

Australia: East-West toll road provides multi-billion dollar handout to corporate elite

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A proposed multi-billion dollar toll-road linking Melbourne's western and north-eastern suburbs has been made a central focus by political parties and the media in the election today in the Australian state of Victoria.

On September 29, just before the election campaign began, the state Liberal government of Premier Denis Napthine signed a contract with an international consortium led by infrastructure giant Lend Lease for the construction of the first stage of the project. Developed as a so-called public-private partnership, the proposed development has been promoted by big business lobby groups hoping to reduce export freight bottlenecks in Australia's second largest city. The federal Liberal-National government has committed \$3 billion in additional public funds, and Prime Minister Tony Abbott has declared the Victorian election will be a "referendum" on the proposed toll road.

The Labor Party has declared it will nullify the contracts negotiated by the government, while the Greens and pseudo-left organisations have centred their entire campaigns on opposing the road. These forces are seeking to exploit the widespread opposition to the project among ordinary people. A series of privatised pro-business infrastructure projects developed in Victoria in the last 20 years have seen billions of dollars in public funds funnelled to corporate interests.

The previous Labor government contracted the construction of a desalination plant, to produce surplus drinking water at a total cost of \$18 billion. Like the desalination plant, the plan for the East-West link was drawn up behind closed doors in collaboration with business interests. The project will be paid for by the working class, directly through expensive tolls for drivers using the road, and indirectly through the allocation of billions of dollars in public funds that will

be recouped through austerity measures targeting health, education, and other social services.

The Napthine government has shrouded the project in secrecy, citing "commercial-in-confidence" reasons to justify its refusal to publish any details of the contract. The government claims that total construction costs will be \$6.8 billion, with the project to be completed by 2019.

A report published this month by 10 financial and transport services experts and academics, however, estimated that the total cost will be between \$14.7 and \$15.6 billion. Responsibility for setting and collecting tolls will be carried by the state government, meaning that the private consortium will be guaranteed a handsome profit on its investment regardless of the number of drivers using the road. The report estimates that a single-trip toll of \$13.31 would need to be imposed on road users to cover interest on government debt and payments to Lend Lease.

The report also noted that government projections of traffic reductions cannot be verified because the analytical methods and assumptions underlying the estimates have not been made public. Previous privatised toll roads have greatly inflated estimated driver numbers—a research paper by John Black, published in the *Public Infrastructure Bulletin* earlier this year examined eight previously constructed toll roads in Australia and found that actual daily traffic use averaged less than half the pre-construction forecasts.

The East-West road issue has served as a convenient diversion in the Victorian election campaign for the political and media establishment. None of the crucial issues confronting the working class have been addressed by any of the parties contesting the vote. The escalating economic and social crisis in Victoria and across Australia has been deliberately suppressed.

Likewise excluded in favour of the most parochial concerns has been the Australian ruling elite's participation in US imperialism's latest wars of aggression in the Middle East.

The supposed differences between the major parties on the East-West toll road are, in any case, more apparent than real. The Labor Party previously insisted that if it won office it would be obliged to honour any contracts signed by the incumbent government for the construction of the tunnel. State Labor leader Daniel Andrews only shifted on the eve of the election campaign, clearly in response to the significant public opposition to the project. He announced that if elected premier, he would honour only "legally binding" contracts and claimed that legal advice indicated that the contracts signed by the Napthine government would not be binding.

Andrews has nevertheless refused to rule out building the road after the project has been re-evaluated by a new transport advisory body, Infrastructure Victoria, which Labor will establish if elected. Andrews declared last Friday: "The difference is that you'd have a transparent process and the business case would be public, not the secrecy and the botched, rushed nature of this project."

The Labor Party is concerned, in other words, to deliver business its demanded infrastructure while doing a better public relations job than the Liberal government.

The Greens have demanded that the proposed East-West tunnel be scrapped, with funding instead allocated to a new north-eastern train line. This proposal would resolve none of the complex urban planning, transport, and environmental issues bound up with addressing the infrastructure needs of working people amid rapid population growth in Melbourne. The Greens are a bourgeois party, no less committed to the interests of the financial elite than Labor and Liberal, and have indicated their eagerness to form a coalition government in Victoria with either of the two major parties.

There are widespread concerns about ordinary working people over the lack of public transport, profiteering from public-private partnerships as well as the social and environmental impact on particular communities. However, the real target of the Greens' anti-toll road campaign is their core upper-middle class

constituency. The East-West link will go through some of Melbourne's wealthiest inner northern suburbs, with professional layers there concerned over the impact of the road's construction on property values and access to local parks. The Greens' campaign is pitched to this privileged layer's narrow lifestyle concerns.

The pseudo-lefts rest on the same constituency. The Socialist Party, whose leader Stephen Jolly is a councillor in the inner-city Yarra district and candidate for the state seat of Richmond, has centred its election campaign on opposition to the East-West link tunnel. Jolly has promoted himself as a more militant opponent of the road than the Greens, with his slogan, "Don't end up with another do-nothing MP: put a fighter in the parliament!" Jolly previously denounced the government "and their corporate backers [who] thought they could come to Yarra with a wrecking ball, tear down houses and destroy property values, and build a road that won't work..."

Jolly and the Greens have each given one another their second "preference" in today's election, reflecting their close working relationship.

The solution to the transport infrastructure crisis cannot be addressed through appeals to one or other section of the political establishment that defends the interests of big business. What is required is the public investment of billions of dollars into the establishment of a high-quality, freely accessible public transport and road network system. The development of such a rationally planned system, however, is impossible while society is dominated by a tiny parasitical financial elite that subordinates everything to the drive for profit and personal wealth accumulation.



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