

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2012–13

Melbourne — 9 May 2012

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr T. Mulder, Minister for Public Transport,

Mr J. Betts, Secretary,

Mr R. Oliphant, Chief Finance Officer, Department of Transport; and

Mr I. Dobbs, Chief Executive,

Mr N. Gray, Director, Network Operations, Public Transport Victoria.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2012–13 budget estimates for the portfolios of public transport and roads. On behalf of the committee I welcome the Honourable Terry Mulder, MP, Minister for Public Transport and Minister for Roads, and from the Department of Transport Mr Jim Betts, secretary; Mr Ian Dobbs, chief executive, Public Transport Victoria; Mr Norman Gray, director, network operations, Public Transport Victoria; and Mr Robert Oliphant, chief finance officer. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public gallery that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing to provide information to the minister, by leave of myself as chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room, and no more than two TV cameras are allowed at any one time in the allocated spaces. May I remind TV camera operators to remain focused only on the persons speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited. As previously advised to witnesses here today, I am pleased to announce that these hearings are being webcast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee has determined that there is no need for evidence to be sworn; however, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within five days of receipt.

Following a presentation by the minister, committee members will ask questions relating to the inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the public transport portfolio.

Overheads shown.

Mr MULDER — The coalition government's 12–13 budget contains important information on the performance of public transport in 11–12. The budget papers show customer satisfaction is higher than in previous years, service punctuality is improving, new trips have been added to bus and train timetables and the procurement of seven new trains is progressing.

The budget funds the coalition government's next steps in making public transport safer, more reliable and on time, and expanding the network. In particular the 12–13 state budget provides funding to improve safety at and around railway stations, maintain and grow rail services in country Victoria, and commit for the first time in the state's history towards funding a Melbourne Metro rail tunnel. The budget also includes funding to fix problems with the projects initiated by the former government, such as myki and the digital train radio system. The 12–13 budget includes funding for extra regional rolling stock. The last regional rolling stock order was made in 2008. The new rolling stock will boost capacity on existing country train lines and allow V/Line to run trains on the regional rail link. Further information about the extra rolling stock will be announced once an agreement is reached with a supplier.

The budget includes \$171.9 million over four years for major maintenance on country passenger and freight rail lines. Importantly this funding will continue over a four-year period and is on top of the \$100 million Maintaining Our Rail Network Fund introduced in the 11–12 budget. The budget contains \$8.4 million to acquire land and continue development of a station at Grovedale. This project will encourage and support

growth in the Geelong area. There is \$10.7 million for Warragul station. The improvements will include better access to the station, additional car parking and a bus interchange.

The budget allocates 10 million over the next two years to encourage businesses to shift containerised freight from road to rail in Victoria. The Mode Shift Incentive Scheme replaces a rail freight support package and is designed to put in place market-based incentives for rail freight.

Students come to Monash Clayton campus from all over Melbourne, and many of them catch the train to Huntingdale station. The coalition government introduced the route 601 bus in 2011. It commenced as a trial. It operated every 4 minutes during semester time, and it provided a fast and convenient transport option for staff and students. The route 601 bus will now be continued on an ongoing basis.

I want to return now to the broader challenges facing Victoria's public transport network and how our budget priorities fit in with the bigger picture. To make our public transport network safer, the budget provides \$17.7 million to provide facilities for PSOs at 66 railway stations; just under \$350 million to remove dangerous level crossings at Springvale Road in Springvale, Mitcham Road in Mitcham and also at Rooks Road in Mitcham. Also, the government has reinstated grade separations at Anderson Road into the scope of the Regional Rail Link project. To make our public transport network more reliable additional trains are on order, improvements to the rail network have been taking place over the last 12 months and a major renewal program is under way at the moment.

This slide shows the locations of the key investments. It shows where we are upgrading power supply, railway stations and level crossings and where we are carrying out re-sleepering and also re-railing on the network. We can add to that list 27 kilometres of new overhead wiring, 60 upgraded track signals and 19 new point machines. Easter saw intensive maintenance renewal on the Cranbourne line that included the replacement of points, signalling and overhead wiring, and the installation of concrete sleepers. This was the equivalent of 12 months of maintenance renewal in just nine days, saving an estimated \$2.7 million, which we have pumped back into the network for further maintenance and renewal projects. Getting more trains on the network and ensuring the trains are not delayed or cancelled through poor maintenance are actions that have had an immediate effect on train reliability and also on train overcrowding.

To expand our public transport network we are delivering the regional rail link, which will free up capacity on metropolitan lines by giving regional trains their own dedicated tracks to Southern Cross station. We are continuing the planning for the Lara to Avalon airport link. The Watergardens and Sunbury electrification will open by the end of 2012. We are also getting behind an alternative to the city loop — the Melbourne Metro rail tunnel. The budget includes \$2.1 million to continue planning the Lara to Avalon airport link and 49.7 million for statutory planning of the Melbourne Metro rail tunnel.

Finally, Chair, Victoria faces real and substantial challenges, and that would be no more evident than the outcome of today's Federal budget that sees the Federal government slashing funding for infrastructure from around \$8 billion back to about \$4 billion, and Victoria, it would appear, is the biggest loser out of the Federal budget. It appears that we are going to get around about 10 per cent of that funding and, given the presentation I have put before the committee today, you can understand what a challenge it was for us in framing our budget but still being able to deliver on the major infrastructure projects in the state of Victoria and to invest heavily in infrastructure maintenance to make sure that we do have very reliable public transport as we go forward. We are investing more than half a billion dollars for public transport initiatives to cater for growth, and the budget aims to position Victoria to take full advantage of current and future opportunities. I thank you, Chair.

The CHAIR — Thank you, Minister. In the remaining approximately 2 hours and 20 minutes for this portfolio we will take questions. I ask the minister: given the key growth and efficiency initiatives announced in the budget, can you please outline for the committee the likely impact of the budget on enhancing service delivery, promoting productivity and achieving efficiency gains within your portfolio, and in your response could you also indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these areas?

Mr MULDER — Thank you, Chair. The 2012–13 state budget contains a record \$5.8 billion infrastructure program. This coalition's economic strategy is to generate jobs for Victorians, boost productivity in Victoria and grow Victoria's economy. The government has also introduced more rigorous processes for decision

making on infrastructure projects to get the delivery of major projects right, such as the high-value, high-risk process. The government has allocated more than half a billion dollars for public transport initiatives in 2012–13, and this builds on the \$403 million for public transport initiatives announced in the 2011–12 state budget.

The government will order new regional rolling stock for the first time since 2008. Regional train patronage has been growing at an unprecedented rate. Between 2005–06 and 2010–11 patronage doubled, and it is forecast to continue to grow strongly into the future. The current V/LOCITY fleet consists of 134 railcars; the latest railcar entered service in September 2011. In order to provide for forecast growth, including increase to the fleet required for the regional rail link when it opens in 2016, more railcars will be needed. In addition to the new rollingstock funding, it also provides for train stabling in the North Geelong area and additional maintenance capacity at Ballarat East to help maintain these railcars, and this allows either more trains or the number of seats on existing trains to be increased.

The 2012–13 state budget provides \$8.4 million to continue the development, including land acquisition to secure the site, of a new station north of the railway line at Grovedale. Planning work funded in the 2011–12 state budget — \$1 million — has proceeded on the development of the station and Public Transport Victoria will continue to work closely with the City of Greater Geelong, key stakeholders and local communities to develop the detailed design of the station and its precinct. This project will directly benefit residents of Geelong’s southern suburbs, including the Armstrongs Creek growth area and fast-growing Surf Coast towns such as Torquay.

Protective services officers will tackle crime at railway stations. The 2012–13 budget has provided \$17.7 million in capital funding for the construction of facilities at an initial 66 stations to support the deployment of the protective services officers. In addition, operational funding of \$1.2 million per annum is allocated for these facilities’ ongoing running costs such as maintenance and also for cleaning. Recruitment is well under way, and the first squad of protective services officers started patrolling Southern Cross and Flinders Street stations in February 2012. Victoria Police plans to deploy protective services officers to 66 stations by the end of June 2013. To accommodate the deployment of the protective services officers at the first 66 railway stations, the coalition government is undertaking a program of station works to construct workplaces for protective services officers to perform duties such as writing incident reports, suspect and vehicle registration checks, as well as receiving police alerts and updates. There will be handover rooms for protective services officers to detain offenders while awaiting removal by Victoria Police and to comfort persons under distress as is necessary; and toilets and meal areas at a small number of stations where there is insufficient space at the existing staff facilities or where renovations are required because the facilities have not been used since the mid-1990s. The first priority of passengers is safety. PSOs will help reduce vandalism, which leads to a lot of train cancellations as well.

A Warragul station precinct project will involve the creation of a new road underpass to connect Queen Street and Alfred Street under the rail line in Warragul and the construction of new car park and bus interchange for station users on the south side of the Warragul station. The coalition government has allocated \$10.7 million in the 2012–13 budget as part of its commitment to deliver the Warragul station precinct project. This will improve the amenity of Warragul station for the commuters who use this facility.

There is \$171.9 million in the budget for regional rail network maintenance. The 2012–13 state budget provides \$171.9 million over four years to improve the passenger and freight rail networks in country Victoria. This is on top of the \$100 million over four years which was provided in the 2011 state budget for rail maintenance under the Maintaining Our Rail Network Fund for metropolitan and regional asset renewal and also for maintenance. Public Transport Victoria, which commenced operation on 2 April 2012, will conduct an asset condition assessment in conjunction with the maintenance arm of V/Line to form the basis of its administration of future maintenance and upgrade programs.

The government plans to carry out major periodic maintenance works on the passenger and freight lines across regional Victoria such as replacing culverts; upgrades to platforms; building facilities and track at stations; upgrades to car park services; relay rationalisations; cleaning out and re-profiling of track drainage; rehabilitation of fouled ballast; renewal of track and road surfaces; upgrades to the protection of level crossings; renewal of track components, points and crossings; replacement and grinding of rail; resleepering, reballasting and repair of bridges; installation of concrete sleepers; renewal and replacement of timber sleepers installed in sidings and passing loops. There is an awful lot here.

The CHAIR — I congratulate you on the detail and the knowledge, but without going into detail if you could just wind up.

Mr MULDER — There is also significant investment of \$10 million on the Mode Shift Incentive Scheme to ensure that we get heavy vehicles off our road network onto rail — a policy that the government is very keen to pursue; the regional rail network maintenance, whereby freight transport operators will welcome this investment, as I said before; and also the investment in the Mode Shift Incentive Scheme. There was not much to go, Chair, but quite obviously there is an awful lot happening in relation to rail, investment in rail and investment in the maintenance of the network to ensure that we can provide a safe and reliable public transport system for people who wish to use our public transport network.

The CHAIR — Thank you, Minister. I would ask you to be extraordinarily brief, or at least briefer, in response to my follow-up question, which is: can you make some considered comments in relation to the likely impact on industry and the community in relation to these initiatives in the portfolio?

Mr PAKULA — I will come back at 10.

Mr MULDER — What was that again?

The CHAIR — There was a bit of interference there. I will have to repeat the question. The follow-up question is: can you make some observations as to your considered likely impact on industry and the community in relation to the initiatives in the portfolio?

Mr MULDER — Certainly, Chair. In relation to the investment that we are making, particularly in maintenance on the public transport network, I do not think it is any secret that throughout the period of the former government, a response to trains breaking down and poor service delivery was ice creams and bottles of water to try to pacify commuters who were stranded at railway stations when the system basically collapsed.

I do not think it is also any secret that the former operator, Connex, which was requesting extra maintenance money from the former government, did not get that money. Metro came on board with a further request for maintenance for the network. We have worked very closely with that operator to make sure that that maintenance money is provided, the works are undertaken, and the absolute impact across the board for commuters has improved dramatically.

I am not saying, Chair, that we have got on top of each and every issue in relation to public transport in Victoria, but certainly we are in the mode of catch-up as we speak in terms of making sure we get the investment right, making sure that we can provide the rollingstock to grow the network, making sure that the community can travel in a high degree of comfort, making sure that the concerns people, in particular women, have expressed to me in the past their concerns about visiting railway stations at night and about travelling on the public transport system late at night will be dealt with by the rollout of the protective services officers on our railway stations to provide a safe environment at railway stations. We know, certainly from my point of view from opposition, when we used to get the incident reports under freedom of information provided to us by the former government, the number of incidents involving assaults, unruly behaviour, unsocial behaviour at railway stations made railway stations areas people feared going to at night, and we are determined to turn that around. We believe that the initiatives we have put in place in relation to providing these — no. 1, putting more money into the network, ensuring that we can get reliability up and get punctuality up — if we combine that with safety, we will get people travelling at night on the rail network.

Certainly the investment in rollingstock that we have made, particularly for the regional operators, I would say is more than timely. As I pointed out in my address to your former question, the last time that rollingstock was ordered for the rail network in regional Victoria was in 2008, and it beggars belief that the former government announced a regional rail project and costings and funding for that project but failed to include rolling stock in it. We have situations at the moment where people arriving from the regional cities of a morning travelling into work would expect that they could travel with a degree of comfort but that certainly is not the case at this point in time. The order that we have placed for the rolling stock will go a long way to alleviating that — promoting regional Victoria, promoting the fact that people can actually live in the regional cities, travel to the city to work and travel back home again at night in a degree of comfort.

