

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Friday 17 May 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

WITNESSES

Danny Pearson MP, Minister for Transport Infrastructure; and

Paul Younis, Secretary,

Kevin Devlin, Director-General, Major Transport Infrastructure Delivery Authority,

Duncan Elliott, Chief Executive Officer, Major Roads Project Victoria, and

Matt Gault, Chief Executive Officer, Level Crossing Removal Project, Department of Transport and Planning.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2024–25 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Transport Infrastructure the Honourable Danny Pearson, as well as officials from the Department of Transport and Planning. Minister, I am going to invite you to make an opening statement or presentation of no more than 10 minutes. This will be followed by questions from the committee. Your time starts now.

Danny PEARSON: Thank you, Chair. It is a great pleasure to be with you on this glorious autumnal afternoon in Melbourne. I would like to begin by acknowledging the traditional owners of the land on which we are meeting and pay my respects to elders past and present, and any other First Nations people who are with us today.

Visual presentation.

Danny PEARSON: Chair, I am proud to share the Allan Labor government's continued commitment to the Big Build. We are delivering an over \$100 billion investment in over 180 rail and road projects to revolutionise the way Victorians move and live. Whether it is our investment in the Metro Tunnel project, the single biggest upgrade to Melbourne's train network since the city loop was opened in 1981; or our commitment to removing 110 dangerous and congested level crossings across Melbourne reaching, I am pleased to say, Chair, our 77th yesterday at Keon Parade; and making our Cranbourne, Lilydale, Pakenham and Sunbury lines boom gate free to prepare for more trains more often when the Metro Tunnel opens in 2025. Or for that matter our investment in the North East Link, providing the missing link in Melbourne's freeway network by connecting the ring-road to the Eastern Freeway, slashing travel times and taking over 15,000 trucks off local roads every day, which will mean that we will be able to hand back those local roads to the local community. We are committed to delivering our state-of-the-art infrastructure programs which Victorians have overwhelmingly voted for.

Chair, I am proud to share that, alongside changing the way Victorians live and move, the Big Build has created and supported over 50,000 direct and indirect jobs. We are committed to creating an inclusive infrastructure industry with a focus on providing work and training opportunities for Victorians.

Next slide, please. Chair, we are making great progress on the Metro Tunnel project. The Metro Tunnel links the Sunbury, Cranbourne and Pakenham lines through five new stations below our city at Arden, Parkville, State Library, Town Hall and Anzac. We have completed major construction at Arden and Parkville stations

and continue our program of testing the high-capacity signalling technology on our trains, running them through the tunnel and making sure the trains are integrating as expected at the stations. This process of building, testing and integrating the infrastructure will continue throughout the year and into 2025.

It is interesting to note that to date the trains have travelled a bit over 18,000 kilometres, so that is effectively running from Melbourne to probably, say, Hyderabad in India and back again. That gives you some sense in terms of the lengths these trains have traversed.

I am very pleased and excited at the fact that this budget invests \$233 million to continue preparations for the tunnel's opening, including the recruitment and training of train drivers and other critical staff, developing wayfinding and customer information and undertaking trial operations ahead of the Metro Tunnel opening in 2025.

Next slide, please. Now moving on to the West Gate Tunnel, we reached a milestone earlier this year on the West Gate Tunnel when we opened two new lanes outbound and one new lane inbound between Millers Road and the M80 ring-road interchange. Now the M80 ring-road interchange with Millers Road has been split into two carriageways in both directions and dedicated exit lanes are in place at Grieve Parade and Millers Road for the West Gate Bridge. We are now working on widening the West Gate Freeway from eight to 12 lanes and major roadwork is continuing around Williamstown Road to build the tunnel entries and exits. Inside the tunnel all digging is complete, and the road deck inside the tunnel has been laid. Crews are working hard to fit out the tunnel with its electrical, safety and traffic management systems. This is a massive project, and one that has been talked about for decades – a second crossing of the Maribyrnong. Anyone who travels on the West Gate with any great level of frequency knows if you have an incident on the West Gate, just the impact that it has across the whole network. By having a second crossing of the Maribyrnong we are just going to be able to provide more redundant capacity for our roads and our road network, and it is going to make a huge difference. The project will also, importantly, slash travel times between the city and the western suburbs, which I know Mr Hilakari in particular will be particularly thrilled about. It will take thousands of trucks a day off local roads and deliver over 14 kilometres of new and upgraded walking and cycling tracks, including a new elevated veloway between Footscray and the city.

I am really proud to share that 2024 is a landmark year for the Level Crossing Removal Project. This year the Allan Labor government will remove 10 sets of boom gates across metropolitan Melbourne. Yesterday we accomplished our 77th level crossing removal, at Keon Parade, Reservoir. When we came to government in 2014 we promised to remove 50 dangerous and congested level crossings by 2022. We absolutely smashed this target, and we are on track to remove 110 level crossings by 2030. We also had a secondary target, which was to remove 75 level crossings by 2025, and as of yesterday it is now standing at 77.

What is incredibly exciting is the fact that the Lilydale line will be the first rail line to be entirely boom gate free when level crossings at Dublin Road in Ringwood East and Coolstore Road in Croydon are removed later this year. They will be joined by boom gate free removals at Warrigal and Parkers roads in Parkdale and three level crossings in Pakenham, and they are all set to go by the end of the year. Alongside the three level crossings, we will complete two brand new stations at Pakenham and Pakenham East, transforming this growing Victorian community.

I know, Mr O'Brien, you are going to love this, you are absolutely going to totally heart this. By building the Pakenham East station –

Danny O'BRIEN: Yes, you are building a dedicated Gippsland line into the city. Oh no, you are just going to do one platform, sorry.

Danny PEARSON: What we are going to do – no, no, Mr O'Brien, cool your horses. We are going to have passing tracks at East Pakenham station, which will mean for the first time you are going to be able to separate V/Line services from Gippsland from the metropolitan system.

Danny O'BRIEN: All the way into the city?

Danny PEARSON: It is epic.

Danny O'BRIEN: No, it is not epic. All the way into the city would be epic.

Danny PEARSON: Mr O'Brien, do yourself a favour on your way home and stop off at East Pakenham station. You are going to love it, mate. It is just sensational. I am really excited. You might not be. You might be a bit sceptical.

Danny O'BRIEN: No, I am disappointed.

Danny PEARSON: When you see it, you are going to love it, trust me. It is great. It is fabulous. And it is almost like bringing the Gare du Nord to Pakenham in terms of the quality of the built infrastructure. The station there looks fantastic.

Removing level crossings has saved close to 50 hours per week of boom gate downtime during the morning peak, and importantly we have created the equivalent of 31 MCGs of open space and we have built 58 kilometres of walking and cycling paths across the city. Having that connectivity, the ability to have passive and active transport corridors being developed through these paths, has also been really helpful. It is an added bonus. In addition to slashing travel times, reducing congestion and transforming the way Victorians move, Metro Trains data shows the safety benefits realised through level crossing removals are preventing over a hundred crashes and near misses each and every year. The number of train and vehicle collisions and near misses has fallen by almost three-quarters, from an average of 21 incidents a month in 2017 to five incidents a month in 2023. Chair, I am incredibly proud to share that on top of improving safety and reducing congestion, the Level Crossing Removal Project has created and supported up to 6000 jobs for Victorians, creating a profound impact on young people pursuing a career in the construction industry.

Moving now to the North East Link, on the North East Link we are in the final stages of assembling two of the biggest tunnel-boring machines in the Southern Hemisphere. I mean, these things are enormous: 90 metres long, 15.6 metres in diameter, 4000 tonnes. They are the biggest tunnel-boring machines in the Southern Hemisphere, and they are going to help dig the project's 6.5-kilometre road tunnels. So once they are up and running next year, the TBMs will dig up to 15 metres per day as they travel from Watsonia to Bulleen. More than a quarter of the tunnel's internal concrete segments have been built in Benalla, and the TBM retrieval box is taking shape in Bulleen. More than 5000 workers are already working across the North East Link, the Eastern Freeway upgrade and the M80 ring-road completion, with 12,000 jobs to be created over the life of the project before its completion in 2028. And the important thing here is that this will be the single biggest investment in the Eastern Freeway since the 70s. At its widest point the Eastern Freeway will be 20 lanes. We are also installing a hyperbaric facility so that more than 100 tunnel workers can work up to 45 metres below ground – and when you go down into the pit you just realise how deep below the surface you are with these tunnel-boring machines.

