

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Inquiry into infrastructure projects

Melbourne — 8 March 2016

Members

Mr Joshua Morris — Chair

Mr Khalil Eideh — Deputy Chair

Mr Nazih Elasmr

Mr Bernie Finn

Ms Colleen Hartland

Mr Craig Ondarchie

Ms Gayle Tierney

Staff

Secretary: Dr Christopher Gribbin

Witness

Mr Scott Charlton, Chief Executive Officer, Transurban.

The CHAIR — I will begin by declaring open the Standing Committee on Economy and Infrastructure public hearing, and I would just like to welcome everybody who is present here today. I will begin by explaining that today the committee is hearing evidence in relation to the infrastructure inquiry, and evidence today is being recorded. This hearing is to inform the second of at least six reports into infrastructure projects, and witnesses present may well be invited to attend future hearings as the inquiry continues. All evidence taken today is protected by parliamentary privilege; therefore you are protected for what you say in here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege.

I welcome you, Mr Charlton, as our witness present today. I see you have a presentation for us. I will invite you to state your name and the capacity in which you are here today, and then I will invite you to move into your presentation.

Mr CHARLTON — Thank you, Mr Chairman and committee members. My name is Scott Charlton. I am the CEO of Transurban, and obviously we are the proponent of the western distributor project to the Victorian government. I have a short presentation, which I will run through, and then I will be happy to answer questions.

Visual presentation.

Mr CHARLTON — When we last met in November I began by providing the committee with an outline of what Transurban does and how we believe the western distributor will meet the needs of the rapidly growing population in the world's most livable city. Today I would like to begin by talking about our rationale for creating the western distributor and how our proposal has been enhanced by including significant upgrades to the Monash Freeway. While many Melburnians battle increasing congestion on the roads and trains, it is hard to find a more difficult journey than for those trying to cross the West Gate Bridge. In fact, congestion is so bad along this corridor that for many motorists it is a battle to try to even get on the freeway from the arterial network during the morning peak.

Transurban believes that addressing the congestion on the West Gate and providing an alternative river crossing is the no. 1 road infrastructure challenge across all Victoria, and Infrastructure Australia agrees that it is a high priority project, and I think you would find that the 200 000 motorists travelling along this corridor each day, including 30 000 heavy vehicles, would definitely agree.

A single incident today on the West Gate Bridge can lead to significant disruptions across many parts of Melbourne's freeway network, including the M80, the Monash and CityLink. Imagine the consequences these incidents will continue to have, and, even without incidents, travel times will continue to grow when you consider how many more people will be calling the west of Melbourne home in the coming years. We are seeing more than 10 000 new residents living in the city of Wyndham, 5000 in Melton and 3500 in Geelong every year. In total, the number of people living in the western suburbs will grow from around 700 000 people in 2013 to over 1.1 million within the next few decades, which is an increase of over 60 per cent, and without action and significant investment in infrastructure, this will lead to significant increases in travel times for motorists across the network.

The issues on the West Gate are not just theoretical. In fact, Melburnian motorists experienced significant delays just last week on Tuesday after there was an outbound collision on the West Gate Bridge and an inbound collision on the West Gate Freeway, and this is becoming an all-too-frequent occurrence with increasing traffic.

As you can see here in this footage, these incidents brought the motorway network to a grinding halt for hours, both before and during the afternoon peak — from one inbound incident that took place on the bridge just before 1.00 p.m. and one outbound incident on the freeway that occurred around an hour later. Some of this footage you see comes from news reports that day, but also some of the footage is from our CCTV cameras on CityLink, where we monitor 24/7 along this corridor.

Not only does this footage show the gridlock that took place between the West Gate Bridge and the CityLink tunnels; it shows the impacts caused in the south-east on CityLink and through to the Monash Freeway, which is more than 14 kilometres away from the incident. This is real footage taken just last week showing the severe impacts that can be caused across the network, both in the west and the south-east, because of the over-reliance our city has on the West Gate corridor. It demonstrates why construction of the western distributor is necessary to help provide an alternative connection to the western suburbs and how it impacts journeys for motorists on

the south-east side of the city as well. Again, this is not a theoretical need for the future; it is about helping motorists complete their journeys in a safe and timely manner today.

While the number of people living and working in our city will grow, so too will the freight task. Freight movements across the state are expected to triple by 2050, and the freight at the port of Melbourne is expected to double by 2030. As well as looking at what we could do to encourage more efficient freight movements, we also wanted to find solutions that would address some of the key livability issues in the local area. I am sure you are all aware that every single day residents in the communities in the inner west around the port face an ever-increasing number of trucks utilising their local roads, and this creates a whole number of issues for local residents, whether it is competing with truck traffic to turn out of their street or just to cross a local road. We also know the EPA reports indicate issues locally around air quality and noise impacts.

Since the western distributor was announced last April, Transurban has been consulting with communities and stakeholders to gather input and ideas to help improve our proposal. During the first phase of consultation some people and stakeholders asked to see more done to get more trucks off the local roads. We learnt that the fuel terminals in the area are expected to remain for quite some time, and it is important for the project to cater for truck movements to and from these terminals, which are not permitted by law to enter tunnels.

In response, we released a new design that provided direct connection between the West Gate Freeway and Hyde Street. This has become known as the Hyde option, which would help ensure trucks carrying substances banned from tunnels, like those coming from the fuel terminals, to travel to their destinations without travelling on the suburban streets like Francis. This option does have impact on nearby parklands, but we have also identified nearby contaminated land that could be cleaned up, regenerated and turned into valuable new open space for the community. Nonetheless subsequent feedback received from some nearby residents about the location of the southern tunnel portal led us to looking for some fresh alternatives.

We then developed the West Gate design option, which retains the direct connection between the freeway and Hyde Street via an alternative route in the shadows of the West Gate Bridge to minimise the impacts on open space. This option would also see the southern tunnel portal located directly in the West Gate Freeway corridor.

A formal opportunity for the local community and stakeholders to have their say on these options will take place from next month as we continue the engagement process. I am pleased to note that the government today has called for people living in the inner west to nominate for the western distributor's community liaison group. Applications for the liaison group will close on 18 March, with the full selection criteria and application form available at westerndistributorproject.vic.gov.au.

To date we have seen tens of thousands of interactions via our website, pop-up stalls, information sessions, online videos, advertisements in local papers and letterbox drops. This process has given us an understanding of what is important to people who live, work and travel in Melbourne's inner west. We have used what we have learnt so far through consultation as well as our own further technical assessment to develop the proposal, and we will continue to consider the views as we hear and we further undertake consultation as well as going through the formal planning process.

Community consultation sessions will be held to look at the detailed options for both the Hyde and West Gate designs starting next month. I understand people may have questions that still need to be answered, but I believe the process has been thorough, rigorous and as transparent as possible considering we are still in the very early stages. Our sessions next month and beyond will provide local residents and stakeholders further opportunities to have their say, and we will continue to look at ways their suggestions can be fed into our project. By the time construction commences stakeholders will have had approximately two years to provide input and views on this project, which is the longest consultation process I have been aware of for a major infrastructure process. Let us not forget the people of the inner west have been waiting for a couple of decades for a project of this type.

