail tunnel, which you referred to in your presentation. I looked at last year's budget paper 3. On page 70 where there was reference to \$49.7 million with \$11.4 million to be spent in 2012–13. From this year's budget that appears not to have been

spent in that year, and it rolled over with the \$10 million that is allocated to the budget in this year's budget actually being money from the previous budget. In last year's budget you said:

Progress the Melbourne Metro rail project by continuing planning and development to enable the project to proceed to delivery when construction funding becomes available from the commonwealth ...

Given the federal government yesterday allocated \$3 billion to build the Melbourne Metro, do you stand by your original promise to build it now that federal funding is available?

Mr MULDER — There are a couple of important issues to understand about the funding of Melbourne Metro. No. 1 is that the seed funding was provided by the federal government — \$40 million — for the project. That seed funding money has basically been spent. We then allocated \$49.7 million last year. Of that \$49.7 million, we released \$10 million in this year's budget for the project planning work and development work to continue. In relation to the claim that you make of the federal government providing \$3 billion for Metro, you have to think about this in the context of our current negotiations with the federal government. We have a major road project that is ready to proceed, put shovels in the ground, basically, for next year. There is no funding in the federal budget for that, none at all. In relation to Metro's funding by the federal government and the so-called \$3 billion for a project that they claim is ready to go now and that they say we should be putting money into rather than the road, they have provided nothing in 13–14, they have provided nothing in 14–15 for a project that could cost between — —

Mr PAKULA — Because you've done no work on it.

Members interjecting.

The CHAIR — Order! We have had the question. We will now have the answer. Mr Scott will have the opportunity of a supplementary question once the answer has been heard.

Mr MULDER — Chair, can I just reiterate on that: the commonwealth budget provides nothing for 13–14; it provides nothing in 14–15; it provides a paltry \$25 million in 15–16; in 16–17 it provides \$50 million — this is for a project that could cost between \$9 billion and \$11 billion.

Mr PAKULA — Because you won't prioritise it.

Members interjecting.

The CHAIR — Order!

Mr MULDER — Beyond the commonwealth's forward estimates, for 17–18, \$300 million; 18–19 — we are getting up to nearly 19–20 — \$625 million. Beyond that 18–19, they are talking about more money in Nation Building 2. In terms of commitment to the project and in terms of the interjection, the former Labor state government put nothing — not a cent — into Melbourne Metro. It was the coalition government that put in the \$49.7 million. Not a dollar went into it from — —

Members interjecting.

The CHAIR — Order!

Mr MULDER — The simple fact of the matter is that this is our no. 1 public transport — —

Members interjecting.

The CHAIR — Order! The hearing is suspended for 5 minutes.

Hearing suspended.

The CHAIR — We will resume the hearings. I think the minister was in the middle of his answer.

Mr MULDER — Thank you, Chair. As I was pointing out, the Metro funding — I call it a mirage — from the federal government beyond the commonwealth forward estimates is: 17–18, \$300 million; 18–19, \$625 million. When you look at that funding stream as it is put to the state, even the federal government

recognised that construction, with that funding stream, is most likely not going to start 18–19, 19–20. That is the way that they have structured their funding stream and their offer to the state. I think that should be quite clear — —

Mr PAKULA — Because you have made it clear it is not a priority.

Mr MULDER — Further, beyond Nation Building 2, the further \$2 billion that is supposed to be provided to us — and we have been exchanging letters with the commonwealth government in relation to the funding streams — I think it was best described in the *Age* today as being opaque. Some of those letters may as well have come with a dozen Tattsлото tickets stapled to them, because there is no firm commitment as to how that money is going to be paid to the states; there is no understanding, there is no commitment as to what — —

Members interjecting.

The CHAIR — Order! When we are all ready.

Mr MULDER — So quite clearly, Chair, from the offer that has been put forward by the commonwealth government there is an initial commitment of \$75 million. Beyond that, it is anyone's guess. That is where we are at at the moment. It is a mirage; it is fanciful. It is a bit like having \$100 on a horse with a bookmaker who has no money in the bag. That is what dealing with the commonwealth is like at the moment. That is what it is like at the moment. It is an absolute mirage. There is no commitment.

Members interjecting.

Mr MULDER — If they wanted to put it up, they would have set the date, they would have profiled the money and they would have put the money into a program where they believe construction could start earlier, if they believe it could have or they wanted to. It is as simple as that. Quite clearly the commitment is not there from the federal government.

Members interjecting.

Mr SCOTT — After that extraordinary contribution from the minister, considering the clear lack of commitment to the Melbourne Metro rail tunnel and your statements that in order to build new additional rail lines they would be dependent on the metro rail tunnel, when do you intend to build the Rowville rail, Doncaster rail and Tullamarine rail links that you have spent millions of dollars of planning money on?

Mr MULDER — I think it is important, and I think you acknowledged the fact that we have gone down the pathway of significant planning.

Members interjecting.

The CHAIR — Order!

Mr MULDER — Unless you go down that pathway — you do the planning, you do the investigations, you do the scoping, you tie down the scope, you present the business cases — you do all of that work before you actually go to the federal government and ask for them for assistance to build these major rail infrastructure projects — —

Members interjecting.

Mr MULDER — You do not go down the pathway of announcing a project, strapping a sum of money to it and hoping it fits, like the former Labor government did. We do not do that. We are commercial thinkers.

Members interjecting.

The CHAIR — Order! We are not going to go on like this. We are not going to spend the morning yelling at one another. We are not going to spend the morning trying to shout down the minister. You had the opportunity for a question — this is Mr Scott's supplementary — and we will now listen to the answer. The minister does not need assistance from anyone.

Mr MULDER — I think it is important, Chair, when you make these commitments that the community see you follow them through. I think most people who have been involved in government would have listened to the commitments by a former government in relation to a link to Melbourne Airport — once elected, walked away from it; a commitment for a study for Rowville rail — once elected, walked away from it.

Mr PAKULA — What have you done?

Members interjecting.

Mr MULDER — We have not walked away from any of our commitments. We put the money up.

Members interjecting.

The CHAIR — Order!

Mr PAKULA — You promised to build it. You promised to build Rowville rail.

Mr MULDER — We have been in government a little over two years. We are undertaking the planning work. Millions of dollars have been allocated to those projects.

Members interjecting.

Mr MULDER — We have engaged consulting engineers to undertake that work for us, and those plans are progressing. Naturally the key to a number of those projects is the metro tunnel. When I pointed out the commonwealth government's supposed phasing of funding for that particular project, naturally that is very, very disappointing. We would have liked a lot more in terms of a commitment from the federal government to a project of that size. We have not got it. It is a mirage. It is an absolute mirage. They are trying to pull the wool over the Victorian public's eyes —

Members interjecting.

Mr MULDER — with the fact that nearly all their money has gone to New South Wales and we have missed out — and we have missed out badly.

Mr O'BRIEN — In budget paper 4 at pages 42 and 44, there is outlined a number of level crossing grade separation initiatives. I was just wondering if you could provide the committee with information as to what level crossings will be removed as part of this important government program.

Mr MULDER — Thank you for that question. There is no doubt that even leading up to the election we put a huge emphasis on level crossing safety, not just in the metropolitan area of Melbourne but also in regional Victoria, and we backed that up with a high level of commitment in terms of funding and announcements that we made and we are following through with those.

The government has allocated more than \$418 million towards removal of level crossings since 2010. That includes \$349.8 million for the abolition of the level crossings at Springvale Road in Springvale and Mitcham Road and Rooks Road in Mitcham. On early works, in the Victorian budget we have allocated another \$52.3 million for early works for the removal of level crossings at North Road in Ormond; Main Road in St Albans in the western suburbs; Blackburn Road in Blackburn; Mountain Highway and Scoresby Road in Bayswater, which are separated of course by the Bayswater railway station.

Early works will involve relocating utilities — gas, water, power — removing signals and sidings, establishing public acquisition overlays and further preparing designs. Planning and business cases will also be progressed for the removal of level crossings at Burke Road, Glen Iris, and Murrumbeena Road in Murrumbeena. At some of these level crossings there are in excess of 200 weekday trains. At the Ormond level crossing there is a twice-daily steel train to or from BlueScope's Long Island premises and Sprinter rail cars to or from Stony Point to add to the mix of trains, cars, trucks, pedestrians and cyclists. The St Albans crossing plays host to a mixture of Metro, suburban and V/Line country passenger trains, along with freight trains. Early work at the St Albans crossing will include relocating assets and utilities such as gas, water and telecommunications. On 30 April the Premier and I announced the successful tenderers for the works at Springvale and Mitcham. In addition to that,

of course, two level crossings at Anderson Road, Sunshine, were reinstated into the scope for the regional rail link project. They were not funded by the former Labor government — —

Mr PAKULA — Yes, they were.

Mr MULDER — They were not funded by the former — —

Mr PAKULA — Yes, they were.

The CHAIR — Order!

Mr PAKULA — I am not going to have the minister tell blatant lies to the committee. They were funded. They were announced and funded.

The CHAIR — Order!

Mr MULDER — Okay. Chair, can I just say something on that? I am more than happy, if you would like, to table the particular documents. The Labor government's *Going Places — Better Transport for all Victorians*, states:

... the \$4.3 billion fully funded regional rail link ...

I then go to the Auditor-General's report on the funding for that particular project, where the Auditor-General said:

In early 2011, the budget for RRL was under review.

Mr PAKULA — By you.

Mr MULDER — Listen. He said:

Additional costs — —

Mr PAKULA — Yes, as a result of your failures. We had to fix your problems.

The CHAIR — Order!

Mr MULDER — Listen. He said:

Additional costs were expected for the purchase of rolling stock, station platforms, signalling, land acquisition, and the removal of level crossings at Anderson Road, Sunshine.

Who is a liar? Who?

The CHAIR — Order! Minister, that is — —

Mr MULDER — Withdraw that comment. You should withdraw that comment.

The CHAIR — Minister!

Mr MULDER — Chair?

The CHAIR — Minister, that is not helpful. If you wish to table a document, we are happy to have it tabled, but I do not want it flung across the table.

Mr MULDER — Chair, he should withdraw the comment. It is offensive — —

Mr O'BRIEN — On a point of order, Chair.

Members interjecting.

The CHAIR — Order! A committee hearing is an opportunity to ask a question and receive an answer. It is not an opportunity for members around the table to engage in a free for all or to conduct a conversation across

the table. Conversation goes through the Chair. It is not a conversation across the table. I am addressing those remarks to committee members and to witnesses.

Mr O'BRIEN — On a point of order, Chair.

The CHAIR — Mr O'Brien on a point of order.

Mr O'BRIEN — It is a serious point of order.

Ms HENNESSY — Unlike all the others.