Very recently we saw an incident on the Geelong line where once again the passengers were drastically inconvenienced because of a maintenance failure on that network. A cable had been punctured, which resulted in signal failures and boom barriers coming down along the line. It caused massive inconvenience to motorists and massive inconvenience to the commuters as well. We believe that the investment that we make will do an awful lot to turn that around. We are starting to see some positive signs, particularly in the metropolitan area. We know we have got a fair way to go in regional Victoria, but the investment in the budget paper that I am referring to today certainly goes a long way to dealing with that.

Our level crossing investments in terms of productivity — —

Ms HENNESSY — Come on!

The CHAIR — Minister, it is a very good answer, but I think we have come to the end of it.

Mr MULDER — Is that all? Okay. There was a lot more, Chair, but nevertheless.

Mr PAKULA — We are 22 minutes in.

The CHAIR — Just be patient. There is lots of time. Deputy, would you like to ask a question?

Mr PAKULA — Well, I would.

The CHAIR — You have been pretty — —

Mr PAKULA — No. Yes, I would like to get a question in. By the way, you do recall that we committed to buy more regional rolling stock in the 2010 election campaign, and you did not; you do recall that?

Mr MULDER — The 2010 election campaign?

Mr PAKULA — The 2010 election; we bought them in 2008, and then we committed — —

Mr MULDER — It was in the budget, was it? It was in your budget?

Mr PAKULA — We lost, remember?

Mr MULDER — It was not in the budget. It was not in the forward estimates either.

Members interjecting.

Mr MULDER — We could not find it. Through the Chair, we could not find it in the forward estimates.

Mr PAKULA — You have gone on about metro maintenance. I would like you to have a look at budget paper 4, page 125, and the item there, 'Metropolitan rail infrastructure renewal program (metro various)'. There are a couple of things about this. The first thing is: this was until this year, as far as I can tell, an output initiative, and now it is an asset initiative, which I find — —

Mr MULDER — Where are we?

Mr PAKULA — Budget paper 4, page 125, Minister. So it is interesting why that has moved from outputs to assets. Whether that is to prop up the budget surplus, I am not sure. Minister, you have talked about the increase in metropolitan maintenance from your government, but of that 802 TEI, 220 was scheduled to be spent in the 2010–11 financial year; you say 303 is being spent to 30.06.2012, which suggests to me that only about 83 was spent in the 11–12 year, which is almost a \$140 million decrease on Labor's last budget; and 130 million is scheduled to be spent in 2012–13, where again Labor was spending 220 in 2010–11. So can you unpack that for me, explain why it has been moved from assets to outputs and why it is such a huge reduction on what was spent in Labor's last year?

Mr MULDER — I will just let Robert explain out the issue in terms of how it presents in the budget paper, and I will make some further comment in relation to the maintenance, if you like, on that.

Mr OLIPHANT — The metro maintenance you are referring to is the maintenance that was approved as part of the MR3, the rail franchising agreements back a couple of years ago.

Mr PAKULA — Sorry; what does that mean?

Mr OLIPHANT — That is the way it has always been classified.

Mr PAKULA — Always been classified as an asset initiative? Sure?

The CHAIR — Thank you, Mr Oliphant.

Mr PAKULA — I do not think that is right.

Ms HENNESSY — I do not think that is right at all.

Mr PAKULA — Anyway, it is easy enough to check, but that is not — —

Ms HENNESSY — We will interrogate that and ask the — —

Mr PAKULA — If you have a look at the 11–12 budget, it does not appear to be the case. Anyway, we will clarify that.

The CHAIR — The minister is going to make some further comments, I understand.

Mr MULDER — If you just bear with me — —

Mr PAKULA — Don't look at your prepared response; just answer the question I asked.

The CHAIR — Deputy, the minister is entitled to ensure he gives an accurate answer.

Mr PAKULA — Full of diatribe from the PPQ folder.

Mr MULDER — Chair, I think the — —

The CHAIR — Minister, if it is the fact that you need to take the question on notice, that would be an — —

Mr MULDER — I am more than happy to take that question on notice. It is a complex question, and my bureaucrat sitting alongside me has answered it in the best way he deems possible, but we will take it on notice and get back to you.

Mr PAKULA — Sorry; can I just follow up?

The CHAIR — Certainly.

Mr PAKULA — In terms of taking it on notice, I want to be clear what it is you are getting for us. I want clarification of whether it is in fact the case that the metropolitan maintenance spend in 11–12 was 83 and 130 for 12–13 versus 220 in 10–11. That is what I would like to get clarified.

Mr MULDER — I think you will find that the additional funding that we have put into maintenance on the network — and it has been widely publicised, particularly over the Easter weekend; a major blitz. I think from May to May there was somewhere in the order of \$353 million invested in maintenance and asset renewal across the network. There was further funding provided and maintenance carried out by both V/Line and by Yarra Trams through that period of time — —

Mr PAKULA — We are talking metro rail.

Mr MULDER — I think that you are starting to see the impact of the money that we have invested in maintenance on the rail network starting to show out in terms of punctuality, reliability and customer satisfaction.

Mr PAKULA — Why my train was not there yesterday when I turned up at the station.

Members interjecting.

Mr MULDER — In terms of the question, it is complex, but we will get back to the member in relation to that.

The CHAIR — Thank you. There will be a response.

Mr MORRIS — Minister, can I refer you to budget paper 3, page 290, which covers the public transport outputs and in particular the measure ‘Service punctuality for: train services’. I am wondering: can you update the committee on the punctuality figures for the metro train system, please?

Mr MULDER — I thank the member for that question. Committee members will note that on page 290 the performance measure ‘Service punctuality for: train services’ states that punctuality of Metro’s train trips has risen from 85.9 per cent of trains being officially on time in 10–11 to an expected 88 per cent in 11–12, with the target the government has set being 89 per cent of trains officially on time for the year 12–13. The committee may be aware that officially on time means a train that arrives at its timetabled destination less than 5 minutes late.

The railway that Metro is operating today is not the same as it was for much of 2010–11. Towards the end of 2010–11 the coalition government introduced 635 individual extra train trips across Melbourne a week. The changes occurred on 8 May 2011, a year ago yesterday. For instance, on the Frankston line Metro introduced 6 extra afternoon weekday peak-period express trips, while in total there were 15 new trips each weekday, or 75 a week. On the Pakenham line Metro introduced 11 new trips each weekday, while on the Cranbourne line there were 6 new trips each weekday, meaning a respective total of 55 and 30 new trips each week for these two lines that are among the busiest in Melbourne. Importantly, on these lines the government also increased the frequency of trains after the evening peak from a train every half hour to one every 20 minutes up until 10 o’clock.

On the Belgrave and Lilydale lines the 8 May 2011 new timetable introduced 25 new weekday trips, including a couple of extra peak-hour trips from Blackburn to the city, and this meant a total of 125 extra weekly train trips on these lines. There were also 4 new trips each weekday on the Glen Waverley line, while there was 1 extra weekday trip on the Alamein line.

To Melbourne’s west, an area that I am sure interests some of the members opposite; from the western metropolitan region Metro introduced 37 new trips each weekday on the Werribee line and 2 each weekday on the short Williamstown branch line. If you add the two, that is 195 extra train trips, which is a significant improvement. The timetable also improved the train frequency after the evening peak until about 10.00 p.m. from every half an hour to every 20 minutes on both lines.

Then we come to the recent, 22 April 2012, timetable changes that resulted in the introduction of a further 353 extra train trips a week. Unlike the 8 May 2011 timetable changes, the 2012 timetable changes were focused on improving the frequency of weekend trips, as 283 of the extra trips are on weekends. Between 10.30 and 7.00 p.m. on weekends Metro has now introduced 10-minute frequencies between Flinders Street, Dandenong, Frankston and Ringwood. It is getting to the point where those particular commuters at those particular locations will no longer need a timetable; they will know that a train will turn up every 10 minutes.

Ms HENNESSY — That is a big call.

Mr MULDER — On the Frankston line on Saturdays and Sundays, the first train on a 10-minute frequency departs Frankston at 9.24, arriving at Flinders Street after stopping at all stations via the city loop at 10.35. The changes recognise that Melbourne is now a seven-day-a-week city. During 11 years of the previous government the weekend timetables were stuck in a bit of a time warp, and we are going to change that. The new timetables are great for footy, and they are great for cricket fans as well — for Melburnians who want to take their children to the city on a weekend or go to the aquarium or go to the zoo and enjoy the day out.

Now that we have got new, more frequent timetables I want to inform the committee about individual line punctuality, and this is where it points to the fact that we have made the investment in the infrastructure and we have made the investment in the maintenance. I am pleased to report that on its 15 electrified lines and 1 non-electrified line — the latter is Frankston to Stony Point — Metro’s performance was far better in April

2012 than it was in April 2011. Overall 92.2 per cent of trains were officially on time in April 2012 — 92.2 per cent — compared with just 76.2 per cent in April 2011. That is one hell of an improvement for Metro.

On the Alamein line punctuality increased from 85.8 per cent to 91.9 per cent and on the Belgrave line from 78.7 per cent to 89.8 per cent. The Craigieburn line saw a rise in train punctuality from 75.8 per cent to 90.9 per cent. On the Cranbourne line the increase was 69.2 to 89.5 per cent. On the Frankston line punctuality increased from 56.4 to 91.2 per cent. On the Glen Waverley line it was 88.1 to 96.1 per cent. Hurstbridge increased from 80.1 to 92.1 per cent. On the Lilydale line April 2011's train punctuality was 80.7, while in April 2012 it was 91.5. On the busy Pakenham line it increased from 56.9 to 88.3 per cent. On the Sandringham line the increase in punctuality was from 79 to 97 per cent, while on what was the Epping in April last year but from 22 April this year became the South Morang line punctuality improved from 84.9 to 95.2 per cent of all trips. On the Stony Point line it rose from 87.3 to 98.2 per cent, while on the Sydenham line it increased from 77.6 to 89.7 per cent. To and from Upfield punctuality rose from 75.1 to 86.6 per cent, Werribee 68.4 to 92.1 per cent and on the Williamstown it increased from 88.2 to 94.8 per cent.

This is a reasonably good-news story. The fact that we are finally starting to see some regular improvement across the network — reliability and punctuality — is a vast improvement from the performance of the previous government. It has come about because of the increased maintenance that has been put into the system, being prepared to work with the operator — —

Mr PAKULA — You added 5 minutes to the journey time.

Mr ANGUS — Hard work and a good minister.

Members interjecting.

The CHAIR — I just point out to all members of the committee that it is inevitable that ministers' responses will be elongated if they are responding to interjections. If you wish the minister to conclude his response expeditiously, I suggest you do not interject.

Mr PAKULA — I am not sure that will help.

Mr O'BRIEN — Sometimes you have got to get across the detail in your portfolio.

Ms HENNESSY — Essentially what we are saying is: he started it!

The CHAIR — When I have silence I will call the next member of the committee.

Mr SCOTT — Minister, could I refer you to budget paper 3, pages 70 and 71, which outline asset initiatives in transport. By my reckoning the road initiatives nearly double the public transport initiatives in those, and I note that the no. 1 priority for federal funding from Infrastructure Australia is a road project as opposed to a public transport initiative. Could you please explain the rationale for this weighting towards roads as opposed to public transport projects given your commitment to fix the problems in public transport?

Mr MULDER — Thank you for that question. I believe that the previous answer went a long way to justifying the decisions that this government made in relation to our investment in public transport. Quite clearly when you refer to road investments you are referring to grade separation projects as well. Given the number of trains that pass through level crossings in Victoria at the moment, and given that two of those are grade separation projects that we are going to deal with, both Mitcham Road and Springvale Road, which rate as the top level crossings on the ALCAM modelling for level crossings that should be abolished — that ALCAM modelling is carried out in relation to improvements to public transport — —

Members interjecting.

Mr MULDER — As I say, those projects go a long way towards improving safety on the rail network for people who use the public transport network on a day-to-day basis. Also, although not included in the budget documents, what is included in the Regional Rail Link project is a reinstatement of a further two grade separation projects on Anderson Road in Sunshine. These two crossings were removed from the regional rail link scope by the former Labor government, and they were reinstated at my insistence.

Mr PAKULA — By me — I announced it!

Mr MULDER — They were reinstated at my insistence that they be put back into that project's scope, and they will be funded accordingly. It is the removal of grade separations that plays a very, very important role. Once again you talk about budget commitments. Our application to Infrastructure Australia focused very, very heavily on public transport and public transport improvements. The metro tunnel, which we have allocated \$50 million to and unfortunately the federal government has chosen not to — —

Mr PAKULA — That's federal money, it's not your money!

Ms HENNESSY — Why was your application put in so late?

Mr MULDER — Through you, Chair, I will just set the record straight on that matter: \$40 million was provided for that project by the federal government to kick-start the project, and \$50 million was provided by the Victorian state government, the Baillieu government, to further the project, to take it to the statutory planning process and advance it and to have the project basically shovel ready to start construction. No money was provided by the former Labor government for the metro tunnel project. The money was provided by the federal government.

