

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025-26 Budget Estimates

Melbourne – Thursday 5 June 2025

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

WITNESSES

Gabrielle Williams MP, Minister for Transport Infrastructure; and

Jeroen Weimar, Secretary,

Kevin Devlin, Director-General, Victorian Infrastructure Delivery Authority,

Duncan Elliott, Chief Executive Officer, Major Road Projects Victoria,

Matt Gault, Chief Executive Officer, Level Crossing Removal Project, and

Will Tieppo, Deputy Secretary, Network Design and Integration, 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 2025–26 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, any comments repeated outside of these hearings may not be protected by this privilege.

All the evidence given today is being recorded by Hansard and is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during the hearings and anything you may say may be picked up and captioned, even if you say it quietly.

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

I welcome the Minister for Transport Infrastructure the Honourable Gabrielle Williams as well as officials from DTP. Minister, I am going to invite you to make an opening statement or presentation of no more than 10 minutes, after which time committee members will ask you questions. Your time starts now.

Gabrielle WILLIAMS: Thank you very much, Chair and committee, for having me before you today. Before I begin, I would like to acknowledge the traditional owners of the land on which we gather today, the Wurundjeri people, and pay my respects to their elders past and present and any other First Nations people who may be here with us today or indeed watching online.

Visual presentation.

Gabrielle WILLIAMS: Our transport infrastructure program has always been about keeping pace with growth, giving Victorians more choice and allowing our citizens to get to where they need to go faster and more reliably. We have invested well over \$100 billion in delivering over 180 major road and rail projects across our state, and our transport infrastructure agenda is closely aligned with, for example, the vision behind things like the housing statement and the *Plan for Victoria* – ultimately about delivering connected communities and maintaining livability as we grow. I am pleased to appear before the committee both as transport infrastructure minister and later on today as public and active transport minister, particularly at a time when two of our major infrastructure projects will become operational later this year, bringing those two portfolios together.

Next slide, please. Chair, this budget is focused on what matters most, from continuing to build the road and rail infrastructure Victoria needs to switching on their benefits. Together with the Commonwealth government, we are delivering a \$1.2 billion investment to tackle congestion and improve safety and connectivity in our outer suburbs. From Point Cook to Donnybrook to Carrum, we are delivering these projects so that Victorians can get home sooner and safer. To the same end, we are also investing \$250 million to redevelop the Werribee interchange by improving four intersections, adding an additional lane on the bridge across the Princes Freeway

and upgrading the entry ramp citybound. We are also investing in setting up our rail network for the next stage of growth, and, together with the Commonwealth, we are investing \$4.1 billion to build the Sunshine super-hub, which will be untangling a very complex rail junction and allowing us to run more frequent and reliable services to Melbourne's west, both suburbs and regions. The budget also includes a series of investments to operationalise new assets across our network, including the operationalisation of the Metro Tunnel and funding to enable V/Line to operate and maintain new assets delivered as part of the Gippsland line upgrade, the Murray Basin rail project, the Ballarat station upgrade and others as well, and additional funding for service uplift to lines outside of that Metro Tunnel corridor but that still benefit from the Metro Tunnel project.

Next slide, please. This budget includes a joint Commonwealth and state Labor government investment, as I said, of \$4 billion towards the reconfiguration of Sunshine. This project is a critical first step to delivering airport rail. It is also the first step for Melton line electrification, and it enables us to run more trains to our growing western suburbs and regions. The works will span more than 6 kilometres between West Footscray and Albion, untangling that junction and delivering separated tracks and platforms for metro trains, regional trains and for freight as well, which all use that junction. As you will see in the image, the Ballarat, Bendigo and Geelong lines will run to Southern Cross, and the new airport rail line and the future electrified Melton line will run through the Metro Tunnel. This means regional passengers will also have the option of interchanging at Sunshine, which would allow them that turn up-and-go service to one of the five new Metro Tunnel stations. Site investigations are underway already, and major construction work is set to begin on that project next year.

Next slide, please. For the last 10 years we have been building big, and we have been unlocking more services as we have gone along. We have removed 85 level crossings so far. We have introduced a new train fleet and delivered hundreds of upgrades to our road network, making it easier to get around the city, suburbs and our regions in Victoria. In this budget we are providing funding to deliver some of the benefits of these significant investments. Our \$4 billion regional rail revival program has allowed us to run a more reliable and frequent regional train service. We have already added over 950 services per week, with a further 50 funded services in delivery pipeline, including weekend services on the Gippsland and Seymour lines. In this budget we are building on this by providing our regional operator funding to operate and maintain new assets as they are completed and also funding more capacity and services as well. We will be delivering additional weekday interpeak services on the Traralgon line following the completion of the Gippsland line upgrade this year, with trains running every 40 minutes. We are running longer trains on more weekend services on the Bendigo line and an additional service in the morning and afternoon peaks on the Seymour line.

The budget is also funding more services across our metro network. The Metro Tunnel is on track, as you will all well know, to open later this year, and this budget provides funding to deliver the turn-up-and-go services we committed to on the Sunbury, Cranbourne and Pakenham lines, as well as two additional trains per hour in the peak periods on the Werribee line; services running every 10 minutes between peak periods on the Sandringham line; and services running at least every 20 minutes on the Craigieburn and Upfield lines, including late at night and on weekends as well. The ability to deliver increased frequency and reliability is why we invest in infrastructure, and I am pleased that in this budget we are starting to see the fruits of our infrastructure labour.

Next slide, please. As I mentioned, the Metro Tunnel is on track to open this year. Test trains have already travelled more than 140,000 kilometres inside those tunnels. Later this month we will be undertaking a full day of trial operations – a dress rehearsal if you like – for the first time, testing the new systems and infrastructure with trains running every few minutes through the tunnel. The Metro Tunnel is the biggest upgrade of Melbourne's train network since the city loop, which is now over 40 years old. It frees up much-needed space in the city loop, creating capacity to run more trains more often across the rest of the network. And as I just mentioned, the budget invests in the first stage of these service uplifts across the network on the back of the switching on of this project. But the Metro Tunnel also enables us to consider other infrastructure upgrades across our network, allowing us to continue to plan for and respond to that ongoing growth.

Next slide, please. The West Gate Tunnel delivers a similar level of transformation but on our road network and will also open later this year. The west of Melbourne contains some of our fastest growing communities not just in Victoria but in the nation, and yet at the moment, as it stands, it is dependent on a solitary river crossing. It is also home to the nation's largest and most dynamic freight precinct. We want to boost the efficiency of the freight industry and at the same time get heavy trucks off local roads in the inner west. The opening of the West Gate Tunnel will see improvements in access to Melbourne's west not seen since the opening of that West Gate

Bridge nearly 50 years ago. It will provide a vital alternative to the West Gate Bridge, delivering a much-needed second river crossing, reducing congestion, improving traffic travel times and removing 9000 trucks a day from local roads.

We have already widened the West Gate Freeway from eight to 12 lanes, and major roadwork is continuing around Williamstown Road to build the tunnel entries and exits. The project will also deliver 14 kilometres of new and upgraded active transport paths, including the bright green 2.5-kilometre veloway above Footscray Road. I know how important this is for improving the experience and safety, first and foremost, for active transport commuters, and I really look forward to opening that new infrastructure very soon.

Next slide, please. I would also like to update the committee on the progress of North East Link Program, or NELP as we affectionately call it. It is the next big project in our roads capital pipeline. It is the largest road project ever undertaken in Victoria, and once complete, it will feature the longest road tunnels in the state. The 6.5-kilometre tunnels from Watsonia to Bulleen will fix the missing link in our freeway network, taking 15,000 trucks off local roads a day and reducing travel times by up to 35 minutes. The project will enable freight from key manufacturing zones in the south-east to get to the Hume Highway and the airport without using the M1. It will also deliver Melbourne's first dedicated busway, which will enable buses along this corridor along the Eastern Freeway to achieve 30 per cent faster travel times for more than 6 million bus trips a year, taking more passengers than the Upfield line, which is an interesting stat.

The first phase of tunnelling for the North East Link is complete, and the two tunnel-boring machines have recently commenced tunnelling south for the next section. I was there this morning, and they are on their way towards Bulleen Road. This is a major milestone for the project, and it remains on track to open in 2028.

Next slide, please. We are also delivering comparatively smaller projects, but they are no less important. They reduce congestion, they improve safety and connectivity in local areas in Melbourne's outer suburbs. As I had cause to say before, the west is one of the fastest growing areas in Australia, and we know that Victorians want to spend less time on the road and more time with their families. We are pleased to have a partner in Canberra that knows where Victoria is on a map. It is no secret that we have been short-changed by successive coalition governments in Canberra for a very long time, and finally we are starting to see that rectified, most recently through a contribution to our outer suburban road blitz and the upgrade of the Werribee Main Road interchange. This has been made possible through Victoria's planning and pipeline of projects, which enables us to get moving on these when we get the chance to and when we get that partnership that we so desire in Canberra. The 20 projects as a part of that blitz continue the work that we have been doing, particularly around our outer suburban roads but roads that we know that have been under pressure from population growth. In the interests of time, I might stop my comments there, Chair.