Mr O'BRIEN — The deputy chair has made a serious and totally unsubstantiated allegation against the minister of being a liar, when in fact the document that the Auditor-General has tabled has shown precisely the opposite. The minister has politely asked for Mr Pakula to withdraw that allegation. Although this is not the house where the Speaker could order such a withdrawal, as a point of order, Chair, I ask you to provide Mr Pakula the opportunity to do the right thing and to withdraw that unsubstantiated allegation.

The CHAIR — You are right. It is not the house, I am not the Speaker and I cannot direct a withdrawal.

Members interjecting.

The CHAIR — Order! I am ruling on the point of order. I also make the point that the minister is a big boy and if he wants the remark withdrawn, he is more than capable of responding in an appropriate way, which is the way it should be dealt with.

Mr O'BRIEN — He said twice it should be withdrawn and that is why am asking for that opportunity.

Mr MULDER — Chair, the remark was offensive. It was totally incorrect. The documents point to that. I am more than happy to table documents, and Mr Pakula — —

Mr PAKULA — It does not.

Mr MULDER — Mr Pakula should withdraw those comments.

Mr PAKULA — If it is going to stop the minister having a paper-throwing tantrum, I will withdraw it.

Mr O'BRIEN — In good grace, too.

The CHAIR — Order!

Mr MULDER — We can all get things wrong.

Mr PAKULA — You claimed you announced it.

The CHAIR — Order! Mr O'Brien, you did not have a supplementary, I gather?

Mr O'BRIEN — No. A withdrawal should be — —

The CHAIR — No, on your question, not on the point of order.

Mr O'BRIEN — No.

Ms HENNESSY — Let us all take a deep breath, shall we, Minister, because I do not want pieces of paper thrown at me. But I have a question about cuts to maintenance. If I could take you to budget paper 3, page 242. I am just trying to understand how the rhetoric matches the figures because you have asserted that you have been spending more money on maintenance, but what your budget papers show is that you plan to cut maintenance spending this year from 169 million to 73.3 million, which is a cut of over 95 million, or 56 per cent. Can we confirm those figures, but the nub of my question is: what impact do you think that is going to have on disruptions due to failures on the network?

Mr MULDER — I will just get Mr Oliphant to explain that to you.

Ms HENNESSY — Sure.

Mr OLIPHANT — The decrease is related to myki development and those costs were held in that output. Now myki is transitioning to service operations and so there is a decrease in the cost there, and also there are RRL costs that are undertaken for third parties which are fully funded and they are not continuing in 2013–14. That explains the decrease in that output.

The CHAIR — Supplementary?

Ms HENNESSY — Certainly. It is your evidence to this committee that there will be no less money spent on rail maintenance this financial year as to last financial year?

The CHAIR — Minister?

Ms HENNESSY — Anyone? Ferris Bueller, Come on down!

Mr MULDER — Metro Trains Melbourne is committed to spending over \$250 million as part of its annual works planned for 2012–13. Intensive work has recently been completed on the Cranbourne-Dandenong lines and Glen Waverley-Alamein lines comprising of track signalling and overhead works. The Maintaining Our Rail Network Fund announced at the 11-12 state budget allocated an additional \$100 million over four years for strategic works on the metropolitan and regional rail networks to fix the public transport network and to complement Metro's contractual commitments. The programs administered by PTV, which in conjunction with Metro Trains Melbourne and V/Line, conducted an asset condition assessment to form the basis of the funds administration of future maintenance and upgrade programs that target crucial asset renewal and rail maintenance activities.

The allocation of the first \$25 million in the 11–12 year, of the \$100 million Maintaining Our Rail Network Fund, has progressed well, with most initiatives completed or nearing completion. The second year's \$25 million program is under way, and activities for the financial years 13–14 and 14–15 are currently being determined and are due to be finalised in June or July 2013, but I point out that they have an additional \$100 million over four years over and above what they had in the past to spend on rail maintenance.

Ms HENNESSY — It is just that the budget paper says there is a 56 per cent cut.

Mr ONDARCHIE — Minister, thank you for your presentation this morning. I want to draw your attention to the issues around customer satisfaction, and I draw your attention to page 253 of budget paper 3, which shows rising estimates for customer satisfaction within public transport. Why is customer satisfaction rising for metropolitan trains in 2013–14, and how does that compare to previous results?

Mr MULDER — The customer satisfaction score for metropolitan train trips is expected to be 68 in 2012–13 and 69 in 2013–14, and that compares with a score of just 59.6 in 2009–10. The higher score for metropolitan trains indicates that passengers have experienced improvements in areas such as improved security — for example, putting the PSOs on stations after dark — better information, PTV timetable and their new website and better train performance. We spoke before, and we can put the graphs up again if anyone would like to have a look at the graphs, about improved punctuality. The trains are cleaner, and the trains are more comfortable.

If I could point to the issue in terms of the PSOs —

Ms HENNESSY — Did you remove the myki satisfaction rating?

Mr MULDER — and the deployment of protective services officers at railway stations, that is clearly improving customer satisfaction. If you have a look at some of the locations where we have rolled them out — Broadmeadows, Clayton, Coburg, Cranbourne, Dandenong, Essendon, Footscray, Heidelberg, Hoppers Crossing, Laverton, Oakleigh, Reservoir, Richmond, St Albans, Springvale, Sunshine, Werribee, Williams Landing, Yarraville — you can start to understand why members from both sides of the house are very keen to get an understanding of when their PSOs are going to arrive. That is a very different situation —

Ms HENNESSY — Did you remove the myki customer satisfaction rating?

Mr MULDER — to when that policy was announced.

Mr ONDARCHIE — Even those who argued against it?

The CHAIR — Order!

Mr MULDER — The attacks that were made — —

Ms HENNESSY — It is just that the myki customer satisfaction rating has mysteriously disappeared.

Mr ANGUS — Stop interrupting the minister, Ms Hennessy.

Mr MULDER — As for the attacks that were made on the PSOs and the credibility of the PSOs, quite clearly Victoria Police are very supportive of the PSOs. The Victorian public are very supportive of the PSOs. Metro, their drivers and their station staff absolutely love the presence of the PSOs in and around the stations. If you have a look at the workload they have been undertaking, you can understand why we believe they need the best possible facilities to work at —

Mr O'BRIEN — Preventing crime and saving lives.

Mr MULDER — and we are going to provide that —

Ms HENNESSY — And the myki customer satisfaction rating? You just took it out.

Mr MULDER — even though there are those within the community who believe that they should not have basic facilities. We believe they should have the facilities that they deserve —

Mr PAKULA — We just think the passengers should be able to use them as well.

Mr ANGUS — Stop interrupting the minister.

Mr MULDER — to undertake the work that they do and to protect the public in the manner that they do.

The CHAIR — Thank you, Minister. Deputy Chair.

Mr MULDER — Did someone mention myki?

Ms HENNESSY — Yes. You have removed the customer satisfaction ratings from your — —

The CHAIR — Order!

Mr ANGUS — It is not your question, Ms Hennessy.

Mr ONDARCHIE — You support the PSOs now, Marty, do you?

The CHAIR — Mr Ondarchie, the Deputy Chair has the call.

Ms HENNESSY — Your contribution is not welcome.

The CHAIR — That goes for you too, Ms Hennessy. Yours is not welcome either at this point.

Mr PAKULA — Minister, the budget shows, on page 48 of budget paper 3, 5.4 million for additional train services, which the commentary on page 49 says will be on the Dandenong line. You talked about the peak load survey, and I think you would be aware that a large proportion of those load breaches are still occurring on the Dandenong line, which would suggest that additional services would be most needed at peak hour. The network development plan says that only 18 services per hour can be run on the Dandenong line, so it is pretty much at capacity during the peak. Regarding those additional services that you talk about on page 49, can you advise the commuters on that line whether those services will be run at peak hour, or will they be off-peak services?

Mr DOBBS — I think I can answer that one. In the next timetable change next year we will be providing two new services in each of the morning and evening peak periods on that line, which we are able to do as a result of course of new trains being delivered, which is very welcome, as well as the operation of a 10-minute

interpeak service between the city and Dandenong during the day. We are upgrading both peak and interpeak services.

Mr PAKULA — When you say two per morning and two per afternoon in the peak period, are they all running in the peak direction or one in the peak direction and one against the peak?

Mr DOBBS — I believe they are both working in the peak direction.

Mr ANGUS — Minister, I refer you to budget paper 3, page 52, which under the ‘Asset initiatives’ table refers to estimates for Grovedale station and the Epsom Eaglehawk rail improvement, and I ask: how will these projects benefit regional cities?

Mr MULDER — Once again these are two significant commitments to regional Victoria, both at Grovedale and in the Bendigo area at Epsom. We made a pre-election commitment to build a new railway station at Grovedale, and the budget 2013–14 includes \$16.5 million for a new station at Grovedale, plus \$5.2 million over three years for operating and maintenance of that particular service. This follows on from the \$9.4 million that was allocated in 2011–12 and 12–13 for land acquisition, for planning and for design work. The new station at Grovedale will feature a platform with passenger waiting and staff facilities, a 200-bay commuter car park with the ability to extend — there is a large parcel of land there if demand increases — bus bays and also bicycle parking.

Of course the station user panel that we set up after coming to office has provided input to Public Transport Victoria on the design requirements of Grovedale, ensuring that the needs of people with disabilities were taken into account. The station user panel, which I put together, made up of disability groups, Victoria Police and a number of the people who use stations on a regular basis, sat down and put together a whole range of principles that they believe should be put into railway station design. That was basically taken off the disasters that we saw from the former Labor government at Footscray and Laverton stations —

Ms HENNESSY — Come on! How much legal action have we had against Metro?

Mr MULDER — where people with disabilities and women with prams could not get off platforms. People were being taken to the next station and getting a taxi back each time the lifts broke down. We did the same with Williams Landing; we intervened with Williams Landing. That had no ramps at all, and we installed ramps into that specification late in the stage of works, but we wanted to make sure that elderly people, women with prams, people with bicycles or whoever could get easy access on and off the trains and on and off the stations if required and not be faced with multimillion-dollar white elephants that basically disadvantaged people with disabilities in particular. That was the idea of the station user panel. It is working very well at all of the stations that we are rolling out.

Epsom and Eaglehawk — that includes \$7.3 million over two years for capital costs associated with the building of a new railway station at Epsom and 1.5 million over three years to operate it. The station will include a platform with shelters and a 60-space car park and will allow for a total of 28 trains a week. There will be also additional services coming out of Eaglehawk. On top of that we have also allocated I think around \$834 000 for a total upgrade of the level crossing at Howard Street in Epsom. We are pulling out the old flashing lights and the old bells. We are putting in a brand-new set of flashing lights, bells, boom gates and also a safe pedestrian crossing there as well, a patrolled pedestrian crossing. So they will get a great outcome at Epsom as a result of that investment.

