

## 2012-2013 Assessment Brief

<b>Recommended rating:</b>	<b>Threshold</b>
<b>Status in 2012 report to COAG:</b>	<b>New submission</b>
Initiative Name:	Leach Highway Fremantle Upgrade
Geography:	Fremantle, Western Australia
Proponent:	Main Roads Western Australia
Project description:	
<p>The Western Australian Government is seeking \$57.2 million in Commonwealth funding to build approximately 1.8 kilometres of dual carriageway and undertake a major intersection reconfiguration along the Leach Highway (High Street) in East Fremantle between Carrington Street and the Stirling Highway.</p> <p>The project was allocated \$68 million under the Nation Building 1 program. However, the project was unable to move beyond the planning stage due to lack of local government support and other statutory issues, and \$60 million of the funds was withdrawn. It is understood that the project now has broad support of local government.</p> <p><b>Objective:</b></p> <p>The objectives of the project are to reduce delays for freight vehicles, improve road capacity and improve network amenity along a section of urban arterial road, which currently experiences capacity constraints and suffers from poorly aligned intersections.</p> <p><b>Problem:</b></p> <p>The problem is identified as safe and efficient access to the Port of Fremantle being impeded by congestion and safety issues on a 1.8 kilometre section of the Leach Highway (High Street) in East Fremantle, which is part of the only designated road freight access route to the port.</p> <p>Leach Highway (High Street) is an undivided urban arterial road with poor operating conditions and road configurations causing stop-start driving for heavy vehicles and poor urban amenity outcomes. The road also has a high crash rate.</p> <p><b>Solution:</b></p> <p>The proposed solution is to create a four-lane divided road with capacity for ultimate expansion to six lanes while retaining the current High Street as a local access road. The intersection with Stirling Highway will also be reconfigured to remove the sharp turns.</p>	
Proponent's capital cost estimate (nominal):	\$100 million (P90)
Contribution sought by Proponent including requests for project development funding (nominal):	\$57.2 million
Project timing Start/Completion by Proponent:	2015 - 2016
BCR stated by proponent:	1.6 (P50, 7% discount rate)

## Strategic alignment summary

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

The objective to improve the efficiency of access for road freight to the Port of Fremantle is aligned with Infrastructure Australia's strategic priority to 'increase Australia's productive capacity'. The objective to improve safety and amenity on urban roads within the East Fremantle area is aligned with Infrastructure Australia's strategic priority to 'improve social equity and quality of life'.

Leach Highway (High Street) is the main freight route into the Port of Fremantle, which carries over 90 percent of the container freight trade for Western Australia. It is part of the National Land Transport Network and the provisional National Land Freight Network.

Improving landside access routes to a major port is aligned with the objectives of the National Ports Strategy and the draft National Land Freight Strategy.

### **Alignment with state strategies:**

The project objective to improve freight capacity into the Port of Fremantle is specifically identified in the Metro Freight Network Strategy (2002) and is aligned with the objectives of Main Roads Strategic Plan 2k12 and Directions 2031 and Beyond.

The submission notes that the project is aligned with the objectives of the draft Western Australian Regional Freight Transport Network Plan, and is specifically identified in the Main Roads Western Australia Strategic Asset Plan 2012/13. These documents have not been released.

## Problem assessment summary

The problem is identified as an undivided urban arterial road with poor operating conditions including a sharp right-hand turn into Stirling Highway. This results in stop-start driving for heavy vehicles and poor urban amenity outcomes. The road is currently performing at Level of Service E (using AustRoads criteria) during the morning period, which indicates unsatisfactory performance.

The road also has a high crash rate. In the five years to December 2011 there were 413 crashes on the road, at an estimated cost of \$11.5 million.

Leach Highway (High Street) is part of the only designated road freight access route to the Port of Fremantle, which carries around 90 percent of all containerised freight for Western Australia. In 2011, the road carried around 29,000 vehicles daily of which approximately 4,250 (15 percent) were heavy vehicles.

Road freight traffic to and from the Port of Fremantle is expected to increase by up to 20 percent over the next five years which will place increasing pressures on the road. Modelling suggests that by 2031, the road will be severely congested and the intersection of High Street and Stirling Highway (at which all trucks must turn) would be at Level of Service F (complete congestion) in both the morning and evening peaks.

The level of congestion and deteriorating level of service is reasonably well understood, however the submission should clearly demonstrate the cost of the problem to the freight industry. The proponent's benefit cost assessment estimates the commercial travel time cost to be \$54 million.

## Solution assessment summary

The proposed solution is to create a four-lane divided road for freight vehicles with capacity for ultimate expansion to six lanes while retaining the current High Street as a local access road. The intersection with Stirling Highway will also be reconfigured to remove the sharp turns. The estimated cost of the proposed solution is \$100 million, which includes \$8 million of Nation Building 1 program funding retained for planning, design and preliminary works.

The submission identifies this preferred solution from a broad range of options including regulatory reform, governance reform, and better use reform options. For the preferred approach (new infrastructure), five road options were initially considered. After technical analysis, a short list of three options was considered in more detail. From these, a preferred option was identified and various sub options considered.

As the initiative is focused on improvements for freight, the proponent should provide information quantifying the estimated benefits that will arise for freight; estimated cost attributed to freight under current charging arrangements and under the heavy vehicle initiative proposed arrangements. The proponent should also provide information about the level of freight industry support for the direct charging for infrastructure upgrades.

## BCR appraisal conclusion

A BCR of 1.6 is provided by the proponent. The economic analysis provides a solid base off which to understand the merits of the project. It is recommended that a final business case be developed to support an investment decision. This should include design optimisation and reform measures, detailed BCR, risk assessment and cost estimates and their peer reviews.

## Infrastructure Australia Priority List recommendation

The Office of the Infrastructure Coordinator acknowledges the importance of landside connections and freight routes to and from the Port of Fremantle. The Office of the Infrastructure Coordinator further acknowledges that the proposed solution is likely to have a positive impact on national productivity.

It is recommended that the project be included on the 2013 Infrastructure Priority List at **Threshold** with the following conditions:

- The proponent provides a detailed business case including a robust economic analysis.

Attachments

Figure 1: Project area and wider freight network (source: submission document)

