

**Commonwealth funding of the North East Link Project and the Infrastructure Investment Program Strategic Review:  
Submission by the Stop North East Link Alliance**

The Stop North East Link Alliance welcomes the decision by the Commonwealth Government to review the funding of projects under the Infrastructure Investment Program.

In our view, the observation made when the review was announced that “..... the Infrastructure Investment Program (IIP) has drifted away from a focus on projects of national significance” is apposite.

The further reflection that “.... current market capacity issues and an inflationary environment have created budgetary pressures and deliverability challenges for infrastructure projects across the nation” are also appropriate in current and foreseeable circumstances.

With these considerations uppermost in mind, we submit that the identified Commonwealth funding contribution of \$1.75 billion made for the North East Link Project in Melbourne under the Investment Road and Rail Program should be withdrawn. Further, the Commonwealth should, in our view, consider re-assigning the contribution to evidence-based public transport service and infrastructure upgrades in those areas that would be negatively affected by the North East Link Project.

**Project description and benefits**

The project is described accurately enough on the Commonwealth website ( see <https://investment.infrastructure.gov.au/projects/097114-17vic-np> ) as one which would construct a new motorway between the M80 Ring Road at Greensborough and the Eastern Freeway at Bulleen Road. It will also widen and upgrade the Eastern Freeway.

The purported benefits, though, are almost certain to prove to be an illusion. In this regard, the assertion that the project would provide Melbourne with a complete orbital road connection for the first time is inaccurate, as even the most casual observation of a map of Melbourne shows. It focusses on a major interchange with the Eastern Freeway in middle suburban Bulleen/ Balwyn North. It would thus function just as much as a radial link to inner Melbourne as an orbital connection in the road network.

The fact that a proposed major increase in lane capacity on the Eastern Freeway between Springvale Road and Hoddle Street is a central element of the project bears this out. And there are major inconsistencies in the approach by the Victorian Government with respect

to the radial link into central Melbourne, now proposed to be substantially increased in capacity as part of the North East Link Project.

### **East West Link again**

In this regard, it should be recalled that in late 2014 the incoming Andrews government abandoned a project of its predecessor, the East West Link, which would have this effect. The increase in lane capacity on the Eastern Freeway now proposed as a key element of the North East Link Project compels the view that the construction of the East West Link is now on the agenda of the Victorian government, even though it remains undeclared.

The fact is that the Victorian Government has done nothing since its election, in November 2014, to follow the logic of its decision to abandon the East West Link with appropriate initiatives for modal shift and especially in favour of public transport. In this regard, it may be asserted that “Victoria’s first dedicated busway” on the Eastern Freeway between the Doncaster Park and Ride and Collingwood, also an element of the North East Link, would perform this function. It will not, as the buses will be hemmed in by heavy inner city traffic. Alternative proposals have been floated but none sponsored by the Victorian Government. The most significant of these is a proposed “MM2” rail infrastructure project which, if designed and executed properly could resolve the key transport capacity constraint between north eastern and western suburbs, in particular. And in an environmentally responsible way. It is to such projects that the Andrews government should have been paying attention for the last decade or so, but is yet to do so.

It is also contended that the North East Link Project would “improve access and reduce travel times for both freight and commuter traffic and (would) take trucks off local streets in Melbourne's northern suburbs.”

In this regard, it should also be noted that the great majority of vehicle trips taken are by motor cars, not by trucks, and a significant transfer of these trips to public transport would free up the road network significantly.

Also, if the project were to reduce travel times for both freight and commuter traffic, it would only be momentary, as has proved to be the case with so many projects of this type over the years.

## **Roads and freight**

The claim by the Victorian government that the project would take trucks off local streets is also odd. The fact is that heavy trucks do not typically travel on local streets, as the term is normally understood. For the most part, they travel on highways and on the arterial road network.

