

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 18 May 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Mr Danny O'Brien

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Vicki Ward

Witnesses

Mr Luke Donnellan, Minister for Roads and Road Safety,

Mr Richard Bolt, Secretary, and

Mr Corey Hannett, Coordinator-General, Major Transport Infrastructure Program,

Dr Gillian Miles, Head, Transport for Victoria,

Mr John Merritt, Chief Executive, VicRoads,

Mr Peter Sammut, Chief Executive Officer, Western Distributor Authority, and

Mr Duncan Elliot, Chief Executive Officer, North East Link Authority,

Department of Economic Development, Jobs, Transport and Resources.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Roads and Road Safety, the Honourable Luke Donnellan, MP; Mr Richard Bolt, Secretary of the Department of Economic Development, Jobs, Transport and Resources; Dr Gillian Miles, Head, Transport for Victoria; Mr Corey Hannett, Coordinator-General, Major Transport Infrastructure Program; and Mr John Merritt, Chief Executive, VicRoads. Witnesses in the gallery are Mr Peter Sammut, Chief Executive Officer, Western Distributor Authority; Mr Duncan Elliot, Chief Executive Officer, North East Link Authority; and Mr Joe Calafiore, Chief Executive Officer, Transport Accident Commission.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege.

Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audiorecord or videorecord any part of these proceedings.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee. Minister.

Visual presentation.

Mr DONNELLAN — Thanks for the opportunity to share with the committee the key investments in this year's Victorian state budget as it relates to the roads portfolio. The roads budget has a number of key characteristics: firstly, building on the investments we have already made; secondly, major investment in regional and rural and outer suburban roads, particularly in regard to maintenance; and thirdly, positive steps towards filling the gaps in Melbourne's freeway network — gaps which have existed for decades.

One of those gaps can be found at the end of the M80 ring-road, and that is why we are getting on with finally building the north-east link. It is a project that has been identified by Infrastructure Victoria as the number one road transport priority for the state. North-east link is the only project that can actually slash congestion in Melbourne's north, south and east, while the new West Gate tunnel fixes traffic in the west. It will provide an essential north-south connection, linking the eastern suburbs to the northern and western suburbs and the airport, while also catering for Melbourne's future growth. Truck curfews are another long-term solution or an economically viable solution to the problems of Rosanna Road. So this year's budget funds all of the planning and design work we need to do for a construction contract to be let at the end of 2019.

Geotechnical investigations have already begun on the 24 sites across the north-eastern suburbs, and the \$100 million funding we have allocated will ensure the completion of field investigation, service investigation, site establishment and upgrades to existing infrastructure. We are not limiting the scope to a simple north-south connection, and that is why we are open to alignments that take in either the Eastern Freeway or EastLink.

A signature investment in this year's budget is \$300 million to build the Mordialloc bypass — the missing link between the end of the Mornington Peninsula Freeway and the Dingley bypass. This is a project that alleviates a major deficiency in the arterial network in the metropolitan south-east. Peak hour traffic turning on and off the Mornington Peninsula Freeway often results in queuing, and this causes bottlenecks and delays on surrounding roads. This 9-kilometre link will relieve pressure on Springvale, Wells and Boundary roads as well sections of

the Nepean Highway around Cheltenham and Mordialloc. Both planning work and a preliminary business case have been completed, and the reservation has been in place since the 1970s.

The M80 upgrade is a \$2 billion project begun in 2009 and delayed by the redirection of commonwealth funding to the east–west link project. Recent negotiations with the commonwealth have delivered \$350 million in funding to complete the project, and this year’s budget contains the state’s matching contribution. The final phase comprises of three stages: five lanes each way between the Princes Freeway and the Western Highway; five lanes between Sydney Road and Edgars Road; and three lanes each from Plenty Road to Greensborough Highway. Work to build extra lanes from Sunshine Avenue to the Calder Freeway was funded in an earlier budget, and work is well advanced on delivering this section of the upgrade.

In the last budget we invested heavily in a package of upgrades in the northern suburbs, and this budget builds on that investment. We have already started on the upgrade of Yan Yean Road, Plenty Road and Bolton Street, and this budget will extend the upgrade of Yan Yean Road beyond Kurrak Road and see the first stages of the construction of the diamond interchange at the intersection of the Hume Freeway and O’Herns Road.

The government will soon also short-list submitters and ask for tenders for the western upgrade program, an Australian first — a \$1.8 billion investment. This package combines eight high-priority road upgrades with maintenance on more than 700 kilometres of road stretching from Werribee to Footscray, delivering new high-quality roads and maintenance of the existing network for years to come.

These upgrades will involve a combination of duplication and widening works to arterial roads that include: Dunnings Road and Palmers Road from Point Cook Road to Princes Freeway in Point Cook; Palmers Road from Princes Freeway to Western Freeway in Truganina; Derrimut Road from Sayers Road to Dohertys Road in Tarneit; Leakes Road from Fitzgerald Road to Derrimut Road in Truganina; Dohertys Road from Fitzgerald Road to Grieve Parade in Laverton North; Dohertys Road from Foundation Road to Palmers Road in Truganina; the Princes Freeway–Forsyth Road interchange in Hoppers Crossing; and the Duncans Road interchange in Werribee South. The eight high-priority upgrades will be delivered within five years, and the maintenance and the rehabilitation contract will continue for a further 20. The request for a proposal is expected to go out shortly, with the construction expected to begin in 2018.

In regional Victoria we are rebuilding the state’s regional road network — doubling road maintenance, upgrading bridges and constructing major new roads and bypasses as well as fixing potholes. We will invest \$260 million in repairing and resurfacing works after the heaviest rainfall in a century caused widespread deterioration to parts of the network. Elsewhere we are investing, in partnership with the commonwealth, \$50 million to realign the South Gippsland Highway at Koonwarra and \$7 million for a new dual-lane roundabout at the intersection of Phillip Island Road and Woolamai Beach Road on Phillip Island. We will also commence planning and development for future upgrades to the Princes Highway east of Sale, Hamilton Highway in western Victoria and Princes Highway West beyond Colac and the South Australian border.

This part of Victoria generates more freight by tonnage than any other part of Victoria and so demands on the road network are particularly high. The thriving woodchip industry in particular is putting higher demands on the road network than ever before, and this year we are responding with a \$40 million package of works to upgrade narrow sealed roads.

In regional Victoria the budget funds planning and pre-construction works for a project that will transform one of our key regional cities. Stage 1 of the Shepparton bypass will divert east–west traffic from around the town centre via a 10-kilometre single carriageway link from Midland Highway to Wanganui Road on Shepparton’s northern outskirts. Shepparton is located at the intersection of two key freight routes and is a big generator of freight in its own right, with the result that an estimated one in five vehicles travelling through the city is a heavy vehicle. Stage 1 is the first of a component of a more ambitious project that will reroute Goulburn Valley Highway to the west of the city by a new 36-kilometre link.

Last year we made announcements in relation to \$53 million for capital works and maintenance on the Great Ocean Road between Apollo Bay and Allansford. This is in addition to a commitment to partner with the commonwealth on the \$50 million upgrade. Works to date include new traffic management technology like electronic traveller information signs, CCTV monitoring devices, real-time traffic counters and more signage to help tourists and residents in an emergency.

This new budget includes \$36 million in a package of intelligent transport systems and intersection upgrades designed to target congestion on key transport corridors. These projects have strong benefit-cost ratios. It has been proven that a relatively small investment in ITS can deliver big improvements in congestion relief.

At the core of this year's investment in ITS there are improvements in managed motorway systems to better coordinate freeway traffic flows with the arterial road network and extending the tram and bus priority program. These projects will include upgrading data collecting and communication devices in use along the Monash, West Gate and the M80 Ring Road, manage motorways and installing tram and bus priority infrastructure along high-patronage routes, such as High Street, Kew; Smith Street, Fitzroy; and Pascoe Vale Road, Broadmeadows.

We are making a further major investment in the West Gate Bridge to ensure we get the most out of this key state asset. We will fund \$58 million in works over three years on essential maintenance. Of course within a decade we expect to see the West Gate tunnel doing much of the heavy lifting as the city's second river crossing. This will do more than anything else to help prolong the life of an asset that is fast approaching its half century.

