Submission Cover Sheet

Sub no: **232**

West Gate Tunnel Project IAC

Request to be heard?: Yes

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Attachment: TfM_submission_

Comments: Transport for Melbourne submission ref attached below

West Gate Tunnel Project

Submission by Transport for Melbourne

Transport for Melbourne is a small think tank and advocacy group of transport professionals whose mission is to promote a better understanding of transport issues that Melbourne faces now and how these can be better addressed by applying lessons learnt from cities that have been confronted with similar problems and become models of international best practice.

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We object to the WestGate Tunnel project on the following grounds

- Because it is illegal
- Improper process
- It fails to meet essential criteria
- Flawed planning appraisal and consultation process
- Flawed growth projections and failure to examine risk

1. This is an illegal project.

The State Government has a statutory obligation to provide a transport plan which is mandated under section 63 of the State's Transport Integration Act 2010, to provide the basis on which transport projects etc are developed, evaluated and prioritized. This section states:

(1) The lead transport agency in consultation with the Department, must prepare and periodically revise the transport plan for the secretary.
(1A) The Secretary must provide a copy of the transport plan to the Minister.
(2) The transport plan must—
(a) set the planning framework within which transport bodies are to operate;
(b) set out the strategic policy context for transport;
(c) include medium to long term strategic directions, priorities and actions;
(d) be prepared having regard to the vision statement (section 6), transport system objectives (sections 7-13) and decision making principles (sections 14- 22)
(e) be prepared having regard to national transport and infrastructure priorities;
(f) demonstrate an integrated approach to transport and land use planning;
(g) identify the challenges that the transport plan seeks to address;
(h) include a short term action plan that is regularly updated.

The most recent Transport Plan deemed to have satisfied the above requirements was the 2008 Victorian Transport Plan. With the deeming section repealed by the Napthine Government in 2011, to date, no replacement plan has been put forward.

The government cannot claim a mandate for this project. Instead of meeting the Government's objective to reduce port and West Gate truck traffic in an economical, socially-acceptable manner, the WGTP has been designed by Transurban to maximise truck and traffic volumes and its toll revenue. The proposal is not part of a multimodal metropolitan-wide master plan. It fails to apply the Transport Integration Act objectives to achieve integrated triple bottom line solutions.

The WGTP does not provide a second Yarra River crossing. It only crosses the Maribyrnong River. However, the Government's enlarged Webb Dock redevelopment without its rail line will increase West Gate Bridge traffic, which is why Melbourne Port now also wants reinforcement of West Gate Bridge for 109 tonne Super B-double mega trucks as well as to build WestLink. It considers the WGTP ineffective as far as the port is concerned.

2. Improper Process and failure to meet essential criteria

Lack of governance and objectivity

Public servants have been working with Transurban rather than conducting independent evaluations to ensure that Government decisions are made objectively in accordance with the requirements of State legislation, the objectives of Plan Melbourne and Federal evaluation guidelines.

The project fails to comply with the State Government's own guidelines for Market-led proposals ie

that "Government will only pursue proposals that offer something genuinely unique, delivers on government priorities, provides benefits to the community and provide value to Victorians".

If this is such a good project

- why was it necessary to bolster the business case for this project by including the Monash Freeway upgrade project?
- why does it need government funding and extra concessions to make it work? This is not the case for other toll roads (City Link, East Link etc)- these were built and funded by the private sector under a concession deed
- and why is that it that many important issues remain unanswered such as where does the traffic go? And how will parking in the CBD be handled? What is the basis of the traffic modelling and where is the peer review report on it? Why does the assessment play up the likelihood of an incident blocking the WestGate Bridge yet assumes the new tunnel will never be effected?

Neither Transurban's unsolicited bid nor their overall solution was subjected to competitive tendering, notwithstanding competition requirements. This appears to allow the tollway monopolist to dictate policy rather than the Government delivering its pre-election mandate. WD toll revenue is expected to exceed the cost of construction in less than a decade. Toll revenues from CityLink have already enabled Transurban rapid growth interstate and overseas e.g. funding toll roads in Washington and Pennsylvania. A far more cost-effective solution is for the State to borrow to fund transport solutions for the inner west while interest rates are historically low and retain toll revenue for State purposes. It is in the interests of all Victorians that such toll revenue is applied to fund essential public

infrastructure such as rail transport, hospitals and schools, and to support local jobs rather than private sector profits much of which are exported from Victoria.

