

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Inquiry into infrastructure projects

Melbourne — 1 September 2015

Members

Mr Joshua Morris — Chair

Mr Khalil Eideh — Deputy Chair

Dr Rachel Carling-Jenkins

Mr Nazih Elasmr

Mr Bernie Finn

Ms Colleen Hartland

Mr Craig Ondarchie

Ms Gayle Tierney

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Witness

Mr Kevin Devlin, Chief Executive Officer, Level Crossing Removal Authority.

The CHAIR — I declare open the Standing Committee on the Economy and Infrastructure public hearing. This afternoon's hearing is in relation to the inquiry into infrastructure projects, and at this point I would like to welcome everybody in the gallery present here.

I might just explain that the committee is hearing evidence today in relation to the infrastructure inquiry and that the evidence is being recorded. All evidence taken today is protected by parliamentary privilege. Therefore you are protected for what you say in here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege. I welcome Mr Kevin Devlin, the CEO of the level crossing authority.

Today's evidence is being recorded. You will be provided with a proof version of the transcript within the next week, and transcripts will be ultimately made public and posted on the committee's website. I might ask Mr Devlin if you could state your name and business address, so that we can check them with the transcript.

Mr DEVLIN — Kevin Devlin, Level Crossing Removal Authority, 121 Exhibition Street, Melbourne.

The CHAIR — Fabulous, thank you very much, Mr Devlin. I believe you have a presentation for us.

Mr DEVLIN — Yes, Chair.

The CHAIR — Once we have had that presentation, then we can proceed to some questions, so I will throw the floor over to you, Mr Devlin.

Mr DEVLIN — Good afternoon. I thought I would just do some introductory slides to inform the hearing.

Visual presentation.

Mr DEVLIN — Just as an overview, this provides what the strategic objectives of the authority are and how we are going to tackle those objectives. I will touch on the progress to date and the project packages and what our next steps are.

I started mid-March in the authority. On day one there were three of us in the authority, so a large task of my work to date has been setting up the authority. We are currently about 80 staff. We have about 40 advisers also working with us, so there are about 120 resources working on the delivery and planning of the level crossing removals. At the moment we are still in a build-up phase where we are moving to a peak resourcing load of about 220 by the end of the year.

We have a strong team of advisers supporting the planning and development, many of them experienced with level crossing removals before and working on rail. We have got, in particular, GHD as our technical advisers, Clayton Utz as our legal advisers and Ernst & Young as our commercial advisers, together with our public service staff, all of which are working together with a number of other agencies, including VicRoads and PTV and Melbourne Metro, to come together to work collaboratively to deliver the level crossings.

The level crossing removal project targets. Essentially it distils down quite simply to our target of delivering 20 level crossings removed by the end of 2018, and all 50 removed by the end of 2022. In the process we are also identifying and hoping to deliver some community-enhancing, value-capture opportunities at these particular sites to enhance the public realm around the level crossing removals, many of which are embedded within key activity centres and shopping strips. Also, delivering within the \$6 billion budget estimate.

The benefits of the level crossing removal project. We want to get people out of traffic, reduce the congestion so they are home safer and faster to family and friends or doing things that they prefer to do rather than stuck in traffic. We want to reconnect Melbourne suburbs that are divided currently by level crossings, and we think that opening up those separations will deliver some urban renewal opportunities and enhance community outcomes at these local locations. We want to facilitate the additional running of train services on every line, which are currently significantly constrained by the level crossings that prohibit additional downtime of the boom gates in balancing the road network needs. Also, in doing so we will support Victoria's freight industry and contribute to further economic growth and development in transporting our goods efficiently, and again increase the public transport use by improving the reliability, accessibility and intermodal transport solutions at these interchanges, connecting buses, aligning timetables better with these central transport hubs, which a lot of these locations are.

How are we going to do it? We need to take a strategic approach. Previously the level crossings removals have been done as stand-alone, localised level crossings, but we need to take a strategic approach that treats it as a program of work, so we are looking at the moment at developing the most efficient and effective packaging of those level crossings to minimise disruption on the transport network — both road and rail — and delivering best value for money in the process. We are utilising previous experience but we want to adopt a continuous improvement approach.

Project management. This program of works — of 50 — provides the opportunity to treat it as a program approach, which, if you develop it up-front at the beginning, allows you a really systematic process of driving continuous improvement, so that from the first level crossing to the 50th level crossing we are systematically driving efficiencies and continuous improvement and doing that with a program management approach as opposed to a project management approach.

We are needing to apply some innovative ways of dealing with level crossings. Previously there has essentially been one done a year off the back of a number of years of planning leading up to that. Again, we have to look at it as a holistic network, and at the moment we are developing a strategic plan which articulates the sequencing and programming and packaging of the 50 level crossing removals over the next eight years that maximises and delivers a net benefit. Our procurement structures encourage innovation and in particular we are focusing on — —

Previously a lot of the level crossings were done over a January shutdown period and obviously there are not enough January periods to do each individual level crossing, so we need to be doing corridors of work. We also need to be looking at ways of building these level crossings what we term 'offline', rather than directly on the operating rail network, so we can construct more of the works offline without disrupting the operating rail network. To do that, a lot of our costs of these level crossings and a lot of the disruption comes from the occupations and the safe working necessary for working on light rail, so we are again looking at some innovative ways of doing this. When you have got 50 to do, it gives you the economies of scale and allows you to do that much more effectively and strategically.

