

## **Submission on the East-West Link Needs Assessment Report (Eddington Report)**

*Professor Marcus Wigan*

*Context:* The Eddington Report (hereafter ‘the Report’) shows all the signs of the following concerning issues:

- The terms of reference are over-prescriptive and restrictive.
- The study uses questionable evaluation methods.
- There are less than adequate efforts to justify a very poor set of CBRs by excluding alternative options for transport investments and indeed, a fortiori, other capital investment needs over the next few years, badly needed by the State.
- There is a lack of appreciation, or indeed any capital budgeting, justification of this poor investment given the widely evident scarcity and competition for infrastructure capital now and for the next few years.

*Consultation:* the consultation processes used have been to date have been meritorious in terms of their apparent intent, range and scope, and ineffective in terms of the lack of contestability of the analyses, the options excluded, forecasts adopted, and the sensitivity analyses that are so evidently missing.

*Reporting:* is heavily biased towards passenger movement and under reports on the most critical aspects for the future survival and functioning of the city – freight. Reporting has been extensive, but the rail capacity report and the traffic flow compendium do not appear to support the recommendations made. No sensitivity analyses are reported. Omits entire modes of transport.

*Study framework:* The use of a proprietary model for this study raises concern, instead of the openly available, critiqued and reviewable Melbourne passenger and freight models. This has materially diminished the capacity of the expert community to be able to assess – or run – the scenarios used or any variations of them. This must severely diminish the credibility of the study as a whole as it might appear that this lack of access might even have been intentional.

The use of exogenous forecasts to drive the Zenith model clearly shows that the additional – so-called UK DoT – benefits added to the poor CBRs is overwhelmingly simply double counting.

There is no list – and the study team could not provide one on direct request – of the ‘90 projects’ that ‘could have affected the study area’, leading the author to be very concerned at – say, as a random example – the omission of the outer ring road from Greensborough to Eastlink. Without prejudice to the political sensitivity of this example, the CBR (for the Greensborough link) is well known to exceed at least 2. And its lack is well known to be a matter of major concern for the freight transport community that underpins the State’s economy. On purely technical grounds, the investment strategy as presented totally neglects the necessary robustness to the visibly increasingly turbulent environmental, economic, and financial futures, let alone its quarantined nature through the ToR.

### **Recommendations**

While I have been forced to list the shortfalls in the study as presented to me for comment, the study itself forms an excellent start point for the essential broader modelling, capital budgeting, and economic analysis now so crucial to Victoria.

I strongly advise that the next stage should include the range of projects in rail transport that are needed at least out to the edge of Greater Melbourne, as the CBRs need to be much higher to justify the allocation of scarce capital resources. Equally scarce is likely to be community support for the publicly touted higher user cost surcharges imposed by committing prematurely to such large projects on the basis of arbitrary political decisions based on such minimal assessments with such poor rates of return to the community.

If this next stage is embarked upon, it is equally necessary to include a far wider range of the technical skills in the community. Government cannot do it all, and greater contestability and participation is essential. I propose new models of community participation, and a more comprehensive approach to inclusion as part of this process. It will clearly be difficult, and politically vulnerable, but the overdue investments in energy, water, sewerage, as well as transport in the State justify no less.

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