

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2002–03 budget estimates

Melbourne – 5 July 2002

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Mr P. Batchelor, Minister for Transport;
Mr D. Anderson, Chief Executive Officer, Vicroads;
Mr A. Smith, Director, Office of City Link;
Mr J. McMillan, Deputy Director, Office of the Director of Public Transport;
Mr B. McDonald, Chief Finance Officer, Corporate Finance Division; and
Ms G. Moody, Executive Director, Infrastructure Projects, Department of Infrastructure.

The CHAIRMAN — We will resume on the estimates for the public transport portfolio. I welcome to this part of the hearings Mr David Anderson, chief executive officer, Vicroads, Mr Alf Smith, director, office of City Link, and Mr John McMillan, deputy director, office of the director of public transport. Minister, would you care to make a brief presentation on public transport.

Overheads shown.

Mr BATCHELOR — I will try and condense what I have to report, because a lot happens in transport. As Minister for Transport I am responsible for implementing transport policies through the Department of Infrastructure, through its offices, such as the offices of director of public transport and the director of City Link, and through statutory authorities such as Vicroads. It is true to say that transport and these responsibilities touch the lives of Victorians every day.

This last budget and our objectives for the year ahead indicate that there are a lot of budget transport initiatives that will keep us busy. These are set, as I indicated in an earlier context, in the Growing Victoria Together framework. How these apply to transport is set in the context of growing the facilities, growing the state and linking all of Victoria.

We have set some targets in particular that we are heading towards. They include increasing the share of rail in performing the freight task, reducing travel times to the major regional centres and increasing the percentage of people using public transport from the current 9 per cent of motorised trips up to 20 per cent by the year 2020.

Growing Victoria has identified a number of strategic issues and priorities. It is about making our communities safer and protecting the environment. The major vehicle for doing this is our Linking Victoria program. It is a \$3.5 billion program to link our road, our rail and our port systems in the state to produce a much more productive outcome.

In our new budget we are delivering a further \$1.3 billion in new transport initiatives. We are extending the reach of our Linking Victoria strategy further and further across the countryside, but importantly on this occasion we are paying particular attention to the outer suburbs through the new Linking the Suburbs program, a subset of our Linking Victoria package.

In this budget there is some \$704 million worth of initiatives contained in our Linking the Suburbs strategy. The most important of these is the Scoresby integrated strategy. It is a \$500 million commitment from this government. That is \$445 million plus for the freeway itself, matched by the commonwealth government, and some additional public transport services and infrastructure that the state government will be funding by itself. Whilst we have a fifty-fifty funding commitment from the federal government for the Scoresby freeway, the disappointing thing was that the federal government did not embrace the concept of an integrated transport corridor and left the state government to fund the public transport components of that concept by itself.

But notwithstanding that, we have put a significant amount of money into public transport, including the extension of the East Burwood tram out to Vermont South and a whole host of new bus services, including the use of the smart bus technology.

Other components of our Linking the Suburbs transport initiative include the electrification of the rail line out to Craigieburn. This will cost some \$98 million in capital and will incur additional operating costs once the project is completed in 2005–06.

The other really significant component of the Linking the Suburbs budget strategy, or initiative, is the massive boost to outer suburban bus services. This is some \$36 million over the next four years. It is probably the biggest increase in bus services ever to have taken place. It is a huge boost. It will see 25 new and upgraded services, and it will take buses into parts of the outer suburbs that have never seen buses before. It will also identify key strategic bus routes that will have their service capability increased by providing additional services. In essence, to provide that improved accessibility and mobility in the outer suburbs and to provide for the buses getting around, we are spending some \$62 million in upgrading arterial roads and providing \$12.5 million over four years in a new program to upgrade and improve pedestrian rail crossings.

In terms of arterial roads, they include \$22 million for the Narre Warren–Cranbourne road at Narre Warren; \$11.7 million for the Frankston–Cranbourne road; \$14.3 million for Fitzgerald Road, Laverton; \$4.1 million for the Macedon Street bridge in Sunbury; \$10.3 million for Edgars Road in Epping; and some \$50 000 for scoping works for a localised transport problem down in Plummer Street in Port Melbourne. But it is not just about outer

metropolitan roads, it is also about regional roads; and we have allocated some \$85.3 million as a boost to regional road upgrades. The most significant part of that is our continuing commitment to the Calder Highway, and we have made a \$70 million commitment for the next section from Kyneton to Faraday. We are only hopeful that the federal government does not walk away from its commitment.

The Calder Highway was declared a road of national importance some time ago. Both governments have committed to completing the duplication to Bendigo by 2006, and that can happen only if the commonwealth government matches the commitment of the state government. What will happen with the Calder Highway is uncertain, although the state has taken the initiative with the Kyneton to Faraday section. Hopefully that will work in the same way that it did when it took the initiative with the Karlsruhe section, forcing the commonwealth to come along behind.

In rural and regional Victoria we are spending \$9 million on the upgrade of the Warrnambool rail service to provide improvements to the track and the infrastructure and to bring it up to the same service standard as the rest of the passenger rail services in Victoria. For some strange reason when the previous government either shut down or privatised country rail services it required the Warrnambool rail infrastructure to be at a lower standard than the rest of the passenger network, but we have decided to put in that \$9 million to bring the Warrnambool rail line up to the same standard as other passenger line services in rural Victoria. We see no reason why the passengers on that line should be continually discriminated against, and we have put up \$9 million to end that discrimination.

As I mentioned, the funding of bus services is a big boost to outer metropolitan Melbourne, and regional Victoria is also getting its share of funding — some \$7.8 million.

Road safety is an important part of road transport. As part of our Arrive Alive road safety campaign, money from traffic fines has been used to pay for infrastructure upgrades of a significant nature. We are also directing some \$3.3 million towards a traffic management strategy in preparation for the Commonwealth Games.

Other elements of our Linking Victoria strategy include the announcement of the regional fast rail, which will deliver both high-speed rolling stock and infrastructure upgrades to provide improved travel times to Ballarat, Bendigo, Geelong and Traralgon. We hope work will start on that by November this year.

We recently announced the \$700 million Spencer Street station redevelopment, and we have already discussed that in some considerable detail. At the same time we are following through on other transport projects that were already announced or commenced, such as the Calder Highway upgrade, the Geelong–Melbourne road upgrade, the reopening of country rail lines and the rail gauge standardisation.

Other projects we have been involved in include the electrification of the rail line out to Sydenham; the planning and construction of the Craigieburn bypass; the development of a series of integrated transport strategies; the successful continuation of the accident black spot program; rearrangements in the management contract for City Link; improvements to tram route 109; and changes to registration and licensing services for motorists.

The CHAIRMAN — I will take you to an issue which has come up at committee hearings over the past couple of years and which I think we have discussed with you before — that is, the Onelink contract and the Onelink claim that I understand was recently settled, which is an advance on where we were when you were here this time last year. Can you provide the committee with some detail of the nature of the settlement of the Onelink claim?

Mr BATCHELOR — The dispute between the contractors, Onelink, and the state of Victoria has been around almost since the day the contract was signed between Onelink and the Kennett government, and it has taken until now to resolve that dispute.

In essence Onelink claimed that from the time the contract was signed a significant number of costly changes had been made to the scope of the project and that this had caused the company to incur additional costs.