We are also recognising that while it is a program of work, it is still fundamentally 50 local solutions that need to respond to the local community needs. We have started a significant round of community consultations and stakeholder consultation to really understand the interests and needs and concerns of not only rail commuters and road users but local communities, and of course to delivering value for money, so doing it efficiently and effectively, is a key focus.

We have hit the ground running. Essentially we are focused on the first 17 sites which have been publicly announced by the government. We have awarded the first four level crossings, which I will touch on shortly. We are halfway through our tender process for the Caulfield to Dandenong nine, which was released on 20 July. Tenders close at the end of October for that. And for package 2 we have announced a preferred contractor and we are a couple of weeks away from executing contracts for that second package. So we are well on track to remove the 20 level crossings by the end of 2018.

I will just touch on package 1. Package 1 was awarded to John Holland and KBR consortium, which was appointed to remove the level crossings at Centre Road, North Road, McKinnon Road and Burke Road. Construction is well underway at Burke Road in Glen Iris at the moment, just coming off the back of last weekend — the weekend gone — with a successful occupation to build the foundations for the bridge structure.

Just a couple of images — the North Road, Ormond, site. At all of these four we are rebuilding stations, dropping the rail down into the ground and, as you can see, creating a new facing entrance at the station to North Road there, reinstating car parks and the like and providing a state-of-the-art facility for the community. Similarly, at Burke Road, again dropping the rail line down into the ground, with the station fronting the Burke Road site.

Package 2 — Main Road and Furlong Road in St Albans, Blackburn Road in Blackburn and Heatherdale Road in Ringwood. At Main Road, St Albans, again the optimal solution was chosen to be dropping the rail line down under Main Road, with the station precinct, again, facing Main Road. Heatherdale Road, we are shifting the station from one side of Heatherdale Road to the other side of Heatherdale Road. Again, the topography of that site lends to a rail lowering. Blackburn Road, similarly we are not touching the station at Blackburn but again dropping the rail below Blackburn Road.

For the Caulfield–Dandenong line, a significant package of work that we are at the moment in the middle of the tender process for. We are removing nine of Melbourne’s worst level crossings and rebuilding four stations at Carnegie, Murrumbeena, Clayton and Hughesdale, and also undertaking power and signalling upgrades, which supports the government’s broader project to upgrade the Pakenham-Cranbourne line to allow the running of an additional 37 trains on that corridor. All level crossings will be removed on that line to provide significant additional capacity on that line.

Stakeholder engagement. Since the authority has been gearing up we have been out significantly across Melbourne. I have been meeting with all the councils and CEOs. We have been undertaking community information sessions, trader workshops and visits. At the moment I think we have hosted over 50 community and trader information sessions. We have distributed newsletters, community updates, to over 200 000 households, and we have also been at many of the stations and shopping centres with pop-up sessions to inform the community about what is coming and to encourage contributions to our engagement task.

We are using some innovative interactive mechanisms, some social media channels. We are trialling a new interactive social media platform called Social Pinpoint, which is an opportunity for the community to go on to a geographic site and pin, essentially, comments, concerns and issues at each particular site across the network. We have had over 1500 responses to that Social Pinpoint, so everyone can go and view what everyone is saying. It is a very effective way of capturing concerns, issues and knowledge as well.

We have also established on the Caulfield–Dandenong line some urban design principles in partnership with the local councils, which we are consulting on to inform and ensure we get a really good urban design outcome with the level crossings.

Our next steps. We are progressing the 17 sites that have been identified and managing the construction impacts during the building of those sites. We are completing the program business case by late 2015, which essentially provides the road map and strategic plan for delivery and sequencing and packaging of the 50 level crossings and also outlines the overall net benefits to the program as a program of 50. Again, plenty of time at the moment is spent progressing early planning and consultation for all the other remaining level crossings, on which there is significant work to be done to plan and develop those level crossings ready for construction. Hopefully that gives you a bit of a snapshot of what we have been up to for the first five or six months of our existence.

The CHAIR — Thanks, Mr Devlin. We will proceed to any questions that the committee may have. Who would like to fire off the first one?

Mr FINN — I will give it a shot. Thank you, Mr Devlin, for your attendance today and also for your briefing on what you have been up to for the last five or six months. I am particularly interested in the Main Road, St Albans, level crossing, because this is a long-going saga, for many decades in fact. The previous government had announced last year that it was going ahead with the removal of the level crossing and, with the federal government, had put together a package of some \$220 million to not just remove the level crossing but also build a new premium station at St Albans. Is that going ahead as planned?

Mr DEVLIN — Absolutely. We have announced a preferred contractor in Leighton contractors for that package of four sites, which includes Main Road. Early works have already started at that location and we are expecting major construction works to start later this year at Main Road. That was one of the images I showed you there, so we are certainly getting on and delivering that as one of the first sites to be delivered.

Mr FINN — So the premium station will be included in that package? A new premium station?

Mr DEVLIN — I will have to take that question on notice. I am confident that it is a premium station, but I will have to confirm that.

Mr FINN — The Furlong Road level crossing — I notice you did not mention that at all. Is that going to be built at much the same time as the Main Road one?