Chair, since I met with you the Victorian government has unveiled a further enhancement associated with our proposal, which is the Monash Freeway upgrade project. This vital upgrade will improve safety and travel time reliability along a 44-kilometre stretch of the Monash Freeway from Warrigal Road at Chadstone through to Koo Wee Rup Road in Pakenham, and it operates synergistically with the rest of the western distributor project. As part of our proposal we will work with VicRoads to build an additional 30 kilometres of traffic lanes, widening from four to five lanes in both directions between EastLink and South Gippsland Freeway and from two to three lanes between South Gippsland Freeway and Clyde Road, Berwick. We are also looking to provide

ramp signalling along the corridor to enhance Melbourne's smart motorway network, which is vital to managing traffic flow and responding to road incidents.

We recognise that Melbourne's freeways do not operate in isolation of one another; instead they are all interconnected. An issue on one freeway can have substantial impacts and lead to significant delays on another part of the network. We believe that by making these improvements they will boost capacity along both the West Gate and the Monash corridors and we can provide significant benefits for motorists travelling across the whole network. As I remarked last time I when was here, when the M1 stops, Melbourne stops, as evidenced by the incidents on the West Gate just last week. But with this investment through the western distributor, including the Monash Freeway upgrade, we can ensure Melbourne moves forward for years to come.

Chair, before I hand back to you and take your questions, there are two points I made, I think previously advised, in correspondence. First of all last December the Victorian government released its business case for the western distributor. I think it is important to note that the author of this document is the state, not Transurban, and its purpose, as I understand it, is to provide a benchmark to evaluate Transurban's proposal as well as to provide a compelling case for federal government funding, which is currently, I understand, being assessed by Infrastructure Australia. As the business case was not produced by Transurban, question about its contents should be directed to the state. Also we are still in commercial discussions with the state under stage 4 of its market-led proposal guidelines, and therefore details not yet finalised obviously cannot be discussed — but I do understand in future that these details will be made available once the arrangements are finalised. I am happy to take questions.

The CHAIR — Thank you, Mr Charlton. I might begin with a couple of questions. When considering the scope of options for this particular project, how much of your proposal to government was based upon stage 2 — i.e. the western section — of the east–west link project?

Mr CHARLTON — I do not think I understand the question.

The CHAIR — So in terms of the scope of the western distributor, was there modelling based upon the work that had been done for the east–west link project?

Mr CHARLTON — We look at all the modelling that has been done, I guess, on all the projects. We have a strategic network of Melbourne that we operate, and we look at what we think are the biggest issues in the network. Obviously freight traffic around the port is always one of the biggest issues, and obviously the reliance on the West Gate. So we look at all the reports done by all the different agencies, whether they are federal government, state government or independent sources, but there was not one particular report that influenced our ideas.

The CHAIR — Yes, certainly. The connections into the city for the western distributor — has there been modelling done as to the traffic effects of what the new road project is going to present into the city?

Mr CHARLTON — Sure. There has been some initial modelling done, but the scope has not been obviously decided. I think the state put some views out on its own business case, but we are currently working through that discussion with the City of Melbourne and looking at different options. When we go out in April and start having, again, more discussions with the community, we can see what the impacts might be. I think the first impact is we believe that by allowing the western distributor and those people who do not want to travel through the city to access the north, we will reduce traffic through the city by about 66 000 vehicle kilometres a day.

The CHAIR — Okay. In terms of modelling, has Transurban modelled the effects of signalised intersections at the western distributor off-ramps as part of that work you were describing before?

Mr CHARLTON — Yes, we are looking at a smart motorway. We look at the whole network.

The CHAIR — So as part of that modelling, have you looked at how far traffic could potentially bank up?

Mr CHARLTON — Relative to?

The CHAIR — Relative to — —

Mr CHARLTON — We look at all the traffic impacts. So we look at the forecast, and what the project is saying is that based on our modelling you have seen a 20-minute saving in 2031 compared to doing nothing.

The CHAIR — In terms of vehicles that will be removed from the West Gate Bridge, we are talking in the order of, say, 6000 from a total of 220 000 vehicles per day. Is that — in the vicinity — correct?

Mr CHARLTON — That is the trucks from the inner west. We are talking about 30 000, roughly. It depends on the final scope and outline, but you are talking around 25 000 to 30 000 in the beginning, which is 15 per cent of the current West Gate traffic, and as the traffic grows it will continue to grow. But I think it is also important to say that it is not only the traffic that you originally take off but again the valve that allows it to run from three lanes, if there is an incident, to be an alternative to the West Gate Bridge.

The CHAIR — I just wanted to talk about consultation for a moment, and that is certainly something that has been raised as a concern by some community groups that we heard from at our last hearing. It was around the middle of last year that residents believed that there had been a broad decision made upon the alignment of the road project, and some of these groups felt that the alignment had radically changed by the end of last year. The reason given to us by these community groups was that the consultation process had informed these changes in the alignment. What came out of the consultation from mid last year to the end of last year that changed the alignment?

Mr CHARLTON — I think as I said in my opening statement, with the first proposal — it is not a design; there is not a detailed design — or the first proposed corridor the feedback from a lot of the stakeholders was that they wanted more done to get trucks off the inner west and the issue around placarded vehicles still having to travel through the inner west. Obviously placarded vehicles cannot travel through the tunnels. That was the Hyde option that I mentioned that had direct access to Hyde Street.

We put that option forward. It went back out to the community in consultation. Quite a few stakeholders were very happy that we were getting more of the trucks off the road and dealing with placarded vehicles. There was another part of the community that was upset about obviously taking some of the land and the park there and the tunnel portal being closer to some of the residents. We took that feedback on board and then went back and came back with what we are calling the West Gate option, which deals with the connection to Hyde Street but moves the tunnel portal back into the West Gate Freeway.

The CHAIR — In terms of some of the consultation that has been done, I mean the alignment is of great concern, but in terms of the consultation that has been done and the reporting on that consultation — I drafted a letter to you, and thank you for your response to that letter — one of the concerns that has been raised is the reports into the consultation. There was a report in September of last year that was released that detailed the April to July of last year consultation. However, the consultation from September to October of last year, there has not been a report released.

Based upon the previous consultation reports, two months was the time frame after which time a report was released, and we are now some five months since the last lot of consultation and there has been no report delivered. Some of the community groups that we spoke to certainly raised some significant concerns about that insofar as they felt that they were being kept in the dark about the outcomes of that consultation. Why is it that it took two months to release the last report and yet five months down the track we still do not have a consultation report from the last period of consultation?

Mr CHARLTON — First of all, if you want to go onto our website, you can see most everyone's comments. There are over 120 questions with all the feedback and comments. You can see all that on the website, so there is nothing to hide, and we are gathering that feedback. The first consultation report that we started back in April that ran all the way through July was in relation to the first proposal. We got some of that feedback about the Hyde Street option, and we went back and did the West Gate option.

So we have been correlating that, but we have not had formal consultation processes, which are going out next month, for that on the West Gate option. Once we get that information then all of the consultation information that we have had since the last report will be made available about midyear, as we said, in the report. If you want to get a view of it all, it is all on the website — all the community feedback, the questions — but the formal consultation, about midyear.

The CHAIR — One of the representatives of one of the community groups indicated that he had called Transurban at one point in time about the consultation report and he was told on the phone that the consultation report that had been done for the period of September to October of last year was with the government and that it was no longer in Transurban's possession. Is there any way to explain that?