The CHAIR: Thank you very much, Minister. We are going to go to Mr Welch.

Richard WELCH: Thank you, Chair. Thank you, Minister. In regard to Metro Tunnel, budget paper 3 says that in September 2024 the Metro contract was amended as part of a commercial settlement between the parties to resolve delivery issues that arose during construction. In November we learned that amendments to the Metro Tunnel contract added an additional \$888 million to the cost of the project. Is this figure still current or has it increased?

Gabrielle WILLIAMS: From the settlement last year?

Richard WELCH: Yes.

Mathew HILAKARI: What page are we on? Sorry, just so people can follow along.

Richard WELCH: Page 23.

Mathew HILAKARI: Thank you. Sorry, it is not that. Is it BP3 or BP4 or another one?

Richard WELCH: BP3.

Mathew HILAKARI: Page 23 is about wellbeing supports for students.

Richard WELCH: Regardless – I do not think we need a specific reference – the contract was settled. There was \$888 million added to the contract. Is that figure still solid?

Gabrielle WILLIAMS: Yes. In short, Mr Welch, that figure remains. We have been very clear that the TEI for this project is \$13.48 billion. It is a project that will be being switched on later this year – to much fanfare, I hope – and it is a game changer for our state. I think while there has been a lot of attention the five brand new stations – and I know that they are very exciting; they are unlike anything we have seen in this state or indeed probably this country before – it is also critical to us being able to unlock more services across the rest of our network.

Richard WELCH: Thank you, Minister. In regard to that, last year your predecessor said that Cross Yarra Partnership would have to pay a similar amount. What exactly is that amount?

Gabrielle WILLIAMS: As outlined by my predecessor, there is a commensurate amount being contributed by CYP on that. It is worth noting that our contract on that is still on foot and given that the project is still being completed and there will effectively be a rounding up –

Richard WELCH: So we do not have an exact amount?

Gabrielle WILLIAMS: I think that has been covered off in previous years, Mr Welch.

Richard WELCH: No, but I would like to know it now.

Gabrielle WILLIAMS: To be clear, there was a commercial settlement that was done that –

Richard WELCH: So you are refusing to disclose the amount?

The CHAIR: Mr Welch. Excuse me, Minister. Mr Welch, could you please ask questions? Do not put words into the mouth of the minister.

Richard WELCH: What is the precise amount? How else am I meant to phrase the question?

The CHAIR: Excuse me, Mr Welch, did you have a question?

Richard WELCH: The question is: what was the amount?

Gabrielle WILLIAMS: We outlined last year for you, Mr Welch, or for the committee last year, that the settlement that was reached last year – in response to a range of pressures which I understand were outlined to the committee last year – reached an agreement with Cross Yarra Partnership to invest the additional sum, and I know we have spoken about the –

Richard WELCH: You are not willing to disclose what that sum is?

Gabrielle WILLIAMS: Well, we said it was \$837 million from the state and a commensurate amount from Cross Yarra Partnership, but the way these contracts are structured is there are milestones as a part of those contracts that must be reached, and therefore the payments that are effectively then owed by the state to the contractor are dependent on whether those milestones are met. Now that is something that is then worked out at the end of the contract period, so put it this way: the state would not be up for more money. It would be a matter of whether the contractor has met their milestones and therefore, but as it stands –

Richard WELCH: Sorry, that is complete obfuscation, because all I asked for was the amount they are paying.

Gabrielle WILLIAMS: I have told you that we have contributed \$837 million and they have contributed a commensurate amount –

Richard WELCH: So you are refusing to answer that question.

Gabrielle WILLIAMS: no – but with contractual milestones attached, which may ultimately alter what they end up contributing.

Richard WELCH: You have provided no clarity at all.

Gabrielle WILLIAMS: That is why you cannot put a final figure on that until the contract is finalised.

Richard WELCH: Right. Minister, you are aware that the figure for the West Gate Tunnel in the budget includes \$2.2 billion put in by Transurban to cover that blowout. You agree?

Gabrielle WILLIAMS: There are different contractual structures, Mr Welch, for West Gate Tunnel versus Metro Tunnel, noting that West Gate Tunnel is a project that was brought to the state by Transurban and is a PPP arrangement between Transurban and the contractors. As such – and Mr Devlin might be able to supplement my answer here – there are different sorts of accounting mechanisms and the like used for those projects.

Richard WELCH: There is a different secrecy mechanism – is that what you mean?

Gabrielle WILLIAMS: No, I do not think that is right. I think we have been quite transparent. With the Metro Tunnel project, Mr Welch, we have been clear that the TEI is \$13.48 billion. That is a government contribution to a project. That is taxpayers money. We are very transparent both about what state and taxpayer investments there are in these projects. When we have had cause to alter that amount, we have done so transparently and publicly – and you yourself have referenced the settlement that was reached last year – and we will continue to do that.

Richard WELCH: In scrutinising the budget, the community would be entitled to know what share of the blowout is being met by the company versus the state – by the people of Victoria.

Gabrielle WILLIAMS: Look, I think I have outlined that as a part of the process. We have talked about \$837 million. We have talked about a commensurate amount. Mr Welch, I understand your frustration, but I would urge you to listen to this part because it is really important. The contractual terms of that contract reset, if you like, put in place on the contractor's contribution a set of milestones that must be met in order for payments to be made, which means that at contract conclusion we effectively tally up, in line with those milestones, what has been met and what has not, and then that therefore determines that the payment is capped at that amount.

Richard WELCH: That strikes me as a very convenient mechanism to avoid scrutiny.

Gabrielle WILLIAMS: But the state would only ever be paying, effectively, less, according to the terms of that contract and depending on what has been met.

Richard WELCH: That is an extraordinary amount of effort to go to to avoid telling the Victorian people what they need to do.

Gabrielle WILLIAMS: No, Mr Welch, it is about holding contractors to account and ensuring that we get peak performance on our projects. Let us be really clear –

Richard WELCH: Are you gagged from speaking about this?

Gabrielle WILLIAMS: when we pay significant amounts of taxpayer money into getting a project delivered, we do hold our contractors to the highest possible standard –

Richard WELCH: But the state had to pay.

Gabrielle WILLIAMS: which means we incentivise their best possible performance through the operation of our contracts, and that is exactly what we have done on this one.

Richard WELCH: Minister, when you say that all Metro stations will be in use at the time of the tunnel opening, what does that mean? For instance, can you guarantee that all Metro Tunnel stations will be accepting passengers when the Metro Tunnel is opened?

Gabrielle WILLIAMS: Yes. All five stations will be ready for day one of the Metro Tunnel. We have committed to that. I am very excited about it. We have got –

Richard WELCH: And accepting passengers?

Gabrielle WILLIAMS: Well, a train station is there for people to alight trains, Mr Welch. I am not sure that that is breaking news or if that is likely to be the headline out of today.

Richard WELCH: We never know with you.

The CHAIR: Excuse me, Minister. Mr Welch, I will not tolerate that kind of disrespect. If you have a question, please ask the question and afford the minister the courtesy of responding.

Richard WELCH: Yes, Chair.

Gabrielle WILLIAMS: I am happy to extrapolate on the timelines that you are talking about. We have three stations that have already been handed over, and then there are two remaining that are still under construction – that is State Library and Town Hall. To be clear, we always knew those stations were going to take a bit longer. They are at the deepest point of the tunnelling. They also happen to be smack bang in the middle of our central business district.

Richard WELCH: Will they be taking passengers when the tunnel opens?

Gabrielle WILLIAMS: Yes.

Richard WELCH: So they are later but there.

Gabrielle WILLIAMS: The stations will be open and they will be part of day one of Metro Tunnel operations, the operations being people getting on and off trains at train stations and moving.

Richard WELCH: Thank you, Minister. BP4 says that the 2025–26 budget includes \$727 million to switch on the Metro Tunnel and the turn-up-and-go services through the new stations. What is that \$727 million for?

Gabrielle WILLIAMS: A significant part of that is towards services. That is actually the delivery of that turn-up-and-go service timetable that we have promised on the Cranbourne, Pakenham and Sunbury corridors. Now that we have sort of built the infrastructure – the capital expenditure costs – we are in the business of the operational part of that, operationalising the services that will run through that corridor.

Richard WELCH: ‘Services’ is a very broad term in that way. What do you mean by services? Do you mean the pay for the trains or pay for the –

Gabrielle WILLIAMS: It pays for the operations of the trains, the same way as we would have costs that attach to the service offering. That is made up of a range of different things, and my Secretary here might be able to break that down for you in full. But I understand there are also within that bucket some other elements that go to, for example, periods of hypercare to ensure the smooth transition as we get commuters in particular used to things that they have not seen on our network before, like platform screen doors. When you first turn on, you usually have a period – they did this in Sydney as well – when you have more hands on deck to assist passengers with where to go and how to interact with some of that new technology and the like.

Richard WELCH: What date does the Metro Tunnel open?

Gabrielle WILLIAMS: Later this year, and we will have more to say about that in due course.

Richard WELCH: Do you have a date?

Gabrielle WILLIAMS: I am certainly not making announcements about that today, Mr Welch, but we have committed to opening it later this year.

Richard WELCH: But between now and that date this year, it is going to cost \$700 million to teach people about sliding doors?

