

## 2011-2012 Assessment Brief

Recommended Status:	<b>Ready to proceed</b>
Status in 2012 Report to COAG:	<b>Ready to proceed</b>
Initiative Name:	Pacific Highway Corridor Upgrade
Geography:	New South Wales east coast
Proponent:	New South Wales Government
Project description:	
<p>Upgrading the Pacific Highway is a joint initiative of the Australian and New South Wales Governments that commenced in 1996. The overall project will provide a minimum four-lane divided highway between Sydney and Brisbane. This proposal seeks support to complete the remaining 40 per cent of the Highway.</p> <p><b>Objective:</b> The highway upgrades aim to:</p> <ul style="list-style-type: none"> <li>• Achieve demonstrated and substantial improvements in road safety and freight efficiency, travel time savings and improved accessibility for regional and local centres; and</li> <li>• Complete a high quality road network connecting the four east coast capital cities; Brisbane, Sydney, Canberra and Melbourne (in combination with the project presently under construction that will complete the duplication of the Hume Highway in Southern New South Wales in 2013)</li> </ul> <p><b>Problem:</b> The problems this initiative seeks to address are: continued high fatality rates; increasing delays and congestion; increasing demand for improved access for commercial activity; reduced social amenity and increasing demands to lower social and environment impacts.</p> <p>The 2007 Australian Government's <i>Sydney to Brisbane Corridor Strategy</i> forecast significant growth in traffic on the Sydney to Brisbane corridor. It indicated that interstate freight between Sydney and Brisbane would almost triple over the next 20 years, compared to an expected doubling of freight on most other national freight corridors.</p> <p><b>Solution:</b> Upgrades aim to complete the divided highway between Sydney and Brisbane. They are outlined as lower priority (green) sections in figure 1. Most of the higher priority sections have already been funded.</p>	
Proponent's capital cost estimate (\$million, real, and base year):	\$6.4 billion in 2010 dollars
Contribution sought by Proponent including requests for project development funding (\$million):	\$5.12 billion in 2010 dollars (based on 80:20 Commonwealth to State funding ratio)
Project timing Start/Completion by Proponent (month/year):	2012-2016
BCR by proponent, excluding Wider Economic Benefits:	2.7 to 3.2 for entire program

## Strategic alignment

### Alignment with Infrastructure Australia's strategic priorities:

Upgrading infrastructure to address freight demand and deliver travel time savings contributes to 'increasing Australia's productivity'. In addition moving goods and people safely and efficiently along the corridor contributes to 'developing our cities and regions'.

### Alignment with state strategies:

The release of the whole-of-government strategy, *NSW 2021*, as well as the *NSW Long Term Transport Master Plan*, confirmed the priority of future unfunded stages of the Pacific Highway.

## Problem analysis

The Australian and New South Wales Governments agreed to upgrade the Pacific Highway as a high priority. To date, the New South Wales Government has been monitoring the implementation of the program to ensure the benefits envisaged at the start of the program are realised. These benefits demonstrate realisation of *NSW 2021* goals and those of previous strategies, including the AusLink Sydney-Brisbane Corridor Strategy.

## Solution assessment

A key recommendation of Infrastructure Australia's 2011 report *Communicating the Imperative for Action* was for the New South Wales Government to complete a proposal to develop the remaining sections of the highway as part of an integrated road and rail network. The submission briefly outlines the development of this additional work.

Infrastructure Australia's report also recommended that the New South Wales Government investigate funding through the application of a corridor-wide toll. The submission includes detailed discussion on the current government policy position which rejects any pricing options. It also explores the potential of various tolling options which could contribute significantly to the project costs and efficiency of the corridor. The Office of the Infrastructure Coordinator maintains its recommendation to introduce user charging on the highway.

## BCR appraisal

The original submission provided a sound economic appraisal with a BCR of 1.5 for the entire program. In February 2012 an updated a BCR of 2.7 to 3.2 was provided by the proponent for the program of works.

