

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Budget Estimates

Melbourne – Tuesday 13 June 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

WITNESSES

Ms Jacinta Allan MP, Minister for the Suburban Rail Loop, and

Mr Paul Younis, Secretary, Department of Transport and Planning; and

Mr Frankie Carroll, Chief Executive Officer, Suburban Rail Loop Authority.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones now be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

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

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

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

I welcome the Deputy Premier and Minister for the Suburban Rail Loop as well as officers from the Department of Transport and Planning. Deputy Premier, I am going to ask you to make an opening statement or presentation of no more than 10 minutes, and the committee members will ask their questions.

Visual presentation.

Jacinta ALLAN: Thank you, Chair. Thank you, committee members, for the fourth and final presentation for the morning. I am not coming back for a fifth, Mr O'Brien, so you can just relax on that point. But it is a great opportunity to provide –

Danny O'BRIEN: Will you be back next year as minister or as Premier?

Jacinta ALLAN: oh, stop it – an update on the progress of the Suburban Rail Loop. On any measure, the Suburban Rail Loop is one of the biggest, most ambitious and most transformational projects that are going on in our city and state. Since it was announced in 2018, we have not wasted a moment in getting on and delivering the Suburban Rail Loop, because quite simply we cannot waste a moment, given the conversation we have been having over the course of this morning about how our city and state are growing, which I will come back to in a moment, as I will in terms of the delivery of the project itself.

But first I just wanted to share a snapshot of what the Suburban Rail Loop will achieve, why it is certainly critical to the growth of our city and state and how we are going to support that growth with our transport connections. This slide gives you a few numbers, and it does tell the story about why it has never been more important to deliver this agenda. We know as more and more people choose to call Melbourne and Victoria home and more people are wanting to move around to work, to study or to go out and about and enjoy the movies or the theatre or sport, we have to support those movements. Certainly a growing population both, as I said earlier, delivers opportunities but also some particular challenges. Depending on whether you count Melton in or out, Melbourne is either already the biggest city in the country or it will be by the end of the decade. But what we do know is that by the late 2050s Melbourne will be a city the size that London is today, a city of 9 million people. That is obviously rapid growth. It is a big city. I mentioned these figures in the earlier presentation, but it means our transport network will need to support almost 12 million daily trips on our public transport network and an 80 per cent increase in private vehicle trips. So if we want to ensure that Melbourne remains one of the world's most livable cities – one that we can get around easily, one that retains its productivity, its livability and sustainability – we need to invest in transformational transport infrastructure projects, and particularly the Suburban Rail Loop is a big, important and critical part of that solution.

The Suburban Rail Loop will transform the way our public transport network will perform, and it will also change the way we move around Melbourne. As I said before, with that population growth of that size, if we do not act and we do not put down steps now to get going on both the infrastructure delivery that comes with the rail part of the project but also the work around the new train stations and the precincts to get that planning right to support those as places where more people live and work, we will be in an endless, unaffordable and unsustainable cycle of catch-up trying to build the infrastructure and services that we need to keep pace. To put it to you quite simply, doing nothing is not an option. We need to get moving on this project to ensure that people have access to those jobs, services and opportunities that they are looking for because – and I think I have said this a couple of times already as well – we do not want to spend any more time than we have to stuck in the car or travelling to get to work or to get about. We want to be doing the things we want to do and get there as safely and efficiently as possible.

That is where we come to some additional numbers on the Suburban Rail Loop on this next slide. It shows the significant benefits that will come to the community by delivering the Suburban Rail Loop. For example, because we will be able to mode shift people from road to rail because we will be providing that direct orbital connection, it will take up to 600,000 car trips off the roads every day. If you look at just the SRL East section, from Cheltenham to Box Hill alone, that is 26 kilometres of twin tunnels and six new underground stations. It is estimated that that trip will take 22 minutes. Now, you cannot simply do that Cheltenham to Box Hill trip in 22 minutes at the moment in a car, let alone on a public transport offering. So it will provide significant travel time savings, but also it will deliver direct train services to where people want to go. I will give two examples: delivering that much talked about train line to Monash University, the country's largest university – and then you think about all the other activity that sits around the Monash University precinct by way of health and research but also, importantly, manufacturing; and then it will also provide for a direct rail connection to Deakin University in Burwood.

Turning to the next slide, this outlines the significant progress that has been made since we announced this project in 2018. Just to step you through this time sequence – in 2019, in that budget, \$300 million was allocated for the business case, site investigations and concept design work. In 2020 we allocated \$2.2 billion to kick off a significant program of initial and early works. If you are around Glen Waverley or Clayton or Burwood, you can see there is quite a bit of activity associated with the early works underway right now. We released in August of 2021, publicly, the business and investment case, and this business and investment case found that this project more than stacked up, delivering up to a \$1.70 benefit back to the Victorian economy. It simply demonstrated that we could not afford not to build the Suburban Rail Loop. Following that, the Victorian government allocated just over \$9 billion to progress the main package of works. Also, what we have seen over the last year is that the federal Labor government also has recognised that this is a project of national significance and has invested in this project, with an initial \$2.2 billion towards the project. So the project has already secured \$14 billion in funding for us to get on with the works that are underway but also to get that tunnelling started by 2026. Over the course of 2022 we had the extensive and rigorous environment effects statement process, and the formal planning approvals were granted in September of last year after a significant amount of work that was done in terms of both the planning documentation itself but also the public submission and hearing process. It was pleasing to get that planning approval concluded last year.

The next slide talks about – and I did touch on this before – a lot of work that is going on at the moment. Highly specialised ground investigations have already been completed. More than 950 geotechnical investigations and 12,000 samples have been taken. This is important, because it gives us a very strong understanding of the ground conditions along that initial Suburban Rail Loop East alignment between Cheltenham and Box Hill. It gives us a sense of where the utilities are and where we need to relocate some of those utilities. So that is an important part of de-risking the project and looking at, when we get particularly deeper into the initial and early works and then on to the major tunnelling part of the project, how we can deliver the project efficiently and safely. There has also been extensive consultation – conversations, communication – with the local community: almost 650 meetings with councils and key stakeholders and thousands and thousands of conversations with local residents and community members.

Also on the project itself more than 3.5 million hours have already been worked. I have mentioned already the work going on in relocating utilities. It is estimated that Suburban Rail Loop east alone will create and support up to 8000 jobs. Again, there will be the construction workers and others in the supply chain, and importantly, 14 per cent of the hours on this first phase of the project will be done by apprentices, trainees and cadets. As part of the conversation we were having before about some of the market constraints and challenges, we are

working now on a recruitment drive to employ hundreds of workers from a whole diverse range of fields that are needed as we move through this initial and early works phase of the project into major project delivery, because works will just continue to ramp up through this phase and into major construction.

I am pleased to report – we talked about this last year – that the sewer relocation is now complete at Clayton, which is again important for protecting the corridor. We have got some new parks and playgrounds that have opened in Burwood. Again, it is important to support the displacement of parks that will be used for some of the construction works. Preparatory works are underway in Glen Waverley, Burwood, Heatherton, Box Hill and Monash and will continue in Clayton. Tram relocation works will get underway in Box Hill later this year, and that again gives you a sense of all the different stages we have got to get through before we even start to contemplate moving into the major works part of the project.

The CHAIR: Thank you. The first 8 minutes is going to go to the Deputy Chair.