Just on to roads now – I am pleased to advise that all lanes on the Healesville-Koo Wee Rup Road upgrade will be open by July, 18 months ahead of schedule, and the upgrade will deliver new traffic lights as well as an extra lane in each direction between Southeast Boulevard and Manks Road – and yes, I will come back to the rest of that.

The CHAIR: Thank you very much, Minister. The first 8 minutes is going to go to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Thank you, Minister. Minister, you would be aware of the front page of the *Herald Sun* this morning – that whistleblowers have reported that traffic management costs, in particular stop-go workers earning \$206,000 a year or thereabouts, have seen costs go up by \$380 million on Big Build projects. Is that fair to Victorian taxpayers?

Danny PEARSON: Mr O'Brien, you are asking me for an opinion. I mean, what I would say to you on that is that industrial relations matters are managed by the construction companies. They have the agreement with their workforce. I am not doubting the sincerity with which you are asking this question, Mr O'Brien, but what I would say is that this is dangerous work; we know that a number of traffic controllers have lost their lives on Victorian roads in recent years. In many cases traffic controllers work late at night or over the weekend, so they are after hours, and they play a really important role in separating construction vehicular traffic from domestic travel. I have read the reports. I have seen the reports. Those matters really are a matter for our construction partners. But I want to be clear on this – that traffic controlling is dangerous work, based upon some of the fatalities that we have seen on Victorian roads in recent years.

Danny O'BRIEN: I appreciate your answer. I am not going to let you get away with 'It's a matter for the contractors', because this is taxpayers money on Victorian government projects. Is it acceptable that someone holding a stop-go sign is earning nearly three times the average wage in Victoria?

Danny PEARSON: Well, just on that, I mean, Mr O'Brien, again you are asking me and, again, I am not doubting your sincerity, but implied in your question is a value judgement: what do I think about the value of someone's work. And what I would say to you is that first of all, these employees are engaged by our construction partners. They do the industrial agreements. They reach agreement with the workforce. And secondly, it is dangerous work. Again, if you look at, say, the North East Link project at the moment, the work we are doing at the Eastern Freeway – and I point out the Eastern Freeway because a traffic controller lost their life on that very road late at night a couple of years ago. You know, in the middle of winter you are working on the Eastern Freeway, it is late at night or it is on the weekend, you have got cars whizzing past you – they should be doing the speed limit; sometimes they do and sometimes they do not. It is dangerous work. I can appreciate your question, but I just think it is important to note that ultimately the construction companies enter into these agreements with their workers and their workforce, and as I would say, this is dangerous work.

Danny O'BRIEN: How much of these CFMEU deals contributed to the 22 per cent increase in construction costs since 2021?

Danny PEARSON: Well, again what I would say is that we know right across the eastern seaboard there are challenges with both labour and construction materials – and that has been well noted, well ventilated, right across the eastern seaboard. I do not think we would have a minute breakdown in relation to what components would be labour and what components would be construction.

Danny O'BRIEN: To be honest, yes, construction costs have gone up across the eastern seaboard, but no-one else has had a \$10 billion blowout on one single project like the North East Link.

Danny PEARSON: Well, yes, but what I would say on that, though, is that it is a very different project to the one that was originally conceived of.

Danny O'BRIEN: So you can tell us what the scope changes are, but you cannot break it down by the size of the workforce costs?

Danny PEARSON: What I would say is that we are out in the market at the moment. We have got Spark Constructions doing the tunnels. But if you look at it, we are doing bigger additions in relation to connections to the M80, which was not conceived of at the time when the project was announced, before COVID. We are responding to the outcomes from the independent umpire, being the EES, in relation to extending the length of the tunnels to get a better outcome for the community, and there are fewer properties that have been acquired. We are building an inbound connection to the Eastern and an outbound connection to the Eastern, as well as a dedicated bus route to make sure that people in Mr McGowan's electorate have got more opportunities to get public transport into the city.

Nick McGOWAN: Thank you, Minister.

Danny PEARSON: Thank you. It is a very different project to the one that was originally conceived.

Danny O'BRIEN: Okay. Is it acceptable that on government-funded worksites for government projects non-union members are prohibited from using the toilet or the lunch room?

Danny PEARSON: Three things on that point: again, you are asking me for an opinion. Secondly, I would say that those –

Danny O'BRIEN: Well, will you do anything about it?

Danny PEARSON: Well, those industrial matters are matters for the construction companies, and what I would say –

Danny O'BRIEN: These are your projects.

Danny PEARSON: Yes, but what I would say is that in terms of the way in which these sites are operationalised and work, it is a matter for our construction partners. It is my expectation that people behave fairly, properly and appropriately at all times, in all worksites. The reality is: right across the board in these projects you have got different unions and different people being represented on these sites.

Danny O'BRIEN: Given those comments, Minister, do you believe that Victorians are getting value for money from these Big Build projects?

Danny PEARSON: Absolutely, because I think when you look in the context of the investment that we are making –

Danny O'BRIEN: In the context of \$40 billion of blowouts across the Big Build.

Danny PEARSON: I do not accept those numbers you are bandying around, Mr O'Brien, with due respect.

Danny O'BRIEN: Well, it is \$10 billion on one project alone.

Danny PEARSON: No. But again, as I said, it is a radically different project to the one that was originally conceived. What I would say is that I am so grateful and it is so fortunate that we had the Big Build in flight at the time of the pandemic, because it acted as a shock absorber for the economy when we were confronting the greatest economic crisis our community has experienced since the Great Depression. In addition to that, you think about the productivity gains that will be realised when these projects come to fruition, both in terms of taking 15,000 trucks a day off the roads of the north-east or the Suburban Rail Loop – and we will come to this in later sessions – taking 600,000 cars a day off the road. These are all big –

Danny O'BRIEN: Okay. I do not need spin on the projects. Minister, given the allegations raised today – and they have been raised in the past as well – will you conduct an investigation into the claims that have been made, including that taxpayers are paying double for some contracts so that contractors can buy industrial peace?

Danny PEARSON: Look, I have seen the allegations today. What I would say, first of all, is that industrial relations as a legislative instrument were ceded to the Commonwealth by the Kennett government in 1996.

Danny O'BRIEN: It does not need IR powers – an investigation into what is going on in your Big Build, where these rorts are happening and Victorians are allegedly being asked to pay twice what they should to buy industrial peace for contractors on your sites.

Danny PEARSON: These are allegations that have been made. It is difficult to substantiate these allegations, given the fact that there was a lack of detail.

Danny O'BRIEN: Well, that is what I am asking: will you investigate?

Danny PEARSON: It would be my expectation that the companies involved conduct themselves properly and appropriately at all times. If there is evidence of criminal activity or illegal activity or improper activity, my strong message to anyone –

Danny O'BRIEN: Anti-competitive activity?

Danny PEARSON: would be that it should be reported to the appropriate authorities.

Danny O'BRIEN: You are an AWU member yourself. Is your union upset that the CFMEU has locked your workers out of these Big Build projects?

Danny PEARSON: I do not think it is particularly surprising that the AWU and the CFMEU have historically worked on construction projects right across the board.

The CHAIR: I will stop you there, Minister. Apologies. I want to keep to time. Ms Kathage.

Lauren KATHAGE: Thank you, Chair. Thank you, Minister and officials. I am a bit more interested in, I guess, the facts of the matter around changes in initial estimates and where we have ended up. Budget paper 4, pages 81 and 182, regarding the North East Link – you have got \$26.1 billion there. In 2019 we had it at

\$15.8 billion. So can you explain for us, really, and not just what is in the paper report, what has changed about the project since 2019?

Danny PEARSON: Thank you, Ms Kathage. This has been a dotted line on the *Melway* map for longer than I have been around. You probably have to go back to when Bolte was Premier, and –

Bev McARTHUR: A great man.

Danny PEARSON: Well, he was not afraid of debt, Mrs McArthur, would be my view, so yes. Anyhow, we digress.

