

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 Roads,

Mr J. Betts, Secretary, and

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

Mr G. Liddle, Chief Executive, and

Mr B. Gidley, Chief Operating Officer, VicRoads.

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

The CHAIR — I welcome Mr Gary Liddle, chief executive of VicRoads, and Mr Bruce Gidley, chief operating officer of VicRoads. 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 relating to the budget estimates for the roads portfolio.

Overheads shown.

Mr MULDER — Thank you, Chair. Thanks for the opportunity to address the committee. I will use the opportunity this morning to present some of the detail of the coalition government's investment in the state's road network and also our plans for the future. I have grouped the content of today's presentation into: metropolitan road projects, regional road projects and also safety initiatives.

The coalition recognises the challenge that Victoria's road network faces, and this budget includes approximately \$700 million for road initiatives. Roads commitments are not made at the expense of public transport projects or vice versa. An example of this approach is the government's aggressive reform to remove level crossings. Grade separating rail and roads not only reduces road congestion and improves safety but it enables more trains to run now and also in the years to come.

A number of metropolitan road projects are under way. Work is continuing on the 2.25 billion M80 upgrade, and 1.2 billion has been committed by the Victorian and commonwealth governments to this project as part of the current Nation Building program. Work is also continuing on the \$24 million Palmers Road rail overpass; the \$40 million Kororoit Creek Road rail overpass; the 55.6 million Clyde Road upgrade, to which the state is providing \$25.6 million; the \$38 million upgrade of Hallam Road between Pound Road and Ormond Road in Hampton Park; the 22 million duplication of Plenty Road at South Morang; the 7.5 million to upgrade Cooper Street; and Peninsula Link, which is due to open early next year.

The budget also funds a number of new metropolitan projects. The largest of these are the grade separations at Springvale and Mitcham, where work is ready to commence after planning funding was approved in last year's budget. We will provide 135.7 million on top of the 20 million in last year's budget to fund the incomplete section of the Dingley bypass between Warrigal Road and Westall Road so that the final leg of this important arterial is finally built. We will duplicate 3.5 kilometres of the Narre Warren-Cranbourne Road, allocating \$49 million to construct a new carriageway from Pound Road to Thompson Road in Narre Warren South. An amount of \$11.7 million has been allocated in this budget to duplicate the 1.1-kilometre stretch of Stud Road between Boronia Road and Mountain Highway on top of the \$950 000 planning funding that was provided last year. We will provide 14 million for the West Gate Bridge maintenance works to ensure the longevity of this very key asset.

We will allocate 12.5 million as the Victorian government's matching contribution to provide an intelligent traffic management system between the Western Ring Road and the West Gate Bridge. Funding this section of the West Gate Freeway will bring compatibility with the M1, and this is part of the coalition's broader strategy to widen the use of this technology. We recognise that using technology is one of the most efficient ways to maximise the use of road space, and it is a policy we are pursuing elsewhere on the network. The Victorian government has previously sought 14.3 million from the commonwealth to apply the technology to the M1 between High Street and Warrigal Road and \$100 million for the section from Warrigal Road to Clyde Road.

There is funding for five grade separations in this budget, including the \$350 million to grade separate Mitcham and Rooks roads in Mitcham and also Springvale Road in Springvale. The coalition committed to 10 grade separations prior to the 2010 election, and it has since committed to a further two at Anderson Road in Sunshine as part of the regional rail link project. On Melbourne's busiest rail lines we are seeing hundreds of trains passing through each level crossing every day, and whilst the cost of removing level crossings is high, depending on the complexity the returns on safety and efficiency are considerable. Delivery of these five grade separations will go a long way towards easing congestion on key arterials as well as boosting safety and efficiency for the trains using those lines.

The most significant project receiving funding in this year's budget is the east-west road link. Put simply, Melbourne needs a second river crossing. The coalition recognises that Melbourne is highly dependent on the M1 and West Gate as the sole east-west crossing of the city, and this project provides an alternative for road traffic, particularly for freight traffic. We have previously put to the commonwealth a request for funding of

\$30 million over two years to plan for an 18-kilometre road tunnel between the end of the Eastern Freeway and the Western Ring Road. However, the Victorian government is not waiting to progress this vital project, and the 2012–13 budget allocates \$15 million in funding to explore route options and potential funding mechanisms.

In relation to regional road projects under way, work is continuing on sealing of the Omeo Highway, passing lanes are being installed on Princes Highway west and work will continue on stages 4B and 4C of the Geelong Ring Road. The upgrade to Princes Highway between Traralgon and Sale is also ongoing. In relation to regional roads funded in the budget, 42 million has been allocated to the duplication of the Western Highway from Beaufort to Buangor. This is the state's contribution to the joint commonwealth project that will transform the Western Highway from a two-lane to a four-lane carriageway between Ballarat and Ararat, while 35.5 million has been allocated to build stage 1 of the Ballarat link road on top of the 2.5 million allocated last year. Stage 1 is a 4.2-kilometre road between the Western Freeway and Ballarat–Burrumbeet Road, and \$16 million is being added on top of the \$50 million in last year's budget for the construction of the Koo Wee Rup bypass, a project that will remove a good deal of heavy traffic from the town's centre and boost an important freight link for this part of Victoria.

Rest areas on the Hume Highway between Wodonga and Benalla will be expanded and upgraded as part of the state's commitment for the commonwealth's heavy vehicle and safety and productivity program. Other projects receiving funding from this budget include the Melbourne–Lancefield Road, and in Gippsland the Strzelecki Highway and highlands highway. All of this funding is in addition to the \$160 million allocated in last year's budget that gives 40 rural councils a million dollars every year for four years to spend on country roads and bridges within their municipalities.

