



2 March 2017

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: ec.sen@aph.gov.au

Dear Committee

Environment and Communications Reference Committee inquiry into the continuation of construction of the Perth Freight Link in the face of significant environmental breaches

About the Chamber of Commerce and Industry of Western Australia

CCI is the peak body representing employers in Western Australia. We represent more than 9,000 small, medium and large businesses, not for profits and government enterprises across the spectrum of the State's economy and from all regions of WA. Our vision is for Western Australia to be a world-leading place to live and do business.

About Civil Contractors Federation

CCF is the peak body representing Australia's civil construction industry, supporting members' businesses and providing a unified voice to all levels of government. The CCF has branches in all states and territories and has around 2000 Contractor and Associate members nationally.

About Western Australian Road Transport Association

WARTA is the peak industry body for Western Australia's road transport industry. The WA Road Transport Industry employs over 30,000 people and generate direct revenue of over \$9 billion per annum.

The Chamber of Commerce and Industry of Western Australia (CCIWA) the Civil Contractors Federation (CCF) and the Western Australian Road Transport Association (WARTA) write to provide the Committee with a view of the economic importance of the Roe 8 and Roe 9 projects (the Project). We understand that this enquiry with its narrow terms of reference and short timeline to report by March 6, may be motivated by political objectives. Nevertheless, we think it important to place on record some of the broader considerations relevant to the Project.

In our view the construction of the Project is critical to the future prosperity of Western Australia. In the February 2016 Australian Infrastructure Plan, Infrastructure Australia identified the Perth Freight Link route as one of only two high priority projects across the nation. The Project will remove 14 sets of traffic lights in transit to Fremantle Port and save 12.5 minutes of travel time. The Project provides solutions to road congestion that is crippling WA businesses and reduces the time spent stop-starting in traffic, which is lost time and ultimately money that could otherwise be spent on growing businesses and employing more people. It is our view that any decision not to proceed with this Project would show a lack of concern for the State's growth and employment opportunities.

The unacceptable current state of affairs is demonstrated by the following fact – if a manufacturer in Perth exports a product to Shanghai, 45% of the associated transport cost is spent getting the product to Fremantle Port. Travelling the 6,000km to Shanghai is the remaining cost, an incredibly disproportionate outcome on distance travelled. With respect, if the Committee is serious about supporting the growth of jobs and economic opportunities in Western Australia, the importance of the Project needs to be recognised.

Around 10,000 direct and indirect jobs in total will be created by the Project, by facilitating growth in construction, manufacturing and agricultural sectors. Western Australia is experiencing a period of moderating growth and is adapting following the height of the resources construction boom. The construction workforce coming off once-in-a-generation resource projects is particularly hurting. According to official ABS data, around 34,000 construction jobs were lost between August 2015 and November 2016, which is over 20% of the total State's construction workforce. Completing the Project is the right move to deliver employment opportunities in the short and long term. Tearing up the contract will cost jobs and hinder growth of business in Western Australia.

To add further to this concern, the Federal Government has said that funding dedicated to the Project will not automatically be allocated to an alternative project in Western Australia. Whilst WA Labor has used the Victorian East West Link example to argue Federal funding will be forthcoming for an alternative project, the difference in this case is that the funding has not already passed to the State Government. An alternative infrastructure project such as Metronet will be required to be submitted to Infrastructure Australia for a fresh assessment. Any delays in developing those projects will mean delays in construction jobs.

The time required for major infrastructure should not be underestimated. The Roe 8 route was first identified in the 1950s and has been discussed in various iterations until 2009, when Main Roads WA submitted a preliminary environmental impact assessment. It has been eight years since that submission and construction has only just started. If the Project does not proceed, the State will be without a congestion solution in this area for many years to come, with economic growth and jobs sacrificed. This Project will be worth the immense time and cost spent planning, as it not only provides efficient access to Fremantle Port, but also access to the future outer harbour. We agree that an outer harbour will be required, and this Project provides the necessary access to this future port.

The Project has undergone immense environmental scrutiny and has been approved by the State regulator whose decision has been affirmed by the highest court. Appropriate environmental safeguards have been incorporated into the Project that impacts only 0.49 per cent of the Beeliiar Wetlands, including construction of a top-down bridge over Roe Swamp Bridge, the identification and acquisition of environmental offsets, fauna underpasses, fauna and flora relocation programs, and constructing parts of the project on land that has already been cleared. Around \$45 million has been invested by proponents into such environmental measures. Indeed, the completed project will have positive environmental outcomes by removing around 450,000t of carbon dioxide from our roads by 2031.

We understand there have been recent allegations of environmental violations on the Roe 8 construction site. Our understanding is that the Office of the Environmental Protection Authority monitors the construction site on an ongoing basis and that compliance has been verified. This demonstrates that environmental management plans are being appropriately enforced and that the regulator is ensuring sound monitoring is in place. With the State regulator approving environmental conditions and strict monitoring in place, we urge all parties to honour the signed construction contract. In the event that a breach of an environmental management plan does occur, we believe, just like in any other project, a proportionate response is required.

Ongoing conflict over the Project demonstrates why Western Australia needs an independent infrastructure body to oversee a 20-year infrastructure vision that goes beyond the short-term political cycle. Business owners, investors, and the wider community can then plan and invest with certainty, which will strengthen the economy and create more jobs.

Yours sincerely

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