We have also requested funding through Infrastructure Australia to assist us with the Dandenong line. As we know, there is an awful lot of pressure on the Dandenong line. At the moment there is some discussion around whether or not in the interim we can run nine-car trains on the Dandenong line, extend platforms — basically just squeeze as much as we can out of the infrastructure until we can get some support from the federal government to advance that to a corridor that would involve major grade separations and deliver the types of services that we would like to deliver.

We do not step away at all from the issue that we have committed to the east–west. I have further to say about that in my contribution this morning on roads, but we are committed to that particular project because not only is it a project that involves improvement to traffic flow of vehicles for Melbourne but it also provides enormous opportunities to improve public transport services as well, because when you have a look at each of the projects that we have announced throughout the budget, there is an enormous emphasis, if they are road projects, on also providing for public transport, providing for pedestrians, providing for cyclists as well.

We do not step away from the announcement we have made in relation to the investments. Certainly when you have a look at the commentary around our infrastructure spend, the amount of money we are spending not just on public transport but also on roads, there has been overwhelming endorsement from a number of the peak bodies here in Victoria for the announcements and the infrastructure investment that we are making — I point out again, Chair — in extremely difficult times and, it would appear as we go forward, without any support whatsoever from the federal Gillard government, which appears to me to have turned its back totally, particularly on the western suburbs. There are a number of these major projects that we are looking at that would have enormous benefits for the western suburbs, but there appears, as I say, to be absolutely no consideration whatsoever for Victoria — nothing, as I say, in terms of supporting the western suburbs, and I find that quite extraordinary. Nevertheless we will move forward.

As I say, these projects that we have announced have got a lot of state government funding. We can advance a lot of these projects, but we will be calling on the federal government going forward to assist us with them. There is now a history here in Victoria with both the regional rail link and the metro tunnel whereby the federal government has indicated it is prepared to provide financial support for those projects. It has its fingerprints all over those projects. We do not want it to take its hands off; we want hands on.

The CHAIR — Mr Scott, after that fairly comprehensive response, do you wish to follow up?

Mr SCOTT — Of course I wish to follow up, Chair, and I do note that your statement before about brief answers was optimistic, I suspect.

Firstly, I just note — I am slightly confused — that you listed grade separations under the Better Roads output within the budget paper dealing with capital infrastructure. However, I would like to follow up. The Auditor-General has obviously highlighted the need to increase funding for public transport infrastructure. Do

you believe that your infrastructure investment is keeping pace with, I think it was, about 3 billion a year that he outlined to keep pace with patronage growth?

Mr MULDER — It is an ambitious target. I think we would all recognise that under the current situation that we face as a state and also, as I say, when you have a look at the federal budget that has come down. We believe with the limited resources we have available to us as a government that we have made the absolute best use of those resources. The spends that we have announced have been targeted spends. It is not so much a matter of throwing money at a project and hoping that the problem will go away; it is about sweating as much as we can out of our existing assets as well as making investments for the future. We are doing that. You only have to look at the work that is currently being undertaken by Public Transport Victoria in terms of aligning bus timetables with train timetables. I think at this point in time somewhere in the order of 140 bus routes have been re-timetabled to make sure that they coincide with train timetables.

We believe that there are great opportunities to get more and more out of what we have got rather than continuing to say we just need to put more into capital investment. That is not to say that we will withdraw, but I am certainly keen to get as much as we possibly can out of the existing infrastructure, given the constraints that we face going forward. They are real; they are not going to go away.

We had to be very responsible in the way we approached this budget. Public transport, roads, infrastructure in the state have had a significant injection of funds. If you have a look at what we have been able to do — with the GST revenues we have lost, with the declining stamp duty revenues, with the mess that we inherited from the former government, the massive blow-outs of projects — we have still been able to make the investment. I think that astounded a lot of people when our budget came out with significant investment in infrastructure, both roads and rail, and not just in metropolitan Melbourne but also in regional and country Victoria as well.

Mr ANGUS — Minister, I refer you to page 296 of budget paper 3, under the heading of Public Transport Infrastructure Development, and in particular the progress of the regional rail link. Can you please advise the committee how this project is progressing?

Mr MULDER — Thank you for that question. Committee members will know that this is a double-track new rail line from Werribee West to Deer Park West through new stations that will be at Wyndham Vale and Tarneit and a similarly double-track new rail from Sunshine through to Footscray to Southern Cross. It basically separates country from metropolitan trains between Sunshine and Southern Cross. This gives regional Victoria — Ballarat, Bendigo, Geelong — dedicated lines into Southern Cross station, something they have been waiting for for a long period of time.

What is not well known are the employment benefits of this regional rail link project. I think we all understand the service benefits, the impact it will have on the Craigieburn and Sydenham lines: taking the slower country trains out of their pathway as well as improving reliability along those networks and greatly enhancing the regional centres by providing additional train trips to those people in the inner regional centres. Already there are 1100 employees or contractors working on delivering what is the largest rail project in Australia, and it is great news for Victoria that this project is finally under way after having been salvaged and rescoped by the Baillieu government.

At its peak, the Regional Rail Link Authority estimates that about 2900 employees and contractors will work on the regional rail link project — 2900. Talk about jobs? This is about jobs and this is great news; this is really great news for Victoria. I am pleased to say that the Regional Rail Link Authority's original estimates of direct jobs to be created was 2800, but it looks as if at peak the number of individuals will be slightly higher than that figure, so there are going to be more jobs out there on the regional rail link project than was first indicated. There will also be a lot of indirect jobs, and these include opportunities for local manufacturers. But the investment in the new rail link also has a positive spin-off for retailers and even restaurants in Melbourne's west because of the purchasing power and the wages and salaries that will have a great impact locally. People will be out there spending money. I am pleased to say that when the regional rail link is completed in 2016 the 30-plus additional railcars that the government has announced through the 2012–13 budget will enable additional train timetables to be formed and also take away from concerns that the community has in relation to overcrowding.

What we have been able to do through this process is put together a series of packages rather than let the contract as a single contract. I believe that has been a positive step because we have a large number of different

contractors who are out there dealing with the different sections of the project in their own right, and as I have said to them, 'Your reputations are on the line'. If you are dealing with one contractor on a major project, the negotiation position sometimes becomes quite difficult and quite narrow in terms of what you can force, but when you have five or six different contractors with different packages along the line they will all be looking at each other. None of them will want to fall behind and none of them will want to fall foul of the government of the day or the public of the day in terms of how they deliver for us. We think that the way we have packaged this particular project has worked out very well for us.

Mr PAKULA — That is how it was always packaged, isn't it? Isn't that the way it was always packaged?

Mr MULDER — Can I just go on to say that, as has been widely published, we inherited a project that was in a bit of a mess.

Mr PAKULA — No, you didn't.

Mr MULDER — It had been scaled down; there was no money for signalling included in the budget; there was no money for rolling stock in the budget. We had to pull that back in. The two grade separation projects in Anderson Road had been pulled out. I insisted that they be reinstated to make sure that that project — —

Mr PAKULA — No, they hadn't. I announced it.

Mr MULDER — was a project where we did not have to go back at a later date — —

Mr PAKULA — Do you want me to get you the reports from the day that I announced it?

Mr MULDER — and provide funding for those types of level crossings. We wanted to make sure we took advantage while the project was being completed so that we were actually in a position to do those level crossings at the same time, and can I tell you that the people of Sunshine, the City of Brimbank, were over the moon when they realised that those level crossings have been reinstated and the government was going to proceed with the project.

Mr PAKULA — Yes, because they came to the announcement with me.

Mr MULDER — It is going to make an enormous amount of difference to the amenity in that area. There will be a further package, I believe, announced later this week and towards the middle of this year you will start to see activity. The target date, as we said, is early 2016. We would like to think that we could finish that project somewhat earlier as we did with South Morang, which was delivered on budget and ahead of time with the Baillieu government. We took over that project as well; we inherited that from the former government. It was a great outcome in terms of delivering a project ahead of time and on budget. We are very confident with the regional rail link team that we will be able to achieve a great result for regional Victoria and a great result for Melbourne, but most importantly at a time when things are tough out there both at the federal and state level — we know that — we are providing the construction jobs to drive the economy, to improve productivity, to make railway lines safer and to ensure that people living in those regional cities can take comfort from the fact that they know they can live in Ballarat, Bendigo or Geelong, work in the city and have a very reliable network.

On top of that there is another issue — Avalon — a project that was completely and totally bagged by the former Labor government; it did not want a bar of Avalon. This project also facilitates Avalon Airport to become an international airport. We are committed, we have given further money in this budget towards Avalon Airport. If Melbourne finds itself in a situation with two international airports, both without a curfew, compared to New South Wales's solitary airport with a curfew, can you imagine what that would do to aviation and how attractive Victoria would become? It is beyond me: I cannot understand why that project received such a bagging from the former Labor government and why it did not have the vision to pick that up and say, 'This is great for Victoria'. We need to be quicker, we need to be first. If you have seen that movie *Margin Call* — 'I'm not here because I'm smart, I'm here because I was first' — Victoria is going to be first. We believe that second international airport will go a long way to improving Victoria's international image. It should have been picked up and that work should have been undertaken earlier. The reason why? We have broad gauge and standard gauge lines going straight past the front of Avalon Airport.

Mr PAKULA — This is the monorail you are going to build?

Mr ANGUS — Thank you very much, Minister, for that comprehensive answer.

The CHAIR — Thank you very much, Minister.

Ms HENNESSY — If I could just take you to page 370 of budget paper 3, I note that you have abandoned and significantly lowered the performance standards around DDA access. Effectively what you have done through the changing of the performance output measures is to move from a system whereby each target and the measurement of when a transport facility is DDA-compliant is indicated. That has now been abandoned and replaced with a performance measure that talks about incremental improvements. Have you lowered that performance target, because I note in this year's budget you have not reinstated the 84 per cent cut to DDA programs that were taken out in last year's budget?

Mr MULDER — I thank you for raising that issue with me, because it is a very important matter in terms of access to public transport and — —

Ms HENNESSY — The measurement. I would like to understand about the measurement of that, Minister.

Mr MULDER — I will get back to the measurement. You can look at this in two ways. One, you can put the measurement there, but in terms of putting the measurement there you have to understand the approach that this government has taken to DDA compliance and access to public transport by people who have a disability and elderly people. We inherited a situation, and I will go to two projects — Footscray station and Laverton station — where no ramps were included in those projects. I think everyone is aware — members on the other side will be aware, certainly the former minister would be aware — that that has been an absolute disaster. To put lifts and stairs at a railway station and not have ramps included in that project has been a disaster. What it has resulted in is elderly people, women with prams and the like having to negotiate a set of stairs or go to the next station and get a taxi back. This is after multimillion dollars of investment.

What I have done is intervened in Williams Landing, which is once again a project of the former Labor government, and I insisted — —

Ms HENNESSY — That is not true, Minister. I met with the engineers at Williams Landing around this very issue while we were still in government. Please do not mislead the committee. Why have you cut 84 per cent out of the DDA program?

Mr MORRIS — On a point of order, Chair, whichever standing orders we are operating under it is clear that in both houses, and I will refer particularly to standing order 114 from the Assembly, there are a very limited number of options for members to interrupt someone who is speaking. Obviously points of order and so on are clearly defined. Simply shouting down a member or minister who is responding to a question is totally disorderly, and I ask you to intervene and ensure that the minister is in the future allowed to answer questions and then perhaps receive supplementaries.

Mr PAKULA — On the point of order, Chair, interjections would not be an issue if the minister's answer in any way related to the question that was asked. Ms Hennessy asked a very specific question about performance standards and their downgrading, and the minister is off on a frolic talking about Footscray and Laverton stations. I understand Mr Morris's sensitivity, but if the minister would spend some time actually dealing with the question that he has been asked, there would be no need for Ms Hennessy to try to draw him back to it.

Ms HENNESSY — On the point of order, Chair, if we are starting to take a formal reliance either upon sessional orders or the standing orders of either house, then I implore the Chair to remember the provisions of standing orders like standing order 58 which requires the minister's response to be direct, factual and succinct. If the minister were capable of answering these questions in such a way, we would not be interjecting for the purposes of trying to guide him back to giving information to this committee.

Mr O'BRIEN — On the point of order, Chair, the minister's answer was being direct, factual and succinct on the performance standards that were showing up —

Ms HENNESSY — How would you know, Mr O'Brien?

Mr O'BRIEN — the poor performance of the previous government in relation to these important issues that were asked about. It is directly relevant. It is not for members to not like the answer. They are even talking over me now.

Ms HENNESSY — Okay. If we are going to put the Premier's media unit at the table, the clue is in the name of this committee — public accountability.

Mr O'BRIEN — Points of orders are meant to be heard in silence, Ms Hennessy. The question was related to performance standards, and you do not like the fact that your government failed to live up to the expectations of these very important people in the community.

Ms HENNESSY — Yes. The minister does not need you to back him, Mr O'Brien. He is doing quite a good job of botching the question himself.

The CHAIR — I did note in the contributions that members were making that the desire to interject did prevail. Indeed it is not appropriate for any member to be interjecting through a contribution by another member on a point of order. Ms Hennessy, you know that.

Ms Hennessy, you have asked a question, you are interjecting, you have the opportunity to ask a follow-up question. It is not often that members of the government party ask follow-up questions.

Let me clear about this. While we use the standing orders of the Legislative Assembly as a guide to this process, it is as I regard it a guide, because I want to maximise the opportunity for members to actually hold ministers to account.