Mr DEVLIN — Absolutely, and that is something we are going to be doing more of to try to minimise the disruption to the rail network and to the community. We obviously want to build level crossings on corridors and have one occupation of the rail line. That is why we have added Furlong Road to that package, so it essentially will be built in a similar time frame and have similar occupations as the Main Road site. That returns

us significant savings to do it that way, and we will be looking for those other opportunities where we can essentially piggyback the occupations together and complete some of those level crossings at the same time. Furlong is happening in that package.

Mr FINN — What sort of time frame are you looking at there? When do you think both the Main Road and the Furlong Road level crossings will be gone?

Mr DEVLIN — Certainly all of that package of works, those four sites, will be completed by mid-2017. A number of those sites will be delivered earlier over progressive occupations. So in the not-too-distant future we will have four of those completed.

Mr FINN — Thank you.

Ms HARTLAND — Could you talk a bit more about the community consultation process? If you cannot answer exactly today, maybe you could send us some of the materials that you have also been using in your consultation.

Mr DEVLIN — I am happy to do that. We have obviously been concentrating our consultation to begin with on the first two packages of four, so the eight sites, and getting out there and letting the community know what is proposed. We have also been doing significant consultation on the Caulfield to Dandenong nine and seeking to get input into how best to construct and deliver that package of nine.

As I mentioned, we have been using a number of tools and techniques, from pop-up sessions to interactive community sessions to trader visits and walks along the shopping strips to meet with people, our social channels. We have our internet, our Facebook page. We also have our Pinterest site. A lot of these sites are demonstrating some of the things that can be achieved internationally with level crossing removal, so we are using significant case studies and precedents from Europe and the US around how we can transform some of these level crossing sites. Pinterest has a number of examples of that. We are going to be really focused on using imagery to communicate with the public. As engineers we are often poor at trying to articulate to the community what an engineering plan is going to result in, so we are going to be doing extensive work with 3D modelling to really create some high-class images about what people can expect to be the end product and to get their comments on that. That is what we are doing for the first package.

As a new initiative we are also trialling a community tender advisory panel for the Caulfield-Dandenong nine. It is the first time we have established a community group that during the procurement we will involve and show them the development work of the two bidders that are bidding on that, which is something that has not previously — —

There has been the challenge of running an engagement and maintaining commercial confidentiality and those sorts of things during procurement processes, so the community tender advisory panel that we have set up for Caulfield-Dandenong last night was run through the design options that the two bidders are looking at. We think that is another effective way of garnering input from the community into the development the bidders are undertaking at these sites. We have a number of very good, well-respected people, from school principals to local trader groups, to give a representative view of some of that development work.

For the other level crossings that we are in planning, we have begun our consultation with the local councils and other government stakeholders. Over the coming months you will see more consultation being undertaken to inform our planning and development of the other 33 level crossings that still require lots of work to be done.

Ms HARTLAND — In terms of Furlong Road and Main Road West, I am making the presumption that the material you are using is not just in English?

Mr DEVLIN — Correct.

Ms HARTLAND — Good. I always like to check, because so often — —

Mr DEVLIN — We have translation services and things, yes.

Ms HARTLAND — Good. The Australian Level Crossing Assessment Model is the model usually used for assessing safety of a level crossing. How do these 50 line up with that model in terms of safety?

Mr DEVLIN — That is probably a question that maybe needs to be put to the road authority, but in terms of the Level Crossing Removal Authority, our task is clear. We have 50 level crossings to do and deliver in the next eight years, and that is what we are focused on doing. As I mentioned in the presentation, a considerable variable and factor in deciding the sequencing of the 50 is the global impact on the road and rail network. So we are trying to plan the 50, and that is why I say by the end of the year we will have a strategic plan for the efficient delivery of the 50 which tries to find the optimal impact on the road and rail network.

Most of the members will be aware that the rail network is a very interconnected and challenging beast to deal with — you make one change at one end and it affects something else at the other, so we have to be very clear and deliberate about our planning for the sequencing of the level crossings. We need to keep Melbourne moving during this level crossing removal project, and we need to order and sequence it in a way that allows the public transport network in particular to operate as effectively as possible. That is probably the major determinant on the sequencing of those 50.

Ms HARTLAND — So if you have not used the usual assessment model, can you say how you have decided that it is these 50 crossings? What authorities have you gone to? Who has given you advice that these are the 50 that should be done first?

Mr DEVLIN — So I can be very clear, it has not been the role of the Level Crossing Removal Authority to determine which sites are being done. That is a decision of the government. They have tasked us with delivering the 50 they put forward in their pre-election material, and we are getting on with delivering those 50 as a delivery agency.

Ms HARTLAND — Right. So that is probably a question on notice for the department. You may not be able to answer the next question either then, and that is the issue of funding. There has been a lot of talk from the government that unless the port is sold, these level crossings will not be built. What is your understanding? There must already be money in the kitty to begin this process; the sale of the port could be several years away. How does that actually affect it?

Mr DEVLIN — Correct. The government within their recent budget set aside significant funding for particularly the first four years of the level crossing removal program. But you are right; that is a question better put to the government and the Treasurer in particular about the funding. That is not something that the Level Crossing Removal Authority is responsible for confirming. Our role is to deliver these and put forward contracts ready for signature.