Bev McARTHUR: It would pale into insignificance to what you have got.

Danny PEARSON: Now you are baiting me, Mrs McArthur. I do think as a proportion of the economy – I am mindful of the fact that we have got different accounting treatments now than what they had in the 1960s, but debt as a proportion of the economy was far greater. I think it would have been probably closer to 100 per cent of GSP than what it is now. But anyhow, we digress.

A member interjected.

The CHAIR: Order!

Danny PEARSON: Interjections are unparliamentary, Chair.

Danny O'BRIEN: So is taking them up, Minister.

Danny PEARSON: Indeed, Mr O'Brien. This has been on the map for a long time, and we are getting on and delivering it. We have spent more than six years talking to the community about the project, and we heard loud and clear that the community want us to get in, get this project right and get out. It is a massive investment, but it is also about legacy investment. It is the largest investment in a road project in Victoria's history. The project has expanded, and the global economic environment has also changed. It is also very different, Ms Kathage, to when the business case and planning started back in 2017, so we have added significant additional scope. Why did we do that? Well, it was in response to expert advice and community feedback wanting a longer tunnel, wanting a major upgrade of the M80 ring-road, better changes and indeed more public open space.

The cost update also reflects the spike and the escalation in construction costs we are seeing across Australia and the world. The expanded scope includes delivering a longer tunnel, which is almost 2 kilometres longer than was originally proposed, and interchanges at Lower Plenty Road, Manningham Road and the Eastern Freeway. Through detailed design, we made sure these interchanges have the smallest footprint possible to reduce the impacts on homes and local infrastructure. The original design that we had in the business case was to have a massive diamond interchange at Lower Plenty Road. If we had done that, we would have had to acquire 400 homes, and you think what that would have meant for the community and what it would have meant in terms of cost and delays.

We have also added a major upgrade to the M80 ring-road to the project scope, and we planned the first major overhaul of the Eastern Freeway since it was built in the 1970s. So it was a deliberate legacy for the north-east in the shape of modern roadways. And this is not just about putting in ramps to North East Link tunnels. We have used this as an opportunity to deliver a better, more effective project, including better interchanges, better technology, more open space in the shape of multiple sporting ovals and improved noise standards – so 63 decibels versus 68 in reference designs – and we are building a dedicated standalone busway along the busiest bus corridor, carrying more passengers than the Upfield train line.

In addition to that, we have brought forward the Bulleen park-and-ride, which is exquisite – I think it had its first birthday the other day – and delivered to a higher standard with a multideck below-ground car park, rather than that grey piece of bitumen. It is all being delivered in line with more than 100 strict EP requirements – clear requirements such as noise and air quality protection, two-for-one tree planting and supporting businesses and residents throughout works. So as I said, it has been talked about for over a generation. We are getting on and we are delivering it, and it is just going to be amazing.

Lauren KATHAGE: Thank you. You mentioned the M80, and I know my community is particularly excited about that, but the budget also includes funding there for \$2.6 billion for North East Link connections and \$5.7 billion for the Eastern Freeway upgrade. What are those projects going to actually deliver for the community?

Danny PEARSON: Thanks for the question. I think it is really important that we integrate this brand-new cutting-edge 21st-century piece of transport infrastructure with the existing legacy infrastructure of the M80 and the Eastern. So as I said, it is the biggest overhaul – well, the first major overhaul of the Eastern Freeway since the 1970s. The \$5.7 billion project will deliver 45 kilometres of new lanes, with a state-of-the-art lane management system to make sure people can get where they need to go faster. Importantly, it is going to deliver 11-minute time savings along the Eastern Freeway alone, as well as clearing congestion across the critical north–south corridors, which will be absolutely a complete game changer for people travelling across the eastern suburbs.

I think Mr McGowan would know Rosanna Road much better than I do, but I have got friends over at Rosanna Road. We have gone there on a Sunday afternoon and grabbed the younger kids to cross Rosanna Road to go to a primary school – deadset, it is like Hoddle Street in peak. It is just bananas. So the fact that we are going to do this means – and we are taking 15,000 trucks – we can hand this road back to local people, local roads. I have got this sort of grand vision: I think come 2028 when we open this we should have a street party in Rosanna Road. It is going to be amazing because it is going to be silent, quiet, because so much of the congestion we can shift over into the North East Link.

Nick McGOWAN: Is that a commitment, Minister?

Danny PEARSON: I tell you what, Mr McGowan, I will bring the slab, you bring the barbie and we can have a good time in the middle of the road.

Danny O'BRIEN: It will be BYO because the state will not be able to afford it.

Nick McGOWAN: I will just have to check with the local by-laws.

Mathew HILAKARI: Can we check with the roads minister?

Danny PEARSON: Well, maybe you can ask the minister for gaming, roads and liquor whether she will give us a licence for 2028. We might get a good deal. But just think about again from a livability perspective if you take 15,000 trucks a day off a road like Rosanna Road and you put them through a tunnel where they are travelling at an even pace – they are not stopping, they are not braking – the carbon emissions, the diesel fuel emissions, are significantly reduced, and I think it is going to make a huge difference. It is going to lead to a smoother, safer and faster trip whether you are travelling to work, to your place of study or into the city, and again, it is just going to give people more options.

I am particularly excited that we are going to have our first dedicated busway from Doncaster to the city. I grew up out at Wantirna, and in the 1970s and 80s there was not much in the way of transport linkages. If you wanted to get anywhere you had to get a bus to go to a station, and I think communities like Doncaster and Templestowe were not really different. But the fact that we are going to build a dedicated busway to provide more options for people in those communities to be able to get into the city is going to be terrific. It builds on the fact that we have already delivered the Bulleen park-and-ride, early, to keep people moving while we get on with this project.

We are also building new walking and cycling paths and a revitalised Koonung Creek Reserve along with tough new noise standards along the length of the Eastern Freeway, with new noise walls. The M80 ring-road completion project will finally complete the M80 ring-road at Greensborough, adding nearly 15 kilometres of new lanes from Plenty Road to the new North East Link, with new green bridges connecting to a revitalised Watsonia precinct. And that will mean, again, using the North East Link and the M80 at Greensborough with a smooth grade-separated connection to enable those smooth orbital movements that we want to promote with the North East Link. North East Link connections are all about building those critical connections –

The CHAIR: Apologies, Minister. We are going to go to Mrs McArthur.

Bev McARTHUR: Thank you, Chair. Thank you, Minister. Secretary, I go to budget paper 4, page 185. The Auditor-General's *Major Projects Performance Reporting 2023* suggested that the Major Transport Infrastructure Authority self-assessed the Metro Tunnel as 'likely to be more than 11 to 20 per cent over its current approved budget'. What is the precise cost blowout number?

Paul YOUNIS: Thank you, Mrs McArthur, for the question. Metro Tunnel – you have rightly pointed to the budget papers. We have got budget paper 4. The project is operating within the budget that we have been allocated on budget paper 4, which is \$12.64 billion. That is the advice that we have provided to government, and that is what is reflected in the budget papers.

Bev McARTHUR: So Secretary, if the MTIA is forecasting cost increases, why was it not included in the 2024–25 budget?

Paul YOUNIS: As I just said, Mrs McArthur, this project is operating within the approved budget. That is the important thing we have got here. Like all the projects here, what is reported in the budget, what is reflected in the budget, are the funds that are approved for that budget, and it is operating within that budget.

Bev McARTHUR: So did the MTIA get it wrong?

Paul YOUNIS: I am not sure that the MTIA got it wrong. I think there are a whole range of issues with all projects that you could project forward and count different ways. I have not gone through the Auditor-General's report in a lot of detail to understand that, because what I do is report to government what the current state of play is, and the budget reflects that.

Danny PEARSON: If it might help you, Mrs McArthur, Mr Devlin is the Director-General of VIDA. VIDA is now the new MTIA and has got oversight and carriage for the Metro Tunnel project. I might throw to Mr Devlin if that would assist the committee.

