



## *BUILDING MELBOURNE'S EAST WEST LINK*

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### *KEY POINTS*

The Coalition will invest \$1.5 billion in Melbourne's East West Link.

With the Coalition's investment, construction of the East West Link will be underway in 2014.

The Victorian Government has developed a business case (including a publicly available summary of the business case) that demonstrates the East West Link will deliver \$1.40 in benefits for every \$1 spent on the project.

Infrastructure Australia supports the East West Link and has identified it as a project which "clearly address[es] a nationally significant issue or problem and relevant options are being considered." [1]

We will also stop Labor's Federal-State bickering over road cost splits and pay the Commonwealth Government's fair share.

The East West Link will improve productivity, decrease business costs and ease congestion.

The Coalition will stop Labor's pork barrelling and will deliver the infrastructure Australia needs.

We have a clear plan for delivering the infrastructure our cities and country need.

Under the Coalition, vital transport projects will be underway across the country within twelve months of an election so that you spend less time in traffic and more time with your family.

### *INTRODUCTION*

Infrastructure is key to Australia's competitiveness.

Better infrastructure underpins services, such as transport and logistics, water and energy. Inefficient infrastructure networks are one of the key reasons why Australia's productivity has declined and are also a key driver of the cost of living pressures affecting Australians.

Under the Coalition, vital transport projects will be underway across the country within twelve months of an election.

We have already committed:

- \$6.7 billion to fix Queensland's Bruce Highway;
- \$1.5 billion to ensure the Westconnex project gets underway in Sydney;

- \$1 billion to support the Gateway Motorway upgrade in Brisbane;
- \$500 million to support the upgrade of Adelaide's North-South Road Corridor;
- \$400 million to upgrade the Midland Highway in Tasmania; and
- \$5.6 billion to complete the duplication of the Pacific Highway from Newcastle to the Queensland border.

In addition, the Coalition will:

- work with the NSW Government to get Sydney's F3 to M2 started by late 2014, which will mean shorter travel times, reduced congestion and safer roads for the residents of the Central Coast;
- complete the Perth Gateway project;
- get the Toowoomba Second Range Crossing underway; and
- build the National Broadband Network sooner and for tens of billions less than Labor's NBN.

The Coalition has a clear and definitive plan to build the nationally significant infrastructure our cities and country need.

## *THE IMPORTANCE OF THE EAST WEST LINK*

The East West Link is a vital and necessary component of Melbourne's road network.

Congestion is an increasing problem for Melbourne – which means more time spent in traffic and less time with family or being productive. Congestion erodes your quality of life, it makes your travel time longer and it has major economic impacts that ultimately undermine investment and job creation.

As the Victorian Government notes:

*“ The annual cost of congestion is estimated to grow to \$5.0 billion by 2021 and \$7.2 billion by 2031, more than double current levels. The annual economic cost of travel time variability in Melbourne is expected to be more than \$1.4 billion by 2031. [2] ”*

### **The East West Link will deliver economic, social and productivity benefits in:**

- reducing congestion;
- faster travel times; and
- more efficient travel and freight networks.

The project involves an 18 kilometre link between the Eastern Freeway and the Western Ring Road, including:

- an 8 kilometre section linking the Eastern Freeway to the Tullamarine Freeway, with a connection to the Port of Melbourne; and
- a 10 kilometre section linking the Port of Melbourne to West Footscray and West Footscray to the Western Ring Road.

The East West Link was affirmed by Sir Rod Eddington's *East West Link Needs Assessment* report in 2008.

This report estimated the East West Link would carry around 100,000 vehicles per day.[3]

It noted the project would provide an alternative east west connection for Melbourne, helping address the major transport challenges facing Melbourne by tackling long traffic queues, cutting travel time, and boosting the frequency and reliability of public transport services.

The *East West Link Needs Assessment* report observed that:

*“ Melbourne is expected to experience significant increases in the costs of congestion. These costs include delays, unreliable trip times, higher vehicle operating expenses, higher business costs, increased air pollution, and noise and amenity impacts... The majority of roads north of the CBD will experience growing congestion, especially around their intersections with Alexandra Parade. This is due to the significant increases in traffic demand along Alexandra Parade and along major north-south routes such as Nicholson Street. In addition, more people will seek to avoid congestion on cross city routes by ‘rat running’ through inner north suburban streets.[4] ”*

***It is clear there are well-justified economic, social and environmental reasons for building the East West Link as soon as possible.***

Significant Benefits of the Project

Infrastructure Australia supports the East West Link and identified it as a project which “clearly address[es] a nationally significant issue or problem and relevant options are being considered.”[5]

The Victorian Government has developed a business case that demonstrates the East West Link will deliver \$1.40 in benefits for every \$1 spent on the project.

The East West Link will improve productivity, decrease business costs and ease congestion.