Mr CHARLTON — I did not see that in your transcript, so maybe they talked to you separately, but there is no second consultation report. We do not have another consultation report, so the government could not have one unless they have done something without us, which I doubt they would, given we have the feedback.

The CHAIR — Indeed. The two options — the Hyde option and the West Gate option — in terms of cost, is there a large variation in the cost of those two different options?

Mr CHARLTON — It depends on how you actually scope the two options and deal with it, but we believe that they can be handled within the envelope that we are dealing with.

The CHAIR — So not significant?

Mr CHARLTON — It depends upon what you call significant. All I am saying is we believe that we can find a way and we believe we have got some design options that we can handle within the envelope we are talking about.

The CHAIR — Is there a percentage variation that you might be able to give us in broad terms without being specific?

Mr CHARLTON — I do not think that is my place to do it at this point in time. All I am saying is that we can handle it within the envelope of the funding that we are talking about.

The CHAIR — Very good. Thanks, Mr Charlton.

Mr EIDEH — Just a couple of quick questions. Firstly, can you tell us more about your expectation of the benefit-to-cost ratio for this project — what would that be?

Mr CHARLTON — I think the government announced — again, it was their business case — a 1.3 cost-benefit ratio for the project under their analysis. I have to say that Victoria, I think, does not do itself a service in that their cost-benefit analysis is much harsher than, say, Infrastructure Australia. If you did it under their methodology, it would come out to be about 1.9 times. I think sometimes Victoria, because it uses a harder model, might disadvantage itself against other states like New South Wales and Queensland, which would use a higher model. But 1.3 is the cost-benefit analysis that the state came up with. Our original proposal was 1.6. The state thinks our proposal is value for money, so we would suggest it will come out around that 1.3 or higher.

Mr EIDEH — Just another question. In your view, how do the western distributor proposal and the Monash Freeway upgrade complement the transport priorities, whether that be the Melbourne Metro, level crossing upgrades or leasing the port of Melbourne?

Mr CHARLTON — I think one of the members prior to the meeting talked about the problem with Tullamarine this morning because there was an incident in the tunnels in the south-east. So you can see how one incident — one issue on the network — whether it be train, road, port or airport, has a monumental impact on the wider network. So we look at it as an integrated network. The Monash works synergistically with CityLink and with the western distributor, particularly when we are looking at smart motorways to be able to manage the incidents much better, and obviously we think it is complementary to a long-term transport plan for Melbourne.

Mr EIDEH — Just a last one. If the western distributor proceeds, in your view how many trucks would be expected to get off busy truck routes in areas like Francis Street, Yarraville?

Mr CHARLTON — The initial modelling — and again it comes down to final scope — is about 6000 truck movements a day, including between 50 and 75 per cent of the trucks off Francis Street and Somerville Road. So a significant portion of the trucks, we believe, would be taken out of the inner west, particularly in that southern inner west area.

Mr EIDEH — In your proposal there is toll infrastructure. Are you expecting cars to pay to use the widened section of the West Gate Freeway?

Mr CHARLTON — I guess there are a couple of components to the project. One is obviously the widening of the West Gate Freeway before you get to the western distributor tunnel, and it also includes a smart motorway technology on the road. But our proposal has no charge or tolls for cars on that section of the freeway. It is only if they use the new western distributor tunnel, and the toll would be similar to using the Bolte Bridge. So that should make car traffic indifferent going north, whether they use the Bolte Bridge or the western distributor tunnel.

Ms DUNN — Thank you for your presentation. I have a few questions. Last time you appeared before the committee my colleague Colleen Hartland, MLC, asked you whether the new western distributor infrastructure would impact in any way on the ability to construct or operate the port rail shuttle or rail infrastructure at the port of Melbourne. At that time you were not aware of the proposal. I am wondering: have you had a chance to look at that? If you have had a chance, I will resubmit the question to you again: will the western distributor infrastructure impact in any way the ability to construct or operate the port rail shuttle or rail infrastructure at the port of Melbourne?

Mr CHARLTON — Sure. We have no restrictions as far as the western distributor project goes. Again we are not in charge of the port; that is obviously run by the Victorian government. But as far as we are aware we are not impacting any ability of rail to service the port and we have no restrictions on that being the case. In fact our modelling shows that to service the port of Melbourne we will need an increasing rail capacity over time, and we have taken into our traffic modelling that rail does increase over time.

We have done a lot more research on the inland shuttle. My only comment was that obviously that was tried early last decade and did not get the capacity they thought they would achieve. I think standard economic analysis would say that unless you are doing long distances it is very difficult for rail to work, but there are no restrictions in any way in our project on the inland rail shuttle.

Ms DUNN — Thank you. Just extending further on any potential impacts on other infrastructure, will the new road impact in any way on the ability to construct or operate a tram line along Footscray Road to the Docklands area of Melbourne?

Mr CHARLTON — No, we have got an elevated structure, so we believe that could be accommodated; we do not believe it impacts.

Ms DUNN — So no height issues in terms of — —

Mr FINN — A sky tram perhaps?

Ms DUNN — Now, now, Mr Finn, save that for the other chamber. In terms of what is contemplated for the western distributor, will the new road include bus priority lanes or any infrastructure to support use by public transport?

Mr CHARLTON — Anything that provides more capacity to the network and takes trucks off the local street will therefore provide additional capacity for public transport and additional facilities. Again, as part of our proposal increasing the bikeways finishing at the Federation Trail we are looking at what we can do to upgrade bike paths along Footscray Road as part of the project, and when we go through the environmental approval process increasing the other transport options will obviously be something taken into consideration.

Ms DUNN — Is there any clarity at this stage as to whether bus priority lanes will be included as part of that?

Mr CHARLTON — There are no existing bus priority lanes on the West Gate Freeway. Are you suggesting we put new bus priority lanes on the West Gate Freeway?

Ms DUNN — I am just wondering if that is part of the mix in terms of this project, and whether there has been discussion about that.

Mr CHARLTON — Seeing how it impacts public transport and other transport options will be part of the environmental assessment, but there is no plan to put bus priority lanes on the West Gate Bridge or freeway.

Ms DUNN — Thank you. I just wanted to turn a little bit to that consultation that Mr Morris talked about a little earlier. I know you have told the committee that all the commentary is online, but it appears not to be online in terms of a consolidated consultation report, so I just have a couple of questions in relation to that. One is why you have chosen to do that in this particular instance and release all of the final consultation mid-year. I will full stop that as my first question.

Mr CHARLTON — First of all, consultation is going to go on until 2017 if you look at the environmental approval process timing and planning, so consultation still has a very long time to run. When you are talking about the final consultation report in June or mid-year, this is just another part of the process. Again, the first consultation report was on the first proposal and design. We put a revised design out there and then we also put the West Gate design option out there, but we have not had a chance to go back to the community and we will not have that chance until next month because of the government process. Then when we correlate all of that information we will present, as you said, a consolidated report about mid-year on all the feedback we have received since the last report. But again if you want the flavour of that feedback, you can go to our website and see the questions and answers.

Ms DUNN — In terms of that community consultation, I am interested around the timing of that and the timing of signing the contracts and whether they are concurrent processes and whether the consultation in fact does have the ability to influence final design outcomes when a contract may well be already signed.