Kevin DEVLIN: Thanks, Minister. Metro Tunnel – just recently the minister was down opening Parkville station, so we have made tremendous progress with the commissioning of the train services and testing and opening two of the five stations, but we still have a long way to go with that testing and commissioning. I think what you are referring to is the Auditor-General reflecting that there are still risks remaining in that testing and commissioning phase of the Metro Tunnel. We are confident that we are working through those. We have done over 2000 hours of train running, traversing nearly 17,000 kilometres, which has been a terrific milestone and gives us good confidence leading into opening next year, which is a year ahead of schedule. We are working very closely with our contractors who are commissioning. We have the CYP, who are building the asset, our system integrator and our operator, who are all working now in this critical final phase to flesh out all the bugs and system operability issues to make sure that we have got a good experience on day one. We are working closely, and we are monitoring closely. As global projects of this scale go, this is the biggest investment and most complex investment in a transport project that Melbourne has seen. We still have a way to go, and that commentary is reflecting that stage of testing and commissioning that we are still at.

Bev McARTHUR: Okay. Thank you. Secretary, let us go to budget paper 4, page 187. The state budget gives no timeline for the completion of the *Western Rail Plan* project. When will the electrification of the lines to both Melton and Wyndham Vale be complete?

Paul YOUNIS: The *Western Rail Plan* is in the planning stages. That project is being also delivered by MTIA, and –

Danny PEARSON: Mr Devlin may –

Paul YOUNIS: Mr Devlin is here to give you an update on that program.

Bev McARTHUR: Okay.

Kevin DEVLIN: I might ask the CEO Matt Gault to comment further on the progress, but certainly we are making good progress with, firstly, a staged investment with the removal of the level crossings on the Melton line and a new Melton station, and the government has committed –

Bev McARTHUR: Just the completion date would be helpful. Have you got a completion date?

Kevin DEVLIN: The completion date for the level crossings and the station is 2026, but I might get Matt to comment.

Matt GAULT: The *Western Rail Plan* is a series of projects. There are four level crossings, including two at Melton station.

Bev McARTHUR: I just asked about the electrification of both the Melton and Wyndham lines.

Danny PEARSON: If it helps, Mrs McArthur, what we are trying to do at the moment, in many cases you have got to build new stations. There are instances where you have to duplicate track. You have got to look at extending platforms, and that is taking priority at the moment. Then obviously in terms of any future electrification, that needs to be dealt with once those works are completed. But you need to do it in a staged and layered way, and that is what we are doing.

Bev McARTHUR: Well, Minister and gentlemen, you promised it first in 2018. How can you say that it is fair enough that you have taken six years to plan these works and are still in the planning process? How can it possibly take this long?

Danny PEARSON: It is a big undertaking, and I think that what you have got to do is you have got to –

Bev McARTHUR: People go to the moon too.

Danny PEARSON: Sure, they do – not recently. Look, the projects are sequenced: some are completed, some are under construction, some are in planning and some are in design phases. I mean, you need to do that work to make sure that the lines are capable of being electrified, and that has been the real focus to date. Obviously a lot has happened since 2018, Mrs McArthur, as you would well know, but this is all about extending the platforms –

Bev McARTHUR: Well, no, not out there, not on the Melton and Wyndham lines.

Danny PEARSON: No, look, I have got to tell you, I was out at Melton with the outstanding Member for Melton Mr McGhie recently, and we unveiled plans for the –

Bev McARTHUR: Six years is a long time, Minister, to do a plan.

Danny PEARSON: But people are absolutely going to love the new station. It is epic.

Bev McARTHUR: No, they will not be alive by the time they get it at the rate you are going.

Danny PEARSON: No, no, no, the station is happening – it is epic. You are going to love it, seriously.

Danny O'BRIEN: Have you got an artist's rendering that you could show them? They would be really excited, I am sure.

Danny PEARSON: We did one. Google it – you will see it. It is great.

Danny O'BRIEN: Oh, there is one there already. So we have got a render but nothing else.

Bev McARTHUR: We have got a picture.

Danny PEARSON: The design is fabulous. It is exquisite. It looks great.

Bev McARTHUR: Well, that is terrific. But when is it going to be finished?

Danny PEARSON: The station? Well, I think the station is due for 2026.

Kevin DEVLIN: Yes, 2026 the station will be –

Danny PEARSON: The station, 2026.

Matt GAULT: There is a subsequent investment introducing the nine-car VLocitys on the Melton line, so that is a 50 per cent uplift which is due for completion in 2028. Melton station and the level crossings is the first

stage. Melton station will accommodate the longer nine-car VLocitys as the first stage, and that scope is being incorporated into that project, with the remaining stages to follow over the coming years.

Bev McARTHUR: Okay. Secretary and whoever else wants to answer this, how has the cancellation of the Geelong fast rail altered the capacity of the state government to deliver the *Western Rail Plan*?

Danny PEARSON: That might be more appropriate for Mr Devlin.

Bev McARTHUR: Okay, Mr Devlin then.

Danny PEARSON: But what I would say is that –

Bev McARTHUR: Come on, we have not got much time, so Mr Devlin –

Danny PEARSON: Well, ultimately, though, this formed part of the Commonwealth government's review, and the federal government, as I understand it, made the decision not to proceed with the project, and we followed suit. I am happy to come back to it in the next session, though, Mrs McArthur, if you wish.

The CHAIR: Thank you, Minister. We will go straight to Mr Tak.

Meng Heang TAK: Thank you, Chair. Minister, as somebody who represents a suburban electorate, obviously the state government's road program has invested heavily in the suburban arterials that Melburnians use every day. Minister, I refer to budget paper 4, page 85. Can you speak to the government's progress in the last financial year in upgrading regional roads?

Danny PEARSON: Thank you, Mr Tak. We have got a strong track record in delivering road upgrades Victorians living in our regions need. I am really pleased we have delivered the Echuca–Moama bridge, a vital crossing of the Murray River. We have rebuilt the South Gippsland Highway to remove the notorious Black Spur, slashing travel times through that section of the South Gippy –

Danny O'BRIEN: The blowout on that one!

Danny PEARSON: I thought you would like that, Mr O'Brien.

Danny O'BRIEN: From \$50 million to \$115 million.

Danny PEARSON: I thought you would like that.

Danny O'BRIEN: It is bloody fantastic, just that it cost like 95 per cent more than it should have.

Danny PEARSON: Well, I mean, we are getting rid of a dangerous section of the freeway for good, Mr O'Brien.

Danny O'BRIEN: It is not a freeway.

Danny PEARSON: And further along – but wait, Mr O'Brien, there is more –

Danny O'BRIEN: It is very good.

Danny PEARSON: Wait, Mr O'Brien, there is more – further along the South Gippsland Highway, stage 3 of the Princes Highway east upgrade is well underway. The entire project will add 43 kilometres of new dual lanes to the Princes Highway.

Danny O'BRIEN: How long has it taken?

Danny PEARSON: Well, major –

Danny O'BRIEN: Fifteen years!

A member: I do not believe this is your section.

Danny O'BRIEN: I got invited by the minister; he is wanting me to talk to him.

The CHAIR: Mr O'Brien, I know you are extra eager –

Danny O'BRIEN: Fifteen years – it is going to be great, but it has taken 15 years.

The CHAIR: Mr O'Brien!

Danny PEARSON: All right, look, this is going to do a lot to increase your margin at the next election, Danny, so it is great. Anyhow, sorry.

Danny O'BRIEN: Oh, thank you. Can you take on notice – are you putting a –

The CHAIR: Mr O'Brien!

Danny PEARSON: Anyhow. Major Road Projects Victoria are currently delivering stage 3, with the final section of Kilmany on track for completion this year, Mr Tak.

Meng Heang TAK: Thank you.

Danny PEARSON: I note this section would be particularly important to the Member for Gippsland South. Up in Wallan, as Ms Kathage would know, planning is being finalised for a full diamond interchange at Watson Street, and I know this is a project that Ms Kathage's community is very excited about. The project will improve access to the Hume for the growing communities of Wallan and surrounds.

We recently delivered a massive upgrade at Barwon Heads Road, delivered six months ahead of schedule. Planning work on stage 2 is also advancing, which will improve the road all the way to the growing community of Armstrong Creek. Stage 2 is a massive \$250 million combined state and federal investment. Of course, as you would know, Mr Tak, you cannot have stage 2 without building a stage 1. Our government has consistently invested in regional roads across the state, and this investment in one of greater Geelong's most important road links is a great example of our commitment to regional investment.