Nicholas McGOWAN: Thank you very much. Secretary, referring to page 17 of budget paper 4, it talks about ‘private sector investment and value capture sources’. In considering these inputs, has the department considered what density it would forecast for each of the SRL precincts? It might be a question for Mr Carroll, but whoever would like to answer it.

Paul YOUNIS: Well, it is probably a question for the planning minister, and I think the planning minister when she was here talked about the growth that is happening in Victoria at the moment and how the precincts and the existing infrastructure are going to play an important part in the solution to the growth in Victoria. I think the budget papers talk about 1.8 or 1.9 per cent growth next year. The Deputy Premier just spoke then about population figures that are around 11 million for Victoria and 9 million for Melbourne by 2050, 2055. The work that the existing infrastructure, particularly our transport infrastructure, plays in delivering that is really important. That will be part of the updated *Plan Melbourne* work that the planning minister is doing and will feed into that, and there will be structure plans that are developed for each precinct for the SRL areas. That will inform the outcome of that. That will be subject to a process, and there is an approval process for all of those issues. I find it really interesting to look at what we need to do, and if you look at the business case for Suburban Rail Loop, it talks about 550,000 jobs in the Suburban Rail Loop precincts. It is all very good to talk numbers, but what does that number actually mean? That is similar to the number of jobs in Melbourne’s central business district at the moment. That is the type of uplift that is needed across all of our precincts in Melbourne over the next 30 or 40 years.

Nicholas McGOWAN: So you do not anticipate, Secretary, that the density will be greater than that in the surrounding areas for the SRL precincts? I mean, the SRLA are the planning authority.

Paul YOUNIS: Well, I think the whole concept of looking at the SRL precincts in isolation from the rest of the planning system for Melbourne is not the right way to do it. I think, as the planning minister spoke about last week, there will be a range of areas that will need to be, and that will not just be limited to the SRL precincts. Certainly she spoke very much about using existing infrastructure and existing transport infrastructure to support that growth. So it will be transport corridors, it will be precincts and it will be SRL precincts, which are going to be an incredibly important part of that, but also she talked about greenfields and regional centres playing a part of that role. It is wrong to say that the SRL precincts will take up the load of all of that and that that will be the only space that will be –

Nicholas McGOWAN: Secretary, I am just trying to understand the density limits you are going to put in place for the SRL precincts. I am not suggesting that they are any less or any more, but I am trying to understand whether you factor those in when you are considering the planning for this project.

Jacinta ALLAN: If it is of assistance, the Suburban Rail Loop Authority is responsible for the development of the precinct structure planning, and that work is going to kick off in the second half of this year. In addition to that community consultation that I mentioned in my presentation and all the work that the authority has been doing to date, that will kick off the formal planning bit, and the questions will not just go to issues of how many more homes. When you say density, we are talking about homes for people to live in. And we know right now across the state we have a real challenge with affordability and availability. There is good international practice around placing more homes closer to transport connections, particularly train stations. When it comes to the Suburban Rail Loop, we have got an opportunity, when we are building six new underground stations, to plan

the precincts around them in a way that frankly we have probably not really done since Postcode 3000 came about as a catalyst from the construction of the city loop and revitalised parts of the inner city. We have got the same opportunity, but it is a pressing opportunity, to look at how around these better transport connections we can build more homes for people to live in and also the jobs support we can put there.

Nicholas McGOWAN: Secretary, in respect of the value capture, have you forecast over the forward estimates what you expect to derive in terms of that going forward from the project?

Paul YOUNIS: The value capture work is being managed by the Department of Treasury and Finance, so the Treasurer would actually be across that. What we are working on in the Department of Transport is the delivery of the program. As it is now we have got I think \$11.8 billion allocated to the project from the state government and another \$2.2 billion from the Commonwealth government. That is the part we are looking at now. The value capture element, which was part of the business case, is being managed by the Department of Treasury and Finance.

Nicholas McGOWAN: Mr Carroll, I am just wondering whether you can help me out here. Interchangeably now I am seeing the project referred to as SRL Airport or Airport Rail. There seems to be a differential between the two. Is it one or the other, or both? How we are referring to the project?

Frankie CARROLL: Thank you. In relation to SRL Airport, in 2018 the strategic business case that was released talked about an SRL Airport connection, currently being delivered by RPV.

Nicholas McGOWAN: Sorry, I missed that last bit.

Frankie CARROLL: RPV – Rail Projects Victoria.

Paul YOUNIS: I might be able to add to that. The airport section of the Suburban Rail Loop, which is an important part of that connection, is being delivered by the Major Transport Infrastructure Authority. Kevin Devlin looks after that. That is an RPV project. They are the delivery arm for that section, and the reason is that it is very convenient. It is an extension to the Metro Tunnel works that we are doing. The delivery mechanism for that is using RPV.

Nicholas McGOWAN: Again, this is a question for either of you potentially, gentlemen, but how many properties have been compulsorily acquired so far – and how many do you anticipate – for the east part of the project?

Paul YOUNIS: Frankie can answer that.

Jacinta ALLAN: No, I can answer it.

Paul YOUNIS: I think it is 300.

Frankie CARROLL: 312 properties.

Nicholas McGOWAN: To date?

Frankie CARROLL: No, that is what is required. I will give you a breakout: 151 of those are commercial, four in Cheltenham, 25 in Clayton, 34 in Monash, four in Glen Waverley, four in Burwood, 72 in Box Hill, one in the emergencies facility and seven in the stabling yard.

Nicholas McGOWAN: Would you mind – sorry, Mr Carroll – just providing us that list? I am not quite sure I could capture you were saying, but if you would not mind providing that list. Is that the total number you anticipate over the life of the project for SRL East?

Frankie CARROLL: East, yes – 312 properties all up. There are 152 residential, 151 commercial and nine public properties.

Nicholas McGOWAN: What is the total value of those properties you anticipate or budget for in the forward estimates?

Jacinta ALLAN: There are strict requirements under the land acquisition Act around how you engage with property owners. The price is set by the valuer-general, and that will be done on a case-by-case basis respectfully with each of the individual property owners. That is a very formal process under the Act, which governs this sort of acquisition. Can I just go back on your –

Nicholas McGOWAN: I understand that. I am just looking for a total figure to date that has been spent.

Jacinta ALLAN: We will not know that answer until we complete the process, because those values are set by the valuer-general and we have to follow those strict land acquisition processes that are laid out in the Act.

The CHAIR: Thank you. We are going to go to Mr Hamer.

Paul HAMER: Thank you, Minister. Thank you, officials. I would like to speak about Box Hill.

Jacinta ALLAN: Again.

Paul HAMER: Again. I always like the opportunity to speak about Box Hill, and obviously it is going to be a very significant station on the SRL network. I was just wondering if you could expand on how the SRL is going to improve connectivity and what that is going to mean for the Box Hill community.

Jacinta ALLAN: Thank you for your question. Box Hill will certainly be one of the busiest and best-connected stations on our metropolitan network. You know this area very well. There will be trains running in the four different directions as the two lines come together and meet. There will be faster connections – convenient connections – but also more options as to how people move either in and out of the city or around the city using the Box Hill interchange. The new underground station at Box Hill will be in the heart of Box Hill, in the heart of the activity centre, and there will be two station entrances at Market Street and Whitehorse Road. We are anticipating around 15,000 passengers a day will be projected to use the SRL station at Box Hill. That is the SRL station. Then you add to that obviously the people coming in and out of the Box Hill station as well, with around 5700 people interchanging with the existing Lilydale–Belgrave services that run through the station. Also, just putting in a plug for our new Union station, that is only one stop away on the line.