Absence of a business case

The WGTP 'business case' was redacted by the State before its release so there are major doubts over its assumptions and claimed community and industry benefits. There are too many of these to respond to in this submission and many will be addressed in other submissions including the City of Melbourne, but transparency by Government is lacking. The State's Investment Logic Map forms the basis for the business case and puts forward four problems to be addressed together with some nominated KPIs:

- **Transport capacity on M1 is poor relative to growing demand.** The nominated KPI's are travel time and volumes over the Westgate. After the project is completed, the business case shows travel times will be almost exactly the same as now and more vehicles will be using the Westgate.
- **Melbourne is over reliant on the Westgate.** KPIs are again the vehicle volumes on the Westgate and in addition vehicle mass limits. There is no improvement to the mass limits to Webb Dock, and mass limits can be increased to Swanston Dock far more cheaply by the Westgate Distributor or the Truck Action Plan (TAP). The new roads also fail to provide a direct bypass of the Westgate should this be necessary.
- **Port and freight connections are inadequate to cater for the growth and reduce amenity in the west.** KPIs are access to jobs and project related employment. The latter would apply to any project and is therefore not unique/relevant. The former only applies because it becomes easier to drive into the CBD.
- **There is a mismatch between transport and landuse**. KPIs are access to jobs and reduced trucks in the inner west. The truck volumes in the inner west are NOT expected to be reduced compared to current levels. In any event any reduction in truck volumes can more cheaply be achieved by the TAP. The project has taken the TAP idea but added a new freeway directing traffic into West and North Melbourne. This is not one of the project's stated goals but is as an "unintended" consequence that just happens to boost the toll revenue. Melbourne's liveability will be directly compromised by the injection of traffic through the northern central area, particularly around Dudley Street and the Queen Victoria Market.

- **Flawed growth projections and failure to examine risk.** Transport/traffic projections (which assume business as usual assuming un-interrupted linear growth) are without economic or scientific foundation.

  Population growth rates have varied enormously during the last 100 years during which time they have been strongly influenced by many factors such as wars, migration, economic/financial conditions, political and technological change, famines and a range of environmental factors.

  All of these have the potential to become major factors in determining population and economic outcomes in both the short and long term and the extent to which investment in major infrastructure projects such as the WGTP will meet future needs, but none of these appear to have been taken into account.

  In the short term the global economy remains stagnant with high unsustainable debt levels and no easy way to resolve it.

The Australian economy is vulnerable because of its high debt levels – both federal and personal/household and heavy reliance on the property market to maintain economic growth. A downturn in the property market will have a profound impact on the Australian economy, particularly in Victoria and on State Government finances, but this will be accompanied by other factors including rising energy costs, and a range of social and community costs as a result of federal government cost cutting measures, and international impacts at a time when employee wages remain stagnant and limited capacity to absorb further cost of living increases.

In the longer term the Victorian (as well as the Australian and global) economy will become increasingly exposed to an array of environmental pressures which are outlined briefly in the Appendix below.
The risk implications for this project are profound and need to be reflected in a range of future scenarios in the business case.

3. **Inequitable funding**

Transurban will be the main beneficiary of value capture from the WGTP, not Victorians. It is inequitable that Transurban's WGTP toll revenue is proposed to come partly from City Link Tullamarine Freeway users who receive no benefits but will be tolled for a further 15 years by the Concession Deed extension. Monash, Peninsula Link, Craigeburn Bypass, Deer Park Bypass, and Western Ring Road freeways remain untolled. It is also inequitable that Transurban's WD costs lack transparency and will be partly imposed on road users, local municipalities and communities not benefitting at all.

4. Flawed planning, consultation and appraisal processes

Most transport and land use planning alternatives have simply not been considered. The construction of a new freeway such as the WGTP to provide access to the Melbourne CBD is contrary to policies that have been developed over a number of decades that favour the use of public transport. There is plenty of scope for improving existing services and creating new ones in the western suburbs as part of an integrated transport plan that includes all modes of public transport (trains, trams and buses) and active transport (such as cycling and walking) that make more efficient us of infrastructure than the motor car. Such a plan should include the redesign of the bus network with a timetable to match that enables people to get around the western suburbs quickly and conveniently for local and cross town trips as well as trips to inner Melbourne and the Melbourne CBD, making connections as required between trains, trams and buses with minimal waiting time. This will require bus lanes and other measures to enable road based public transport be given priority on roads to ensure they travel quickly and reliably to time. Consideration should also be given to the provision of a new express bus service (networked with local buses) like the Doncaster bus service, with a priority bus lane over the Westgate Bridge and freeway approaches to compliment rail services.

Public participation processes are lacking, so many issues and design alternatives repeatedly raised by citizens have been neglected by the WGTP team including significant problems like night time noise and carcinogenic ultrafine diesel particulates from trucks. Only selected local micro issues are described on the websites after being

dumbed down. The Government's terms and conditions of the EES for WGTP are diminished and allow fast-tracking rather than comprehensive studies. No epidemiological study has been carried out.