Mr PAKULA — We have asked three questions in an hour, Chair.

The CHAIR — Do not operate on the basis that you can interrupt me when I am dealing with a point of order, because we will lose a lot of time if you do that.

The situation is that I am not going to adhere strictly to the standing orders unless I am compelled to to maintain appropriate decorum in the hearing. That is in your hands, Ms Hennessy and Mr Pakula. I have to say that most of the interruptions come from you two members. Be clear that there is a great latitude being given to members around this table, but if I am pushed, I will have to resort to exercising all options in the standing orders. Let us be clear. A question has been asked by Ms Hennessy. The minister is responding. The minister is entitled to respond to the issue. If the member who asked the question is not satisfied with the information provided by the minister, they can ask a follow-up question.

Mr PAKULA — Can I speak now?

The CHAIR — I am disposing of the point of order that was raised by Mr Morris by indicating that I am quite satisfied for the time being to proceed. The minister has the call. Let us hear his answer and see where it goes.

Mr MULDER — As I pointed out, Chair, I intervened in the Williams Landing rail station project to make sure that ramps were made available for people with disabilities, mothers with prams, people who have difficulty accessing stairs. I also intervened in Footscray, another project that was advanced, to make sure that ramps were also fitted to that project. On top of that, I established a station user panel, because quite obviously there had been a great deal of difficulty in understanding the needs of people with disabilities by the former government, because a number of these stations that were built were built without taking into mind the needs of people with disabilities. That station user panel has helped inform the Regional Rail Link project and in turn will help inform the department of the requirements and needs of people with disabilities going forward to make sure that we do not end up with situations where we spend millions of dollars on projects and we have people who cannot access a staircase stranded on platforms because the lifts are broken down.

I tried to intervene in South Morang, but unfortunately the design of that project was too far advanced. So what we have done in that particular case is put in place what we hope and believe will be a more reliable lift system, different to the ones that were installed on the other stations, to ensure that if there is a breakdown, we do not have people stranded on the trains having to go to the next station down where they can get off. It is just

inconceivable that you would build infrastructure in this day and age that does not cater for people with disabilities.

Can I just get back to the issue that was raised by the member? In relation to the measures, the department has changed its approach. While recognising the role and importance of compliance, it now emphasises improvements to accessibility and achieving the outcome of making public transport usable for as many people as possible. This reorientation to focus on outcomes aligns with VAGO's 2009 audit conclusions. The department has more actively engaged with a broad range of stakeholders, including people with a disability, to better understand the barriers to accessibility and to incorporate their views in infrastructure and service designs. That is exactly the point that I was raising to you. The former government was spending millions upon millions of dollars of taxpayers money without taking into consideration the needs of people with disabilities. We have intervened and we are doing everything we can possible to make sure that the infrastructure that we built does cater for people going forward with disabilities.

The station user panel work will also be used to inform upgrades to existing stations when we are carrying out upgrades to existing stations — you can cater for, as I say, DDA compliance, but also mums with prams and peoples with bicycles. I have been out to Laverton and seen someone trying to navigate that staircase out there with a bicycle. You stand back and have a look at the hundreds of millions of dollars invested and say, 'How on earth could you end up with an outcome like this where accessibility does not seem to have been taken into consideration with the design of these stations?'. I would have thought there would have been more input by the minister's office and by advisers, into the way these projects were carried forward because quite clearly they did not —

Members interjecting.

The CHAIR — That is not appropriate. Now raise your point of order.

Mr PAKULA — On a point of order, Chair, this is outrageous. This hearing has been going for 63 minutes. The opposition has asked three questions in 63 minutes. This minister is deliberately elongating each and every answer that he gives in order to reduce the number of questions that he can be asked in a 2½-hour hearing. At this rate he will get six questions from the opposition. Mr Davis, the Minister for Health, in a 3-hour hearing yesterday had something like 20. I understand the minister's desire to avoid scrutiny, but your job as chair is to ensure that his answers are succinct, not 15 minutes each.

Mr MULDER — On the point of order — —

The CHAIR — Thank you very much for your assistance, Deputy. Thank you, Minister; I will deal with the point of order. In actual fact, by my count, Mr Pakula, the opposition has had, including follow-up questions, five questions today.

Mr PAKULA — That is not true.

The CHAIR — I am sorry. If you want the Hansard transcript, we will check it. But the reality is that each of you has asked a question and two of you have so far asked a follow-up question and Ms Hennessy is, I presume, about to. So if you would not like to waste the time of the committee on frivolous points of order, Ms Hennessy could get to asking the minister a follow-up question. I dispose of your point of order by saying there is no point of order.

Ms HENNESSY — Minister, very briefly, succinctly and accurately please, given that you have cut the funding and you have lowered your performance standards, can you guarantee that the proposed 23 train stations and 12 tram stop upgrades that are funded in this year's budget will be fully compliant with the Disability Discrimination Act?

Mr MULDER — As I indicated, all of the new railway stations that we are building, the design of those stations will be influenced by the station user panel that has had input from disability groups. Some of the station upgrades that have been carried out are minor, as you would appreciate. However, a lot of the older stations already have ramps in place. Some of those ramps are not totally DDA compliant. We will do our best in terms of trying to get the best possible outcome we can for people who have a disability to make sure that the works that are undertaken meet their needs. However, as I say, it is going to depend on the scope of works that

are carried out at each station. Some works will be minor; some will be major. If there are major works carried out on stations, then naturally DDA compliance is taken into consideration.

But, as I say, up until this point in time there did not seem to me to be any guiding principles in relation to railway station design in terms of meeting the requirements for DDA compliance, and those measures that were put in place quite clearly failed. I do not want to be the minister that takes programs like that forward. I want to make sure that every opportunity is given to people with disabilities to be able to use the public transport network and they are not inconvenienced by infrastructure that fails.

Mr O'BRIEN — Minister, I refer you to budget paper 3, page 66. The output initiatives listed there include the Mode Shift Incentive Scheme, which has funding of \$5 million in each of the out years 2012–13 and 13–14. Could I ask you to explain this very important initiative for the benefit of the committee?

Mr MULDER — Quite clearly, going to the election one of our major policy objectives and commitments was to grow freight on rail. The new scheme is a market-based program for existing or new rail freight operators running trips in Victoria. Operators will be reimbursed on a per container basis through a competitive funding process. Economic, social and environmental benefits will flow from a shift of the containers carried by road to the rail network. Of course that will also have the benefit of lessening the amount of maintenance that is required on the road network when you do get that shift from containers. There will be less congestion and less pollution, and of course safety risks are also lowered by transferring containers from road to rail. The road transport industry has a very good safety record but, as we can see, on occasions you will see a collision with a truck and a car. As we say, the more heavy vehicles we can get off, particularly some of our country road network — and this Mode Shift Incentive Scheme is directed, to a large degree, at country operators — certainly has a significant role to play in getting those types of outcomes.

Currently there are intermodal freight trains running from Horsham on the standard gauge ARTC line, along with Merbein, Tocumwal and Warrnambool on the Victorian broad gauge network. Of course one of those runs through my electorate — it runs from Warrnambool right through to Melbourne. The Tocumwal line also picks up containers at Mooroopna, while the Merbein train also carries loaded containers from Donald. The Tocumwal train, operated by Pacific National three days a week in each direction, is sometimes now supplemented by an El Zorro train because of the extra loading that is now available. So quite clearly the markets are embracing the shift, embracing the support that is being provided by the state government, and we would expect to see going forward more containers on rail and a shift in sentiment within the transport industry, supporting more rail, if indeed the government has indicated it is going to put more money into maintaining the regional and country rail network, not just for freight trains but passenger trains as well.

The trains lower the number of truck movements in country Victoria. As I said, there are about 40 000 per annum. Forty thousand per annum truck movements will be affected by the shift in containers from road to rail. Rail freight terminals typically employ around 50 employees, so the Mode Shift Incentive Scheme will also support jobs in Victoria. We think it is important that we continue to send that very clear message. There are a number of other policy initiatives that the government is working through at the moment in terms of getting more freight off the road network onto the rail network. It is not just country Victoria that is impacted by this, but also we know and see the growth in container traffic out of the port of Melbourne and how important it is to get the transport industry in particular thinking about mode shift and thinking about supporting a transfer of activity from road to rail.

Mr PAKULA — Minister, I ask you to turn to budget paper 3, page 289. You have talked about the timetable change.

Mr MULDER — Yes.

Mr PAKULA — You have not talked about the fact that during the peak hour something like two-thirds of the new services are going against the peak, which obviously helps the operator with punctuality because they are driving their trains against the crowded way. In fact, the most recent peak load survey shows that overcrowding has gone up. If you look at page 289 it shows that the actual number of trips, 'Passengers carried', has fallen by a bit over 7 million trips in the 11–12 year against 10–11 and is something like 35 million trips short of what the target was, but your payments to Metro have gone up substantially — by about 60 million, and another 50 million in the next financial year. Can you explain to the committee how it is that

payments to Metro are going up by 60 million and another 50 million when patronage on the network is going down?

Mr MULDER — I guess, number 1, it is an issue of physics, isn't it? If you want people to travel into the metropolitan area of Melbourne you have got to send the trains out. I think that is quite — —

Mr PAKULA — It helps punctuality.

Mr MULDER — That helps a bit, other than picking them up and putting them on my shoulder and taking them out. The other issue is in relation to my payments. I think you will find that my payments are a direct reflection on the contract that the former Labor government signed and are probably an awful lot to do with the greenfield timetable that was a part of the contract that the former Labor government signed.

Mr PAKULA — You signed off on it. You have to approve it.

Mr MULDER — And increased payments, of course — —

Members interjecting.

Mr MULDER — Increased payments would be made according to that. But can I just take you through some of the issues that the former Minister for Public Transport has raised. Metro introduced a new timetable in April 2012 to further boost capacity, improve punctuality and incorporate new infrastructure to the train network. The new train timetable fully activated the line extension to South Morang and included the introduction of new stations at Cardinia Road and Lynbrook. The new timetable delivered 353 additional train trips per week, 14 new train trips every weekday and 283 each weekend. The timetable included increases to peak period services, targeting the heavily loaded South Morang and Hurstbridge corridors as part of the broader South Morang rail project improvements. It also delivered 10-minute daytime services on weekends on the busiest corridors, Ringwood, Dandenong and Frankston.

The journey times have been extended on Metro trains by between 1 and 3 minutes on a number of lines to better reflect the actual performance of the train services. I know that when we came to power, on this issue on some lines — I think it was the Frankston line — if you ran the train flat out, it could not have got there in terms of what the current timetable was allowing, and there were modifications made in that regard. Metro still has strict targets to be met for punctuality and reliability. Journey times need to be revised to realistically reflect the actual running of trains and dwell times following an increase in patronage. I think we would all understand that. If you get more people using the network — more people climbing on board and more people getting off — then naturally you are going to take a little bit longer to load and unload passengers, and do so safely.

The new timetable also included improved connections between public transport modes — as I pointed out before, connectivity with bus timetables — including changes to local bus services to improve connectivity. The new timetable, in conjunction with the new services and service changes delivered in May 11, is aimed at boosting the capacity and punctuality of the train network. Combined with the 635 new weekly train trips that were introduced in May 2011, the government will have introduced almost a thousand services to the train network in 11–12. I think that would give the member, and former minister, an understanding as to: if you more and are delivering more, then I think naturally they would have to be paid more. And we are operating under a former Labor government contract that promised the world, delivered nothing. We, as a new government, have picked that contract up, we have worked with the operator, and some of my answers to questions earlier in terms of what the outcomes have been, not just in new services but punctuality and reliability, would indicate that what we are doing is starting to show some significant impact in terms of improvements across the network. As a result — —

The CHAIR — Minister, I take it you are coming to the end of your response?

Mr MULDER — Well, there is an awful lot here. I could go on, as you can appreciate.

Ms HENNESSY — You could table the material that has been written for you.

Mr MULDER — I could go on, as you appreciate. But I think, as I say, the question here seems to be: why are the trains going backwards?

Mr PAKULA — No, it was not the question.

Mr MULDER — That is what the question seems to be, Chair: why do the trains go that way instead of all coming this way?

Members interjecting.

Mr MULDER — Other than pick one up and put it on my shoulder and take it back out to Frankston and then let it come in, it could not possibly happen. The other issue is to understand this, not everyone, Chair, works in Melbourne. Not everyone works in Melbourne. There are an awful lot of people going in the opposite direction to work.

Mr PAKULA — Peak hour?

Mr MULDER — And it is important that we provide the level of service that they would expect as well. As I say, it is also an issue of physics: you cannot actually bring the trains in unless you take them out. They have to go out. I mean, if we are trying to get more people into the city, it is important that we run those trains out as quickly as we possibly can and allow for those trains to head back in. Whether they be short runs or whether they be long runs, getting the maximum out of the existing infrastructure — and that is what I spoke about before, sweating the infrastructure — what we have got to deal with at the moment is getting the best we possibly can out of it.

The CHAIR — Thank you.

Mr MULDER — And we are doing that, Chair.

Mr PAKULA — Just to follow up. Minister, just to be clear, I mean you talk about the contract but you need to approve the timetable, which you always fail to acknowledge. So you have approved the timetable where you have allowed Metro to add minutes to the timetable on various lines, where they can run more than half the peak hour trains against the peak so that they can boost their numbers and get more state government revenue even though they are carrying fewer passengers.