Mr CHARLTON — You can see the community consultations already held to date have had a big influence on the design process. We have gone through two major designs on getting more trucks off the street and then going back and looking at the southern portal in the middle of the West Gate, taking the powerlines underground and to finish Federation Trail, so I think community consultation has already had a big impact on the process. Again I think the consultation process has already had a big impact on the design and will continue to going forward. But until the EES is approved and done and signed off by the minister, the community will always have feedback into the design. I am not sure what you are talking about where a contract was signed, because there are no contracts that have been signed.

Ms DUNN — I guess the intent of my question goes to the design of the road generally and the final design. I am trying to get a sense, in terms of whatever the final design and placement is of the road, will that be completely guided by government? Will Transurban also have a say in that? Just how does that all work? Who gets the final say?

Mr CHARLTON — The planning minister gets the final say according to the outcome of the EES process and meeting the objectives of that process. The government will have the final say in the outcome, but between the government, Transurban, the contractors and all the stakeholders, we are going to do everything we can to shape the process to try to meet the needs of the community as best we can, which we have been trying to do to date — again, taking the feedback on board and making changes as we seek to try to address those issues.

Ms DUNN — If I can turn for a moment to the issue of the 24-hour truck curfews on local streets, I am wondering does Transurban have a position on 24-hour truck curfews, which essentially are designed to funnel truck traffic onto the western distributor and off local streets?

Mr CHARLTON — The truck traffic or any restrictions on the truck traffic on the regulatory roads is a policy issue for the state government. In some places governments choose to use that as a policy; other places do not. We do not have any restrictions on our basis of government requiring that or not, so I think that is a question for the state.

Ms DUNN — In terms of preferences regarding the Hyde Street or West Gate tunnel placement options, does Transurban have a preference at all in relation to those options?

Mr CHARLTON — Given the feedback we have had from the community to date, and given our first proposal had a southern tunnel in the West Gate Freeway, I think if we can find a way to make it work with community and technically and through all the processes, if we could make the portals work in the West Gate Freeway, that would be our preferred option. But everything has to be considered — everyone's views — and VicRoads has its own views as well that we have to consider. Then on how we connect into Hyde Street, we need to go through this process with stakeholders to make sure that can still work, because we think it is important to address the community's issues around placarded vehicles.

Ms DUNN — I want to turn now to the government's business case, where it proposes tolls of \$13.30 per trip for trucks on the western distributor, and capped at \$80 per day when there are multiple trips taken. I am just wondering, given your experience operating toll roads for many years, are you able to provide comment on whether such a toll is likely to act as a disincentive for trucks to use the freeway tollway, and if so, what proportion of trucks do you expect may take alternative routes rather than pay for the western distributor toll?

Mr CHARLTON — The first comment is that, again, that is the government's business case, so I cannot really comment on that. Our original proposal had a similar toll arrangement, which is similar to about the same distance on CityLink. The incentive there is, if they can make three trips with the new capacity and paying the toll, that they could have made one trip under the old system. So from a truck economic basis, they are certainly significantly incentivised to use the freeway and the new infrastructure, and, as we said, our view is that 6000 trucks will come out of the inner west. I guess there is an incentive really for 6000 trucks to move from where they are now onto the West Gate Freeway.

Ms DUNN — In relation to traffic modelling, I am wondering has Transurban undertaken any independent traffic modelling separate to what the government has in terms of the projected traffic volumes on the road, and if you did, what were the results of those?

Mr CHARLTON — We have our own traffic modelling team, and we think it is one of the best in the world. We have 25 people who do full-time strategic modelling, planning, network forecasting. But again with that information, and we are still in discussion with government, when the EES gets released, more information on that traffic will be provided at that time, and it will somewhat depend on what the final scope is as well.

Ms DUNN — So are you in a position at this stage to talk about the induced demand that Transurban anticipates as a result of the new road?

Mr CHARLTON — No. Again, from a modelling point of view all that will become available at some point in time. I think the government made some comments in its business case, I would suggest, if you want to talk to the government about its view.

Ms DUNN — Yes. I guess I am really trying to unpack what your independent studies have shown, but you have said that — —

Mr CHARLTON — I guess our independent studies have shown that, again from our business case, we think it is about a 1.5, 1.6 benefit-cost ratio, that there is a significant need for this infrastructure, particularly around the port, and I guess we are saying it has — and I think the government's business case would say — in the order of \$10 billion NPV benefit to the economics of Victoria. So we are saying it has a very positive impact on the state of Victoria.

Ms DUNN — Are you, at this point in time, able to indicate to the committee what the traffic impacts and the traffic coming off the new elevated freeway heading into the central business district and surrounds might be, in terms of an increase on streets such as Wurundjeri Way, Lonsdale Street, Spencer Street, Victoria Parade and those inner-city streets?

Mr CHARLTON — Yes. I think I said in the answer to one of my questions to others that two things are happening here: we are looking at the scope and design and how we can distribute that traffic across the north of the city, so not just one exit but looking at how we distribute that traffic across the north aspect of the city; but that is where the traffic wanted to be to begin with, so this traffic that is coming from the west is travelling across the West Gate Bridge and then travelling through the city to try and get to the north of the city. So as I said, we are taking roughly 65 000 or 66 000 vehicle kilometres a day less by directing that traffic to where they want to be in the north of the city, and we are working with the city of Melbourne and other stakeholders, E-gate and others in that area to figure out how best to distribute that traffic. But the full impact, again, will be released when we go through the environmental study. But we do realise that that is a key issue.

Ms DUNN — When will you move to stage 5 of the market-led proposals guideline?

Mr CHARLTON — I think under the definition of the market-led proposals it is effectively at financial close. I would have to go back and see the final, but we are finalising commercial arrangements but probably it is still a year or more away, given I think that that is basically effectively contractual close, so it will be once we

get through the environmental approval process and through everything. But I think the state has made it clear, whether they do the deal or not with Transurban, they plan on doing the western distributor.

Ms DUNN — When do you anticipate Transurban will sign a contract with government?

Mr CHARLTON — There are several processes along the way — in-principle agreements, continuing to develop the agreements — but the final, final contractual agreements will not be signed until the environmental process is finished and construction contracts financing are finished.

Ms DUNN — Do you know if residents will know the final route and design of the road before the contract is signed to proceed?

Mr CHARLTON — That would be my understanding, because the environmental approval process would have to specify all of that before they could sign a contract.

Ms DUNN — And just thinking about the environmental effects statement process, is it your understanding that that would be completed before the contract is signed to proceed with the road?

Mr CHARLTON — To get to final contract closing, it would be a condition before you could proceed with the road.

Mr FINN — Mr Charlton, thank you for your time today. I will just go back to what you said right at the very beginning, and this is purely as a matter of interest for somebody who sat on the Tullamarine Freeway for a couple of hours this morning until I could get to Brunswick Road and get off. You mentioned that the incident that caused the ‘Carmageddon’ this morning was on the West Gate Bridge?

Mr CHARLTON — No, the incident this morning was in the Burnley Tunnel.

Mr FINN — In the Burnley Tunnel; okay, fine.

Mr CHARLTON — A truck with an untethered load dropped glass in the Burnley Tunnel.

Mr FINN — Throw everything at ‘em! Would the building of the western distributor prevent what happened today?

Mr CHARLTON — It will not prevent untethered loads falling off someone’s truck.

Mr FINN — No, but would it prevent the sort of mayhem? This morning we saw the entire western suburbs closed down. Freeways, main roads, arterials — it was a debacle from one end to the other.

