# Tar baby

*‘The Tar-Baby is a doll made of*[*tar*](http://en.wikipedia.org/wiki/Tar)*and* [*turpentine*](http://en.wikipedia.org/wiki/Turpentine)*used to entrap*[*Br'er Rabbit*](http://en.wikipedia.org/wiki/Br%27er_Rabbit)*. The more that Br'er Rabbit fights the Tar-Baby, the more entangled he becomes. In modern usage, "tar baby" refers to any "sticky situation" that is only aggravated by additional involvement in it.’* *http://en.wikipedia.org/wiki/Tar-Baby*

Do you believe the line about the debt and deficit disaster? Try this quick quiz.

Which sector has:

* a disclosed financial deficit of nearly $25billion in the last five years, which is accelerating?
* recovers less than 75% of its spending (despite a compelling case that users should, and community opinion that they do, more than pay their way)?
* an unknown, but almost certainly $multibillion, maintenance backlog?
* no plan for national priorities, opaque practices, and no customer influence?
* possibly damaged competitors through cross subsidisation?
* flagship projects that attract billions worth of public support prior to independent assessment or adequate public information?
* been the subject of a spending race between major political parties?
* grossly overestimated growth in demand for its urban services?
* no plan to consider, let alone change, any of the above?

Roads. Many good, capable and honest people work hard in the sector’s private and public organisations. But the framework they are in lets everyone down. Causing embarrassment and high costs today, and jeopardising future generations.

The issue is not about doing road projects better. Contracting out, PPPs, better construction techniques etc. certainly matter. The lessons here are being learned.

No, the central question is why some things are done at all. Like: why does a government (claiming to be deeply concerned about debt) when in opposition commit to spend over $12billion on complex road projects that had not been fully and independently assessed and for which there was scant (public) information?

Sure, promising such projects has become a frequent political tactic at federal and state levels, but it is risky and can have big consequences. And risk has come to pass; the only one on the federal coalition’s list to be fully open to public scrutiny – so far - the East West Link, has achieved quite some notoriety. So ‘trust the captain’ is no longer enough.

Myself; I avoid using roads like the plague until the holidays. Then I count my blessings that others have spent a fortune allowing a trip to Forster 25% quicker than a decade ago.

That’s the type of choice society has made through the road framework. Would the result be different if it was better informed?

For me some roads are both a luxury and, increasingly, a tar baby impeding economic performance, social amenity and now, worst of all, trust.

*J Austen*

*April 2015*

*The author is a retired public servant living in western Sydney. He thanks current and future taxpayers for subsidising his use of roads; the M5, Hume, Federal and Pacific Highways in particular.*

## Notes and sources

1. **a disclosed financial deficit of nearly $25billion in the last five years, which is accelerating?**

Source: Bureau of Infrastructure, Transport and Regional Economics*, Australian infrastructure statistics yearbook, 2014*. [www.bitre.gov.au/publications/2014/files/BITRE\_YEARBOOK\_2014\_Full\_Report.pdf](http://www.bitre.gov.au/publications/2014/files/BITRE_YEARBOOK_2014_Full_Report.pdf)

1. **recovers less than 75% of its spending (despite a compelling case that users should, and community opinion that they do, more than pay their way)?**

Despite being one of two critical questions for roads policy (the other being whether some roads subsidise other roads) the issue of whether road users ‘pay their way’ is seldom asked and rarely answered. By ‘pay their way’ I mean that total road related revenues from taxes such as the fuel excise, indirect charges such as vehicle registration, and tolls at least cover road maintenance and construction expenditures.

The arguments about whether, and the extent to which, motorists should pay their way can be left until later. At this point the interest is in facts.

The significance of these facts is related to ‘road reform’ which is based on at least some direct charges replacing some current taxes and indirect charges. In the current system there is no direct connection between taxes, charges and spending. It is held that direct charges would improve efficiency, sustainability and equity in the roads system and elsewhere by connecting charges and spending.

If road users currently pay their way, road reform could credibly be promised as revenue neutral; avoiding complaints that reform would have the effect of increasing financial burdens on motorists and truckers. However, if road users currently pay less than their way, if there is a roads financial deficit, the credibility of a revenue neutral promise may be undermined; new charges could mean increased burdens on road users.

The two most recent official attempts of answering this question were in the Australia’s Future Tax System Review (2010) and the Productivity Commission review of public infrastructure (2014).