Mr SCOTT — In your media release relating to the budget, and I think it relates to budget paper 3, page 57, you talk about \$2 million — and you have made reference to it in an earlier question — to investigate high-capacity trains. My understanding is that in the first coalition government budget there was also \$2 million for a similar purpose. Is the money that is planned to be expended this year that same money that was promised in a previous budget?

Mr MULDER — Look, we will have to take that question on notice if we can. You said \$2 million in the —

Mr SCOTT — I understand there was \$2 million promised in a previous budget.

Mr MULDER — Promised or was in the previous budget?

Mr SCOTT — It was in the previous budget.

Mr MULDER — It was in a previous budget?

Mr SCOTT — Yes, the first budget of the coalition government, and by examining budget papers it appears that maybe the money that was in the previous budget has not been spent, and it has been rolled over into this budget.

Mr MULDER — Look, I do not have that information in front of me at the moment.

Mr SCOTT — So you will take that on notice?

Mr MULDER — I am happy to take that on notice and get back to you on that.

The CHAIR — That is the 11–12 budget year?

Mr SCOTT — Yes, the first budget of the coalition government.

Ms HENNESSY — Essentially you say this is a reannouncement.

Mr O'BRIEN — I was going to refer to the Bayside rail improvements initiative, which is set out in budget paper 3, on page 53. If I could ask you, Minister, could you please outline to the committee what this initiative provides?

Mr PAKULA — You have already asked that.

Mr MULDER — This is a \$100 million Bayside rail package. It is about improving Melbourne's rail network on the Frankston, Werribee and Williamstown lines. As we know, the Frankston line is the third busiest. Patronage on the Werribee line is also increasing due to population growth in Point Cook, Tarneit and Wyndham Vale. In April 2013, 98.7 per cent of the timetabled Frankston line trains operated — 98.7 per cent. In timekeeping, 90.2 per cent of Frankston train lines were less than 5 minutes late arriving at their destination. So Metro met its benchmark of at least 88 per cent of trains being timely.

Mr PAKULA — How much time did you add to the timetable?

Members interjecting.

The CHAIR — Order!

Mr PAKULA — I want to know how many minutes you added to the timetable.

The CHAIR — Order! Mr O'Brien has asked a question, and the minister will respond.

Mr MULDER — Thank you. I guess it is important to understand too the difficulty that the Frankston line was faced with in previous years when, you know, punctuality dropped to at some stage around 65 per cent.

Mr PAKULA — All better now, is it?

Mr O'BRIEN — As Mr Pakula would know, given he was the minister.

Mr MULDER — Extremely poor. It was terrible. If I could quote from an individual in relation to that, basically train punctuality plunged from 80 per cent in July 2009 to 65 per cent in June 2010. That individual said:

We needed to find a way to deal with these problems, and I think if we had a strategy I may well be still there.

That was of course Labor MP Rob Hudson talking about having no strategy to deal with it. So here we are with a \$100 million strategy, and we are getting criticised for having a \$100 million strategy to deal with the problem.

Mr PAKULA — But it is not a \$100 million, and it is not confined to — —

Members interjecting.

The CHAIR — Order!

Mr MULDER — During the next 18 months we will be adjusting signals to allow X'trapolis trains to safely operate. The drivers on these trains sit in the centre of the cab, and so when they are departing from the platforms on which the train stops it can be difficult to see the signal at the end of the platform; there is an issue there with the drivers' seating. As noted earlier, the government has announced 15 new X'trapolis trains for Melbourne's rail network — seven in 2011 and eight in April 2013. We will also be upgrading traction power at Westona and on the Altona loop.

Metro or its contractors will install new passenger information displays along the Frankston line stations. Public Transport Victoria will investigate if wi-fi can be made available at some Bayside stations. Currently wi-fi is only available at Flinders Street, so this would be a significant advance in terms of wi-fi access. There will be additional canopies provided at Frankston line stations from South Yarra right through to Frankston inclusive. Metro will also be continuing with its track works program to ensure that the rail system can continue to cater for passengers into the 21st century. From 2016, when the regional rail link opens, Werribee line trains will no longer have to share tracks with V/Line trains between Werribee and Southern Cross, so this should also aid punctuality right along that line.

Once the new timetable commences in November 2015 the operation of the modern X'trapolis or Siemens trains on these three lines will enable an improvement in the timetable of either one or two minutes on the Frankston line, given that the slower Comeng and Hitachi trains will no longer operate unless there is a severe disruption. The other benefit is that the two more modern types of trains are more reliable, they do not fail as often, and that will be a boost to customers in terms of timely operations. So it is a significant investment welcomed by everyone right along that line and long overdue. As was pointed out, if there had been a strategy in place in the past, perhaps the situation may have been different to what it is today.

The CHAIR — Thank you, Minister.

Members interjecting.

Mr PAKULA — Is that the maintenance money? Have you cut that nice 5 million from maintenance and just moved it round?

The CHAIR — Order!

Mr MULDER — No.

Mr PAKULA — Well, it has been cut out of this ongoing maintenance.

Members interjecting.

The CHAIR — Order! Gentlemen, on my right Ms Hennessy has the call. Thank you.

Mr MULDER — Chair, excuse me, I think Mr Ian Dobbs was going to explain it a little further.

Ms HENNESSY — Mr Dobbs does not have the call; I have the call.

Mr MULDER — Because a subsequent question was put by Mr Pakula.

The CHAIR — Order! No, Ms Hennessy has the call. We have moved on.

Ms HENNESSY — Minister, I have a question about Caroline Springs station. When I go to budget paper 4, page 124, under 'New stations in growth areas' I see that funding for Caroline Springs station is pretty conspicuous in its absence, but it was not conspicuous in its absence on PTV's rail plan, which effectively said it has already been built. What is the go?

Mr MULDER — Okay; what is the go with Caroline Springs. There is a new station planned on the Ballarat line for Caroline Springs. The access road from Deer Park bypass to the station car park at the site has already been constructed. Land has been purchased and detailed design for the station has now been completed. The station is one of four stations that make up the New Stations in Growth Areas program, which also included Lynbrook, Cardinia Road and Williams Landing railway stations. Construction of two new substations has also been added to the scope of the program, because they were left out of the original scope of the program. I think we all understood what happened at Lynbrook and Cardinia Road — there was not enough power to pull trains away from the stations.

Ms HENNESSY — Is there money in the budget to build Caroline Springs railway station, given that the PTV plan says it has already been built?

The CHAIR — Order! I will take that as a supplementary question.

Mr MULDER — Given that there was a sum allocated to the growth area program, the final accounts for the contractors on Cardinia Road, Lynbrook and Williams Landing stations are in the process of being settled, as I understand, at the moment. That is why the budget is under review. When we came to government there were a number of projects that had massive cost overruns, including projects in that particular program, and PTV is finalising, as we speak, a settlement with some of the contractors over some of the very, very large claims that were laid as a result of the construction of some of those other projects. Ian, would you like to expand on that?

Mr DOBBS — That is correct. When PTV came into operation we inherited a number of projects that had considerable claims from the contractors. We are now actually in the final stages of concluding those, and we are confident that that will actually leave funds within the budget. But we want to see first of all exactly what those funds are and see whether they can actually, if you like, satisfy the scope of the project as it is — which we have managed to reduce anyway, because we actually looked at the design and found more cost-effective ways of building the stations as well.

Mr MULDER — Yes. I think it is important to understand that we have not stopped. Consultants have been appointed, all the design work has been completed and the project is basically ready to go to tender. We just want to get an understanding: do we have money within the budget for that allocation after we have worked through the cost overruns with the contractors? We have progressed that project.

The CHAIR — Thank you, Minister. Mr Ondarchie.

Ms HENNESSY — I am sorry, Chair, I have a supplementary question.

The CHAIR — You asked it. You asked a supplementary question half way through.

Ms HENNESSY — Why did you put it on your PTV plan saying that it had been completed?

Mr MULDER — Pardon?

The CHAIR — No, Minister. Ms Hennessy's question has — —

Ms HENNESSY — If the Chair would lift his finger off the dump button I might be able to — —

The CHAIR — Order! Ms Hennessy's opportunity to ask a question has concluded.

Mr ONDARCHIE — Minister, I refer to the building for growth budget, and I note that in your portfolio the MBAV, the RACV and VECCI have all made favourable comments about it. I refer you particularly to budget paper 4, page 123. It refers to a station interchange upgrade at Ringwood. I wonder if you could tell us what benefits will flow to Victorians from this project.

Mr MULDER — We provided \$2 million previously for planning work at this particular location, and there is \$64 million in the budget for the station upgrade, bringing the total up to \$66 million. It was advocated for very strongly by the member for Warrandyte, Ryan Smith, who pushed for that particular project prior to the last election. The input of Queensland Investment Corporation, the owners of Eastland, the Ringwood Chamber of Commerce and Industry, Maroondah City Council and VicRoads has also been very useful and constructive

in terms of the negotiations with Eastland and the development of that particular project. This will enable a \$500 million redevelopment of Eastland shopping centre and Ringwood town centre by the Queensland Investment Corporation. When the Premier and I went out and made that announcement it was quite clear: a spokesperson for the Queensland Investment Corporation said that they were waiting for us to make our announcement in relation to Ringwood station before they would push the button and commit to the major upgrade of Eastland.

It just goes to show you how a \$66 million investment by a state government can trigger massive investment by the private sector if those investments are targeted. It builds on our commitment to enhancing railway station precincts, bringing railway station precincts to life and integrating railway station precincts into other types of developments. We have done it at Glen Waverley, we are doing one at Brunswick and we are very keen to pursue more of these types of options going forward. Ringwood, of course, is a major interchange where passengers change trains between Belgrave and Lilydale and connect with numerous local bus routes. More than 200 trains pass through Ringwood on a weekday, and it is also a major stabling yard where Metro's trains spend their nights.

On the downside, the station is a heritage building. The northern platform plays host to many trains departing for Belgrave and Lilydale, reached via its ramp, and the weatherboard buildings on the island platform are outdated for the 21st century. The project includes a major new concourse at the Eastland entrance to Ringwood station, as I say, blending it in with Eastland. A bus interchange will be reconstructed, there will be a new signalised pedestrian crossing at Maroondah Highway and Ringwood's heritage-listed station building is also going to be upgraded. There is also going to be a new DDA-compliant footbridge connecting one side of the railway station with the other, while there will also be ramps down to the platform so that if the lifts are inoperable, passengers and staff can still get down to or up from the platforms.

As I say, once again you can see the station user panel principles at work here in terms of railway station design and accessibility. The footbridge and ramps will be particularly helpful to passengers using wheelchairs and scooters, those who come by bike and those who are carrying luggage or pushing prams.

Owners and investors will observe the works that the government is carrying out on the Ringwood railway station and decide that it is one factor that will give the local area a prosperous future. Of course with that particular project I think the former government had a plan to run a road straight through the middle of the clock tower area there.

Mr PAKULA — What?

