

West Gate Tunnel saga shows risk of 'lock-in' on mega-projects pitched by business

Written by James Whitten, Ph.D Candidate, Faculty of Architecture, Building and Planning, University of Melbourne

Victoria's government [finds itself in a big hole](#) with its [West Gate Tunnel project](#). As diggers lie idle in a dispute over what to do with contaminated soil, it's facing [long delays](#) and [billions in extra costs](#). But the government appears locked into a [contentious project](#) that was put to it as a market-led proposal, an arrangement that [bedevils transport projects across Australia](#).

Australian governments look increasingly to [mega-projects](#) to solve urban and regional transport problems. These projects are city-shaping. They can transform how entire urban regions function.

The public has a clear stake in these projects, but unsolicited market-led proposals are subverting planning processes that are meant to protect the public interest.

Read more: [***Market-led infrastructure may sound good but not if it short-changes the public***](#)

Market-led proposals are [unsolicited bids](#) to government by private firms to provide public services or infrastructure. Policies governing market-led proposals were [introduced in 2014 and 2015](#) by state governments across Australia to promote innovation in service delivery and value for money for taxpayers.

The [increasing use](#) of [market-led proposals](#) for transport mega-projects raises important questions. How are policies governing these managed, to what end, and for whose benefit?

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In Melbourne, the [tensions](#) between toll road operator Transurban and the Victorian government over the West Gate Tunnel highlight a fundamental shortcoming of market-led proposals. Bluntly, these are not suited to the planning of transport mega-projects because governments can become “locked in” with [questionable benefits](#) .

Lock-in has been

[defined](#)

as “the escalating commitment of decision-makers to an ineffective course of action”.

The case of the West Gate Tunnel

Transurban’s builders of the West Gate Tunnel, John Holland and CPB Contractors, [laid off 137 workers](#)

last month in a dispute about liability for contaminated soil. This is bad press for the state government, which touted

[job creation and training](#)

as key project benefits.

The dispute could add to delays and costs on top of two earlier changes related to the project. The first was a ten-year extension to Transurban’s [CityLink tolling concession](#) that will cost road users [billio](#)

[ns of dollars](#)

. The second was an increase in construction costs from

[A\\$5.5 billion to A\\$6.7 billion](#)

to extend tunnels to

[save a public park](#)

Explanations for the dispute include the Environmental Protection Authority [tightening soil disposal requirements](#)

, [difficulties determining site conditions](#)

during the environmental assessment process, and

[insufficient foresight and planning for these risks](#)

Another explanation for what happened is “lock-in”. Evidence of lock-in on the West Gate Tunnel points to deeper systemic problems with market-led proposals for transport mega-projects in general.

How does lock-in happen?

Lock-in can occur when powerful corporations partner with governments in circumstances that enable them to exploit vulnerabilities in our public institutions. Some of these vulnerabilities include increasing reliance by governments on private finance, and the short period between elections compared to the time it takes to deliver bold public works programs.

Lock-in happens when the real decision to build a project is made well in advance of processes that are publicly declared to inform that decision. Once governments are locked in to a project, it can make alternatives appear increasingly unviable, if not unthinkable.

There is strong evidence to suggest this happened with the West Gate Tunnel. [Significant concerns](#) were raised early on that the project might not provide its claimed public benefits.

Read more: [Impending traffic chaos? Beware the problematic West Gate Tunnel forecasts](#)

What makes market-led proposals different?

Market-led proposals differ from government-led projects because planning is effectively outsourced to the private sector.

Market-led proposals also differ from [public-private partnerships](#), like Melbourne's CityLink tollway. In such cases, government plans these projects, but private firms deliver and operate them. (At least CityLink was part of a [long-standing, if largely discredited, strategic plan](#).)

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Revelations that Transurban acted in [secretive and strategic ways](#) to secure support for its West Gate Tunnel raise serious ethical questions. What does it mean to be a “good partner” to government? How should powerful private corporations obtain a “social licence” to operate?

These questions draw attention to problems inherent in Victoria’s opaque market-led proposal process. The government’s caution about the AirRail consortium’s [unsolicited bid for Melbourne’s airport rail link](#) points toward some of these dangers.

Read more: [*Transurban's West Gate tollway is a road into uncharted territory*](#)

What’s wrong with this approach?

Government policies for assessing market-led proposals give [powerful private firms like Transurban](#) influence over strategic planning. This contrasts with the relatively limited influence granted to affected communities and stakeholder groups advocating for sustainable transport solutions.

Acceptance of Transurban’s bid allowed a multi-billion-dollar toll road to override plans that had been [taken to an election](#). These plans were simpler and far less expensive. The plans had been developed with the local community to better manage freight traffic by [upgrading access to existing freeways](#).

The West Gate Tunnel process involved expedited planning that bypassed broad-based community consultation. John Holland and CPB Contractors were selected in April 2017 “[to get to work](#)” on the project. That was five months before [public hearings](#) concluded in September. Over 500 submissions were received.

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Add to this the suppression of [independent and critical oversight](#) and a [heavily redacted](#) business case, and a very concerning picture of Victoria's market-led process emerges.

Read more: [Sidelining citizens when deciding on transport projects is asking for trouble](#)

Wanted: an integrated transport plan

Because governments are ultimately responsible for their partnerships, the Victorian government should demonstrate stronger accountability and leadership. Victorians are still waiting for an integrated transport plan, as is required to be prepared under the [2010 Transport Integration Act](#)

Instead of outsourcing transport problems to private firms, the government should develop a statewide, genuinely consultative, evidence-based plan.

An integrated transport plan would allow Victorians to see how future mega-projects, regardless of who proposes them, might serve everyone's interests.

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