The former, relying on data from 2006-07 concluded that road users did pay their way, and noted a surplus of road related revenue over expenditures of several billion dollars for that year. It concluded that road reform, while difficult, was feasible and opportunities were not negated by a road deficit. See: *Australia’s Future Tax System* Final Report (2009) Part E.3 Road Transport.

That year, 2006-07 was the first to feel the effects of the Howard Government’s decision to not increase the fuel excise charge in line with other prices – to discontinue excise indexation. Growth in excise revenue after 2006-07 was expected to decline significantly.

Moreover, with infrastructure becoming the ‘new black’ in federal and state elections, any road financial surplus could be under pressure from political promises for major new road projects.

In May 2014 the Productivity Commission concluded that there was a rough balance between road related revenues and spending. It suggested road reform could proceed on the basis of being revenue neutral at least in the first years until roads were improved under new arrangements: *‘Currently, total revenue (funding) collected from road-related taxes and charges arguably approximately matches total expenditure on roads’.* See: Productivity Commission *Inquiry Report into Public Infrastructure* No. 71 (2014)

The analysis was based on data released by the Bureau of Infrastructure Transport and Regional Economics in 2013 which indicated a roads financial deficit of around $1.5 billion in 2011-12, and a surplus of $1.6billion in the five years to 2011-12.

In late December 2014, the Bureau released new data, including revisions for all years since 1998-99. These revisions increased recorded spending by up to $5 billion each year while leaving revenue largely untouched; among the effects is an increase in the roads deficit to around $6billion in 2011-12, or $20billion in the five years to 2011-12. Rather than a spending recovery of 105%, spending recovery is only 74%, a quite different picture than painted by the Productivity Commission.

For 2012-13 the data indicates a roads deficit in the order of $6.5billion.

The following chart shows the effect of the revision; the Productivity Commission analysis is based on the blue columns; the brown columns show the situation using data released after the Commission published its report.

Source: Bureau of Infrastructure, Transport and Regional Economics, *Australian infrastructure statistics yearbooks, 2013, 2014*. [www.bitre.gov.au/publications/2014/files/BITRE\_YEARBOOK\_2014\_Full\_Report.pdf](http://www.bitre.gov.au/publications/2014/files/BITRE_YEARBOOK_2014_Full_Report.pdf)

***Recovers less than 75%*** see note 1, year 2012-13.

***Compelling case:*** the case that road users should pay more than the direct financial costs of road construction and maintenance rests on two matters: cost of capital and externalities.

Costs of capital are recovered in most industries including in energy infrastructure, certain rail segments such as coal haulage, and toll roads. Regulatory determinations allow prices that allow a return on capital. The current failure to recover costs of capital for roads provides an implicit subsidy to the sector.

Externalities involve matters impacting on people and environments other than users. This is considered to be a particular problem associated with road use, with examples of externalities including air and noise pollution, loss of urban amenity, accidents, and traffic congestion. The presence of externalities in cities is seen as a rationale for public funding of public transport. See: John Stanley and David Hensher, *Environmental and social taxes: Reforming road pricing in Australia,* Institute of Transport and Logistics Studies Working Paper, ITLS-WP-11-17, September 2011.

It should be noted that the spending recovery figures in note 1 largely exclude these costs and any maintenance backlog (see point 3 below).

There remains a question as to whether costs should be covered each and every year. For example, would it be acceptable to have a temporary deficit caused by net investments which in future years will more than cover their previous and current costs? While the precise answer may be quantitative, in the current absence of data and analysis, the presumption must be ‘no’.

Reasons include: road users should pay more, in some cases much more, than direct financial costs (above); deficits have occurred for five years running; road improvements are held to reduce unit revenues as eg. less fuel per vehicle km is used on, and therefore less excise revenue per vehicle km is generated on, improved roads; most proponents deny that road improvements induce additional aggregate traffic; the rate of growth of car use is far less than forecast (section 8 below).

Moreover the idea of a temporary deficit would only hold true on two conditions: the benefit:cost ratio of road works exceeded 1; adequate benefits showed up in the national accounts. Neither of these conditions is clearly satisfied at present.

Benefit:cost ratios are generally not available for road projects. Of the few calculations made some produce results of less than 1 ie. adding to a deficit.

I understand the majority of claimed road benefits relate to hypothetical travel time savings. Not all travel time savings result in higher national income; for example while my faster trips to Forster are most welcome, it is difficult to see how they increase national income.

