

Hawker Britton

Government Relations Strategy

Transurban's Western Distributor proposal progresses

May 2015

On 30 April 2015, Victorian Premier Daniel Andrews announced the Western Distributor - a proposed new road project by Transurban - had reached Stage Three of the Government's Market-led Proposals Guideline.

The proposed road is likely to apply a toll to motorists and will connect the West Gate Freeway to CityLink via a tunnel, creating a second-river crossing and an elevated freeway along Footscray Road.

A second-river crossing will provide an alternative to the West Gate Bridge and alleviate pressures surrounding truck access to the Port of Melbourne.

The proposal outlines a widening of the West Gate Freeway, with five kilometres of tunnel and sixty "lane kilometres" of new road added.

It is predicted the proposed road will increase the West Gate's capacity by about 50 per cent and halve the travel time from the CBD to the M80.

At a cost of \$5-to-\$5.5 billion, the tunnel will generate a return of \$1.60 for every \$1 invested. This compares to the previous proposal for the western half of the East West Link, which would have exceeded costs of \$10 billion.

The proposal includes the use of advanced technology to manage the flow of vehicles on the motorway, such as overhead lane use signs, electronic on road message boards, ramp metering, CCTV and automatic incident detection systems.

Transurban CEO, Scott Charlton has said the proposed funding structure for the Western Distributor would not require any direct funding from the State. Charlton also believes the project would attract Federal Government support as a "project of national significance, which reduces pressure on the West Gate Bridge, provides more efficient freight movements to the nation's busiest container support and supports local economic growth."

Should the Andrews Government accept the road proposal, construction will start at the end of 2015 and is due to be completed by 2020, creating 3500 new construction jobs and 4500 indirect jobs.

Particular attention should be paid to the fact that this project was:

1. put forward by Transurban using the Department of Treasury and Finance 'Unsolicited Proposal' guidelines and
2. one of a number of infrastructure projects announced this week during the lead-up to the Victorian 2015-16 Budget.

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The Andrews Government announced it will be open and transparent on all new projects, with the assessment process for this project being overseen by the Department of Treasury and Finance and reviewed by an independent panel of Dr Kerry Schott and Tony Canavan, who support the Stage Two assessment findings.

The Department of Treasury and Finance will undertake further assessment of the project through the Stage Three process. A final decision will then be made by the Government whether to accept Transurban's proposal, modify it, or opt for another option. The proposal will also be assessed against other Government plans.

Roads and Traffic Manager at the Royal Automobile Club of Victoria (RACV) Dave Jones has welcomed the announcement. He believes this project has more merit than the West Gate Distributor that Labor took to the election in its Project 10, 000 transport plan.

Victorian Transport Association (VTA) Chief Peter Anderson has acknowledged the proposed road is part of a myriad of solutions needed to alleviate traffic congestion, but also noted that from the VTA's perspective, extending the Ring Road between Ringwood and Greensborough is the top road infrastructure priority.

This announcement comes just weeks after the Andrew's government confirmed the East West Link would not proceed. Under a Heads of Agreement, Victoria purchased the companies in the consortium ('EWL Project Co') for one dollar with all assets owned by Project Co transferred to Victoria.

Further information

The Victorian Government's media release on the proposal is available [here](#).

The Victorian Government's Market-led Proposals Guideline is available [here](#).

The Department of Treasury and Finance 'Unsolicited Proposal Guideline pdf is available [here](#).

Transurban's Western Distributor Proposal Overview is available [here](#).