Mr CHARLTON — Sure.

Mr FINN — Would the western distributor prevent a similar scenario happening if somebody did drop a load off the back of their truck?

Mr CHARLTON — It would help alleviate some of that, because a lot of that traffic coming across the West Gate Freeway, trying to get over the West Gate Bridge and then cross through the southern part of the city to get to the northern part of the city, those people could then get off before they got to the West Gate Bridge and come across to the northern part of the city. So it would help alleviate part of that, yes.

Mr FINN — Would it do anything to help the people who are stuck on the Tulla?

Mr CHARLTON — We are helping the people on the Tulla by widening the Tulla. We are doing that now.

Mr FINN — So we will have an extra lane or two to sit in while we are waiting for the traffic to clear ahead.

Mr CHARLTON — I guess if you are heading into the city that would help you, but if you are heading down to the south-east, if there is an incident in the tunnel, that makes it hard.

Mr FINN — It does indeed. On 2 March there was a business breakfast for the Committee of Wyndham, which unfortunately I was unable to get to. Your colleague, Gary West, from Transurban, spoke at that

breakfast, and he said that one-third of the project would be funded by the federal government. I am just wondering what the status of negotiation at this point is to receive that funding.

Mr CHARLTON — I am not sure. I have not seen his quote. I think we have said publicly — and perhaps he has misquoted — that we have proposed one-third to be funded by the government, with the government being the state government or the federal government. That is up to the state government, because we are negotiating with the state government, not the federal government. I understand that the state government has submitted its business case to IA to consider, and that is currently in train. But you would have to ask the Treasurer what the current state of the negotiation is. My only comment is that under Infrastructure Australia it has listed this project as a high-priority project.

Mr FINN — So what would happen if the feds said no?

Mr CHARLTON — You would have to ask the Treasurer.

Mr FINN — Right. We will look forward to doing that, won't we? Perhaps at the suggestion of Mr Charlton we might call the Treasurer to give evidence one day — good luck on that one!

It was not at the breakfast, but it was at another gathering that Gary West and the departmental secretary Richard Bolt both said, in front of PAEC last month, that one-third of the project would be funded by increased toll concessions on CityLink, which I think we were pretty much all aware of anyway. What value will drivers paying those CityLink tolls, or those extra CityLink tolls, get from the western distributor?

Mr CHARLTON — Again, as I have said over and over, it operates as an integrated network, and as we showed in the footage — and I am happy to roll it again — if you can see what happens on the West Gate, it brings the whole city to a stop, including those people in the south-east, so the network and those people that use the network benefit from the western distributor project.

Mr FINN — What percentage of the CityLink users themselves would actually use the western distributor?

Mr CHARLTON — I do not think the question is 'what is the percentage using the western distributor' but 'what is the percentage of the people using the network'. Again, you cannot disconnect the West Gate Bridge from the Monash, from CityLink, from the Tullamarine — —

Mr FINN — I appreciate that you might not have liked my question and you would have liked me to have asked another question, but I will ask that same question anyway, and that is: what percentage of CityLink users will themselves use the western distributor?

Mr CHARLTON — On an annual basis the data may have to come through the EES process, but quite a few of them would use the western distributor, I am sure, at one time or another.

Mr FINN — And how much longer would, for example, users of the Tullamarine Freeway be expected to pay tolls if this deal goes ahead?

Mr CHARLTON — We proposed to the state 10 to 12 years extension on the concession of CityLink.

Mr FINN — Ten to 12 years for the Tullamarine and the Monash as well?

Mr CHARLTON — For CityLink, yes.

Mr FINN — For CityLink, okay. One thing that you grabbed my attention with, I have to say, was the consultation group, which is new to me.

Mr CHARLTON — The liaison group.

Mr FINN — The liaison group, is it?

Mr CHARLTON — Yes, the liaison group.

Mr FINN — Okay, right. Is that a liaison group from Transurban or the government?

Mr CHARLTON — It is from the government.

Mr FINN — Now, when were nominations for that group first asked for?

Mr CHARLTON — I think the government put out a release last night or this morning.

Mr FINN — And they are asking people to nominate by 18 March, which is next week.

Mr CHARLTON — Again, that is my understanding, but you should probably ask the government.

Mr FINN — I would love to, believe me. So we are looking at a situation where the liaison group, consultancy group or whatever it might be is, courtesy of the government, being asked for maybe a little over a week to prepare themselves and put in nominations; that is very interesting to know. What notice will Transurban pay to such a liaison group?

Mr CHARLTON — Sorry, what? What will we pay a liaison group?

Mr FINN — No, not in terms of that. Will you listen to them? That is perhaps another way of putting it. When the government sets up a consultancy group, is it just for looks or will you actually listen to this consultancy group?

Mr CHARLTON — Absolutely not for looks. As we have said many times already in this discussion, if you look at what we have listened to already in the consultation, we have taken lots of feedback and we have changed the design. I think it is important to know that the community liaison group is just one way, particularly if you have probably the main stakeholders, people at local councils, MTAG — I assume those type of people will be on it. It is up to the government, but that is not the only way. Everyone can have their say in the consultation. Again, to date, we have taken that feedback on board, and we will take feedback from the liaison committee as well.

Mr FINN — Are you aware of what lengths the government will take to advertise this group and the need to get nominations in ASAP?

Mr CHARLTON — My understanding is that they are advertising it, and my understanding is that they will probably contact the main groups, but again you should ask the government these questions.

Mr FINN — Yes, we will certainly do that at some opportunity. Now, in earlier hearings residents described — and I think both the chairman and Ms Dunn made reference to this — the consultation process as variously ‘a sham’, ‘a sleight of hand’ and ‘a kind of un-consultation’. What would you say to the residents who feel that the consultation process to this point has been deeply flawed and would indeed look at this liaison grouping that the government is advertising or proposing in much the same way?

Mr CHARLTON — First of all, we have not heard that or seen that. I did not see that in any of your correspondence in talking to those groups, but let me just give you a few facts on the consultation group to date. We have got a website. We have had online queries of 120 questions that have been answered publicly; 27 000 pages have been viewed. We have had 15 000 downloads. We have had 45 comments via our online discussion forums. We have had 200 survey responses. We have had 5500 views of the online and interactive maps, with 430 comments.

We have had three newsletters delivered to over 30 000 households. We have had eight email updates to more than 500 subscribers. We have had tailored site investigation letters to over 200 households. We have had face-to-face meetings with over 600 people. We have had some 150 meetings with around 50 stakeholders. We have held a range of information sessions and pop-up stalls in shopping strips, parks and near train stations. We have provided project updates as well as papers on planning and engagement process, project need, project benefits, proposed toll structures, southern tunnel portal, tunnel design and construction, project design and amenity, traffic and transport environmental sustainability and air quality.

We would hardly see that as a sham process, but people will continue and have at least another year to provide feedback, which we will take on board.

Mr FINN — I will ensure that the committee gets you a copy of the *Hansard* from the last hearing where we had a number of groups describe it as indeed I quoted. The western distributor business case talks about the case for investment. That implies the project is first and foremost about profit. I do not have a great problem with that, I have to say. You are a private company; you are there to make a profit. Good luck to you. But I am just wondering if you could expand on the case for investment.