Mr MULDER — The local RSL, of course, were up in arms about it. The new proposal that we are putting forward preserves that area, which the RSL are absolutely grateful for. A lot more thought and a lot more money has gone into our proposal, and as I say, we have triggered a \$500 million investment from the private sector.

Mr ONDARCHIE — And jobs.

Mr MULDER — And the jobs that will come with it; you are right. I think there will be 2000 construction jobs and 2000 retail jobs. As I say, we have that large parcel of land that VicTrack holds right in the middle, which is plum for redevelopment, but we will wait until the other two projects are under way because it will give an uplift to the value of the land that the state owns and provide an opportunity for developers to do something with it, naturally in consultation with the local community.

Mr PAKULA — Minister, I am just wondering whether either you or Mr Dobbs can tell us how much money has been spent by the department on rebranding and advertising for the establishment of PTV, and how much has been spent by PTV and DoT on travel, entertainment and legal expenses over the last 12 months?

Mr ANGUS — In comparison to what you spent?

The CHAIR — Order!

Mr ONDARCHIE — Versus the myki card.

The CHAIR — Order!

Mr ANGUS — Yes, how much did you spend on myki?

Mr ONDARCHIE — Versus 13 years for — —

The CHAIR — Order!

Mr PAKULA — Don't be sensitive!

Mr DOBBS — I can certainly answer, Chair, or certainly give a lead on the branding issue. We have very recently handed over those numbers, I believe, to the Opposition, which asked for that information. I will have to take the question on notice and come back and resubmit those because I do not have them today. But it is actually minimal in the time to date. On legal expenses for the department I will have to hand over to the secretary.

Mr PAKULA — And travel and entertainment.

Mr OLIPHANT — Entertainment in 12–13 for the former Department of Transport was 500 000 and for legal expenses in 12–13 it was 11.7 million.

Mr MULDER — Can I just touch on the issue of the branding again? If you have a look at the branding that is currently taking place with Metro Trains, the trams and the bus network, we actually own the brand — that sits with Metro Trains — and that has been rolled out onto the trams and buses. It is a different colour, but has the same formation and the same pattern that appears on Metro Trains. In terms of the PTV brand in its own right, we created that internally. That was not created externally; it was done by departmental staff in their own right, and I think they have done a very good job with it. That has saved an awful lot compared to the cost if we had gone to the private sector to do that work for us.

Mr PAKULA — I just have one follow-up. I want to thank Mr Oliphant for the answer. I assume that the answer in regard to travel will be part of what is taken on notice — —

Ms HENNESSY — Have you got travel there?

Mr OLIPHANT — I have travel.

The CHAIR — Order! We will have the supplementary and then I will ask Mr Oliphant the question.

Mr PAKULA — I will try to say this as non-pejoratively as I can, Ian, but in terms of the branding of PTV one of the things you did is introduce the new PTV app to replace the Metlink app. My question is: when will that app stop being terrible for people to use?

Mr ONDARCHIE — It works well.

Mr ANGUS — It might be an operator error.

Mr DOBBS — Thank you very much for that very sensitively worded question. Clearly the app, which was introduced right at the early stages and developed before PTV's time, was less than adequate. The good news is that in recent weeks we have introduced an upgrade on that app. I am sure if you have the new app you will have got that automatically. It has been met with a lot of praise from people out there. People think it is a big improvement; it is much easier to use. We have put in a much bigger server, with more horsepower, if you like, behind it. We have seen a big improvement with that app over the last 12 months. We clearly need to make sure that as we move forward and develop increasingly good real-time information for people on the ground that we maintain that standard and ensure that information is accurate and timely.

The CHAIR — Mr Oliphant on the travel.

Mr OLIPHANT — Overseas travel in 12–13 is 300 000.

Mr ANGUS — Minister, I refer you to budget paper 3 and pages 48 and 49, which outline various initiatives in relation to additional train services and bus service improvements and initiatives. Minister, can you just explain to the committee what those initiatives involve?

Mr MULDER — Thank you for that question. One of the issues in terms of the punctuality, reliability and additional train trips that we are making is being reflected in the customer satisfaction — in terms of the points that we are scoring at the moment compared to when we came to government. More than 1000 extra weekly train trips have been added to the metropolitan timetable since 2010. The Dandenong line is shared by Metro, V/Line and freight rail operators. The 2013–14 budget includes \$25 million over four years for additional weekday train trips on Metro’s Dandenong line. We know that that line is under the most pressure. In actual fact we have put in a submission to Infrastructure Australia, the federal government, to assist us to conduct a major upgrade along that line. We have not been successful up to this point in time but we are very much aware of the issue of overcrowding on that line. PTV has worked very closely with Metro to add those additional trips, as was explained to Mr Pakula in answer to an earlier question — —

Mr PAKULA — You have to stop focusing on me, Terry.

Mr MULDER — I will do it again. As I say, the weekday train frequency for stations from Carnegie to Dandenong inclusive will improve between 9.30 a.m. and 3.00 p.m. and between the peak periods from a train every 15 minutes to a train every 10 minutes. Mr Pakula, you would have loved that — —

Ms HENNESSY — People will talk.

Mr O’BRIEN — Look at the problems we inherited.

Mr PAKULA — Stop worrying about me, mate. You have been the minister for three years now. Stop worrying about me.

Mr O’BRIEN — You should have allowed those Auditor-General’s reports in.

The CHAIR — Order!

Mr PAKULA — Lighten up, Dobby.

The CHAIR — Order!

Mr MULDER — It is the next step towards allowing commuters to throw away their timetable. We have also done that with Frankston — introduced 10-minute timetables on the weekend.

Ms HENNESSY — All right. We have taken that message.

Mr MULDER — This is a fantastic initiative and has been very well received. For stations from Hallam to Pakenham and Lynbrook to Cranbourne inclusive public transport users will have a train every 20 minutes instead of every half-hour. That is currently the case and was the case before we came to government. The removal of the Springvale level crossing at Springvale Road will also remove a constraint on the Dandenong line. There is an awful lot happening along that corridor.

For each timetable change for trains Public Transport Victoria revises the bus timetables to ensure that they coordinate with trains. One thing that we were absolutely amazed about when we came to government was that there been no effort in the past to try to coordinate the bus timetables with the train timetables. When you look at what was happening on the Frankston line, where up to 65 per cent of trains were running late, you can imagine that that would have caused chaos for the bus timetables.

Bringing the metropolitan rail network right up in terms of its punctuality allows us to be able to start to match bus timetables with train timetables. It would not have been possible in the past under the former government because the system was too unreliable. But with PTV in place and the work that it is doing now, we have been able to realise that, and it is an absolutely massive step forward. In fact on the Frankston line we are running a trial whereby the last train at night — the bus will wait for it. We will see how that works — see how that runs — to make sure the last person who steps off the station at night who wants to use public transport has an option to use it. I think that in its own right, with PSOs looking at safety issues, is a great initiative.

The 2013–14 budget includes more than 20 million for bus service improvements plus 5.4 million for bus infrastructure, such as bus stops. The first phase of this investment was introduced in April 2013 with a tripling of bus trips into the Point Cook area, from 696 to 2120 trips per week.

Ms HENNESSY — And cut them from significant sections of the community, Minister.

Mr ANGUS — Stop interrupting the minister, will you?

The CHAIR — Order!

Mr MULDER — Five new bus routes were introduced, operating every 20 minutes during peak times, and of course those people who live closer to the station get a quicker journey again. In addition, bus route 772 in Frankston, as I said, has been boosted to an extra 27 return trips per week, and the route 456 bus from Melton to Sunshine now stops at the Sri Durga Temple in Rockbank on Sundays, which was a request from the temple prior to the election. The next timetable change will progressively introduce new bus services to Bacchus Marsh, to Warrnambool and to St Albans, where we are conducting a major road separation project as well.

Mr PAKULA — You are conducting a major road separation project for St Albans? That is news to St Albans!

Ms HENNESSY — It is news to the budget papers too!

Mr SCOTT — Minister, I take you to the questionnaire response — question 12. The department provided a questionnaire response to the committee, and in question 12 there are efficiencies and savings. We call them cuts, but let us not get into a semantic argument around that. I am seeking verification now. There are — —

Mr ONDARCHIE — What does Wayne call them? Does Wayne call them savings or — —

Mr SCOTT — I am not Wayne Swan, so — —

The CHAIR — Order! Mr Scott has the call.

Mr SCOTT — In the first year there are 52.2 — sorry, from the 2011–12 budget. From the budget update there are two figures: of 2011–12 there is 18.1 and 102.5 from the 2011–12 budget update — sorry, there is 102.5 and 67.5. There is 63.9 from the 2012–13 budget, and there is another 5.8. By my calculation all those figures add up to \$308.2 million, but for the last year, for 13–14, you say, ‘To be announced’. I note from the budget there is a negative 4.8 million from existing resources — how it is described. I take it that is a savings measure. Is that the savings measure that is described on page 62 of budget paper 3, where it describes a \$25 million adjustment to efficiency dividend?

Mr O’BRIEN — Just a point of order — could Mr Scott provide a reference to the other page he went back to? I saw him flip back.

Mr SCOTT — It is page 48.

Mr O’BRIEN — Thank you.

Mr SCOTT — By my calculation, if it is the 4.8 million, you get to 313 million as a reduction in funding from all those measures, but I am seeking clarification on that particular figure.

Mr YATES — That 4.8 figure is actually reprioritisation of resources that has helped fund some of the initiatives above, so it is not related to the savings.

Mr SCOTT — Okay, so that is not the 25 million?

Mr YATES — That is right.

Mr SCOTT — As a supplementary, of that 313 million, what proportion is under the transport area of the department?

Mr YATES — We might have to take that on notice because that 300-odd million figure you are talking about is the new department, if you like, rather than just the transport allocation.

Mr SCOTT — You can provide that figure for transport.

Mr YATES — Yes, Absolutely.

The CHAIR — You will take on that notice.

Mr YATES — We will take on that notice and will provide it.

Mr O'BRIEN — Thank you, Minister. I refer further to your evidence in relation to the accessibility upgrades, and I particularly make note of your evidence that you provided to this committee in previous years about Williams Landing and your initiatives there. I passed through there this morning, and it is good to see that progressing. I ask you, Minister — in relation to budget paper 3, 258, you have detailed some measures there and initiatives. Could you please provide the committee evidence on exactly what the accessibility upgrades to the bus stops and the railway stations listed on that page in the budget are?

Mr MULDER — All right. In 2011 we committed \$20 million towards improving accessibility on the public transport network. The budget papers show that Public Transport Victoria expects to improve accessibility around 415 bus stops across Victoria. This includes 191 stops in the Melton area, 26 around Portland, 152 around Shepparton and 46 around Swan Hill. Public Transport Victoria plans for 37 railway station improvements in 2012–13, and they expect to improve accessibility around 77 metropolitan railway stations and 10 regional stations in 2013–14. In the regions, we are looking at Warragul, Nar Nar Goon, Colac, Kilmore East, Mooropna, Murchison East, Nagambie, Tallarook, Trafalgar and Yarragon. Metropolitan stations — there is a massive list here, starting with Ashburton, Bell, Bentleigh and going right down to the tail end with Westall, Windsor and Yarraman.