Additionally it made a claim that the contract was silent or not specific about who should bear the cost of vandalism, and there has been a long-running dispute as to who should pay that cost. For some reason Melbourne has experienced a wave of vandalism to ticketing machines, ranging from wanton and blatant destruction through to systematic raids on the machines to take the money from them. When machines were attacked in this fashion it created a problem for the honest travelling public, as the machines were not able to issue tickets while they were out of action — and they were not being repaired properly because of the ongoing dispute as to who would pay the costs of the repairs and bear the burden of the vandalism. The failure to resolve this problem was leading to an

ongoing rejection of the ticketing system by the travelling public. Even people who wanted to do the right thing and purchase a ticket were finding it difficult to do so, and there was widespread, endemic and entrenched fare evasion.

While on the one hand understanding the need to protect the interests of the state and taxpayers but on the other hand knowing that we could be liable for some of these claims and examining the cost of not addressing these issues through ongoing fare evasion, we have negotiated a commercial settlement. As a result of that arrangement money has been paid to Onelink on a progressive basis. In settling these outstanding claims that extended right back to when the system first commenced operation, or even before it commenced operation way back in the dark ages of the Kennett era, in essence we sought to stagger the payments — notwithstanding the fact that they were generated some time ago — so that they would only apply once new performance standards were achieved.

We have been able to settle those claims, but in doing so set in place an incentive regime that operates in a number of successful ways. Firstly, Onelink is being paid to accept the cost of vandalism and it will accept that cost. Secondly, Onelink does not get all of the settlement of the claims and scope-creep negotiation unless it improves its ongoing administration of the ticketing machines. It is required to enter into service agreements to improve machine repair times — Onelink has gone into a strengthening program so its machines are not as prone to vandalism — and if it is able to achieve certain higher levels of operational performance it can attract a bonus and penalty regime like the other operators can. So there is a financial incentive for Onelink.

This process will be monitored over an initial set-up period of some 13 weeks. There will be a first trial period of 13 weeks, over which the new regime will be working. A final agreement will be entered into at the end of that time. We are hoping to see a much higher availability of machines and that as a result it will be easier for people to purchase their tickets at railway stations and on trams.

When we asked for an independent audit to be done it was found that up to 25 per cent of machines on railway stations or across the system were not available to do the basic task of selling tickets. Halfway through this strengthening process we have had reports that availability has been increased up to as high as 90 per cent. The new standards that are part of the bonus-penalty regime require, for example, that ticket-selling machines on stations have to be available for in excess of 97 per cent of the time and for some other machines for as much as 99 per cent of the time. If that is achieved Onelink is able to get a bonus, and if not it will receive a penalty.

In essence, we use the outstanding liability, which was before the state, to improve the ongoing availability of the ticketing system into the future and make it more accessible and work better for the travelling public. It is still early days, but it looks like it is beginning to pay a dividend in terms of greater availability and customer acceptance.

The CHAIRMAN — Just two questions, although you have probably answered the second one. I was going to ask if it was too early yet to judge whether there was a higher proportion of people actually buying their tickets or not, but I think you said that it was too early to know that at this stage.

Mr BATCHELOR — The early preliminary results and anecdotal evidence suggests that that is the case — that is, there is a higher purchase and use of valid tickets on the public transport system.

The CHAIRMAN — The other quick question: in relation to that original contract, was it the case that the relevant risks had been incorrectly identified and allocated, or they had not been identified and allocated at all?

Mr BATCHELOR — The answer to that question is that it is a mixture of both. The risk of vandalism was not identified and was overlooked, but the basic core, I suppose, of the claim against the state was that the state had not finalised the scope of the project. When you sign up a contract you accept the risk of scope changes, and Onelink argued that the previous government had changed the scope after the contract was signed and therefore was liable for the costs of it. The issue was one of contract management more than risk allocation.

Mr DAVIS — Minister, I refer to the government's decision to agree to a private consortium deal that will result in Victorian taxpayers paying at least \$34 million per year for the next 30 years and your obvious support for that proposal. Could you explain to the committee your reasons for supporting this project particularly when the Independent member for Mildura, Russell Savage has stated, and I quote:

... that the policy was privatisation by stealth with taxpayers paying substantial sums for the risk of inherited run-down assets in 20 to 30 years.

Mr Savage also went on to say that:

... the government should scrap the policy —

and —

he compared PPPs to a truck loaded with manure speeding down a hill without brakes. Eventually it gets to the bottom and sprays everybody.

Do you agree with Mr Savage's comments, or is he just wrong?

Mr BATCHELOR — I do not agree with them and he is wrong. Russell Savage usually has a pretty astute interest in rail projects — he is a great supporter of them. He has campaigned strongly for the return of the passenger rail services to his electorate after your government closed them down. But he is referring in essence to what was addressed in our earlier contribution about the funding and financing arrangements for the redevelopment of Spencer Street Station.

Firstly, it is not privatisation. I explained that before and there is no doubt about it. The City Link concept was privatisation. The sell-off of the public transport passenger services where they were not closed down — to Mildura they were just closed down — that was privatisation through a franchise arrangement, but these assets will be owned by the state, unlike the franchise arrangements where the rolling stock was sold for \$1.

Mrs MADDIGAN — For \$1?

Mr BATCHELOR — To the various companies. There are five companies. They might have got \$5 for it, but the bulk of the assets were sold for a value of that order.

Mr DAVIS — So you do not agree with the sentiments, whatever the technical definitions?

Mr BATCHELOR — No. I said that he was wrong and I will be happy to explain it to Russell as I have explained it to the committee earlier today.

The project will deliver a modern transport interchange. It will be paid for by a financing arrangement over 30 years, as you point out. The net present value cost of that to the state is \$300 million. At the end of it we will not get — I forget the language he used, but we will get an asset returned to the state that will have been properly maintained, and that is provided for in the contract. It will be an asset that will still be a working asset and will still be a valuable asset, which will probably be valued at some \$1 billion or in that order of magnitude.

I remind you that the \$100 million, again in NPV terms, that Civic Nexus will have to pay to operate and maintain the station to ensure that it is maintained at the standard when it opens over the life of the arrangement so we get back a good asset at the end is \$100 million we will not have to pay; that maintenance cost will have to be paid by Civic Nexus. I also mentioned before that because it has to pay that it is a very strong lever in the contract that encourages it not only to look after it but also when it designs it to design it in such a way that it is easy for it to look after and, more importantly, easy for the state to look after when it is handed back. The other advantage of course is paying for it in this fashion means that instead of having to pay the whole of the contract price during the construction life of the project — between now and 2005 — we do not start paying until the project is finished and proved to be working to our standards. That makes the opportunity costs available to us.

Mrs MADDIGAN — I want to turn to roads, particularly the Calder-Tullamarine freeway interchange. The poor old Leader of the Opposition has had a bad week this week because he made some really bizarre comments about this intersection yesterday which made me wonder if he had ever driven through it. If I can understand what he was suggesting, he was suggesting that we have more lanes on the Calder Freeway coming into this interchange which he seems to think would fix the concerns people have about it. This came as a bit of a bolt out of the blue because he certainly had not consulted with any of the local councils and neither he nor anyone else has done any proper costings as far as I can find out. Could you tell us a bit about what effect you think that proposal would have on that interchange? What is the process the government is going through in terms of looking at this and the future work that could be done there?