Mr CHARLTON — Again you do not make a profit without providing a service, so the case for investment is there is a huge need for the city of Melbourne or the state of Victoria to deal with some of the traffic issues, particularly the West Gate and the port. So there is a massive need. We believe we can help solve that need providing the western distributor project. Yes, we need to make a return, but we are providing a service and providing a need which when we do the analysis would show that it is beneficial to the state of Victoria.

Mr FINN — I notice this week or maybe even today you have been talking about a Monash upgrade, which will be included in the deal — I assume it will be included in the deal. Is that the way it is heading in this direction, at this point?

Mr CHARLTON — It is part of the deal, but the government said it would continue with or without the deal. Even if the western distributor did not happen, they would continue with the upgrade.

Mr FINN — To include the Monash as a part of the deal, is that a sort of pay-off to the eastern suburbs to keep them quiet for paying extra tolls for longer?

Mr CHARLTON — I think it goes to making the integrated network perform. I think the Monash upgrade project has been put forward by several governments over the last decade. I think it even went to Infrastructure Australia prior to this previous government on the upgrade to the Monash, so again it is a project that has been around for a long time.

Mr FINN — At what stage was the Webb Dock project included?

Mr CHARLTON — That was part of our initial proposal to do the Webb Dock, but because we could meet that need immediately and roll it into the CTW project as well, because we have construction forces on site, we have commenced that work.

Mr FINN — Thank you very much. I will come back to you a little bit later on, Chair.

Mr ELASMAR — Talking about the Monash upgrade, can you advise the committee how many jobs will be created before construction is finished?

Mr CHARLTON — It is approximately 400 jobs, and our modelling shows about a 10-minute savings and also that it reduces serious crash injuries — forecast to reduce about 20 per cent. So we think it is quite an attractive piece of infrastructure.

Mr ELASMAR — Does that require you to buy any more land or homes to finish it?

Mr CHARLTON — No. The widening project is occurring in the existing road reserve, and most of the widening will occur in the median strip. So no homes need to be acquired.

Mr ELASMAR — Back to the western distributor, can you advise the committee how much time we would be saving if that goes ahead and how many lights we would be missing between Werribee and Geelong?

Mr CHARLTON — The forecast modelling is 20 minutes, approximately, and there are about 14 sets of traffic lights to be avoided in that corridor.

Ms TIERNEY — I had a number of questions but they have been covered by and large so far. However, I do want to touch on consultation again, and in particular I want to deal with the issue of evidence that we received at the last hearing where we were advised that there was an expectation by community groups that there would be a report — not only that but there was a report written and it was sitting on someone's desk. The community group person advised us that he in fact had rung Transurban, and Transurban at the other end of the phone — I am not sure who that might have been — said that that report had been written and had been given to the government.

Mr CHARLTON — Yes. I think, going back to an answer to a question earlier, there is not a second report. There was a first report. We have been gathering lots of information. We now go out with the West Gate option as well as we have the Hyde option, and it is the first time we been able to talk about the community about that. All the information from September/October through to the midyear will comprise the next report, and there will be another report after that as we continue to move through the process. But there is no report sitting on someone's desk somewhere, so I am not sure who they spoke to at Transurban.

Ms TIERNEY — When there were face-to-face consultations with people in that pre-September period, was it made clear that there was not going to be a report the other side of Christmas?

Mr CHARLTON — There is going to be a report the other side of Christmas. I am not aware of any process or statement that says there will be a report released in January or released in February or released in December. I am not aware of any process.

Ms TIERNEY — Is there a general flowchart of the consultation process? If I was an average resident in the approximate area, would I be able to get onto a website or some other piece of communication that would explain to me how I might be able to engage and what I, as a resident, could reasonably expect in terms of a report back from those consultations?

Mr CHARLTON — There is a planning process document on our website. The government did not make its announcement about whether it was going to proceed or not obviously until December. But if anyone has any questions, you can go onto the website, which is westerndistributorproject.vic.gov.au or you can email western.distributor@ecodev.vic.gov.au. You can send your question, if your constituents have a specific question. You can call 1300 280 939 and get your specific question answered if you want to do it that way, or you can mail to the Western Distributor Project Team, Locked Bag 28, South Melbourne, 3205, and they can deal with your question.

There is a general planning document on the website. Some of the specific timings, though — I mean, the government just announced, I think, two weeks ago about the EES process they have started — until the government announces some of it, we cannot specify what the timing is. But the general documents are there, and then specific questions we can answer all those in those different venues.

Ms TIERNEY — The other feedback that we got the last time we had a hearing is that people indicated to us that they thought that the consultation was more tick and flick as opposed to genuine engagement with the community, and I would invite a response from you in relation to that.

Mr CHARLTON — Sure. We are employing best practice. I think what we try to do in these conversations is obviously allow everyone to speak so they are not controlled just by who speaks the loudest. We try to meet with the individual stakeholder groups, particularly on their issues so we can go into detail on their issues. At those forums we gather written information. We ask them to fill out forms. We will fill out feedback that we get, so we try to get as much information as we can. For those individuals who do not feel comfortable either meeting one on one or in those forms, again through these different venues we provide that access. Again we are trying to do best practice. I can assure you again that if you look at the inputs and how the design has changed, is not a tick-and-flick exercise.

The CHAIR — Mr Charlton, just a few more questions to continue on with. What happens if a contract between Transurban and the government cannot be reached at the end of this process?

Mr CHARLTON — My understanding from when the government made their announcement in December was that they would proceed with the project if they could not come to a commercial arrangement with Transurban.

The CHAIR — So the government will continue? Obviously Transurban spent a lot of time and money on this project to this point. What does that mean for Transurban if that were to transpire?

Mr CHARLTON — We believe, as we said in December — and everything would suggest to date, given how we are moving forward with the government in a positive manner — that we will come to an arrangement, so we are very comfortable with where we are at the moment.

The CHAIR — Would Transurban take legal action against the government if a contract could not be reached?

Mr CHARLTON — No, we are not going to take legal action against the government. Obviously the government has got a lot of work that is being done. We are working alongside the government in partnership.

The CHAIR — So you are ruling out taking legal action against the government if a contract cannot be reached?

Mr CHARLTON — We are not going to sue the government. Is that what you are saying?

The CHAIR — I am just asking. You said a lot of time and money has gone into the project from Transurban's perspective.

Mr CHARLTON — Yes, we are not going to sue the government.

The CHAIR — I know you have stated that the business case is not a Transurban document but rather a document of government; however, the business case was prepared with the Hyde option in mind. Obviously now there is the West Gate option that has been proposed. The business case, I believe, was handed to Infrastructure Australia, and you are of the same understanding. If the West Gate option was then to be the preferred option of Transurban, is that going to affect the cost-benefit ratio for the project?

Mr CHARLTON — It would probably provide more traffic, which probably makes the business case look better.

The CHAIR — It almost feels as though it is a bit of a moving feast in terms of the project. If a certain business case is going to be given to Infrastructure Australia, Infrastructure Australia are going to assess it based upon that, and then there is going to be significant change to the project, there could be the West Gate option. Who knows? There could be a further option based upon community consultation that comes out. How is that going to be managed in terms of the assessment by Infrastructure Australia of the project if there is no firm detail on what the alignment is going to be?