Mr MULDER — I just find the question somewhat extraordinary given the amount of limited rolling stock and the fact that we have ordered seven new trains and we are working for a business case at the moment to order a further 33. It is a matter of trying to get the absolute maximum that we can out of our existing rolling stock. I just point to the question: if you run a train from Frankston into the CBD, what do you do with it? It seems to me the suggestion is that you leave it there. It has to go back out, and it has to go back out as quickly as it possibly can to bring more peak-hour people back in, whether they be short trips coming back in or whatever — —

Mr PAKULA — More going out than in.

Mr MULDER — The trains have to go out before they can come back in, and I think most people would understand that, Chair. It gets back to performance; the performance figures speak for themselves. And regarding the issue of adding some additional minutes to some of the train timetables, the train timetables will continue to change. As Melbourne grows, as our population grows and as we bring on some of our new rail initiatives, train timetables will change. When South Morang came on, the train timetable changed.

There was a train timetable in work when I came to government. It was sitting in the former minister's bottom drawer; he never had the ticker to bring it out. And we had to bring it out, we had to make that announcement and we had to support the operator in the implementation of that timetable. It was not that hard, Chair. It did not cause us that much grief, because once that timetable was in place and people saw the benefits of a timetable, particularly on the Frankston line, I would say that probably the former minister erred in not bringing it forward because it has been a good initiative. It has added additional services, it has improved reliability across the network and, once again, on those lines, particularly the Frankston line, it has added a 10 minute weekend frequency.

We are doing this with what we inherited, and I believe working with the operator we are trying to get the best we possibly can out of the network, and we will continue to work with the operator and support them through this process. You will not see me as a minister coming out, pointing the finger and saying, 'It's their fault'

because I am working with the metropolitan operators. It is a partnership arrangement and we have to work in that. We naturally we have high expectations, we are spending millions of dollars of taxpayers money and we expect to get the service that the public deserve.

The CHAIR — We will take a 5-minute break, and we will resume promptly.

Before inviting the next question, I wish to make a comment about the proceedings. The first part of proceedings was robust. I do not think I would expect anything less as there are issues and contests, so let us not be precious about it. However, there is required a certain dignity to these proceedings. I have to confess that on reflection and thinking about the point of order which Mr Morris took earlier, it does reflect on the dignity of proceedings. So I just remind all members and the minister that the minister should respond to questions through the Chair. To respond directly across the table to members of the committee who are interjecting is disorderly, and the response should be through the Chair. I remind members of the committee that any interjections are in fact disorderly. I do not think that any of us here are wilting violets, but remember that the more you interject, the more it is likely that the minister will respond by extending his answer.

Mr PAKULA — What if we don't?

The CHAIR — There have been 13 questions, including follow-ups, to date, and I think that we could get through the questions and answers more expeditiously. I remind all of us that the purpose of these proceedings is to get information for the committee to draw on to prepare its report for the Parliament.

The next question is: Minister, I refer to budget paper 3, pages 289–291, which indicate that passenger trips on trains, trams and buses are expected to rise in 2012–13. I therefore ask: what steps has the government taken to improve public transport to cater for growth?

Mr MULDER — Total patronage of Melbourne's metropolitan trains, trams and buses is expected to climb by 20.4 million trips, or 3.8 per cent, in 2012–13, following similar growth of 3.7 per cent expected in 2011–12. The use of trains, trams and buses is increasing in an environment where the growth in car travel has slowed. Patronage growth on trains, trams and buses remains in excess of population growth, which is about 1.5 per cent per annum. I just point out at this point in time that indications are that perhaps the patronage growth on trains may not quite reach those targets. Some of the information we are starting to get fed through to us now is that it may not reach those targets, and there would be a number of issues surrounding the reason as to why that is the case.

In country Victoria, V/Line's patronage is again expected to climb from a forecast 15.4 million rail and coach trips in 11–12 to 16 million in 12–13, and that is up 3.9 per cent. In 2011–12 the coalition government returned trains to the Albury line for the first time since November 2008. I point out that on that particular line there was an awful lot of difficulty with the quality of work that was carried out on that line. In opposition I actually wrote to the federal Joint Committee of Public Accounts and Audit and asked for an investigation into the quality of work that had been carried out on the Melbourne–Albury line. My request was turned down. However, when the trains were returned, on the first train that was returned I got up and rode up front with the train driver. I have to say that I was somewhat concerned about the quality of work that had been delivered with that project. The project was overseen by the Victorian state government at the time, the Labor government, in sync with the ARTC. My understanding is that as a result of the investigations that have been carried out, there is going to be something in the order of another \$50 million put into the Victorian line to try and rectify the quality of work that had been carried out. Hopefully we will see that service running and running efficiently once those works are carried out properly.

We have extended 85 Ballarat line trains to Wendouree each week. Trains account for more than 90 per cent of V/Line's patronage, which is why in 2012 the coalition plans to order new regional rolling stock. With Metro Trains, it is true that according to the figures Metro's patronage is expected to decline by 3.2 per cent in 2011–12, as I indicated earlier, but it will then rise by a forecast 2 per cent in 2012–13. The coalition has ordered seven new metropolitan trains, at a total of \$222 million, in the 2011–2012 budget.

As I said before, we have also worked with Metro to add close to 1000 new trips to the weekly train timetable. Trains are running on the South Morang line earlier than expected, which is a great outcome for the people of that community. As I said, on the Ringwood, Frankston and Dandenong lines Metro is now running 10-minute weekend frequencies. The rail network is carrying almost double the number of passengers than it was carrying

in 1998–99, when patronage was 118 million trips a year, which indicates the need for significant investment in the network and maintenance in the network, an investment that this government is making.

Patronage levels on metropolitan trains may be influenced by a variety of factors, including petrol prices, immigration, international student numbers and of course the increase in costs industry large and small will face from the federal government's carbon tax. We expect that that could have an impact on people travelling on the public transport network. This will push up the running costs of public transport in Victoria to the tune of \$48 million if the carbon tax comes in.

The CHAIR — I am sorry to interrupt you, Minister, but there is audible noise coming from the gallery. Could that desist, please.

Mr MULDER — As I say, we are concerned. We have done some numbers on what the carbon tax would do to the public transport portfolio. As indicated, with the limited support coming from the federal government we are facing a hit of somewhere in the order of \$48 million to cover off on the cost of that. Costs will be incurred by the franchise operators and by V/Line, but no doubt franchise operators, V/Line and Yarra Trams will come to the government, hand out, and ask us to pick up the cost of it. There is no indication as to where that funding is going to come from.

In the case of buses, forecasts are always revised and updated. There has been strong growth in metropolitan bus patronage, with the introduction of more than 2000 bus trips a week since the coalition government was elected. Growth in metropolitan bus patronage will temper to a still excellent 6 per cent in 12–13, but that is still good growth. The trial of the route 601 bus to Monash University, what a great success that has been out in Clayton. It has been successful. In the 12–13 budget we are providing \$5.5 million over four years to continue that. It comes out of a trial phase into a permanent service. No doubt the people at Monash University would be grateful to see that.

Tram patronage is expected to rise — —

The CHAIR — Minister, that is a very comprehensive answer.

Mr MULDER — I have got another three pages, Chair, but anyway!

The CHAIR — I wonder if you could wind it up. Thank you. Have you concluded?

Mr MULDER — Shortly. In relation to trams, of course there are 50 new trams on order, and we are currently looking at a program for the B class trams to provide greater seating capacity by removing the seats in their current configuration to put the seating around the edges of the trams. That is a project that is currently under way, but we have not advanced that at this point in time.

Mr SCOTT — Minister, I refer you to the 20-odd million for rail studies in the last budget, including issues such as Rowville and Doncaster, and budget paper 4, page 124, and budget paper 3, page 66. By my count, if you total together all the studies that have been undertaken in your area of responsibility, it is getting over about 120 million — some 123 million. Where does this large number of studies and the commitment of those funds leave your commitment to cut consultancy costs?

The CHAIR — Did you get the question, or do you want it repeated?

Mr MULDER — Two issues: no. 1, I will answer question in relation to the studies that you referred to, and then I may hand over to the department secretary to answer issues in relation to consultancy costs.

Mr SCOTT — That was not the question, actually.

Mr MULDER — Okay. I think it is very important we understand one thing. If we are going to invest billions of dollars of taxpayers money in projects like an airport rail link, Doncaster rail link, Rowville rail link and a link to Avalon Airport, I think it is important we do the studies first before we announce it and put funding to it and then have the construction industry determine, 'That is what they have got to spend, so let's go for it'. We believe it is important to do the work, and we have engaged the consultants to undertake that work. That work was committed in the budget. It was committed prior to the election. We said that we were going to spend this money. We have engaged the consultants to do the work, and they are out there doing that work at

the moment. That will inform us in terms of taking these projects forward to Infrastructure Australia to ensure that we have developed comprehensive business cases, we have consulted widely with the community, we have looked at the environmental issues and we have looked at the impact of the broader public transport network.

We do it a little bit differently, Chair. We actually plan. We actually do the planning. We make sure we have nailed the scope. We make sure we have dealt with all the issues. We make sure we have the very sound business case to take the projects forward. Planning is important in delivering these types of projects. You could do it about-face. You could announce a project, announce the amount of money, then go back and ask someone to do the planning around it and then determine you have not got enough money to deliver on what you said you were going to deliver, as has been the case in the past. I point directly to the regional rail link project. We are doing this the right way. We do not hold back from the fact of spending money on the best consultants that we can possibly get to do the groundwork to make sure that when we take the case we can argue it on solid ground. I think that is important.

In relation to the question of consultancies, I think it is better handled by the department secretary, and I will hand over to the department secretary.

Mr BETTS — In each of the cases that were referred to, whether it was Avalon, Rowville, Doncaster, those were explicit commitments which the government made during the election campaign in 2010, and those studies are now under way. More generally there is a process now in the context of budgetary constraint where the department will embark on a business planning process in the coming few months. Our aim will be to reduce to an absolute minimum expenditure on external consultancies and therefore rely more on in-house resources to do the work that we need to do.

The CHAIR — Thank you, Mr Betts. Any further, Minister, on that?

Mr MULDER — That is fine thank you, Chair.

Mr SCOTT — I have got a follow-up. In light of your statements will you commit to actually fund the projects if the studies recommend proceeding — the studies that you have been referring to and I referred to in my question?

Mr MULDER — Once again, Chair, we have seen this type of behaviour with the former government by making announcements — a transport plan, \$38 billion that did not have money associated with it — glossy brochures, airbrushed photographs of ministers, projects that were not funded. We do it differently. No. 1, we plan the project. We prepare the business case. We work out what the costs of the projects are. We work out whether or not that will involve state government, federal government, private sector funding, what is the best case to take forward, particularly as we are looking to partner with the commonwealth government. That is the way that you deliver those types of projects. You do not go down that pathway — —

Mr SCOTT — That is not what you said at the election.

Mr ANGUS — Let the minister answer.

Mr PAKULA — You told the people of Rowville they were getting a train line.

Mr MULDER — We are committed — —

Members interjecting.

Mr MORRIS — On a point of order, Chair, I renew my point of order in terms of interjections. There is a very discrete list of times when it is appropriate to interrupt the speaker on their feet, but simply because you do not like the answer is not one of them.

The CHAIR — Thank you, Mr Morris. I will take your point of order as a comment. I think we will resume.

Mr MULDER — We are being responsible, particularly given the financial constraints, obviously, that have been displayed by the federal government at this particular point in time. We have to, no. 1, as I say, prepare the business case. If we are going to go to the market with any of the projects that you have announced, we have got to make sure that we have done the planning and the work for them. We have got to make sure we have a final

figure. We have got to know the total cost of these projects. We have got to know their impact on the broader network. Once we have that information in front of us that gives us the opportunity then to go to market or to talk to the federal government and to work out a strategy in terms of how these projects would be funded going forward.

I just find it extraordinary that today someone would say, 'What day are you going to build a railway line to any of these locations?' — —

Mr SCOTT — I did not say that; do not misconstrue my question. That is deliberately misleading the committee.

Mr MULDER — We are committed to these projects. They are election commitments. We are committed to the projects, we are doing the work, we are doing it in the right format and it is the way to go forward. It is a little bit different. I know that the opposite side of politics find it very hard to understand you would actually plan something and know what it is going to cost before you announce it, but that is the way we are going to go, Chair.

Mr MORRIS — Minister, can I refer you to budget paper 3, page 286, which of course deals with transport safety and security management. It includes a target for level crossing upgrades. Can I ask you what actions the government is taking to fix the problems at Victorian level crossings?

Mr MULDER — Thank you for the question. This is an extraordinary amount of investment, as I say, given the financial constraints we faced as a government and with what is happening federally. We were able to make a commitment of nearly \$350 million in the budget to the abolition of level crossings in metropolitan Melbourne at Rooks Road, Mitcham and also in Springvale Road in Springvale. I might point out that both of these crossings sit at the top of the ALCAM list in terms of level crossings requiring removal because of safety concerns, and they are the projects that we have selected as being the most important projects to deal with.