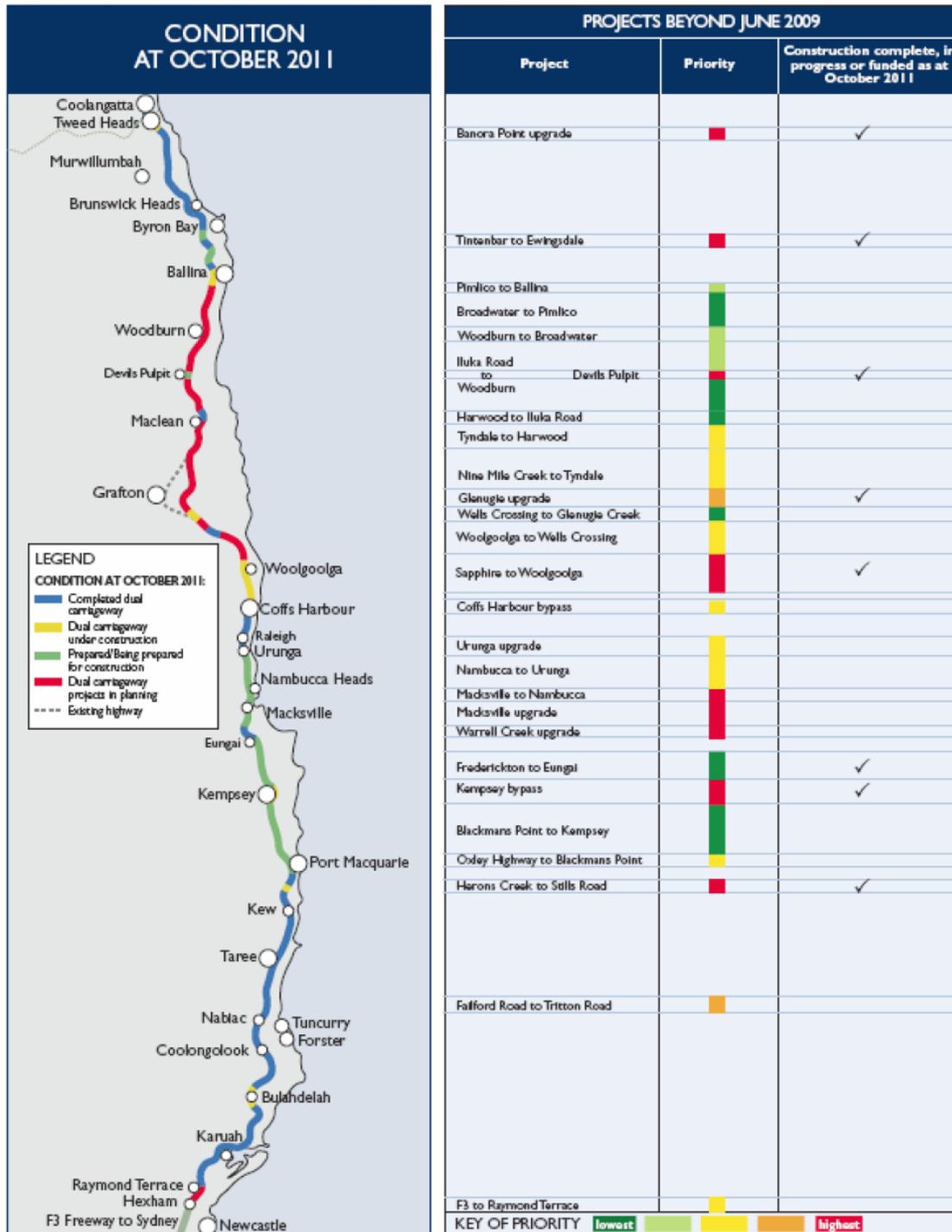
## Infrastructure Australia Priority List Recommendation

There is agreement at all levels of Government of the need to address safety and capacity constraints along the Pacific Highway.

It is recommended that the proposal be included on the Infrastructure Priority List at **Ready to Proceed** with the following conditions:

- The proponent enters an intergovernmental agreement with the Commonwealth for high productivity vehicle access.
- A corridor wide toll is applied to help fund the cost of the upgrades, and ongoing operating and maintenance costs.
- For the remaining sections of the highway upgrade, the proponent:
  - Develops a proposal for the highway to share corridors (at least in part) with potential realignments of the North Coast Rail line; and
  - Agrees to planning approval conditions that deliver a better balance between amenity and more efficient delivery, for example by extending work hours on the corridor and applying more realistic construction noise limits.

Figure 1: Current status of works and upgrade priorities



**Figure 2: Details of highway sections to be completed (by 2016)**

Highway Section	Length (km)	Estimated Cost (\$million 2010)	\$, million in 2010 dollars		
			Cost to complete at June 2011	Application of unspent committed funds	Additional funds to complete
<b>Priority 1</b>					
Hexham to Port Macquarie	221.4	Funded from \$484 billion 5 year program	N/A	N/A	Nil
Raleigh to Woolgoolga (Arararra)	55.8				
Ballina to Qld border	89.9				
<b>Priority 2 – Port Macquarie to Raleigh (south of Coffs Harbour)</b>					
Oxley Highway to Kundabung	23.1	750	736	220	861
Kundabung to Kempsey	14	350	345		
Kempsey Bypass	14.5	Funded from \$4.84 billion 5 year program	N/A	N/A	Nil
Frederickton to Eungai	26.5	670	657	657	Nil
Eungai to Warrell Creek	8	N/A	N/A	N/A	Nil
Warrell Creek to Nambucca	19.9	880	857	118	1,479
Nambucca to Urunga	21.6	750	730		
<b>Priority 3 – Woolgoolga to Ballina</b>					
Arararra to Glenugie	28.9	600	590	27	563
Glenugie Upgrade	7	Funded from \$4.84 billion 5 year program	N/A	N/A	Nil
Glenugie to Tyndale	33.4	900	885	51	834
Tyndale to Devils Pulpit	43	1,300	1,275	71	1,204
Devils Pulpit Upgrade	5	Funded from \$4.84 billion 5 year program	N/A	N/A	Nil
Devils Pulpit to Woodburn	15.3	250	245	13	232
Woodburn to Ballina Bypass	39.6	1,150	1,130	93	1,037
Hard treatments in soft soil sections of Woolgoolga to Ballina	N/A	200	200	Nil	200
<b>Total of projects required to complete upgrade</b>		<b>\$7,800</b>	<b>\$7,650</b>	<b>\$1,250**</b>	<b>\$6,400</b>

Note:

\* Figures are for 2016 completion. Distribution between projects is subject to change due to changes in project timing

\*\* Includes 2011 Federal and State budget amounts totalling \$1,188 million, plus previously allocated but unspent funds