We talk a bit about travel time savings. If I can give you a sense of what those travel time savings will mean, I think I mentioned before the travel time between Box Hill and Cheltenham will be around 22 minutes. Box Hill to Deakin University at Burwood will be 3½ minutes on the train, to Glen Waverley 8½ minutes and 12 minutes to Monash University – again giving a real sense of just how better connected and how much more easy it will be for people to connect to these key centres around the city.

I mentioned the tram relocation works in my presentation. We also are looking at how we integrate with the tram network, and as part of the Suburban Rail Loop works there will be a new two-track tram terminus to support the interchange with the 109 tram on Whitehorse Road. That will be realigned to the north, creating some more space but also creating an interchange between those two modes. This is relevant to the conversation we were having about planning earlier. As part of that precinct structure planning work that is kicking off formally in the second half of this year there will also be some more work done on the connection between the Suburban Rail Loop and the existing bus network. I know you are very focused on the bus network as well. By necessity there will need to be a realignment of that because some of those bus trips will now be train trips. We have just got to make sure we are realigning that bus network into the future as well.

Paul HAMER: Thanks, Minister. You mentioned in the presentation the transformative nature of the SRL project. I was just wondering if you could perhaps elaborate on the SRL investment infrastructure and how that is going to deliver urban and economic development and perhaps look at drawing on how that has happened in the past on previous transport infrastructure projects.

Jacinta ALLAN: To answer that question, if I can travel back in time 40 years – and again, I mentioned this in passing just before – in 1985 two big things happened on the Victorian train network. Box Hill station was rebuilt, and Flagstaff station was opened, marking the completion of the city loop project. They are two great examples of how transport investments can shape development for the suburbs and for the city and really speak to the aspirations and the outcomes we are looking for with the delivery of the Suburban Rail Loop in a modern context. Both of those were big capital investments and major feats of engineering for their time. Since then we have seen those places around those train stations change significantly but also particularly drive, in the case of

both sites, urban housing and urban economic development that would have been unimaginable without those transport connections in the heart of those precincts. In the Box Hill example, Box Hill went from being a suburban high street to now being, as you again well know, the very busy Box Hill Central. There is a lot of retail activity. There is Box Hill TAFE, Box Hill Hospital and a lot of professional services. It is a very busy, thriving area that supports a lot of jobs. It is well connected by the current train services, which will be improved as we make it easier for people to travel orbitally around the city to access Box Hill.

Similarly in the CBD, the city loop has really helped shape Melbourne today. They started talking about the city loop in 1929, so a very long time ago, and it took 40 years for it to even get started. And then it was completed, as I said, in 1985, 40 years ago. But what came with the construction of the city loop was targeted land use policies in postcode 3000 to look at how, off the back of those better transport connections, more services in and out, people could be supported to come and live in the city of Melbourne. It is credited as playing a significant role, that policy setting alongside the investment in the transport infrastructure, as developing the Melbourne central, St Kilda Road and Southbank precincts off the back of that deliberate coming together of land use, planning and transport policy settings. Again, I am using these as examples because that is what we are looking for, whether it is in places like Box Hill or in any one of the other five precincts along the SRL alignment, recognising that each of those precincts have already their own particular unique characteristics that we want to build on – it is not a cookie cutter across all six – and those are the conversations we will be having as part of the precinct structure planning process that starts later in the year.

Paul HAMER: Thank you. If I could just take you to the environment effects statement for the project, I am just wondering what changes have come about, particularly in the Box Hill area, as a result of the EES.

Jacinta ALLAN: The EES was a big and important milestone in the planning for the delivery of the Suburban Rail Loop East project. The EES, following the release of the panel report and the minister's assessment – the minister's assessment itself noted that the Suburban Rail Loop East will bring enormous benefits to the communities, and it outlined some significant additional changes that would need to be made for the delivery of the project. But certainly they are changes that have enhanced the delivery of the project, particularly around Box Hill. So that is why we are working closely with the council to identify new locations for alternative open space as close as possible, recognising that, again, in order to minimise our land acquisition we need to look at where open space is, but we also need to replace any open space that is being used for the project, and we will be working with a public open space expert panel on Whitehorse council on the delivery of that and other requirements that I have not got the chance to get to.

The CHAIR: Thank you. The next 8 minutes belong to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Mr Carroll, can I just clarify: I think you said of the 312 –

Jacinta ALLAN: He is the CEO, I am the minister. Minister Carroll came last week.

Danny O'BRIEN: Mr Carroll.

Jacinta ALLAN: Oh, Mr Carroll. I thought you said Minister Carroll.

Danny O'BRIEN: I think you said the 312 properties need to be compulsorily acquired. You said they have all been notified already?

Frankie CARROLL: Notification numbers – bear with me a second, I will give you the exact numbers.

Jacinta ALLAN: Yes, late 2020.

Danny O'BRIEN: So they have? Okay. That is all I needed to know, really.

Jacinta ALLAN: Yes.

Frankie CARROLL: Yes.

Jacinta ALLAN: And, again, there is that formal process. It is a very, very formal process that we are following.

Danny O'BRIEN: Yes. Secretary, just going back to questions the Deputy Chair was asking about value capture, last year the Auditor-General in the report *Quality of Major Transport Infrastructure Project Business Cases* – there is a line there that says funding for SRL East is:

... an equal split of funding from the Victorian Government, Australian Government and value capture ... there is evidence suggesting that the value-capture target may not be achieved.

It goes on to say:

DTF advised government in August 2021 on options for mitigating the forecast shortfall in value-capture revenue

So could I ask: what was the shortfall identified, and what was it suggested be done to make up for it?

Paul YOUNIS: Mr O'Brien, you are referring to an Auditor-General report on the Suburban Rail Loop which I have not reviewed in the last 12 months or more, so I am not in a position right now to answer specifically the question in relation to that specific question.

Danny O'BRIEN: Well, it literally says: evidence that the value-capture target may not be achieved. Presumably that would be something that you would be aware of if it was the case, irrespective of whether it has been in the Auditor-General's report or not.

Paul YOUNIS: Well, the funding for the Suburban Rail Loop project is being secured as we develop the project. As I said, we have got \$14 billion funding now. There is an expectation of value-capture elements out of the project, as Mr McGowan was referring to. Now the next stage of the project is the precinct structure plans, which we will work through, which will inform very much the value capture that comes out of those projects. So that is an ongoing piece of work that we will be informing and advising government on through that project.

Danny O'BRIEN: Can I ask you, then, if you are not sure of it right now, to take it on notice for me, the question about what the shortfall in value capture was –

Paul YOUNIS: Well, that is a statement from the Auditor-General, so I cannot second-guess the statements from the Auditor-General. There are, quite frankly, a number of Auditor-General reports where there are elements that I am not totally in agreement with. I have reported them and reported back to the Auditor-General on those, so I am not in a position to defend or otherwise or comment on the veracity of the Auditor-General's reports.

Danny O'BRIEN: I am actually not asking you to, but I am asking if you will take on notice to provide the information.

Paul YOUNIS: Yes, but I think, Mr O'Brien, what I am saying is you are asking me to comment on an assessment by the Auditor-General and why the Auditor-General has said that. I do not believe I am in a position to do that.

Danny O'BRIEN: The Auditor-General literally says DTF advised government in August 2021 on options for mitigating the forecast shortfall in value-capture revenue. Is that correct?