Meng Heang TAK: Thank you. And also could you provide an update about progress on the Princes Highway east upgrade?

Danny O'BRIEN: Again!

Danny PEARSON: Yes, indeed. Well, there is a lot to talk about in Gippsland. It is a great part of the world, Gippsland. The Princes Highway east upgrade is a huge upgrade of the highway, adding 43 kilometres of new dual lanes to the Princes between Traralgon and Sale. It is being delivered in three stages. Stages 1 and 2 are already complete, adding 31 kilometres of new lanes and upgrading 22 intersections. Stage 3 is nearly complete, adding the final 12 kilometres of dual lanes and delivering a range of safety improvements. In mid-July last year the 95-metre Kilmany rail bridge – if you have not done so, check it out.

Danny O'BRIEN: Do yourself a favour.

Danny PEARSON: It is epic.

Danny O'BRIEN: It is a ripper.

Danny PEARSON: It is exquisite –

Members interjecting.

Danny PEARSON: The Kilmany rail bridge. I think it is the first type of design in Victoria, a bridge like that. It is just – like, it is a knockout. I would love to meet the architect, because honestly, the vision –

Danny O'BRIEN: I know the engineer actually, Minister.

Danny PEARSON: Oh, really? Okay.

Danny O'BRIEN: And she is an awesome STEM role model for all our young women.

Danny PEARSON: Good. Excellent. Well, look, it looks amazing, and it has successfully moved into its final position on the Gippsland rail line, with passenger trains running over the new bridge for the very first time on 25 July last year. It is an absolutely stunning structure, an arch bridge made of steel components, and the first cars passed under it just last month, in April. On 18 March of this year Melbourne-bound traffic moved on to the newly built Princes Highway lanes between Velore and Maffra-Rosedale roads, with Sale-bound traffic travelling on the newly built lanes that run under the new Kilmany rail bridge.

Danny O'BRIEN: Are you keeping the overpass for a wayside stop and a lookout, as you said you might? Genuine question.

Danny PEARSON: You are welcome to ask that in your time next, Mr O'Brien. All legs of the new Velore, Sale-Toongabbie and Settlement roads intersections are now open, and U-turns along the Princes Highway between Velore and Maffra-Rosedale roads are also open. All westbound lanes for the project are now complete, with 1.2 kilometres of the eastbound lanes under the rail bridge remaining to be completed. The project will make travel safer for locals and for daytrippers and holiday-makers travelling to the snowfields and the Gippsland Lakes, like the exquisite Fraser Island. If you ever get the chance to go to Fraser Island in the Gippsland Lakes, do yourselves a favour – it is a knockout.

Meng Heang TAK: Thank you, Minister. You also mentioned about the Barwon Heads Road stage 2. What benefit can the community expect from this project?

Danny PEARSON: Yes, thanks, Mr Tak. It is going to result in the duplication of 4 kilometres of road between Settlement and Reserve roads, including a new bridge over the rail line at Marshall, removing a dangerous and congested level crossing. MRPV are finalising options to improve safety, increase capacity and make it safer and more reliable to use active transport options, like walking and cycling, around the area. This is a \$250 million state and federal commitment, and I am working with my Commonwealth counterpart as the final design comes together. The project will begin where stage 1 ends at Reserve Road in Charlemont, and from here we are looking at adding new lanes and intersection upgrades to improve the capacity and flow of the road into the Armstrong Creek growth area. This will make it easier for the thousands of young families that have moved into this growth corridor to commute into employment hubs like central Geelong, commute to the university or TAFE or get to the train station for a trip to Melbourne.

Meng Heang TAK: Thank you, Minister. I understand that MRPV is the responsible agency for repairing the Bogong High Plains Road after the 2022 landslip. When will the road to Falls Creek reopen?

Danny PEARSON: Thank you, Mr Tak. So the Bogong High Plains Road landslip will restore full public road access between Mount Beauty and Falls Creek, and this is a consequence of a landslip on the Bogong High Plains Road above Bogong Village which occurred in October of 2022. That landslip was one of the largest and most complex on the state's road network in the last 40 years. The landslip was enormous. It kept moving for months after the initial slip. Crews worked incredibly hard, indeed around the clock, to open a lane following the slip last year to ensure the safety of road users. Bogong High Plains Road was closed between Mount Beauty and Falls Creek between 7 October in 2022 and 23 April 2023.

Major Road Projects Victoria reinstated access to Falls Creek along Bogong High Plains Road on 23 April last year. A single-lane arrangement across the face of the landslip remains in place as we undertake the long-term repair and reopening of two lanes. MRPV recently announced to the Falls Creek–Bogong community that the road will be reopening fully in time for this year's ski season. I want to take this opportunity to thank those communities for their patience and their cooperation along the journey, and I am pleased to confirm to the committee that the road will be restored to its pre-landslip capacity by the end of this month. The government has supported Falls Creek businesses affected by the loss of trade with a \$2.9 million package to provide service charge relief for those eligible businesses.

Meng Heang TAK: Fantastic news. Minister, I am interested in the suburban roads program.

The CHAIR: Apologies, Mr Tak, your time is up. We are going to go to the Deputy Chair.

Nick McGOWAN: Thank you. Thank you, Minister, and thank you, secretaries. Secretary, a question in respect to the *Transport Integration Act 2010*, and there is a requirement there of course that there is the preparation of a transport infrastructure land plan. Has that been finalised, that one plan?

Paul YOUNIS: So I am glad that you refer to the *Transport Integration Act*, one of the probably significant pieces of legislation that came out to reform the structures of transport and the way it works together for decades, and what it has allowed us to do is consider all of the modes of transport as one mode of transport. Instead of roads operating separately, rail operating separately, trams and buses operating separately, we have been able to integrate those. So we have a range of plans that reflect the transport planning for Victoria – a range of corridor plans in roads, for example. We have just released recently the tram plan and a bus plan in the last few years, so the planning framework that we have for Victoria under that *Transport Integration Act* is reflected in a number of documents which are available.

Nick McGOWAN: The reason I ask is that I recall from one of the Auditor-General's reports back in I guess it was 2021 or thereabouts that the Auditor-General looked at this issue and looked at the more than 40 plans you had and the Auditor-General found that that simply did not withstand scrutiny, this answer that you had 40 plans – that is, it did not withstand scrutiny insofar as in the Act, in the Auditor-General's opinion, you needed to have an integrated plan, not 40 or 50 different plans. What do you make of that?

Paul YOUNIS: We did not exactly see that in exactly the same way as the Auditor-General. I think the Auditor-General –

Bev McARTHUR: Surprise.

Paul YOUNIS: You know, we understand the complexity of the transport Act, and what you do not have anymore is a blueprint that sort of reflects the whole world in one spot. It is a very complex arrangement. What we have done is separated that in a range of plans that are decipherable and able to be delivered by Victoria.

Nick McGOWAN: Okay. Secretary, in respect to budget paper 4, page 182, there is a line there where it has the TEI for North East Link primary package, and it has got \$14 billion there. I can see in the small print – although I had to look very carefully and turn the light on in this room – it excludes the financing costs. Can you tell us how much the financing costs are?

Paul YOUNIS: That is the State Tolling Corporation funding of the main primary package. We have Duncan Elliott here, who is able to talk at detail around the structure of the packages that we have in North East Link. The State Tolling Corporation is a state-owned statutory corporation which has been set up to toll the roads, which is a unique part of the project, and fund the tunnel packages. But Mr Elliott here is probably better placed to explain the structure of each of those packages.

Duncan ELLIOTT: Thanks, Mr McGowan. So in relation to the central package, as we call it, or the tunnelling package, that is fully funded via State Toll Co – the \$14 billion that is reflected in budget paper 4 there. That includes the Spark \$11.1 billion contract, and that also includes a contribution from Spark as part of the public-private partnership that has been established for that package of work. State Toll Co is an entity that has been set up to collect the tolls and to fund the construction of that aspect of the project. There are a number of other packages that are being funded directly by the state, which are referenced in the budget papers as connections, Eastern Freeway and the M80, and those sections are funded through state appropriations. But the financing structure of State Toll Co is a question better directed to that agency.