We are conducting a rigorous assessment of what stations and what bus stop areas do need improvements in terms of accessibility. Public Transport Victoria is in charge of rolling out the contracts to see if that work is delivered, but, as I say, on top of the work the station user panel is doing and the additional funding we are putting into major railway stations — accessibility around major rail stations — we are making sure we do not miss out on existing stations that do not have appropriate access in place and do not have the appropriate disability improvements that are required for people who need to get access to public transport. It is a range of these smaller projects that will make a huge difference to these particular locations, both for rail passengers and also for bus passengers as well.

Mr O'BRIEN — Thank you, Minister.

Ms HENNESSY — Minister, is there anything in the budget to compensate licence-plate holders or progress the Fels taxi inquiry recommendations?

Mr MULDER — There has been an allocation made in previous budgets in relation to the taxi industry inquiry. It has made its final report and recommendation to government setting out a reform package to remove the taxi and hire car industry away from the high levels of protection and restrictive government regulation to an industry based on competition, innovation and self-regulation and that is focused on achieving higher standards for customer service.

We held a period of public consultation in relation to the inquiry's final recommendations. That closed on Wednesday, 30 January 2013. Over 440 submissions were received in response to the inquiry's final report, and I understand the government will respond to the inquiry's final recommendations in the coming weeks. At the moment we are in the process of interviewing a chairperson and two assistant commissioners for the taxi industry inquiry. As Professor Allan Fels indicated, this particular inquiry and the recommendations that have come from it is going to take a number of years, he anticipates, for all of the recommendations to be implemented. Some of those will be up-front legislation. There will be further legislation required for other recommendations going forward. A lot of the recommendations can be dealt with by regulation, and some can simply be dealt with by other processes within the new taxi industry commission.

The funding has been provided and is in place for the taxi industry commission to carry out the work. The total expenses of the commission during the 11–12 financial year was reflected in the annual report tabled in Parliament on 30 August 2012. That was \$5 million. This figure includes 1.8 for services received free of charge or for nominal consideration, such as employees seconded to the commission and services provided to the department of transport, such as financial services. Supplies and service to the commission totalled \$2.565 million, including contracted research, admin and IT stakeholder engagement and so on. Employee

expenses, including public service employees and the chair and commissioner, for 2011–12, were \$2.347 million.

Ms HENNESSY — Minister, are you indicating through that answer that the recommendations of the Fels taxi inquiry will all be implemented?

Mr MULDER — What I am saying is that the government's final response will be tabled shortly. I am not saying that all of the recommendations of the inquiry will be implemented. We have had a period whereby we put a draft report. As I say, the 440 submissions came in as a result of that draft report. As a result of that, the government has taken due consideration, and we will respond with a government's recommendation within coming weeks.

Mr ONDARCHIE — Minister, it is timely that I ask this question, because it relates to commonwealth grants for infrastructure, given the amateurish attempt at a federal budget last night.

The CHAIR — You had the opportunity to ask a question, not provide commentary on anyone else's budgets.

Members interjected.

The CHAIR — Order!

Mr ONDARCHIE — Budget paper 2, page 47, refers to commonwealth grants for infrastructure. Has there been any commonwealth funding provided to Victoria for priority public transport infrastructure in the past 12 months?

Mr MULDER — Thank you for that question. In 2011 and 2012 Victoria applied to Infrastructure Australia for commonwealth support to progress two of our major transport projects here in Victoria. One of course was the Melbourne Metro; the other was the Dandenong rail capacity program.

We have also sought commonwealth support for high-capacity signalling, Avalon Airport rail link, removal of level crossings, priority transport in growth areas, Murray basin transcontinental rail link, and of course we have touched on our position with the commonwealth in terms of the east–west link. The 2012–13 commonwealth budget did not contain a single dollar for public transport in Victoria, which is disappointing in its own right.

Members interjecting.

Mr MULDER — Can I just touch on the issue of the removal of level crossings. A lot has been said about the removal of level crossings and of them being a state government responsibility, not a responsibility of the federal government. Of course we have recently had the transport minister, Anthony Albanese, and Bill Shorten out at St Albans claiming that the Victorian government had refused funding from the federal government to fund the St Albans level crossing, when in actual fact what they asked us to do was to identify some savings from federal government projects that had been funded before they had been completed — a number had not been completed, had not been ratified by Treasury and could be the subject of future claims. They wanted to go out and claim that that was their contribution to the St Albans level crossing. At the same time they indicated that funding level crossing upgrades was not a responsibility of the federal government.

It is interesting to have a look at the Building Australia Fund Torrens and Goodwood junctions rail project, \$232 million in South Australia, which resulted in four major grade separations funded by the federal government to the South Australian government, but when it comes to Victoria, when it comes to St Albans, when it comes to the western suburbs, when it comes to Labor heartland, not a dollar — not a single dollar. That is very disappointing for us, because it would have enabled us to push forward with St Albans a lot quicker. We are currently in the process of the planning and design. We have been through community consultation out there. A preferred option at St Albans of course is rail under road, but can I tell you the community is absolutely over the moon at the fact that a government has taken interest in that particular project. We have committed funding to the early planning. We have committed funding to the early pre-construction work, such as the removal of services to get that project ready to be funded. As I say, not a single dollar in the federal government for St Albans — not a single dollar.

Mr PAKULA — I want to examine this thing about bus service improvements, Minister. The budget has for 12–13 a mere \$800 000, and somewhere between — —

The CHAIR — Can you tell us where the reference is?

Mr PAKULA — BP3, page 48. And somewhere between 4 and 5 million per annum out over the forward estimates, which I do not think the bus association would think is anywhere near adequate. We know now that in terms of your overall budget, something like 10 million of it — or 10 million of the savings to government — has come from Ventura being sacked and the contract awarded to Transdev, which is Connex by another name. I am wondering how the government imagines that commuters on the bus network are going to benefit with \$4 million a year from a decision to effectively remove Ventura from bus service provision and to provide that contract to Transdev instead?

Mr MULDER — I might let Ian Dobbs answer that question as he has been working through the procurement of a new service provider for buses and also of course has worked with the government in rolling out an extra 2000 bus services per week since we came to office.

Mr DOBBS — The additional funds are for some of the services mentioned earlier that we are putting out over the next couple of years, particularly the likes of Warrnambool and St Albans, for instance.

Mr MULDER — Bacchus Marsh.

Mr DOBBS — Bacchus Marsh as well. The bus services contract that we are just in the process of letting and we have named the preferred tenderer for has been a process that has been going on for 18 months now. It was driven by the intention to get better value from 30 per cent of Melbourne's bus network, firstly, in terms of outputs; in other words, the quality of services, the spread of services, as well as the customer satisfaction from services — that is, the number of people actually using it — because bus usage has been pretty low in Melbourne over the last 30 years. The contract really incentivises the new operator to improve both customer service operational quality and for the first time the number of people actually on the buses as well. So we really see some significant improvements in terms of outputs coming as a result of the re-tendering.

Of course there will also be improvements in terms of inputs because the new operator is going to do it far more efficiently than the contract in the past. I know that the minister is in active discussions with the Treasurer as to how those particular savings to the state will be used.

Mr PAKULA — I would be interested whether PTV or the department are prepared to release the details of this new contract because from the budget papers it is difficult to ascertain what actual improvements bus customers are going to see from the decision to replace Ventura with Connex. In those circumstances I am wondering if PTV is prepared to release the details of this new contract so that we can see exactly how commuters might benefit from it.

Mr DOBBS — I am reminded that of course we normally make these contracts (subject to sensitive reductions) available once they have been signed. The principles of the new agreements I think have been explained quite adequately in the public announcements that have been made — the media announcements a few weeks ago. As I said, I think the key issues in the new contracts are improvements in terms of both inputs and outputs, so it is both better value in money terms but also in terms of quality outputs with the new services. But we are more than happy to continue the past practice of putting as much out into the public domain and being as transparent as possible, subject to, of course, commercial sensitivities.

Mr MULDER — Those contracts, once they are signed, go to the government website, as do all major contracts; but we are currently in the process of still negotiating and signing up the new operator.

Mr DOBBS — We are expecting to sign this week actually. They have been the preferred tenderer over the past couple of weeks and we are ready to go.

Mr PAKULA — I look forward to seeing the contract next week.

Mr ANGUS — I refer the minister to page 52 of budget paper 3 and the line item entitled 'Non-urban train radio renewal'. Minister, I am wondering if you can advise the committee what this initiative involves?

Mr MULDER — This is a project that has been hanging around for a long period of time and it is a project that is critical to our regional rail operator, V/Line, in terms of being able to operate an efficient and safe service. Our budget allocates 43.9 million in capital funding over more than five years, including beyond 2016–17, for the replacement V/Line’s current obsolete train-to-base train radio communications system. There is also \$18.1 million provided in operating funding for the project.

The non-urban train radio is also used by freight and heritage train operators using Victoria’s 4300 kilometres of country rail lines. The system we have at the moment is life expired and is not supported by its manufacturers. To give you an understanding of this particular system, I refer to an article that appeared in the *Age* of 6 February 2009 where a V/Line document that had been obtained by the paper basically states:

The ... system is life expired ... unsupported by its manufacturers. It has lost the confidence of its providers and its users.

That was 6 February 2009. That was the state of the system at that point in time. Interestingly, when you read on it also says:

A second document —

on Melbourne’s long-term rail renewal strategy —

reveals a sample from the Bayside area showing an average rail age of 44 years, with some —
rails —

a century old.

It is amazing that that particular document came up with.

Mr PAKULA — A century!

Mr MULDER — A century old.

Mr PAKULA — You have knocked 200 years off, have you?

Mr MULDER — No, a century. It says a century.

Members interjecting.

The CHAIR — Order!

Mr MULDER — I had to give you an opportunity — to be fair.

One of the important features of the budget initiative is that the replacement country train radio system will allow communications to occur between train drivers driving country trains with the metropolitan rail network. It will use a public mobile telephone network. The commonwealth government has changed the radio spectrum bands and held an auction for the radio spectrum so as a government we have no alternative but to invest in a new non-urban train radio system.

In February 2009 the Leader of The Nationals, Peter Ryan, asked the former Minister for Public Transport about what was even then an obsolete and outmoded V/Line train radio system. That particular question was as a result of, I understand, the article and documents that were floating around as to the problems that existed with V/Line and the system. But we are getting on with it. As you know, we are getting on with the system in Melbourne, too: upgrading the train radio system in Melbourne as well. So we will have one in country Victoria that complements the work that we are undertaking on the metropolitan network.