There is a school of thought that under current Australian road project appraisal guidelines, the aggregate value of travel time savings for a project equates with the potential of beneficiaries to pay. Among the several implications are: funding of roads from general taxation is a political not economic choice; an initial financial failure of a toll road implies a net economic loss. Models to predict toll road traffic assume the new road will present travel savings (in units of time) and motorists’ responsiveness to these savings (in monetised unit values and ‘elasticities’). Overestimation of traffic flows that led to the financial failure of several toll roads implies an excessively high forecast of responsiveness and /or assumed value of travel time.

Even if there is an ‘economic balance’ of travel time savings against foregone revenue, eventually projects must be funded with money, not time.

1. **an unknown, but almost certainly $multibillion, maintenance backlog?**

***Unknown:*** There is no current or regular assessment of the overall effectiveness, efficiency, adequacy or distortion of the $25billion or so spent on Australian road building and maintenance in each recent year. Or of the $231billion of spending over the last 15 years.

Indeed such an assessment cannot be done. There are two reasons: there is no evident unifying purpose for road spending; there is no assessment of whether road spending meets any purpose.

The only relatively recent available source of road asset condition aggregated at a national level is in the Engineers Australia 2010 infrastructure report card. In this various infrastructure is given a grading A to E. Roads were rated as poor to adequate with specific reference being made to unsustainability of local road condition. See: <https://www.engineersaustralia.org.au/infrastructure-report>[[1]](#endnote-1)

***Certainly $multibillion***: Most claims for an infrastructure deficit estimate a backlog in road expenditures. For example see: Transport Reform Network, *The case for transport reform: funding the backlog* at http://transportreform.org/file.php?fileID=78

1. **no plan for national priorities, opaque practices, and no customer influence?**

***National priorities***: Infrastructure Australia was to produce a national infrastructure audit by end 2014 to assist to inform a plan for national priorities. The audit is not (yet) available. See: http://www.minister.infrastructure.gov.au/wt/releases/2014/November/wt227\_2014.aspx

***Opaque practices***: in the absence of a public plan, or consolidated public information about asset condition and expected usage, decisions on expenditures are opaque to the public.

***No customer influence***: there is no direct charging in the sector. Officials argued that the national access regime, which would provide an avenue for customer influence, cannot apply to any road. Therefore road customers are believed to be unable to exert any commercial influence on government owned or controlled roads.

The question of the national access regime appears less clear than argued by officials. The Australian Competition and Consumers Act specifically identifies roads as one (of the two) examples of infrastructure the s.44 access provisions apply to. However, both the Department of Infrastructure and Regional Development and the Productivity Commission, insisted those such provisions do not apply to roads.

See: p272 at <http://www.pc.gov.au/inquiries/completed/access-regime/report/access-regime.pdf>.

This insistence might seem surprising since the examples and provisions were pointed out to the Department and Commission in public submissions and evidence. See for example: <http://www.pc.gov.au/inquiries/completed/access-regime>/submissions-test/submission-counter/sub041-access-regime.pdf.

1. **possibly damaged competitors through cross subsidisation?**

The cross subsidisation question is the second central issue for any road reform. A system of direct charges would tend to unwind cross subsidies, creating winners and losers, and therefore resistance to proposed change.

The effect of subsidisation, and cross subsidisation, on competition to road transport is a major public policy issue.

The issue arises from the fact that roads and railways compete only where they are parallel; very few roads but almost every railway. This creates a potential to shift funds from roads that do not compete with railways to roads that do.

The frequent observation that roads and railways in aggregate largely do not compete is irrelevant. Competition is fierce in limited geographical areas, but absent in most of Australia.

In recent decades road’s market share has significantly increased on intercapital corridors, at the expense of rail.

These intercapital corridors have seen very extensive improvements to highways parallel to and competing with railway lines, for example the past Hume Highway duplication and the ongoing Pacific Highway duplication.

It is claimed that trucks pay their way on roads via excises and registration charges. However, this claim is limited to aggregates. It is not claimed for each and every road.

It has been claimed that there is a substantial road maintenance backlog, particularly on rural local roads, in part caused by trucks.

Truck charges are calculated on past spending. This negates any potential for governments to be withholding funds collected from the trucking industry. Therefore a persistent maintenance backlog is synonymous with undercharging.

The above claims are reconcilable in only one circumstance; that maintenance on some roads is sacrificed to improve other roads.

The question therefore is: have improvements to highways been part financed by funds which should have gone to maintenance of the local roads that complement and do not compete with railways?