Ms HARTLAND — At Yarraville station — which is clearly not on this list; it is not a big station — the booms can be down anywhere between 5 and 18 minutes at any time. For those kinds of stations that also do not have an underpass, so pedestrian safety is quite a problem, is there any kind of looking at secondary stations like Yarraville — there must be dozens of others that are in the same predicament — where there has been some kind of assessment for those stations as well?

Mr DEVLIN — Again, that is not within the scope of my remit. It is better put to the department about those.

Ms HARTLAND — No worries. Thank you.

Mr EIDEH — I wanted to ask about St Albans Furlong Road but I think you have already answered it.

Ms HARTLAND — Yes, we all use that road.

Mr EIDEH — We have four of us in Western Metropolitan Region here.

Dr CARLING-JENKINS — I have a question from what Ms Hartland was just asking. You mentioned the community tender advisory panel, which I think is a fantastic idea. Can you go into who makes up that panel? I am particularly wondering if people with disability are represented.

Mr DEVLIN — I would have to seek some advice and confirm that. I do not have the list of representatives at the moment.

Dr CARLING-JENKINS — Sure. I am happy for you to take it on notice. That would be great to know.

Mr DEVLIN — I can provide that.

Dr CARLING-JENKINS — Thank you.

Mr DEVLIN — We called for submissions of interested local community members. Obviously confidentiality and conflicts of interest were important. They were able to play that role in a neutral way.

Dr CARLING-JENKINS — How did you do the advertising for that?

Mr DEVLIN — I would have to take some advice on the exact in-depth process for that.

Dr CARLING-JENKINS — Beautiful. Excellent. Thank you.

Ms TIERNEY — Clearly this is a major project, and we have all been concerned about jobs in this state. Can you give us a rough idea — you might not be able to do it on the spot today — of the number of jobs that will be generated as a result of this project? Can you give us a rough breakdown of what would be white collar and what would be blue-collar jobs?

Mr DEVLIN — I could go over the eight years and the 50 level crossings. At the moment we are estimating in the order of 4000-odd jobs will be created from the level crossing removal project. I do not have the particular breakdown of white to blue-collar representation, but it could be of the order of 10 to 20 per cent white collar, the balance blue collar. That is based on previous level crossing removals figures and understanding the resourcing. It also will be dependent on the various solutions and construction methodologies ultimately selected for each of the 50 level crossings. I will confirm that number in detail.

Ms TIERNEY — Would they be hired by the authority or contracted?

Mr DEVLIN — No. The majority of those hires will be through the construction companies contracted to deliver the works on our behalf.

Ms TIERNEY — When you talk about the bundling up of the level crossings and that creating greater efficiencies, can you give us a little bit more detail about how that comes about?

Mr DEVLIN — Yes, I can. A lot of the costs of level crossing removals are associated with working on a live rail environment. It is a significant cost and a significant safety issue, so together with all the replacement bus services, your safe working requirements and occupation requirements of de-energising the system and changing signalling and temporary arrangements, it is a — sorry, I have lost my train of thought. Can you ask the question again?

Ms TIERNEY — The bundling and the efficiencies — —

Mr DEVLIN — The bundling, sorry.

Ms TIERNEY — I have to say that I really like the term ‘de-energising’. It is a new one for today.

Mr DEVLIN — It is making sure there is no electrocution — an important part of it. The bundling and packaging. It often represents over 40 per cent of the cost of level crossing removals, this working on live rail. If you can combine your occupations, so you are essentially doing one occupation and doing a number of level crossings at the same time, a number of sites — for example, that is why we have elected at North, Centre and McKinnon in this first package, those three are in close proximity, and they will be done generally under the same live occupation, so rather than having three separate occupations with significant costs you are doing it as one occupation and getting a lot more of that work done under that. It is saving considerable dollars and it is saving considerable disruptions, so you are not going back to the community and the rail user and making multiple disruptions.

We think we can gather significant savings by looking at that — additional savings and opportunities for minimising the impact on the community will come by then not only looking at packaging the occupations but then looking at building a lot of the work where we can offline — things like jacking bridge structures into place offline and those sorts of things or the temporary slewing of tracks, so we are pushing them out of the way under low speed running but still keeping the rail line going while we build structures or remove the dirt.

Mr EIDEH — You know the Furlong Road station will be underground?

Mr DEVLIN — Yes.

Mr ONDARCHIE — Kevin, you told us that the business case relating to the efficient operation of the delivery of the 50 will be completed by the end of 2015. Is that right?

Mr DEVLIN — That is right.

Mr ONDARCHIE — Have you already commenced some of the projects in the absence of the business case?

Mr DEVLIN — Yes, that is right.

Mr ONDARCHIE — Okay. Thank you. You talked about that you do not set the prioritisation, that that is a question best directed to government. Who exactly directs the authority on which ones are to be done in what order?

Mr DEVLIN — Sorry. The 50 were determined by the government.

Mr ONDARCHIE — Sure.

Mr DEVLIN — The sequencing and order of those is something that we are determining through, as I mentioned, the strategic plan that we are preparing as part of the program business case to make recommendations to the Minister for Public Transport, who is the lead minister to endorse that strategy and plan of a rollout of the 50.

Mr ONDARCHIE — Okay, so how are the ones that have already commenced, or the tenders that you have got out at the moment — how are they then decided in the absence of the minister getting that business case from you?