As I say, this is on top of my insistence since becoming minister that the regional rail link project include the abolition of the two level crossings at Anderson Road in Sunshine. The first is under the Ballarat line, which once the RRL is built will also be the Geelong and Warrnambool line. The second is over the Sydenham, Swan Hill, Echuca and Sydney lines. The previous government, as I say, took these out of the RRL scope. I did not think it was a good move that that be undertaken — to move those level crossings out of the scope — and I put them back in again for a number of reasons: no. 1 safety, because I thought it was important with the increased number of trains that will be going through those particular level crossings. You can imagine the congestion that that would have caused at those locations — Anderson Road in Sunshine. The other issue of course is getting value for money. We have got the contractors on site; they are mobilised — —

Mr PAKULA — Why are you misleading the committee?

Mr ANGUS — Stop interrupting the minister. Listen and you might learn something.

Mr PAKULA — They were in the scope before the election.

The CHAIR — Deputy, order!

Mr PAKULA — The minister is misleading the committee.

The CHAIR — Order! Deputy. Thank you very much.

Mr PAKULA — I will stop.

Mr MULDER — There was no money for them; it is as simple as that. There was no money for them.

Chair, the coalition promised to fix level crossings, and we are also doing that. There will be up to 75 country level crossings fixed in this program, and that commenced last year. Obviously in opposition I was very keen to push a parliamentary inquiry into safety at level crossings. There was a lot of resistance at the time from the former government. I claimed that if we did not get an inquiry into level crossing safety, I would engage in a wide community program to push the government, and the government responded by giving me the ability to

move a reference that basically endorsed the fact that we would have an inquiry into level crossing safety. That has been a great move in terms of highlighting the issue in terms of level crossing safety.

Under the fixed level crossing program I am pleased to report a couple of examples of level crossings that had been scheduled for improvement in 2012–13: Airport Road, Kerang, and we know the community of Kerang will be absolutely delighted to understand that the government is still committed to improving level crossing safety given the history of that region; Power Street, Bendigo; and Rumbolds Road, Sebastian. Under the ongoing state level crossing program crossings will be improved at Highett Road, Highett, and Old Timboon Road, Camperdown.

In the country a typical improvement is the installation of half-boom barriers at crossings that currently only have flashing lights and warning bells. Chair, also we are working on a program at the moment in relation to radio break-in technology, and the trial was conducted at Yendon. These issues were raised in the parliamentary inquiry into road safety as to whether or not there are other forms of technology that could be used. Traditionally the cost of a grade separation project is in the order of about \$500 000 to take a passive level crossing that has only stop or give-way signs through to active protection. The cost depends of course on whether there is power available nearby, but it is around about at \$500 000. We have been very keen for somewhere in the order of 1000 level crossings across regional Victoria that only have give-way signs and stop signs to find a low-cost solution.

Certainly the radio break-in technology, whereby a train carries a transmitter, there is a receiver at the level crossing and there is also a receiver in an approaching vehicle whereby a train sends a message to the level crossing and the crossing to the approaching vehicle that there is a train in the vicinity. It would be low cost; it would be extremely low cost. VicRoads is continuing to do work on this particular project. There is a lot of interest in this project from interstate as well, and I believe if we are prepared to pick up this type of technology, it is most likely to end up going national. But certainly the work is being carried out here in Victoria. It does show great promise, and we will continue to carry out that work. VicRoads, as I say, are undertaking that on behalf of the government.

Ms HENNESSY — Minister, if I could just take you to budget paper 4, page 124, and the associated explanation, and budget paper 3, page 74, specifically the ‘Protective services officers — railway station infrastructure’ line item. I would like to ask you: given that the budget papers confirm that the premium station program money is being raided to help pay for the PSO initiative — it provides an initial 17.694 — in what, as best I can gather, is effectively toilet money for PSOs, that calculates out, at 66 stations, at an average of \$268 000 per station. Do you think there is a risk that that might be a waste of taxpayers money given that only two PSOs will be able to access those toilets? I mean, a quarter of a million dollars for a loo does sound like a lot of money.

Mr MULDER — The coalition government has commenced the recruiting and deployment of the 940 protective services officers at railway stations across the metropolitan rail network. They will also be in Ballarat, Bendigo, Geelong and also in Traralgon. The 2012–13 budget does provide \$17.7 million in capital funding for the construction of facilities at the 66 railway stations to support the deployment of these officers. In addition there is operational funding of 1.2 million per annum allocated for these facilities for ongoing running costs, such as maintenance, and also for cleaning of the facilities.

Recruitment is under way, and the first squad of protective services officers started patrolling Southern Cross and Flinders Street stations in February of this year. Victoria Police plans to deploy the PSOs to 66 stations by the end of 2013. To accommodate the deployment of the protective services officers at the stations, the coalition government is undertaking a program of station works to construct workplaces for protective services officers to perform their duties, such as writing incident reports, suspect and vehicle registration checks as well as receiving police alerts and updates; handover rooms for protective services officers to detain offenders while awaiting removal by Victoria Police and to comfort persons under distress as is necessary. Toilet and meals areas at a small number of stations where there is insufficient space at the existing staff facilities or where renovations are required because the facilities have not been used since the mid-1990s.

The government is committed to deploying the protective services officers at the rail network in a safe, responsible and cost-effective manner. It is intended that the protective services officers will share toilets and meals with the Metro staff where there is sufficient capacity. The construction program requires careful

planning on a station-by-station basis because each location differs with respect to the environment, staffing arrangements and what the existing facilities are.

The program has been divided into two stages. Funding provided in the 2012–13 budget will enable construction of facilities to support PSOs at 66 stations by the end of June 2013. A detailed assessment of the infrastructure requirements at the remaining stations is being progressed for consideration in future budget processes, but I will point out each station is different, and each station will require a totally different approach. Some have heritage issues to deal with, but, nevertheless, we came to the election with a commitment that we would make the railway stations safe. No-one would suggest that the protective services officers would be provided with anything less than what they require to carry out their duties.

It is very interesting to note commentary from the opposition in relation to plastic policemen and other things they have had to say about protective services officers —

Ms HENNESSY — I asked you about quarter-of-a-million-dollar toilets.

Mr MULDER — and we now have them lining up wanting to know when the protective services officers are arriving at their stations.

Ms HENNESSY — Quarter-of-a-million-dollar toilets, Minister; just explain the efficiency and effectiveness of that.

Mr MULDER — All I can say is: hold fire, hold fire; it will happen. We are working through the recruitment process. We are going to provide them with the facilities that they require. Members of Parliament, more than anyone else, should be well aware of the role of protective services officers. They protect us in the Parliament, they protect the shrine and they protect people at the courts. They are trained at the Victoria Police Academy, and they receive the training that is required for them to carry out the work we want them to carry out.

Members interjecting.

Mr MULDER — It is going to be great for people who step off a train late at night at some of those outer metropolitan stations to find protective services officers there patrolling the car park, patrolling the stations — —

Mr PAKULA — Terrific! Passengers will not be able to use the toilet, though, will they?

Ms HENNESSY — I just hope they are not busting.

Mr PAKULA — Only the PSOs can use them.

The CHAIR — Minister, proceed.

Mr MULDER — Providing facilities for these protective services officers is important. The fact is the policy would not be realised unless we moved forward with making sure that they can be accommodated. We went to the election with a very clear commitment in terms of safety around railway stations. Of course, added to those 940 protective services officers, there are already 100 additional transit police out there travelling on the trains, so you see a greater presence of police on the trains. Thugs will know that a railway station is not the place to be at night. People will feel a great degree of comfort in travelling on public transport at night, and we would expect to see the peak period in terms of people travelling pushed out as people become more confident and more comfortable travelling at night-time in Melbourne, which has not been the case in the past. It is a good policy, it has been embraced by the community and we are going to deliver it.

Ms HENNESSY — I might leave it at that, Chair, just noting that a quarter of a million dollars on a toilet kind of gives new meaning to the term flushing money down the toilet. At that, I will hand over to you, Chair.

Members interjecting.

Mr ANGUS — I want to follow on from the previous question from Mr Morris in particular, and I refer you to budget paper 3, page 71, in relation to the asset initiative entitled ‘Metropolitan grade separations’, and you

have touched on that also in your initial presentation. Can you please outline for the committee what effect this will have on public transport commuters?

Mr MULDER — I thank the member for his very important question in relation to what is a very significant commitment by the Baillieu government. Prior to being elected we were very clear; we said that level crossings in Melbourne needed to be abolished. We have a unique network in that regard with a large number of level crossings. We did not take the view of the previous transport minister, the one-time member for Thomastown, that it was all too difficult because of what he said at the time was an all-up cost of 6 billion for the 180 or so then remaining level crossings and took on board an attitude of, ‘Well, we will do nothing’. We have not gone down that pathway. We have made the investment. We have made a significant start.

The Springvale Road, Springvale, and Mitcham Road, Mitcham, level crossings are two of the busiest crossings that the government has prioritised for removal. As I said before, they have been identified in the ALCAM modelling and have also been identified by the RACV as being priorities in terms of removal. We have also added, as I said, Rooks Road, Mitcham, because, once again, of the economies of scale. It is logical to do that at the same time as we do Mitcham Road. It is not up there with Mitcham Road or Springvale Road, but once again we have contractors mobilised, so it makes great sense to make sure that we abolish both those level crossings in the one build program. This will minimise disruption to the community. If the train line is to be lowered, grade separating both means that sensible gradients are achieved for the trains, which of course cannot dip as quickly into the cutting as cars can.

Excluding empty positioning trains on Monday to Thursday, there are 210 Metro trains through the Rooks and Mitcham roads level crossings, while there are 198 Metro trains through the Springvale Road level crossing on Monday to Thursday, and my understanding is that somewhere in the order of 1000 pedestrians cross that level crossing as well. It is a dangerous level crossing. Even on Saturdays or Sundays there are at least 140 Metro trains through each level crossing, while 36 V/Line trains to and from Traralgon and Bairnsdale also go through Springvale Road level crossing from Mondays through to Thursdays, so it is no longer an option to just ignore the problem, as the previous government did.

We had to do something. We had to act. Even under the constraints that we faced, it was important that we committed to these and committed to them early. As I say, the allocation is in the 2012–13 budget. At present level crossings on Melbourne’s busier lines are closed for up to 45 to 50 per cent of the time during peak hours. You can imagine the chaos that causes. The result is a huge waste of time and fuel for motorists and other road users. Tradies, mums and dads, and freight operators all face the prospect of sitting there for lengthy periods of time while the boom barriers are down. As indicated before, with the additional services we are adding to the network all the time, that situation is only going to continue to plague us with our metropolitan rail network. That is why it is important that we move and we move quickly on these particular level crossings.

A train commuter may have parked his or her car in a free commuter car park but then have to drive over the other side of the railway line at present — only to be blocked by further trains that result in boom barriers at Springvale or Mitcham roads being down. In last year’s budget, there was \$16.5 million for other level crossing separations at places such as North Road in Ormond, Mountain Highway and Scoresby Road, and Bayswater and Blackburn roads, Blackburn, and the planning for these is proceeding as I speak.

You can see the commitment that we have had. The normal case would be perhaps one level crossing upgrade a term. If you look at Rooks Road, Mitcham Road, Springvale Road and two at Anderson Road, we are tackling five. As I say, we did not come to government with the coffers flowing like the former Labor government had. We are dealing in a totally different financial environment from the previous government, and yet even operating in that environment we are still able to make this significant commitment to productivity, to safety on the rail network and to improvement of amenity.

What we are also looking at with these level crossing upgrades or abolition are opportunities for value capture, air space and development opportunities to improve and enhance the railway station precincts. Of course this comes on top of other work that is being undertaken at the moment, looking at improving the amenity of other railway stations where opportunities improve and provide an opportunity for us to work with the private sector on railway station enhancement projects. So the level crossing upgrades, value capture, development opportunities, improvements to station precincts are something we are very keen to pursue. Quite clearly this particular commitment has been endorsed and welcomed widely throughout metropolitan Melbourne.

Mr PAKULA — Minister, I just refer you to the Department of Transport questionnaire, which was returned to the committee last week, and the various references in it to the commencement of operations of Public Transport Victoria — for example, page 36: PTV commenced operations on 2 April 2012, with the transfer of staff from DoT, Metlink and the TTA. Minister, can you just tell us how much taxpayer money was spent on the rebranding of the network, with the creation of PTV, including stationery, the moving of staff, the rebranding of the network, the creation of the new app, the deletion of the new app, the going back to the old app — how much did all that cost?

Mr MULDER — You have asked a very, very detailed question. A lot of the work in relation — —

Mr PAKULA — How much did it cost? That's all.

Mr MULDER — A lot of the work in relation to the app and a lot of work in relation to some preliminary work that has been undertaken in relation to rebranding has all been done internally. I understand there may have been some external assistance with the app? Very minimal, in relation to that. We run a tight ship; we run a pretty tight ship.

Mr ANGUS — Unlike the previous mob.

Ms HENNESSY — Thanks for the assurance, but we would like the figures.

Mr MULDER — If you want details about stationery, letterheads, all those types of issues, we are more than prepared to provide that advice to you, but you can understand I would not have that at my fingertips.

The CHAIR — Thank you, Minister, so that will be taken on notice.

