

Cabinet Secretariat Reference	
Submission No.	MSSPC 36
Copy No.	

Submission to: Major & State Significant Projects Committee

Submission Title: East West Link Stage One – Project Proposal Report

Portfolio/s: Roads, Public Transport

SUBMISSION PROPOSAL

Recommendation:

That the Major and State Significant Projects Committee (**MSSPC**):

1. **Approve** the *East West Link Stage One Project Proposal Report* at **Attachment A**.
2. **Approve** the transmittal of *East West Link Stage One Project Proposal Report* to the Commonwealth Department of Infrastructure and Regional Development to facilitate the release of federal funding for East West Link Stage One.

Objectives:

1. To seek approval of the *Project Proposal Report for the East West Link Stage One* and approval to transmit to the Commonwealth Department of Infrastructure and Regional Development.

Key Issues:

Background

1. The Commonwealth Government has committed funding of \$1.5 billion to the East West Link Stage One project.
2. The Commonwealth body responsible for administering the release of funding to the Victorian Government, the Department of Infrastructure and Regional Development (DoIRD), received a full copy of the business case in late 2013.
3. A Project Proposal Report is the mechanism under legislation by which the Federal Minister approves the release of funding.
4. The Project Proposal Report for East West Link Stage One (**Report**) is a standard template required to be completed by all agencies seeking Commonwealth funding for capital projects. Other Government agencies, particularly VicRoads, have completed a number of recent reports.

Project Proposal Report

5. The Report contains detailed and sensitive East West Link Business Case information, including references to project scope, complementary projects, financial analysis, economic appraisal, risk assessment, procurement approach, performance measures, funding profiles and project status. It also includes references to specific chapters in the Business Case, but does not attach the chapters. Instead, it refers to the copy of the Business Case provided to the Commonwealth in late 2013.
6. The Report contains cost and budget information related to the Public Private Partnership Road Link element only, which is the subject of the Commonwealth funding submission.
7. The Report has been prepared with the assistance of Department of Premier and Cabinet (DPC), Department of Treasury and Finance (DTF), Linking Melbourne Authority (LMA) and the Commonwealth Department of Infrastructure and Regional Development (DoIRD) senior officers. All officers have signed relevant confidentially deeds.
8. Given the sensitivity of the information provided to the Commonwealth, together with the significance and timing of the request, it is appropriate for this Committee to approve this Report and approve its transmittal to the Commonwealth.

Engagement with the Commonwealth

9. DTPLI has met with representatives of DoIRD on a number of occasions to work through the preparation of the Report. DTF and LMA have participated in these meetings where required.
10. The in-confidence discussions have confirmed the level of Commonwealth funding of \$1.5 billion and reinforced expected funding cash flows of \$500 million (13/14), \$600 million (14/15) and \$400 million (15/16). The cash flow profile has been described by the Commonwealth as 'in advance of need', and thus an expectation that Project expenditure and Commonwealth funding will not be intrinsically linked for the purposes of the Project.

Receipt of Funding

11. The first tranche of funding is expected to be provided before 30 June 2014.

Risks:

1. If the *East West Link Stage One Project Proposal Report* is not submitted to the Commonwealth in the near future, there is a risk of not receiving Year 1 Commonwealth funding within the 2013/14 financial year.

Support/Criticism:

1. The East West Link Project has received both support and criticism from stakeholders, particularly in relation to the potential for direct access to the central city, potential surface impacts and investment opportunities in alternative priority projects.
2. The Commonwealth Government has indicated its public support for the project.

**Terry Mulder, MP
Minister for Roads
Minister for Public Transport**

Date:

FUNDING

DTF and the Department have agreed the financial implications and costings in this submission:

- Yes No

IMPACT ASSESSMENTS

Social Impacts:

1. Enhanced transport networks, for both private vehicles and public transport, will facilitate improved mobility and access for all.
2. Potential negative impacts from construction activity, changed traffic conditions will be considered and mitigated as part of the project.

Family Impacts:

1. The project will create benefit for families through improved access to jobs and services.
2. The project may impact families by restricting the level of on-street parking in both Victoria Parade and Hoddle Street.

Regional and Rural Victorian Impacts:

1. Nil.

Economic Impacts:

1. Enhancing the public transport network and the application of intelligent transport systems will assist to ameliorate the effects of traffic congestion, and improve the efficiency of the overall transport network.
2. Construction activity will support sectors of the Victorian economy during project delivery.

Regulatory burden, offsetting reductions and evaluation strategy:

Does the submission propose an increase in regulatory burden on the business or not-for-profit sectors that is likely to be 'material' as defined in the Victorian Regulatory Change Measurement (RCM) Manual?

- Yes No

Environmental Impacts:

1. Increasing transport mode share for public transport has significant environmental benefits, including reducing greenhouse gases.

Charter of Human Rights and Responsibilities Impacts:

1. The process will be managed to take account of relevant obligations and ensure that any recommendations to government are consistent with relevant responsibilities.