

**19 April 2016**

**Notice of Motion, Councillor Arron Wood: Australian Government funding of Melbourne Metro Rail Project**

**Motion**

1. That the Future Melbourne Committee:
  - 1.1 Reaffirms its strong commitment to Melbourne Metro Rail as the City of Melbourne's number one priority transport project.
  - 1.2 Notes the prolonged history of the project, first proposed in 2008 and calls on all levels of government to work together to expedite this economic uplift project for Melbourne.
  - 1.3 Requests the Transport Portfolio Chair writes to the Hon. Malcolm Turnbull, MP, Prime Minister, requesting the demonstration of genuine Federal Government commitment to the Melbourne Metro Rail Project through funding of up to \$3billion to deliver greater certainty and allow the full business case to develop.

**Background**

The City of Melbourne has a long and supportive association with this Melbourne Metro Rail Project, including the original 2008 proposal in Council's Transport Strategy, Municipal Strategic Statement, and the City North and Arden Macaulay Structure Plans. The Council, at its meeting on 27 May 2014, reaffirmed its strong support for the project.

The Melbourne Metro Rail Project has long been identified as a high priority project by independent body Infrastructure Australia. The project will allow 39,000 additional passengers to be carried during peak times.

Victoria is currently the fastest growing state in Australia and the need for action to fast track long-term sustainable transport infrastructure solutions has never been more important. It requires a real commitment from all tiers of government to work together, identify funding solutions and deliver infrastructure to meet the needs of a fast growing community.

The 'Melbourne Metro Business Case February 2016', states that the project:

- Aligns with the strategic policy objectives of Commonwealth, Victorian and Local Governments
- Is consistent with the Government's commitment to build Australia's future through investment in 21st century infrastructure, transforming the Melbourne metropolitan network into a metro-style system that is on par with public transport infrastructure elsewhere in the developed world.
- Will give rise to positive environmental and social effects in the long term and there is a commitment to achieving excellence in sustainability and climate change resilience.
- Has strong economic credentials, with a BCR of 1.1 using the standard 7 per cent discount rate and 2.4 based on a 4 per cent discount rate using conventional economic benefits
- Is estimated to cost \$10.9bn nominal terms

In his recent announcement, Prime Minister Turnbull committed only \$10million to the Melbourne Metro Rail Project citing the need for 'a more developed business case' as the reason for the funding shortfall. The Metro Rail Project is a live project with great detail about the project design, a submitted business case and the proposed costings of the project. Given the long history of this project, its importance to economic uplift and widespread support it is time for the Australian Government to give strong support to the project.

Announcing a figure that the Australian Government is willing to commit now and holding the right to commit additional funds once the full business case has been completed would actually allow the business case to be more fully realized. It is highly likely that this project will be funded through an appropriate mix of current and future State budgets, some form of value capture, State Government borrowings and Federal Government funding.

This project needs certainty given its long term construction phase and that certainty will no doubt deliver efficiencies for the project as a whole. The benefits of the project are very clear. Huge economic uplift has been identified; congestion busting capacity, city design outcomes and ensuring Melbourne remains one of the most liveable cities into the future.

At the time of announcing the \$10million commitment to Melbourne Metro Rail Project the Prime Minister announced over \$1billion in funding for roads, which while welcome, reignites the roads versus rail debate. It is difficult to avoid the road versus rail debate when road projects progress much more quickly through the bid process than rail. To identify the need for a more complete business case, despite it being submitted to Infrastructure Australia, as a reason not to invest perpetuates this argument. This is further reinforced by recent reports on other Federal road projects. It would appear these projects have been committed to with business cases carrying much less detail than Melbourne Metro Rail.

**Moved: Cr Wood**

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