Community consultation has been confined to the west but has been silent on the health impacts from ultra fine air pollution and its carcinogenic impacts – not just those living in Melbourne's western suburbs but also those living and working in central Melbourne and the inner north and inner east. Noise impacts have not been properly addressed.

There has been no consultation with the broader Melbourne community including City Link Tullamarine Freeway users who receive no benefits from the WGTP but will be tolled for a further 15 years by the Concession Deed extension.

Summary

This project provides minimal benefits at huge cost – in construction, of disruption during the construction phase, adverse impacts resulting from unnecessary traffic diversion into the Melbourne CBD etc, longer term extension of tolling rights to Transurban and the opportunity cost by not investing in more efficient and cost effective transport alternatives and failure to address the underlying drivers of Melbourne's transport problems in the first place.

Transurban's proposed WGTP design creates a mega-road cluster. To link City Link, major arterials and the M80 Western Ring Road, the West Gate Freeway will be widened to 16 lanes plus 4 emergency lanes (at the widest point). The tunnel is to be widened further to 6 lanes plus 2 emergency lanes. Emergency lanes can be converted in future to operational lanes as is now happening with City Link Tullamarine Widening in Kensington. The proposed over design of the West Gate Freeway, tunnel lanes and on-off ramps are excessive and will attract additional road traffic to the inner west and north, and to Melbourne CBD – all contrary to long-standing policies to reduce road traffic in these areas. This will force people and businesses to pay increasing private road tolls. With Transurban's desire to move and toll individual vehicles, there is no efficiency plan that maximises people flows or reduces the number of low-occupancy vehicles on the roads.

This project will not address long standing freight issues that have become so contentious with people living in Melbourne's inner west or traffic issues that concern people in Melbourne's west more generally, but will create a legacy of new problems that will be felt by all Victorians for decades to come and will come at huge cost. It will divert precious government funds from areas where it is desperately needed including other transport alternatives such as active and public transport which make more efficient use of transport infrastructure, smarter city development that reduces the need for travel and supports local jobs, and other social infrastructure such as health, education, community and other essential services.

The process by which an unsolicited bid has corrupted the government planning process is of great concern. The WGTP will be Victoria's first mega project in which the State has surrendered its governance role to Transurban whose priority is creating a toll road that captures private profits. But the greatest concern is the fact that this project has been developed without any understanding of the challenges which are confronting not just Melbourne but the Australian and the global economy now and in the future – challenges that this government needs to start acknowledging and plan for and the risks that need to be factored into all government investment, particularly large infrastructure projects with long lead times. A worse case scenario is that the Victorian economy will shortly fall into a recession which deepens over coming years with rapidly falling economic activity, rising unemployment and a substantial drop in government revenue and the ability of government to meet the growing demand for a wide range of social, community services etc. It will be a scenario in which travel demand and much of the congestion experienced today on our roads will simply evaporate will collapse, and there will be little need for new roads.

This project will become a millstone around Melbourne's neck yet alternative strategies could be used to address the strategic concerns of Melbourne's inner and outer west at a fraction of the cost of this project and early impacts achieved before the next State election.

Recommended Actions

- Address concerns about governance and adherence to proper practice by
    a. Start developing longer term transport and land use integration strategies and plans – not just for the for the western suburbs but for Melbourne and Victoria as a whole as a basis for developing priorities for future transport services and supporting works, consistent with the Transport Integration Act.
    b. The project in its present form be abandoned
    c. The following should proceed immediately
        i. Implementation of the truck action plan and works proposed under the original West Gate Distributer project which was supported by this government in the lead up to the last election
        ii. Increase capacity of rail services in the western suburbs making most effective and efficient use of existing infrastructure
        iii. Increase maintenance standards to rail services to reduce frequency of faults and delays
        iv. Create a transit lane for a high frequency express bus service over the WestGate Bridge and the freeway (from Werribee to the Melbourne CBD) to supplement rail service capacity to the CBD with a view to implementing it within 12 months
        v. Redesign the bus network to provide an integrated local bus network including new feeder services for the new express bus service and improved connectivity to rail stations and provide priority lanes and traffic signaling etc to ensure buses run quickly and reliably to time
        vi. Creation of an environment that promotes more active transport (walking and cycling) to encourage/enable more people to use these modes instead of the motor car.

The Appendix below has been included to provide an idea of the scale and dimensions of "change" that should be anticipated in the infrastructure and city planning process and the kind of risks that need to be taken into account, particularly for the development of longer term plans and major infrastructure projects that take many years to build. Risk assessment is a critical element in all commercial projects and should be included in the business cases of all major projects.

Appendix

Forecasts and risk – what is the future we are/should be planning for and what is the likelihood of population and community activity and service requirement being realised?