Mr CHARLTON — I like the fact that you just confirmed that further consultation will mean that the project will be advanced and can change with consultation. It is up to the state to manage that with Infrastructure Australia, but I think the consultation to date continues to enhance the project, so we would imagine that further consultation will enhance the project, not make it worse.

The CHAIR — Obviously there are different ways to look at the word 'enhanced', because a project could be enhanced in the view of the community in terms of amenity, but that may not reflect a positive impact on a cost-benefit ratio. My concern, as you say, is that if further consultation does occur, if indeed Transurban does listen to the community and the community's view is taken on board, that may result in a project that is better for the amenity of the community but not necessarily for the financial outlook of the project. How is Infrastructure Australia then going to assess that project as it changes?

Mr CHARLTON — You would not imagine from an overall high-level business case that there is going to be too much difference, but again if you enhance the amenity and enhance the impact on the community, that has to be taken into account as well. It is not all just about the numbers.

The CHAIR — I was just on the Transurban website having a look at some of the consultation options that are provided there, and I note that when you sign up to information about the western distributor project you need to tick a box that says:

I agree to the terms of use and privacy policy for using Engagement HQ. I understand that Transurban may share my contact details with the Victorian government so I can be kept informed about the western distributor project.

Regarding that information that is shared with the Victorian government, are there assurances given to Transurban that that information will not be shared by the Victorian government with government MPs?

Mr CHARLTON — I would imagine it adheres to the Victorian government privacy policy, so I cannot imagine it would be shared with the MPs, but you would have to ask the Victorian government that.

The CHAIR — Just to go back to the mystery of the consultation report that we have heard may or may not exist from different people — —

Ms TIERNEY — It does not exist.

Ms DUNN — It does not exist.

Mr CHARLTON — It does not exist. There is a consultation report from July or August, but there is no mystery second report.

The CHAIR — I am just wondering if there is a report by another name. Is there a summary of consultation? Are there any other documents being provided by Transurban to the government?

Mr CHARLTON — There is lots of data and feedback, but you can go and see that on our website. We will in due process have another formal report.

The CHAIR — All the data that has been provided to the government in regard to consultation with the community is available on the website.

Mr CHARLTON — The government has had feedback on its own from different stakeholders like the City of Melbourne or different councils. Some of that feedback we are not even privileged to. There is not a second report, though.

The CHAIR — But all the consultation Transurban has done — that is, all the information that Transurban has got from the community — —

Mr CHARLTON — The majority of it would be on there. Some of the major stakeholders — MTAG, RACV — that we direct one-on-one discussions with, all that is not necessarily on there, but it will be made available in due course.

The CHAIR — There was an organisation by the name of Nature that was referred to in our last hearings with the community groups. Are you aware of this organisation?

Mr CHARLTON — Of the 50 different organisations, I would not know them all.

The CHAIR — Sorry, no, Nature was the organisation that assisted in some of the consultation.

Mr CHARLTON — I am not aware — —

The CHAIR — You are not aware of that one. If we just move on then, following on from some of the question that Ms Dunn asked about truck volumes and rail and the like, has Transurban discussed with the government the need for truck volumes out of the port to make the western distributor project stack up? Have there been discussions along those lines?

Mr CHARLTON — The only discussions have been that we have a view of what truck volumes are going to do. The port has a view of what truck volumes are going to do. As a major stakeholder we have had discussions with the state and the port around how to make those movements as efficient as possible. But I am not sure I am getting at your question.

The CHAIR — I suppose the next question might inform it. Have there been any agreements on delays to improving port rail infrastructure to assist — —

Mr CHARLTON — No, there is nothing. We have no requirement on the rail side.

The CHAIR — So no discussions about what upgrades may occur there?

Mr CHARLTON — No. I think I said earlier, the port of Melbourne and the city and the infrastructure again, as it is integrated, is going to need more rail transport options out of the port, so we are not trying to fetter any — —

The CHAIR — So you are not trying to slow down the progress on rail infrastructure at all?

Mr CHARLTON — No.

The CHAIR — We will go back a little bit. Prior to the election in 2014, were there discussions between Transurban and any of the then members of the opposition about this project?

Mr CHARLTON — I think we have done this — the first part. There were discussions with lots of people on the West Gate Freeway, on the specific network, but nothing specifically on this project which we put forward in February of last year. So, no, no specific discussions on the project, but we did have discussions on the network, what was happening, where we thought the big problems were — at the port, the West Gate — but they were the same discussions we had with the opposition, with the government of the day, with the federal government, with every organisation that would listen to us. None of this really would be a surprise that the West Gate is a problem.

The CHAIR — Does Transurban employ any lobbyists?

Mr CHARLTON — No, we do not employ lobbyists. We employ people to help with government relations but not lobbyists.

The CHAIR — Are any of the people that you employ to help with government relations, are they registered lobbyists?

Mr CHARLTON — I would not have any idea.

The CHAIR — Could you take that on notice and inform the committee?

Mr CHARLTON — Sure.

The CHAIR — I would very much appreciate it.

Mr EIDEH — Mr Charlton, besides the proposed introduction of a truck ban on Francis Street and Somerville Road, how do you believe the community concern that trucks will continue to use other roads — for example, Buckley Street, Williamstown Road and Moore Street — to avoid tolls, should be addressed?

Mr CHARLTON — Again, our modelling shows that 6000 trucks will come out of the inner west, so we are doing everything possible we can do to make it attractive to come to our road through the economic value that we are providing. Again, truck bans or doing more regulatory measures, is it really a matter for the state? But we are trying to do everything we can to attract trucks out of the inner west to use our facility.

Mr EIDEH — What other plans are under consideration to ensure that the western distributor is a more attractive option than the West Gate Bridge or the Yarraville-Footscray streets for trucks?

Mr CHARLTON — Again, we are engaging all of the different trucking associations and the major truck parties in the consultation process to see what we can do. I think one of the things that came out of obviously the state's business case, which is something that we had looked at in our proposal as well, is putting a cap on the amount of tolls during a day — so for those people who are shuttling containers back and forth, to make it more efficient for them to use the freeway. So any ideas as we go through that consultation process, not only with community but with the major freight suppliers as well to make it more efficient, either through the provision of infrastructure itself or the provision of the tolling structure, we will continue to look at.

Ms DUNN — Just following up on a couple of matters that my colleagues have raised, and I think this was actually in discussion with the Chair, Mr Morris, where I think you might have said that the West Gate option would lead to further traffic using the western distributor. If that is the case and I heard that correctly, why would that be the case?

Mr CHARLTON — It is just an ease of use. Also if you look at the West Gate option, the grades on the tunnel are less, which is obviously easier for truck movements. It is just an ease of access. We think that there is likely to be not materially a bigger number but there could be more numbers to use that route.

Ms DUNN — I wanted to turn also to consultation again, because some of the feedback that has been received is that there has been limited information available at those consultation sessions. The mapping that is

provided has not had a great deal of detail to it, and there was in fact a refusal to hold a public meeting per se from Transurban. I am just wondering about your response to that.

Mr CHARLTON — First of all, again, we are very early in the stages. The process is just starting scoping the requirements there, so all the detail will come through that EES process. I think again we are using best practice. Best practice suggests that you do not hold giant town hall meetings, because what ends up happening is you have got multiple stakeholders who have in particular single issues they want dealt with. If you have a giant town hall, you can only get one or two questions around each stakeholder's issue, and they feel frustrated that they do not get answered. And then usually town halls become who can yell the loudest and who can try to, I guess, intimidate the town hall the most. A lot of times it becomes a political stunt more than listening to stakeholders. So what we prefer to do is meet with the stakeholders and to go through their issues in detail so that everyone gets a say, not just those people who speak the loudest. Again, anyone who wants to contact us, I can give you all those contact details, and we will continue to run through that.