For road safety the budget includes 12.4 million to continue delivery of the graduated licensing system. The coalition government will continue to deliver improved young driver safety by increasing the level of driver experience, promoting safe practices, safer vehicle purchases and providing motivation for safe driving behaviour. The key features of the system — peer passenger restrictions and the two probationary licence systems — will remain. To deliver the government's election commitment, 2.5 million is also provided to establish a compulsory safe driving program for drivers committing first-time offences involving excessive speed, street racing or loss of traction. This budget also funds 17.2 million towards Victoria's road safety action plan 2012–15, which will build on the 11–12 action plan that was released last year. The 12–15 plan is the first of three that will form part of the basis of the state's new road safety strategy. It will include initiatives relating to drink-driving, speeding, cycling, pedestrians and vehicle safety, while 11.5 million has been allocated to the National Heavy Vehicle Regulator implementation project as yet another step in ridding the road transport system of inefficient cross-border regulatory anomalies.

I was a staunch critic of the previous government's failure to act on VicRoads' antiquated registration and licensing IT system. It had become fragile and prone to failure. With demand for registration and licence servicing growing at 5.7 per cent every year it was imperative that we acted. We need a system that provides swift and secure customer service, reduces the risk of fraud and tightens up on demerit point capture. I was pleased to be able to announce late last year that the government would upgrade the network with a view to a launch date in 2014. This budget allocates 55.7 million towards this project in 2012–13. Once it is up and running we will be able to add features like quarterly and six-monthly payment options as well as give customers the ability to securely manage and update their records.

I hope that presentation provides you with some idea of our priorities in relation to the state's road network and the impact of this year's budget on those priorities. As I indicated in my previous hearing, these are challenging times. We have seen a massive reduction from the federal government in relation to infrastructure funding, down from 8.4 billion to 4.68 billion. We have suffered a GST reduction — somewhere in the order of \$453 million was the last take out of the state of Victoria — and yet on top of that we have been able to deliver on major road infrastructure programs and safety initiatives across the state.

The CHAIR — Thank you, Minister. The remaining time for this hearing is allocated to questions on the roads portfolio, and I ask: 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 this portfolio? In responding, could you indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these areas?

Mr MULDER — Thank you, Chair. One of the most significant initiatives in the budget to improve service delivery is the 158.5 million overhaul to VicRoads' registration and licensing system. This will replace VicRoads' outdated driver licensing and registration database and systems by 2014. These systems are nearly 25 years old. They are fragile and at risk of serious failure if we do not replace them. The new RandL system, as it is known, will allow better customer service and road safety outcomes. The new system will include facial recognition technology to improve the security and accuracy of information. This improvement in security, flexibility and customer service will provide a tangible productivity benefit for road-using Victorians.

On the importance of freight productivity, transport plays an important role in the production of goods and services and impacts on all sectors of the economy. The efficiency of freight transport makes an important contribution to productivity, since freight forms a component of the cost of all products. In Victoria the freight task is growing rapidly and will continue to grow, driven by population growth, increasing prosperity and the declining cost of manufacturing goods. This growth is putting pressure on our freight and transport system. Victoria needs a new freight plan to deal with these pressures. The government will be developing this plan over the course of this year and integrating it with the metropolitan planning strategy.

The 2012–13 budget includes \$5 million towards preparation of a detailed plan for development of Victoria's freight and logistics sector. This plan will set out the key initiatives and directions supporting growth in the industry in the short, medium and long term. The freight and logistics plan will focus on the kind of freight system we need to drive productivity and to grow our economy. Nearly 80 per cent of Victoria's freight movements take place in Melbourne, and within Melbourne the task is even more heavily geared toward road. As such, this budget also funds a number of major road projects which not only facilitate the movement of goods but contribute to productivity by addressing congestion in the transport system.

There is 135.7 million on top of 20 million in last year's budget to fund the incomplete section of the Dingley bypass between Warrigal Road and Westall Road, which importantly connects the manufacturing hubs of Moorabbin and Dandenong. There is 49 million to duplicate 3.5 kilometres of the Narre Warren-Cranbourne Road from Pound Road to Thompsons Road in Narre Warren South, 350 million for grade separations at Springvale and Mitcham, where work is ready to commence after planning funding was provided in last year's budget. There is 11.7 million to duplicate the 1.1-kilometre stretch of Stud Road between Boronia Road and Mountain Highway on top of the \$950 000 planning funding provided last year. There is 14 million for West Gate Bridge maintenance works to ensure that this vital link in Melbourne's only cross-city road corridor can continue to play a vital role in our road network.

The budget also funds a number of new regional road projects. There is \$42 million that has been allocated to the duplication of the Western Highway from Beaufort to Buangor, the state's contribution to the joint commonwealth state project, a primary freight route with approximately 30 per cent of heavy vehicles. There is 35.5 million that has been allocated to build stage 1 of the Ballarat link road on top of 2.5 million allocated last year. This will provide a connection between existing transportation infrastructure of regional importance and the employment zone and residential development in Ballarat West. The improved linkages between the Western, Glenelg and Midland highways will improve the efficiency of logistics, provide an alternative route to the central business district for the transportation of freight and provide access to developable land, particularly in the Ballarat West growth area and employment zone. Stage 1 is a 4.2-kilometre road between the Western Freeway and the Ballarat-Burrumbeet Road. Sixteen million is being added on top of the 50 million in last year's budget for the construction of the Koo Wee Rup bypass. Rest areas on the Hume Highway between Wodonga and Benalla will be expanded and upgraded as part of the state's commitment to the commonwealth Heavy Vehicle Safety and Productivity Program. Other projects receiving funding from this budget include the Melbourne-Lancefield Road and, in Gippsland, the Strzelecki Highway and the Highland Highway.