Gabrielle WILLIAMS: No, no, no. It is the services plus that –

The CHAIR: Apologies. I am going to stop you there, Minister. We are going to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister and officials. I would like to talk about the road blitz. I am interested in that. It is listed in budget paper 4, page 13. There is some information there. I am interested in the blitz and how it fits into the bigger picture. Can you walk us through the progress of that pipeline of delivery of road infrastructure across the state?

Gabrielle WILLIAMS: I can. Thank you, Ms Kathage. I know that this is a suite of projects that is very close to your heart, and many of your colleagues' too. Obviously the whole purpose of the program and the partnership with the federal government on this was to try and address pressures that are being felt, particularly in our really fast-growing outer suburban communities. Can I say from the outset there has been a lot of work done to progress the development of our road network over the last 12 months, particularly across those outer-suburban communities. In the past financial year Major Road Projects Victoria completed a number of road infrastructure upgrades, which have made significant improvements to things like traffic flow and safety and also connectivity across our state. The M80 ring-road capacity improvements, for example, between the Princes and Western freeways were completed earlier in the year and have eased congestion and enhanced freight efficiency on what is one of our most critical corridors.

In Pakenham – a bit further away from where you are, but somewhere I know would be of interest to Mr Galea – the McGregor Road upgrade was completed in March, and the Princes Freeway upgrade was completed in December last year. That has improved, again, access and safety for those growing communities in Melbourne's south-east. In the northern suburbs, we have seen the completion of major upgrades to stage 1 of Mickleham Road and the Craigieburn Road upgrade as well. They were both completed in December. They have reduced travel times and improved safety not only for drivers but also for cyclists and pedestrians, something we have communities speak to us about a lot. Similarly in the north, the Bridge Inn Road upgrade –

Lauren KATHAGE: Hey, that is right – certainly did.

Gabrielle WILLIAMS: You were waiting for that one.

Lauren KATHAGE: You could land a jumbo jet on that road; it is unreal.

Gabrielle WILLIAMS: This is the scale of project that we need in local communities that are growing so fast. I know you have been a very strong advocate for your community on that front. The Bridge Inn Road one was completed in October. We know it has enhanced access to neighbouring communities as well, which is fantastic. In the south-east, the Narre Warren-Cranbourne Road upgrade and the Healesville-Koo Wee Rup Road upgrade were completed in August and July last year. That has improved traffic flow and safety again for local commuters in those areas and those that have to travel through them. It has not just been our metropolitan suburbs. Stage 3 of the Princes Highway east upgrade, which opened in the middle of last year, delivered smoother journeys between Traralgon and Sale and, very importantly, supported regional growth as a part of that.

Our road network uplifts are not only reducing congestion and improving safety across our entire state, but they are also creating jobs. That is always something I like to emphasise, because it is not only the jobs in the construction process itself but also the support we are able to give to that economic development piece, if you like, in our growth areas, providing more efficient access to opportunities. So whether that be making it easier for locals to get to education opportunities, to get to work or to be able to connect socially, we know how important that is for household budgets but also how important it is for people's mental health and wellbeing too to be able to be and feel connected in their local communities.

We have been focused on getting on with the planning, development and construction of major upgrades, which are at early stages of their project life cycle as well. I mention these because they will deliver important benefits in their own right when they are complete, but they will also build on the uplifts from other recently completed projects I have just mentioned. We are getting on with the Epping Road upgrade, with construction underway to build additional lanes between Craigieburn Road East and Memorial Avenue, upgrading intersections, installing new traffic lights, complementing the work delivered through the Craigieburn Road upgrade and further improving that broader northern corridor.

The Clyde Road upgrade is kicking off, with main works having started in October. The utility relocation and protection works are almost finished on that, and work is underway to build the foundations for the widened bridge over the Princes Freeway. And while this project is still in its relatively early stages of construction,

when it is complete it will build on the benefits of the Narre Warren-Cranbourne Road upgrade, enhancing connectivity and supporting growth in Melbourne's south-east. And I highlight those connection points as a way of highlighting how important our sequencing is and where we look to leverage the benefits of one project with another one. It is constantly looking at ways to augment value that we have already achieved through previous projects. Of course we also have stage 3 of the Pakenham roads upgrade actively underway now as well, which will duplicate Racecourse Road. It will upgrade several interchanges, connecting with stages 1 and 2, which were recently completed, and ultimately will form a more cohesive transport and road network in the area.

There is a lot more I could talk to of course, with additional investments by the Commonwealth into making sure that we can continue to get these important projects done. Sometimes, as against our bigger build priorities, they can seem fairly small and localised in comparison. But what we know, and I know I am preaching to the choir with you, Ms Kathage, is that some of these local projects – improving the safety of an intersection, for example – bring with them huge local opportunity and can go a long way to improving the livability particularly of some of our fastest growing communities.

Lauren KATHAGE: Thank you, Minister. So yes, we have definitely seen the benefits, we MPs of growing communities, of the projects you have outlined. And we are equally excited for the new batch, the new list that is listed in the budget here. So how do you see these ones benefiting the north-east in particular?

Gabrielle WILLIAMS: Sure. Thank you for the question. So the \$1.2 billion roads blitz that you have referenced, and that I did too in my earlier response in terms of having a partner in Canberra in that endeavour, is really important for us to be able to continue that record of work that we have been building upon. The package of planning and upgrade projects is focused on those outer suburban roads in all directions. I know you have asked particularly about the north-east region, and it has been one of many areas to benefit out of this package. It of course aims to ease congestion and improve safety for all road users. That is because we recognise, in the case of the north-east region, it has experienced incredibly rapid population growth, and the road network needs to be able to keep pace with that. And to be frank, up until now it has not been. Those upgrades are desperately needed. Our local members out there have been calling for them, so this is a way of doing the work that enables us to accommodate that demand. In contrast to previous years, I want to acknowledge that we now have quite a number of committee members who represent north-eastern communities. So I am pleased to be able to talk to some of the recently announced projects and how they will ultimately enhance the landscape and livability of those communities.

I will start with one that I know has been very popular, and that is stage 2 of the Mickleham Road upgrade. It feels appropriate, given I spoke in my previous answer about stage 1. Through this new package we are investing \$250 million to duplicate about 3.7 kilometres of Mickleham Road from Dellamore Boulevard in Greenvale to Craigieburn Road in Craigieburn, which extends the duplication of the southern section of Mickleham Road from Somerton Road to Dellamore Boulevard, which as I mentioned earlier, has been delivered through stage 1 of the project. The funding will also go towards important upgrades to improve road safety and to reduce congestion and conflict points at key intersections at Destination Drive, Dunhelen Lane and Cookes Road. We have also got \$125 million that has been allocated to the Donnybrook Road and Mitchell Street intersection, and that is all about transforming the existing roundabout into a fully signalised intersection and including additional lanes, which will reduce congestion and improve traffic flow and safety at what we know is a really significant bottleneck for commuters currently.

And Old Sydney Road, which we are also upgrading, will have a \$45 million allocation for the Mitchell Shire Council to seal and upgrade about 5.5 kilometres of road from the Mitchell–Hume boundary in Mickleham to Camerons Lane in Beveridge. That work is about strengthening the broader transport network connected to Donnybrook Road and the Hume Freeway and aligns with upgrades in nearby corridors. These projects, as I outlined before, are strategic, in that they are, like others I have mentioned, about extending the benefits of recently completed and also some ongoing major upgrades, like Craigieburn Road upgrade, Mickleham Road stage 1 and the Epping Road upgrade as well. They are all about building a more cohesive road network that will better accommodate that population growth that we are seeing.

Lauren KATHAGE: Thank you, Minister.

The CHAIR: Thank you, Minister. We are going to go to Ms Benham.

Jade BENHAM: Thank you, Chair. Afternoon, Minister.

Gabrielle WILLIAMS: Afternoon.

Jade BENHAM: Has your department had any interaction with Operation Hawk?

Gabrielle WILLIAMS: Look, that might be best placed for my colleague Kevin Devlin from VIDA. As you are probably well aware, in our construction projects the Victorian government does not contract directly. It does not employ people for the sites, our contractors do. As a part of that work, VIDA would work in supporting our contractors on appropriate referral pathways, a part of which may well be VicPol through Operation Hawk. And on that I might pass over to Mr Devlin.

Kevin DEVLIN: Yes, we have had dialogue with Victoria Police in recent times about the various matters recently reported in the paper, as well as with all the regulatory agencies, including the AFP, Fair Work Ombudsman, WorkSafe and Fair Work. So we are supporting those investigations that are ongoing.

Jade BENHAM: And is there work being done to stamp out the illegal coercion and activity that has been reported on government-funded worksites?