If so, it would be difficult to introduce any policy for ‘direct charges for trucks’ unless charges included sunk costs of capital. Direct charges excluding sunk costs would see charges inversely related to the condition of roads; users of the worst roads would be charged for the maintenance backlog which had effectively benefitted others ie. a fairness issue.

Consequently, the cross subsidy thesis is also consistent with the resistance to and ultimate failure of the Council of Australian Governments’ road reform plan.

This possibility was raised by Infrastructure Australia, but has not been considered. National Land Freight Strategy Update, June 2012  <http://www.infrastructureaustralia.gov.au/publications/#anc_freight>

1. **flagship projects that attract promises of billions worth of public support prior to independent assessment or adequate public information?**

The following table shows the status of the Coalition’s roads for the 21st century as at 16 March 2015

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Coalition policy (a)** | **Full public disclosure? (b)** | **Published full independent assessment post 2013? (c)** | **Assessed benefit cost ratio (excluding webs) (d)** | **Infrastructure Australia assessment post 2013 (e)** |
| $6.7 billion to fix Queensland’s Bruce Highway | No | No | Na | Na |
| $5.6 billion to complete the duplication of the Pacific Highway from Newcastle to the Queensland border | No | Yes | 1.5 | Ready to proceed |
| $1.5 billion to get Melbourne’s East West Link underway; | No | No | 0.45 | Na |
| $1.5 billion to ensure the WestConnex project gets underway in Sydney | No | Part (f) | 1.8 | Recommended to be threshold (f) |
| $1 billion to support the Gateway Motorway upgrade in Brisbane | No | Incomplete | 4.9 slightly overstated | Threshold |
| $615 million to build the Swan Valley Bypass on the Perth to Darwin Highway | No | No | Na | Real potential |
| $686 million to finish the Perth Gateway without a mining tax; | No | No | Na | Na |
| $500 million to support the upgrade of Adelaide’s North-South Road Corridor; | No | No | Na | Na |
| $405 million to get Sydney’s F3 to M2 started by late 2014, which will mean shorter travel times, reduced congestion and safer roads for the residents of the Central Coast | No | No | Na | Na |
| $400 million to upgrade the Midland Highway in Tasmania; | No | No | Na | Na |
| Get the Toowoomba second range crossing underway | No | No | Na | Real potential |

1. Coalition policy released prior to the September 2013 election
2. Is the full business case in the public domain?
3. Has there been a published assessment by a party independent of the proponent? (usually Infrastructure Australia) at the time of or after publication of the national infrastructure plan see: <http://www.infrastructureaustralia.gov.au/coag/index.aspx> . and <http://www.infrastructureaustralia.gov.au/project_assessments/>
4. Regarding (c) what is the assessed economic merit of the proposal.
5. Published status on the national infrastructure priorities list <http://www.infrastructureaustralia.gov.au/coag/index.aspx>
6. A project assessment was placed on Infrastructure Australia’s website in February 2015, but not announced or included in ‘whats new’. It states*: Infrastructure Australia has reviewed a number of iterations of the documentation of WestConnex. Moving the project to “threshold” on the Infrastructure Priority List is dependent on IA having a high degree of confidence that the economic benefits from the project outweigh the costs. The core BCR ratio of 1.8:1 does provide confidence in this regard. Infrastructure Australia will reassess the project once its updated Business Case – including a final project capital cost estimate and revised demand modelling that takes account of induced and redistributed demand effects – is finalised. This updated work will be important for a recommendation of “ready to proceed” on the Infrastructure Priority List. Infrastructure Australia Priority List Recommendation The Acting Chief Executive Officer recommends that the project moves from “early stage” to “threshold” on the Infrastructure Priority List.* <http://www.infrastructureaustralia.gov.au/project_assessments/files/NSW-WestConnex.pdf>. The status of the assessment is unclear; it is not stated that the Acting Chief Executive’s recommendation is accepted or endorsed by Infrastructure Australia (or if such acceptance etc is necessary).