On the importance of investing in infrastructure, there are two key ways of boosting road freight productivity: invest in new infrastructure that improves the efficiency of freight movements; and make better use of existing infrastructure. Road freight is highly dependent on the MI and West Gate freeways as the sole east–west crossing of the city. That is why the most significant road project on Melbourne's agenda from a freight perspective is the proposal of an 18-kilometre connection between the end of the Eastern Freeway and the Western Ring Road, and \$15 million has been allocated towards planning work for this link. The government's commitment to 12 grade separations will boost productivity, particularly for local carriers, as wait times at key level crossings are going to be eliminated.

On Melbourne's busiest rail lines, as I say, we are seeing significant trains pass through at various times and significant hold-ups for traffic at peak hour — somewhere in the order of 50 minutes during some peak hours. The investment that we are making, as I say, will go a long way to improving infrastructure, improving safety on the network and improving the amenity for both metropolitan and regional Victorians.

The CHAIR — Very briefly, I ask you to advise the committee what you consider will be the likely impact on industry and the community in relation to the initiatives that you have outlined. We do not need to go through all the individual initiatives again.

Mr MULDER — Very briefly, quite clearly, Chair, one of the big issues is the current pressure that the West Gate Bridge faces. In opposition we were critical of the fact that the government's attention was on the M1 and the West Gate Bridge, when quite clearly what industry and commerce were calling out for was a second crossing. It will not be long before the capacity of the West Gate Bridge and the works that have been undertaken to add an additional lane will be taken up and we will be back to where we started from.

The absolute key initiative for Melbourne is the east-west — the Eastern Freeway over Tullamarine Freeway, connections with the port, connections with the Western Ring Road — and providing industry and commerce with a second crossing. It is imperative that this project proceeds. I know that our side of politics supports this project enormously. There is some support from the opposition, but I believe that in order to get the federal government on board with this project we need to look at this in a manner so that both sides of politics support this project and support it to the hilt and make sure that we can get the federal government on board.

There is a lot of work being undertaken as I speak in relation to the development of the business case. There is a steering committee that has been formed within the Department of Transport. We are using a lot of the expertise that exists within the Linking Melbourne Authority to assist with the development of the plan, and I would hope that later this year or early next year we would have a document in front of us that will enable us to advance the cause, no. 1, of engaging the private sector but also going back to Infrastructure Australia and the federal government and asking them to support us with this project.

Quite clearly for regional Victoria projects like the Koo Wee Rup bypass — anybody who has stood in the middle of Koo Wee Rup with the sand trucks going through that particular little town — it is going to transform that small town of Koo Wee Rup, and the fact that we have committed to taking the sand trucks out of the centre of the town and creating a freight link with the two major routes is important for the amenity and the safety of the town. I could go on, Chair, as you know, because there is an awful lot in relation to roads and a lot of roads funding.

The CHAIR — Indeed you could, Minister, but it would be good if you would wrap up your answer.

Mr MULDER — Nevertheless I believe that some of these issues that I could go on with may be picked up in further questions.

Mr PAKULA — Just for the record, that was 8 minutes, 18.7, and no interjections from the opposition.

Mr ANGUS — A very comprehensive answer.

Mr PAKULA — Yes. Minister, can I refer you — —

Mr MORRIS — It is an average of 4 minutes and 9 seconds each.

Mr ANGUS — That is exactly right.

The CHAIR — Thank you for that debate.

Mr PAKULA — Minister, can I just ask you about the savings target for the Department of Transport. It is contained on budget paper 3, and it is referred to on page 70 of that budget paper, but it is outlined in more detail a couple of pages prior to that, and it goes through the year-on-year savings target.

Members interjected.

Mr PAKULA — BP 3. It is referred to on page 70 and detailed on page 67. I just want to ask you whether it is the case that as part of your endeavours to find those savings you are going to be reducing the number of incident response units or arterial metropolitan roads in Melbourne?

Mr MULDER — As you understand, we are in a situation where we are facing a fairly tough financial position. We have made that very clear and we are looking for savings across all government departments. It has been decided that the incident response service will concentrate on the areas that are in most need, and that is Melbourne's freeways, where we have the greatest concern when there is an incident on the freeways. As many Melburnians can attest, a crash or an incident on a freeway has a dramatic impact on traffic flow, affecting a lot more people in vehicles than incidents on some of the arterial roads. What I will do is hand to Mr Gidley from VicRoads, who will give you an understanding of how this will be played out in terms of VicRoads going forward.

Mr GIDLEY — The Incident Response Service on the arterial network came into place in 2008–09 and deals with just the inner 10 kilometres of that network. Exactly as the minister said, we have looked at where we get the best bang for our buck, and that is clearly on the freeways where we have volumes — for example, on the Monash Freeway — of 160 000 vehicles a day compared with arterial roads that are in the tens of thousands. It is part of a service that includes the RACV response, tow truck response et cetera. Most of the VicRoads' work is to deal with vehicles that have run out of petrol or are involved in very, very minor accidents. We are focusing the effort on the freeway network, and it will not reduce at all. That is not to say that we will not deal with anything on the arterial network, but it will be serviced by the vehicles that are patrolling the freeway network and we will not be patrolling the arterial network. That is the inner 10 kilometres.