The Victorian Government has emphatically endorsed the benefits of the project for relieving congestion:

*“ The project will provide a significant increase in the capacity of Melbourne’s road network in connecting to Victoria’s key interstate and international gateways. With its ultimate connection to the M80 Ring Road, the project will provide a freeway-standard connection across Melbourne linking Victoria’s east, west and north with interstate markets in South Australia and New South Wales, via the Hume Highway. [6] ”*

***Fundamentally, the project will allow people to spend less time on congested roads and more time being productive or being with their family.***

## THE PLAN

Get the East West Link Underway Within 12 Months of the Election

The Coalition will invest \$1.5 billion in Melbourne's East West Link.

With the Coalition's investment, construction on the East West Link will be underway in 2014.

As with any other road project, the State government will be responsible for construction of the East West Link. The Victorian Government has completed a business case for the project and expects construction to be underway by the second half of 2014.

The project is expected to be completed by 2019-20.

In committing to the East West Link, the Coalition agrees with Australia's peak infrastructure-industry body, Infrastructure Partnerships Australia, which has said:

*"It's easy for opponents of major road projects to get over-excited about individual aspects of major road construction, but every business, commuter and taxpayer knows that congestion on Melbourne's transport networks won't be solved by sitting idle...[the East West Link] is the result of detailed, robust, and thorough analysis of Melbourne's ongoing transport requirements. [7]"*

***The Coalition will deliver the infrastructure Australia needs so that our cities can be more productive and our roads more efficient, safer and environmentally sound.***

The East West Link is the Coalition's number one infrastructure priority for Victoria and this project will be built under a Coalition government.

## PROJECT FINANCING

The Coalition supports the Victorian Government's proposed public-private partnership model for financing and building the East West Link. As the ultimate responsibility for delivery of the project rests with the Victorian Government, it is only appropriate that a financing approach be chosen that best suits the value-for-money considerations of Victorian and Australian taxpayers.

The Coalition will establish a Funding and Financing Unit within Infrastructure Australia to examine opportunities to drive additional funding for projects identified through a renewed National Infrastructure Audit.

The Coalition will require Infrastructure Australia's project Funding and Financing Unit to provide advice on the most efficient financing option to raise capital for a particular project. This would include an analysis of suitability for private, as well as public, financing options.

## THE CHOICE

The East West Link will not be built under Labor.

The Rudd Government does not support the project.

The State Labor Opposition has emphatically said that they do not support the East West Link and that it is the wrong project to pursue.

There will be no East West Link if the Rudd Government is re-elected.

The Rudd Labor Government has fundamentally failed to deliver infrastructure that will increase productivity and help Australia deal with our ageing population.

Kevin Rudd promised the Building Australia Fund would get \$20 billion from budget

surpluses, but due to additional spending demands for home insulation and school halls, the Fund now has just a quarter of this amount.

Only 14 per cent of Kevin Rudd's stimulus spending was directed to productivity enhancing infrastructure.

In the 2008-09 Budget, the Rudd-Gillard Government stated that efficient public infrastructure investment requires a "commitment to transparency at all stages of the decision making process."

Yet only a year later, the Rudd-Gillard government did not release the cost-benefit analysis of the 15 projects (amounting to \$80 billion of investment) selected for partial government funding in the 2009-10 Budget. Six of these projects were not on Infrastructure Australia's priority list. Labor also decided to build a billion dollar broadband network that will now cost more than \$90 billion with no cost-benefit analysis.

The results of the Rudd-Gillard Government's poor investment in economic infrastructure and lack of transparent cost-benefit analysis are clear:

- our cities suffer from widespread congestion on their road and rail networks;
- our freight centres are hindered by poor infrastructure planning and woeful integration of road, rail and air networks; and
- our export supply chains suffer from under-investment and the legacy of inefficient government ownership.

These problems translate into direct costs for businesses and families.

For example, slow and inefficient transport networks result in higher costs and longer travel times. This means that consumers end up paying more for goods in supermarkets and spending more time on congested roadways.

The Coalition will stop Labor's pork barrelling and will deliver the infrastructure Australia needs.

Under the Coalition, vital transport projects will be underway across the country within twelve months of an election so that you spend less time in traffic and more time with your family.

## *COST*

The Coalition will invest \$1.5 billion to get construction underway on Melbourne's East West Link in 2014.

[1] Infrastructure Australia (2013) *National Infrastructure Plan*, p.101.

[2] Victorian Government (2013) *East West Link – Short Form Business Case – p.2.*

[3] Rod Eddington (2008) *Investing In Transport – Overview, East West Link Needs Assessment*, p.25

[4] Rod Eddington (2008) *Investing In Transport – Overview, East West Link Needs Assessment*, p.25

[5] Infrastructure Australia (2013) *National Infrastructure Plan*, p.101.

[6] Victorian Government (2013) *East West Link – Short Form Business Case – p.5.*

[7] <http://www.infrastructure.org.au/Content/EastWestLinktoattractthebestofthebest.aspx>

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