Gabrielle WILLIAMS: Look, I can go to that in the first instance, if you like. We have made it really clear there is no room for criminality or corruption on government sites – indeed in any workplace around our state. But with this particular focus on government sites, this government, the Allan government, initiated the Wilson review to look at these matters. It made a series of recommendations. We have accepted all recommendations. There is in fact a \$6.1 million allocation in this budget for the implementation of those key Wilson review recs, which go to a number of things around establishing a dedicated complaints referral body through the workforce inspectorate, also strengthening the Labor Hire Authority's regulatory powers. You have referenced Operation Hawk and the expanded operations there, expanded resourcing for it to do its important work, and VIDA themselves – and Kevin might like to elaborate on this – do a significant amount of work in making sure that contractors are supported and actively encouraged to refer to the appropriate body where there are concerns, whether that be through to VicPol or, depending on what the allegation is, to the Fair Work Ombudsman or commissioner or to IBAC, VicPol or otherwise. VIDA also have a dedicated sort of hotline, if you like, in order for people to be able to report so they can ensure that matters are being referred appropriately.

Jade BENHAM: It was revealed in March, as we were talking about, that MC Labour, who operated a near monopoly on staffing the Metro Tunnel site, had been complicit with the CFMEU in allowing taxpayers to be funding ghosted shifts, as in shifts that were never performed. The ABC reported in March that an investigation was underway into how it occurred. Where are we at with that investigation?

Gabrielle WILLIAMS: Look, on the specifics of specific contractors, I might pass over to Kevin. But just to reiterate, we have made it really clear that there is no place on government projects for criminal or corrupt behaviour. We have put in place and instigated a number of processes to help us with that – the Wilson review being one, as well as obviously supporting the federal government's work to put the CFMEU into administration – and are in the process of implementing the recommendations of the Wilson review, while also ensuring that our government agencies who interface directly with contractors are ensuring that those contractors are referring matters as they arise, that appropriate referrals are being made and that we are actively encouraging those with concerns or with allegations to make sure they are being funnelled into the appropriate channels. That is critical to us being able to stamp out this behaviour. It is work that we take very seriously – and on that, I might pass to Mr Devlin if he has got any specific reflections on MC.

Kevin DEVLIN: Just to add that those matters have been investigated by CYP, the contractor responsible for the engagement of MC Labour, and actions were taken against a small number of individuals. Again –

Jade BENHAM: So the investigation is complete?

Kevin DEVLIN: It is.

Jade BENHAM: It is complete. Well, will the recommendations or any findings be made public?

Kevin DEVLIN: The investigations were that a small number of individuals attempted to do the wrong thing in claiming allowances. It was not ghost shifts or time sheets. It was related to inclement weather related

types of allowances by a small number of individuals. Those matters have been dealt with at the employee–employer level by CYP. We have also made some mandatory notifications, as we are obligated to do, to the other regulators. I cannot talk to their investigations. We are not aware of those investigations, such as IBAC and others. But CYP took action, and the relevant notifications were made.

Jade BENHAM: Have there been any costs identified, or do we know the cost of those investigations or how much it is going to add to the taxpayer?

Kevin DEVLIN: Nothing will be added to the taxpayer. That is a matter for CYP as the company engaging those labour hire companies.

Jade BENHAM: Has the department sought to recover any of those costs that were fraudulently obtained by those contractors?

Kevin DEVLIN: No. As I said, it is not a cost to the state.

Jade BENHAM: But if there were shifts paid that were not actually performed and there was work done and wages obtained fraudulently through ghost shifts or however you want to phrase it, then there was money taken from the government coffers, essentially from the taxpayer.

Kevin DEVLIN: No, no, these are fixed contracts. That is a matter for CYP.

Jade BENHAM: So the labourers are not paid an hourly rate?

Kevin DEVLIN: They are, but they are paid by the private company who entered into a contract with the state.

Gabrielle WILLIAMS: We are saying it is a fixed price with the state and the project, and then the company has to manage its efficiencies through that, yes.

Jade BENHAM: Okay. So there is no additional –

Kevin DEVLIN: No.

Jade BENHAM: There was no additional cost to the state whatsoever.

Kevin DEVLIN: No. As the minister has confirmed, the Metro Tunnel TEI remains at \$13.48 billion as reported in the budget.

Jade BENHAM: Okay, so no variations. I just want to be crystal clear – no variations to the contract.

Gabrielle WILLIAMS: The TEI remains 13.48.

Jade BENHAM: Okay. Thank you very much – right on that. In September 2024 senior CFMEU official Joel Shackleton was banned from entering construction sites after the Fair Work Commission rejected the union’s plea that he keep his right-of-entry permit after he was charged with threatening to kill an owner of an Indigenous labour hire company. Minister, to the best of your knowledge, is this still the case?

Gabrielle WILLIAMS: Again, what I would say on that – and I hate to sound like a broken record, Ms Benham – is we have made it clear we have got no room for that kind of conduct onsite. I think we have demonstrated how seriously we take that through a range of different reforms that we are in the process of implementing as we speak and the work that VIDA do each and every day in supporting contractors to make referrals and to ensure that referrals are being appropriately handled by the appropriate agencies – you know, VicPol, IBAC, Fair Work Commission, Fair Work Ombudsman and potentially others as well.

As a point of pride in our Big Build agenda, we have had, I think, a nation-leading – and I am pretty sure that would stack up – social procurement agenda that has prioritised giving work to, among others, Aboriginal businesses, Aboriginal workforce, but also people with a disability, women, refugees and migrants. This has been a significant part of our program to ensure that our Big Build agenda and the benefits of it are being felt as broadly through the community as they can be.

Jade BENHAM: Sorry, just in the interests of time – I have not got long left – I just have another question. Have you received any correspondence suggesting that Mr Shackleton might still be influencing and dictating what Indigenous firms get to work on as far as Victorian construction sites go, and if so, what is being done about it?

Gabrielle WILLIAMS: There has been some recent correspondence received about a matter which I understand has been referred to VIDA's integrity unit for investigation. It also appears that the matter may have been brought to the attention of the Fair Work Ombudsman as well, as a part of that. In those circumstances, obviously those processes are removed from the minister, and rightly so. It would not be appropriate for me to comment on those processes other than to say I am aware that there have been allegations made and that they have been appropriately referred. That is exactly what we want to happen where these allegations are made, because they are serious and they deserve investigation.

Jade BENHAM: Thank you, Minister. Just going back to the ghost shifts, the *Age* reported on the ghost shifts, a practice where subcontractors file fake invoices or worker shifts that were never worked. Are you saying that that *Age* article on 7 March is false?

Kevin DEVLIN: Without knowing the exact content of the article you are referring to, there have been multiple allegations that we have referred around ghost shifting, some of which is not actual ghost shifting, which can occur in any industry, but about people claiming extra time on their time sheets. The previous allegations have also been referred on Metro Tunnel to the appropriate regulators, including IBAC, and investigated.

The CHAIR: Thank you, Mr Devlin. We are going to Mr Hilakari.

Mathew HILAKARI: Thank you, Minister and officials, for your time this afternoon. It is very appreciated. I am going to take us to the West Gate Tunnel. I suspect you would have guessed this is an area that I would like to talk about. We have talked about it many times before. I am just keen to understand that it is due to open this year and have that confirmed up. Also, I am keen to get an update on the progress of the project so far.

Gabrielle WILLIAMS: Thank you, Mr Hilakari. I know – you speak to me often about this project – you and your western colleagues have been very excitedly waiting for confirmation indeed that the project will be open later this year. I can understand your excitement about it, because it is a very critical infrastructure project, given the growth that we are seeing in Melbourne's west and our need to want to be able to facilitate better movement of people through what is currently a pretty significant choke point in that river crossing there on the West Gate Bridge. I am happily able to confirm for you that the project is tracking very well and is on track to meet its opening schedule later this year. Key milestones just in the last little while have included things like the asphaltting of the West Gate Freeway between Millers Road and Williamstown Road, installing the segments for the cycling veloway above Footscray Road. I know that is generating quite a lot of excitement. It is a very visible part of the project, and deliberately so. I know that we have got many cyclists chomping at the bit to get on there and try it. We are in close engagement with the community there, and I will be very eager to get that up and running as soon as we can.

The bits that are still outstanding on the veloway include some sort of final safety touches, if you like – some finishing touches around non-slip coating et cetera – comparatively small things but very important things. There is also the construction of all the cross-passages between the new tunnels and the progressive kind of fit-out of those new road tunnels. There is the completion of the road surface and other new assets on the new Wurundjeri Way extension over Dudley Street in West Melbourne, which looks spectacular. And there are the high ventilation structures that you would have seen there too, with their kind of artistic adornments that, hopefully, are a discussion point for many in the community. There are also those big timber net structures that you would have seen now emerging from the tunnel openings, which are fantastic. They are at both the entry and exit points. The installation of that cladding that I just referenced on the new bridge structures over the Maribyrnong River is like eel skin. Correct me if I am wrong. Is that what it is designed to look like? Yes.

Mathew HILAKARI: Which one, sorry?

Gabrielle WILLIAMS: Eel skin. It has got some nod of the head to some Indigenous culture through that area, so we will enjoy I think telling the story to the community about what that all represents – the cladding and the big structures and those solid wood structures. We are seeing some final pushes now towards the final

stages of construction before opening. We are very appreciative of the patience of the community in working with us, as we have had many disruptions, particularly as we have done some of that resurfacing work in recent months, but we are very excited to be able to share the benefits of that project when it opens later this year.

Mathew HILAKARI: Great. As it does open later this year and people start to use it from across the whole of Victoria, what can they expect to see as they start driving through the tunnels – what benefits?