Mr PAKULA — I do not mind whether the minister or Mr Gidley wants to deal with the follow-up, but obviously incidents on the arterial network, particularly in the inner 10 kilometres, can have massive knock-on effects, including on the freeways. Is it right that the way that VicRoads is going to deal with those incidents, or seek to have those incidents dealt with now that the incident response units will not be dealing with them, is that you will require other emergency services, including police, the fire brigade and the RACV, to clear those incidents rather than VicRoads incident response?

Mr MULDER — Mr Gidley can handle that; it is an operational matter.

Mr GIDLEY — Essentially it will not be any different to the way it works now for Victoria Police. The police will only attend accidents where there are injuries or where they are called. That will not change at all. The RACV will only attend if someone is a member. I think the thing we need to keep in mind is that on the arterial road network there are lots of opportunities for vehicles that break down — not if they stop suddenly, certainly — but if they are running out of petrol, they can duck around a corner and get off the through carriageway. So there are lots and lots of opportunities on the arterial network for people to look after themselves. That is not so on the freeway. Again, I would say we are focusing on the freeway network where there are not the same opportunities for people to get off the through roads and avoid that congestion. I do not see that there will be any more work for the police. They will not attend just normal breakdowns.

Mr MORRIS — Minister, can I refer you to budget paper 3, page 67, which is the second page of the output initiatives for DOT, and in particular the section 'Victoria's Road Safety Action Plan 2012–15'. Can you provide some details around the funding committed to road safety in the budget?

Mr MULDER — The budget allows for specific investment of \$17.2 million for Victoria's Road Safety Action Plan 2012–15 to be determined following public consultation. This is the first time ever that a specific amount has been allocated to the road safety strategy and the action plan. There is 6 million to improve safety on the Hume by upgrading truck rest areas. There is 12.4 million going into a continuation of the graduated licensing system including 120 learner driver hours and the P1, P2 restrictions. There is \$300 million towards the safer roads infrastructure program to improve parts of the road network that are known crash problems. There is 11.3 million that goes into the national heavy vehicle regulator implementation project.

Road safety benefits are expected from the 826 million major road improvement projects across Melbourne and regional Victoria, including duplicating highways, shoulder, sealing, barrier work et cetera. We are also spending 158.5 million, as I said, on the new registration and licensing system. Not only will the new system

have facial recognition technology to reduce fraud and theft in the community but the benefits to road safety research as a result of better data capture will result in reductions of deaths and serious injuries.

Can I also just make some comment in relation to not specific portfolio spend, because we do have other agencies that are heavily involved in road safety spend that support initiatives that we put forward. Victoria's police spend in excess of 200 million per year on road safety policing and road safety. This amount is for the day-to-day focus of operational police on road safety, highway patrols, alcohol and drug testing and other local road policing initiatives, specialist dedicated resources in road policing enforcement, operations and also investigation.

There are 1700 additional police who are going to be employed by the coalition government. Victoria Police has already delivered an initial 53 officers on highway patrols — out there patrolling the roads. It is anticipated that up to an additional 15 more will be allocated in the coming year. We have always said that the greatest deterrent to inappropriate behaviour on the road network is the strong police presence, and this particular policy that we are delivering — these additional police officers out there complementing the other road safety initiatives that we are putting forward — I believe will go a long way to reducing the road toll, because there is nothing better than a uniform, a police car and a set of flashing lights to send a message to motorists that their behaviour is not appropriate.

On top of that of course the Transport Accident Commission conducts awareness-raising campaigns to support the police effort of enforcement and to reinforce road rules. It basically runs across four agencies: you have Minister Rich-Phillips, the Attorney-General, Minister Ryan — the Deputy Premier — and me. We all have a significant role to play in terms of being a key plank in delivering road safety outcomes. In our first year — last year — we delivered a record low road toll in the order of 287. One death on the road is too many. We would love to get to that position. It is a challenge to get the road toll right down to where we would like to all see it. Everyone talks about a zero road toll; we know that that is a tough challenge. Nevertheless, we should not stop trying. I note that at this particular point in time the road toll is perhaps two up on last year. It does peak and it drops away again at different times. You live it on a day-to-day basis when you are the minister responsible. But, as I say, every endeavour is being made to make sure that we provide whatever measures are needed to support our agencies and to support police to make sure we can do our bit in terms of getting the road toll down.

Mr SCOTT — I would like to follow on in part from the question from Mr Pakula in relation to savings. In the questionnaire response that was made to this committee by your department — and I note that the minister is obviously the only minister to the department, so therefore I seek some information beyond just the roads portfolio regarding savings since he is the appropriate coordinating minister — by my calculation savings in the year 2012–13 include 45.7 million related to the 2011–12 budget, 11.2 also related to the 2011–12 budget and 63.8 and 20.8 million both related to the budget update in reductions of funding, plus a 33 million reduction related to this budget. I would be grateful if you could outline what other services, apart from what Mr Pakula identified, have been affected by these changes and reductions in expenditure?

Mr MULDER — I will hand over to the department secretary to answer that for me.

Mr BETTS — The savings obviously span the portfolio, as you have correctly identified, and that includes both Public Transport Victoria and VicRoads as well as ourselves. As far as the department is concerned, having had these savings locked in, the next step for us is to go through a business planning process where we set priorities, and that will play out over the coming months. As I said in an earlier hearing, our intention, for instance, will be to screw down consulting expenditure to the absolute minimum level possible. We are going to be looking for efficiencies in the way we go about procurement, and we will also have to look at our staff head count as well, consistent with the sustainable government initiative, so that process is really kicking off. I cannot go into too much more detail about it until that detailed business planning and priority setting has taken place.