Mr PAKULA — I actually do not understand that you do not have at your fingertips the cost of creation of Public Transport Victoria. I would have thought that is pretty basic information. But can I also just, as follow-up, Minister, ask you: if I am reading the questionnaire correctly, at 30 June 2011, DoT had 1195 staff and at 30 June 2012 it will have 782 staff, but PTV will have 515 staff, so a total of 1297 staff. How is it that this creation of a more streamlined process means that the total staffing numbers have gone up by over 100?

Mr MULDER — I might hand that over to the department secretary to answer that, in terms of staffing numbers in the department.

Mr BETTS — The short answer is Metlink. It is not included in the department's number; it has come into PTV from the private sector. That accounts for the difference that you have identified.

Mr PAKULA — From the private sector?

Mr BETTS — Correct. Metlink was a private sector organisation, so it was not included in the department's headcount. On 2 April it formed part of the new Public Transport Victoria. Those staff came onto the books — —

Mr PAKULA — How many — —

The CHAIR — Thank you. How many follow-ups do you want? I understand that the minister has taken on notice an issue of costs.

Mr MULDER — Yes, the costs. We will get back to you with the costs and the details.

The CHAIR — I am not quite sure that the Deputy is satisfied with the extent of the information, but I will allow him if he has a very short — —

Mr PAKULA — I just want to know how many worked at Metlink?

Mr MULDER — If he would like a progress report on PTV, I have it in front of me. I am more than happy to provide it to the Deputy Chair.

Mr PAKULA — How many worked at Metlink was my question.

Mr MULDER — I have it in front of me, Chair.

The CHAIR — Thank you. Just provide that information directly.

Mr PAKULA — Just how many worked at Metlink was the follow-up.

Mr MULDER — Directly. Do you want me to provide it now, Chair?

The CHAIR — Yes.

Mr MULDER — Thank you. Public Transport Victoria commenced operation on 2 April 2012, with the transfer of staff from DoT and TTA and from Metlink. PTV currently has an interim organisational structure, and work is well under way to defining the final structure which will deliver a lean and effective organisation. Since commencement, PTV's key focus areas have been — —

The CHAIR — Minister, sorry to do this to you, but I want to narrow your response to the issue of clarification of staff.

Mr PAKULA — How many worked at Metlink?

The CHAIR — Perhaps Mr Betts has that information.

Mr BETTS — A hundred and thirty-two staff were at Metlink.

Mr O'BRIEN — Minister, I refer you to budget paper 3, page 71, which has the 'Asset initiatives — transport'. You have a line item there for the regional rolling stock, which you have touched earlier in your presentation. Just in relation to the budget papers, in relation to that initiative you have in each of the out years 'nfp', or not for publication, and you have a footnote (i) that says that the total estimated investment 'is not reported at this time due to commercial sensitivities'. What are you able to explain to us in relation to that initiative, and what can you tell the committee about it?

Mr MULDER — V/Line's patronage, as I say, has been consistently rising, and the last order for new rolling stock was back in 2008. The vast majority of V/Line's 134 individual V/Locality railcars, 21 Sprinter railcars and 41 locomotives and their 129 carriages are in use during peak day — peak hours — while utilisation on weekends is also very high. They do not have much room to move in relation to rolling stock availability.

For instance, in March 2012 V/Line carried 391 284 passengers on the Marshall and Warnambool line, 339 000 on the Bendigo, Echuca and Swan Hill lines, 312 000 on the Ballarat, Ararat and Maryborough lines, over 223 000 on the Traralgon and Bairnsdale lines and over 157 000 customers on the Seymour, Shepparton and Albury lines. Overall patronage for the month was up 3.8 per cent compared to March 2011, and yet this was a month with only 21 commuter days compared with 22 commuter days in 2011. There was also track occupation for works on 24 and 25 March on the Geelong line that resulted in V/Line passengers making 15 000 fewer trips, as coaches were substituted for trains at that particular time.

Some of the growth may be accounted for by extra patronage from stations such as Sunbury and Melton that are yet to be electrified to fast-growing suburbs. By the end of the year the Watergardens — Sunbury electrification will open and it should mean fewer passengers on Sunbury line trains, although I stress that they will still be able to pick up and set down passengers at Sunbury, as they can now.

The 2012–13 budget provides hundreds of millions of dollars for new V/Line railcars. This will give V/Line the ability to either increase the number of trips or increase the number of seats on the Marshall, Wendouree, Eaglehawk, Seymour and Traralgon lines. Long distance lines will also benefit because there will be more locomotive hauled rolling stock available, because the new rolling stock will free those particular trains up.

As the Premier said last week, V/Line's patronage has grown significantly in the last five years. The Treasurer has publicly said that we aim to purchase more than 30 new individual railcars with the available funding. I think in the last five years their patronage has grown by something in the order of 100 per cent, so that gives you an idea of the pressure that V/Line are under. There will be some other works included in the funding at key country locations such as Geelong and Ballarat. In North Geelong there will be a new, lengthy compound to

house stabled railcars, while at Ballarat the new maintenance facility will benefit from extra equipment to assist in the servicing of the railcars.

The current maintenance facilities, including the new maintenance depot at Ballarat East that opened at Christmas 2011, are configured for train sets of three V/Locity railcars. While the Department of Transport looked at the possibility of expanding the length of each individual railcar set with a fourth non-powered railcar — in other words, one without an engine — it has been ruled out as impractical. The reason we have not included the extra funding that has been allocated is quite simple: we want to be able to negotiate for the maximum number of individual railcars. Were we to include the number of railcars in the documents and also include the amount of money we are prepared to spend, you can imagine what that would do to our negotiating power.

In 2008 when the previous government announced an order of 28 new individual railcars the total capital cost was \$236 million, but this included some platform extensions and subsidiary other works, such as some expansion of train stabling facilities. The number of extra trips that the new railcars allow V/Line to make will be determined later, as we hope the first three-car set of the coalition government's order will be available by the end of 2014. These new cars will provide extra peak-hour trips on lines like Marshall once the Regional Rail Link opens in 2016, and of course the regional rail link will also be servicing new railway stations at Tarneit and Wyndham Vale. My understanding is that negotiations have already started in relation to the purchase of the new railcars.

As I said, we hold our cards close to the heart. We are dealing with taxpayers' money. We want to make sure that taxpayers get the absolute best bang for their buck. We want to make sure that the money we have allocated gives us the maximum number of railcars, and that is the reason as to not putting both the number of cars and the amount of money available in the budget papers: because the private sector would have worked very quickly what we are expecting to pay, and what we are expecting is the best value for taxpayers.

Mr SCOTT — Could I refer you to budget paper 3, page 283? There is a performance measure there: 'Taxis and hire vehicles conform to quality standards'. I note that the requirements for taxi quality standards have been dropped from 85 per cent to 80 per cent based on a new test with a tougher standard, and I ask: what is the point of implementing higher quality standards for taxis if at the same time you are not going to demand that those standards be met?

Mr MULDER — Thanks for that question. My understanding is that the VTD, in terms of their inspection of taxis, have adopted more of an evidence-based approach in terms of what types of inspections are taking place. Rather than going out and randomly inspecting taxis they are relying on information and evidence that is provided before them and also historic data that they have in relation to, perhaps, poor-performing operators that have continually failed to meet the standards. They are targeting those particular operators or even individual drivers as a result of the information that they have at foot.

As you would be aware, we have taken a step that the former government failed to take in relation to the taxi industry: we have engaged the services of Professor Allan Fels to conduct a comprehensive review of the taxi industry. He is currently working through a number of issues with the industry. We understand that a draft report will be made available some time in the next few weeks. We then move to the position of putting in place an independent taxi commission. We will appoint a commissioner and two assistant commissioners to undertake the recommendations that are accepted by government to improve taxi services across the state.

As I say, other states are very interested in the work that is being undertaken here in Victoria. I am not aware of a review so comprehensive carried out by someone who is so well regarded as Professor Allan Fels. He indicated to me that it was a significant challenge. Had he been able to get this 30 years ago it would have perhaps been somewhat easier to tackle than it is today. Nevertheless I look forward to receiving his report.

As I say, we had taken a very strong interest in the taxi industry. In opposition we took a strong interest; we put forward policy positions in relation to improving the taxi industry. A number of those policy initiatives were taken up by the former Labor government — policy work they did not undertake themselves. We see the taxi industry as being aligned very closely with public transport in Victoria. We see it playing a key role. The image of taxis at the airport, the customer service experienced by people who step off a plane internationally and get on board a Melbourne taxi we see as the first point of contact, quite often, with people who are visiting this

great city and this great state, and we want to make sure that we can make the improvements that are necessary to get a far better outcome.

Mr PAKULA — It makes you wonder why you are lowering the standards, then.

Members interjecting.

Mr MULDER — Through you, Chair, it is not uncommon, I think, in any type of investigative process for material to be provided to investigators and for them to use that material to better target their enforcement process. It happens with police. It happens with VicRoads. It happens with the Victorian Taxi Directorate.

Mr PAKULA — You are just lowering the bar so you can jump over it. You are just lowering the bar for yourself. You have dropped it from 85 to 80.

Mr MULDER — Quite obviously, Chair, they have made the decision based on the information that they have to get a far better outcome.

Members interjecting.

The CHAIR — Ms Hennessy, Mr Pakula, I remind you of what I have said earlier. Mr Scott actually, I think, asked the question.

Mr PAKULA — That is right. Sorry, you are right.

The CHAIR — Minister, have you concluded?

Mr MULDER — No, not quite, Chair. In relation to taxis and improvement of service and the customer experience as well, when we came to government another measure that we took — my understanding is, and correct me if I am wrong, it was offered to the former government, but they did not want to take it up — was for us to continually check the police LEAP database with the Victorian taxidriver database, hire car database and bus driver database, and through that process we weeded out hundreds of people who should not be behind the wheels of taxis in Victoria.

There were issues with assaults against passengers. People who were out there sitting behind the wheel of a taxi — basically those who get on board are driven by, to them, a stranger. We believe we had an obligation as a government to take every measure possible to make sure that people who are sitting behind the wheel of a taxi or hire car or who are driving a bus are the appropriate people to be there. So we continue to run the database of drivers through the police LEAP database, and if we can detect early in the stage that someone is there who should not be there, then they are removed. I point out my understanding is that proposal was offered to the former government, and I am at a loss to understand as to why a proposal such as that was not taken up. We took it up, and we are getting the outcome.

Members interjecting.

The CHAIR — When Ms Hennessy and Mr Pakula have concluded their commentary, I will inquire if Mr Scott would like to follow up.

Mr SCOTT — I do have a follow-up. I will follow on from your reference to the Fels taxi review. I take it, firstly, that that will be released publicly, when you say it will be released. When do you expect the implementation for any recommendations?

Mr MULDER — We understand it is within the next two to three weeks that, as I say, the draft report will be released publicly. There will then be a period of consultation in relation to the draft report. We are expecting that later this year we will get the final report from Professor Fels, and in the interim we will be establishing the taxi industry commission, appointing a commissioner and two assistant commissioners to assist with the implementation of the recommendations that the government takes up.

As I say, there has been an awful lot of work undertaken in this regard. Rather than using loads of external consultants, a lot of the work has been done internally by the Department of Transport, supported by their legal department, and also the Victorian Taxi Directorate themselves. There has been wide consultation in relation to

Professor Fels's draft report, wide industry consultation, drivers have been consulted. I have had the privilege of looking at a number of the, I suppose, interim documents that he has been working through. We are talking major reform to the taxi industry at this particular point in time, but I await with interest the reaction to Professor Fels's draft report and also the government being handed the final report later this year.

The CHAIR — I refer you to BP 3, page 297, and the performance measures of 'Major periodic maintenance works completed against plan'. Minister, could you please explain what this actually means for metropolitan and country travellers?

Mr MULDER — Chair, you have actually homed in on one of the most important public transport performance measures in the budget. It is an extremely important issue. Metro's Melbourne train network has 15 electrified rail lines and one non-electrified line — and that is the Stony Point line — that they operate. Prior to the coalition coming to office the previous government awarded Metro the contract to operate metropolitan trains with effect from 30 November 2009. Before it was awarded, Metro compiled a report that included comment about how trains were at risk of derailment from collisions, with line-side structures under what are identified as the worst lines: Belgrave, Frankston, Hurstbridge and Pakenham. Having received that report from Metro, the government awarded them the contract. In my view the awarding of that contract was recognition that this was a major problem and that the former government had failed to act on it. That was the situation we inherited from the previous government.

The Premier and I have consistently made it clear, both pre and post the November election, that this was just not satisfactory and we intended to do something about it. That is why the government allocated \$100 million more for rail maintenance in last year's budget to the Maintaining Our Rail Network Fund. I am pleased to report that the budget papers show that Metro will meet its ambitious rail maintenance targets. In the year to date, to February 2012, Metro has invested \$138 million in rail maintenance as renewals. As I pointed out recently, when you look at May to May, that figure is far higher than that, because we had a major blitz in rail maintenance, particularly over the Easter weekend.

For instance, in May 2012 some of the work Metro has undertaken or is undertaking include attention to mudslides between Richmond and Caulfield, re-railing at Seaholme station on the Altona loop and between Laverton and Werribee, platform resurfacing and attention to the station coping down to track level at Carrum, rehabilitation of an electrical transmission line between Box Hill and Heatherdale, and attention to level or pedestrian crossings along the Frankston line at Mentone, Mordialloc and Frankston. As I mentioned in my earlier presentation, for 2012–13 we have also committed \$171.9 million over four years for major maintenance on the regional passenger and freight lines. Similar works will continue in 2012–13, and it is essential if we are to reverse the 11 years of neglect that we inherited in relation to the rail network that this work be undertaken.