Mr BATCHELOR — There is no doubt that the current interchange between the Calder Freeway and the Tullamarine Freeway just before it heads into the City Link section is a congestion point. However, it is not just a congestion point on the inward lanes or the lanes coming from the Calder; it is a congestion point for both inbound and outbound traffic both on the Calder component and on the Tullamarine component, both inbound and on that section just outward of the City Link section.

Mr DAVIS — So you are going to adopt Liberal policy here and fix it?

Mr BATCHELOR — No, we will not be adopting Liberal Party policy. I will come back to Liberal Party policy in a minute.

The CHAIRMAN — I was going to ask the minister to refrain from responding to the provocative comments so we can get the answer to Mrs Maddigan's question.

Mr BATCHELOR — You shouldn't ask me to do things I cannot do.

The CHAIRMAN — I understand the temptation.

Mr BATCHELOR — However, as I understand it, the proposal explained by the Leader of the Opposition is to widen some sections of the inward bounds lanes on the Calder and do this at a cost of \$40 million. In fact this will not solve the problem, it will make it worse. It will make it more dangerous and it will be a waste of \$40 million. We have had a look what needs to be done to improve the traffic congestion issues on the Calder-Tullamarine freeway interchange and what it will cost.

Mr DAVIS — You are playing catch-up here.

Mr BATCHELOR — It will cost approximately \$250 million to do this properly. Without the benefit of the diagrams, effectively what needs to happen is to realign from the end of City Link, cut across the corner of the airport and connect further up the Tullamarine. That needs to happen because with the current layout of the roads it is not just the Calder and Tullamarine freeways, it is also Bulla Road and there are on and off-ramps to various parts of both the Calder and Tullamarine freeways. It is an ill-designed interchange that has to cope with too many tasks at once. In addition, there is a too short a distance between Bulla Road and the interchange itself and cars are weaving backwards and forwards and competing with conflicting travel intentions. This weaving across with different travel intentions is extremely dangerous and accounts for the high accident record there. That is why tinkering only with the existing road pavement will not be satisfactory. You will have to have a design that takes the sharpness out of the corner and provides extra length for those manoeuvres to take place.

We have had a look at it. We asked the federal government to accommodate the future requirements before it privatised Essendon Airport. It refused to do that and has left the state in a vulnerable and difficult position because it now has to negotiate with the private owners of Essendon Airport to gain access to that land to preserve it for future transport use. The total cost of this will be about \$250 million and the \$40 million suggested by the Leader of the Opposition will go nowhere to address the real problems.

Another interesting thing that you might not have heard is this policy was announced in Bendigo the other day. They are pretty outraged because their priority is the completion of the duplication from the end of the Carlsruhe section through to Bendigo and they wanted the Leader of the Opposition to be supporting that, not diverting the money towards the city end.

Ms BARKER — You referred very briefly in your presentation to the statewide accident black spot program. I recall that that was a program worth \$240 million. Could you provide the committee with some details of the status of that significant commitment of funding — \$240 million — and perhaps some further detail on how the projects are assessed?

Mr BATCHELOR — The statewide accident black spot program was funded by a road safety dividend from the Transport Accident Commission and provides some \$240 million over four years to address some of the worst accident spots across the state. By way of comparison, this is recognised as the biggest ever attempt to address black spots in Australia's history; no other state has attempted to come anywhere near it. It is in contrast to the \$4 million spent annually by the previous state government.

We are serious about fixing up accident black spots and we wanted to create a surge in accident prevention by addressing a very large amount of money towards this project over a short period of time. More than \$216 million has already been approved. There are hundreds of individual projects right across the state. The only criteria that we have insisted upon is there be a share between the country and metropolitan Melbourne in terms of the allocation of the funds. That split must be arrived at over time. We have received recommendations from an advisory committee and by and large we have been able to keep fairly close to that over a period of time.

It is a project that will be evaluated once the final allocations have been made and we will report back on the success of it. We are trying to identify those treatments that return the best value to the community in reducing accidents and saving lives. We have tried a lot of things over a short period of time and they are saving lives at the

moment, but we will get professional academic assessment of this so we can learn the lessons and make them available for future governments if they choose to embark on a similar exercise.

Ms BARKER — You referred to a program advisory committee. That is part of the process, is it?

Mr BATCHELOR — Yes. We have set up a program advisory committee made up of the key road safety agencies and representatives of local councils. They receive advice and discuss proposals from Vicroads and make recommendations to me. We find it is a very helpful way of doing it because they, through their local knowledge and understanding, have been able to provide excellent advice to us.

Mr DAVIS — Just on the black spot program, what percentage of the funding for the programs that have been allocated has been in Labor electorates?

Mr BATCHELOR — We have not decided this program on the basis of political affiliations. We have decided the allocation — —

Mr DAVIS — There is a view that there is — -

Mr BATCHELOR — Just a moment. I will answer that because that is a very serious allegation. It is a sleazy, dirty, disgusting allegation and it indicates the state of mind of the shadow Minister for Transport, rather than the operations of this committee. The advisory committee has people on it who are members and supporters of the Liberal Party. We chose to have a truly representative grouping. They are acting independently of this government and they have been acting independently of the Liberal Party, until recently when a Liberal Party candidate resigned and then made these allegations about some sort of bias. It turned out not to be the case. In fact the value of the programs, according to an analysis undertaken by Mr Leigh, indicated that the cost between Labor and non-Labor is the same. But it is a terrible thing when people try to politicise the road safety initiative.

Mr DAVIS — I agree.

Mr BATCHELOR — I am sure you do. Road safety has and I believe — except for a few glitches and blips here and there — will receive bipartisan support. This issue has been one where road safety money has been allocated to locations all around the state, not on the basis of their electorates but on the basis that there are individual identifiable black spot locations where people are killed or there is a potential for accidents and we are addressing those. The recommendations that have come to me via this advisory committee have been accepted. The only requirement that we made of them was that they are required at the end of the program to have had an even split between the rural and city allocations of the funds. They were as close you could practically get to bring in an equality between the city and the country. I understand that they are in the process of doing that. They have done a great job and they have done it in a non-partisan way. I congratulate all of them, including those members of the Liberal Party who are on that committee.

Mr HOLDING — Could I take you to something that you touched on in your presentation earlier — that is, the Scoresby integrated transport corridor. You mentioned during the earlier slide presentation that as well as the moneys allocated for the construction of the freeway itself there were additional funds provided by the state government to address some of the public transport concerns in the area. In particular I would like to ask you about those measures and seek from you further information for the committee about the public transport initiatives that are contained within the Scoresby integrated transport corridor and the value of those in transport initiatives.

Mr BATCHELOR — The Scoresby integrated transport corridor in the concept being delivered by the Bracks government contains an important freeway link, but it also contains a number of public transport components. As I indicated to you earlier, we have received fifty-fifty funding from the commonwealth government when it was declared a road of national importance. We are proceeding to work through the business case for the development of this initiative.