Under the Safe System Road Infrastructure program the TAC has committed \$1 billion over 10 years to transform Victoria's highest risk roads into some of the state's safest. We have recently committed an additional 400 million, 340 million of which is specifically for regional and rural roads. This takes the total investment to \$1.4 billion. It is part of the state's biggest effort to improve rural roads, because a disproportionate number of country people are losing their lives.

Of the \$400 million, 85 per cent will be spent on high-speed rural roads, installing features like barriers, tactile lines, signage and line marking, and 15 per cent will be spent on intersections, black spots and traffic-calming treatments on high-risk arterial roads and local streets. One hundred million of the \$1.4 billion will be spent on infrastructure for pedestrians and safer cycling. A \$450 million package of works will address the top 20 highest risk rural roads that you can see in the locations marked above.

The government's third budget builds on the work of the previous two. It continues our policy of strong investment in new infrastructure while ensuring that we still attend to the essentials of maintenance and road upkeep. Thank you, Chair.

The CHAIR — Thank you, Minister, for that comprehensive presentation. The budget paper reference is budget paper 4, page 29 and I am specifically interested in looking at the West Gate tunnel project. Can you outline to the committee what impact you expect that this project will have in terms of addressing travel times and road safety, please?

Mr DONNELLAN — In terms of travel times, we expect 50 per cent savings approximately for freight and related vehicles in terms of getting into the ports from the Western Ring Road, but the West Gate tunnel will very much directly link the freeway to the port. It will very much provide obviously 4-kilometre twin tunnels right to the port, cutting travel times from Geelong, Ballarat and Melbourne's growing west.

It is a city-shaping project that provides a much-needed second river crossing, obviously, which is desperately needed to take the load off the heavily congested West Gate Bridge, which carries approximately 200 000 vehicles per day. It will change the way we move people and freight around Melbourne. We believe it will slash congestion, boost the Victorian economy and create thousands of new jobs and remove thousands of trucks off local inner-city streets.

The Premier, Treasurer and I recently unveiled a preferred design and announced that a consortium headed by CPB and John Holland Construction had been selected to build the project. In response to community feedback we developed a design with even better connections, less community impact, more walking and cycling paths and new green spaces. More lanes on the West Gate Freeway will slash travel times and we expect capacity to increase by 50 per cent. Separated express lanes will reduce weaving and merging, which obviously substantially reduces the capacity of the West Gate Freeway when people are crossing from one lane to another.

It also includes improved access to Webb Dock for trucks. That will take trucks off the West Gate Freeway and directly to the Bolte Bridge. Thirty kilometres of extra lanes are being added to the Monash Freeway, making it a project benefitting people very much from Geelong to Pakenham, because it is pretty much all part of one large network. People understand on weekends and long weekends as they are heading up the Monash you will

be directly impacted as you are heading into the city by all those people heading over the West Gate Bridge. They are very much one part of one spine which delivers people from one end of the city to the other.

The latest smart technology will also be used to control all the key connections into and across Melbourne. The West Gate tunnel will now be assessed through an EES, which will be publicly exhibited midyear, including 17 technical studies to assess the project's environmental, social and economic benefits. Finally, contractual closure is expected at the end of the year, with construction beginning early 2018 and works completed by 2022.

The CHAIR — Just on that, Minister, I did ask this question of Minister Allan in this morning's session about the construction of the Melbourne Metro rail tunnel. Obviously projects like this have a significant impact in terms of the construction phase, so what will you be doing, I suppose, to try and manage the way in which the tunnel is constructed?

Mr DONNELLAN — Obviously we have set up Transport for Victoria, which is a new internal agency within government which will very much be focused on planning projects across the state and managing the disruption from them. For argument's sake, with the Metro Tunnel there will be issues on how that impacts on St Kilda Road. As such we have begun work on putting the clearways into Punt Road, which we have already started. But this is very much about bringing the management of construction and disruption across the state into a central agency so it can be coordinated and so if the Minister for Public Transport is undertaking works that the minister for roads is very aware and that we are managing how we get people from one end of the city to the other, to ensure that we can provide reliability.

We will also be using ITS to provide people with ongoing information so they can make choices and the like. For argument's sake, in relation to the various construction periods of the CityLink-Tullamarine Freeway upgrade, we provided people with the opportunities to divert off the West Gate some days because there was going to be greater disruption. What we found was that by providing people with information, they did change their travel patterns and moved to other roads, like Ballarat Road, Williamstown Road and the like, to get into the city. So it is a total process, coordinated centrally, to ensure that we can provide people with reliable travel time journeys and reliable information on what is going on in terms of construction.

The CHAIR — And as part of the project, will there be investments in terms of cycling and pedestrian infrastructure?

Mr DONNELLAN — Yes, there will be substantial investments in terms of cycling, including the completion of the Federation Trail, which has taken some time, and I know many people will be very excited about that. There is also completing various links, the Kororoit Creek links. I think it is approximately 14 kilometres of new bike trails from the project, including new bridges, like at Whitehall Street and the like. There is a 2.5-kilometre veloway elevated above Footscray Road, with a direct link into the city. So there is a substantial cycling and pedestrian investment through this project, which will very much improve the opportunities for people to take alternative ways into the city.

The CHAIR — In terms of design, I think if you go back, probably historically you would have just build a road. It would just be a road and that is all you would get, a very sort of 20th century solution. From a design perspective, though, how does this tunnel compare?

Mr DONNELLAN — The tunnel, the design, the noise walls and the like will very much take their lead from the maritime and Indigenous history around the area. The tunnels are — it is hard to describe — quite attractive in the way they are actually presented to the public. It very much takes its lead, as I was saying, from maritime and related history. Underneath the bridge at the elevated part of Footscray Road it has got a maritime theme. On the facades of the elevated veloway it has got pictures like canoes related to the Indigenous history of the local area. The noise walls are going to be high-quality noise walls, which again will have interesting designs on them, as opposed to just basic noise walls. There are going to be 17 000 trees planted along the project. There will be substantial new community parks — I think 9 hectares, from memory. There will be two fewer crossings at Moonee Ponds Creek, improved landscaping along the Maribyrnong River and the Kororoit, Stony and Moonee Ponds creeks, and tens of thousands of native Indigenous shrubs and grasses. It will very much improve the beauty of the area overall.

The CHAIR — Terrific. Thank you, Minister.

Ms WARD — Hello, Minister and everyone. I am sure you are all very delighted to be here.

Ms SHING — As delighted as we are to have you here, Minister.

Mr DONNELLAN — Okay. I will take that as a given. Thank you. Bless you.

Ms WARD — There is one. I do have a tally on how many times you will bless people today, Minister.

Mr DONNELLAN — Good. I am only here to give blessings and fine information.

Ms WARD — As you can imagine, Minister, one of my primary interests in the budget in terms of how it affects you is the north-east link. You have given it to us in your presentation, which is great — a lovely diagram, thank you. I see in budget paper 4, on page 25, that there is \$100 million allocated to further investigation of north-east link.

As you would imagine, and as I think you know through our conversations, in the north-east there is a great deal of cynicism over how road issues have been addressed, that the north-east link has been talked about forever and that we are going on and on and on and we are doing another ‘looking into’. Could you please outline to us this \$100 million and how that is going to be spent in terms of working out what corridor will be used?

Mr DONNELLAN — Yes. Very much the intention is obviously to build this missing link, because of what it will do for congestion north, south and east and the job opportunities that will come from it. We will start immediately, spearheaded by an expert north-east link authority, and Duncan Elliot, who is behind me, has just been appointed to that as the CEO. Geotechnical investigations start this month at 24 sites across Melbourne’s north-eastern suburbs. It is a complex project and we need very much to do the planning and the technical work before obviously we put it to market.

Ms WARD — So a lot of this technical work that you are doing has not been done before; is that correct?

Mr DONNELLAN — It was done in a cursory way; now it is being done in a more intensive way. Our intention is obviously to very much have this project ready and to go through the total processes before 2018 so it can be put to the public at the election and the public can make the choice of, one, who they wish to be the next government but also my suspicion is that there is generally good support for the project to proceed to finish this missing link road.

All options for the new link road will be considered and early work will include geotechnical testing, as I was saying. This will very much provide valuable information about the soil type and the like under the earth, including the type and strength of rock under the ground and the location of the groundwater. Other detailed planning and engineering work will include field investigations, equipment procurement, surface investigations, site establishment, and upgrades to existing infrastructure. These expert engineering, environmental and social investigations will help determine the best design for the project, with a focus on protecting existing urban areas, obviously, and minimising the impact to the environment.