Mr SCOTT — I would like to follow up. In the response to question 3.3 in our questionnaire I am intrigued by the reference to consultancies, because the figures for consultancies in response to question 3.3 related to the expenditure areas which were identified in the previous budget to be subject to reductions in funding. One of them was in consultancies, and consultancies here increased from 6.7 million to 7.3 million, which seems to be contrary to the savings target set by this government. I would be grateful for an explanation as to why consultancies have increased from 6.7 to 7.3 million between 2011–12 to the budget for this year for 2012–13, as there were supposed to be cuts to consultancies as far as I was aware.

Mr BETTS — There will be cuts to consultancies, believe me. That is a sort of starting point estimate, and we will be trying to reduce that to the maximum extent possible, recognising that there are some consultancies which are subject to specific election commitments from the coalition from 2010 — for instance, around some of those rail projects we talked about earlier on — and those commitments will be honoured.

Mr ANGUS — Minister, I refer you to budget paper 3, page 66, and the output initiative east–west link planning and development and the allocation of \$15 million there, and I note too that you touched on that in your presentation and in an earlier answer. Can you outline please for the committee the importance of this project to Melbourne’s transport system and what constitutes planning and development?

Mr MULDER — The east–west link will provide a new east–west crossing connecting the city with the north of Melbourne CBD. It will close the gaps between the major metropolitan freeways to the east, west and north and provide a much-needed alternative to the Monash–West Gate freeways, including the West Gate Bridge. The allocation of the \$15 million in the 2012–13 state budget is not only a strong indication of the coalition government’s commitment to the project but will ensure preliminary work on the east–west link can begin, with engineering surveys, geotechnical studies, and flora and fauna investigation to provide valuable background information to help to develop the project as we go forward. The government has also included the east–west link in its submission to Infrastructure Australia, seeking \$30 million of planning for development works essential to progress this transformational project. Unfortunately it appears as though our request has fallen on deaf ears with the federal budget coming down with no support at this point in time; however, that will not stop us progressing the work.

This project will provide an east–west alternative, relieving pressure on the Monash–West Gate freeways and providing an alternative to the West Gate Bridge. There will be improved freight efficiency, catering for growth at the ports of Melbourne and Hastings and improved productivity by improving travel time and reliability for freight. It will enhance Victoria’s competitive advantage, improve the output of key industry centres and support the knowledge present in Carlton and Parkville. It will cater for population and economic growth, service key growth areas, support urban renewal opportunities and cater for a forecast increase in freight movement. It will alleviate congestion, complete missing links between freeways to alleviate congestion and ensure travel time reliability for families and also for freight movements. It will improve public transport services and livability, relieve congestion in the inner city streets, allow prioritisation of on-road public transport and provide opportunities for sustained urban development.

The east–west project will help solve some major transport challenges facing Melbourne by addressing the long traffic queues at the end of the Eastern Freeway, improving travel time reliability to the freight industry and boosting the frequency and reliability of key bus, tram and also cycling routes. The east–west link is an 18-kilometre connection between the Eastern Freeway and the Western Ring Road, including a key eastern link between the Eastern and Tullamarine freeways and will transform travel around Melbourne and eradicate the major congestion bottleneck at Hoddle Street. The project was first proposed by Sir Rod Eddington in 2008 to provide an alternative to the east–west connection for Melbourne and is expected to carry around 100 000 vehicles a day and will be constructed in a combination of methods, including some tunnelling sections to reduce the impacts on the broader community.

The former government stopped all work on the planning for the tunnel in 2003 and instead watched the traffic grow and grow. Now some of the opposition are saying it is no. 1 on their wish list, despite other members and the Greens remaining opposed to it. If I could just refer to a media release, Chair, published on 24 April 2012. The state member for Tarneit, Tim Pallas, the member for Williamstown, Wade Noonan, and the member for Altona, Jill Hennessy, claim:

Melbourne’s west must be better connected with rest of the city, thus reducing overreliance on the West Gate Bridge.

It goes on to say in terms of priorities that the best place to start the priority projects includes a second river crossing. Quite clearly we have support within the committee as well, which is great to see.

Mr PAKULA — Read the whole thing.

Mr MULDER — It is really great to see, Chair, that there is strong support. This is a once-in-a-generation project. It will drive change like CityLink and the city rail loop, and we want to get on with it. We have not had support from the federal government. We have had muffled support from the opposition, but given the impact

that this particular project could have on Melbourne and on wider Victoria, it is important that we proceed. As I say, geotechnical studies will provide information for the conditions that exist under the road, including the type of rock, its strength, its depth, the depth of the watertable — all of which will help determine the appropriate route and construction methods for this project.

Mr PAKULA — Like the watertable near New Street, Brighton.

Members interjecting.

Mr PAKULA — The watertable near New Street — it is called the bay.

Mr O'BRIEN — What about the watertable in Wonthaggi?

The CHAIR — Thank you, colleagues. I know you are getting ready for your lunch. Just calm down.

Members interjecting.

Mr MULDER — As I say, commonwealth funding would have enabled us to work more closely with the community to develop the project. We would have thought that we would have got at least some commitment from the commonwealth government. It seems to have all gone to New South Wales. We have got about 10 per cent, as I understand it, of the infrastructure budget coming to Victoria. Given our population and given the infrastructure shortfall, it is absolutely outrageous.