Paul YOUNIS: That is a question for Treasury. As I said, Treasury are the –

Danny O'BRIEN: No, it advised government. This is the government department looking after the Suburban Rail Loop, so presumably that is where the advice went to.

Paul YOUNIS: There are various parts of the government that look after these really big, complex projects. The department of Treasury are a fairly significant part of that. In relation to that, though, that is a comment made by the Department of Treasury and Finance. I am not necessarily across the thinking or the work that has been done in relation to responding to Auditor-General reports by other departments.

Danny O'BRIEN: Let me put it another way. As Secretary of the department responsible for the Suburban Rail Loop are you aware of a shortfall in projected funding via value capture?

Jacinta ALLAN: Your preface is not right.

Paul YOUNIS: I think the issue that you are asking about is: are we able to fund the Suburban Rail Loop? Right now I am not giving advice to government at all that there is a shortfall in funding in relation to the projects and the program we have in front of us.

Danny O'BRIEN: Okay. Secretary, has PwC been engaged to work on the Suburban Rail Loop and, if so, what services did they provide and what was the contract worth?

Paul YOUNIS: I am not exactly aware of all the contracts involved. We use, clearly, consultants in relation to these projects all the time. They are a very important part of the structure of how we deliver these projects. Mr Carroll might have an update on exactly the contracts with various agencies and PwC.

Frankie CARROLL: Is that consultancy work you are asking about?

Danny O'BRIEN: Well, anything – consultancy, design plans.

Frankie CARROLL: PwC are not engaged in any consultancy work for the authority at the moment.

Danny O'BRIEN: They are not?

Frankie CARROLL: No.

Danny O'BRIEN: Can I ask then: were they engaged in the original design? Going back, lest anyone gets upset, the minister's presentation talked about the 2018 work that was done. Was PwC involved in the design work then?

Frankie CARROLL: Unfortunately I was not around in 2018, but my understanding is, from reports, they were.

Paul YOUNIS: Mr O'Brien, once the department was given the job, which was in 2018, we began the early planning work there and we set up all the governance structures. I am not aware if PwC were explicitly involved in any of that work. If you are asking me generally, I would say that it is likely because we would have been using their sorts of skills in relation to some of that work, but I have not got the information as to whether they were specifically involved in those early works, that early planning, setting up the governance structure and doing that original environment assessment work.

Danny O'BRIEN: Can you tell me then, Secretary, whether initial funding was provided to Development Victoria, who then engaged PwC to undertake the initial planning work on SRL?

Paul YOUNIS: No, I cannot advise you on that. The funding that was provided to the department when the department was involved in the project was when the \$300 million was allocated in the 2018 –

Jacinta ALLAN: 2019 budget.

Paul YOUNIS: 2019 budget. That is when the department became involved in the development and delivery of this project.

Danny O'BRIEN: Who did it prior to that?

Paul YOUNIS: I am not aware.

Danny O'BRIEN: DPC?

Paul YOUNIS: I am not aware, Mr O'Brien. I was not here, and I was not engaged for that work.

Danny O'BRIEN: Okay.

Paul YOUNIS: Nor was the department of transport, I understand.

Danny O'BRIEN: The minister might be able to tell us. Who actually came up with the original design plan prior to 2018?

Jacinta ALLAN: I am pretty confident we covered this at previous years' hearings but happy to go back through it again. Actually, here is it, handily referred to here. In 2018, when we released the strategic assessment, it was work that was undertaken, led by Development Victoria. The Major Transport Infrastructure Authority had some input into it, and we released the strategic assessment that was the foundation for making the commitment to deliver the Suburban Rail Loop. It was quite prescient because it went to issues that today are very real and very important: how do you provide better transport connections and provide homes and jobs closer to those transport connections?

Danny O'BRIEN: Was PwC involved in that document?

Jacinta ALLAN: It is not that I do not want to answer it. It is just that it was four years ago, and I would have to go back and remember when –

Danny O'BRIEN: Would you be happy to take it on notice then, perhaps?

Jacinta ALLAN: If there is anything more to add, we can come back to you.

Danny O'BRIEN: Okay. Equally I am interested to know whether –

Jacinta ALLAN: Also can I just be clear: the contemporary issues around PwC are in a different part of that organisation to the part that would engage with government for this sort of work.

Danny O'BRIEN: Okay. Thank you.

The CHAIR: Thank you. We are going to go to Mr Galea.

Michael GALEA: Thank you, Chair. Good afternoon, Deputy Premier and officials.

Jacinta ALLAN: Is it the afternoon already?

Michael GALEA: It is the afternoon already, I know. It might feel like evening soon. You probably will not be surprised that I want to ask about the south-east – specifically budget paper 4, page 17. We know that the SRL East project will interface with the Frankston line at Southland and with the Pakenham–Cranbourne lines at Clayton. This will obviously have a number of impacts on the south-eastern suburbs. Minister, could you please outline some of the benefits that the broader south-east will have from this project?

Jacinta ALLAN: Thank you. Suburban Rail Loop East will connect with the major economic centres and activity centres at Monash, Clayton and Box Hill and, as I mentioned before, deliver a train station for the very first time to Monash and Deakin universities. That 26-kilometre twin tunnel – the six underground stations – provides for that connection and provides for that faster journey. I will not repeat the travel times that I went through earlier to Mr Hamer's question; we detailed that at some length. I have mentioned too how we are also getting on with some of the early works, and 8000 jobs are supported on that part of the project.

Some work that we have done to date estimates that in 2036 – so a year after the opening of Suburban Rail Loop East – people from the communities of Bayside, Kingston, Monash, Greater Dandenong and Whitehorse will be able to access an additional 100,000 jobs within an hour on public transport, giving a sense of how that orbital rail connection that intersects with the existing radial network provides for more connection points across the network. That reduces travel time, particularly on a public transport service, to where people want to get to go. For example, a student will be able to travel from the Dandenong railway station to Deakin University at Burwood in just 29 minutes with the Suburban Rail Loop East, providing significant travel time savings on what they can do there. That comes as a consequence of being able to, in that instance, interchange at Clayton – I am looking at my other public transport expert on the committee – and to be able to then get around to Deakin University, Burwood. Those interchange points with the existing network are going to be critical to providing faster options, more options, and then obviously the new stations providing rail lines for the first time to the two universities is also a critical access opportunity.

Michael GALEA: You have identified those time savings, and I have had families moving into the growing south-east saying how excited they are that when their kids grow up they will be able to access Monash or Deakin much more easily. Could you talk me through a bit more about Monash University in particular and how the project will help reshape Monash?

Jacinta ALLAN: Thank you. Certainly, again, it has long been talked about – Australia’s largest university not having a train line to connect to it, and Suburban Rail Loop East will deliver that and connect also to that really big employment and innovation hub. In fact, it is Melbourne’s largest, if you like, jobs precinct outside of the CBD. It also means that it does not just make studying at Monash, as you have identified, a much more accessible option for many, many students at school today, it will also support the other connections around the jobs. We have just recently opened the Monash heart hospital. There are upgrades to Monash Medical Centre. The mRNA work that is going on – there are going to be headquarters there. There is lots of activity in that precinct.

In terms of the work with the university more directly, we have been working with Monash University pretty much since we announced and committed to this project. Particularly it has been important to collaborate with the university on key design aspects around the station location itself. The new station location will be just north of Monash University between Normanby and Ferntree Gully roads. It will be a fully accessible station, and this alignment location has been identified to both service the university and, again, service the activity around the precinct as well because there is already quite a bit going on in that area. Also we anticipate that the construction of the Suburban Rail Loop will drive even more opportunities, and we have to think about how the station is located in a way that connects to the entire precinct that includes the big and important Monash University.

