

Government senators – dissenting report

1.1 Government senators consider that this inquiry has been motivated by political considerations. Requiring the committee to undertake an inquiry in two weeks, including a hearing in Perth, just before the Western Australian state election makes the agenda being pursued abundantly clear. It is part of the long and continuing campaign to halt a major project that will provide better infrastructure for the people of Western Australia.

1.2 Government senators note that the majority report lacks any regard for the real and sustained economic benefits of this project. It ignores the fact that the Coalition government is committed to investing \$1.2 billion in the Perth Freight Link. No government would have committed this level of funding if the project was not of major significance and without a strong economic case supporting the project.

1.3 The majority report ignores that rigorous approval processes undertaken by both the Western Australian government and the Commonwealth and the stringent conditions put in place to ensure the protection of the environment. It also ignores the ongoing inspection and audit program of construction activities.

Economic benefits

1.4 This is a project that will deliver world-class infrastructure to Western Australia, lifting the productivity of the state's industry and transport sectors, and ensuring Perth's road system is safer and less congested as the city grows over the coming decades.

1.5 The Freight Link is critical for the future prosperity of Western Australia and the Australian economy more generally. The Business Case for the Freight Link clearly shows that the project will deliver economic dividends with a base benefit-cost ratio (BCR) of 2.8. This will come primarily from 'a 9 ½ minute travel time saving and a \$8.15 saving per trip for freight vehicles (Kwinana Freeway to Fremantle)'.¹ This will accumulate to deliver a total saving of around \$2.5 billion for travel time savings alone.²

1.6 This means trucks and private vehicles will suffer fewer delays from dangerous stop-start traffic flows, saving time and money not only for large businesses freighting products to and from Fremantle Port, but also reducing transport

1 *Perth Freight Link: Business Case Executive Summary* (December 2014), p. 3.

2 See Table 3: Benefit Cost Analysis Results, *Perth Freight Link: Business Case Executive Summary* (December 2014), p. 29.

operating costs for many small local businesses, and commuters on their way to work.³

1.7 Infrastructure Australia has recognised the central importance of the Freight Link to Australia's infrastructure network. In its Priority List, it was cited it as one of the most crucial pieces of investment currently being undertaken to fix our 'National Connectivity' problem.⁴

1.8 Moreover, the committee received evidence that the project has already started delivering economic benefits to Western Australia, by creating many of the 10,000 direct and indirect jobs for Western Australian workers that the Freight Link is expected to deliver.⁵

1.9 At a time when the national economy is in transition, with the winding down of the mining construction boom, it is essential that the Commonwealth and state governments collaborate to invest in projects that will bring real economic benefits in the coming decades.⁶

1.10 To stop Roe 8 now is to put Western Australia's future prosperity in jeopardy for the sake of political expediency.

Benefits for road users and local communities

1.11 The Freight Link will also alleviate congestion in Perth's clogged transport system, making it safer and more useable for road users, and reducing pollution for local communities.

1.12 The Department of Infrastructure and Regional Development states that the project is forecast to:

...reduce freight traffic and congestion on local arterial roads, resulting in improved safety, reduced noise and enhanced amenity, with 500 trucks per day removed from sections of the Leach Highway by 2031.⁷

1.13 The project will remove 14 sets of traffic lights, which Main Roads WA state will make Perth roads safer by '[reducing] free flowing vehicle movement with shorter journey times, cutting congestion and the current patterns of 'stop-start' traffic'.⁸

3 See Main Roads Western Australia, 'Perth Freight Link' at www.mainroads.wa.gov.au/BuildingRoads/Projects/UrbanProjects/Pages/Perth-FreightLink.aspx (accessed 3 March 2017).

4 *Infrastructure Australia, National Priority List* (25 February 2017), p. 2.

5 Chamber of Commerce and Industry of Western Australia, *Submission 6*, p. 2.

6 Chamber of Commerce and Industry of Western Australia, *Submission 6*, p. 2.

7 Department of Infrastructure and Regional Development, 'Perth Freight Link' at http://investment.infrastructure.gov.au/projects/ProjectDetails.aspx?Project_id=052776-14WAPKG (accessed 3 March 2017).

8 See Main Roads Western Australia, 'Perth Freight Link' at www.mainroads.wa.gov.au/BuildingRoads/Projects/UrbanProjects/Pages/Perth-FreightLink.aspx (accessed 3 March 2017).