I refer to a media article in the *Age* of Wednesday, 14 April 2010:

Metro's 'strategic operational plan', sent last month, requested the government bring forward funding for rail upgrade work to improve the network's reliability and punctuality. Metro is yet to meet minimum monthly punctuality targets.

I think that says an awful lot in relation to what we inherited. I know there has also been commentary made in relation to perhaps a potential reduction of staff at Metro. I also refer to an article that appeared in the *Age* on 18 April where a spokesperson for Metro said that 'more than 800 new people had been recruited to the business since Metro took over the contract, which was 700 more than originally planned'. When you have a look at the maintenance budget we are providing in order to achieve those targets, in order to make the improvements we expect are going to be made to the network, it is obvious that Metro had to include more technicians — people involved in signalling, people who are available to work nights replacing sleepers, re-railing, points crossing, ballast, all the works we identified in opposition. We want to make sure that those works are undertaken.

As I have said all along, let us get back to basics, let us make sure that the system is sound, let us make sure that the rolling stock is sound and safe, support the operator and make sure we can provide the outcome that the community is looking for. Quite obviously that is being achieved.

The CHAIR — Thank you, Minister.

Ms HENNESSY — I wanted to ask a question about the Grovedale railway station, particularly in relation to page 124 of budget paper 4 where there is an extra 8.4 million for planning provided in this year's budget on top of the 1 million that was provided last year. That is almost 40 per cent of the cost of building the station. How do you justify the fact that 40 per cent of the cost of building the station has been spent on consultant fees? That figure seems particularly startling bearing in mind that it is more money than what you have spent on the Doncaster rail link, which is 6.5 million.

Mr MULDER — Thank you for that question. We are committed to building a new station at Grovedale; it was one of our election commitments. The features of the new station are that it will be fully enclosed and air-conditioned with a heated waiting room, it will have a car park for at least 200 cars, staffing from first to last train and a V/Line booking office, and the facilities will be fully compliant with the Commonwealth Disability Discrimination Act. As I indicated very early in the piece, work being carried out by the user panel is informing the design of the stations as we go forward. We want to make sure that these issues are dealt with.

The station will be situated near Rossack Drive and Heyers Road on the Geelong–Warrnambool railway line. The 2012–13 state budget has provided \$8.4 million to continue the development of the station including land acquisition to secure the site for the new station north of the railway line. Planning work funded in the 2011–12 state budget, \$1 million, has proceeded on the development of the station and Public Transport Victoria will continue to work closely with the City of Greater Geelong, key stakeholders and local communities to develop the detailed design of the station and also of the station precinct. Community engagement will continue in the coming months and Public Transport Victoria will work with VicRoads and the Department of Planning and Community Development to ensure an integrated approach to engagement on transport projects in the area.

As I said, you indicated that this amount may have been for planning. I assure you it is in relation to advancing the project, but also a considerable amount of that money has gone into the land acquisition.

Ms HENNESSY — In terms of the transition from planning to construction, given that the Southland station study has been completed, why is there not 1 cent for construction of Southland station in this budget?

Mr MULDER — As indicated prior to the election, we gave a number of commitments in relation to railway station buildings. We have committed to stations in Bendigo and Talbot, we have committed to Southland, we have committed to Grovedale. Not all of our commitments have been met in this budget, and I understand that. Grovedale has now, as I said, advanced to a land acquisition process and further funding will be made available in future budgets for other projects.

The CHAIR — Thank you very much, Minister.

Mr MORRIS — Minister, can I refer you to page 292 of budget paper 3 under the heading 'Specialist transport services', and in particular the issue of accessibility at railway stations. There was some discussion on this early about I am wondering if you can indicate to the committee where the proposed improvements will occur.

Mr MULDER — Twenty million was allocated in last year's state budget to improve accessibility on public transport. The proposed action plan for the railway station accessibility program includes works at metropolitan and regional railway stations. Close to \$2.6 million of works are proposed at metropolitan railway stations in the next 12 months. There is funding for platform works, including \$145 000 for platform works at Surrey Hills station, \$160 for platform works at Middle Brighton station, \$155 for platform works at Parkdale station and \$30 000 for platform works at Murrumbeena station.

There is funding for ramps on the Upfield line, in excess of \$59 000 for ramps at Batman station, and over \$104 000 for ramps at Gowrie station. On the Williamstown line there is over \$179 000 for ramps at Williamstown Beach station. On the Sandringham line there is \$224 000 for ramps at Prahran station; on the Frankston line there is \$194 000 for ramps at Chelsea station; and on the Epping line there is \$122 000-plus for ramps at Merri station. On the Hurstbridge line there is \$122 000-plus for ramps at Darebin station; on the Ringwood line there is \$59 000 for ramps at Auburn station.

There is also funding for handrail installation including on the Hurstbridge line over \$87 000 for handrail installation at Eaglemont station and over \$35 000 for handrails at Darebin station. On the Ringwood line there is over \$94 000 for handrail installation at East Camberwell station, over \$83 for handrail installation at

Canterbury station, over \$77 000 for installation of handrails at Chatham station, and over \$78 000 for handrail installation at Mont Albert station. On the Williamstown line there is over \$74 000 for handrail installation at Seddon station; on the Dandenong line over \$60 000 for handrail installation at Yarraman station and over \$111 000 for handrail installation at Hallam station.

There is close to \$1.5 million for works at regional stations in the next 12 months. There is funding for accessible toilets, including \$200 000 for renovations and toilets at the Ararat station, a matter that the member for Altona is very interested in; over \$170 000 for renovation and toilets at Castlemaine station; over \$10 000 for minor renovations at Wallan station; and over \$10 000 for minor renovations at Kilmore East station. There is funding for platform works, including over \$138 000 for platform works at Wangaratta station, the same for platform works at Benalla station, and over \$150 000 for platform works at Drouin station. There is funding for tactile surface indicators, including \$160 000 at Kilmore East station, \$160 000 at Tynong station and \$100 000 at Ballarat station.

These are some of the issues that possibly have not been raised in line items within the budget. This is a very, very clear indication, on top of what we are doing with major ramps at some of the new railway stations and in relation to improving the lifts at South Morang, to make sure we do not have a repeat of failings that we have had at stations that were projects of the former government. As I say, this is a significant commitment to DDA-compliance and people who have difficulty in terms of accessing public transport.

Mr PAKULA — Very quickly, Chair, it is a short question; hopefully we will get a short answer. Budget paper 3, page 293, talks about the total kilometres scheduled for school buses. When you were in opposition, Minister, you and many of your colleagues in The Nationals were — how can I put this politely? — feral about school bus routes, but I note that between 2010–11 and 2011–12 you are cutting the number of scheduled kilometres for school buses by 2.5 million kilometres. Can you tell us why?

Mr MULDER — I will hand that over to Norman Gray, who will take that question for me.

Mr GRAY — We have been going through a review of all school buses around the state, which is a program that we have set up with the Bus Association Victoria; they assist us to look at where school bus provision does not match demand. Through that process we have identified half a dozen buses so far that were excess to requirements, and we have removed those school buses from the program. The reviews guarantee that every eligible child has a seat on the bus. Sometimes it means putting more buses in, other times it means taking them out. But at the moment, with the reviews that we have done, we have reduced the number of school buses required. That may change in future years; it may go back up, it may go down, it depends on the loadings required in each school zone.

The CHAIR — Thank you, Mr Gray. Do you wish to add anything, Minister?

Mr MULDER — The Department of Transport held 1508 free school bus service contracts in Victoria. In 2011 school bus review protocol documents were developed in consultation with industry and are to be used in all school bus reviews. DOT has identified and listed publicly 82 school bus centres to be reviewed across the nine regions in 2011–12. As of April 2012, 53 reviews have commenced, with 19 completed, resulting in a rationalisation, as indicated, of 7 contracted services with a combined value of something in the order of \$830 000. School bus reviews may result in the addition or extension to school bus routes, as indicated. Where there are too few eligible students, services may be withdrawn and funding reallocated to areas of greater need. This ensures that demand for free school bus services are being met.

From February 2012 a new temporary contracted service was implemented in Beechworth, providing additional capacity to the Yackandandah area at a cost of \$55 000 per annum. From February 2012 a new temporary contracted service was implemented in Mansfield, providing additional capacity to the Woodfield area at a cost of \$84 000 per annum. School bus locations affected by service rationalisations are Beulah, Clunes, Cobram, Maroona, Shelford, Hallam and Dromana.

In 2011 the DOT commenced installation of emergency communication equipment in all 1508 free school bus service contracts, with capital expenditure of 2.45 million, with recurrent ongoing costs of 543 000. Installation of all connections is planned to be completed by the end of the 2011–12 financial year. DOT has worked in conjunction with the Department of Education and Early Childhood Development on developing a protocol

identifying strategic principles and functions of free contracted school services during an imminent or actual emergency.

As I said before in relation to bus services, I think it is prudent that governments continue to review bus services, whether they are school bus services, whether they are metropolitan services or whether they are country services, to make sure that we are getting the best possible value for the community out of those services and providing the best service that we possibly can. Needs will change in different communities, populations will move. We need to make sure that we are on top of those changes when they occur and that those reviews are conducted on a regular basis so, as I say, we are not running buses empty and we are getting the best possible value for our dollar.

Mr PAKULA — If this is all about just being more efficient, can you assure us that there is no regional student who would previously have been able to get a bus who cannot now catch a bus, and that there is no student, particularly a regional student, who previously was able to sit down on those country trips who now has to stand up?

Mr GRAY — The school bus reviews are based on the fact that we will provide a seat for every student. For primary school students, the policy of the department of education is that we can put three students on a two-seat bench seat.

Mr PAKULA — Three on two?

Mr GRAY — Three on two. But only for primary school students. So when the school bus reviews are done, for every single child who is involved in the school who has an entitlement to free travel, we map out where every child needs to get on the bus, which is a long process, and then we design the bus routes to pick up every single child where they need to be picked up and deliver them to the school. Every entitled child who had a seat before will have one now, and that sometimes means extending, shortening or changing bus routes.

Mr PAKULA — But no-one is missing out who used to get the bus?

Mr GRAY — That is correct.

The CHAIR — We have time for one very quick question, and I think that would be from Mr Angus.

Mr ANGUS — Minister, I note that budget paper 3, page 275, states that one of the department's objectives is to provide for future transport demand. Given that, can you advise the committee what is being done to provide amenities for cyclists in 2012–13?

Mr MULDER — VicRoads' program for 2012–13 includes approximately \$9.6 million of continuing bicycle projects from 2011–12 — projects such as \$4.7 million for the extension of the Federation Trail in Yarraville and \$1.7 million for the Gardiners Creek trail path in inner east Melbourne. The Department of Transport's 2012–13 program includes approximately \$5 million for cycling-related infrastructure as part of the regional rail link project at Footscray, West Footscray, Sunshine and also between Deer Park and West Werribee.

Further to that, bicycle projects as part of the new road and transport projects announced in the budget include approximately \$2.16 million. These include approximately \$1 million for an off-road shared-use path as part of the Dingley bypass project, and approximately \$300 000 for a shared-use path and 65 000 for a bike shelter as part of the Springvale Road grade separation project. There is \$200 000 to upgrade and extend existing cycling facilities along Stud Road as part of the Stud Road upgrade from Boronia Road through to Mountain Highway. There is also \$595 000 for a shared-use path as part of the Narre Warren-Cranbourne Road project. The Linking Melbourne Authority's 2012–13 program includes \$1.6 million on the shared-use path from Patterson River to south of Baxter, a total project value of somewhere in the order of \$4 million as part of the Peninsula Link project.

The coalition government is also investing \$260 000 in eight regional projects to make it easier to cycle and walk to attractions. These include signs for Gippsland rail precincts; Avon River Bridge pedestrian rail trail safety improvements; Bendigo railway station pedestrian and transport integration improvements; planning for

iconic trails with crossing borders, tracks and trails in the Grampians and Loddon Mallee regions; a Clunes–Talbot wayfinding study; Natimuk to Mount Arapiles bike trail signage; Lake — where is this one?

Mr PAKULA — You have run the clock down.

Mr MULDER — Lake Charlegrark walking and cycling link and the Cronomby Tanks walking track. You can see our bicycle program and the commitment we have to cyclists and how closely we have linked it with a number of our major announcements. As much as they are announced as major road improvements, they provide a great amenity not just for pedestrians but also for cyclists.

The CHAIR — Before we conclude this session I want to make an observation, because it has been a matter of contest over the course of the first part of the hearing. So that we can expedite things in the second half of the hearing, my calculation is that each question and answer, including follow-up questions, has approximated 4½ minutes. They are within a reasonable range in terms of time, but they have been extended because of the number of interjections. Just bear in mind that if you want to get through more questions, there is a capacity to do that with less interjections.

This concludes this part of the hearing. I would like to thank Mr Dobbs and Mr Gray for their attendance. We will adjourn until 11.45 a.m.

Mr MULDER — Thank you, Chair, and I thank the committee.

Witnesses withdrew.