Michael GALEA: Wonderful. And as a former student of Monash too I know how transformational that would be, having relied on those buses back in the day. Also I understand that there might be some changes to the road network.

Jacinta ALLAN: Yes, well, there will be. Again, when you bring a big and substantial public transport offering, that does to give you the opportunity to think about changes to the road network. We talked about the tram changes in Box Hill and the bus changes as well, and those bus changes will also need to be considered across all six of the precincts.

In 2018 there were 3.7 million private vehicle trips and almost 290,000 public transport trips within the south-eastern suburbs, and by 2041, once SRL is operating, the travel demand is forecast to increase to almost 5 million private vehicle trips and almost 550,000 public transport trips, again demonstrating why we need to get on now and deliver that heavy rail infrastructure and at the same time look at how the precincts are going to be supported around the underground stations, because that population change is coming, and we need to be ready to support it.

So we talked in the earlier presentation about the substantial investment that is going in in the road network, and I gave a number of examples in the south-eastern suburbs. There is a lot of heavy lifting that is done by the existing road network because simply there is not that orbital connection. There are bus connections, but obviously they use the road network, so providing a heavy rail underground connection will get those cars off the roads, as people will have a real option to jump on the train. I mentioned in the presentation earlier, across SRL North and East we expect that it will release 600,000 private vehicle trips across the network. That is the equivalent of 30 lanes of traffic on the Monash Freeway today, again giving a sense of the size and scale of what we will be facing if we do not get in and make this investment and deliver this really important public transport connection to provide that real alternative to support people to where they want to go.

Michael GALEA: Thank you, Deputy Premier. And, understandably, as with any project there will be some impacts on communities, so what is the Suburban Rail Loop Authority doing to ensure that those impacts where they happen are mitigated as much as possible?

Jacinta ALLAN: Yes, there is a significant amount of work that is undertaken by the Suburban Rail Loop Authority, and I think in my presentation I mentioned something like 650 meetings. That is just formal meetings, let alone all the thousands and thousands of conversations that have been had by communities at different events within the local community, and we are working very closely with the community both during the delivery of the project as we plan other aspects of the project but also working with them as we minimise disruption during the construction phase. I talked earlier about some of the adjustments made as a consequence of the environment effects statement process, and following that we are looking at how we can deliver more open space – oh, time flies!

Michael GALEA: That was quick. Thank you. Thanks, Chair.

The CHAIR: Thank you. Going to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Secretary, can I just go back to what we were asking before about SRL Airport? So SRL Airport is actually not being delivered by this area of the portfolio. It is being delivered by Rail Projects Victoria. So on the basis that the minister and you have not answered our questions as to whether it will go ahead –

Jacinta ALLAN: Oh, that is verballing us. It is a federal review.

Danny O'BRIEN: No, no, well, that is not verballing. There is a federal review, but again –

Jacinta ALLAN: And we have to wait for that to finish. We have to be patient.

Danny O'BRIEN: If you look at the departmental website, the Big Build website, it literally says construction has started on SRL Airport. I take you back again, and I read out the section of the federal review that says the review will not look at projects that have already begun construction. So the question is: what is the issue here, and will SRL Airport go ahead?

Paul YOUNIS: So what has started on the SRL Airport project is the early works package. That is an early works package which was awarded to Laing O'Rourke in, I think, 2022, and that early works package is particularly, you know, shifting services. It has really big electricity services to shift, and it is moving through that. There are a number of other packages as a part of when we did the procurement plan for airport: there is the airport itself, there is the elevated viaduct along the airport, there is the corridor and track and civil works through to Sunshine, there is the Maribyrnong River bridge, which is –

Danny O'BRIEN: I get all that, Secretary. The question remains: if the federal review is not reviewing projects that have started, and this has started, why is there a question mark over whether this project is going ahead?

Paul YOUNIS: The reason I was going through that is because – and I missed three or four other really significant packages – the significant packages of work to deliver the airport rail are still in that procurement phase. The package that has been delivered and awarded is the early works package. So under the criteria that we have interpreted in relation to the federal review, then those works should not be awarded and fully implemented until such a time as that review occurs, which is a matter for the federal government.

Danny O'BRIEN: Okay.

Jacinta ALLAN: And we put out a press release on 17 May, which I am happy to provide to the committee, that does answer that direct question about airport –

Danny O'BRIEN: Will it go ahead? No, it does not.

Jacinta ALLAN: No. That is a different question.

Danny O'BRIEN: It says it is under review.

Jacinta ALLAN: No, you asked a different question about the works that are underway. That was your previous question, about will or won't it.

Danny O'BRIEN: Which you also did not answer.

Jacinta ALLAN: I am just saying that in terms of the questions you were asking – I did answer: I said it is subject to the federal review. And the question you asked the Secretary is answered in the press release of 17 May, which I am assuming you can google, but I am happy to provide it if it is of assistance.

Danny O'BRIEN: I have got it. Thank you, Minister. Secretary, SRL East was forecast last time we saw anything at between \$30 billion and \$35 billion. What is the updated forecast cost of it?

Paul YOUNIS: So the current forecast – and this is what we are working on – is a \$30 billion to \$34.5 billion project.

Danny O'BRIEN: \$34.5 billion?

Paul YOUNIS: \$34.5 billion project – and as I was explaining earlier, and I will add to it, that is funded. We have got \$11.8 billion of funding from the state government allocated now. We have got \$2.2 billion from the Commonwealth government. They have indicated that that is an initial works package, and we expect funding will also be realised through a range of private sector investments and value capture. When we work through that structure planning in relation to the land, we will be able to articulate that more. But we still expect that those costs are around that \$30 billion to \$34.5 billion.

Danny O'BRIEN: The business case also said \$50 billion at most for East and North. Is that still accurate?

Paul YOUNIS: Look, we have not done much work on the remaining sections. I am not sure if Mr Carroll has.

Jacinta ALLAN: Or I can answer it of course. Frankie can.

Frankie CARROLL: In the business and investment case we look at the economic cost and benefits, and that economic cost and benefits show a range from about \$50 billion to around \$52.7 billion – I think on page 308, if my memory serves me correctly.

Danny O'BRIEN: Have you identified any economic or market inflationary conditions that would change the estimates?

Frankie CARROLL: The estimates which you are referring to, the \$34.5 billion on SRL East, we have taken account of market inflationary issues in that number.

Danny O'BRIEN: In the past 12 months?

Jacinta ALLAN: Well, we are out to market. We are in procurement right now, so yes.

Danny O'BRIEN: Not for the North, which is what I was asking about.

Jacinta ALLAN: Sorry, he is talking about SRL East.

Frankie CARROLL: For SRL East, we review that constantly.

Danny O'BRIEN: Okay. What is your response to the Auditor-General, who described the business case's sensitivity test as 'not sufficiently robust or comprehensive'. Do you believe that you will be able to keep the SRL cost to the estimates that you have got at the moment?

Frankie CARROLL: I believe the estimate that we have for SRL East of \$30 billion to \$34.5 billion is the right estimate.

Danny O'BRIEN: You said you are out to market at the moment. So when will you know what the cost is going to be?

Frankie CARROLL: Well, we are out to market on multiple packages – sorry, we are out on the tunnelling packages at the moment. We have a document which I am happy to table.

Danny O'BRIEN: Sorry, how many packages are out at the moment?