Understanding what kind of future should we be planning for is of fundamental importance – if we don't know the answer to this then planning is a waste of time. It is argued that infrastructure planning is still based to a large extent on business as usual – yet this has never been a sound basis for planning and the longer the planning horizon the less certain we can be of what the future holds.

*"Fundamental change, variable and unpredictable in type and extent will affect cities in the coming decades. These changes will include rapid population growth" (*at least in the short term although it is not at all clear how long this can be sustained*) "global economic instability, climate change, resource depletion and increasingly polarized and economically divided communities. Change is likely to be non-linear, not occurring in incremental predictable steps providing time to react and its effects will be greater than perceived causes so becoming potentially catastrophic."*

"Melbourne is in the process of tipping rapidly into a new state characterised by major uncertainties from population growth, changes in climatic conditions and the global economic state"

These quotes were taken from Planning Melbourne, Lessons for a Sustainable City by Prof Michael Buxton, Robin Goodman and Susie Molonie published September 2016, but similar conclusions could have been reached from the Sustainable Cities Sustainable Transport forum 2009 which asked the question – what kind of future should we be planning our cities and transport systems for?

Some of the more obvious questions that need to be asked are

- Can we identify some of these changes and their likely impacts?
- What are the associated risks?
- Are there limits to 'Growth" and what might these be – future scenarios?
- How might we plan in an increasingly uncertain world – what are the risks, how to manage them and what are the most appropriate strategies?

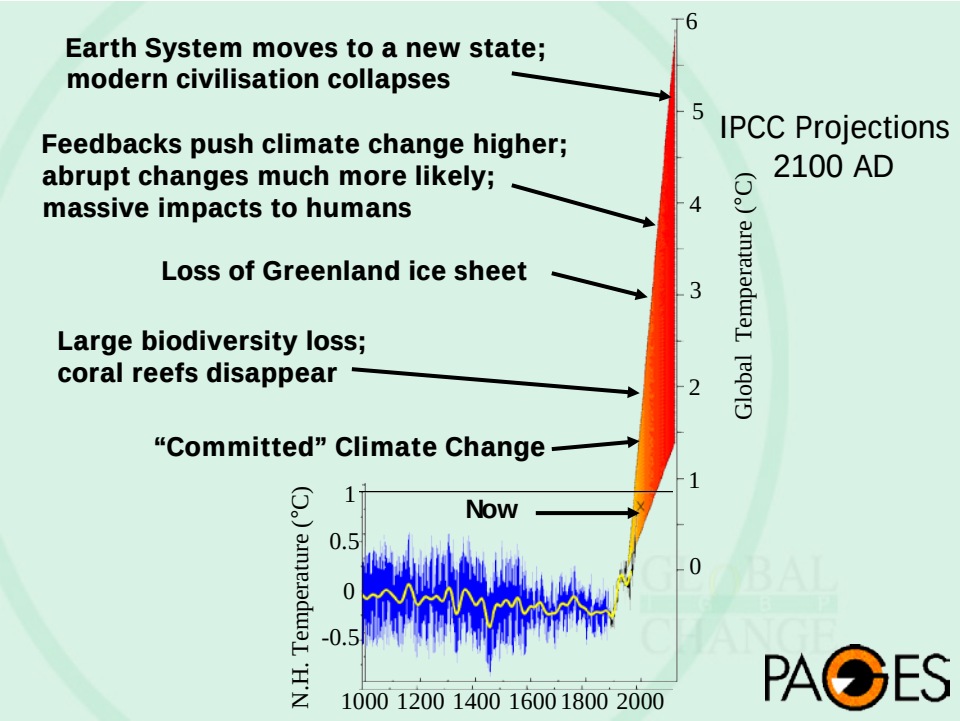
Global Environment Change

The impact of environmental change has not been factored into government planning – certainly not in any significant way. It should be very clear now that it needs to be and that decision making must be

based on realistic scenarios for the future. One of the aims of the *Sustainable Cities Sustainable Transport* forum was to identify trends and future scenarios which planners and governments need to anticipate and start planning for. Some of these are outlined below.