The north-east link will connect the Metropolitan Ring Road at Greensborough and either the Eastern Freeway or EastLink, and that is obviously what is under consideration. The project will take trucks off the local streets and reduce congestion in Melbourne’s northern suburbs, very much provide an essential north–south connection, catering for Melbourne’s future growth, while linking the eastern suburbs and the northern and western suburbs and the airport, which is obviously essential.

The independent Infrastructure Victoria very much identified this as the highest priority next infrastructure project for our state, building on the Labor government’s record investment in roads and rail. Local residents, motorists, the freight industry and business will see extensive community consultation, and that is very much what Duncan is working on at the moment, to get that out into the field, with sessions scheduled across the project from midyear. North-east link is very much, as I say, a project that Infrastructure Victoria very much urged us to get on —

The CHAIR — Order! Mr Smith until 2.49 p.m.

Mr T. SMITH — Welcome, Minister. Referring to the planning of the north-east link, budget paper 4, page 25, and the 100 million you have allocated, it has been noted that this planning money is only a fraction of

what would normally have been allocated to a project of this size. Can you detail which aspects of the planning process will not be covered by this allocation, or is it your view that 100 million will do the job?

Mr DONNELLAN — Our expectation is that obviously we will be able to do the planning we need to get this project ready for an EES. Obviously if there was more money necessary, we would seek that accordingly because it is very much about taking this project to an EES so it is very much ready to go to market after the next election. Now we intended very much to do all the work and ensure it was there and then pretty much put it to market after the election. We are not going before the election to give the Victorian people a choice. We believe 100 million will largely cover most of what we need to cover, and I will just hand over to Corey for the few more comments he will provide.

Mr HANNETT — So the \$100 million allows us to finish the business case, start our detailed engineering work required, obviously consult with the community, prepare our planning documentation for the relevant planning environmental approvals and obviously for the next budget we will put up the future submission for where the business case is and give it to government to consider the next steps.

Mr T. SMITH — So how much of that 100 million has been spent on promotion and advertising such as the recently mounted ongoing community update?

Mr DONNELLAN — I will just ask Duncan if he could provide us with a specific answer on that. No, I would happily come back to you on that, but I cannot give you a specific answer to that at the moment.

Mr T. SMITH — So the federal transport minister said today that he put \$15 million on the table to assist with this planning. You rejected it. Why was that?

Mr DONNELLAN — There were extensive discussions with the repurposing of the east–west money. That was an ongoing discussion that took some time. So \$1.5 billion was repurposed out of east–west into both regional Victorian and numerous other projects. Part of the discussions at the time involved repurposing of some money, approximately \$15 million, to roads in the north. The final decision in relation to those roads in the north had not been made, but there was no commitment given by the Victorian government one way or another whether that \$15 million would be used for the north-east link or otherwise. We believe obviously with the money we have allocated for this project that we can get the work done, but we very much would welcome a partnership, after we get the business case done and so forth, with the commonwealth in relation to the delivery and construction of this project.

Mr T. SMITH — I cannot understand why you would reject an offer of 15 million.

Ms SHING — You are just hearing the answer to that now, Mr Smith.

The CHAIR — Order! Ms Shing.

Mr DONNELLAN — What I indicated was we were repurposing \$1.5 billion. Let me be very clear: \$15 million out of that was not front and centre of my mind the whole time. There were many other projects including regional Victoria so we could get it to far east and far west, and that was about \$690 million. So let us be very clear, when it came to a lot of this discussion it was quite extensive, it was quite wide, but the agreement we came to at the time was approximately some of that \$15 million would be going to northern road projects. We did not commit to a particular project. It could have gone to O'Herns Road — obviously O'Herns Road has been funded jointly by the state and federal governments — it could have gone to Plenty Road, it could have gone to a multiplicity of roads. But we very much look forward to finishing the business case and going back to the commonwealth government and saying, 'We would like to work in a partnership'. As we know, in terms of federal funding we are below 10 per cent in terms of the forward estimates of where the federal government is going to be spending its infrastructure money, and we would very much like to up that percentage towards 25 per cent.

Mr MORRIS — Yes, well, if you accepted some of the money that was offered, I think you would find it would be better than 10 per cent.

Ms WARD — That money could go to other projects, Mr Morris. There is nothing stopping the commonwealth from continuing their investment elsewhere in the north.

The CHAIR — Order, Ms Ward!

Mr T. SMITH — You are still running this line, Minister, about federal money, yet you have just rejected some. I do not see the logic there.

Mr DONNELLAN — As we have indicated in this budget, we have allocated funding of \$100 million to get the work done. We will get the work done. We will have it ready in a business case, and then we will speak to the commonwealth about a partnership.

Mr T. SMITH — And when do you expect this business case to be?

Mr DONNELLAN — I think towards probably the end of this year, roughly.

Mr HANNETT — Early next year.

Mr DONNELLAN — Early next year. So pretty soon I will be very much looking forward to sitting down with Paul Fletcher and Darren Chester and saying, “You know, we’ve got a big project. We’d like to talk to you about coming in — —

Mr T. SMITH — ‘We told you to nick off this year, but next year we would really love some money’. Is that what you will be saying?

Ms SHING — No, that is what the commonwealth said to Victoria in fact.

Mr DONNELLAN — No, I do not think so. No, I am a little bit more respectful. You know my language is always very respectful.

Mr T. SMITH — Always, Minister, always.

Mr DONNELLAN — Renowned for my respect — that is what they say.

Mr MORRIS — Can I just ask a question of Mr Hannett in the context of someone who has commented — I think it was Mr Hannett; I am not sure who was sitting at the end there — that some of the detailed engineering could be undertaken from this \$100 million. How much of the detailed engineering? I know it is a piece of string, but just in general terms what proportion?

Mr HANNETT — In terms of the work we have got to do we have to produce a business case, we will have a cost estimate and obviously we will have to come up with a reference design to ensure that we have got a robust assessment of the scope required to fund the project.

Mr MORRIS — So that money will get the reference design done but not much further, is that the — —

Mr HANNETT — To a point in time, yes.

Mr T. SMITH — Can you confirm that the budget papers are correct in that your government is not intending that this project will be completed before 2027?

Mr DONNELLAN — Yes, approximately 10 years. It could be quicker, but that is all part of what this business case assessment is actually all about, because obviously there is going to be extensive tunnelling. The length of the tunnelling and so forth will depend on whether the tunnel actually meets EastLink or the Eastern Freeway. That obviously delivers anywhere between a shorter and a longer tunnel. Depending on what final design is come up with in terms of the reference design, the length of time to construct it will depend on that.

Mr T. SMITH — This language, the typical Labor spin, ‘We’re building this’, is complete garbage. It will not be built for years.

Mr DONNELLAN — No. The only government that actually spent four years doing nothing was your government —

Ms WARD — Was your government, Mr Smith.

Mr DONNELLAN — in the last term, that spent four years talking about a project they finally took to the government and actually put a poison pill — —

Mr T. SMITH — Do not lecture me about roads projects, you lot, thank you very much.

The CHAIR — Order! Mr Smith!

Members interjecting.

Mr T. SMITH — You are not building a thing.

Ms SHING — I am sorry; let the record reflect Mr Smith saying that Victoria is not building a thing. Let us just put that into the transcript now.

Members interjecting.

The CHAIR — Mr Smith, you have got under 3 minutes left. Do you have another question?

Mr T. SMITH — Is the North East Link Authority actively considering route options that will be wholly above ground?

Mr DONNELLAN — North East Link is considering, I think, three options. One of them would be at grade, another two would include tunnel.

Mr T. SMITH — Say that again, sorry?

Mr DONNELLAN — North East Link, I understand, is looking at three particular options at this stage, and I will ask Duncan to specifically answer that.

Mr ELLIOT — North East Link Authority is looking at all possible options to link the M80 Ring Road to the Eastern Freeway or to EastLink. There are a whole range of options and potential ways we could do that, and we are looking at all of those at this point.

Mr T. SMITH — Okay, so you are not ruling out elevated structures?

Mr ELLIOT — We cannot rule out anything at this point. We are looking at every possible way that we can to link those two freeways to create the missing link.

Mr MORRIS — And some of those ways may be wholly above the ground?

Mr ELLIOT — I cannot say at this point. That is why we are doing the detailed engineering assessments, to understand how the topography in the area actually works, to understand where the possible options lie and where we would need to tunnel.