Members interjecting.

The CHAIR — Just calm down. We have just a little time to go and all members would like to ask a question before this session concludes. Minister, continue.

Mr MULDER — As I say, the project has great support: the Committee for Melbourne, master builders, RACV, and, as I say, members of the opposition are also supportive of a second crossing for Melbourne. We will advance the project. We are not going to sit still. We will continue to negotiate with the federal government. Once the business case has been developed, that will give us a far better understanding of, no. 1, options in terms of construction but also how to best engage with the private sector, engage with the federal government and how we can advance this very important project. As I say, it is disappointing that this time around there was no support for it, but it is not going to stop us pushing this project forward — it is too important for Victoria.

Ms HENNESSY — Minister, just in relation to budget paper 4, page 51, specifically 'Repair of flood damage to arterial roads', I have noticed that you have allocated \$20 million in 2012–13. I was just seeking your commitment that that amount is enough to ensure that all arterial roads currently closed due to flood damage will be opened by June 2013.

Mr MULDER — My understanding is that there is only one arterial road still closed at the moment as a result of flood damage. We have invested heavily where we have had flood-damaged roads across the network. In some cases we have opened up roads, some may say prematurely, to make sure that bus routes can continue to operate and that farmers can continue to move their produce and livestock around. I went up to Bendigo. There was a road closed just outside of Bendigo. It looked like it was going to remain closed for a long period of time. I worked with the VicRoads regional office. That road was opened ahead of time, with signage up to ensure that motorists drove across it slowly.

I think the major thing we look at is to make sure that, no. 1, we can cater for our emergency services in the first instance, we can get schoolchildren to and from school and we can make sure business continues to operate. Even with the inconvenience of a road that may have been damaged, the role is to, no. 1, get the signage out there and make sure the surface is safe and make sure that people can still move around.

You will also be aware of the great website that VicRoads have now established which people are able to go to and access information about not only road closures but deviations, because during the first flood event that we experienced I know that there were a lot of people engaged in talkback radio complaining about a lot of misinformation that was floating about in relation to road closures and the conditions of certain roads and had people, believing that roads were open, travelling up them, looking safe when in actual fact there could have

been a situation where a culvert was about to collapse. We did not want that to continue. So I pay great credit to VicRoads for the work that they have put in internally to develop this website to provide accurate, on-time information to make sure that people can travel, travel safely and plan their journeys. I point out that, as I understand it, there is only one road at this particular point in time that is affected by closure.

Ms HENNESSY — Just in terms of local roads that are also affected by closure due to flood damage, I have been trying to aggregate the figures on your website but they seem to have fluctuated between 350 that were closed and flood affected from 27 February and then there were 160 local roads remaining closed or covered by water a couple of months ago. What money exists in the budget for you to assist with the reopening of local roads that have been closed?

Mr MULDER — What I might do is hand over to Gary Liddle, CEO of VicRoads, who has a close hand on exactly where we stand at this point in time with those roads.

Ms HENNESSY — It is the financial figures that I am interested in here.

Mr LIDDLE — At this point in time I do not know exactly how many local roads are still closed, but the figures you quoted are certainly the order of magnitude of roads that were closed during the floods. We have been working very closely with local government to ensure that the assessments they do of the costs of repairing those roads are processed in the shortest possible time, so that they can actually get to the funds that are required to repair those roads. So our role is very much about working with local government to enable them to access the flood assistance money that is available from government, and we are actively doing that to ensure those roads can be repaired and opened as soon as possible.

Ms HENNESSY — Can you take it on notice? I just want to know — —

The CHAIR — Yes. This will be another item which the minister will take on notice.

Mr O'BRIEN — At this point I would also like to congratulate VicRoads for the job you did in reopening the Halls Gap–Dunkeld road ahead of time as well, very well received. If I could take you to another well-received project, the country roads and bridges program, which is set out in budget paper 3, page 299, and if I could ask: could you outline, Minister, for the committee, the projects that are being funded through this very important program?

Mr MULDER — The program that the member refers to is the \$160 million country roads and bridges program, an election commitment by the Baillieu government. Last year VicRoads kicked off the \$160 million country roads and bridges program. There is \$1 million available to 40 rural councils each year over four years to assist them to maintain their country roads and also their bridge structures. It is no secret that a lot of smaller councils have struggled for a long period of time and had a lot of these projects on their books that they could not fund from their rate base. The support we have for this particular program has been overwhelming from those smaller councils across Victoria which struggle in that area.

To give the committee an example, Bass Coast Shire Council applied for \$1 million in 2011–12. The works that they are undertaking is 400 000 to replace a timber bridge on Pinkerton Road at Powlett River. There is \$290 000 to reseal sections of Loch-Kernot Road and Grantville-Glen Alvie Road, and 170 000 for major patching and resealing to Loch-Wonthaggi Road. I know a number of the rural members of Parliament will understand where a number of these roads are; the metropolitan members may struggle, but they are very important to those communities.

East Gippsland shire applied for \$1 million. They put \$500 000 to replace Morass Creek Bridge on Matthews Lane in Benambra, and they also spent \$300 000 for rehabilitation on the Benambra-Corryong Road. Macedon Ranges shire applied for \$1 million. They have spent \$375 000 for pavement and shoulder works on the Romsey-Wallan Road in Romsey. They spent 285 000 for bridgeworks at Egans Lane in Newham, Sidonia Road in Pastoria and Hennebergs Road in Rochford.