Gabrielle WILLIAMS: If I had to summarise the benefits for those who use that corridor a lot, I would do so in one word, which is probably ‘options’. We are building an alternative route to the CBD, and we have a position where commuters will be able to choose to either take the tunnel as a tolled option or take the West Gate Bridge for free. As a consequence of having that other option, keeping in mind that trucks will be tolled either way, we are projecting that we will have about 28,000 less cars on the bridge. If you are a commuter just looking to get to and from work in the city, that is going to make that journey over the bridge a lot better than it is today. We have widened the West Gate Freeway from eight to 12 lanes, so there is going to be less congestion, as well as those express lanes from the bridge to the M80 interchange.

We have got the no-truck zones that will be operational in a number of streets in the inner west, which is about ultimately improving air quality at the local level and just improving general ambience and amenity in those communities – that has been really strong feedback that we have had from people, particularly in our inner west, who unsurprisingly have not enjoyed having trucks idling at the front of their houses in a fairly steady stream through the day. This project is a really important solution to that problem that many have been enduring for some time. The project is also going to see an estimated 6000 jobs created by the time we get to the end of the year. There is also the extension of Wurundjeri Way, which will provide a second route from the bottom of Flinders Street through to Dynon Road at the west of the city, removing some of that traffic from Spencer Street and King Street as well.

Although the emphasis on the West Gate Tunnel project is often the tunnels, the work around it is where a lot of the enhancements are taking place as well. I think when users get an opportunity to drive it and the many different components of it, they will get a sense of the complexity of that project. We have been very busy in the lead-up to the opening about ensuring that we are providing opportunities at some of our major events for Victorians to be able to sort of test their route on it and have a bit of a trial drive through a simulator, which we had at the grand prix and I think we had it at the air show as well, which gave an opportunity for thousands of westies to have a bit of a look. That is going to be a feature as we move towards its opening and in that early stage of opening – people getting used to that new infrastructure, what it means for their journey now and what other options they have got to get to where they need to go.

Mathew HILAKARI: Driving the West Gate often, particularly to get to this place, there have been challenges, but I think people are getting more used to the separation of the road as it is and the different points where they need to exit, so that is great to hear. You mentioned the veloway. Are there other active transport components to this project, and what benefit can we expect to see?

Gabrielle WILLIAMS: This project generates enormous uplift for active transport users. It delivers about 14 kilometres of new and upgraded shared user paths, including new connections between some of the more popular trails like the Federation and Kororoit Creek trails in the western suburbs and the Moonee Ponds Creek Trail and Footscray Road path near Docklands. You have mentioned the veloway as a part of that as well, so you will effectively be able to cycle from the west to the CBD, all on safe routes now. I had reason to run into a cyclist on the new cycling bridge over Footscray Road recently. People thought it was a stitch-up on social media – that I had set him up – but I guarantee, hand on heart, and promise you all it was not. At first we might have been expecting a bit of a hostile encounter; it turns out he was just a really big fan of the bridge over Footscray Road. He talked – better than I could or any minister I think could, because he is someone that depends on that sort of infrastructure to get around – about the benefit of being able to now commute by bike using that series of connection points that will essentially allow safe cycling from the west into the city – incredible pieces of infrastructure there. They are also I think going to become somewhat iconic in Melbourne’s landscape, particularly given the vibrant colours. For those in the west, I will really enjoy seeing them no doubt develop some nicknames and all sorts of things that will start to be known and loved by Melburnians and particularly westies as we move towards switching on the project.

Mathew HILAKARI: There are definitely passionate bicycle riders across Melbourne’s west.

Gabrielle WILLIAMS: Very passionate.

Mathew HILAKARI: I think they will really enjoy that as it finalises off. Another thing that particularly the Chair, who does not get to ask questions in these sessions, is passionate about is the neighbourhood fund –

Gabrielle WILLIAMS: She has got an easy job.

Mathew HILAKARI: That is your evidence. The neighbourhood fund I know has been rolling out across the community, particularly through the course of the project. I am hoping you could talk to some of those things that have been occurring and how they have been supporting the community, because it has been challenging – the project and moving around the west – so I think people are pretty pleased about that part.

Gabrielle WILLIAMS: Yes. It is a good point to make, and one that, in the busyness of these big projects, when we are very focused on what it means for people on road or rail or in cars or on bikes, whatever it might be, we can forget. But one thing we do know is that when we are delivering these projects they do come with quite significant disruption for local communities. We effectively ask local communities to partner with us in the delivery of these projects, because they have to wear that disruption in order to get the eventual gains. But, you know, they are quite long-running projects as well, so – sorry, I think I have run out of time.

The CHAIR: Thank you, Minister. We are going to go to Mr Welch.

Richard WELCH: Thank you. Thank you, Chair. Thank you, Minister.

Gabrielle WILLIAMS: No, thank you.

Richard WELCH: Minister, taxpayers had to pay the \$888 million for the blowouts. Can I just clarify –

Gabrielle WILLIAMS: What project, sorry?

Richard WELCH: I am sorry – the Metro Tunnel. The additional switching-on cost – is that part of that \$888 million, or is that an additional figure?

Gabrielle WILLIAMS: It is a difference broadly speaking. The TEI – the \$13.48 billion – that delivers the Metro Tunnel delivers the infrastructure. The money that we announced as a part of this budget and in the lead-up primarily was around switching on those services. We have promised a turn-up-and-go service to the Cranbourne and Pakenham to Sunbury corridor, and the money for operations is about delivering those services. We have, obviously, arrangements to run services through our whole network through franchise agreements. When we choose to uplift our services and add new services that does come at an operational cost. Jeorem, would you like to –

Richard WELCH: No, I am happy with that answer. On Tuesday the Premier said that in the case of the SRL those operationalising costs were included in the budget – the \$34 billion budget – so why the difference in approach?

Members interjecting.

Richard WELCH: Yes, she did. That was an explicit question and an explicit answer.

The CHAIR: Mr Welch, I am conscious about your time, and I do not want to have to look at or go through the papers. Perhaps you could just rephrase what you have asked.

Richard WELCH: It has been confirmed that the SRL –

The CHAIR: Mr Welch, that is not confirming. Just rephrase your question.

Richard WELCH: It was said in this hearing, in this very room, two days ago.

Mathew HILAKARI: That is not what the transcript says.

The CHAIR: Did you want to rephrase the question, Mr Welch?

Richard WELCH: No, it seems pointless, because there is obviously a protection racket going on here. In terms of the deadline for the handover of the Town Hall and State Library stations, they missed their 30 April deadline. Were there any cost implications to the taxpayer for that delay?

Gabrielle WILLIAMS: Well, again, this probably goes back to the point I was making in the previous answer when you were asking about that contract reset from last year and the settlement that was offered. As a part of that contract reset there are effectively milestones that are put in place. The contract is still on foot. So my advice is, and my understanding is – and my Secretary might wish to supplement this, or indeed, virtually anyone at this table could, with knowledge of those contracts – that it is effectively worked out at contract close-out as to where milestones were met and where they were not and therefore what payments flow and what do not.

Richard WELCH: So there may be an impost to the taxpayer from that delay?

Gabrielle WILLIAMS: No, it would only ever be that payments would not be made because they did not meet those milestones, so it would only ever amount to less money flowing, not more, if that makes sense.

Richard WELCH: Thank you. I would like to move on to North East link. We can refer to budget paper 4, 24, if needed. Minister, have there been any adjustments to the North East Link? Has Spark North East requested any adjustment events on the project?

Gabrielle WILLIAMS: Sorry, bear with me, I am just trying to sift through. Yes, I am on the right one. The North East Link project had some adjustments to scope, most obviously. There has been no change to the TEI in this year's budget from what it was previously reported, so it is a \$26.2 billion project broken down into four separate packages. But the additional investment which came about – how long ago was that, Jeroen? The renegotiated –

Jeroen WEIMAR: It was renegotiated in 2023.

Gabrielle WILLIAMS: 2023? Yes. The 2023 changes were around some design changes that effectively came about on the back of further consultation with the community. So they resulted in things like a longer tunnel – an additional upgrade.

Richard WELCH: Sorry, if I could exclude the historically settled ones. Are there any currently before you now under consideration or pending or approved?

Gabrielle WILLIAMS: No. So there was significant additional scope added and design recast, if you like, in response to community feedback.

Richard WELCH: Okay. Minister, budget paper 4 says that a state-owned tolling company, North East Link State Tolling Corporation, STC, has been established to collect tolls for the project. STC's annual report says the state established STC to pay for, own, operate and collect tolls from the North East Link for a concession period of 50 years. Now, as at the 2023–24 STC annual report the corporation had \$3.9 billion in borrowings. What is the current figure?

Gabrielle WILLIAMS: I might hand to Duncan on that one.

Duncan ELLOTT: My understanding is that has not changed. So STC was set up ahead of the contract being awarded through a combination of borrowings and equity at the time, and they are responsible for –

Richard WELCH: It has not changed is the pertinent point.

Gabrielle WILLIAMS: But as a PNFC they would have to issue annual reports, I understand, and they would report through that mechanism. So your best bet would probably be to check their annual reporting on those.