Mr DEVLIN — Obviously the advanced planning status of those sites that we started with dictated that they would be the first to go — they provided the opportunity, the work had been done, most of it by VicRoads previously. So that presented the opportunity to start those ones first. We have prepared project proposals for all sites, for the first 17 sites, which are documents that essentially describe the scope and cost of the project but stop short of preparing the program benefits piece, which we are doing as a global package of 50 because we know from precedents from past projects that the level crossings, as stand-alone isolated sites, provide net positive benefits to the community and we think in collating the benefits into a package of 50 we can analyse and demonstrate across broader network benefits a more significant net benefit of considering it as a program of work rather than 50 individual isolated sites.

Mr ONDARCHIE — And do you think that these will be done simultaneously or progressively?

Mr DEVLIN — The level crossing removals? Progressively over the next seven and a half years. There will be a number complete by the end of 2018, a number started, all sort of leading to a close-out of all 50 being completed by the end of 2020.

Mr ONDARCHIE — I am just doing the math on how many you have got started and when the tenders are going out et cetera, et cetera and working backwards from 2022, and I have got to tell you, unlike the Australian cricket team, you have got a fair run home, haven't you?

Mr DEVLIN — Yes, we have hit the ground running, though, I would like to think. We are very confident of achieving 20 complete by the end of 2018, but over the next 12 to 18 months we have got considerable planning and development work to do on the balance of the 33. It will not be a program of 'Do these 20 and then that 30', it will be, as you describe it, a progressive rollout with all the level crossings being at various stages of construction right up to 2022.

Mr ONDARCHIE — Okay, thanks. One final question. In my electorate particularly the Reservoir junction is one that is causing a lot of grief for commuters and has been for a long, long time. I note that government MPs have been doing a lot of mass marketing around, 'We are removing this level crossing' out to the local

community by way of flyers and a whole range of different marketing things. Can you tell me when the High Street, Reservoir, one will be completed, please?

Mr DEVLIN — No, I cannot give you that information at the moment because essentially we are still developing the strategic plan for the timing of the other 33 sites. As I mentioned in the presentation, we are having to put together that strategic plan for the optimal sequencing and timing of delivery of all 50, and that will be done by the end of this year, doing it in a way where we make sure we allow sufficient time for planning, consultation and minimising the disruption to the network.

Mr ONDARCHIE — Okay, that is fair enough. Can you just tell me where it is in the order then?

Mr DEVLIN — No. I do not have information at the moment to hand about its priority or order in the 50.

Mr ONDARCHIE — You can see why I am confused that government MPs are running around doing advertising that they are removing this level crossing and the authority cannot tell us when it is going to be done.

Mr DEVLIN — All 50 are a priority as far as the authority is concerned, and we are focused on delivering — our task is to deliver all 50 by 2022, and we just want to do that in a way that, as I mentioned, best minimises the impact.

Mr ONDARCHIE — It is not your fault that you have been backed into a corner by this, don't worry about it, thanks.

The CHAIR — Mr Finn, do you have a question?

Mr FINN — I do, thank you, Mr Chairman. Clearly these level crossings and the works on these level crossings will go through a number of commercial areas, particularly retail areas. What planning have you made to minimise the impact on small businesses that may be abutting or nearby, and does that plan include compensation for any businesses that you may take out?

Mr DEVLIN — Our starting point is that we consider we can minimise impacts to all the businesses involved and that, again, there is significant precedence in these level crossing removals where we think that they can be successfully delivered and the impact is minimised on the local traders. For example, the first package — we are working very closely with the traders that are impacted there. We sit down and have many conversations with each of them about how we can minimise disruption to their business by ensuring that we are including them in advertising, developing business continuity plans, providing business advisory services to them and ensuring that they have continued access to the public, that our project teams nearby are utilising the local businesses.

So we think there is a good track record of doing that very well, but there are going to be changes, there is going to be short-term disruption to these sites. They are very constrained sites and a number are embedded in activity centres, so we are just working very closely with them and keeping them informed about what is happening, and we think we can minimise the impact. Again, hopefully it is a short-term impact and the long-term benefits that will be provided for these traders and local communities are understood.

Mr FINN — Do you have any numbers, figures, estimates of any properties that maybe need to go out of business as a result of the works?

Mr DEVLIN — No. As I say, we think we can successfully work with all businesses to provide effective business continuity and be sensitive to their needs. As a level crossing removal project, we think there will be very minimal land acquisition or disconnection of legal access to properties. Where legal access is prevented, then we will look at solutions on a case-by-case basis for those affected residents or businesses, but predominantly we expect to be constructing these works in the rail and road corridors.

Mr FINN — On the matter of land acquisition, whether they be commercial or residential, you say that you are not expecting to have a huge land acquisition program. What sort of numbers are we looking at? What sort of money are we looking at?

Mr DEVLIN — At the moment, just by way of example, the first eight do not have any acquisition of private interests, residential or business, and at the moment, because we are still developing the solutions for the other sites, it is not something I have got to hand at the moment — a figure — but as I say we are expecting it to be very minimal given most of these level crossings are to be built within the existing road and rail networks. So it will depend on the solution.

Mr FINN — Just going back to the small businesses, will you be providing some form of compensation for those businesses that are severely affected by the works?