Mr T. SMITH — So which route is being considered at grade?

Mr ELLIOT — Well, we are looking at all of the options at the moment, so all of the design work that we are doing, all of the field investigations that we are doing, are considering the entire project area. In doing those assessments we are taking account obviously of the topography, the ground conditions, the environmental significance of the area, urban amenity — all of those investigations factor into the options that we will develop.

Ms PENNICUIK — Good afternoon, Minister, Secretary and everyone else who is here. Thanks for coming. Could I just ask a couple more questions about the north-east link project? This document, that diagram, is the three options that you are looking at?

Mr DONNELLAN — It is potentially three options — —

Ms PENNICUIK — They are the potential three options that you just talked about in answer to Mr Smith.

Mr DONNELLAN — Yes.

Ms PENNICUIK — It is sort of very preliminary at the moment in terms of what is actually going to be done. So you are talking about a reference design, but first of all you would have to decide on the options; is that correct?

Mr DONNELLAN — We have to develop a reference design to actually put it through — —

Ms PENNICUIK — For one of those options or for all of them?

Mr DONNELLAN — No, no — we have to develop a design, which could be one of those three or could be another one entirely, to actually put through an EES process. So what we will do is come up with what we think is the best design to put through an EES. And then obviously there is community engagement, community consultation, which could vary the design along the way. But that is all about having a design to take to the public for consideration, for commenting.

Mr HANNETT — Just for clarity, we are proposing around the middle to later this year to go to the community with options which will show what our work has shown us so far. So we propose to go to the community with options, and that is where more detail will be provided to the community.

Ms PENNICUIK — That may go to one of my other questions, which is about the \$20 million to be expended at the end of this year and then the 80 million at the end of next financial year. Is that because the 20 million will be on the options that you are going to then take to the community? Is that how it works?

Mr HANNETT — At the moment we are obviously establishing the authority, getting advisers on board, doing engineering work, starting to do our geotech, and that will help us to be informed, getting prepared for the consultation later this year, yes.

Ms PENNICUIK — So later this year you will start consultations, once you have got something to consult about?

Mr HANNETT — Correct.

Ms PENNICUIK — So you are not consulting any earlier than that on ideas?

Mr HANNETT — No.

Ms PENNICUIK — I was just wondering, too, whether during the — —

Mr DONNELLAN — Just wait, Sue. Duncan wanted to make a few more comments on that, if that is all right?

Ms PENNICUIK — Yes, no worries.

Mr ELLIOT — During this, as we speak, we are already consulting with the key stakeholders, interested parties and the community.

Ms PENNICUIK — Who are?

Mr ELLIOT — People like the VTA, Resolve Rosanna Road, the council — a whole raft of different stakeholders who have previously expressed a view about this project. That is all feeding in. We will be running a community survey as well, and that is all going to feed into the development of our options.

Ms PENNICUIK — Okay. Is there going to be a cost-benefit analysis produced?

Mr DONNELLAN — Yes, that will be part of the business case.

Ms PENNICUIK — But that will be, what, next year?

Mr DONNELLAN — Yes, and, as we have indicated previously, as we have previously done, we will release that business case publicly.

Ms PENNICUIK — The other question I had, if I could, is actually on the Mordialloc bypass. I just wondered, is there going to be a cost-benefit analysis for that as well? Because I am wondering what the actual rationale for it is. What are the traffic problems, and are there also going to be options there, different options? Have there been different options looked at besides building that particular track?

Mr DONNELLAN — The actual reserve for the Mordialloc bypass, I think, was set aside in the 1970s, so there has been obviously long-term planning in relation to the Mordialloc bypass —

Ms PENNICUIK — You can see it on the *Melway*.

Mr DONNELLAN — Okay, there we go. Obviously a lot of work was done by, I think, the former MMBW and VicRoads in relation to setting that aside many years ago. A preliminary business case has been completed, so now we will obviously go out to the public and consult with the public in relation to this road. Obviously there is the intention to grade separate it at Springvale Road, where there is a congestion hotspot. It is very much part of a strategic corridor getting people off the Mornington Peninsula Freeway and heading towards the city. It is also a high employment region. There is an enormous amount of freight as well linking Dandenong, Braeside, Moorabbin and related Monash employment precincts across the region. Very much our intention is to link the Mornington Peninsula Freeway with the Dingley bypass and provide better travel time — more reliable travel time — both for industry and the community in that fast-growing region.

Ms PENNICUIK — So it is going to stop at the Dingley bypass and not go on to Centre Road?

Mr DONNELLAN — No, it is going to stop at the Dingley bypass. That is what we have committed to do.

Ms PENNICUIK — It looks different on that map you are showing, so I was concerned about that. Are there any alternatives that you will be looking at, and as well as alternatives the impacts along that particular area it goes along?

Mr MERRITT — That is the route that we will be using because that is where the road reservation is, but there are a number of sensitive points along that journey —

Ms PENNICUIK — And lessons to be learned there, Mr Merritt, from past roads.

Mr MERRITT — There are. Thanks for reminding me of that. The sensitivities are that once we cross Springvale Road and go past the suburbs there we have got Braeside Park obviously, which the reserve borders. The issue now is whether there is a requirement for an EES, given the native vegetation issues that are in that land that we hold.

Ms PENNICUIK — Say yes.

Mr MERRITT — There will be sensitivities also around any impact on Dingley Village. That has traditionally been an area where those residents are concerned about how that might work. But the route is the one that we intend to use for it.

Ms PENNICUIK — I will ask you about the cycling action plan, which was scheduled to be released last year. It has been delayed. When will we be expecting that? Is it 30 May?

Mr DONNELLAN — Towards the end of the year. We have obviously —

Ms PENNICUIK — Towards the end of the year?

Mr DONNELLAN — Yes. Active Transport Victoria got funded last year. It has now been set up. Active Transport is working with all the various agencies, including VicRoads and others, to put the cycling plan together but also to look at allocating the full \$100 million towards major cycling projects. What we intend to do is to fully release the cycling plan at the same time as we fully release the forward planning terms of infrastructure for cycling across the state, and that is obviously completing gaps in principal cycling routes and the like. That is what we will be doing towards the end of this year.

Ms PENNICUIK — Towards the end of this year.

Mr DONNELLAN — Well, sometime after June, so not far off.

Ms WARD — If you do not mind, Minister, we will take off where we left off, which is back at north-east link. This is something that either you, Mr Hannett or Mr Elliot could respond to. Before our esteemed colleagues opposite get excited with themselves and embark on a sky road campaign — —

Ms SHING — What would stop them from doing that, I wonder.

Ms WARD — I do not think anyone will stop them from doing that, but politicising a vital piece of Melbourne infrastructure is not something they would cease to politicise.

Mr T. SMITH — It is going to go straight through your electorate.

Ms WARD — They would not cease to politicise it, as Mr Smith's interruption illustrates. Could you please explain to us the likelihood of an elevated road going from the Greensborough bypass — the Greensborough Highway — all the way to the Eastern Freeway or EastLink?

Mr DONNELLAN — I would suggest it is highly unlikely — very, very, very, very unlikely. I am more likely to suggest it would be going under.

Ms WARD — This is what the Premier has indicated in many public statements that he has made about the road, that there will be tunnelling — —

Mr T. SMITH — This is called 'Getting the shovel out'.

Ms WARD — Yes, that is what you do when you tunnel, Mr Smith. You get a shovel out. In fact there are shovels getting out all over this state because of the degree of infrastructure that we are investing in.

Mr DONNELLAN — Look, I do not believe at the moment we are considering an elevated roadway. I am just looking back to Duncan. No, we are not. It is highly unlikely.

Ms WARD — In terms of tunnelling, is there any idea of how long the tunnels could be, would be, should be, where they will go and how the environmental — —

Mr T. SMITH — Let the record show that elevated structures were not ruled out all of 10 minutes ago.

Ms WARD — Mr Elliot, I invite you to come up and talk about tunnelling and let us know what you are looking at in terms of tunnelling, if you would not mind.

Mr T. SMITH — The member for Eltham is slightly concerned here, clearly.

Mr DONNELLAN — I might get Duncan to quietly pontificate about the possible options.

Mr T. SMITH — This is called policymaking in public. It is most amusing.

Ms WARD — Do we think that land will be acquired — —

Mr T. SMITH — Who do we believe, the polly or the bureaucrat?

The CHAIR — Mr Smith!

Ms WARD — His rudeness has no bounds.