**Sources:**

The Coalition’s Policy to Deliver the Infrastructure for the 21st Century September 2013 <http://lpaweb-static.s3.amazonaws.com/13-09-05%20Coalition%202013%20Election%20Policy%20%E2%80%93%20Better%20Infrastructure%20Planning%20%E2%80%93%20policy%20document.pdf>

Infrastructure Australia June 2013 Report to COAG and Assessments <http://www.infrastructureaustralia.gov.au/coag/files/2013/R359_Infrastructure_Australia_National_Infrastructure_Plan_2013_Ch10-App.pdf>

<http://www.infrastructureaustralia.gov.au/project_assessments/>

1. **been the subject of a spending race between major political parties?**

See for example: <http://www.theaustralian.com.au/opinion/columnists/infrastructure-pm-abbott-is-taking-credit-for-laborlaunched-projects/story-fn53lw5p-1227115998603> and the response: <http://jamiebriggs.com.au/Portfolio/InfrastructureandRegionalDevelopmentMedia/tabid/111/articleType/ArticleView/articleId/1202/categoryId/12/Media-Release-Albaneses-desperate-claims-are-dead-wrong-Wednesday-14-May-2014.aspx>

1. **grossly overestimated growth in demand for its urban services?**

Growth in traffic has been far less than forecast, calling into question the validity of congestion cost estimates.

The most often cited cost of congestion was developed in 2007 by the Bureau of Transport and Regional Economics. This estimated an Australian metropolitan cost of congestion of around $20billion per annum by 2020 based, in part, on forecast increases in traffic in the capital cities.

Growth in traffic reported by the Bureau has been substantially below that forecast. For example between 2005 and 2013 (latest) growth in car use was expected to exceed 15 percent; the outcome however has been less than 3 percent. A comparison is shown in the chart below. There is no published explanation of reasons or revision of the congestion cost forecast.

Sources: Bureau of Transport and Regional Economics,*Estimating urban traffic and congestion cost trends for Australian cities* Working Paper No 71 [www.bitre.gov.au/publications/2007/wp\_071.aspx](http://www.bitre.gov.au/publications/2007/wp_071.aspx);

Bureau of Infrastructure, Transport and Regional Economics, *Australian infrastructure statistics yearbook 2014*, December 2014 [www.bitre.gov.au/publications/2014/files/BITRE\_YEARBOOK\_2014\_Full\_Report.pdf](http://www.bitre.gov.au/publications/2014/files/BITRE_YEARBOOK_2014_Full_Report.pdf)

See: [www.bitre.gov.au/publications/2014/files/BITRE\_YEARBOOK\_2014\_Full\_Report.pdf](http://www.bitre.gov.au/publications/2014/files/BITRE_YEARBOOK_2014_Full_Report.pdf)

1. **no plan to consider, let alone change, any of the above?**

There is no plan for road infrastructure policy in Australia. A recent attempt, the heavy vehicle charging initiative, was wound up by the relevant Ministerial Council in May 2014. Some background follows.

In April 2007, the Council of Australian Governments agreed to the exploration of road ‘reform’ entailing different mechanisms for heavy vehicle charging and road spending. Initially this was the COAG Road Reform Plan, and later changed to the Heavy Vehicle Charging and Investment initiative, both of which worked to the Ministerial Council on Transport and Infrastructure.

Ministers and officials argued that road issues, such as identified by Infrastructure Australia, would be addressed through the initiative. In May 2014 the initiative was wound up without producing any result, or indeed attempting to address all the issues noted above. The Ministerial Council claimed that the matters would be addressed by individual governments however, there has been no statement of progress either collectively or individually.

See: <http://www.transportinfrastructurecouncil.gov.au/communique/index.aspx>

1. **commit to spend over $12billion on a list of complex road projects that had not been fully and independently assessed and for which there was scant (public) information?**

See table in 6 (above); at the time of Coalition commitment (September 2013) only the Pacific Highway was fully assessed. The Gateway Motorway benefit cost ratio was considered slightly overstated.

**11. the East West Link, with some notoriety.**

Widely reported descriptions about the East West Link and activities can be seen by ‘googling’ east west link/news. For example:

*‘fraud’*; [http://autimes.com.au/australia/victoria/east-west-link-labor-accuses-napthine-government-of-fraud-on-epic-scale/](%20http://autimes.com.au/australia/victoria/east-west-link-labor-accuses-napthine-government-of-fraud-on-epic-scale/)

*‘malfeasance’*; <http://www.sbs.com.au/news/article/2014/12/15/east-west-link-business-case-revealed>

*‘despicable’*; <http://www.macrobusiness.com.au/2014/12/east-west-link-tunnel-of-pork-exposed/>

*‘vandalism’*; <http://www.theage.com.au/comment/andrews-needs-to-get-a-bigger-bang-for-our-bucks-20141228-12b1a6.html> (Davidson)