We are spending very large sums of money on purchasing land at the moment. Recently we spent up to \$24 million. We have about 90 people working on the project at the moment. We have taken probably one of the best project managers that Vicroads has, Peter Zammit, and put him in charge of this. It is such a big project that we are having the management of this undertaken in a cooperative way between the Department of Infrastructure and Vicroads at the moment. We are doing that because we see it as an integrated project. So the freeway is well and truly progressing.

Some environmental clearances need to be obtained. The section south of the Monash Freeway down to Frankston has been determined by the federal government as a controlled action area under new environmental laws. But we are working through those with the federal government and I am confident that we will be able to satisfy all of its environmental issues that it has raised with us, reminding you that it has already been through a state environmental process.

In terms of the public transport initiatives, we have identified a connection of the Burwood East tram. Eventually we would like to go out to Knox City. If the federal government had assisted with the funding, we would have been able to incorporate the extension right out to Knox City as part of this project. In the last budget we allocated some \$43 million for infrastructure and operating costs to extend that tram out to Vermont South and depending on budget availability, or if the federal government were to change and the commitments of the previous federal Labor opposition were still there it would, I am sure, assist in joining in the project. Before the last federal election the Labor Party at the federal level was prepared to assist. We have gone out to Vermont South.

We have updated the bus technology along Springvale and Blackburn roads. This is where we have paid many millions of dollars for the installation of new technology in the buses and on the roadway to provide priority access for the buses through congested traffic and a facility to provide on-time running information to passengers at key locations so they can know how long they have to wait for the coming bus. We have also provided new bus services in the adjoining suburban hinterland, in Rowville, Dandenong North and Mulgrave. We have also provided some additional Nightrider bus services.

We are looking in the short term at the tram extension out to Vermont South, improved north–south bus services, and also the feeder bus services to both railway stations and other transport connections in the surrounding suburban hinterland. We would have liked to have done but were limited because the federal government walked away from what we would regard as its equal responsibility to fund public transport as it accepted its responsibility to fund the freeway itself.

The CHAIRMAN — Minister, can I go to a project which I have taken some interest in for fairly obvious reasons, I guess, and that is the regional fast rail project. Can you, firstly, detail to the committee recent progress and developments in relation to the regional fast rail contracts? Secondly — and I want to put on a parochial hat for a moment — I attended some time ago, I think it was last year, the announcement of the successful tenderers for the rolling stock part of that contract. I might say I was impressed by the quality of the rolling stock that is to be provided as part of the fast rail contract.

I was therefore somewhat surprised two days ago to see in my local paper a claim that the Geelong segment of the fast rail contract would not receive any of the new rolling stock and would instead get what were called ‘left-over trains’. I might say this is of concern to me parochially and to my people. Within your answer about the progress and current developments on regional fast rail, could you include what will occur in relation to rolling stock on those lines, and particularly the Geelong segment of that contract? If you have not seen the article, here it is.

Mr BATCHELOR — I do not think your electors will be concerned that you might be being parochial in raising this particular element; in fact, I would expect that they would think you should. We recently announced the successful conclusion to the tender process for the regional fast rail. The \$550 million that we will be putting into this project will deliver significant travel time savings when compared to the existing train services to Ballarat, Bendigo, Geelong and Traralgon. The \$550 million will deliver between 94 and 100 per cent of the travel time targets that were first identified in feasibility studies that came to a total of some \$810 million. What we have been able to do is achieve almost the entire scope of that project in terms of travel time savings with the \$550 million commitment. I can tell you that this announcement has gone down very well in all of the locations. It will commence construction or site works by November of this year, perhaps earlier, and again it will be completed by mid-2005.

A separate element to it, as you rightly indicated, is the upgrade of the rolling stock. What we announced recently was the infrastructure upgrade — the track and the signalling — but in addition to that, achieving these travel time savings is a combination of both infrastructure upgrade and new, faster rolling stock. We have entered into a contract for the supply of 29 new, state-of-the-art, high-speed trains. They are being made out at Bombardier in Dandenong. It is a contract that is in excess of \$400 million in itself, and the cost will be borne by the government through the life of the franchise agreements that are currently operating.

I see the comments that these trains will not be available on the Geelong line. Let me assure you and your electors that that is an absolute lie; it is not true. The shadow Minister for Transport, the Liberal party spokesperson, should

not be going around the state saying things that he knows are untrue. If he doesn't know they are untrue, he should not say them with such certainty that it makes them look true. He should seek some assistance and guidance before he opens his mouth. The people of Geelong have been unnecessarily upset by this. It should not have happened, and I suspect that it is more of a political manoeuvre than an attempt to get to the facts or to the bottom of what was really happening.

Mr DAVIS — Are you giving an absolute commitment, are you, that those new trains will be on that route?

Mr BATCHELOR — These new trains will operate on all four lines. This fast rail project is a project that, when it was announced, we said would operate over five years, or five years to complete. It has a number of phases or elements to it. First, there was a feasibility study, and then there were the contractual negotiations and tender awarding. Then will follow the construction phase, and parallel to that construction phase will be the building of the rolling stock. Also parallel to that will be a phase where we will undertake an examination of the timetable. Once that examination of the timetable is completed we will know what the spread of the operational rolling stock will be, and that will allow us to conclude negotiations with the service provider, National Express. It is absolutely our intention to have these new trains on all of the four corridors; there is no doubt about that.

Mr DAVIS — Can I just get further clarification on that? You are saying that the new trains will be on all four routes from the moment the upgraded lines are in operation. Will there be no period where the upgraded infrastructure will be available but there will be older trains running on them?

Mr BATCHELOR — You have to understand that this is a project that will take, as we announced, five years to complete, and it has a number of elements to it.

Mr DAVIS — That is what I am alluding to.

Mr BATCHELOR — It is the bringing together of all those elements that will announce the 'conclusion of it. The rolling stock will be made available once it is finished being constructed. Nowhere in the world is there a yard or a warehouse of trains waiting to be used; they are built to order. The capacity, both overseas and in Australia, is such that the delivery of the rolling stock will be progressive.

Mr DAVIS — Will it be phased?

Mr BATCHELOR — Yes, that is right. It will be phased according to the production capability of the supplies — just as the new trams we are introducing for Yarra Trams are being progressively introduced. The industrial capacity is not sufficient, nor would it be efficient, to have them all built and finished on the same day. They will be progressively delivered, and that will happen in 2004 in relation to these fast trains.

In terms of the infrastructure upgrades, they are being carried out on four lines by two different consortiums. The starting dates and the end dates for the infrastructure upgrade are common, but the rate at which they progress on individual lines will be dependent on construction issues determined by the individual consortiums in relation to each line. So it is likely that parts of the line will be progressively available, just like parts of the Geelong Road upgrade are made available once they are completed. Of course you will have that phased introduction of new infrastructure, and in parallel there will be the phased introduction of rolling stock. We have always said the project has a five-year time line. We expect that because of the early phasing of infrastructure and the early delivery of rolling stock, some of it will be available earlier. You would not expect us to hold it back or not use it until the 29th rail set is available. We will take advantage of the new rolling stock once it is available.

The CHAIRMAN — If I can follow up my question: the bottom line is that the new Bombardier rolling stock will be seen on the Geelong line?

Mr BATCHELOR — Absolutely.

Mr DAVIS — To clarify that further —

The CHAIRMAN — It is your turn for a question, Mr Davis.