Mr DONNELLAN — I think we will get Duncan to comment upon what the thinking is at the moment in terms of the design methodology, if that is all right. I think that might be a little bit simpler and bring that to a head.

Mr ELLIOT — There is no chance we will be doing an elevated roadway from the Greensborough end of the ring-road right through to the Eastern Freeway or EastLink.

Ms SHING — Sorry, could you say that again? There is no chance, you said.

Mr ELLIOT — There is no chance of an elevated roadway the whole way. The project has very clearly understood the environmental significance of the area and the region and — —

Ms WARD — Across the whole of the north-east.

Mr ELLIOT — Absolutely, and the tunnelling will deal with that. There may well be sections of the route, say, the Greensborough end, which is already at grade, but certainly we are not talking about elevated structure from Greensborough to the east or to EastLink. Tunnelling is a significant part of our investigation to understand how we can best deliver a solution that links the two ends of the ring-road and provides the relief to traffic congestion in the north-east and protects the environmental significance of the region.

Ms WARD — And these would be some of the 24 sites you are investigating with your geotechnical testing that the minister alluded to before that would be helping you to understand what the capacity is for tunnelling, I would think?

Mr ELLIOT — Absolutely.

Ms WARD — Thank you, Mr Elliot. Minister, how much do we think this road, which those opposite have no idea how to build or how it could be built, would cost?

Mr DONNELLAN — Look, very early, anything up to — —

Mr MORRIS — He does not know what he is going to build yet. How can he put a cost on it? We cannot cost a fireman. How can we possibly cost a road if we do not even know what it is going to look like or where it is going to go?

Ms WARD — This is the first time they have become animated over government questions, I hope you know, Minister.

Mr DONNELLAN — You are very welcome to answer the question if you would like. Would the member for Mornington like to answer the question, or is he going to ask the minister to?

Mr T. SMITH — We are just genuinely amused by your attempts to do so.

The CHAIR — Order!

Mr DONNELLAN — Look, that is why we are actually doing the business case in terms of assessing the actual costs and the costs of various options and so forth, so we will choose the option we think best meets the criteria we have put together to, in other words, deliver a reliable journey, to finish that link road, that missing link that is very much required. I think initial guestimates might be around \$10 billion, but that is really pretty much why we are doing the business case. You do not go and ask the federal government for money without a business case, without proper costings.

Ms SHING — Unless you are New South Wales.

Mr DONNELLAN — Yes, there are states which have received money without doing business cases, but we would be expected to do one and we will do so.

Mr DIMOPOULOS — Minister, we might move on to something as a change of pace. Just in relation to road safety, which you talked about it in your presentation, it takes many forms obviously — infrastructure improvements, as well as community campaigns and the like. Budget paper 4, page 28, has an amount of money allocated to the road safety Towards Zero program. I just want to get a sense of where that is at, what the status is, what evaluation is intended and how we are going to measure improvement? It is obviously zero, but on the road to zero there are many other milestones.

Mr DONNELLAN — Yes, Towards Zero is very much an aspiration. You know, it is very much that no-one will die on our roads in time. In the 1970s we lost 1000 people on our roads each year. Last year it was 291 people who lost their lives on our roads. That is far too many, and since 2013 it has been increasing. Part of our Towards Zero campaign is very much about accepting that we want better roads, better drivers, better speeds and better infrastructure.

A lot of Towards Zero, when we announced it, was very much focused on the \$1.4 billion investment in safer road infrastructure. One specific component of that was the \$340 million we allocated to regional and rural

high-speed roads, which is pretty much going to roll out centre-line and side-line barriers to stop people going from one side of the road to the other and having a head-on, exiting the road to the left and going into a tree, or literally bypassing the head-on and literally going to the other side of the road and hitting a tree on the other side.

Last year approximately 34 per cent of the lives we lost on our roads related to high-speed regional and rural roads. Tragically this year it is running at about 60 per cent, so about 50 out of our 90 drivers who have lost their lives on our roads this year have been on regional or rural high-speed roads — or have been driving on regional and rural high-speed roads — and that is very much why these investments we are making are very much focused on where the statistics drive us to. Usually between 45 and 55 per cent of our lives we lose on our roads are on regional and rural high-speed roads. They do not represent that number in terms of drivers on the roads because they are longer distances, longer times on the road and the like. Unfortunately that is the stat. That is why this Towards Zero campaign is very much looking at infrastructure which will cushion people if they hit those side-line and centre-line wire rope barriers and allow them to survive.

You may have noticed there was an ad earlier this year which was run in relation to a part of the Melba Highway, where we rolled out a trial program of, I think, 11 kilometres along the Melba Highway. Within two and a half weeks that particular centre-line barrier saved three people: a father driving home after a day waterskiing who had fallen asleep; and a couple travelling the other way. They saw this four-wheel drive cab literally about to hit them, hit the wire rope barrier and bounce off. So the benefits of it were immediately highlighted.

We have got to do better. This year we are slightly below where we were last year. I think about another — —

Mr DIMOPOULOS — Ms Shing just informs me the TAC site has us at 97 lives lost this year.

Mr DONNELLAN — Thirteen less than last year.

Ms SHING — Down 11 per cent.

Mr DONNELLAN — Yes, but still we have got to keep getting better. That is still too many people losing their lives on our roads, and the fact that 64 per cent or 65 per cent are people from high-speed regional or rural roads is just not acceptable. That is why the 20 roads we are rolling out these wire rope barriers on are very much the ones which have a high accident history, are highly used, and we believe it will provide the cushioning we need to protect lives.

Mr DIMOPOULOS — Minister, we are going to run out of time, but I might pick it up later. Apart from the infrastructure, there are obviously subgroups that do worse on the roads — young drivers.

Mr DONNELLAN — Yes.

Mr DIMOPOULOS — I would not mind finding out a bit more about the programs in relation to that.

Mr T. SMITH — If I could just briefly return to the North-East Link Authority and to Mr Elliot, just to confirm, you are not ruling out the use of an elevated structure to construct any part of this link on any potential route; yes or no?

Ms WARD — You cannot determine how people answer, Mr Smith.

Mr DONNELLAN — No, let us be very clear. I am going to answer that question. We are doing — —

Mr T. SMITH — It is not up to you, sir. It is up to Mr Elliot to answer it.

Mr DONNELLAN — Let us be very clear — —

Mr MORRIS — Minister, the question was directed to Mr Elliot, and you are not permitted to answer; the question is to Mr Elliot.

The CHAIR — Order! Mr Elliot.

Mr T. SMITH — It is to Mr Elliot. Minister, the question is to Mr Elliot. Chair, can you please direct him to answer?

The CHAIR — I did ask Mr Elliot. Mr Elliot.

Mr DONNELLAN — That is a policy question that really is not up to Duncan to decide, so I think we will have to actually go back to a more specific question because that is very much a policy question which the government needs to decide whether they go up, down or in between —

Mr T. SMITH — This is a shipwreck, Chair.

Mr DONNELLAN — and that is something that as the proponents of the project, we make the decisions and then we quietly but surely ask our public service to carry out.

Mr T. SMITH — Chair, he has answered two questions on this in the space of 20 minutes.

The CHAIR — Minister, members are able under standing orders to direct questions —

Mr DONNELLAN — No, I am happy, but I am just making it very clear — —

The CHAIR — directly to public servants. Now, I appreciate that Mr Elliot may not be in a position to answer the question for the reasons you have outlined, but the question was asked to Mr Elliot, and I would ask that Mr Elliot provide an answer to Mr Smith.

Mr ELLIOT — I am not in a position to answer that question.

Mr T. SMITH — You answered it 10 minutes ago.

Ms SHING — Why are you asking the same question?

Mr T. SMITH — Because you have made reference to one potential route in your answers to Ms Ward. I am asking you for all other potential routes.

Ms WARD — No, it was not my direct that he responded to, actually, Mr Smith. No, you have got your facts wrong.

Mr T. SMITH — No, this is a perfectly reasonable question with regard to the use of elevated structures on any potential route of the north-east link.

Mr ELLIOT — What I said before was that our work — we have not done the design work yet, so I am not in a position, and taking account of the policy framework I need to operate in, to answer that question until we have done that design work.

Members interjecting.

The CHAIR — Order! Ms Shing! Order! Ms Ward.