Mr DEVLIN — It is not our preference to provide compensation at this stage because we think we can manage the impacts to an acceptable level, but as I say on a case-by-case basis we will sit down with businesses and talk through them. Again we think we can provide sufficient ongoing access and support for them to remain extremely viable during the works.

The CHAIR — Any further questions?

Dr CARLING-JENKINS — I have one more. Just asking around procurement strategy — and this relates a bit to Ms Tierney's question — as well around jobs, do you have a focus on Victorian contractors in awarding contracts?

Mr DEVLIN — We certainly require local industry participation policies to be submitted by all tenderers for the level crossing removals, and we also have a requirement for 100 per cent local steel content to be provided as part of the level crossing removals. So we are encouraging the use of local suppliers and contractors. Obviously there is not a mandatory requirement.

Dr CARLING-JENKINS — So it is not a mandatory requirement, but you have, I guess, criteria that —

Mr DEVLIN — Correct. As part of the evaluation we evaluate the local industry participation policies. We have set local industry content for the level crossings at 92 per cent local content, which is quite significant. We evaluate the tenderers on how they better or not or achieve that target of 92 per cent.

Dr CARLING-JENKINS — So evaluating the tenders is not just a simple matter of which ones are cheapest; it is about taking those factors into consideration.

Mr DEVLIN — Absolutely not. The tender evaluation process, while I cannot go into too much detail about it because obviously we have a live tender at the moment, considers a range of factors from the design solution itself to the construction methodologies, how that minimises impacts to local communities and the transport network during the construction, of course cost and other things like any employment programs and local content requirements that we set.

Dr CARLING-JENKINS — Thanks.

The CHAIR — Thank you, Mr Devlin. I just have a couple of questions as well. Is \$6 billion going to be enough?

Mr DEVLIN — I think it is going to be enough. It is a significant amount, and we are confident, as I mentioned and referred to in the presentation, that taking the approaches that we are — with getting the packaging right, the procurement methodology right, looking at innovative ways of building these offline as in a single-occupation approach on corridors, as well as a continuous improvement that will come from doing 50 continuously — we will achieve this program for \$6 billion. There are precedents to show that that is achievable.

The CHAIR — Achievable, very good. You mentioned that you had spoken with councils and CEOs of councils and the like. Are there plans to also meet with local members of Parliament and have discussions about the level crossings within their electorates?

Mr DEVLIN — We are. I have been progressively meeting with local MPs. That is a continuing program. As I say, there are a lot of stakeholders in this program so my calendar is extremely busy in trying to get around to meet with all of them. What I am intending to do is to establish a relationship with all interested parties and

stakeholders. It is just over the last five months that there has been only so much time I can get to, but that is a continuing task and we want to have that ongoing engagement.

The CHAIR — So the plan is to meet with all members of Parliament who represent particular areas that have level crossings being removed?

Mr DEVLIN — Myself and my project directors who are looking after particular packages will meet with all MPs.

The CHAIR — Very good. Obviously level crossings can disrupt traffic quite significantly, but they do have a traffic calming effect on traffic as well. What approach is being taken to ensure that there are not going to be issues further down the track that a level crossing removal may cause to the overall road network and the like?

Mr DEVLIN — We are doing some strategic and what they call mesoscopic modelling of the road network at the moment in partnership with VicRoads to understand. As you say, predominantly we understand the benefits that we think will be delivered by the removal of these level crossings on the road network, but it will also identify any issues that the road authority needs to consider in forward planning of the road network as a result of the removal of these 50. We think there will be significant benefits as a collective network, and we have seconded nearly over a dozen VicRoads staff into the authority to work closely with us on that.

The CHAIR — That is very good. You referred to the Caulfield to Dandenong nine as being the worst level crossings. By what measure are they the worst level crossings?

Mr DEVLIN — I will have to recheck my language then. One of the worst in terms of the boom gates being down for a considerable portion of the peak — particularly the a.m. peak — period, and as a collective that is obviously one of the busiest lines in Melbourne at the moment and it prevents the running of additional trains due to those nine. Those nine north–south key routes of the road network cannot accommodate any more downtime at the boom gates. We know there are some significant pressures on those, but as I say all 50 are a priority and I would love to be able to deliver and fix all of them in one go, as soon as possible, but it is significant. It should not be underestimated — the task facing us to plan and deliver these successfully over the next seven and a half years — but we have developed a team and the resources and skills to do that, so I am confident we are well positioned to do that

The CHAIR — But that reference to being the worst: that is in regard to traffic, not safety or the like? It is a reference to the worst in regards to the issues it creates with traffic, not the worst in terms of the least safe level crossings within the 50 that are being removed?

Mr DEVLIN — I will have to recheck the transcript, but I did not necessarily mean the worst but some of the worst sites in terms of boom gate downtime. That is what I had in my mind in terms of why they are a priority. Also with Caulfield–Dandenong, it was again the advanced nature of the planning and development work that allowed us to focus on that as the first big package to market. The other lines did not have the degree of planning and development work done on them as that corridor did. That is why we were able to bring that one forward as the first package to market.