Nick McGOWAN: But given it is a state-owned agency, is that what that is alluding to – you cannot account for the fact of how much they are borrowing to fund what they are doing? Is that what you are basically saying?

Duncan ELLIOTT: Yes. The State Toll Co is a separate public non-financial corporation that has been set up by the government specifically to collect the toll revenue for North East Link tunnels, which is the only section of the project that is tolled, and to fund the construction and ongoing activities over the 25-year concession period.

Nick McGOWAN: Okay. Just a change tack for a moment, Minister. Thank you for your time today. Do you know exactly when Metro Tunnel will open? Do we have an opening date at this stage, something we are working toward? It is hard to pin these things down, I know, but we are not too far away I am gathering.

Danny PEARSON: Yes. What I would say is this is the most complicated transport infrastructure project that the state has commissioned since the loop, and we are coming to that point where it is getting quite

involved in terms of making sure all the pieces integrate. It is 2025. We do not have a precise date at this time, but it will be 2025 and it will be 12 months ahead of schedule.

Nick McGOWAN: Okay. Thank you. Secretary, back to you for a moment, the PPP model for the North East Link contains ‘incentives for on-time and on-budget delivery’. To your knowledge, has the project seen any of these payments being made?

Paul YOUNIS: Once again I will refer to Mr Elliott. But the structures of the contracts of North East Link went through a really vigorous process, and so the PPP is an availability PPP with an incentivised structure in it, which was an important part of the review and the market sounding that Mr Elliott’s team did. He can explain the structure of that very well.

Duncan ELLIOTT: So the contract does include incentives for milestones, and the first of those milestones that is coming up is the commencement of tunnelling. I am pleased to say that the project is on track to commence that tunnelling about the middle of this year. The milestone incentives are designed to drive completion of certain activities on the project of major scale or that relate to interfaces with other packages of work, so that we are able to control the overall program. The payment –

Nick McGOWAN: Sorry to interrupt; I have got minimum time. So the trigger point is midpoint this year for incentive payments if they do not – can you tell us how much the payments are, but likewise, if they do not meet that trigger point, when do the disincentives kick in?

Duncan ELLIOTT: It is quite a complex arrangement in relation to earning and then I suppose surrendering those incentives. But the key message I think is that any earned incentives over the period of construction are trued up at the end of the project, in relation to the overall completion. If any of those KPIs are met, they are positively reflected. If they are not met, then evenly reflected, and if at the end of the project the project is delayed, then they erode, even the ones that have been won.

Nick McGOWAN: Can you give us any visibility over the incentives – the magnitude we are talking?

Duncan ELLIOTT: The incentives are described in the project summary report, which is online. That is a PPP summary document which outlines all of the elements of the contract.

Paul YOUNIS: Mr McGowan, can I just add also the very comprehensive questionnaire that I know that Mr O’Brien has put together includes the PPP payments expected over the coming years of all of the PPP operations. So it provides that number of payments expected through PPPs. I was just trying to find it, but it is such a large document, Mr O’Brien.

Danny O’BRIEN: Ha!

The CHAIR: Thank you, Secretary.

Nick McGOWAN: I will take that on notice, that is fine.

Danny O’BRIEN: I could say suck it up, Secretary, but that would be rude.

The CHAIR: We going to move on. Mr Galea.

Michael GALEA: Thank you, Chair. Thanks, Minister, Secretary and officials for joining us. Minister, I would like to talk about Metro Tunnel. It is very exciting of course that we have got the two new stations already open at Parkville and Arden, and State Library, Town Hall and Anzac I am sure are not far away as well. As you said to Mr McGowan, we know that the project is a whole year ahead of schedule – it is now going to open in 2025 – which makes it all the more appropriate that this year’s budget papers have the \$233 million in preparation readiness funding in budget paper 4, page 12. Minister, can you outline for us what that preparation funding covers?

Danny PEARSON: Yes. Look, thanks for the question. The Metro Tunnel project will deliver the biggest transformation of our rail network since the construction of the city loop in 1981. I think that in terms of the city loop, you have got to give credit where it is due. Hamer was a visionary of this state in terms of – I am pretty sure Dick Hamer was the second-longest serving Premier. He was pushing for this before he succeeded Bolte,

yet the project was not completed until well after he left politics. I think that for those really big, visionary transport infrastructure projects, they do take time, but they are absolutely worth it. If you consider for a moment that before Hamer had that grand vision, you had trains from the east and the south-east terminating at Flinders Street and trains from the north and the west terminating at Spencer Street. You kind of think for a moment how held back we would be as a city if we did not have Parliament, Melbourne Central or Flagstaff stations. I think it was very reflective of the times.

The fact that we are building the Metro Tunnel will mean that we can build five new stations, which will provide that continuous connection between the Sunbury line in the west and the Cranbourne and Pakenham line in the south-east. That is 97 kilometres of continuous track. If you ever get the chance, the new HCMT vehicles, which I can see trundling through the Jolimont railyards – they are exquisite. The design is sensational. I think it is the first seven-car set we have ever had operate on our metro network. They are elegant, and it is a thing of wonder and beauty. Have you seen them?

Danny O'BRIEN: I do not know, but should I do myself a favour?

Danny PEARSON: You should do yourself a favour. Get on down to Pakenham East station when it opens and just watch it come through. It is a knockout. It is a beautiful thing. We are providing a new dedicated Metro Tunnel for those commuters, taking them out of some of the busiest lines of the loop and freeing up the capacity of lines. Anyone who travels –

Danny O'BRIEN: A dedicated line, you say.

Danny PEARSON: A dedicated line from Sunbury to Pakenham. Because if you think about it, if you have ever been down in the loop – I am a regular user of the Craigieburn line, love the Craigieburn line – but if there is a fault in the loop that involves the Sunbury line, out goes the Craigieburn line, out goes Upfield, out goes Werribee. It becomes a real problem. The notion of having dedicated, segregated services for one line is really important and it is incredibly visionary. We are building new stations at the heart of the CBD, including State Library and Town Hall, which will connect thousands of Victorians travelling on other lines to the brand new Metro Tunnel.

It was interesting – you will be amazed when the Metro opens. I was down there with the Premier and we did a press conference. We were going through the State Library station, and we had come to this wall and there was a door there. I open this door and I just see this sort of bland brickwork in front of me, and it is a connection to Melbourne Central station, right? So you are going to have something that is brand new interfacing with something that is legacy, but it will be a through connection. So it is going to make a profound difference.

The new station at Arden is just amazing. Some fantastic Indigenous artwork adorns the station. It is going to serve the 20,000 or more people who will call this precinct home. Importantly, we are bringing trains for the very first time to the St Kilda Road business precinct as well as to the Parkville health and education precinct. So this is going to be massive. Again, if you are in Gippsland and you have got to have an appointment at the VCCC or you have got to see a friend or a relative at the Women's or the Children's or the Royal Melbourne, you are going to be able to get on at Gippsland, go to the city, connect onto the Metro and go straight to the hospital precinct. Again, I was at Parkville station with the Premier a couple of days ago talking to the hospital CEOs about the fact that so many of their visitors always complain about car parking. The fact that you are going to have a dedicated public transport option available right at your doorstep is great.

You are going to significantly boost the productivity of our city, connecting more Victorians to jobs, education and housing. It is pretty impressive. The Parkville station at its deepest point is about 32 metres underground, with the main entrance located at Grattan Street, right at the doorstep of the University of Melbourne. There will be a public underpass beneath Royal Parade, which again will provide easy access to the hospitals and escalators. If you have not gone through it, when you get the chance to go through it you will be blown away – 33,500 square metres of space created at Parkville station. It is huge. We have removed 80 Olympic-sized swimming pools of soil to build that station. The platforms are some of the widest you have in the country – 19 metres wide.

Bev McARTHUR: But where has the soil gone, Minister?

Danny PEARSON: Well, the soil has been disposed of properly and appropriately in accordance with EPA regulations, Mrs McArthur.

Bev McARTHUR: Good.

Danny O'BRIEN: I think the appropriate unit of measure is MCGs too, by the way.