The foregoing should not lead to the conclusion that transport mode for heavy freight is not a live issue in Victoria. A relevant factor in this regard is that the Victorian government has made next to no headway, unlike New South Wales, in increasing the role of rail for heavy and bulk freight. Although the Victorian 2018 *Delivering the Goods-Victorian Freight Plan* committed to increasing the share of freight moved by rail, it has failed. The Victorian Auditor-General found, for instance, that the share of freight carried by rail from the Port of Melbourne is now less than half what it was in 2013-14. (See VAGO, *Effectiveness of Rail Freight Support Programs*, June 2023). A related fact is that the truck fleet deployed on this work is for the most part very old and a significant source of greenhouse gas and toxic emissions.

In contrast, the increase in freight on rail from the Port of Botany increased by 64% between 2014 and 2022. Further, investments in on-dock rail infrastructure and automated rail systems at Patricks Terminals are forecast to result in an annual reduction of 10 million truck kilometres per annum in Sydney (See Ray Chan, *NSW ports on track for more freight on rail*, Rail Express 21 10 22).

## **Expanding the road network whilst sustainable transport modes are ignored**

In assessing the North East Link, we also urge the Commonwealth to take into account the fact that in parallel with the North East Link the Victorian Government has underway, or has recently completed, arterial roads projects in the area. These would provide alternative routes of increased capacity for both commuter traffic and heavy freight vehicles that may otherwise be expected to travel on the North East Link.

These include the widening of Williamsons Road and Fitzsimons Lane in Templestowe (and with it the sacrificing of dedicated lanes for route bus services), the duplication of lane capacity on Greensborough Highway between Lower Plenty Road and Watsonia Road in

Macleod and also on Templestowe Road in Lower Templestowe and Bulleen. These are not actions consistent with official expectations and public declarations that the North East Link would relieve the traffic load on the arterial or “local” road network.

It is a regrettable fact that the Victorian government has done next to nothing to effect the required shift from the private motor car (each of which typically carries one person, the driver, at peak traffic times), to sustainable transport modes. In this regard, the duplication of the Hurstbridge rail line between Greensborough and Eltham is a positive initiative, but it is about all there is in the North East Link corridor. Many recommendations from detailed reviews of route bus services about fifteen years ago were never implemented.

We now have the Victorian Government promoting the North East Link as a preferred route to Melbourne Airport whilst simultaneously placing the airport rail service project on the backburner, again, fifty three years after the airport commenced operation at Tullamarine.

### **Project costs uncertain**

The anticipated cost of the project, as revealed at various times, has increased significantly. In a media release of 11 December 2016, the Premier, Dan Andrews, declared the anticipated cost of the project to be \$10 billion. About eighteen months later, on 7 May 2018, the roads minister, Luke Donnellan, put the cost of the project at \$16.5 billion. More recently, information secured under a Freedom of Information request showed the anticipated cost to be \$18 billion (See Matt Johnson, *Fears of \$2b Link budget blowout*, Herald Sun 14 August 2022)

The project cost is shown today on the Commonwealth website to be \$15.8 billion. It is difficult to imagine that the projected cost of the project has actually reduced more recently. If the project were to proceed, major cost blowouts should be expected, and in this regard recent experiences with other Victorian projects are instructive.

Major cost increases on the West Gate Tunnel Project and the MM1 project may be an indication of what would come with the North East Link Project. They all require major tunnelling work. Another factor that may come into play with the North East Link, and so far, unexamined it appears, is the possibility of flooding in the Yarra Valley. The one

certainty is that with the influence of anthropogenic climate change, whilst average annual rainfall is in decline, flooding events will increase in severity.

### **Concluding remarks**

In conclusion, it can be confidently said that the North East Link Project has few redeemable characteristics and that it should not be funded. The officially calculated benefit cost ratio for the project was 1.3. That is, for every dollar invested on the North East Link, there would be a return of \$1.30, or a net gain of 30 cents for every dollar invested. This figure was always implausible. The likely increases in project costs since these calculations were made make it fanciful.

Underlying this, though, is the fact that the opportunity cost of committing to this project is quite prodigious. Alternatives, both in infrastructure and services, remained unexamined by the Victorian government.

With this in mind, and as we indicated at the outset, we would also urge the Commonwealth to consider re-assigning the contribution to evidence-based public transport service and infrastructure upgrades in those areas that would otherwise be negatively affected by the North East Link Project.