Mr MORRIS — If I could move to the Mordialloc bypass, the reference is on page 25, and, Minister, I am addressing this question to you. The Premier issued a media release indicating that the Mordialloc bypass would be completed by 2021, yet the budget papers indicate quite clearly the fourth quarter of 22–23, a significant variation. I understand that you have endorsed the Premier's view. So I am just wondering, if you believe the government's own budget papers are inaccurate in this respect, are there any other matters in which they are inaccurate?

Mr DONNELLAN — We committed to completing it by 2021.

Mr MORRIS — But are there any other matters where you believe the budget papers are wrong, if you believe the budget papers are wrong in this case?

Mr DONNELLAN — I have just given you an answer. I said we intend to complete it by 2021.

Mr MORRIS — Yes, and in doing so you have indicated you believe the budget papers to be inaccurate. And I have asked you are there any other items in the budget papers that you believe to be inaccurate.

Mr DONNELLAN — That is a pretty wide and varied question. I could not give you an answer to that, but I am telling you we will — —

Mr MORRIS — But you are saying one is inaccurate. Is there anything else?

Mr DONNELLAN — You have asked me a question, and I have given you an answer.

Mr MORRIS — Okay. Given that planning for the bypass was funded and completed in 2014 and apparently we now have a preliminary business case, have you after two-and-a-half years even begun the environment effects statement?

Mr DONNELLAN — No, we have not started the environment effects statement. Would you like further clarification of that, because we have not actually got clarification yet in relation to the planning minister whether we have to do an EES, because it is within the reserve? So that is still to be decided.

Mr MORRIS — So it has not started. Okay. In BP3, pages 41 and 42, there is a line item there, ‘Strong bridges, stronger economy’, that relies entirely on federal funding — 37.3 million TEI over three years. If the federal funding is not available, how can it be funded?

Mr DONNELLAN — Could you just repeat that question again?

Mr MORRIS — In BP3, page 41, under ‘Asset initiatives’, ‘Strong bridges, stronger economy’, there is a TEI of 37.3 million and according to footnote (b) commonwealth funding has been sought, but with no indication that it has been secured. And I am just asking what happens if it is not secured?

Mr DONNELLAN — The budget itself has committed \$40.8 million over three years to the bridges identified as in need of urgent repair. These are bridges which are 30 to 60 years old and their load-carrying capacity is being called into question. So what we are going to be doing with that money is fencing critical bridges on key freight routes — \$1.9 billion for bridge inspections and 800 for project development for the Swan Hill bridge. Funding for a number of the bridges identified is subject to matching funding from the commonwealth government. These projects are eligible for funding consideration under the commonwealth government’s bridge renewal program, round 3. I understand we have put in an application for that.

Mr MORRIS — I do not want to interrupt your flow, but I just want to query this point about matching funding, given that the footnote says, ‘Commonwealth funding will be sought to deliver this initiative’.

Mr DONNELLAN — Commonwealth funding will be sought to actually look at — I think it is — —

Mr MORRIS — It does not say commonwealth contribution; it says, ‘Commonwealth funding will be sought for this initiative’.

Mr DONNELLAN — No, no, the funding has been — —

Mr MORRIS — So you are saying it is half commonwealth, half yours?

Mr DONNELLAN — We have allocated in our budget — —

Mr MORRIS — Or half government.

Mr DONNELLAN — You have asked me a question; I am giving you an answer. Just wait your turn and you will get the answer, thank you.

Mr MORRIS — I am — —

Mr DONNELLAN — No, no, you have asked me a question; I am giving you a specific answer. So do you want a specific answer, or would you like to — —

Mr MORRIS — Minister, the budget papers say it is federally funded, so I am trying to — —

Mr DONNELLAN — No, no.

Mr MORRIS — I could ask Mr Merritt. Is it federally funded?

Mr DONNELLAN — So the funding which has gone into our budget, which we are allocating to the project, is: in 17–18, \$21.9 million; in 18–19, \$16.5 million; and in 19–20, \$2.3 million. Commonwealth funding will be on top of that. We will add more and we will do better bridges and we will deliver better freight, goods to market, through our work. We have applied for the funding. We have not had confirmation of it yet. We very much expect that that will happen.

Mr MORRIS — So the TEI of 37.3, is that correct? Or is it 37.3 plus the figures you just — —

Mr DONNELLAN — There is \$3.5 million in output funding, which is designed for the management and the like of it, and 37.3 in asset funding.

Mr MORRIS — And is that federal asset funding, or is that — —

Mr DONNELLAN — No, state. And then we will seek funding — —

Mr MORRIS — Then why is there a footnote saying federal funding is being sought?

Mr DONNELLAN — Because we are seeking federal funding to add more.

Mr MORRIS — Mr Merritt, can you explain to me what is going on here?

Mr MERRITT — We are seeking matching funding from the commonwealth. Some of the bridges that are in the program will be fully funded by the state, but we will be seeking matching funding from the commonwealth for other projects, which is normal on those bridge funding programs.

Mr MORRIS — So a proportion of 37.3 is being sought from the commonwealth for this item?

Mr DONNELLAN — None of it. I have just told you what is actually in our budget, David — very clearly, what is coming out of our budget. This will be in addition to that, which will be extra money hopefully.

Mr MORRIS — I am not talking about the other line item. I am asking about the 37.3, and the footnote is very clear. It says:

Commonwealth funding will be sought to deliver this initiative.

Mr DONNELLAN — Good, and I hope you go and lobby your federal government members to actually fund more.

Mr MORRIS — No, it is not to contribute to this initiative, it is to deliver this initiative.

Mr DONNELLAN — No. Some of the — —

Mr MORRIS — It is saying it is all commonwealth money. That is what the footnote says.

Mr DONNELLAN — I think it is 11 projects that we are also seeking matching funding for, but the money we have allocated is 37.3 plus 3.5.

Ms PATTEN — Thank you, Minister. Thank you secretaries, deputies and team. Just on this dream that the ring-road will actually be a ring-road, which is a magical thought, you are saying that by the time we go to the election next year we will have a route planned out, we will have a solid, single proposal to present to our community.

Mr DONNELLAN — Very much so. We expect that everything will be done, and the only part which will not be done will be effectively that the contract will not be signed.

Ms PATTEN — But we will know where it is going to go.

Mr DONNELLAN — Yes, it will be literally ready to go.

Ms PATTEN — Great. Fantastic. I then want to turn to autonomous vehicles. I am personally particularly looking forward to the introduction of autonomous vehicles. I note they are moving quickly, quickly around the globe, and Sweden is starting some live trials right now. Is your department starting to plan for the rollout of autonomous vehicles? Is there funding going into, I guess, building the roads so they can work with those vehicles? Is that part of your ICT program?

Mr DONNELLAN — There is extensive work going on. There is work we are doing with a major international company in terms of a testing centre for autonomous vehicles — to establish Melbourne as a pre-eminent testing centre for autonomous vehicles. There are trials which have been put together with EastLink in terms of looking at how cars and better technology talk to each other on freeways. I might actually asked John Merritt, because there is a fair bit of detail to go through.

In terms of autonomous vehicles, we are also looking at the rules and regulations in relation to autonomous vehicles to see how we can run trials, but I will get John to talk just in terms of autonomous vehicles, the work we are doing — trials, regulations and the like.

Ms PATTEN — And maybe a broad kind of date of when we might be able to start our first trial in Victoria.

Mr MERRITT — Thanks, Ms Patten. So what we are doing at the moment is drafting regulations or regulation amendments for the government to consider about a further regulatory regime which anticipates some of the more autonomous technologies that are coming. At the moment we are seeing quite a lot of base-level autonomous work, what might be called 3-D cruise control — that is an expression that is often used, if you are familiar with some of the newer vehicles that are able to detect either the fog line on the side of the road or the road itself, they are able to indeed overtake actually; intelligent cruise control; automated braking and the like.

We are in a partnership on both CityLink road and EastLink, working with them to make sure that as that technology is tested on our roads we are able to monitor that, because a critical part of this technology is how it interfaces with the road itself.

Ms PATTEN — That is right. So when you are planning to build the roads, like the new north-east, that will be — —

Mr MERRITT — It will be a very important part of that.

Ms PATTEN — A very important part of that, right.

Mr MERRITT — A very important part of that consideration, particularly as at the moment with the technology that we are seeing in the cars, the cars seek to recognise speed signs, for example. We would expect over the life of the development and the construction of the project that we will see greater development in 5G technology, which means that the car will actually talk to the signage, not use — —

Ms PATTEN — The internet of everything.