Longer term global environmental change

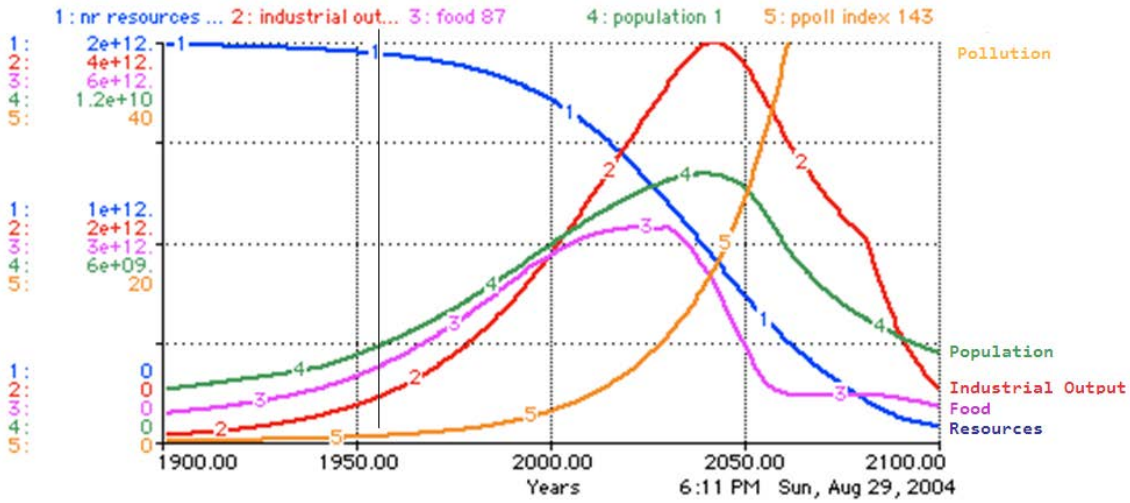
Much of the environmental focus today (particularly in political policy and decisions making) is on climate change. IPPC projections as shown below based on 'business as usual' indicate significant increases in global temperatures by the end of this century – possibly as much 6 degrees centigrade – at which point the earth can be expected to move to a new equilibrium state and human societies as we know them today would collapse. The temperature trajectory is largely locked in by lags in the system although it may be possible to reduce this increase to around 2 degrees centigrade, but this would demand drastic action now by all societies throughout the world. Even a 2 degree rise will have severe implications. At this point large scale biodiversity loss occurs and this may be sufficient to precipitate global collapse of human societies as we know them today.



Source: Will Steffen, *Sustainable Cities Sustainable Transport Forum* 2009

Climate change is only one of many factors to consider when assessing future scenarios. Resource depletion, environmental degradation, pollution and species loss also play an important part and each will impose limits to future growth. Limits to growth under the business as usual scenario were assessed in the Club of Rome report in 1972. This report forecast ecological and population collapse starting around the middle of this century. Updating and remodeling by Richard Meadows (one of the original authors of the Club of Rome report) in 2004 and again more recently by the CSIRO 36 years later (based on 30 years of data) confirms the original Club of Rome forecast. Meadows' revised projection for the

business as usual scenario is shown below. The more recent re modeling by CSIRO also confirms concerns that a highly intensive technology based 'solution' has not slowed unsustainable consumption of which increasing greenhouse gas emissions is just a symptom. As a result, environmental degradation, resource depletion and environmental pollution continue to increase. Sustainable technologies have become available, but despite techno-optimism and the hope they would resolve many of these problems, technology as a whole has merely accelerated resource depletion and resulted in the prospect of a bigger crash.



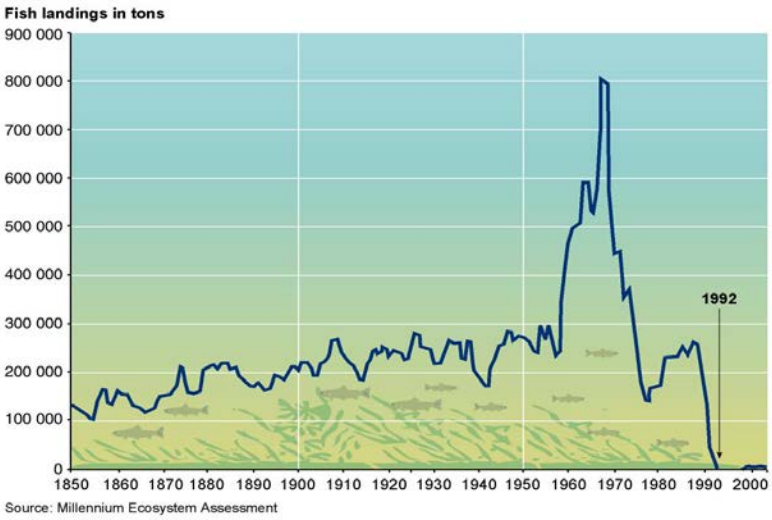
Projections for 1900 -2100 (2004)

Source: Richard Meadows (2004)

The limits to growth projections above have been assessed independently of climate change but will be adversely affected by it. It is therefore likely that the projections above overstate the time available in which act or plan for.