Ms DUNN — I wanted to turn to an article that appeared in the *Age* quite recently. It reported — and it was based on estimates devised by consultants — that Transurban is said to profit in the order of \$20 billion to \$30 billion from the extension of the CityLink tolls. I am just wondering, are you able to shed any light as to the accuracy of that estimation reported?

Mr CHARLTON — I can report it is completely inaccurate. I can report they contacted us weeks before it was published and asked us about it. We told them it was completely inaccurate — that there was a fraction of the number that they were reporting — and I think what is important to note is, if you look online at their article versus what they printed in the press, at the bottom of their online article it says, 'Figures are based on assumptions that cannot be verified including about traffic statistics and toll data'. So in other words, 'We made it up'.

It is a fraction of the number. It is also a gross revenue number that does not take in operating costs that would have to be paid over that period, which would be billions of dollars. It does not take in maintenance costs that would have to be taken over that period of time. And as we have said repeatedly, the CityLink concession extension would be roughly — in NPV terms — approximately a third of the value of this project, which is between \$1.5 billion and \$2 billion. So I would not put any accuracy into those statements at all.

Ms DUNN — Thank you. And lastly, is it Transurban's intention into the future to pay tax on its earnings in relation to the western distributor, because it is my understanding that last financial year you paid zero tax?

Mr CHARLTON — I am glad you raised that. If you look at our half-year report and if you look at our annual report and you understand — and I am happy to provide that detail to you — how a trust works, a trust does not pay tax. We have to distribute all of our income pre-tax. Who does pay tax is our shareholders, so our shareholders receive the distribution and they pay tax. To date our shareholders have paid over \$800 million in tax.

Again what is falsely reported or, I would say, misreported is that as a trust structure we distribute pre-tax income. You can find on page 40 of our investor presentation, which I am happy to leave with you, again that we have invested now over \$23 billion in our networks. Our investors have paid more than \$800 million of tax, so that is the way a trust works.

Ms DUNN — Thank you for that clarification.

Mr FINN — Mr Charlton, the Secretary of the Department of Economic Development, Jobs, Transport and Resources, which is a fair title you would have to say —

Mr CHARLTON — It is longer than mine.

Mr FINN — indicated very strongly to PAEC that the partnership with Transurban on this project was a done deal. Can you tell the committee where you believe the progress of government assessment is up to?

Mr CHARLTON — Again, we are in stage 4 of their market-led proposal, which is trying to finalise the commercial arrangement. So it is never a done deal until the deal is signed.

Mr FINN — Despite the fact that the secretary of the department seemed to think that it is a done deal? You have indicated today that you believe, reading between the lines, that it is all going extremely well, as you said.

Mr CHARLTON — Yes. It is progressing well. We think we will be able to conclude a deal, but it is never done until it is done. But I think what the Victorian government has said is, whether they do a deal with Transurban or not, they will continue ahead with the project.

Mr FINN — We will have to get the Treasurer in and ask him about that at some stage. Can you detail the likely noise and vibration issues that would arise from construction and from the operation? We are talking particularly about those homes that are within 150 metres of the project.

Mr CHARLTON — I guess it depends on which option you proceed with. If you proceed with the West Gate option, then those homes are not nearly that close. But everything in relation to environmental aspects — whether it be air quality, vibration, noise, all of that — will be dealt with through the EES, and we will comply with the environmental process and the Australian codes.

Mr FINN — Is Transurban across the land contamination issues if indeed there are many? Well, I suppose there would be through that area.

Mr CHARLTON — I think we discussed this before. We are aware of quite a few of the issues, and they will be handled appropriately at the time. I think the West Gate option, again, because it is a little bit of a deeper tunnel and is more through rock, will probably avoid a lot of those areas.

Mr FINN — Of the two options, where would the ventilation stacks be? I think there is a fair bit of public interest in that one.

Mr CHARLTON — Yes, and look, until we go through the community consultation process and the environmental process — and to date most ventilation stacks have appeared at either end of the portals, but until we go through the process — that is yet to be determined.

Mr FINN — I raise this with trepidation after the last story that was raised from the *Age*, but I will — —

Mr CHARLTON — Are you suggesting the accuracy of — —

Mr FINN — I would never! There is so much that could be said. The *Age* ran a story on 6 March about the concerns of parents for the health of students attending Strathmore Secondary College, and I am sure you would be aware that is a significant issue in the Strathmore area at the moment. The article says experts cited as being from the Royal Melbourne Hospital — a climate systems scientist and an atmospheric scientist — have cast doubt on the results that your consultancy firm provided, which said that air quality would remain at acceptable levels. They claim there would be significant health risks for the students of the school as a result of the Tullamarine Freeway widening project. Does this contrary view concern you, and will you be reassessing the risks and making changes to the current bridge location?

Mr CHARLTON — First, I think also the article mentioned they felt there had been a lack of consultation, but we had been in contact with the school since June 2014 around the Tulla widening. I would comment that the *Age* columnist has a child that attends the school, so I would suggest that may be not necessarily completely unbiased reporting, but it is an issue.

Mr FINN — Might that mean the journalist is even more concerned about the health of the children?

Mr CHARLTON — Maybe so. We have gone through the process with the consultants. We comply under the EPA. We comply through the environmental process, and we are doing everything there we can to mitigate the impacts. But all of the modelling and the environmental process suggest that it is safe and within the guidelines set by the government.

Mr FINN — Despite the experts from the Royal Melbourne and a couple of scientists as well suggesting that that may well not be the case?

Mr CHARLTON — Well, I am going by the experts in the EPA and the requirements on the road that are set by the Victorian government.

The CHAIR — Any further questions from committee members? If not, there is just one final question that I did want to ask, Mr Charlton, and it is with regard to community concern, community angst and the significant concern that there is about the consultation with regard to the western distributor. I am wondering whether or not, as a show of good faith to the community members who have raised concerns, Transurban might be willing to produce a report on the consultation that has occurred so far within, let us say, the next month.

Mr CHARLTON — I think we said we were going to run the process. We start in April, and about the middle of the year is when we have said we would produce the next report.

The CHAIR — I was just wondering as a show of good faith — because obviously this committee has heard significant concern from those community groups — whether or not that is something Transurban would be willing to provide to the community just so that they felt that they were being heard. I have certainly heard from you today that Transurban is listening, and I think this would be a way to show it in a way of good faith to the community.

Mr CHARLTON — I appreciate what you are trying to do, but, again, if they want to contact us, we have given them all the details if they have any questions. We will produce a report by about the middle of the year.

The CHAIR — Thanks, Mr Charlton. I very much thank you for coming here today and providing testimony to us. I just remind you that you will be provided with a transcript of today's testimony in the very near future, and you will be able to proofread that and provide any changes you might like to make. We can then post that onto the committee's website. At this point I thank my fellow committee members — and I again welcome Ms Dunn. Thank you for your time very much today, Mr Charlton.

Mr CHARLTON — Thank you.

Committee adjourned.