Danny PEARSON: It is stellar, it is epic, it is delightful. Honestly, I know it is Friday afternoon and it is the end of a sitting week, but goodness me – the Metro Tunnel. Leaving politics aside, you guys, when you go through it you will be saying, 'This is epic. It's epic for our city. It's epic for our state and our nation.' The station – it will be absolutely transformational. Commuters will be right at the doorstep of the Group of Eight leading universities, a world-renowned medical research precinct and some of the best healthcare facilities in Australia.

So two down, three to go – we are getting on with building the remaining three stations, with crews working around the clock to get that job done. I do want to thank the workers for all their work. At the State Library station, six massive beams have formed –

Bev McARTHUR: Just as well you did not ban duck shooting. You would not get a picture op.

Danny PEARSON: Anyhow, at the State Library station six massive beams that form the entrance of Latrobe and Swanston streets are now in place, as work continues on the pedestrian underpass connecting State Library station and the Melbourne Central station and city loop services. Deep underground, crews have finished installing the platform screen doors, while installation of escalators is underway. The platform screen doors, I just want to say, are really important because anyone who has travelled on public transport, particularly with young kids – you go to the loo; I always get a bit anxious with my kids, not so much now that they are a bit older – the fact that you are going to have those perspex screens will prevent people from falling onto the tracks. So it is cutting-edge 21st century technology.

At Town Hall station crews have finished installing the eight soaring columns at City Square that will be a significant feature for the concourse level, while work continues on the pedestrian underpass, which will soon be installed on all 10 platforms at Flinders Street station. We are also busy preparing for those passenger services – first testing trains and integrated systems to ensure everything works as it should, because we are absolutely focused on having an absolutely cracking day one when that occurs. We began running test trains in the tunnel in June of last year – 18,000 kilometres so far. Like I said, it is like running the train from here to Hyderabad and back – it is roughly that length. Everything is being tested, from the connectivity between trains and the brand new platform screen doors to fire alarms, lifts and ventilations. It is epic. You are going to love it.

The CHAIR: So many epic places to visit. I am overwhelmed. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon. Under the transport infrastructure section of the 'Department Performance Statement', on page 140, you give yourself a score of 100 per cent for 'Milestones delivered in accordance with agreed budget and timelines' for the Level Crossing Removal Project. A major transport commitment your government made during the last election campaign, in 2022, was the removal of eight level crossings from the Upfield line, like the ones in Brunswick, by 2027. But since the election no-one from the government has been willing to confirm that commitment will be met. Then literally a week ago, that promise that the level crossings will be 'gone for good by 2027' on the Big Build website was quietly changed to 'by 2030', and then we have media articles saying this means that Brunswick level crossing removals are delayed. So just for the record, could I get an indication whether or not the Brunswick level crossings will be removed by 2027 as promised during the last election?

Danny PEARSON: Yes. To the best of my knowledge, we disclosed this publicly at the time of the budget. We said we were going to get rid of 110 level crossings by 2030, and that commitment stands. The issue here – and I am not sure, Mr Puglielli, how familiar you are with Brunswick – is that this line is very old. You have got an incredibly tight rail corridor. You have got heritage issues, and it is a complicated piece of work to do. Every level crossing is different, and treatments are different, but you just have to recognise the fact that because of the tightness of this rail corridor and the complexity, we want to take our time to get it right. It is in an urban area. It is in a built-up urban area. There are critical heritage, environmental and social components,

and we want to get it right. Consultation will start when we have completed the early planning and design work. That work is ongoing, but the commitment stands.

Aiv PUGLIELLI: The commitment stands – so it will happen?

Danny PEARSON: Yes, by 2030. 110 –

Aiv PUGLIELLI: Not by 2027, as promised in the election.

Danny PEARSON: No, but the commitment was that we are removing 110 by 2030, and what I am saying to you is, because this is legacy infrastructure – really, really old legacy infrastructure – because it is an incredibly tight corridor, we want to get it right. It is going to take a bit longer, but we want to get it right, so therefore the Upfield eight will be completed by 2030.

Aiv PUGLIELLI: Right. But those people in Brunswick who were promised during the election that their level crossing removal was going to be part of that 110, they are not in there? You are breaking a promise from the election and giving yourself 100 per cent on your performance.

Danny PEARSON: Look, when it comes to removing level crossings, we are the only game in town, mate. Seriously –

Members interjecting.

Danny PEARSON: We are. No, but come on – we said we were going to get rid of 50 level crossings in 2014, and Denis Napthine said, ‘Tell ‘em they’re dreaming.’ We have got on and we have smashed our targets. We said 50 by 2022; we have smashed that target. We said 75 by 2025; it was delivered this year – we are on 77. I mean, if you want to rush at something and do a half-arsed job in Brunswick, if that is your contention to me, I would say to you the people of Brunswick deserve better. We have got to get it right. You have got legacy issues –

Aiv PUGLIELLI: Maybe do not tell them 2027 if you are not going to deliver it.

Danny PEARSON: But listen, you have got to do your work. Frankly, I am not going to cop lectures from the Greens political party. You guys could not deliver a bus stop, seriously; you are hopeless.

So we are getting on and delivering these level crossing removals. We are not going to waste a day. We want to get it right. That is why they will be done as part of our commitment to deliver 110 level crossings removed by 2030.

Aiv PUGLIELLI: Thank you, Minister. I will move on. On Banyule council’s website – they are one of the primary local government areas that the North East Link, obviously, is going to be moving through – they have described the project as:

... a massive 10-lane, 65-metre wide trench that is cutting through the middle of Watsonia.

They have said:

It will be so big that it will separate people from shops, services, schools and the station, impacting our leafy green community forever.

However, I should note that during the last election they presented a solution to correct this. Their plan was to put a lid on the link through, essentially, creating an extended green land bridge over the trench. Why haven’t you taken up this terrific idea?

Danny PEARSON: Well, we are getting on and delivering a project. We have listened to the community, we have listened to the EES, we have extended the tunnels and we have worked diligently to come up with the best solution for the community. Again, we are delivering improved public open space and we are going to plant thousands of trees as part of our commitment to planting more than 30,000 trees across the project, replacing trees at a rate of two to one for a net gain in tree canopy. We are doing all of this. You are not seriously suggesting having 15,000 trucks a day clogging up Rosanna Road is a superior environmental outcome to the one that we are proposing, are you? You are not seriously suggesting that, are you?

Aiv PUGLIELLI: I am asking you about the lid. We are talking about the lid that Banyule pitched during that last election. Why have you not done it?

Danny PEARSON: We are delivering these projects in accordance with the EES guidelines. We ran an EES process. The EES said that this is the best way to do it. That is why we are extending the tunnels. It is why we are not compulsorily acquiring 400 homes. I mean, we have spent years on this to get this right. We have listened to the experts, and with all due respect to Banyule council, I am not necessarily sure they are particularly experts at lids or other forms of coverage of tunnels. But we have worked assiduously, and we are getting on and delivering what is going to be a fantastic outcome. It is going to be a much better outcome compared to what is there now.

Aiv PUGLIELLI: Thank you. I appreciate what you are putting before the committee today. In relation to the project, obviously we have been talking about the cost, and you have spoken about it from the view that you are projecting the benefit this project is going to offer. I just want to get a sense, given the rise in the cost for this project – and you have talked about the change in scope – from \$16 billion to, what is it, \$26 billion, and given the increase in construction costs and related costs for projects like these that could always increase further, is there an upper limit? How expensive is too expensive for this kind of road project?

Danny PEARSON: I think the reality is that we have worked hard with our industrial partners. We have got the primary package of works underway at the moment. We have to make these investments. I was thrilled to join the Prime Minister, the Premier and my federal counterpart Minister King a couple of weeks ago out at the launch site of the tunnel-boring machines. Certainly from the Commonwealth government, they are investing \$3.25 billion. This is a huge amount of money that they are investing this project. In nominal terms I do not think the Commonwealth has ever invested in a road project of this size in the history of the state. When asked a question about, ‘Well, why are you doing this?’ the Prime Minister said very clearly, ‘Because it just makes sense. This project makes sense.’ And the connections that we are going to develop with both the M80 and the Eastern Freeway as well as dedicated busway – I mean, you have not mentioned the busway. I thought you might be excited about the busway. Maybe I was wrong.