The CHAIR — I want to ask you a couple of questions around an advertisement that was placed in the *Leader* newspaper about a community information session in the seat of Bentleigh. You can probably see the advertisement there. There is the level crossing removal logo on there. It also has a contact email address, being the local member, Nick Staikos. I am wondering if you might be able to tell me who authorised Mr Staikos's office to be the point of contact?

Mr DEVLIN — I cannot give you that, but I take responsibility for that. We are aware of that, and we view that as an area we need to rectify and ensure that in future the RSVPs are coming to the Level Crossing Removal Authority and not the local member. In that particular instance there was a pre-existing meeting that the member had set up and that we decided to piggyback on the back of, but in hindsight we acknowledge that there is a better process to ensure that we do not have RSVPs going back to the local members and that they come to us. I will discuss with my director of communications, and we will be ensuring that that is the case in the future.

The CHAIR — Okay.

Mr DEVLIN — It was an administrative oversight to allow that to happen.

The CHAIR — That is something that will not be extended to all members of the Parliament? Are you saying that?

Mr DEVLIN — No.

The CHAIR — Do you think it was appropriate for that to occur, for those RSVPs to go back to a government agency?

Mr DEVLIN — The RSVPs should go back to the government agency. Correct.

The CHAIR — So they should not be going to a particular member of Parliament?

Mr DEVLIN — I think the preference is that they do not and that for the avoidance of any conflict or perception of anything untoward they should come back to the authority. That is right.

The CHAIR — Can you explain the scenario that caused this to come about? What was it that facilitated having a member of Parliament as the point of contact?

Mr DEVLIN — I think it was an administrative oversight that that RSVP was directed to the member himself. The other thing to note is that the member is the chair of the liaison group as well, so we are obviously involved with the local member significantly, which is what the government is wanting to happen in terms of the local members being really active in terms of the consultation process around the level crossing removals.

The CHAIR — But you would say that is an unacceptable practice though?

Mr DEVLIN — I would say it is preferable. I do not believe we have breached any rule, but I think it is better practice that it is not going back to the local MP but that it is coming to the authority so that the authority is in control of all the RSVPs and public records.

Mr FINN — When you say administrative oversight, how could that have happened? How did Nick Staikos's name get on the bottom of that ad? I mean somebody — —

Mr ELASMAR — I am sorry, Mr Finn, but I think this has got nothing to do with the CEO, this question. He can put that to the member himself.

The CHAIR — Mr Elasmarr, I think Mr Finn has a very legitimate question to the CEO of the authority, who has ultimate control of this, and I think you have acknowledged that. I think it is important that Mr Finn's — —

Mr FINN — That is right. This has gone out under the logo of the authority, and I am fascinated now to know how that occurred. Was that placed by Mr Staikos himself? Was it placed by somebody in your office? How did it happen?

Mr DEVLIN — No, that was placed by my comms team members, who were directly responsible for organising these sessions. Again, it was an oversight to allow that to appear in the advertisement. Again, I think for the avoidance of any doubt and perception of anything untoward it is best that in future all those RSVPs come to the authority, and that is what I have directed my team to do — to ensure that that is the case.

Mr FINN — I agree that in future that should be the case, but I am fascinated to learn how this administrative oversight enabled the name of an MP to get on the bottom of one of your newspaper advertisements.

Mr DEVLIN — As I say, the local MPs are intimately involved —

Mr FINN — Clearly!

Mr DEVLIN — in the consultations with their local community. They are the chair of the stakeholder liaison group, and that will continue to be the practice for the local MPs to be actively involved in the stakeholder liaison groups and in consultation for the level crossing removal project, but as I say the administrative management of those information sessions does need to reside with the authority.

Mr FINN — I have to say, Mr Devlin, that as a local member myself I have not been approached by the authority to serve on any of those bodies that you mentioned.

Mr DEVLIN — Maybe that is a matter that needs to be addressed to the government.

Mr FINN — Another administrative oversight?

Mr DEVLIN — No, that is a matter that needs to be addressed to the government.

Ms TIERNEY — I understood that the member who is being spoken about at this point had already organised a community consultation. Am I right?

Mr DEVLIN — Correct, as I mentioned.

Ms TIERNEY — As I understood it, you said that the authority then — I think this was your terminology — ‘piggybacked’ on what was already being organised.

Mr DEVLIN — Yes, but — —

Ms TIERNEY — So it is quite unusual circumstances. It is not as if it were setting a precedent as such.

Mr DEVLIN — No, we thought it was better that the authority ran those information sessions rather than the local MP. Again, it was a remnant of that original process that allowed the RSVP to stay as it was. The member had already sent out to the electorate, of his own accord, invitations with that RSVP, so that is where the oversight came from.

Ms HARTLAND — In terms of the stakeholder liaison, is this what you referred to before as the tender?

Mr DEVLIN — No, that is a separate thing. The stakeholder liaison groups are about sharing information with local community members to take out to the broader community and share that information more widely. The community tender advisory panel is a specific thing for during the procurement phase of the Caulfield–Dandenong tender, where the role for them is to act essentially as proxies for the community and be given confidential information of the bidders to help inform a community perspective on the development of those options — but they cannot obviously take that and share that.

Ms HARTLAND — Who chairs that committee?

Mr DEVLIN — The chair of that committee — I would have to confirm — I think is Steve Dimopoulos.

Ms HARTLAND — He is also a local member?

Mr DEVLIN — Yes.