Frankie CARROLL: With the tunnelling packages, which is the two tunnelling packages – and I am happy to table this with the committee in relation to the market engagement that we do, breaking up each package and when we are out to market for it and when we expect that to come back into government.

Danny O'BRIEN: And when are they expected to be finalised?

Frankie CARROLL: The current one, the tunnelling package, which is work package C –

Danny O'BRIEN: Sorry, I cannot understand you, Mr Carroll. What are you saying? The what package?

Frankie CARROLL: Work package C, the tunnelling package.

Danny O'BRIEN: Tunnelling. Sorry. Thank you.

Jacinta ALLAN: It is a tunnel. We are building a tunnel.

Danny O'BRIEN: Yes, yes.

Frankie CARROLL: Which is between Cheltenham and Glen Waverley. We are assessing that RFP at the moment, and we hope to have an award by the end of this year, and then the unsuccessful proponents will drop down for the second tunnelling package, from Glen Waverley to Box Hill, during this year as well.

Danny O'BRIEN: During this year?

Frankie CARROLL: During this year we will assess, and it will be awarded next year.

Danny O'BRIEN: When do you expect to start tunnelling?

Frankie CARROLL: 2026, as the minister has identified.

Jacinta ALLAN: I said that earlier.

Danny O'BRIEN: Okay. You will be surprised to learn I do not listen to everything you say, Minister.

Jacinta ALLAN: No, that is clear. That is pretty clear. You did not have to confirm it for me.

Danny O'BRIEN: Can I ask, Secretary, just back on airport rail, how much was spent on rebranding the airport as an SRL project?

Paul YOUNIS: I am not aware. I have not broken down any costs in relation to any rebranding. I think the budget papers report the cost to date in relation to the airport and how much has been spent to date in relation to that, keeping in mind that a lot of those early works are no-regrets works.

Jacinta ALLAN: Just to be clear, every map that we have produced since we announced this project has included the Suburban Rail Loop airport connection. They have always been a connected project. We tried to give you the business case last year.

Danny O'BRIEN: Since when has it been part of SRL? It was certainly not in 2018.

Jacinta ALLAN: Yes, we did. I have got the strategic assessment. We got the business case.

Danny O'BRIEN: The airport link from the city to the airport was part of the Suburban Rail Loop?

Jacinta ALLAN: It was always part of that orbital rail. It is in the maps. Do we have any maps in the presentation? In previous years we have always shown it. There we go. Thank you. SRL Airport – that bit. It is the loop. It goes around the city and joins all the train lines.

Danny O'BRIEN: The bit you are talking about is the bit to Werribee.

Jacinta ALLAN: Yes, and it goes through Sunshine to the airport. You have just confirmed my point.

Danny O'BRIEN: So you are going to try and say that the Werribee loop that you had originally is now part of the airport rail link?

Jacinta ALLAN: Let me step you through this: Werribee, Sunshine, airport, Broadmeadows –

Danny O'BRIEN: How has the city to airport got anything to do with Suburban Rail Loop?

Jacinta ALLAN: No. So this is exactly why we were determined to make sure airport rail went through Sunshine. That is the city to Sunshine connection, and then the Sunshine to airport –

Danny O'BRIEN: You keep spinning it, Minister.

Jacinta ALLAN: No, no.

The CHAIR: Apologies, Mr O'Brien.

Danny O'BRIEN: Desperation.

Jacinta ALLAN: I would actually be happy –

The CHAIR: Deputy Premier. We are going to Mr Hilakari.

Mathew HILAKARI: Thank you, Deputy Premier – for the fourth time – and officials. I am sure you will be pleased to have some of those glossies on the table for the committee later on.

Danny O'BRIEN: Glossies are great. We love glossies! They do not have any answers in them.

Jacinta ALLAN: You just do not read them. If you read them, you might be able to ask the right questions to the right people.

Danny O'BRIEN: If I just listened to you, I would have all the answers I ever needed, Minister, wouldn't I?

Jacinta ALLAN: Yes, you would. You are too busy talking over the top of us.

Danny O'BRIEN: If I had 10 hours for your sessions –

Jacinta ALLAN: Anyway, Mr Hilakari, my apologies.

Mathew HILAKARI: That is a great thing to put in Hansard. It is appreciated. Budget paper 4, page 17 – I am actually going to talk about something related to jobs, and good jobs, for the Victorian economy, because part of these projects like the Suburban Rail Loop is connecting people not only to their jobs but to the jobs that are built up through the program itself. I am wondering if you could provide some information on that.

Jacinta ALLAN: Yes. Thank you. Again, in addition to the benefits that come from building heavy rail connections to communities that are not currently serviced by rail and providing those interchange points across the network, the Suburban Rail Loop project is also an important part of our broader transport infrastructure pipeline that is supporting thousands and thousands of jobs during the construction and beyond that as well. In terms of beyond the construction of the project, we anticipate the Suburban Rail Loop precincts will be home to many more people, as the precincts are supported to provide more homes closer to transport connections, which is what we need to consider as the city continues to grow. It also provides more jobs in those areas so that we can reduce the commute that people are doing between home and their workplace, and that is an important equity outcome because we know for many people being without a car can really limit their access to a job – the job that they might be skilled for – and they have to take a lower paid job closer to home because quite simply they cannot get to the one that they are qualified for.

Also, we talked a couple of times about students access, and we should also put in a plug for Box Hill TAFE. It is not just the universities that are being connected up with Suburban Rail Loop, Box Hill TAFE is also an important place and education destination for many. Providing access to those education opportunities in turn also enhances people's job prospects into the future. In fact from the work we have done already in the business and investment case that was released in August of 2021 we anticipate that 65 per cent of workers who will be using the Suburban Rail Loop to access work will be in lower income categories, again reminding us of the reliance that people on lower incomes have on having a good, reliable public transport network to get around the city and the state.

Mathew HILAKARI: Can I just take you to jobs during the construction itself. I recently was on a tour of the West Gate Tunnel. I was talking to the tunnellers in particular about what is the line-up of the jobs that they have through the projects that Victoria is doing. We are going to see that also on Metro Tunnel – some of the wind-down on some of those construction jobs. How does that dovetail and link in with the projects ahead of us?

Jacinta ALLAN: Well, this is the advantage of having a pipeline of tunnels of course across the city and the state. In fact I saw a statistic –

Danny O'BRIEN: Is it a pipeline, or is it a tunnel? Which is it?

Jacinta ALLAN: It is a pipeline of tunnels. Come on, you are an ex-journo; you should like that – a pipeline of tunnels. I saw a figure yesterday – and someone will correct me if I am wrong, I am sure. The amount of tunnelling work that is underway or planned – in the pipeline, if you like – is more than the amount of tunnels that have already been constructed across the city. So Metro Tunnel, North East Link, West Gate Tunnel and Suburban Rail Loop demonstrate again, when you are looking at the future of transport infrastructure delivery in a big and busy city, it does require some projects to go underground to minimise disruption, to minimise the amount of properties you need to acquire and to keep the city moving.

But going back to the construction work that you asked about, Suburban Rail Loop East will support up to 8000 direct jobs. We are already seeing 800 of those working on the initial and early works part of the project right now, and that includes a number of apprentices and cadets. And I mentioned in the presentation around 3 ½ million hours have already been worked on the Suburban Rail Loop.