*‘wooden spoon’*; <http://www.smh.com.au/business/comment-and-analysis/east-west-link-takes-the-wooden-spoon-for-2014-20141219-12akfi.html>

*‘shocking political stitch up’* <http://www.businessspectator.com.au/article/2015/3/17/infrastructure/infrastructure-politics>

The Prime Minister stated that the recent Victoria election would be a referendum on the East West Link implying that a vote for the (then) opposition would be a vote against the road project; the result of the election was that the opposition won office. Recent commentary on the subject of the project refers to the Commonwealth*:*

*“It is quite clear that proper process had been systematically undermined by both the Prime Minister's office and the former state government’; ‘both the prime minister's office and the Coalition state government knew the project didn't stack up. This means that for both of them, the financial benefits to the private partners from the contract were paramount”* (cited in Davidson, the Age above).

The wash up so far includes:

*Calls for* c*hanges to freedom of information laws t*o ensure greater disclosure by government of facts; <http://theconversation.com/foi-reform-needed-in-victoria-amid-east-west-link-fallout-35666>

*Calls for investigation and or greater powers for the auditor general*; <http://www.theage.com.au/victoria/victoria-state-election-2014/audit-of-east-west-link-business-case-by-auditorgeneral-20141204-12073u.html>

*Claims that federal government backbenchers are seeking to pressure the Victorian Government to break an election commitment*; http://www.theage.com.au/victoria/federal-libs-prepare-east-west-link-campaign-to-pressure-daniel-andrews-20150124-12xevm.html

*Questions about the position of the new Infrastructure Australia;* <http://www.theage.com.au/victoria/infrastructure-australia-wrongly-dabbling-in-politics-20150127-12zcmj.html> and <http://www.theage.com.au/victoria/infrastructure-chief-john-fitzgerald-backs-away-from-east-west-link-funds-warning-20150127-12za8h.html>

*Questions about the impact on Victoria’s credit rating*; <http://www.theage.com.au/victoria/victorias-credit-rating-threatened-by-decision-to-rip-up-east-west-link-contract-20150201-1338rr.html>.

*Questions about the impact on confidence in investing in Australia;* http://www.heraldsun.com.au/news/victoria/east-west-link-compo-law-will-damage-investor-confidence-tony-abbotts-warning-to-premier-daniel-andrews/story-fni0fit3-1227

*Questions about whether appropriate steps were taken to protect the Commonwealth's interests and obtain value for money;* <http://www.anao.gov.au/Publications/Audits-in-Progress?page=4>

*Claims and counter claims by the Prime Minister and Victorian Premier about being ‘verballed’ and not wanting to be ‘bullied’;* <http://www.smh.com.au/federal-politics/political-news/i-was-verballed-by-daniel-andrews-on-east-west-link-issue-tony-abbott-20150318-1m1pjy.html>, <http://www.abc.net.au/news/2015-03-12/east-west-link-words-between-daniel-andrews-and-tony-abbott/6307212>

*Complaints by the ambassadors or France and Spain about plans to scrap the project*; <http://www.abc.net.au/news/2015-04-14/france-spain-make-official-about-cancelled-east-west-contracts/6390906>

On 15 April it was reported that the Victorian government had settled with the contracted parties There are differing opinions about the outcome; France’s ambassador was reported as commenting *the outcome is good news for Victoria, good for Australia and for the business relationship between France and Australi*a, while the Committee for Melbourne's chief executive, Kate Roffey, said the precedent set by the government's repudiation of the contract was "*terrible*" and had damaged the state's reputation. <http://www.afr.com/business/infrastructure/east-west-link-contractors-call-for-longterm-planning-after-settlement-20150415-1mlgn4>.

The Prime Minister is reported to have said that the Victorian government is ‘dead’ following the deal to scrap the project and pledged:

*"..for the people of Melbourne, and Victoria, is that the $3 billion of Commonwealth dollars pledged to East West Link will remain in a locked box for the first Victorian government that is prepared to build this absolutely necessary piece of infrastructure,"*

See: <http://www.smh.com.au/national/abbott-andrews-government-dead-following-420-million-east-west-link-deal-20150416-1mmqy2.html>

However, the project deal continues to attract criticism, see for example: <http://www.theaustralian.com.au/business/opinion/east-west-link-deal-stinks-by-any-measure/story-e6frg9io-1227305420111> and http://theconversation.com/east-west-link-shows-miserable-failure-of-planning-process-40232

1. [↑](#endnote-ref-1)