Mr SCOTT — Minister, as you would know, level crossings right around Australia are given a rating based on safety concerns and ranked according to the risks they pose to pedestrians, commuters and motorists on what is known as the ALCAM list. I note that the ALCAM list seems to have been taken down from the department’s website and I would like you to explain why that has been taken down. I hope it is not because you are not following it in your program.

Mr MULDER — From what I understand, it has not been taken off PTV's website. Are you talking about the Department of Transport's website?

Mr SCOTT — That is my understanding. It was on the Department of Transport's website previously and it is not there.

Mr MULDER — My understanding is that it is on PTV's website, but we will check that. There is no reason for that to be taken down.

Mr SCOTT — Okay. By way of a follow-up, will you give a commitment to put it back up if it has been taken down and to produce the updated list, which I understand should be due this year? It is every five years.

Mr MULDER — It was put up there initially to assist councils as well, as I understand it, so they could look at the list because there are interface agreements in relation to the responsibilities of councils around level crossings. Those documents were made available to local government. My understanding is that there is no reason for the list not to be put up there, and if there is an updated list, I cannot understand why it would not be put up.

Mr SCOTT — There is an update due this year is my understanding.

Mr MULDER — Okay. I will let Ian add to that.

Mr DOBBS — Certainly that work on the update has been going on; we sponsor that. People have been out in the bush assessing level crossings actively over the last couple of years. As soon as that list is through, we will make sure that it goes up on the PTV website. I think it is in our interest to have that available to councils and other groups as well.

Mr MULDER — As you know, with the ALCAM list, particularly when it comes to country areas, there may well be a situation where V/Line are undertaking major upgrades to a certain section of track. If there is an opportunity as part and parcel of that work to upgrade a crossing, they will do it. Even though it may not be on the top of the list, they will do it if they believe it is efficient to do it that way. If you have a look at the one that we are doing at Epsom, I think Howard Street, from memory, is down the list a bit, but it is being upgraded because of the new station going in. So as much as the ALCAM list does give a good, strong indicator and they follow that as closely as possible in terms of allocating funds for level crossing upgrades, there will be circumstances where it is more efficient and easier to do when other works are being undertaken.

Mr O'BRIEN — Thank you, Minister. Following on from that, I refer to budget paper 3, page 248, which refers to the level crossing upgrades. I ask you, Minister, if you could identify where these upgrades are occurring. I might ask also, just for the record, if you could table that extract from the Auditor-General's report you referred to so Hansard has the reference and so all members of the committee might be able to be reminded, when necessary, of what the Auditor-General found.

Mr MULDER — Is this the one that refers to the additional costs for the purchase of rolling stock, station platforms, signalling, land acquisition and the removal of level crossings at Anderson Road in Sunshine? Is that the one you are referring to?

Mr O'BRIEN — Yes, that one.

Mr MULDER — I am happy to table that.

Mr O'BRIEN — Thank you, Minister. Then the upgrades.

Mr MULDER — Thank you for that question. We have provided \$35 million for a program to fix up the 75 level crossings across Victoria. Those upgrades include features such as boom barriers, flashing lights and pedestrian gate improvements. There are 36 level crossings in the 12–13 program, some of which have already been completed.

In relation to level crossings and level crossing safety, I think it is fair to say that both sides of politics were appalled at that spate of serious level crossing accidents we had — Trewalla, Kerang and a series of other accidents at smaller country level crossings. At that time, I was on the parliamentary Road Safety Committee

and I pushed very strongly for an inquiry into level crossing safety. As a result of that, a string of recommendations came out of that inquiry.

Throughout that period a great deal of credit would go to the media in general for the message they carried about level crossing safety as a result of a number of those serious accidents and to both sides of politics for debating the merits of some of those recommendations. But there was a lot of work done as a result of that. I am talking about speed limits approaching crossings, rumble strips, upgraded signage, clearing of vegetation around level crossings — just improvements across the board. Touch wood, we have not had that type of carnage on the network since a lot of that work has been undertaken, but we are very keen to make sure that we can continue with that good work. That is why we have allocated the sum of money that we have to try to do away with many of those crossings or to provide active protection around them. We are abolishing them in Melbourne and we are providing more active protection around the ones that are in country Victoria.

The other issue, too, was the rollout of new rolling stock and the colour of some of the trains that were running at the time. As people know, in country areas people set their clock pretty much by the school bus, by the train going through or by the milk tanker. When these new trains turned up on the network at times when they were not expected I thought that had a significant role to play in some of the accidents that were occurring. We also recommended at the time that there be different colours placed on the trains so they would be more visible to approaching motorists. That work was undertaken as well.

There has been an awful lot of work undertaken in this program. I have a couple of pages here of locations where we have had level crossing upgrades from passive to active and where we have upgraded pedestrian crossings as well, because we know with young people in particular with their earphones on walking across pedestrian crossings at level crossings where trains are going in both directions, we have had fatalities in that area. We are not just upgrading the crossings in country Victoria from passive to flashing lights and booms but we are also doing a lot of work in and around the metropolitan area.

Just to give you some examples: Highett Road in Highett, an upgrade to two pedestrian crossings; Croydon station, an upgrade to a pedestrian crossing there; Old Timboon Road, Camperdown, has had boom barriers fitted to it; and Bridgewater-Raywood Road, Bendigo, has been upgraded. As I said before, Howard Street in Epsom, \$834 000 has gone into that project on top of the new station that is being built there; Airport Road in Kerang, Mitchell Street in Kerang, and Old Echuca Road in Kerang — I think that is reflective of the issue that occurred there in relation to the serious accident that we had; Pettavel; Reservoir; Rumbolds Road, Sebastian; Serpentine Road, Tandarra; Shadforth Street, Terang; Reillys Road, Bagshot; Haywood Street, Bendigo; Elmore-Minto Road, Elmore; Avonmore Crossing, Goornong; Bendigo workshop entrance on Bobs Street. The program for 2013–14 will be finalised closer to the end of the 12–13 financial year and then we will start to roll out further upgrades across the network.

But it is a significant commitment, it is a worthwhile commitment, and I believe we are starting to see the value of that investment now. Touch wood that we have not had any of those really serious accidents for some time. But I think the community really needs to understand it needs to be vigilant around level crossings. Quite often people in the country approaching level crossings believe that they can estimate the speed of a train, and they are quite often wrong. That is an area of concern.

Naturally with the regional rail link project — when that comes on stream, and we start to run more trains out into regional Victoria — we are going to have to be absolutely on the ball and vigilant about level crossings and what it means to have additional trains going through those crossings. The public will need to be made aware that, as much as there are added advantages of having improved public transport services, this comes with a level of risk in terms of people anticipating when they believe a train will be going through a certain location. There will definitely need to be some work done in that regard, but we are happy with the progress of that particular project as well. The regional rail link project is going very well at the moment.

Ms HENNESSY — Further to your last answer, I note that the PTV website says that construction work on the New Street level crossing in Brighton is expected to start in the first half of 2013. Will that be completed by the end of 2013?

Mr DOBBS — I can confirm it will be finished by the end of this year. Work on the site starts this month. People who live in that vicinity will notice that there has actually been some activity in the last couple of weeks,

and we have actually started active consultation with the community. I expect to see major work on site — because a lot of the work that is being done at the moment is in the background, on the signalling system et cetera — I expect to see significant activity on site from August. The contracts are in the process of being let. It is a VicRoads project, as are most of these level crossings, and it will be finished by the end of the year.

Mr MULDER — I think it is important to understand it is being flagged quite often as a major grade separation by people who are either unaware or are trying to create a storm in a teacup. It is an opening — a reopening of the crossing there that has been closed for some time, and it is an upgrade to some of the roads and signalling around the crossing in its own right. To claim it is some form of grade separation project is — —

Mr PAKULA — You are the one who said it.

Mr O'BRIEN — So much for a bipartisan approach.

Mr MULDER — We looked at a number of options — —

Mr PAKULA — No-one would ever have mentioned it being a grade separation project if you had not said it.

The CHAIR — Order!

Mr MULDER — We looked at a number of options to investigate what was the best way to deal with traffic in that particular area, and the option that was chosen was to reopen the gates and to do some major upgrades at some of the intersections in terms of traffic signalling and so forth.

Mr PAKULA — You realised a tunnel would have filled up with seawater.

Mr O'BRIEN — So much for bipartisanship.

The CHAIR — Order!

Ms HENNESSY — Minister or Mr Dobbs, could you advise the committee what will happen with the heritage gates there, which has been a matter of concern raised?

Mr DOBBS — My understanding is the heritage gates will be kept in that particular area. We have been talking to Heritage Victoria about both the gates and the hut, but we have still got to finalise the position because we want to make sure that the foot crossing at that location is not obstructed by anything that is going to increase the safety risk. If that means having to move the gates a little bit, so be it; safety is the primary driver in this.

Mr ONDARCHIE — Minister, I want to talk about the regional rail link and the budget associated with that that is shown on budget paper 4, page 125. I wonder if you can update the committee on any changes to the scope of the regional rail project?

Mr MULDER — Thank you for that question, and I will just say we are very pleased with the progress of the regional rail link project. The Regional Rail Link Authority, which is overseeing this for the government through the Department of Transport, has been very active in terms of its engagement with the community on this project. As you would be aware, when we came to office there was a great deal of concern from residents in Footscray, who were treated abysmally by the former government in terms of lack of consultation.

I personally invited members of that group to Parliament House and sat around a table with them. They all had caseworkers appointed to work with them and help with their difficulties in terms of potential relocation. I also advised them that if they had any further difficulties they were more than welcome to come back and discuss them with me. They did not come back, so I can only assume that the Regional Rail Link Authority handled them and their concerns with a great deal of compassion. Some were requesting to be able to be left in their homes a little bit longer if their homes were not required immediately, and the Regional Rail Link Authority was working with them to accommodate their wishes. So I believe it was an appropriate response. It was a good outcome, and it treated people who were going through a very difficult period of their life with the level of dignity — —

Mr ONDARCHIE — Respect.

Mr MULDER — dignity and respect that they deserved.

In terms of the project in its own right: the original publicised budget for the regional rail link was only \$4.3 billion when we came to office. That was the published budget. During the peak construction period the regional rail link will employ around 2900 people and create around 2700 indirect jobs, injecting around \$1 billion annually into the Victorian economy. Budget paper 4 shows the approved budget of \$4.8 billion for the project. The regional rail link is currently on budget and is a bit ahead of schedule. But with projects like this we do not want to claim that we are going to finish well ahead of time, because we do not know with a project of this size and scope what difficulties we could run into.

I have to say at this particular point in time, though, it is going very well in terms of the different alliances; the packages that have been allocated; the works program; the shutdowns; the strong community support; the fact that we have had some extended shutdowns that have been well organised by the Regional Rail Link Authority with V/Line; the allocation of buses, and; even down to the local rotary club providing coffees and food on the station of a morning in recognition that there is some inconvenience associated with it. But there has been strong community support for the way we are approaching this project and the fact that we are getting on with it.