Mr MERRITT — Exactly. It will not actually try and recognise the sign; that will become obsolete. So that sort of technology will be an important part of it. We would expect levels of autonomy in the vehicles to be much further advanced. The big challenge will be: how do we accommodate lots of vehicles with that technology and lots of other vehicles that do not have it? The work we are doing now is to try to frame regulations that allow for testing in that environment.

Ms PATTEN — Right. And I am assuming that that would be interdepartmental, because I suppose the ongoing effects of land use such as car parking and the like will obviously come into play in this.

Mr MERRITT — That is right. How this rolls out in terms of car parking and land use is one of the big debates playing out around the world right now. Will we see the technology make car ownership less attractive and you effectively purchase access to cars, in which case without that you will not be parking at home per se and you will not park at work? Does that have implications for just the number of vehicles circulating in the absence of parking? That is not desirable either, and we can already see some elements of that through rideshare. So what we know through autonomous cars is you cannot really separate autonomous from share

from connected from electric. The four pieces go together, and the purpose of our exploration now is: without constraining the technology, how do we best steer it to the best outcome for our urban environments?

Ms PATTEN — Great, and can we expect something in the near future from you?

Mr MERRITT — Yes, you can. We have done quite a bit of consultation earlier this year about what form that regulatory process should take, and we are drafting that for consideration by the government at the moment.

Ms PATTEN — Brilliant. Thank you. I would like to turn to the Towards Zero strategy and in particular some of the drug testing that is undertaken. Drug testing is relatively new, but not that new, and I am wondering if your office has done any research into: are we seeing a reduction in accidents where the driver may have drugs detected in their system since you have rolled out drug testing? And also, I suppose, in reaction to the recent TAC ad that showed the fellow driving his grandmother home — he was not impaired to drive at all, and that was very apparent in the ad. It was suggested that he had traces of cannabis in his system, and that was obviously an offence. He was not impaired to drive. He possibly had traces of the product, and in fact it seemed that that ad said that. I am wondering: we are not testing for things that do impair you to drive and are the biggest killers in overdoses, and that is benzodiazepines. Those two questions, I guess: what research have you done to date, and where are you going?

Mr DONNELLAN — What we are finding in terms of drug testing is a higher prevalence of methamphetamines currently, more so than marijuana — more so now. What we are finding is that when people have been caught with drugs — —

Ms PATTEN — You are saying that you are detecting more methamphetamine than you are cannabis in your testing?

Mr DONNELLAN — That is my understanding from what I am told by the police: that they are actually finding a higher incidence of problematic methamphetamines, because of the behavioural outcomes of that.

Ms PATTEN — Is there any information that you could provide on notice on that?

Mr MERRITT — Look, I am happy to refer it to Victoria Police and/or the TAC to see what they can share.

Ms PATTEN — Maybe I can get a specific briefing. Thank you.

Mr MERRITT — Particularly around the issue of impairment?

Ms PATTEN — Yes, and I think certainly around where you going with benzodiazepine — prescription drugs — which we know impair.

Mr DIMOPOULOS — Minister, I might pick up where I left off and, in a sense, in a similar area to where Ms Patten left off. You talked about infrastructure as a material difference between not having fatalities and having fatalities. In terms of the subgroups, younger people, in layman's view, are the high-risk category; I think the other end of the age spectrum also. Are there any programs that are funded? You talked in your presentation about education campaigns through the budget for better behaviour on the roads by young people. I have got one more comment when you finish that before we go to Ms Shing.

Mr DONNELLAN — Okay. Yes, look, we have allocated approximately \$146 million specifically to young drivers — to actually improve outcomes for young drivers, whether it be the L2P program, which is very much about helping disadvantaged children have an opportunity to get their licence. The best thing about the L2P program is it also provides mentoring, so these are volunteers in the community who are happy to teach young men and women who might not have a parent or guardian who can provide them with that 120 hours for their L plates — to actually teach them but also to act as a mentor. So they are actually finding the program is becoming a bit wider than just driver training, but it is incredibly popular and I know that each budget I get a lot of the different L2P groups from around the state sort of saying, 'Please, please, please, please, make sure you continue to fund this program'. So I think we have allocated \$16 million to help obviously disadvantaged teenagers in this space to really get that 120 hours. But it is also very much the mentoring that goes with it which is so good.

Also, we have allocated \$24 million to a practical safe driving program for secondary school students, which is very much in trial at the moment. I think it has been in trial the first and second semester this year, and there will be a third and fourth semester trial before it will be rolled out and available across the state for all year 10 students. That is very much both a practical, hands-on driving experience but then also a theoretical driving experience — very much getting the message across to young drivers how dangerous a car can be, more than anything else, and the advantages of being cautious, to be honest.

And then separately we have allocated \$80 million to establish the world's first dedicated road safety education complex. That is very much about again giving all people, but very much focused on the younger people, just a sort of an understanding of the importance of preparing to drive, whether it be having good sleep, not drinking, not driving, not having drugs — very much highlighting again the dangers of cars but very much having it in the centre of the city so it is available to all in the community.

Mr DIMOPOULOS — Just a quick comment. Mr Smith made a Trumpesque-like comment when he said nothing has been built.

Mr T. SMITH — I said no roads have been built, you goose.

Mr DIMOPOULOS — I just wanted to say that in my community, let alone the fact that the budget documents on an annual average — —

Ms WARD — On a point of order, Chair, can I please ask Mr Smith to withdraw from calling Mr Dimopoulos a goose.

The CHAIR — Ms Ward, you cannot ask Mr Smith to withdraw.

Mr DIMOPOULOS — I would like to ask Mr Smith to withdraw.

Mr T. SMITH — Sorry for calling you a goose.

The CHAIR — Use the forms of the house, Mr Smith.

Mr DIMOPOULOS — I am sorry for calling the member for Oakleigh a goose.

The CHAIR — Mr Smith, you have been asked to withdraw.

Mr T. SMITH — The precious petals opposite that are not having a very good afternoon.

Members interjecting.

The CHAIR — Ms Ward! Mr Smith, you have been asked to withdraw. Mr Smith, I would ask you to withdraw.

Mr T. SMITH — I withdraw calling Mr Dimopoulos a goose.

Ms SHING — This is why people hate politicians.

Mr T. SMITH — I have done it.

The CHAIR — No. You do not put any commentary around it. You say, 'I withdraw'.

Mr T. SMITH — I withdraw.

Mr DIMOPOULOS — Minister, in my community alone — and the fact that the budget documents are clear that we are just shy of \$10 billion of annual capital expenditure means that comment is absolutely baseless — I have not had the opportunity since the last PAEC, obviously, in this forum to thank you for the set of lights on the corner of Grange Road and Oakleigh Road, which make my community safer. So thank you very much, and well done on your advocacy and stewardship of this portfolio.

Ms SHING — Minister, I would like to pick up on the theme of road safety. I note the road toll as it currently stands, the lives lost on Victorian roads and the disproportionate number of lives lost on regional

roads, and the range of factors that contribute to lives lost on regional roads, which relate to everything from the physical environment — lines of sight and visibility, difficult and challenging driving conditions that often include dust, fog, dusk or wildlife, and I speak from Gippsland experience here in having gone through many of those things — and also the fact that we have young and often inexperienced drivers tackling some very challenging conditions. I also note that the work undertaken by road trauma support services and programs that are designed and intended to assist people in the aftermath often point to a lack of understanding of young drivers of the conditions in which they are operating very heavy and very challenging pieces of equipment that often they have only got 120 hours of experience in managing. To that end, Minister, can I ask you to talk to the committee about the road safety initiatives through Towards Zero and that strategy that are intended to reduce, as far as we possibly can, the number of lives lost on our regional roads.

Mr DONNELLAN — Obviously, as I was saying a while ago, the biggest commitment is really in many ways the \$300 million to \$400 million we have specifically allocated to the infrastructure in regional and rural roads, which is very much those centre-line and sideline wire rope barriers. We have identified 20 different roads. If you bear with me for 2 seconds I will get a list. John has kindly got a copy of it.

Ms SHING — That is fine. If we could be provided with that list, that would be fantastic.

Mr DONNELLAN — Yes, happily.