We are looking at how we can drive initiatives like the major projects skills guarantee, looking at other local content requirements to support jobs in the supply chain and looking at the *Recycled First Policy*, which not just is embedding sustainability into the projects but supports a growing sustainability industry, a recycled product industry, as well. Then in terms of tunnelling particularly, I have also spoken to some of those West Gate tunnellers, who are very excited about the pipeline of tunnels and can see they do not have to go chasing tunnelling jobs around the country or indeed around the globe. They can see that they can keep their families settled here in Melbourne. Whether it is the North East Link or the Suburban Rail Loop, as they are coming off Metro tunnelling, which is completed, or West Gate tunnelling, which is completed, they can see that opportunity there.

That is also where we have been able to drive the work we are doing in the project delivery with the skills area in partnership with Holmesglen TAFE. The Major Transport Infrastructure Authority and our projects have invested in the Victorian Tunnelling Centre of excellence, which is at Holmesglen in Chadstone. If you drive past, it has got a giant cutter head on the corner there that you can see from the road, and it is a fantastic centre that is about providing training for the current and the future workforce on tunnelling practices, given it is an inherently dangerous job. So being able to provide either skilling up or skill attainment in a really safe education environment has been a big and important outcome as a result of that investment. Again you can only do that when you have got that security of a pipeline of projects to support that work.

Then there is also the work that we are doing to support more women into projects. We have got a great program with the Suburban Rail Loop Authority and year 11 and 12 women students, who can do some certificate training and on-the-job experience, so they can stay in education, they are getting work experience and they can go in and work on our projects as well. This is yet another example of how, when you set targets like the *Building Equality Policy*, that drives cultural change through organisations. It requires our construction partners and our project teams to think, 'How do we achieve these targets?' They identify great examples like that one and innovative ways to open up the doors of more opportunities to groups in our community who have not present previously had access to the well-paid, good, secure jobs that are on construction projects around the state.

Mathew HILAKARI: Thank you for that. I would like you to just quickly touch on Aboriginal workers and any employment prospects through the tunnel, and I am sorry we are going to run out of time.

Jacinta ALLAN: That is all right. 12,000 hours have been worked already by Aboriginal Victorians on SRL.

Mathew HILAKARI: Thank you so much.

The CHAIR: Apologies. The next 8 minutes are going to Ms Sandell.

Ellen SANDELL: Thank you, Chair. I just want to pick up some questions that Mr O'Brien asked around PwC. So you are saying that there is no truth to the *Age's* statement that in 2017 PwC did work on planning and building the base for the Suburban Rail Loop? Is that correct?

Jacinta ALLAN: No, that was not what I was saying earlier in terms of that *Age* article. I was referring to the parts of the organisation that may have worked with government at that time versus some of the issues they are having now. I was making that distinction.

Ellen SANDELL: So you are saying that those particular –

Jacinta ALLAN: I was making that distinction that it would have been unlikely. But in terms of the work that was done in 2018, as part of normal practice for when projects are in those very early planning phases, there was technical advice and services procured from both Aurecon and PwC as part of the development of the strategic assessment that again demonstrated that the project absolutely more than stacked up.

Ellen SANDELL: Okay. Thank you. I appreciate that clarification. Has the government specifically sought assurances that PwC is not sharing any of that information with clients who might, say, tender for parts of the project in the future, given there might be an inherent conflict of interest there?

Jacinta ALLAN: Well, again, there are some broader whole-of-government settings around this that are being considered. With this we are talking about a piece of work that was done in 2017–18, which would have been done as all of these arrangements are. It does not matter who the consulting or external agency is, there are very strict requirements around this, and it would be our expectation that those would have been met.

Ellen SANDELL: I appreciate that, but obviously some of the trust that governments and organisations have placed in this particular organisation has been broken.

Jacinta ALLAN: It has been.

Ellen SANDELL: And I appreciate that the Premier has said that assurances have been sought from PwC that nothing untoward has gone ahead, but I presume you can see the potential for conflict here when you have an organisation that is helping to design a project and might then share that information with some of their other clients, who might then seek to benefit or tender for the project. I am just wondering if your department has sought specific assurances, given this is such a big project, that that line has not been crossed with this particular project.

Jacinta ALLAN: I think you are drawing a little bit of a hypothetical bow there, and –

Ellen SANDELL: I do not think so, because this is specifically what has happened in the tax situation.

Jacinta ALLAN: We are working, and I think there are some discussions happening across the secretaries on these questions, because they are not just relevant to this portfolio. Yes, the circumstances surrounding this company are incredibly serious and need to be treated as such. I will have to refer you to discussions or considerations that are being taken centrally with the Department of Premier and Cabinet, because this is not just a question for us alone, it is very much a whole-of-government question.

Ellen SANDELL: Secretary, have you sought specific assurances that information has not been shared with their clients?

Paul YOUNIS: I think this position was put to the Secretary of the Department of Premier and Cabinet last week, and he gave feedback then that we are doing a whole-of-government approach to this. I have spoken to PwC senior members and had some conversations around those assurances. We are doing some audits and will be feeding that into the central management of the PwC issue, which will be managed by DPC.

Ellen SANDELL: Okay. I want to ask about the SRL in the west. As we all know, the west has less public transport access than other parts of the city. Could you answer why the western portion of the SRL is being done last rather than being done first?

Jacinta ALLAN: This is actually helpful to clarify some earlier points. Firstly, I am going to really challenge your assertion about there being less public transport access in the west. We are building new

stations, we are removing level crossings, we have added 220 additional weekly services to the Melton community alone and we have added additional services to Wyndham Vale and Tarneit. With the Metro Tunnel there will be additional services coming through Sunshine and Footscray. Your assertion of there being less services to the west is simply wrong. It is part of a deliberate campaign by some to peddle this misinformation, and frankly it is just not consistent with people's lived experience. We are adding services, building new stations, removing level crossings and opening up access to our public transport network to communities, whether it is the outer western suburbs or the inner west as well. The example I gave before was Footscray. When we open the Metro Tunnel, Footscray will have a train every couple of minutes in the peak periods. So there is a lot going on in terms of the delivery of public transport services, both building the projects and to get the extra delivery of services in the western suburbs. In terms of how the Suburban Rail Loop project is being delivered, and subject to the federal review – I will make my qualification in that regard – Suburban Rail Loop east came along after the Suburban Rail Loop airport connection was already advanced, so we have been able to bring these projects together. The map that Frankie helpfully had for me before shows how in effect both projects can be underway at the same time. So it is just not correct to say it has been left to last.

Ellen SANDELL: So you are saying that the west does not have less access to services – I think people's lived experience is a little different over the last little while. But you look at that map, and there are many stations around the east and there is only one new station really in the west. You have got Sunshine and Werribee – I mean, there is a lot of space between Sunshine and Werribee. What is the rationale for not having further stations in the west?

Jacinta ALLAN: You also need to come to this conversation with the appreciation and understanding of the existing rail network in the western suburbs. The alignment in the western suburbs, unlike the north and the east, already exists. There is already an existing alignment in the west that we can utilise, and that is why having Sunshine as a transport superhub as part of this project is really important. We can look at how we can tie it into the existing network, and that is not dissimilar to what we are doing in the east with our interchanges with the existing radial network.

Ellen SANDELL: I might ask also about the Auditor-General's report that found the business case for the Suburban Rail Loop did not support informed investment decisions. He recommended, for example, providing a full business case for the entire project, including updated economic analysis results, in funding submissions for future stages of the project. Can you tell me why the government rejected those recommendations?