In Ararat the shire council applied for \$1 million in 11–12, including 550 000 towards replacement of the Crowlands-Eversley Road bridge in partnership with the Pyrenees shire and 270 000 for reconstruction works on Hucker Street in Ararat. You can see that not only are councils doing their own projects but they are also working together on bridges that join the various municipalities. Finally, the Moira Shire Council has spread

their money over a larger number of projects. There is 127 000 for bridge replacement works and close to 700 000 for road rehabilitation projects, including works on Coghill Street, Old Wilby Road, Parnell Road, Cranes Road, Telford Road and Bearri East Road.

These represent just 5 councils of the 40 rural councils, so you can understand the amount of work that is going on out there at the moment across those 40 municipalities, the amount of work that is being provided to the construction industry and the improvements we are making not just to amenity but also the ability to move heavy vehicles around those country areas, carrying produce to and from farms and moving cattle to and from property. Also, the safety improvements are very important for country Victoria.

It is important that the committee understands that the 40 councils were not picked at random by the government. They came out as a result of a report called the Whelan report, and that report identified the 40 councils in the state of Victoria that were under the most severe financial pressure and were going to struggle to maintain their infrastructure. There was no cut-off point. Those 40 councils were all included in our policy initiative and announcement. As I say, the works being undertaken out there at the moment are works that would not have been undertaken off their rate base, because they simply could not have afforded it.

Mr PAKULA — Minister, I am just going to refer to a few different pages of the budget.

Mr MULDER — How many?

Mr PAKULA — Four. Bear with me. They are all about road safety.

Mr MULDER — Fine.

Mr PAKULA — On budget paper 3, page 67, you have allocated \$17 million for the road safety action plan, which is against the last Arrive Alive figure, which was \$50 million. On the same budget paper at page 286, when you look at ‘Road safety projects/initiatives completed — safe roads’, there were 170 in 2010–11, down to 135 in 2011–12 and down to 112 in 2012–13. On the next page the number of ‘Road safety projects/initiatives completed — safe road users’ was 48 in 2010–11, down to 38 in 2011–12 and down to 17 in 2012–13. ‘Road safety projects/initiatives completed — safe vehicles’ was 18 in 2010–11, down to 6 in 2011–12 and 7 in 2012–13. In budget paper 4, page 54, for the safer road infrastructure program there was \$421.4 million spent this financial year, dropping to \$75.2 million. You have a whole range of initiatives and a whole range of targets and expenditures on road safety that on any measure are dropping and/or falling away alarmingly over the last two years, whether it is Arrive Alive, projects completed or the targets you are setting for yourself. With such a stated commitment to road safety, can you explain why that is?

Mr MULDER — In a previous question I went across a large number of the initiatives we have embarked on in relation to road safety. I think it is important in terms of what appear to be line items in the budget that we take it in context with the announcements we have made in relation to major projects that will have a profound impact on road safety. Also, there are the decisions we have made around employing an additional 1700 police, and a large number of those will of course be out on the road, patrolling. It is just not an issue of looking at a line item in a budget and saying, ‘That has dropped. Why has it dropped?’, because quite clearly our focus has moved into a different direction.

We worked with the agencies on the road toll last year. That was a record low road toll. I would like to think that the initiatives we are undertaking going forward will do the same. There will be further announcements being made in relation to our discussion paper that will take us beyond 2012 in terms of how this government is going to proceed with road safety, road safety initiatives and road safety infrastructure, and that will be announced in the not-too-distant future.

I just point out some of the issues we have looked at. No. 1 is that a lot of younger people have a view of the world that they are invincible, and they drive accordingly. That has resulted in a significant contribution to our road toll over a long period of time. It wrecks families, and people never recover from it. We have taken a very tough stance in relation to that, and that is that we have toughened up the hoon driver laws.

Under the former government a car was taken off a hoon driver for 48 hours. It was a badge of honour for the people who lost their car. They collected it on Monday with their mates sitting out the front of the police station, laughing. It is no joking matter for them now when they lose their car for 30 days and they have to pay the

towage costs and pay the storage costs — the fine. On top of that we are going to send them off to school. VicRoads are currently drawing up a hoon safe driver program basically focusing on why you are acting the way you are — not how to drive a car but getting to the root cause of why young people behave the way they do. That program will kick off in early 2013.

I just say to younger people: not only will you lose your car for 30 days for a first hoon driving offence and there is the fine, the towage and the storage, but the cost of us administering the safe driver programs is about \$500, and we think that the cost of the companies who are going to run it for us — the accredited operators — will be about the same. We believe this will change the attitude of younger people, because it is just too expensive to engage in that type of behaviour. We believe we will get significant benefits out of that approach to dealing with young people's behaviour in cars.

We have also launched the P Drivers project, a world-first trial, one of the biggest ever on driver safety. This trial has been sitting around for years, sitting with the federal government, looking for a state government to take it up and to take on this project. My understanding is that the reason it did not occur was squabbling between the states, the squabbling between the federal government, and putting road safety to the rear. We took that initiative up as soon as we came to office. We have gone down the pathway. Victoria is recruiting somewhere in the order of 26 500 P drivers to be engaged in this program. New South Wales has taken on around about 1500, so you can see who is the leader in road safety in that program. My understanding is that it has international interest to see what the outcome of this research project is. But once again we have gone from the issue of the hoon drivers, once again looking at P drivers, younger people, in terms of their behaviour on the road. Once again, as I say, we have taken the initiative. The opportunity was there for the former government; it chose not to go down that path.