Ms SHING — In the interests of the time that we have available I would like to also talk not just about changing the physical environment and the conditions of our road on the one hand, which is part of the repair, maintenance and upgrade allocation in the budget that you have spoken to, but also how we address issues around driver distraction, driver fatigue and lack of familiarity with really often very challenging road and driving conditions. How does the strategy work in tackling those issues, and how do we work alongside dealing with the infrastructure spends that are necessary to maximise driver safety on our roads and safety for broader road users, whether it is cyclists, motorbike riders or caravan and truck operators?

Mr DONNELLAN — One part of it, as I say, is infrastructure; the other part of it is obviously attitudinal, and that is obviously being prepared. As we know last year we had approximately 40 motorbike riders, for argument's sake, lose their lives, which is far too many, and I think we had 12 to 14 in February alone. A lot of that had to do with unlicensed riding, illegal and unregistered bikes, on drugs and the like. To a large extent it depends whether it be in suburban or regional and rural Victoria. If you are in rural Victoria, in many ways trips need to be planned. You need to actually have good sleep, you need to plan your trip, you need to plan to have breaks. So to some extent it is educational, so getting the educational message out that you do need a break every 2 hours to refresh yourself and the like, but also it comes down to enforcement, whether it be speed to be honest. People seem to have an attitude that a little bit of speeding is all right. Unfortunately we know that speeding is one of the major causes of loss of life and serious injury on our roads. If everybody does a little bit of speeding, that means everybody is speeding on our roads and everybody is above the speed limit and that means the likelihood of having serious injury or death on our roads just increases.

Ms SHING — So the rules are there for a reason and not simply as a revenue raising mechanism, Minister. Is that what you are saying?

Mr DONNELLAN — Absolutely not, and we do know that speed cameras do change behaviour. They very much do change behaviour and reduce speeding.

Ms SHING — And that is both within metropolitan areas and regional areas?

Mr DONNELLAN — Absolutely.

Ms SHING — I would be interested to get some further information on that, particularly tackling the younger cohort of drivers in regional roads and reducing fatalities and serious injuries.

Mr MORRIS — Just briefly revisiting BP3, pages 41 and 42, Mr Merritt, on that TEI of 37.3 million can you give us on notice which projects will be funded and what the contribution will be from state and federal sources in total?

Mr MERRITT — Yes, Mr Morris.

Mr MORRIS — BP3, page 156, the West Gate tunnel, the performance measure there is 100 per cent delivery for milestones on the West Gate Tunnel delivered in accordance with agreed budget and agreed time lines. What are the performance measures?

Mr DONNELLAN — Completing the project, obviously. Is that what you are asking? Sorry, I could not hear.

Ms SHING — You mean ‘Getting on with the job’, which is the title of the whole budget.

The CHAIR — Order! Ms Shing.

Mr MORRIS — No. The performance measure is ‘West Gate tunnel project — milestones delivered in accordance with agreed budget and time lines’. We do not know what the agreed budget is. We do not know what the time lines are. How can it be measured?

Mr DONNELLAN — I will get Peter Sammut to specifically answer that question.

Mr SAMMUT — Peter Sammut, CEO of the Western Distributor Authority. It has been quite public, but we have said that we are anticipating to put an environment effects statement out by the middle of the year, that we would achieve planning and environmental approvals by the end of this calendar year, that we would award the contract and reach financial closure by then, that we would start construction by early 2018 and complete the project in 2022. So far we are hitting all of our milestones.

Mr MORRIS — So in terms of assessing performance against the budget measure, are those measures published anywhere else?

Mr SAMMUT — The measures themselves?

Mr MORRIS — Given that we need to assess performance each year over the period of the project.

Mr SAMMUT — I guess it is public information.

Mr MORRIS — Perhaps, Mr Bolt, you may want to add, because normally there is far more detail in terms of the BP3 measure. It is a very unusual measure is my point.

Mr SAMMUT — The project is basically still effectively in the tender phase. I mean, we are still going through the market-led proposal guidelines. It is in the stage 4 process. As the project progresses through that towards the final stage, those milestones will be set and be able to be made available in future papers.

Mr MORRIS — So we have got the measure in there, but we do not know what they are. Can I ask, Minister, with regard to the project, when will the details of the financials of the Transurban contract be available for public scrutiny?

Mr DONNELLAN — Obviously, as we have indicated, we will release the business case and the like. In terms of the specific details, that will be negotiated towards the end of this year, as we are saying, with regard to the fifth stage with Transurban. Yes, that is when we will complete the contract. But at this stage that has not been completed. Whether — —

Mr MORRIS — I understand that, but so the end of the year is the release date.

Mr DONNELLAN — That is when we expect to either close the fifth stage with Transurban or, if we do not believe it is value for money, then we will look potentially for someone else to finish the project.

Mr MORRIS — Can I move on to the crash and trauma education centre — BP4, page 27. The original pre-election commitment was for an \$80 million crash and trauma education centre. The TEI in the 16–17 budget had almost halved to \$45.88 million, and again a further reduction in 17–18, down to \$26.078 million. Exactly what are we going to get and what are we missing out on?

Mr DONNELLAN — We have actually found a cheaper way to deliver this centre, so to speak, to deliver a crash and trauma education centre. Instead of actually having to complete a unique building in its own right, we have found another alternative to set this up, co-locating it in the museum. So in other words, we will potentially

be able to realise savings in that endeavour, which I think is very much something that would be positive. The museum is a heavily visited environment by both young and old and it is easily accessible, so the TAC and the Melbourne Museum have come to an agreement to actually set up the crash and trauma centre there.

It is very much in terms of the development of the educational component that is ongoing currently. It is very much about trying to get the message across to young people that they are not indestructible — that if you have an accident, you are likely to be involved in serious trauma, you can actually lose your life and you will not just suddenly pop back up again like a spring and be ready to go all over again. It is really about trying to get that message across: that driving a car is a privilege, driving a car can potentially be dangerous if you do not drive it well.

Mr MORRIS — A \$54 million difference. We do not get the promised, dedicated road safety education complex.

Mr DONNELLAN — Look, part of that other money will be used to be put into the actual centre itself, in terms of ongoing operations and in terms of development of the program to educate our young drivers.

Mr MORRIS — An \$80 million project, an \$80 million dedicated road safety education complex, and now it is a \$26 million complex associated with the museum of Victoria — very different.

Can I ask you about the Western Highway duplication, and in particular the \$39.929 million estimated for 2017–18. What exactly will that cover?

Mr MERRITT — Mr Morris, I assume you are referring to the construction of the bypass at Buangor that we are currently re-seeking the planning permit to go ahead on. There is also other funding in other parts of the budget to plan the Ararat section.

Mr DONNELLAN — Yes, there is \$10 million for that.

Mr MORRIS — In the state capital program there is that figure of \$39.929 million.

Mr MERRITT — That is for construction of the duplication of that section of the Western Highway.

Mr MORRIS — Ballarat–Stawell; what exactly does it buy? We spoke with Minister Wynne earlier in the week about the planning issues, and he indicated to us that there had been no further planning application from VicRoads.

Mr MERRITT — We are due to submit an application for a further planning permit within the next fortnight to the planning minister. We are completing a review of the environment effects there. It provides for the duplication of that section of the road. When it hits the road to the south, just out of Buangor there, it cuts down through across the railway line in that area where it is quite hilly. It goes around to the south of the hills there. It is quite a serious cutting through and rejoins the corridor a few kilometres to the west of that. It is that big section that takes out that particularly dangerous hilly section which is there, which is both unproductive for the trucks — they have got to drop down gear — and also has really bad sight lines. There are a couple of side roads that enter in that area. That is the one that we are trying to get through. It carries about 6000 vehicles a day, 1300 trucks, 80 per cent at night — that section.

Mr DONNELLAN — And there is \$10 million separately to plan the next stage section.

Mr MORRIS — Just quickly, how much of the \$503.1 million federal money allocated has been received, and has the appropriate paperwork been submitted to access the outstanding amount?

Mr MERRITT — I would have to check on how much we have got. I could take that on notice.

Mr MORRIS — Can you do that on notice for us? I would appreciate it.

Mr MERRITT — Sure.

The CHAIR — I would like to thank the witnesses for their attendance: the Minister for Roads and Road Safety, the Honourable Luke Donnellan, MP; Mr Bolt; Dr Miles; Mr Hannett; Mr Merritt; Mr Sammut; Mr Elliot and Mr Calafiore. The committee will follow up on the four questions taken on notice in writing. The

response answering the questions in full should be providing in writing within 10 working days of the committee's request.

Witnesses withdrew.