Ms HARTLAND — It is not terribly independent if you have government MPs chairing these committees. I also have not been approached as a local member of Parliament, and considering that Main Road West and Furlong Road are in my electorate and that there are several of these in my electorate, I am a bit surprised that government members have such a role but nobody else does. I do not think you can comment on that, but I think it is something we need to raise with the government.

Mr DEVLIN — I would say that this matter needs to be raised with the government.

Mr FINN — Would it be feasible to see that the close involvement of government members would allow the entire process to be open to political abuse?

Mr DEVLIN — I do not believe that is the case.

Mr FINN — Is it possible, though? Given that we have had one instance of a member’s name appearing at the bottom of an authority advertisement and another member is chairing another community, the good people of Victoria might have trouble seeing the difference between government and authority.

Mr DEVLIN — I think this is all about just communicating with the local community. It is about sharing information and getting information out there about what we are doing. Those roles are not decision-making roles at all, so that is why do not think that there is a conflict. There is a clear separation between the authority's delegated powers and responsibilities and reporting to the Minister for Public Transport. Our community consultation process is about connecting through all channels to engage with the communities, and local MPs are a key part of that engagement.

Mr FINN — Some local MPs. So you would be happy for the authority to become a propaganda tool of local members of the government?

Ms TIERNEY — Chair, this is hardly — —

Mr FINN — No, I am just asking the question.

Ms HARTLAND — I do not think that is fair to ask Mr Devlin. He is a public servant; these are things we should be asking of government.

Mr FINN — Somebody has got to take responsibility for it.

Mr ONDARCHIE — I will not talk about advertisements, if that is all right with you. Kevin, the RACV, which has been around for a lot longer than the LXRA, has a view about what the list of priorities should be in terms of rail crossing removals. Do you agree with that list?

Mr DEVLIN — I actually have not seen the list in detail, so I cannot give you an indication, but I think at least 30 of the 50 level crossings that we are delivering are on the RACV's priority list.

Mr ONDARCHIE — Given the RACV's priority list that you do not know in detail, have you taken that into regard when setting your recommendations to the minister as an input?

Mr DEVLIN — Again, it has not been the responsibility of the Level Crossing Rural Authority to make recommendations about which 50 are to be done. We are going to be making recommendations to the government about the sequencing of those 50 and as I have articulated already, that is more a determinant that is the variable that is driving that sequencing, is minimising the disruption to the road-rail network and finding an optimal solution and sequencing of those packages to essentially keep Melbourne moving at the same time as delivery.

Mr ONDARCHIE — But do you think the RACV has valid input into this process?

Mr DEVLIN — I have met with Brian Negus from the RACV, so they are a stakeholder we will continue to have conversations with about the level crossing removal project and the benefits and how we can use their channels to communicate to their members about what we are planning to do, so again allowing as much of the community as possible to make informed choices about potential impacts and alternative arrangements that we put in place for keeping Melbourne moving.

Mr ONDARCHIE — On that subject — that is a lovely little segue, thank you — there is going to be some disruption to the rail network as a result of the removals?

Mr DEVLIN — Absolutely.

Mr ONDARCHIE — Given that is the case, there may need to be some bus replacements for some trains?.

Mr DEVLIN — Correct.

Mr ONDARCHIE — Talking to the bus industry, they are saying that with their current workload around their current public transport needs, with the services they provide to schools and other places, there may not be enough buses available in the system to cater, with the amount of work that is being done over that period. Have you got a view on that?

Mr DEVLIN — That is why, again, we are developing that strategic plan, to understand at any one time how many — what level crossings can be built at any one time and the demand for bus replacement services during any particular period over the next seven and a half years. We will be mapping the peak period of bus

resources required, but I think that is just a matter of the market responding. If we need more buses, we will pull buses from interstate, which was done successfully on the RRL. We are obviously using school holiday periods for a lot of these train occupation periods, where there are school buses that become available that you can use as well, which has been common practice in the past. So we are mindful of the issue, and we may need to acquire new buses to support various peak periods during the next seven and a half years.

It is also dependent on the methodology, again, of each level crossing removal. So at the moment that is why, until we have a better understanding of the methodology, with some sites it may be a road-based solution, so that we are not occupying the rail line and it does not need bus replacement services.

Mr ONDARCHIE — Given that and that you said there might need to be some acquisitions of buses. Is that something that the authority will take onto their balance sheet?

Mr DEVLIN — No, it would generally be, I suspect, something that our contractors would look at, leasing buses to meet the needs of the particular construction task on each contract package of works.

Mr ONDARCHIE — So the constructor of the removal — —

Mr DEVLIN — Leasing, it is a question of the market — —

Mr ONDARCHIE — will supply the bus services to replace the trains; is that right?

Mr DEVLIN — Yes.

Mr ONDARCHIE — And manage that timetable?

Mr DEVLIN — Yes.

Mr ONDARCHIE — Thanks.

Mr EIDEH — I have a quick one. Is the Buckley Street, Essendon station in the top 20 stations, and also will it be built before 2018?

Mr DEVLIN — No, not necessarily. Again, we have not made any recommendations to government on the timing for Buckley Street.

The CHAIR — Thank you, Mr Devlin, for coming before us today. You have been most enlightening. At this point I thank everybody present here as well and close the hearing.

Committee adjourned.