Jacinta ALLAN: I know you were not on the committee last year, but last year I tried to give this business case to the committee, and this has been in my office for a full 12 months. So this assertion that there is no comprehensive business investment case is wrong. This is the document that I tried to leave with the committee

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Ellen SANDELL: It is not my assertion; it is the Auditor-General's.

Jacinta ALLAN: No, well, I am repeating to you: members of the committee that I offered it to last year refused to take it. It has been there. It has been released since August 2021. I cannot comment on why people misinterpret that. Secondly –

Ellen SANDELL: Why is the Auditor-General saying that it is not comprehensive?

Jacinta ALLAN: You would have to ask the Auditor-General that. Secondly, we do not accept what the Auditor-General has had to say that the project should be delayed, nor do we accept that we should build it as something other than an underground loop, given what I said before about the disruption that other modes would cause by way of the acquisition of thousands and thousands of people's homes to build an at-grade orbital connection.

The CHAIR: Thank you, Deputy Premier.

Danny O'Brien interjected.

The CHAIR: Mr O'Brien! We are going to go to Ms Kathage.

Lauren KATHAGE: Thank you, Chair. Minister, we heard questions from Ms Sandell, sort of east versus west. I want to ask metro versus regional. I know us regional people can be a little bit sensitive sometimes.

Jacinta ALLAN: What do you mean? What are you saying about me – or Danny?

Lauren KATHAGE: I want to ask about the benefits of the SRL for regional Victorians.

Jacinta ALLAN: Thank you.

Members interjecting.

The CHAIR: Order!

Lauren KATHAGE: As somebody who has caught the bus from Broadmeadows station to the airport after having caught a train, I am very interested in the minister's response.

Jacinta ALLAN: Yes. It is most disrespectful of your colleagues not to give your question the respect it deserves, because there are benefits to regional communities – and I will come to Gippsland in a moment, because I am pretty sure I talked at length about Gippsland at last year's hearing, and clearly someone was not listening and I now have to repeat that again.

Certainly the Suburban Rail Loop, in terms of that question of connectivity and how we are designing and building an integrated public transport network, whether it is Metro Tunnel or our level crossings or the other rail projects, we are building them with an eye to how they all interconnect with each other, because again a growing city and state needs a public transport system that is interconnected, particularly when it comes to the big investment that we are making in heavy rail. That is why at key points on the Suburban Rail Loop network – at Sunshine, you mentioned Broadmeadows, and at Clayton as well – these will be key hubs where our regional passengers will interchange into the metropolitan network, should they choose to. There are other points of the metropolitan network that, depending on which train service you are on – coming in on the Bendigo line I have got a couple of different options as to where I want to jump off and get on to the metropolitan network. This will provide for additional choices for people as to how they interchange with the network. It will also for regional people limit the need for them to come into the city to go out again, depending on where they want to go. Again the Gippsland example here is a really, really good one. It will mean health services at Box Hill Hospital are going to be so much more accessible for people travelling in from Gippsland. It means, notwithstanding the great TAFE and university offerings that are available in Gippsland, that should there be a particular course that is on offer at Box Hill TAFE or Monash University or Deakin University Burwood, it will make it that much easier for a young person, particularly, to be able to access the career opportunity and the dream that they want to pursue because they can get to that TAFE or university course. So these are the opportunities that come for individuals by having regional connectivity built into the design and the delivery of the project. But also they come with broader community benefit because it means that people are leaving those education institutions ready to go and be fully committed and productive members of the workforce. That is why, as I said, Clayton, Broadmeadows and Sunshine are going to be key destinations where regional communities can transfer in and out of the metropolitan network should they choose to do that.

Also with the work that is going on in the precincts around the stations, I have mentioned a few times how we are looking at how we can support more housing, more places for people to live close to these transport connections and also jobs. There will be an opportunity to grow more jobs in those areas as well, and we anticipate that more than 11 per cent of Melbourne's jobs will be located in the broader areas around the Suburban Rail Loop stations by 2056. This will, again, give regional Victorians access to more jobs around those train station locations. It is about, as I said, providing better connectivity and better choice for how people, particularly in this case regional Victorians, move around our network and access these key precincts that are either already there or will continue to be developed.

Lauren KATHAGE: Thank you, Minister. People may wish to also travel north to La Trobe to go to uni in Bendigo, it is not necessarily one-way –

Jacinta ALLAN: No, and with our \$9.20 fares – well, happy days. It is so much cheaper and easier. We can only do our \$9.20 fares of course because we have upgraded all the regional lines, built new trains that are made in Melbourne, put on more services – 220 services to Melton and 135 to Ballarat.

Bev McARTHUR: Well, they are not being built in Ballarat.

Jacinta ALLAN: No. Well, see, they are being – the Alstom – you are wrong.

Bev McARTHUR: Are they being built in Ballarat?

Jacinta ALLAN: Not the VLocitys –

Bev McARTHUR: Oh, I see.

Jacinta ALLAN: the metropolitan network trains are being built in Ballarat. I do not know why people want to be so negative about regional Victoria. It is a great place to live, work and raise a family, isn't it?

Lauren KATHAGE: It is. I know we have seen, with extending the train line to Mernda as we did, it created commercial opportunities nearby. So we have a shopping centre now which employs over 100 locals there, which is great. We have got the community hospital going in next door to that, so it has opened that up. I understand the economic benefits closer to the stations with the Suburban Rail Loop, but economic benefits more broadly within regional Victoria – you have spoken a bit about jobs and housing. Are you able to expand on that a little more?

Jacinta ALLAN: Your observation that it is not just one-way traffic is a really good one, because it is about a two-way movement of people. It also means, if you are a regional business, that you can reach more easily a larger pool of the potential workforce if you have got those rail connections that make it easier for people to travel in and out of those regional communities. Similarly too for regional businesses who want to trade and do business with locations in and around Melbourne, it makes it easier for them. The other significant benefit to regional businesses and industry more broadly, not just in terms of the access to a broader supply of skilled workers, is of course the reduction in travel time. Being able to get around the city instead of having to come into the city to go out means that you can have significant travel-time savings because you can get directly to the destination that you want to go to. We talked earlier about how the Metro Tunnel provides for that, but also we have that opportunity that comes with the Suburban Rail Loop.

Lauren KATHAGE: Thank you, Minister. With the Suburban Rail Loop as well, you spoke a bit about access to TAFEs and access to Box Hill Hospital. But across the whole network, in terms of regional Victorians accessing health and education, I know personally specialists are often suburban-located and if you live regionally, accessing those – are you able to talk a bit to access to health and education for regional Victorians?

Jacinta ALLAN: Look, part of this question goes back to really the genesis of the Suburban Rail Loop, because there are in those key suburban locations big and important health and education services: you think of the Austin Hospital in the north; we have talked a lot about Box Hill TAFE and Box Hill Hospital; there is the Monash hospital in Clayton, which is not too far away from Monash University. So there is a lot in those key suburban locations that are not easily accessible by public transport or indeed by heavy rail. The Suburban Rail Loop provides those connections, and in fact the alignment of the Suburban Rail Loop was chosen to run through, if you like, those middle suburbs, where there are already key service delivery hubs that people want to get to, and particularly for regional people, as in your observation before, a lot of the specialist services that can only be found in those locations are important to access. Have we run out of time?

The CHAIR: Thank you. Sadly, we have come to the end of questions for this portfolio. Deputy Premier, department officials, thank you very much for appearing before us this afternoon.

The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is now going to take a lunch break before beginning consideration of the education portfolio at 2 o'clock this afternoon.

I declare this hearing adjourned.

Witnesses withdrew.