As I said, it is on budget and ahead of schedule. But there was a claim — and I touched on this before — that this project was fully funded. When we set our own budgets in place, before coming to office, we expected that that was the case: that every single component of the regional rail link had been included in the former government's budget allocation. In actual fact, as I said, I pointed to a document — and I have that document with me — about the \$4.3 billion fully-funded regional rail link project, and that comes out of *Going Places — Better Transport for All Victorians*, the former Labor government's document on transport prior to the election. The claim that the project was fully funded was an absolute farce from day one.

As I said, coming into office, losing funding from GST revenues and facing cost blow-outs on a number of projects, we were horrified to understand that, as the Auditor-General pointed out when he looked at the project in its own right, there was no money for station platforms and there was no money for signalling. How are you going to run trains from Ballarat, Bendigo and Geelong through the metropolitan area without signalling? There was no money for signalling. There was no money for land acquisition. We know very well the appalling manner in which the former Labor government handled the issue of land acquisition and the people whose homes were being taken from them.

Mr ONDARCHIE — They found out from the media.

Mr MULDER — They found out from the media, and they would have been appalled to know that there was no money made available to take their properties anyway. We had to find the money for that. I pointed out before the removal of the level crossings at Anderson Road in Sunshine. I know, having spoken to the mayor out there, they could not believe that we had moved in straightaway and we had included those two grade separations, which will make an enormous difference to the amenity of those areas by grade separation.

It is not just an issue of the amenity of the area. As we pointed out before, in terms of the work we are doing in relation to level crossing abolition — the blitz we are having — getting rid of those two level crossings on Anderson Road has significant safety benefits for people travelling on the public transport network but also for motorists in the area. Even under the pressure that we were under, with a lot of the other projects that we had when we came to government that were over budget — the myki mess I inherited, the desalination plant and everything — we still felt it was important, given that the project was going to be built, that we did not come back to it at a later stage and then do the grade separations, so we included them. I think it has been an absolutely worthwhile exercise and greatly appreciated.

Members interjecting.

Mr MULDER — As I said, it is greatly appreciated by the local community.

Mr O'BRIEN — And your claims were matched by the Auditor-General.

Mr PAKULA — We are going to come to the Auditor-General in a minute.

Mr MULDER — The Auditor-General has of course confirmed everything I said in relation to that.

We are happy with the project, as I said. We like to think that we can finish it ahead of time and under budget. I am pleased with progress for the moment. The Regional Rail Link Authority has been working very closely with me on this project. I said from day one that once tenders were let no-one was to go near the scope unless they came to my office, also with the chair of the Regional Rail Link Authority and the CEO and explain why they had not undertaken the appropriate work for scoping. Up to this point in time we have had a very, very good outcome in relation to that. The message has got out that we are not an easy soft touch as a government. Departments are expected to scope projects properly so that we do not find ourselves exposed to major contract variations going forward. It may take a little bit longer in the planning stage to get things right, but in the end when they go to tender we want to make sure that we have got them right and the public gets good value for money and taxpayers get a good outcome.

Mr PAKULA — I look forward to the day, Minister, when you have a project of your own to skite about.

Members interjecting.

The CHAIR — Order! The Deputy Chair has the call.

Mr PAKULA — Thank you. Speaking of projects of your own, Minister, Southland station is the one you said before the election that you would build for \$13 million. In the budget papers at page 48, budget paper 3, it is listed as 'tbc', 'tbc', 'tbc', 'tbc', 'tbc'. I understand that the rationale for that is that you are going to tender, and you do not want to tip off the private sector as to what you are prepared to spend.

Mr MULDER — We operate differently to your government.

Mr PAKULA — Yes, all right.

The CHAIR — Order! The member will ask a question, and then the minister will respond.

Mr PAKULA — Let me be clear about the question. Let's say we accept your rationale. As the Treasurer indicated the other day, it is not to say that the department has not pulled together a budget bid and a costing of what you say you are prepared to spend. He actually said, 'The money is in the budget; we are just not revealing how much it is'. Once the contract has been let, once it has been signed, will you release the original departmental costings that you took to Treasury to get this money into the budget?

Mr O'BRIEN — Have you released all your myki costings or the business cases you did not conduct?

The CHAIR — Order!

Mr PAKULA — I am just asking about the original departmental costings — will they be released?

Mr MULDER — To get an understanding of where we are at with this, in relation to 'to be confirmed', 'to be confirmed', there is an allocation of funding that has been placed in contingency. The Auditor-General will be aware at a later date of what that is when he looks at this particular project, and he will understand whether or not we have or have not got value for money out of that project. I have no doubt he will report on that accordingly.

We are committed to the construction of a new station at Southland. It is different. We are building it on someone else's land. As you can appreciate, that is different to building on a greenfields site or building on existing railway land, as with some of the other station projects we are rolling out. It will improve accessibility to the Southland principal activity area for residents and shoppers, and it will facilitate further development in the area once we have completed the project.

The 2013–14 budget allocated further funding for a new railway station to be constructed at that location, and that is in addition to the \$700 000 provided for planning activities in the 2011–12 budget. That funding is subject to finalisation of commercial negotiations with the owners of the Southland shopping centre — Ventana, Westfield and AMP — in terms of their significant contribution to the project in acknowledgement of the

benefits the station would provide to the centre. We had a meeting with representatives of Southland during, I think, the last sitting week of Parliament or the one before. They came in, and we had a discussion with the representatives of the shopping centre.

Ms HENNESSY — Westfield?

Mr MULDER — Yes, we had a meeting with them in relation to the project. We have now put together a project team to advance the commercial negotiations with them. As with any project we undertake, yes, there will be a station built at Southland, but I understand that there will also be significant improvements and upgrades made to the line, because we would want to make sure that we take advantage of the works that are being undertaken there to undertake any other works — whether it is signalling work, upgrades to the line, new sleepers or whatever — along that corridor. There will be a station, and there will be further allocation of funding for upgrades along the line.

Mr PAKULA — The supplementary question goes back to the initial question, which is: once the contracts are signed will you be releasing the original departmental costings that were the basis of the budget bid? The reason I ask that is because this committee has already made it clear in its report on infrastructure that in terms of rigour in the departmental costing process, public servants understanding that their work will be put into the public domain is a very important part of ensuring that that rigour is there. Will those original costings be released, because otherwise when you claim it has been brought in on budget, how will anybody ever know what the original budget was?

Mr MULDER — I think that is right too. The total investment will be released as part of future budgets, and as I said the Auditor-General report wholly and solely on the project in terms of — —

Mr PAKULA — You won't release it.

Mr MULDER — what the costings were, how the project has run, whether it has gone over budget, and whether we have got value for money. It will be the subject of an Auditor-General's investigation. I do not think you get anything more thorough than that. If my memory serves me correctly, the former estimate for Southland station that we looked at when we were in opposition was provided to the former Labor government — —

Mr PAKULA — Our budget was 45; you said you would do it for 13.

Mr MULDER — I am just telling you that you will be advised. Once the tenders are let and once the project is out, it will be the subject of a thorough investigation. The Auditor-General will report on it, the capital spend will be reported in the budget papers, and that is how it will occur.

Mr PAKULA — And are there any other — —

Members interjecting.

The CHAIR — Deputy Chair, you have had a question and a supplementary, and that is all you get.

Mr ANGUS — Minister, I refer you to budget paper 3, page 52, where there is a line which sets aside funding for high-capacity signalling. Can you advise the committee what this initiative involves?

Mr MULDER — This is a project that has been pushed very heavily by Public Transport Victoria. I will ask the chair and CEO, Ian Dobbs, to comment on that for you.

Mr DOBBS — High-capacity signalling is a modern computer-based signalling system that is in operation on over 100 metros around the world. Australia has not yet got it. It is a system whereby there is a computer on each train, a central computer and little or no line-side infrastructure in the sense of physical signals. So instead of the driver driving on those physical signals and all that entails in terms of cost and efficiency, the computer either advises the driver if he is driving it manually, or it is possible for the driver to supervise it automatically as well. What the actual system does is allow you to run more trains, more closely together, more safely and at a lower cost. It produces a win-win in terms of safety, quality and capacity.

It really is the way that we need to go in the future, and Melbourne Metro in the future is designed around putting in a high-capacity signalling system. We are determined to hold a trial in the next few years to really test

the system in Melbourne's environment so that when we roll it out across the suburban network, which we will need to do — and I think that is alluded to in our rail plan — it will be done reliably and efficiently. Really it is a win-win for everybody. It gives lower cost, high reliability, better quality and you can run more trains.

Mr SCOTT — As I am sure the minister is aware, population data is predicting that over the next 15 years population growth in the outer suburbs of Melbourne will be tipped to be about 65 000 people. There has also been commentary on the requirements to meet demand from the Auditor-General, stating, I think — from memory — a figure of required capital spending of around \$3 billion a year to meet demand. Also, there have been two reports from the interface councils which state that the total spending on public transport currently undertaken would just be required for the growth corridors. I would be interested to know whether the government accepts the figure given by the Auditor-General for the required spending to meet population demand?

Mr MULDER — As you would be aware, in terms of the projects we are currently planning — I am talking about the Rowville rail link, Doncaster, Melbourne airport rail link, the metro tunnel project, plus, of course, our major spend on road projects, and I am sure you would be aware that around 80 per cent of our public transport is road-based. As much as people like to criticise investment in roads, a lot of our public transport is delivered by the broader road network. We accept the fact that we need to invest heavily in public transport. We need to invest heavily in roads. That is why this particular year I have \$1.1 billion plus across my portfolio, but we are also very much aware of the fact that to realise a number of these major projects we need support from the federal government. When you look at the offering from the federal government in relation to the metro rail tunnel, there is nothing in 13–14; nothing in 14–15; 25 million in 15–16; in 16–17, 50 million; and beyond the commonwealth forward estimates there is another 300 million, 625 million, and beyond that of course it is no man's land.

In the past we have had support from the federal government for the regional rail link project — over \$3 billion of support from the federal government for that particular project — but we are in very difficult circumstances where we have a federal government that has totally and completely botched the finances of the Australian economy.

Mr O'BRIEN — That is an understatement.

Mr ANGUS — It is a disgrace.

Members interjecting.

Mr MULDER — Their ability now to provide that funding to support the states with these major projects going forward is proving difficult for them, and some of the decisions that they are making in relation to their funding whereby they choose to fund major road projects in New South Wales that leapfrog over the east–west link project here in Victoria and their commitment to us. If you want to look at both road and rail, on their forward estimates it is \$75 million. It is an insult; it is an absolute insult to Victoria.

Members interjecting.