We have renewed the L to P program for an extra three years; the L to P program has been extended. We have embarked on an online tool in terms of Road User or Abuser in relation to cyclists, and we are currently looking at some measures that we believe we can take, particularly in the metropolitan area of Melbourne, to improve the safety of cyclists. We have also embarked on a program through VicRoads, Lessons from the Road. Research out of Germany indicates that younger people who have their parents alongside them teaching them to drive are far less likely to be involved in a serious accident or indeed to infringe. It is important, then, that we provide parents and other people — anyone who is taking a learner driver for their lessons — with the best information available as to how to hand on the instructions that they need and to get those sorts of outcomes here in Victoria. We have gone down that pathway as well.

There are new updated medical guidelines to make fairer decisions on whether a person is fit to drive; online information to assist older drivers, such as managing a transition from driving. We are continuing with the trial of banning trucks in the right-hand lane. There will be an assessment provided to me — I think it is forthcoming — and we will then see whether or not there are safety benefits in terms of advancing that particular project. As I spoke about earlier in the piece in my presentation on public transport, there is the rail braking project in terms of driving down the risk of an accident at level crossings. On safety at railway crossings, I have already pointed to some of the major crossings, but there are also 75 level crossings across the state that we are also targeting for upgrade in our first term. There is also currently a review of speed zones being conducted, something that has not been done in such a comprehensive manner, with input from the community. I think there are around 600 submissions — —

Mr LIDDLE — Yes.

Mr MULDER — Six hundred submissions from the community in relation to what they think should happen with the speed zones.

The coalition government also released the 2011–12 Arrive Alive action plan, and that focuses of course on the Safer Roads Infrastructure program. We spoke to that before. The program is funded out of the TAC. Sometimes you know from year to year projects will be completed quickly; that money still sits with the TAC. I think it was around a \$600 million commitment. We will continue with that program. We will continue to roll out the programs. If you have a look at our 11–12 action plan, I believe there is somewhere in the order of 80 individual road safety projects that will be funded out of that particular program going forward. So we will continue to identify them. We will work with VicRoads. We will put forward the suggestions as to how that money should be spent and allocated. But quite clearly there is an awful lot happening from the government in

relation to road safety, and will continue. There has always been very strong support from both sides of politics in relation to an approach to road safety. I do not want to see it turn into a political bunfight. It should not.

Members interjecting.

Mr MULDER — I served on the parliamentary Road Safety Committee for a long period of time and we enjoyed great support from both sides of politics. I believe the work we undertook on that committee was vital, and it is very important that we continue with that going forward. Some of the work that committee is doing is in relation to motorcycle safety. I tried to get that up as a reference in opposition; I did not have support. Motorcyclists feature prominently in the road toll, and I think it is important that we take some significant steps to deal with that issue. So there is a lot happening in that space. As I say, it does not always point to a line item in a budget whether a project or a program is finishing; it is what we do in going forward that I believe counts, and we do have a very strong commitment. And there will be further announcements made as we go forward.

The CHAIR — Thank you, Minister, and I have absolutely no doubt that the deputy would like to follow up.

Mr PAKULA — I would. I must say I am gratified by the minister's Damascus road conversion to bipartisanship, after he spent years telling people that speed cameras were about revenue raising, not road safety.

Mr MULDER — Should have fixed them.

Mr PAKULA — Yes. Now you have added 15 per cent to all the fines.

The CHAIR — Is this a supplementary question or a statement?

Mr PAKULA — All right. The supplementary question is this. There are a lot of words. You talked about a line item. I did not point to a line item, I pointed to five line items about road safety, about vehicle safety, and about funding for Arrive Alive which has been cut from \$50 million to \$17 million. My question is: is it your evidence to the committee that vehicle safety, road safety and campaigns are now fundamentally being replaced by a focus on more police and enforcement?

Mr MULDER — I would like to count up the number of initiatives I have actually outlined; I will not do that again, and I will not repeat those. I have also indicated in my previous answer the funding that has been allocated to road safety both through the TAC and also through the department, and also additional police that are being put out on the road. I am not sure whether it is the deputy chair's view in life that we should not put extra police on the road. It sounds to me like that. That is the message I am getting from across the table. But I certainly do not agree with that. I tell you what, Victorians would not agree with that, because I still believe that is one of the greatest measures we can take as a government: putting additional police out there, in cars, on the road, doing the patrols, and having a strong police presence. I mean, that will change behaviour.

Mr PAKULA — That is no substitute for safer roads and safer vehicles.

Mr MULDER — I will not take up the interjection, Chair, but safer roads are extremely important. That is why we continue with the TAC's Safer Roads Infrastructure program. We continue to fund through that program. We continue to carry out our significant program in terms of abolition of level crossings. We believe they will have significant safety benefits. We continue with a number of the major road projects we have announced in regional Victoria and outer metropolitan Melbourne, because we believe they will also play a significant role in terms of lowering the road toll. We are doing it a little bit different; I acknowledge that. We are putting the money in where we believe we will get the best bang for our buck in terms of road safety, and, as I said, I cannot possibly see how additional police out there on the highway doing what we ask them to do in terms of sending a clear message about the way people behave is a negative. I am sorry but I can't, Deputy Chair.

Mr PAKULA — I am not saying that it is.

Mr MULDER — Well, you are supporting it.

The CHAIR — I have to say I regret enormously that that is the end of this session. I would like to thank the departmental officers for their attendance today and the minister. There were a number of questions taken on notice that the committee will follow up in writing at a later date. If the response could be provided to the committee within 21 days of receiving our request, we would be grateful. This concludes the hearing. Thank you.

Committee adjourned.