Mr DAVIS — It is a specific clarification of your point, Mr Chairman. Is the size or capacity of the Bombardier train sufficient for the Geelong line in every way? Is there no capacity question on that stock? You have never alluded to any capacity questions.

Mr BATCHELOR — Can you explain what you mean?

Mr DAVIS — I had an idea that at some point you may have alluded to specific capacity questions about the Geelong route. The current trains, I understand, have a greater capacity than the Bombardier ones.

Mr BATCHELOR — Different rolling stock have different carrying capacities. The Sprinter rolling stock, which has been around for some time, forms part of a mix of rolling stock, including loco-haul carriages that are used on various lines. The mix is a function of the availability of rolling stock and the number of people who want to board at a particular time.

A feature of the new Velocity trains — that is the name of the Bombardier model — is that they are a double-linked unit, so there is two in each unit. They can be coupled together: they can be added to to provide additional capacity.

On some occasions — for example, when you have a football match, perhaps when Collingwood is playing Geelong — you would find there would be a large number of people catching the train. It could be that they use a mixture of services. That is the only logical thing to do. It will be a function of the timetable, the demand and rolling stock availability at that time. As I said earlier, the last phase of the project will be the timetabling review that will be undertaken in consultation with the community.

The CHAIRMAN — That essentially is nothing new, though. For years the capacity question has been raised about services on that line — as you say, for example, on special occasions. My understanding is that they make their decisions about the current rolling stock in basically three-carriage units. Unless they are expecting to have a greater number of passengers you could well be under the capacity that has been provided.

Mr BATCHELOR — Having to mix a rolling stock fleet to beat the timetable demands is not a new problem.

Mr DAVIS — I refer again to the Spencer Street railway station development and its ultimate cost of \$1 billion over 30 years. I further refer you, Minister, to comments you made on 27 February 1996 when you said the Kennett government had created a goldmine for shareholders at the expense of Victorian taxpayers and motorists. You said it was the modern-day equivalent of highway robbery. In that case you were referring to City Link, which in other statements you called a white elephant. The City Link contract requires that \$300 million be put out by taxpayers up front and that \$300 million be returned to taxpayers and the road returned to the state, ultimately costing the taxpayers nothing. Under your standards, Minister, City Link was a white elephant — you called it that in 1996. What do you now say about the Spencer Street development, where you have committed the government to \$34 million in its budget for the next 30 years, only to get a building that I know you assure us will not be run down —

Mr BATCHELOR — You should not read out questions that Geoff Leigh has written for you. I have already answered.

Mr DAVIS — You have not satisfactorily answered it.

The CHAIRMAN — I have a different problem.

Mr BATCHELOR — You should not read out Geoff Leigh's questions, because they are terribly confusing. You have to understand in the question what the revenue is, what is going towards the cost of assets and over what period of time, whether they are Net Present Value or nominal dollars, and for what purpose the money will be spent. In the question he has provided to you Geoff Leigh has absolutely confused them.

Mr DAVIS — Are you sure you have not confused your principles, Minister?

Mr BATCHELOR — The fundamental difference, which you would understand because you are of a different intellect from Mr Leigh, is that the basis for the revenue for the City Link project is tolls, but that is not the basis of the revenue stream for Spencer Street.

It is not possible to respond to the question, because it is illogical and stupid. It is talking about different things. Half of the question is in Japanese and the remainder is in Chinese.

Mr DAVIS — It all sounded English to me, and your 1996 comments did not impress me in the context of what you are saying today.

Mr BATCHELOR — It does not make sense — you know that, too.

Mrs MADDIGAN — I refer to the road toll and the Arrive Alive strategy. I know you are concerned, as are people in the community, about the increase in the road toll. Can you advise if there is any indication of what effect the Arrive Alive strategy is having on road accidents in Victoria?

Mr BATCHELOR — We are serious about trying to get the road toll down. We have set an ambitious target of reducing the road toll by some 20 per cent by 2007. The Arrive Alive strategy has a number of elements that form part of it. To be fair to the Arrive Alive strategy, we have not done an end-of-program analysis, but for the last two years the road toll has been increasing. For the first time during that two years it is beginning to look like, or the preliminary figures indicate, that we are getting on top of the road toll within metropolitan Melbourne. The same is not true in the country.

I have some tables here — and I will make those charts available to the committee — that show the top yellow line as the total road toll. You can see it has been increasing. This is a real tragedy.

The comparison that needs to be made is in relation to the five-year average, which is the light blue dotted line under each of the solid coloured lines. Going down to the graph below you can see that the metropolitan raw road toll as compared to the five-year average — and you make that comparison to take out any seasonal blips or glitches — is now beginning to come down.

The real tragedy is that the country road toll has been consistently above the five-year average, and it is increasing. There are many reasons for that, one being the incidence of fatalities where riders and drivers are above the .05 blood alcohol content.

You might hand that out as well. You will see here that of recent times the number of country fatalities involving illegal drink-driving has skyrocketed — it is the pink line that has come right up — whereas in the metropolitan area it has either stayed flat or is beginning to trend down. We do not know, because it is a bit early; so there is a problem. We are doing a series of analyses to try to segment the road toll and understand the elements of it — that is, where is it increasing over recent times?

We have already identified that there has been a shocking increase in the number of motorcycle deaths; but in terms of motorists, you can see from the earlier graph that the trend line for deaths is upwards in the country. When you look at this figure here for the reason behind the country increase in deaths, you can see it is an increase in alcohol consumption. Some earlier ones that we have not completed show that there seems to be a similar trend in relation to speed. As regards speeding in metropolitan Melbourne, it appears that the suite of initiatives that have been implemented are containing or bringing down the road toll, slowing people down and getting greater observance of the alcohol requirements. But that is not the case in the country.

We have tried to think through why there might be this differential approach. An early indication is that there is a much higher level of likelihood, and certainly the perception, that you are more likely to be caught for both speeding and drink-driving in the metropolitan area than you are in the country. As to speeding in the city, the anecdotal and preliminary indications are that people are responding to the TAC campaign — the Wipe Off 5 campaign — and the lower speed limits in residential streets. They are responding to the continuing drink-drive messages and are reducing consumption, except perhaps in the recidivist area — and hopefully over time the interlock initiative will help address that particular problem.

But it is not true that the message is getting through in country areas — or if it is getting delivered, certainly people are not responding to it. What might be the difference is the perception that you will not be caught out on these country roads, and that is where the increase in fatalities is occurring.

We will be pursuing the sort of Arrive Alive initiatives. The 50-kilometre default speed limit in built-up residential areas has seen a reduction, on early indications, of some 13 per cent in casualty crashes. I think it was about 40 to 48 per cent, or something of that order of magnitude, for pedestrians.

You have seen the introduction of testing for drugs beginning to take effect. You have seen the ongoing TAC campaigns and the emphasis there, and of course the increased enforcement activity undertaken by Victoria Police, as well as some legislative changes that have taken place. It seems to use that the combination of those is beginning to have some effect in turning the trend down in the metropolitan area. We only hope that it continues, and we can look at how we can get that message through to people in country Victoria.