Mr MULDER — When you look at the GST revenue we have had to give up, and to face an offering like this is an insult to Victorians, particularly if you look at the spend that is taking place in other states — —

Mr PAKULA — What about the people in Doncaster who you deceived?

Mr MULDER — It is an insult.

Mr SCOTT — I note that you made reference to a series of projects which have not been funded in the budget, but clearly one of the issues facing those people who live in the outer suburbs is congestion. Have you got an estimate of what the likely increase in congestion times are as a result of the funding — or underfunding — of infrastructure projects relating to transport for outer suburb residents?

Mr MULDER — I would have to take that on notice. You are looking for a figure, a point, a percentage?

Mr SCOTT — Yes, of congestion; the 'cost of congestion' is the term that has been used, or 'congestion times'. Those are the sorts of things I am looking for.

Mr MULDER — I will take that on notice.

Mr O'BRIEN — Speaking of New South Wales, or near New South Wales, I would like — —

The CHAIR — This is Victoria, Mr O'Brien; we confine our questions to Victoria.

Mr O'BRIEN — Chair, I am asking about Victoria. I am asking about the city of Echuca — but I note in comment that if I was in New South Wales, I would probably have more chance of getting federal funding out of the Gillard government.

Mr MULDER — That is right.

Members interjecting.

The CHAIR — Mr O'Brien, I will give you one last chance to ask a question or I will move on.

Mr O'BRIEN — In relation to budget paper 3, page 52, there is a line item there for the Echuca–Toolamba rail upgrade, and on behalf of those very important farming communities up there — well represented by the coalition members — which are doing it sometimes very tough in relation to the federal government's decisions I would ask you: what does this initiative involve and can you explain the benefits of it to this committee, Minister?

Mr MULDER — I touched before on the importance of governments making investments and then triggering investments from the private sector, as we have done with Ringwood station, and for this particular project, the Echuca to Toolamba rail upgrade, we partnered with the Australian brand food company SunRice to upgrade and reopen the Echuca to Toolamba track for rail freight. That rail line has been closed to freight since 2007. We opened it temporarily in early 2011 with a \$550 000 grant to make some minor improvements so that they could use it for a period of time because they had a significant harvest that had to be moved, and we were prepared to make that investment for them.

Reopening the branch line provided a more efficient link to the port of Melbourne for SunRice and other exporters moving freight from the Goulburn Valley and southern New South Wales. We have allocated \$7.1 million in a joint project which involves upgrading the broad gauge track from Echuca to Toolamba and installing new signalling at the Toolamba junction so the line can be reopened for freight in the third quarter of 2013. The SunRice chairman, Gerry Lawson, AM, said that the partnership followed the reinstatement of the company's Deniliquin and Coleambally rice mills, which were closed in 2007 due to the drought. What we have done with this particular project is put a fee of approximately a \$1.50 per tonne levy, agreed with SunRice, with a payback period of within seven years for the \$3.7 million government contribution. So, no. 1, they get the line open, they get to start using the line and they can pay back that investment over a long period of time. It suits them, it suits the people who support them and it suits the farmers who will use that particular line for moving their grain down to the port of Melbourne.

It is interesting when you see grain coming out of New South Wales going into a Victorian port rather than going into New South Wales. I think it sends a very clear message about how well we are regarded as a state and the significant investment that we are making in our port facilities with the upgrade of Swanson Dock, the development of Webb Dock, over \$100 million to the port of Hastings and the high productivity freight vehicles. All the announcements we have been making in this area I think are sending a very, very clear message to people who are exporting and freight and logistics companies that Victoria is the place to be and Melbourne port is the place to send your goods.

I guess one of the other issues that brought this about was the crowding on that particular line, on the Bendigo line, when they were trying to move freight down there, and also the terrible decision that was made previously by the former Labor government to rip up that second track, to tear that track up between Kyneton and Bendigo —

Mr PAKULA — You sold off the entire network.

Members interjecting.

The CHAIR — Order!

Mr MULDER — which basically set up a situation whereby it created potential for trains to be unreliable. Quite often freight trains get a very short opportunity in terms of getting a slot where they can move their goods, and if they had had that second track, you would have been able to have a train pull over to one side, passenger trains pass it of course and, bingo, away you would go. So an act of absolute vandalism has actually brought about an investment by this state government to reopen the whole line —

Mr PAKULA — Vandalism! You sold off the whole network.

The CHAIR — Order!

Mr MULDER — and make sure that we can facilitate the movement of goods and the movement of grain right down that line from New South Wales, through Victoria and right down to the port of Melbourne. It is a great investment, it is a great partnership, but as I say, if you have a look at what we have done at Ringwood station, what we are doing at Glen Waverley station and what we are doing at Jewell station in Brunswick, we are leveraging off the assets that we have got, partnering with the private sector and getting good outcomes. And we want to do more of that.

Mr O'BRIEN — He is a great local member, Paul Weller.

Mr MULDER — A very good local member; a very good local member.

Ms HENNESSY — Minister, to you, or perhaps Mr Dobbs might be better placed to answer the question: can you advise the committee who owns the new PTV building and how much you are paying on the lease?

Mr DOBBS — I am not able to give you the ultimate owner. I do know that we are a subtenant of AMP. The actual amount we pay on the lease per annum I do not have off the top of my head. I can provide that on notice. But I will say that pulling together the offices that we previously occupied in four separate buildings and bringing our people into one location has not only been an enormous boost for the organisation in terms of its productivity — and I have to say enormously popular with its staff as well — it actually has saved us a million dollars a year. So it was both a popular and cost-effective move compared to our previous underlying costs. I think that is good value for the taxpayer and in terms of the outputs of the organisation, almost incalculable. We are quite happy to provide that number on notice.

Ms HENNESSY — Just a quick supplementary. Mr Dobbs, you mentioned AMP. Are you aware of Westfield's interest in the PTV building at all?

Mr DOBBS — I am not.

Ms HENNESSY — If you could come back to the committee to advise of who the ultimate owners of the building are, that would be terrific.

Members interjecting.

Mr MULDER — Thanks for the question.

Mr ONDARCHIE — Minister, I note that earlier you were talking about PSOs on the railway stations, and it is good news this morning that PSO James Vongvixay, who was, tragically, attacked out the front, has started back at work today. I am sure we are all delighted that he has started back today for a few hours a week, and we wish him well.

Mr MULDER — Absolutely.

Mr ONDARCHIE — Minister, I want to talk about your reference to increased containers carried by rail, as reflected on page 265 of budget paper 3. I wonder if you could tell us how the mode shift incentive scheme has supported an increase in rail freight?

Mr MULDER — This has been a real success: \$10 million for the scheme in 2012–13/2013–14. That is part of our strategy of growing freight on rail. In 2013–14 it is 49 000, 20-foot equivalent units, or TEUs, carried by rail, up from 33 500 in the previous year. So all those containers have been taken off the roads and off the streets

of local towns and have been put onto rail. Therefore the mode shift incentive scheme will bring about a 50 per cent increase in the number of containers carried by rail, compared to the former rail freight support program.

Funding went to a competitive process and was allocated to six companies following that process: Tocumwal corridor, which is Patrick containers and Regional Port Enterprises; the Horsham corridor, Wimmera containers and Qube Holdings; the Warrnambool corridor, Wettenhalls; and the Mildura corridor, Ironhorse Intermodal. To give you a bit of an idea, the Mildura line is carrying a wide range of agricultural products, including grains; the Horsham line is carrying mainly agricultural products out of Horsham; the Tocumwal line is carrying a wide range of agricultural products, including potatoes — believe it or not — out of that region; and Warrnambool, agricultural products, plus mineral sands on occasions.

As I said, it has been hugely successful and welcomed by the industry. The proof of the pudding is really the number of heavy vehicles that are not travelling through those towns and are not ruining the amenity of people who live in those communities. We are absolutely committed to supporting these companies because it has been such a successful program.

Mr PAKULA — Time for one last one. Minister, before the election you would recall very well, no doubt, that you made some rather well publicised commitments about the return of the W-class trams, including on commuter routes. Can you let us know how that is going?

Mr MULDER — I will let Ian talk about that for you.

Mr DOBBS — During the last couple of years we have been undertaking renovation of the W-class. The government provided in the 2011–12 budget 8 million over four years to restore and trial the limited return of some W-class trams. Under that initiative it is planned to restore three vehicles, having done the first one and having been through and obviously done type testing. Tram no. 946 has undergone full restoration and testing and entered service in March this year. That is now running, I think, largely around the city circle at the moment. The interior and exterior of the tram were fully renovated and a completely new electrical system was put in, which I understand is very popular with the drivers. A second tram, no. 949, is undergoing restoration in Bendigo at the moment, and 949 is expected to enter service sometime in the next four to five months.

Mr PAKULA — I was interested in your answer, because restoring them and running them on the city circle was our commitment. Your commitment was to restore them and run them on commuter routes, and I think there was specific reference made to the Chapel Street route. I am just wondering, is it the intention only to restore these Ws and put them on city circle, or is the intention to put them on other commuter routes that they are not already on?

Mr DOBBS — No, the intention is to run them on a number of different routes. They are not completely locked to the city circle. They just happen to be there at the moment — that one vehicle, because it suits us in terms of shaking down the work that has been done, ensuring that it is close to the depot and keeping a close on eye on it. But in terms of deploying it in the future, it can go on any route that is actually suitable for W-class deployment.

Mr ANGUS — Minister, I refer you to budget paper 4, page 124, and the line item regarding Balaclava station. Can you advise the committee what the status of this project is?

Mr MULDER — It is an old station that opened on 19 December 1859. In 1981 the buildings were reconstructed. The same privately owned railway operator also built a line connecting the then Brighton Beach line to the then operating Melbourne–St Kilda line, which was opened in 1857 but was short-lived because by 1860 a line connecting Windsor through Prahran to South Yarra had been constructed. The history of that area in terms of railways is quite significant. But it is an old station, and the member out there was very keen prior to the election to get a commitment for Balaclava station.

We allocated 11.9 in 11–12 to upgrade Balaclava railway station, and Public Transport Victoria are working very closely with the City of Port Phillip to develop that entire station precinct. So it is not about just the station, it is about the station precinct and how it interacts with that broader community. There has been community consultation, and that has fed back into the preliminary design process. Once again, even when we are doing work on the older stations, the principles of the station user panel that we put in place in terms of accessibility always guide the work that is undertaken.

The project is going to improve accessibility, safety and comfort for passengers with the works that will be undertaken there. A design and construct contract was awarded in April 2013 and work will commence shortly on that project. We expect the upgrade to be completed late this year or in early 2014. It has been long overdue. The station was in pretty poor condition. Accessibility was a big issue out there. So, once again, another significant rail project for metropolitan Melbourne.

The CHAIR — Thank you, Minister. That concludes the hearing on the public transport portfolio. I do thank witnesses for their attendance this morning. There will be a 15-minute break; we will resume at 11.45 to consider roads.

Witnesses withdrew.