Richard WELCH: Okay, but the advice you are giving today is that it has not changed. Minister, do you accept that by funding construction through loans to the STC this debt is excluded from the general government sector net debt?

Gabrielle WILLIAMS: Well, I think we have just been clear with what the structure of the project is, and that is ultimately –

Richard WELCH: Is it excluded from government sector net debt?

Gabrielle WILLIAMS: That is ultimately a matter for the Treasurer. We have been very transparent about the funding of –

Richard WELCH: Well, it is your project.

Gabrielle WILLIAMS: Well, you are getting into, you know, broader Treasury considerations, Mr Welch, but what I am saying is we have been transparent about how this project has been funded, about the role of state tolling corporation and about how this project is being delivered with them as a key player in it, and in their reporting requirements as a PNFC –

Richard WELCH: So is it part of government sector net debt or not?

Gabrielle WILLIAMS: That is a matter for the Treasurer, Mr Welch.

Richard WELCH: You do not know.

Gabrielle WILLIAMS: No, I think you are – I mean, we have been clear –

Richard WELCH: You are refusing to answer.

The CHAIR: Excuse me, Mr Welch. The minister is not refusing to answer you. The minister is answering your question. Just because you do not like the way in which she answers it does not mean she is refusing to answer your question. In light of the time you have got left, I suggest you ask a question and afford the minister the opportunity to answer it.

Richard WELCH: Thank you, Chair. Minister, are there any other examples of projects that have been funded in this way?

Gabrielle WILLIAMS: Historically, I am not sure if my colleagues here could offer any historic knowledge on projects delivered in Victoria. I might pass over to Mr Devlin or even Mr Elliott.

Duncan ELLOTT: I can say, Minister, the establishment of state toll co was a bespoke and first-of-kind model for North East Link. So traditionally if you look at ConnectEast and Transurban, the tolling has been collected and revenue generated through those organisations. The establishment of state toll co –

Gabrielle WILLIAMS: Both public and private organisations.

Duncan ELLOTT: That is right.

Richard WELCH: Isn't this just a mechanism to hide debt?

Duncan ELLOTT: Well, it was actually a mechanism at the time in response to the lack of willingness of the private sector to take traffic risk in relation to these types of projects, so the state entered into an availability public-private partnership in response to market conditions. And state toll co then retains the capacity to generate the tolls, collect the tolls and put that back into the project.

Richard WELCH: Has the STC been in receipt of any Treasurer's advances?

Duncan ELLOTT: I could not answer that.

Gabrielle WILLIAMS: Yes, I think that would be a matter for the Treasurer as well, Mr Welch.

Richard WELCH: Well, are you responsible for the STC?

Gabrielle WILLIAMS: Look, there is greater –

Richard WELCH: Have you received a Treasurer's advance?

Gabrielle WILLIAMS: Mr Welch, I think ultimately the questions you are asking are going to accounting mechanisms that are a matter for Treasury and should have been directed to the Treasurer if you want to know how she is going to –

Richard WELCH: No, no. Minister, they are within your remit.

Gabrielle WILLIAMS: But Treasurer's advances and the policy behind their use is ultimately a matter for the Treasurer. You were talking –

Richard WELCH: No. Your budget is a matter for you. Are you honestly saying that you are not in charge of your finances?

Gabrielle WILLIAMS: Well, no. I am saying the STC reports to the Treasurer on the matters that you are referring to.

Richard WELCH: Have you received Treasurer's advances?

Gabrielle WILLIAMS: The STC reports to the Treasurer. This is about who has got line management on the matters that you are particularly interested in, Mr Welch

Richard WELCH: I am asking about it from your department.

Gabrielle WILLIAMS: I am answering as honestly and factually as I can. These are matters with the STC being a corporation that reports to the Treasurer, and you are asking about –

Richard WELCH: I think it is extraordinary that you cannot – you are not willing to confirm that your department –

You must have requested the advance. Have you requested an advance?

Mathew HILAKARI: On a point of order.

The CHAIR: Excuse me. Mr Hilakari, on a point of order.

Mathew HILAKARI: If the member does not know which department or which minister to ask questions of, that seems to be his problem, not the problem of any particular minister.

Richard WELCH: I am asking this department, this minister: did she request any Treasurer's advances.

Mathew HILAKARI: Which she has answered.

The CHAIR: Excuse me, Mr Welch. I have not ruled on the point of order. The minister has answered the question. As I have repeatedly said to you, on numerous occasions, just because you do not like the answer to the question does not mean the minister has not answered it.

Richard WELCH: It was not; it was a refusal to answer.

The CHAIR: Excuse me, Mr Welch. We are going to Mr Tak.

Meng Heang TAK: Thank you, Chair. Minister, Secretary and officials, on the Metro Tunnel project, which is in budget paper 4, page 5, many in the south-west of my electorate of Clarinda use the Frankston line, as you know, from Cheltenham station. Minister, can you tell me what the Metro Tunnel opening means for passengers on the Frankston line?

Gabrielle WILLIAMS: I can. Thank you, Mr Tak. I know that you have probably got interest as well in the Cranbourne–Pakenham line uplifts, but you are probably a little bit more familiar with those and they have certainly been more prominently spruiked, so to ask about Frankston I think is a very good question. Effectively the changes through the delivery of the Metro Tunnel will mean that the Frankston line goes back into the city loop. This means that Frankston line passengers will be able to access those city loop stations for the first time since services were connected to the Werribee line back in January 2021. This will ultimately mean better reliability for those Frankston line passengers who will not share tracks with the Cranbourne and Pakenham

lines, and will not be impacted by the disruptions on those lines as well. Frankston line trains will not be impacted by Werribee line disruptions as a consequence of that sort of recalibration, if you like. It also enables further uplifts on the Frankston line given the capacity created by removing the Cranbourne and Pakenham lines from the city loop.

For me, that has always been the part of the project that is in some ways most important but perhaps less visible amidst the excitement of the five brand new stations, and there is a lot to be excited about with those. But by taking three of our busiest lines out of the city loop, we then free up capacity in the city loop to be able to increase and uplift the service levels of all of those other lines that do use the city loop. That has so far been quite a significant barrier to us being able to offer service uplifts around the rest of the network, including to Frankston. By now having that capacity, we do not have effectively that choke point that the city loop used to represent, and we are free to offer uplifts along other lines.

Of course, also on the Frankston line, you have got the removal of all level crossings by 2030. That is also, I think, a key complement to this broader works package around Metro Tunnel. And we are building 15 new train stations on the line as well since 2014, you know, and this is worth emphasising because even though we talk about our ability to add more services into the future on the back of Metro Tunnel, we should not lose sight of the fact that we have already been, for the last 11 years or so, year on year increasing our service offering across our network and on the Frankston line. That has resulted in 117 extra weekly services to that line since we came to office.

What that tells I think the Victorian community is that we have been both working to offer and deliver as many extra services as we can within the constraints that we have got while also unlocking the ability to deliver more through key projects like the Metro Tunnel.

Meng Heang TAK: Thank you, Minister. Can you take us through a journey – for example, to Melbourne University? For the passenger that wants to travel through the Metro Tunnel stations, you know, from Cheltenham station to Melbourne University, what is the journey?

Gabrielle WILLIAMS: From Cheltenham?

Meng Heang TAK: What does the journey look like?

Gabrielle WILLIAMS: Yes, sure. The Metro Tunnel project effectively opens up a lot of opportunities for those on the Frankston line with just the one interchange required. So Frankston line passengers would be able to interchange at Caulfield to get into the Metro Tunnel, for example. If you were a passenger coming down the Frankston line and you wanted to go to Melbourne University or indeed go to Peter Mac or anywhere in the sort of health precinct there, you would be able to interchange at Caulfield and jump on a train that would be going through the tunnel. And now that we actually have a station at Parkville, which services both that medical precinct and, say, Melbourne University, you are getting off at the front door, effectively, of Melbourne University now. That is a really exciting proposition for parts of our city that have so far never been accessible by rail.

Also I think part of this exercise is getting Victorians more used to the idea of interchange, that there are actually extraordinary benefits and efficiencies that can be gained through interchange. I talked a little bit about them before earlier as well in talking about the works at Sunshine and saying, you know, if you were somebody coming from Ballarat, Bendigo or Geelong, you could still continue on to Southern Cross, or you could decide to jump off at Sunshine and then get on a train that took you to one of those five stations so you could get to the heart of the medical precinct or where the university is, and that is far more efficient for you. So we really want to be spruiking these opportunities for people to understand that these key interchange points offer huge opportunity and increase connectivity, which is all about adding more options, as I was talking about before in relation to another project.

Meng Heang TAK: Thank you, Minister. And you talked about the Frankston line going back to the city loop. Minister, can you provide some more information on what impact stage 2 of the Kananook train maintenance facility will have on the Frankston line? I refer to page 165, budget paper 4.

Gabrielle WILLIAMS: Yes, great. Maintenance and stabling facilities probably do not get the fanfare that I think they deserve. They are very important for the functioning of our rail network. So when the Metro Tunnel

opens on the Frankston line and the Frankston line goes back into the loop, I have talked about how it enables more services to run on the Frankston line but also how it means that the Frankston line will no longer have, though, as a part of that, access to stabling and maintenance facilities on the Werribee, Cranbourne and Pakenham lines. That is why we get to the importance of stage 2 of the Kananook train maintenance facility, which will be completed later this year ahead of the Metro Tunnel opening.