Ms BARKER — Can I take you to the section of your presentation where you referred to the boost to suburban bus services of \$36 million over four years and ask you to outline details for this new bus funding? I am aware that this would be in addition to the funding that has occurred over previous budgets in terms of buses. Mr Chairman was a bit parochial before, but I will not be, being aware of the desperate need for bus services in the growth corridors in some of the regional areas. But I was wondering if you could provide us with details about that boost to suburban bus services and how that has built on what you have done previously.

Mr BATCHELOR — The budget before last provided an increase in bus services, but this last budget has provided the biggest increase in bus services in regional and outer metropolitan areas for a long period of time. In fact people are trying to identify the period, and we have asked them to stop doing that because it is a fruitless exercise, as it is something like 30 years since this sort of increase has been undertaken.

They are occurring in the outer metropolitan areas, where buses have not occurred in the past in the growth areas — the Berwick corridor, Mill Park Lakes and Melton. In addition to 11 new routes in the metropolitan area, we have seen increased frequencies on 10 routes. We have seen new or extended week-night services on four routes and improved Sunday and public holiday services on five routes. There is a budget commitment of \$8.2 million in this year's budget; but as you would understand this is recurrent expenditure, so we are committing it not just for this current financial year. It is a commitment into the forward estimates, so that is a substantial commitment.

I mentioned in detail its occurrence in the metropolitan area, but it is also in country services. There will be 11 new routes established in Ballarat, Geelong, the Latrobe Valley, Gippsland, south-western Victoria and Wodonga. There will be improved frequencies on 13 existing routes in Ballarat, Benalla, Bellarine Peninsula, Bendigo, Geelong, Shepparton and Wangaratta, and there will be new improved Saturday and Sunday services on four routes in Ballarat, the Bellarine Peninsula, Bendigo and Geelong.

We understand that as the population has developed, both in rural and metropolitan Melbourne, the extension of bus services both in terms of routes and frequencies has not been met for a long time. We are delivering this on top of a concerted campaign in relation to the Smartbus developments along Blackburn and Springvale roads, which would be of interest to you and Mr Holding. There we have seen the infrastructure upgrade of some \$7 million, as well as additional frequencies on those services that will gain the benefit of that Smartbus technology. Also on the Blackburn and Springvale road routes we have made the bus stops Disability Discrimination Act compliant.

A key feature of improving our public transport network is to make it accessible to those with disabilities, to the elderly and to young mums with prams, and much of the existing or old infrastructure fails to meet those accessibility requirements. Special attention was given on those two routes to make all the bus stops DDA compliant. These extra services are in addition to the \$190 million program announced in the previous budget to upgrade and replace buses over the next year. Under that program new buses will be introduced to meet modern customer standards. They will be airconditioned; they will be low floor, again for DDA compliance; they will be new and improved; and they will be out there on those bus routes spread right across metropolitan and regional Victoria. The cost of that program is \$189 million.

Mr DAVIS — Can you provide the committee with a detailed list of both the country and city bus route changes, the expenditure on each one, and also the variation or increase in schedules? It would be very valuable for the committee to see that detail.

Mr BATCHELOR — The communities to benefit include Bacchus Marsh, Berwick, Blackburn, Caroline Springs, Chirnside, Chelsea, Cranbourne, Dandenong, Deer Park, Diamond Creek, Eltham, Ferntree Gully, Frankston, Hillside, Lalor to Essendon, Langwarrin, Lilydale to Healesville, Lysterfield, Melton, Middle Brighton, Mill Park — are you sure you want me to read them all out?

Mr DAVIS — No. I would like a detailed list to be provided to the committee at a later time so we can get some idea of exactly where these changes are occurring. It does not help us too much to know it is happening in a particular suburb; we need the detail.

Mr BATCHELOR — The cost of the service from Mill Park Lakes to Epping Plaza shopping centre and the Northern Hospital is \$280 000 in recurrent expenditure; the cost of the Melton service is \$280 000; the cost of the service from Diamond Creek to St Helena and Eltham is \$560 000.

Mr DAVIS — If you could provide that information to the committee, it would be helpful.

Mrs MADDIGAN — What about the one in Essendon? Do you have the detail of that there?

Mr BATCHELOR — Questions without notice!

Mrs MADDIGAN — Sorry. You mentioned Essendon.

Mr BATCHELOR — Why don't I make it available to the committee?

Mr DAVIS — That would be a lot easier.

Ms BARKER — As a follow-up to that question, for Mr Davis's information, Driver Bus Lines has committed to provide out of its own existing budget this year a bus from Oakleigh to Ashwood Secondary College to assist students to get to that college in the mornings and in the afternoons. So in some instances bus companies will fund services themselves.

Mr DAVIS — Fantastic.

Mr BATCHELOR — These new bus services are those that are attracting the government subsidies. As Ms Barker says, there is nothing to stop bus companies increasing their services, and some do, or adding additional services, and some do that too. The ones I am talking about are the ones the government subsidises. From memory Driver Bus Lines also has closed-circuit television to provide extra security on some of its services.

Ms BARKER — I am not saying they do not have funding, but they submit themselves to tests as well.

Mr BATCHELOR — A general upgrade of bus services is taking place and some of it is being undertaken by the companies themselves, but the overwhelming majority of it is being undertaken by the government.

Mr HOLDING — I refer you to the backlog of roads in outer metropolitan Melbourne that are in need of upgrading, and I seek some information from you about what the government is doing to address that pressing need. When I travel around areas like Hampton Park in the City of Casey the issue that comes up again and again from local residents is their desperate need to see additional resources allocated to addressing that backlog. It is obvious that with all the housing development that has gone on in so many different parts of outer metropolitan Melbourne in recent years there is a pressing need to address the infrastructure requirements, in particular the road infrastructure requirements, of those communities. Can you provide the committee with some information about the initiatives the government is taking to address that backlog?

Mr BATCHELOR — My answer will be assisted by another map. Some of these answers — for example, my answer to Mr Davis — are long and complex because there is so much happening, and what is happening with the government's assistance to outer metropolitan roads is another example of that. I will supply you with this pictorial representation of what is happening. I apologise for its busyness, but that is because we are doing so much.

Funding has been provided in the current budget for the completion of the Hallam bypass, the Geelong road upgrade, the Eastern Freeway extension and the commencement of the Scoresby integrated transport project, which are major and significant projects in their own right. The recent state budget also allocated funds for the arterial road network in the outer metropolitan area, including some \$22 million for the Narre Warren–Cranbourne Road duplication; \$11.7 million for the Cranbourne–Frankston Road duplication; some \$14.3 million for the Fitzgerald Road duplication out in the west; some \$10.3 million for the Edgars Road extension and upgrade in Epping; and some \$4.1 million for the Macedon Street bridge duplication.

It is interesting to note that since October 1999, \$187 million worth of road improvement projects in the outer metropolitan area have been completed — that is \$187 million on outer metropolitan roads! — and a further \$2 billion worth of projects are under way and in progress as we speak. In addition to that, since the commencement of the statewide black spot program approximately \$35 million has been allocated to outer metropolitan Melbourne.

We are attempting to address the huge backlog that currently exists, whether it be the big projects like the Hallam bypass, or part of the strategically important arterial road network such as the Narre Warren–Cranbourne Road, or a local set of traffic lights or a roundabout being provided by the black spot program. We will make our best endeavours to ensure that those current projects can be completed. Many of these roads are nothing more than small country lanes that were never designed to carry the volume of traffic travelling on them, were never designed

to carry the type of freight vehicles that travel on them, and tragically were never designed to provide safety at intersections. Many tragic consequences have resulted from badly designed roads that were suitable for rural circumstances but not for the reality of the highly developed outer metropolitan traffic that exists on them today.