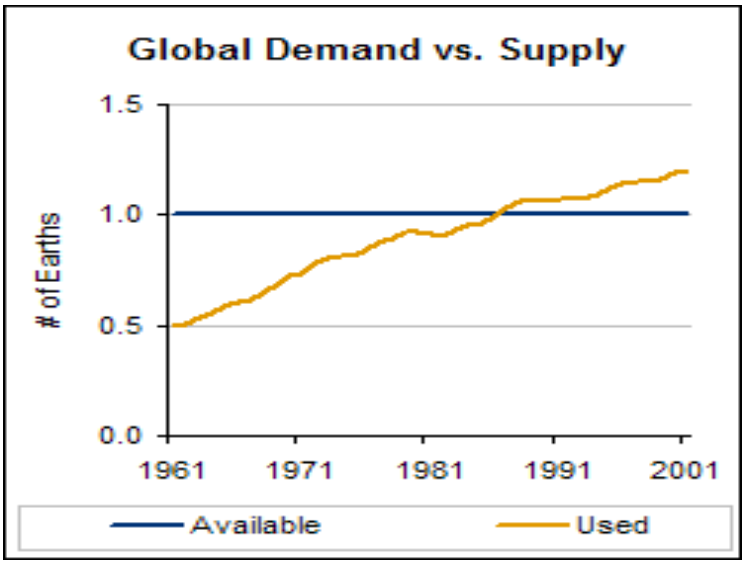
In addition, the projections also exclude tipping points in the Earth System, (some examples of which are noted below), which are difficult to model and cascading and multiplier effects that follow and flow through the entire system and may result in an even earlier collapse.

The collapse of the Newfound Bank cod fishery is a good example. This was one of the richest fishing grounds in the world before it collapsed suddenly around 1970 and again in 1992 forcing the closure of the fishery. But many other fisheries are facing the same fate. As noted by Steffen about 50% of all fish stocks are fully exploited, 15-18% are over exploited, and 9-10% have been depleted or are recovering from depletion.

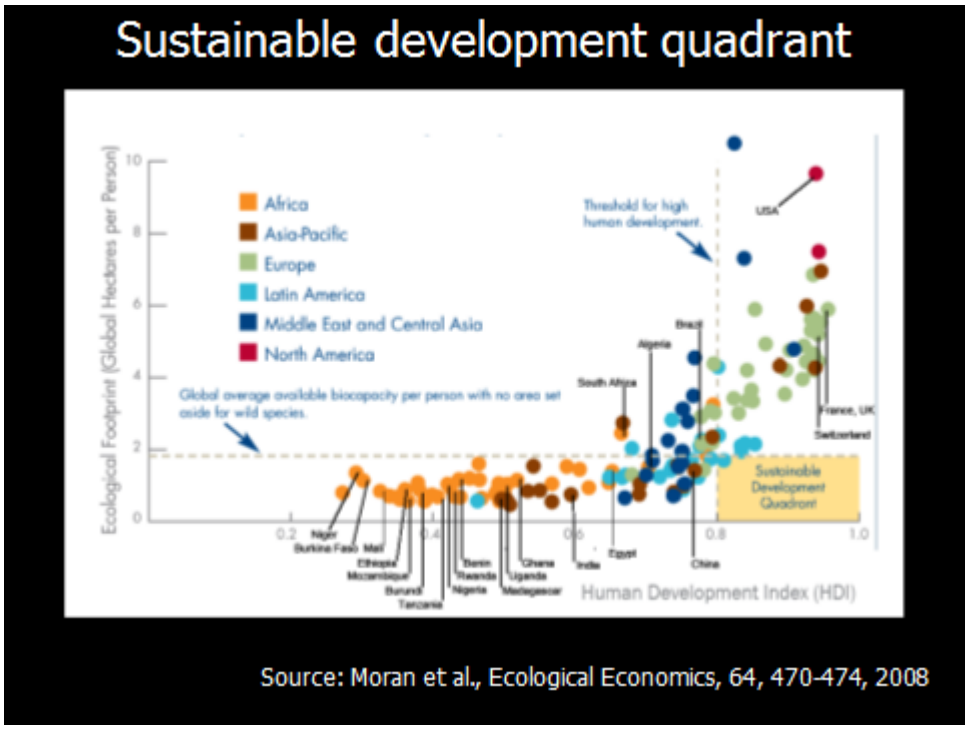


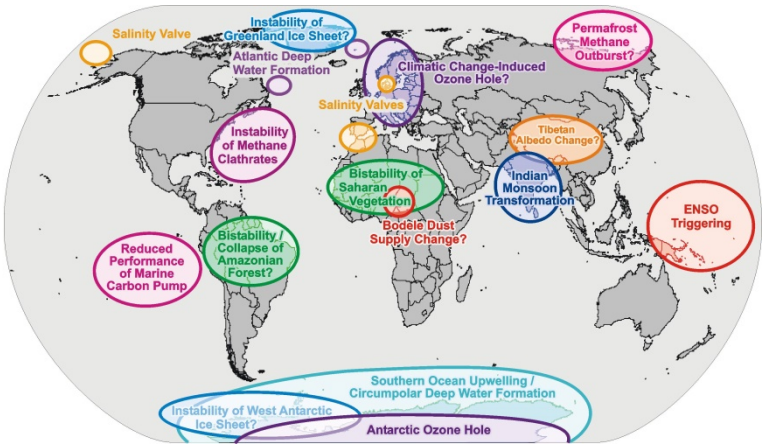
From presentation by Will Steffen, Sustainable Cities Sustainable Transport Forum 2009