So by building a dedicated train stabling yard with maintenance facilities, we are ensuring that – well, to use our catchcry – there are effectively more trains more often on the Frankston line. That is especially important as we remove all of those level crossings on the Frankston line and clear the way for more frequent services. So the stage 2 scope of the Kananook train maintenance facility would include increased storage capacity, and it is a really significant increase. It goes from having a capacity of eight trains to having a capacity for 21 trains. It includes train washing facilities. These are very important, and it is not just aesthetic, it is about making sure our trains can continue to be on the network, effectively. There is a train maintenance facility. We all know what that is. And also there are things like important facilities for workers and an additional power substation as well. That builds on what was delivered in stage 1, which was around increased storage capacity to six trains. Two additional trains were added in 2022 to take it to the eight that I referenced before. We had as a part of stage 1 signal control room and driver facilities included as well, and a retarding basin extension and a number of other things.

I think what this demonstrates is that, through projects like that, as we are looking to effectively reconfigure our network through the Metro Tunnel Project and then change the way that some lines, like the Frankston line, will operate, we are also ensuring that with those changes we are delivering the complementary infrastructure, in this instance the maintenance facility, to ensure that that we are adding to reliability, effectively, by giving them access to those important services that are added through those facilities. We – and my colleagues at the table with me, especially – spend a lot of time making sure that our work plans are integrated and that they actually work to how people will use the services and how the services will run and therefore how we can augment by these sorts of complementary projects that ensure that we are delivering as reliable a network as we can on the on the back of switching on the Metro Tunnel. I cannot tell you how excited we are that this is going to be coming on line later this year. I know it has been a very long journey for Victorians. It has been talked about for a long time. I had reason to think about this recently, where were saying this has been a project that has effectively been talked about, earmarked, for over 20 years.

Mathew HILAKARI: It was paused for a little while, though.

Gabrielle WILLIAMS: It was paused when the opposition ripped money out of it and it lost its support from the federal coalition government. When you actually now see that we are on the precipice of people being able to realise the benefits of it and it being more about the Cranbourne–Pakenham to Sunbury corridor and actually about delivering enhancements to our entire network, ultimately allowing us to meet the demand that comes with a very fast growing city, I think we are all going to be wondering, to a greater extent than we ever had before, why anyone would have cut funding from it.

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

Aiv PUGLIELLI: Thank you, Chair. Good afternoon. Could I just start with a confirmation: are there still plans to install a turnback at Essendon train station?

Gabrielle WILLIAMS: Just bear with me. Sorry, what were you referencing that as a part of?

Aiv PUGLIELLI: Essendon train station – a turnback at that station. Are there still plans for that?

Gabrielle WILLIAMS: I will throw to Kevin for that one.

Kevin DEVLIN: My colleagues can add something to this as well. At this stage it remains in the master planning, but there is no immediate delivery funding for that.

Aiv PUGLIELLI: Okay. Thank you. Similarly, are there still plans for a turnback at Gowrie station on the Upfield line?

Kevin DEVLIN: Similar answer: in our master planning for the network, yes.

Aiv PUGLIELLI: Okay. It is not gone from the master plan?

Gabrielle WILLIAMS: No. As background context to what you are asking – sorry, I have sort of got the rhythm of your questions – this is really around how we plan out changes to the network. We have at any point in time effectively got a very significant number of projects that are in planning on the books that we know, effectively, need to be done. How we sequence those projects becomes the important question, which is not just about funding; it is also about how you mitigate and spread out, if you like, disruption across the network. There are some things that we might not do at a particular point in time because we have already got significant disruption to a corridor. We try and plan our work and the sequencing of various projects to both spread out that disruption in a way that does not shut down the entire parts of the network while also making sure that we are meeting need as it is required. I do not know, Secretary, if you would like to –

Aiv PUGLIELLI: Just following that, though, we would not expect to see the turnback over the estimates?

Jeroen WEIMAR: Just to build on the minister's comments to your question, Mr Puglielli, if you look at the evolution of our network over the last decade or so, we have continued to layer different projects into the network. We have done a lot more crossings than we anticipated six, seven years ago, which have been brought into the program. Look at the Upfield line: we have got the eight level crossings being removed there over the near term. That work is being scoped up at the moment, and Matt can speak to that. There are ongoing, evolving programs of work. We do not have a confirmed turnback at Gowrie at this point in that scope, but there are ongoing iterations as to how we develop our rail network both in the north and in the west in particular.

Aiv PUGLIELLI: Yes. I have a question about that, actually. Does the government have plans to duplicate the Upfield line over the estimates?

Gabrielle WILLIAMS: Again, you are probably venturing into a space of future allocations, future projects. Work is always being planned as a part of the ongoing sequencing of works and our, I suppose, ongoing opportunism too, in a sense, of looking when we move towards delivering certain projects at whether there are other uplifts that can be delivered or are complementary at the time of doing that. So, to your point, we have mapped out a series of augmentations that can be delivered across our whole network and the projects that you have identified yourself. What we then do is work towards the best possible sequencing and delivery of those projects and try to do that in a way that makes sense as against what our plan is now. Our priority at the moment on Upfield is the removal of those eight level crossings there. I think there are opportunities that come on the back of that as well, so often it is once we have commenced that work and are well into delivery of that project it effectively brings us one step closer to being able to deliver future augmentations as well.

Aiv PUGLIELLI: Thank you. Can I ask you about that, actually? Are all the Upfield level crossing removals still on track to be completed by 2030?

Gabrielle WILLIAMS: Yes. Works are scheduled to commence in 2028, I understand, with a 2030 delivery timetable.

Aiv PUGLIELLI: Okay. Is there an updated projected cost for the removal of those eight level crossings?

Gabrielle WILLIAMS: I might refer to Matt Gault on that.

Matt GAULT: The costs for that project are part of the overall budget for the level crossing removal program. We are still on time and on budget for the delivery of the 110 level crossings.

Aiv PUGLIELLI: Okay. Was there a particular figure you could give for that cost?

Matt GAULT: No, it is not a specific figure.

Gabrielle WILLIAMS: Built in.

Matt GAULT: It is within the overall commitments for the level crossing program.

Aiv PUGLIELLI: Okay. It is not disaggregated anywhere that you can provide? Okay. Thank you. Just moving on to another matter, can I ask: what advice has the department received on the impact of the West

Gate Tunnel ventilation stacks? What impact are we thinking they are going to have on air quality in Melbourne's western suburbs?

Gabrielle WILLIAMS: I think a starting point is the West Gate Tunnel project itself will deliver very significant air quality benefits, and the modelling shows that for local communities, through the taking of trucks off local roads – 9000 trucks off local roads. In terms of the air quality and ventilation requirements, it is important to note that these projects are subject to in the order of about 110 different environmental considerations and requirements through the EPA when they design and deliver these projects. The West Gate Tunnel is no exception to that, which is why it has, as a part of its design, that ventilation system – a system that I understand is tried and tested around the world. It is in line with best practice, and that is why it has effectively been selected. But I think it is important to note why we embark upon these projects. Air quality will dramatically improve at a local level from getting those trucks away from houses and schools and the places where people actually are, and sitting alongside the project is also the 24/7 no truck zones that will be introduced on six inner west roads from the opening of the project and of course alongside putting more trucks underground into the tunnel. This should make a noticeable difference to air quality in the area.

Aiv PUGLIELLI: That modelling that you mentioned on air quality, is that publicly available?

Duncan ELLIOT: Yes, that was all assessed as part of the EES, the environment effects statement, for the project, and the project will require an operating licence from the EPA ahead of opening. Those conditions will be commensurate with the requirements set for the design.

Aiv PUGLIELLI: Can I ask: does similar modelling exist for the North East Link ventilation stacks? Can that be provided to the committee?

Duncan ELLIOT: Similarly, that was also assessed as part of the environment effects statement in 2018 for that project. Again, that work fed into a works approval to allow them to design and build the system, and then they will have to get an operating licence for that ventilation system as well. But that should all still be publicly available in relation to the EES, yes.

Gabrielle WILLIAMS: And similar principles are sitting behind that project as well, except it is 15,000 trucks off local roads there, but it is a similar idea in terms of amenity and removing some of the more heavy-polluting vehicles from near to places where people are, including their homes. That is a really important part of being able to deliver better air quality in a lot of those local communities that would otherwise have a lot of those heavy vehicles traipsing past their front doors.

Aiv PUGLIELLI: Just on North East Link, can I ask: what were the time and cost impacts of the sinkhole that was encountered during tunnelling for that project?

Gabrielle WILLIAMS: Look, no, my understanding is there were no cost impacts and in fact no time impacts either. They were making very good progress through some very favourable ground conditions through there, so that actually made up a lot of time. There was no delay to the project timelines from that occurrence. It is probably worth highlighting that at no point was there a risk to life or to property. It popped up in the old army barracks there, and it was a product of being in quite a shallow area of tunnelling that was taking place there, unlike the tunnelling that is underway now, which is a lot deeper under the surface. But that project is raging on. I was there this morning. It is going at a clapping pace, and they have so far enjoyed very good conditions, which have put them at this stage ahead of schedule, if you like. Now, you know, these are construction projects, they are tunnelling projects, so we do not count our chickens. But so far, the progress on that project has been very, very strong.