We have found there is a huge backlog not just for ourselves but for local councils. In some of the growth areas the local roads are picked up under planning arrangements and developer contributions, but that does not assist the state and there is a very big backlog that we are systematically addressing. It is an important task, and you will see by the blue lines on the map the amount of work that has been undertaken in these outer metropolitan areas.

The CHAIRMAN — I refer you to the regional and rural transport infrastructure output group at page 123 of budget paper 3. It says on that page that the purpose of that output group is to:

Ensure delivery of the government's commitment to regional and rural transport infrastructure development and monitor the quality of rail infrastructure as set out in the contracts with the private operators.

Under the subheading 'Quantity' the first dot point states:

Reopening of Mildura, Bairnsdale, Ararat and Leongatha country rail lines. norm

Could you provide the committee with some detail of the progress being made towards that particular commitment and performance measure within the budget papers? Secondly, in relation to the overall objective of that output group, can you also detail for the committee what the government is doing to increase standards and safety on all Victorian railway lines in line with the objective in that output group?

Mr BATCHELOR — The infrastructure upgrade is more easily represented by a map. I apologise, we have one, but there was so much to bring along that I inadvertently left it on my desk. If you like, I will make it available.

The CHAIRMAN — Thank you.

Mr BATCHELOR — It will help put some of the comments into context. Essentially we have given a commitment to open country rail lines that were closed by the previous government. We have allocated works for those and are designing the requirements. We are setting in place the contractual arrangements for their delivery.

Where we can, in places like on the South Gippsland line, we have brought the infrastructure upgrade forward on a couple of timber bridges to allow for the rail tourist operator to extend its operations there. On 18 June contracts were awarded for the upgrade of a couple of timber bridges where this work needs to be done to allow the South Gippsland passenger service to recommence in late 2004, which is the scheduled start-up time. We have brought forward a bit of that work so the tourist operator can take advantage of it.

In terms of the Mildura line, the return of the passenger service is intimately interwoven with the standardisation of freight lines in that area. The complicated set of operational and commercial requirements of the freight operations and the reintroduction of passenger services are being worked through at the moment. We expect the service to Mildura to commence in late 2004.

There are two other extensions we are hoping will commence during 2003. They relate to the return of passenger services to Ararat and Bairnsdale. Both of these services will be operated by National Express following the finalisation of negotiations with that company, because they are the logical extension of National Express operations to Ballarat and Sale respectively. The money that we have allocated for this deals not only with the checking of the infrastructure — that is, the rail and the sleepers — because it has to be upgraded after years of neglect, but we will also be looking at upgrading and reactivating level crossings, crossover points and similar core parts of rail infrastructure, as well as station upgrades.

In addition to the capital requirements, we will also be providing and have made allowances for the recurrent cost of providing the subsidy on these lines in line with the practice of providing subsidies across all of the passenger services in country and metropolitan Melbourne.

The CHAIRMAN — The second part of what I asked was about the safety and other standards across the railways generally.

Mr BATCHELOR — This is a multilayered issue because it goes to not just the rail infrastructure but also to a lot of the level crossings, which are for cars and now also for pedestrians. This year in the budget we have

identified a need to address pedestrian crossings. We have introduced a new funding stream for that which will complement the funding stream for upgrading level crossings.

In terms of the safety requirements of the rail network itself and the operations of trains, particularly in response to a couple of accidents that have occurred during the operation of the franchisees, or the privatisation period, following those we have each of those thoroughly investigated. If it is a significant accident we have that carried out by an independent body. We do not rely upon the traditional railway board of inquiry that is carried out by the operator. Although in each of these cases the operator has carried out its board of inquiry type of internal examination, we have required an external independent inquiry to be undertaken, which enables a whole range of broader issues to be examined and perhaps provides pointers to any systemic issues as well as the localised identified issues surrounding each one of those.

There was an accident in Ararat following that, and the government invested some \$680 000 to improve signalling at four similar locations that manifested the same sorts of shortcomings. This was as a result of the broader type of inquiry. We looked at the accident, the specific location and any system-wide area where the same sort of solutions would be relevant and should be applied. We are working with the Australian Rail Track Corporation to examine and keep a close eye on the network and improve those other areas. They were at Newport and a number of other locations.

In terms of accidents at Holmesglen and Footscray, we have identified a particular problem about the impairment of personnel due to prescription medications. We introduced and had passed new laws, some of which came into effect at the end of June this year, setting out a whole new regime for monitoring impairment caused by drugs, either illicit or prescription, and setting in place a mechanism for identifying those people who might be impaired. In addition, there were some system-wide applications for further examinations to audit medical records of all rail safety workers. This was done with a view to ensuring that the understanding and knowledge of the private operators was up to date and current — that is, that they knew of any medical conditions that members of their work force were experiencing and how that, or the use of prescription drugs to treat those conditions, might impact upon the safety of the rail network.

Mr DAVIS — I again refer to your comments about the total cost of the Spencer Street railway station and that it will be \$34 million for 30 years. Can you inform us whether this is the total amount of money to be paid for this project, the planned date for commencement of these payments, as close as practicable, and if there are any other payments involved how much they will be and what they will be for?

Mr BATCHELOR — If I do not answer any of the elements of the question, you might remind me of them. The payments will commence once the construction has been completed.

Mrs MADDIGAN — You said this earlier — mid-2005.

Mr BATCHELOR — That is right. As I have said on a number of occasions, the middle of 2005. However, there are requirements that before the payment stream commences the construction must meet our specified standards and the operational requirements of the contract. It will be \$34 million a year and it will continue for 30 years. I do not believe there are any other payments. However, on the other side, if there is a failure to maintain the required standards during the period of the concessional operation, that \$34 million could be abated to compensate for that failure to meet the state's requirements. The only other, I suppose, payment that theoretically could arise might be if at some stage in the future there was a state-initiated variation. Some government of the future may choose to do that.

Mrs MADDIGAN — Put bowls on it — some government in the future?

Mr BATCHELOR — I do not think so. There are no other payments. I think that covered all your questions.

Mrs MADDIGAN — Could you update us on the Craigieburn electrification project?

Mr BATCHELOR — The Craigieburn electrification is part of our initiatives to extend the rail network. It is a \$98 million capital project. It is to take the electrified metropolitan services from Broadmeadows where they now end out to Craigieburn. It is a bit of a metaphor for how we are delivering services to growth areas. This project will service not only the growth area of Craigieburn but also the growth area of Roxburgh Park.

Mrs MADDIGAN — What route will it take? Has that been determined yet?

Mr BATCHELOR — There is a track already there.

Mrs MADDIGAN — So it will go on the same route?

Mr BATCHELOR — It goes on the same route, yes. We are providing the electrification of that. At the moment there is a V/Line service that comes down there but there is no intervening station between Craigieburn and Broadmeadows. There is provision for a new station and it will be attached to the metropolitan service and so will provide access to the loop rather than people having to change at an intermediate station.