But the impact of human activity has been even more severe on terrestrial (land based) systems. The global footprint of the human enterprise now exceeds on an annual basis the capacity of the planet by around 20%. This can only be achieved by running down/mining the stocks of natural capital. This process cannot continue indefinitely.



Source: Global Footprints Network 2005, From presentation by Will Steffen, *Sustainable Cities Sustainable Transport* Forum 2009





Tipping Elements in the Earth System

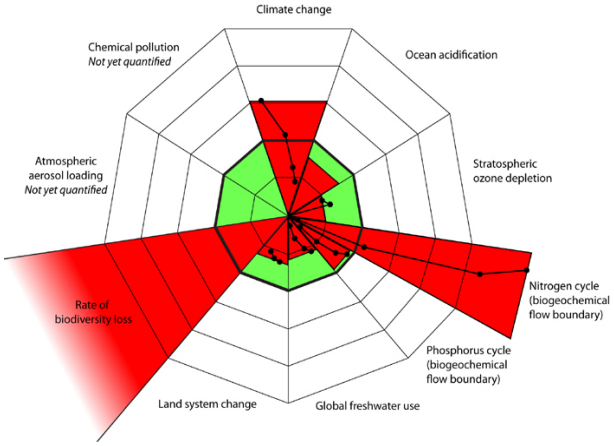
From the presentation by Will Steffen *Sustainable Cities Sustainable Transport* Forum 2009

Source: Schellnhuber, after Lenton *et al, PNAS,* 2008

Concern is now being raised about the prospect of multiple tipping points for a number of planetary boundaries. This is a new line of investigation that has been examined by Will Steffen and twenty nine other scientists in a recent paper "*Planetary Boundaries: Exploring the Safe Operating Space for Humanity"* published in 2009[1]. A summary of the boundaries is provided below together with an assessment of the most likely status in terms of criticality.

[1] *Ecology and Society* **14**(2): 32. [online] URL: http://www.

Boundary character / Scale of process	Processes with global scale thresholds	Slow processes without known global scale thresholds
Systemic processes at planetary scale	Climate Change	
	Ocean Acidification	
	Stratospheric Ozone	
Aggregated processes from local/regional scale	Global P and N Cycles	
	Atmospheric Aerosol Loading	
	Freshwater Use	
	Land Use Change	
		Biodiversity Loss
		Chemical Pollution



Very Short Term - Global and local economic/financial situation

The history of the last two hundred years has been characterized by exponential economic and population growth punctuated regularly by economic booms and busts, many of which have been severe and left a lasting impression on societies that endured them.

The global economy has been in a state of recession since the GFC – officially called The Great Recession

- Global debt levels are unsustainable but still increasing with
- Increasing unemployment particularly amongst the young, increasing inequality and social stress and
- Growing concerns of a financial crash and threat of a deep and long lasting recession or depression.

Economic predictions outlined by economist Dr Peter Brain for the short term are not encouraging particularly for Australia. In 2009 he argued "*The Global Financial Crisis will fundamentally change the drivers of economic growth. The impact could well be to lower long-term growth because:*

- *its severity will lead to weakened balance sheets, lower capacity to invest and lower expected future growth and hence incentive to invest;*
- *the financial system has been fundamentally weakened and will take years to be re-privatised;*
- *Anglo-sphere countries will have to re-focus on growth fundamentals (R&D, non-resource exporting, entrepreneurship and skills) which will take years to change business culture;*
- *climate change will demand a fundamental shift in resource use".*

With this will come the usual array of social problems such as rising unemployment and social stress and these problems are likely to worsen rather than improve. Brain anticipates:

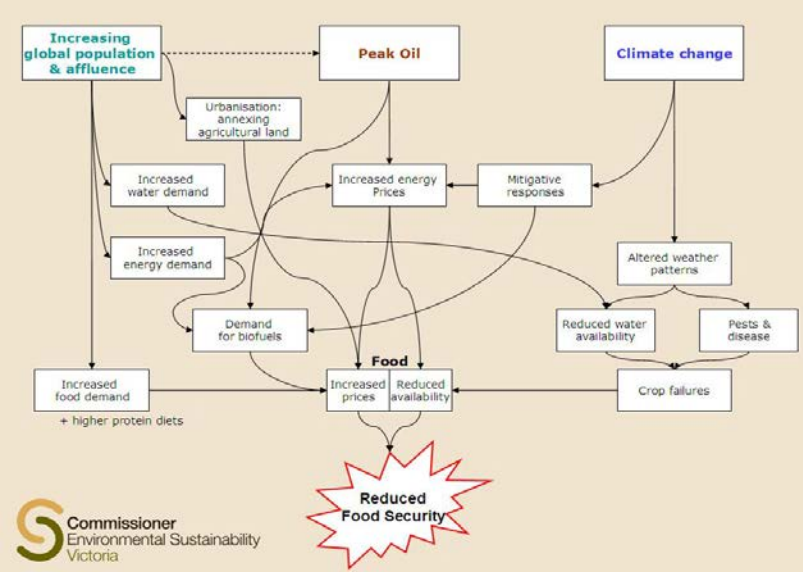
"*Australia will experience long term difficulties. These will result from decades of unbalanced growth characterised by:*

- *High current account deficits, total foreign debt and foreign debt holdings in banking system.*
- *Low household savings, high household debt and debt service ratios.*
- *The fact that Australia has only been able to grow resource export volumes over last 12 years, that service exports remain stagnant, up to 0.5% of total employment is lost each year from off-shoring.*
- *Largest vulnerability (as a nation) to carbon shock. Low capacity to attract capital inflow. Largest diversion (required as a nation) of resources from capacity expansion to energy efficiency.*
- *Over-dependence on non-productive finance sector."* [2]

The modern world economy is particularly vulnerable to change because it has become so efficient, finely tuned and interconnected and with a high degree of specialisation. For example 'Just in time' economies with no fat or margin for error lack the resilience necessary to cope with change. Even the smallest of changes such as the 1%- 2% down turn in GDP can result in major disruption to modern economies. Changes in one area quickly flow through to other areas creating multiplier effects with implications for the entire economic and social system.

The cost of infrastructure will continue to increase as materials and energy costs rise and Australia's population continues to grow in the short term (the equivalent of a new Canberra per year) and become an increasing burden for Australian governments. This will occur as the impacts of broadly based environmental change start to manifest themselves. One of the early indicators of environmental decline will be increasing food scarcity – more people to feed at a time when the capacity of natural systems to produce food and other resources become increasingly stressed. The diagram below is a simplified flow chart of some of the factors that affect food security.

[2] From presentation by Peter Brain Sustainable Cities Sustainable Transport Forum 2009



From presentation by Commissioner of Environmental Sustainability Victoria, March 2009

These trends will be exacerbated by rapid changes in the earth's climate.

Satyajit Das, Internationally respected commentator on financial markets, credited with predicting the GFC has summarised the current situation as follows:

"The GFC showed that perpetual growth and progress is an illusion. It exposed the high debt levels, credit- driven consumption, global imbalances, excessive financialisation, and unfinanced social entitlements that underpinned an unsustainable economic model. The crisis coincided with an emerging scarcity of energy, food, water and increasing evidence of the impact of climate change. Excessive use of cheap resources and mispricing of environmental damage had boosted growth, raising living standards.

But "the problems exposed by the crisis remain. During the last half- century each successive economic crisis has increased in severity, requiring progressively larger measures to ameliorate its effects. Over time, the policies have distorted the economy. The effectiveness of existing instruments has diminished. With public finances weakened and interest rates at historic lows, there is little room for manoeuvre. A new crisis will be like a virulent infection attacking a body whose immune system is already compromised.

Large complex systems operate at the boundary between order and disorder. They can appear to be stable but a sudden or small change can initiate a phase transition, which triggers a massive failure. Today, the global economic and social system is on the edge of chaos"[3].

[3] A Banquet of Consequences Have we consumed our own future? 2015

In summary the most likely scenarios governments need to anticipate in their planning are

- Decades of low or declining economic growth which may be punctuated by a series of financial and ecological collapses (local tipping points) which will result in food shortages and ultimately famine which will become increasingly widespread
- Increased poverty and degraded living conditions which will reduce the strength of the local communities to cope with life and increase their vulnerability to disease and plagues/pandemics
- Increasing stress on all communities which will lead to social break down and ultimately population collapse. The timing for tipping points is difficult to predict but it seems inevitable that global collapse will occur some time this century, probably as soon as the middle of this century – or even earlier.

Population projections provided above (which have been reviewed a number of times over the last thirty years) have major implications for the viability and risk of infrastructure investment projects and are dramatically at odds with those assumed for this project .

Whilst it is very likely that current population trends might persist for a few years it is by no means certain that this will continue for very long, beyond which the economic life of long term infrastructure investment projects may be very questionable. In such an environment investment risk is minimised by undertaking relatively small projects which can be completed quickly ie within a year or two.