Smaller volumes of traffic on local roads, will mean less exhaust emissions, and reduction of air and noise pollution for local communities.⁹

1.14 There are also a number of ways that the Perth road system will become more user-friendly once the Freight Link has been built, including more effective southern access to the Murdoch Activity Centre, improving local traffic flows as the Fiona Stanley Hospital progressively opens.¹⁰

1.15 By removing trucks from arterial roads and clearing arterial congestion, the Freight Link will also improve the real estate values for many homes along the route. This will contribute to a general lift across the area, including an estimated lift to property prices of between 17 and 25 per cent more than other areas of Perth over the coming decade.¹¹

1.16 This inquiry has falsely implied that Western Australians do not want the Roe 8 highway to proceed, where there is, in fact, a groundswell of support for the extension of the Roe Highway. This was shown the recent poll undertaken by *Perth Now* and the *Sunday Times*, of over 9,000 people. This found 59.8 per cent of Western Australians support the extension of the Roe Highway across the Beeliar Wetlands, as well as further work to extend this road to Fremantle Port, with only 10 per cent saying it was 'a waste of money'.¹²

The environmental approvals process

1.17 The Perth Freight Link project has been through an extensive approvals process that has involved scrutiny under the terms of the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act), as well as review by the Western Australian Environmental Protection Authority.¹³

1.18 Through this process, the project must satisfy a number of conditions to ensure the best possibly environmental outcomes are achieved. This includes a number of conditions attached to the approval to mitigate the effects of construction

9 See Main Roads Western Australia, 'Perth Freight Link' at www.mainroads.wa.gov.au/BuildingRoads/Projects/UrbanProjects/Pages/Perth-FreightLink.aspx (accessed 3 March 2017).

10 Department of Infrastructure and Regional Development, 'Perth Freight Link' at http://investment.infrastructure.gov.au/projects/ProjectDetails.aspx?Project_id=052776-14WAPKG (accessed 3 March 2017).

11 Report commissioned by Main Roads WA, *Perth Freight Link: Potential Urban Outcomes: Section Two Road Options*,

12 Joe Spagnolo and Kate Campbell, 'WA Speaks: Perth Freight Link, tolls have voter support', *Perth Now*, at www.perthnow.com.au/news/western-australia/wa-speaks-perth-freight-link-tolls-have-voter-support/news-story/706d07bec798d492b427a8ff43eb6c05 (accessed 3 March 2017).

13 See Department of the Environment, *Approval, Roe Highway Extension*, EPBC 2009/5031 and *Report and recommendations of the Environmental Protection Authority: Roe Highway Extension* (September 2013).

on the Roe 8 site, as well as offsets to ensure to reduce the impact on the environment more generally.¹⁴

1.19 Throughout this inquiry a number of concerns have been raised that these conditions have not been met by contractors, and that potential breaches have not been investigated rigorously by the responsible Commonwealth and state government agencies.

1.20 Given this, Coalition senators would like to note that the department reassured the committee that it had received a 'large volume' of correspondence about potential breaches, and that these had all been suitably investigated.¹⁵ Regarding these cases, the Department of the Environment and Energy stated that it had engaged in extensive oversight of the Roe 8 site, and had found only one area of non-compliance, which was a 'minor' issue of reports being delivered to the department late:

We had officers on site on 16 January and again on 7 February this year. We have also spoken to Main Roads and asked them to provide information. We have also spoken with the EPA and asked them to provide information. We have also followed up on the qualifications where experts were required to do things...

There is one area where there was a minor noncompliance in relation to reports being provided to the department later than the expected time, and the department did issue a warning letter to Main Roads in relation to that late supply of report. Other than that, we have looked into the allegations that have been made and we have not found evidence to demonstrate that matters protected under the EPBC Act or under this approval have been breached.¹⁶

1.21 The Department of the Environment and Energy has also committed to follow up other areas of concern for the committee, particularly details of the Cockatoo surveys undertaken in 2016 before clearing work began.¹⁷

Conclusion

1.22 Government members of the committee consider that the Perth Freight Link is an essential foundation for economic prosperity for the state and nation over the coming decades. Work on the first stage is well underway, and delivering jobs and growth for Western Australians.

14 See Department of the Environment, *Approval, Roe Highway Extension*, EPBC 2009/5031 and *Report and recommendations of the Environmental Protection Authority: Roe Highway Extension* (September 2013).

15 Mrs Monica Collins, Assistant Secretary, Compliance and Enforcement, Department of the Environment and Energy, *Proof Committee Hansard*, 23 February 2017, p. 25.

16 Mrs Monica Collins, Assistant Secretary, Compliance and Enforcement, Department of the Environment and Energy, *Proof Committee Hansard*, 23 February 2017, p. 25.

17 Mrs Monica Collins, Assistant Secretary, Compliance and Enforcement, Department of the Environment and Energy, *Proof Committee Hansard*, 23 February 2017, p. 29.

1.23 In this, this inquiry has been a politically-driven exercise designed by Labor and Greens senators to stand against the future prosperity of Western Australia—as well as our national economy more general.

1.24 Therefore, Government senators reject the recommendations made by the majority report.

Senator Linda Reynolds CSC
Deputy Chair
Senator for Western Australia

Senator Jonathon Duniam
Senator for Tasmania

Senator Chris Back
Senator for Western Australia