Aiv PUGLIELLI: Thank you. I might go on to another matter. What would the impacts be for the airport rail business case if the SRL cannot proceed in full?

Gabrielle WILLIAMS: I might seek some advice from the Secretary on that.

Jeroen WEIMAR: Obviously the airport rail link is a joint project between the Commonwealth government and the state government. In this budget there is a \$4.1 billion commitment to the Sunshine super-hub that opens up the opportunity for Melbourne Airport rail link. There is a Melbourne Airport rail business case that dates back a few years, Will, I think to –

Will TIEPPO: 2022

Jeroen WEIMAR: – 2022, and that is predicated upon the Melbourne Airport rail link coming through Sunshine station. It is not predicated in that business case on SRL.

Aiv PUGLIELLI: Okay. Thank you.

Gabrielle WILLIAMS: Although when you speak to my colleague the Minister for the Suburban Rail Loop I have no doubt that she will talk about how all of these projects start to align upon their delivery. I would encourage you to ask her about something that I know she is deeply passionate about in the delivery of that project.

Aiv PUGLIELLI: Sure. Thank you. According to the budget papers and DTP's annual report, since 2020–21 – saved by the bell.

The CHAIR: Apologies, Mr Puglielli. We are going to go to Mr Galea.

Michael GALEA: Thank you, Chair. Good afternoon, Minister, Secretary and officials. Good to see you. Minister, we have spoken a lot about Metro Tunnel today, and I would like to ask you about another project that also supports the metro and regional rail network, and that is level crossing removals. Now, budget paper 4, page 6, covers this initiative. In fact we know that we have now removed 85 level crossings, and I believe the 85th was at Station Street in Beaconsfield, which is a project of close interest to both you and me. Minister, how are we progressing towards the ongoing removal of these level crossings, and why is it so important to remove these dangerous and congested level crossings?

Gabrielle WILLIAMS: Yes. This has been a project that has been a signature policy of this government since we came to office in 2014, and I think the Victorian public was very quick to endorse the program of removing level crossings. They are relics that still sit within many of our communities. We know that they contribute enormously to congestion in local communities, and they also present quite significant safety risks. And of course those risks grow as our population grows but also as our rail network starts to deliver more frequent services too, so you have got boom gates being down for longer and therefore the urge for risk-taking behaviour to increase as part of that as well. All those things, I think, come together to tell the story of why it is so important that we continue on a program of getting rid of congested and dangerous level crossings.

You have outlined that we have committed to 110 by 2030. We have removed 85 so far. There is another burst that will come online very soon – a couple in coming months. We will start to power ahead with those projects and also deliver those benefits to the community. It has also been important in what we have delivered so far – and this is where we start to see the alignment of different projects – we see the Metro Tunnel getting ready to be switched on and in line with that works to make sure that we have got the Cranbourne–Pakenham line and Sunbury corridor level crossing free, because they are the other piece of the puzzle to how we deliver turn-up-and-go services. It is by getting rid of some of those delay points, if you like.

I think the other part of the project that is really important, in addition to just the removal of the crossings themselves, is the station upgrades that are enabled through that program. We have seen 45, I think it is now, new and upgraded stations delivered as a part of the project to date. We have now, through the program, six entire train lines level crossing free, which is remarkable, and the benefits that are being delivered just from the 85 to date are profound, quite frankly. The statistics are quite incredible: we have reduced collisions and near misses between trains and vehicles by almost 80 per cent and prevented 111 of these incidents annually on average. Every morning peak there are 55 less hours of boom gate downtime across those 85 level crossing removals. We have opened up 20 MCGs of open space that has been created, with almost 3.5 million new plants planted as part of that, not to mention the 60-odd kilometres of shared user paths. I think we have got 3200 bike parking spaces built, 7000 new car parking spaces that have been constructed and of course 6000 jobs created over the life of that project so far as well – 106 million hours worked so far.

This has been an extraordinarily successful project. I know my colleague over there Matt Gault is always very proud to say 'On time, on budget.' What we have managed to achieve with the budget allocation across the state from these projects has been really important, which is why we are so committed to continuing on to deliver the remainder of that program to get to the full 110. As for any government, this is fast becoming embedded as part of our sort of business as usual, to make sure that we are getting rid of these choke points and

these congestion points in our road and rail network and that we are continuing to deliver the safety benefits that come with that and also I think open up the opportunities for really great community infrastructure.

I know in my part of the world – which is also your part of the world, Mr Galea – despite some of the early fearmongering about sky rail, we have seen the creation of open space and community facilities that have given kids a place to play that they did not have before and that have given families a place to actually gather and engage with each other. Really, it has brought communities together. Often what you have also seen through these projects is that we have removed what had been a pretty awkward barrier in some communities – literally a dividing line. In some communities we have been able to either lift or lower and reconnect people who had previously kept their lives to one side of the line. We have now opened up opportunities for them to actually cross and participate in other parts of their community, which also has huge benefits in terms of local economic uplift too, particularly where you have got groups of shops on one side of the line that might have been not so accessible to those who lived on the other side of the line. So there are many benefits to this program, and I am certainly a big cheerleader of it.

Michael GALEA: Absolutely. You mentioned the community infrastructure benefits as well. I was just in Noble Park – another place you know very well – just the other week with the Member for Mulgrave, I think across the road from your electorate, Minister. We were looking at all the amazing infrastructure that has been built and the play spaces there and how well that was being used in the middle of the day, on a weekday even. It was really great to see that activation come to life as it has in many of these projects.

Gabrielle WILLIAMS: Yes.

Michael GALEA: You spoke about the benefits of making lines level crossing free. In relation to the Metro Tunnel, we know that very soon the Pakenham and Cranbourne lines will be fully level crossing free. Are there any other lines that will be made crossing free, and what will the benefits be for those lines – both ones that might be operating in the Metro Tunnel and those that are not?

Gabrielle WILLIAMS: Absolutely. As I have outlined at a high level before, there will be six entire lines that will be level crossing free. Obviously, Cran–Pakenham is one of them; Sunbury, on the other end of that Metro Tunnel corridor, is another. We are also going to have the Lilydale line level crossing free now or soon to be – no, last year that was, sorry; and then the Frankston line by 2029; and I think we have got the Werribee line by 2030. This is all about ensuring that we can meet the promise that we have made about being able to offer ongoing service uplifts. The Metro Tunnel is an important part of that, and I spoke earlier about making sure that we are freeing up capacity in the city loop, which is a bit of a choke point and prevents us from – and particularly over time as this was going to get worse – being able to run more services through those lines that enter it if you cannot get any more trains through there basically. But by getting rid of level crossings on those lines, we also open up the potential to uplift services through those corridors, because you are basically getting rid of those intersection points, which can cause delay, but which also enhance the chances of incidents that affect reliability of services as well. That is often something that is not as immediately obvious, but when we can get lines flowing well, we reduce the impacts of, for example, collisions or incidents. We are also ensuring that we have got a better chance of keeping to a timetable, and we know how critical that is for a well-functioning public transport system.

But at a local level, and I spoke to this in my previous answer as well, for those communities that live along those lines and those corridors who have lived with those divides effectively in them, and I used to experience this regularly in Noble Park, you are going somewhere that should take you 5 minutes or 10 minutes to drive and it is taking you half an hour because you end up being caught in the morning peak down at a level crossing for 20 minutes, which used to happen to me regularly in Noble Park. It does not anymore, I am pleased to say. But the sort of amenity uplifts for those communities from these projects are enormous, and the opportunity it gives to actually enhance their community spaces along the journey is also really significant. Can I also give a shout-out to the fact that the upgrades that it allows of train stations mean we are achieving gradually better accessibility across our network with those infrastructure upgrades as well. We have, like most places around the world, legacy infrastructure which was designed at a time when accessibility was not front of mind, and now through these projects we are actually getting a chance to rectify a lot of that by redesigning stations, rebuilding them or delivering significant upgrades.

Michael GALEA: Thank you.

The CHAIR: Thank you, Minister. Minister and officials –

Michael GALEA: A point of order, sorry, Chair.

The CHAIR: Mr Galea.

Michael GALEA: I would just like to clarify something that was raised earlier. I believe that Mr Welch misquoted the Premier in his line of questioning to Minister Williams. They did in fact give the same answer, and I would ask him to review the transcript and withdraw.

Richard WELCH: May I, Chair? I went to check it myself, and I would give my apologies to the minister and to the other members. I did remember that incorrectly. The Premier clearly said that the operational costs were in addition to the \$34 billion, so apologies to all.

The CHAIR: Thank you, Mr Welch. It has been a long day already, and we are not done yet. In light of that, I see the record corrected. Thank you, Mr Welch. The committee will 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 will take a very short break before beginning its consideration of the public and active transport portfolio at 3:45 pm. I declare this hearing adjourned.

Witnesses withdrew.