Bev McARTHUR: Is there a bike lane?

Danny O’BRIEN: There will be cycling paths we well. There is public open space. We have got 110 strict environmental performance requirements we are adhering to deliver this exquisite project, and it is going to be fantastic for the community.

Aiv PUGLIELLI: Thank you, Minister. Just moving forward, transport in Victoria is effectively the second largest source of carbon emissions. Emissions from the sector are still rising. Just from your perspective, does your government have a detailed, costed plan in place for reducing those transport emissions that cover all the different modes of transport?

Danny O’BRIEN: I mean, I think if you just look at the Premier’s credentials, the Premier made a decision to create the portfolio of public and active transport, but I am sure my good friend and colleague Minister D’Ambrosio will be able to fill you in when she is next before you.

The CHAIR: Thank you, Minister. We will go to Mr Hilakari.

Mathew HILAKARI: Thank you, Minister, Secretary and officials. You would know what I am going to be asking about, which is of course the West Gate Tunnel Project, something close to the heart of everybody in Melbourne’s west, so I am just hoping you can run through – with reference to budget paper 4, page 83 – the benefits of this project and the opening date in 2025.

Danny PEARSON: Yes. It is super exciting. As you would well know, in your neck of the woods we are experiencing unprecedented growth and the western suburbs is one of the fastest growing regions in our city. In addition, the freight task is expected to significantly increase over the next 20 years, and the reality is that if we just do not take this action the West Gate Bridge will not be able to cope with that expected traffic volume. The West Gate Tunnel is going to be an absolute game changer for Melbourne’s west as well as commuters from regions like Ballarat and Geelong. It represents the most significant intervention in the road network in a generation. Anyone who has been caught in traffic following a breakdown on the West Gate Bridge knows how vital it is we have this second crossing. What it will mean in practical terms is a journey between Melbourne’s

west and the city will be shortened by up to 20 minutes. Following the recent asphaltting campaign, commuters are already experiencing one of the benefits of the projects with two new lanes open on the West Gate Freeway outbound and one lane inbound. When the project is complete the freeway will have been widened from eight to 12 lanes. Tunnel boring is now complete. The road deck inside the tunnel has been laid. It is a thing of beauty, actually. When you look at the way in which the tunnel has been done, you have got the deck and then you have got all the services beneath it, so from a design perspective it is incredibly elegant as a solution.

Mathew HILAKARI: That is different from the other tunnels where they just put clean fill in, isn't it?

Danny PEARSON: Yes. Well, I think in terms of the Burnley and the Domain, they just filled it with fill, whereas this is just a smarter approach to the technology.

Mathew HILAKARI: Even to run vehicles under the roadway is my understanding.

Danny PEARSON: Yes, that is right. So that is amazing. In totality the project is more than 90 per cent complete – on track for opening in 2025. It is going to be great. I will make sure you get an invite.

Mathew HILAKARI: Thank you very much. I look forward to it. Mr McGowan will bring his barbecue. Oh, he has left already. That is very sad.

Danny PEARSON: I am sure we can set up a barbecue in the tunnel.

Mathew HILAKARI: Now, we were talking barbecues, Rosanna Road, getting trucks off the road. What is this project going to mean for getting trucks off the road?

Danny PEARSON: It is going to be fantastic because we are going to have direct connections to the Port of Melbourne, so the West Gate Tunnel will take over 9000 trucks per day off local roads. It will enable new 24/7 truck bans in the inner west on Francis Street, Somerville Road, Buckley Street, Moore Street, Blackshaws Road and Hudsons Road, and they will be enshrined in law. The *West Gate Tunnel (Truck Bans and Traffic Management) Act 2019* was legislated, and it provides a framework for the management of the road when it opens. It will enshrine those truck bans in law, with high penalties for noncompliance.

As a state we are working with the National Heavy Vehicle Regulator and industry to manage these changes as well as encourage compliance. There are going to be some changes day one as we start to bed that down. As part of that we will be investing in camera technology to catch offenders. Of course you are going to have to have exemptions for truck drivers who have got a legitimate reason to be using those roads, but fines collected from the truck ban offenders will be reinvested in local transport projects and programs that benefit local communities via the Better Freight Fund, with a focus on those who may be impacted by changes in the truck numbers. As indicated in the budget papers, we have allocated \$10.2 million towards technology which will help enforce those bans.

Mathew HILAKARI: I and the Member for Laverton, who is chairing this committee, just love the walking and the riding across the west – particularly the Bay Trail has been a really big one. What has this project actually meant for improving not just road but also those other ways to get around our community?

Danny PEARSON: It is much more than just a road. It is delivering over 14 kilometres of new or upgraded active transport options, which again will make walking and cycling around Melbourne's west easier and safer. I am particularly impressed by the fact that we are going to have a veloway that is 2.5 kilometres elevated, which will provide cyclists a safe and express route between Footscray and the city. We are also completing the Federation Trail and the missing link in the Kororoit Creek Trail. Spotswood and Yarraville will also be connected with a new shared user path from Hyde Street Reserve to Spotswood station. The project will deliver new connections along Hyde Street and Harris Street in Yarraville, which will direct cyclists from the dangerous intersection of Somerville Road and Whitehall Street.

Several new bridge connections will also be delivered under the West Gate Tunnel, including a new cycling and pedestrian bridge connecting Yarraville Gardens and the Maribyrnong River, a new cycling and pedestrian bridge across Moonee Ponds Creek at Dynon Road, as well as a new bridge crossing over Footscray Road at Moonee Ponds Creek Trail, avoiding the busy signalised intersection.

I think when you are making these sorts of investments in this sort of infrastructure it is really good to be able to make those additional investments as well to broaden out and enrich the infrastructure and get a better outcome. If you go back to the 1970s, this would have been just a road – nothing more, just a road. I think that we recognise that people have got different preferences and views. People like to cycle, people like being active much more now, and so we are making sure we are accommodating those interests and desires.

Mathew HILAKARI: Are there any other investments that are being made? I guess it has been a really disruptive project, and we are seeing the benefits already with the opening of the new lanes, but what other investments are we putting towards this project?

Danny PEARSON: The West Gate Neighbourhood Fund has been established by the Victorian government to support communities in Melbourne's inner west during the construction of the West Gate Tunnel Project. That \$10 million fund is managed by the West Gate Tunnel Project and offered in two components, both as partnerships and grants. To date the fund has awarded more than \$8.5 million in funding to support over 120 community-led projects in the Hobsons Bay and Maribyrnong City Council areas. Across the grants and partnerships, the types of projects funded include those that support arts and culture, culturally diverse communities, sustainability, sport and recreation and education. Some of the projects include the Williamstown jetty refurbishment, the GJ Hosken Reserve upgrade, the YMCA skate park activations and road safety on Yarraville Road. A number of festival events have been delivered to benefit communities in the inner west as well. In November 2023, 58 new projects were awarded funding with a total value of almost \$1.6 million. Projects funded through the round included nine larger partnership projects valued from \$50,000 to \$190,000, which will provide that lasting impact for the community, and more than 40 Active Community grants, which fund projects from grassroots community sports groups to Scouts and Girl Guides clubs. It is really about trying to make sure that we invest in the community along the way, and it has been of great benefit to the community.

Mathew HILAKARI: Thank you. In the very limited time we have left, I was hoping to take you to level crossings and take you forward a little bit on any critical milestones that we expect before the end of this year.

Danny PEARSON: As I said, in 2014 we promised to remove 50 dangerous and deadly congestions by 2022. As of yesterday we have removed 77 and we are on track for 110 by 2030. This has been another big year in milestones. In March we removed the 75th level crossing at Bedford Road, Ringwood, as part of works to make the Belgrave line level crossing free between the city and Ferntree Gully.

The CHAIR: Thank you very much, Minister. On that note, your time before the committee on this portfolio has come to an end.

Thank you all very much for appearing before the committee this afternoon. The committee is going to follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a short break before beginning its consideration of the Suburban Rail Loop portfolio at 3:30 pm.

I declare this hearing adjourned.

Witnesses withdrew.