It is interesting to note that the population is expected to grow by another 38 per cent or some 48 000 people over the next 20 years in this catchment area. It is part of the growth area and we are delivering those services to it. It is expected to cost about \$98 million and commence operation during 2005–06.

Ms BARKER — You referred to the Calder Highway upgrade — I think you said the Kyneton to Faraday section. Is this the funding available in this budget for works? Can you give us a progress report on the Calder Highway upgrade to Bendigo?

Mr BATCHELOR — The Calder Highway upgrade is a project that is expected to take until 2006 if all federal and state governments abide by their original commitments. We have provided lead funding on the Carlsruhe section and the federal government matched that in the last budget and provided some \$25 million. I was in Bendigo just recently and I can advise you that that Carlsruhe section is roaring ahead at a fantastic pace.

The next section, Kyneton to Ravenswood, is a \$140 million project. In our last budget we provided \$70 million —

Ms BARKER — Ravenswood is just outside Bendigo, isn't it?

Mr BATCHELOR — Sorry, Kyneton to Faraday. The last section still to be duplicated is Kyneton to Ravenswood and we have broken that up into two sections: Kyneton to Faraday, and Faraday to Ravenswood. The cost of the Kyneton to Faraday section is \$140 million and we provided our half in the last state budget.

We are concerned that we will not be able to proceed with this because the commonwealth government has not funded it. More ominous is its decision to completely rewrite the funding arrangements between the commonwealth and state and local governments. Recently the minister for transport at the national level, the Deputy Prime Minister, announced without any prior consultation or warning that the federal government was intending to rewrite the longstanding funding arrangements. He has indicated a number of changes, including walking away from the maintenance component of national highways. We will be having a meeting with the federal minister shortly to try to ascertain the impact of these proposals. It will have a direct impact on this Kyneton to Faraday section. We are waiting for its half of the project funds to commence it. There are no logical staging points — you need to do the whole lot in one go. With the uncertainty about the new funding arrangements, notwithstanding the fact the Calder Highway upgrade has been declared a road of national importance, or RONI, on a fifty-fifty share basis, we are concerned about what is the commonwealth's real intention, as are all the people at Bendigo.

Mr HOLDING — I would like to take you to something that you touched on in an earlier answer and that is the question of pedestrian railway crossing upgrades. You may recall that in December last year a tragic fatality occurred at a pedestrian crossing in Noble Park. An inquest and several other inquiries arose out of that. Could you provide the committee with some further information as to where the state government is at in relation to responding to some of the safety issues that have arisen out of those inquiries and initiatives or actions the government is taking to improve the safety of pedestrian crossings? In that instance the pedestrian who died was wheelchair bound and it raised significant questions about the capacity of people in wheelchairs to safely access pedestrian crossings. Could you provide some information about any further developments, initiatives or proposals with respect to that area?

Mr BATCHELOR — There have been far too many deaths at pedestrian crossings and each of them is tragic. They are small in number but the very nature of them is terrible. Nothing could have been worse than the two deaths in recent times of people in wheelchairs.

Following the first death of a person in wheelchair at a level crossing, I set up a task force to have a look at the issues of how people with disabilities are able to safely get across level crossings. The task force was made up of departmental representatives and safety experts, and also people representing disability groups and officials from

the Department of Human Services. The task force not only sought views but went out and inspected level crossings. It looked at surfaces, the races and the structures of the approaches to the level crossings, and the interface between the wheelchairs themselves and the level crossing surface. The task force made a number of recommendations, some of which are being considered by the government because they relate primarily to the government's areas of state responsibilities. Others are being taken to consideration at the national level through the meeting of transport ministers because they require perhaps changes to Australian design rules or national policies. It is a serious matter.

Things that we have done include taking immediate maintenance action at a whole host of level crossings. I think there were some 38 in total that were immediately fixed. We have also set up a 1800 24-hour phone line for reporting faults. If people find there has been some damage to the surface they can report that so that maintenance crews can respond to it quickly. In addition to that, we have identified a new funding stream to upgrade pedestrian crossings. We are examining not only the ones that are associated with the level crossings — that is, where the cars go across — but also the crib crossings or stand-alone pedestrian crossings, both the formal ones and, unfortunately, because there are a lot of informal ones we are trying to identify how we can upgrade the protection of those at both level crossings and the stand-alone crib crossings.

In addition to that we have made \$100 000 available for a research program that might identify how we can improve the design specifications of crossings and of wheelchairs, so that both work together to get people through rather than entrap them, as often happens at the moment. Expressions of interest have been sought through an advertisement that was placed at the beginning of June. I am not sure of the outcome of that process yet, but will advise people in due course. Already it has people thinking laterally. There was a response from the wheelchair users community that they did not want wheelchairs to be seen as the problem.

Already a design improvement has been put forward by Scope, previously known as Yooralla, in which an additional wheel is provided under the base of the wheelchair itself and this allows for a sort of cantilevering effect. The problem is that the front wheels go into the flange of the railway track and it is very difficult to get them out. What this device does is sort of cantilever the front wheels over the flange and prevents them from dropping down so far that the person is unable to get them out. We are looking to work with Scope, the federal departments and the state departments to see how we might develop this device into a commercially available add-on to existing wheelchairs and how it might in the longer run be incorporated into wheelchair design.

It seems with that, together with the improved services and the improved reporting facilities for level crossings, where the surface has been interfered with by the weight of the trains — what happens is that notwithstanding the fact that the trains run in the flanges of the tracks they are very heavy and it sends up vibration pressures that spread out from the side of the rail track and that interferes with the rigid surface that the wheelchairs require — it is a very difficult and complex and interrelated issue that we believe we are getting on top of.

This has triggered us to look around, without wanting to reinvent the wheel, so to speak. It has caused us to do literature searches and research elsewhere around the world. It is interesting to note that it is a problem that has not yet been resolved anywhere else in the world. So what we are doing is sort of world leading and will have benefits not just for Australia but for other places as well.

Like many problems it is multifaceted and there is no single or only one solution. It is becoming more important because as we encourage people to increase their mobility, to get out and about if they are wheelchair bound or have other mobility impairments, we want to make sure that it is safe for them to do so, and as the population ages and the percentage of aged people using aids increases this will be an important issue in the years ahead.

The CHAIRMAN — Thank you, Minister. That concludes the time allocated for consideration of the estimates under the portfolios for which you have responsibility.

Mr BATCHELOR — It is always a pleasure, Chairman.

The CHAIRMAN — I thank you and your various staff departmental staff for your attendance here today. There were a couple of matters that arose during the course of that hearing that we will follow up with you, and at a later date some further questions in writing may be forwarded to you. That concludes both this hearing and the estimates process for 2002–03.

Mr BATCHELOR — Can I just provide some last assistance? Mr Davis raised an issue of James Cain's salary being withheld. Mr Cain advised Mr Davis during the break that he was under the impression that his colleague had in fact got a copy of the document.

Mr DAVIS — I have a copy of the FOI — —

Mr BATCHELOR — I have just been advised that that is the case, so it has been provided to the opposition.

Mr DAVIS — But not the precise amount.

Mr BATCHELOR — You should take that up with Louise Asher.

Mr DAVIS — I do not have the precise amount; I have a band only. He indicated he would provide the precise amount to me.

The CHAIRMAN — Thank you. We are concluded.

Committee adjourned.