

8 December 2015

## TRANSURBAN WELCOMES EXCLUSIVE NEGOTIATIONS WITH VICTORIAN GOVERNMENT ON WESTERN DISTRIBUTOR PROJECT

Transurban has welcomed today's announcement (attached) by the Victorian Government to progress the Western Distributor proposal through to exclusive negotiations between the parties (as part of Stage 4 of its Market-led Proposals Guideline).

Transurban CEO, Scott Charlton, said this significant milestone provides a clear path to continue engaging with the local community and industry through the critical steps of planning, procurement and delivery.

"The Western Distributor will shape the future of our city with benefits felt locally and regionally, creating jobs, boosting productivity and enhancing the long-term resilience of Melbourne's transport network," he said.

### Western Distributor Project Scope

The project includes the following works:

- Webb Dock Access improvements: an early works package of the Western Distributor project, with upgrades to Cook Street and the West Gate Freeway-to-Bolte Bridge ramp to complement VicRoads' nearby port-related works already underway and improve safety and access from Webb Dock. At a cost of approximately \$60 million, improvements will be delivered as part of the existing CityLink Tulla Widening project.
- Western Distributor: a tunnel and elevated motorway connecting the West Gate Freeway with the Port of Melbourne, CityLink and the CBD. This will ease pressure on the West Gate Bridge, feature managed motorway technologies and increase the river crossing capacity by up to 60 per cent.
- West Gate Freeway widening: two additional lanes in each direction between the M80 Ring Road and the West Gate Bridge, which will also incorporate managed motorway technologies. Capacity of this corridor will be boosted by 50 per cent.
- Monash Upgrade: in partnership with VicRoads, improvements to safety and travel time reliability along 44 kilometres of road, including an additional lane in each direction for 17 kilometres. It includes widening of the freeway in both directions from four to five lanes between EastLink and the South Gippsland Highway and from two to three lanes between the South Gippsland Highway and Clyde Road. In addition, roadside technology upgrades will be installed between Warrigal Road, Chadstone and Koo Wee Rup Road, Pakenham.

As part of today's announcement, the Victorian Government has released its business case and assessment design. This business case has provided the benchmark for government agencies and independent experts to determine that the project put forward by Transurban represents a unique value proposition for Victoria.

Classification

Public

#### Transurban Group

Transurban International Limited  
ABN 90 121 746 825

Transurban Holdings Limited  
ABN 86 098 143 429

Transurban Holding Trust  
ABN 30 169 362 255

ARSN 098 807 419  
corporate@transurban.com  
www.transurban.com

Level 23  
Tower One, Collins Square  
727 Collins Street  
Docklands  
Victoria 3008 Australia  
Telephone +613 8656 8900  
Facsimile +613 9649 7380

Level 9  
1 Chifley Square  
Sydney  
NSW 2000 Australia  
Telephone +612 9254 4900  
Facsimile +612 9254 4990

# asx release

Transurban will now work with the Victorian Government to finalise the scope of the project, including the design of the Western Distributor tunnels and the exact locations of connections to the Port of Melbourne and CBD. The attached map outlines the current scope of Transurban's proposal to the Victorian Government.

## Expected Project Timelines

The project scope and construction costs for the project will be confirmed following completion of a statutory planning process, which will commence in 2016.

### Webb Dock Access improvements

- Delivered with CityLink Tulla Widening works to minimise disruption to motorists
- Late 2015: Construction commences
- Early 2018: Works complete in line with CityLink Tulla Widening project

### Western Distributor and West Gate Freeway widening

- To be delivered through a competitively procured design and construction contract
- 2016: Planning and procurement processes begin
- 2018: Construction commences
- 2022: Works complete and open to traffic

### Monash Upgrade

- Expected to be delivered in partnership with VicRoads
- Late 2015: Expressions of Interest go to market
- Late 2016: Construction commences
- 2018: Works complete

"Whilst we will break ground on the Webb Dock Access improvement package later this month, significant capital expenditure from Transurban is not expected until major capital construction works commence on the West Gate Freeway/Western Distributor corridor, which would occur in FY2018," said Mr Charlton.

## Project Economics

The Western Distributor project is currently expected to cost around \$5.5 billion (nominal dollars), with exact construction costs to be determined through a competitive tender process and confirmation of the final project scope.

Transurban's proposed funding structure for the Western Distributor project remains in line with its April 2015 announcement and currently includes:

- tolls for motorists using the new tunnel;
- tolls for heavy vehicles using the upgraded West Gate Freeway/Western Distributor corridor;
- tolls integrating into the existing CityLink tolling structure;
- extension of the current CityLink Concession Deed by approximately 10 to 12 years; and
- government contributions, expected to cover approximately one third of the total project costs.

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## Steps to Financial Close

Under the proposed timelines, Transurban anticipates:

- reaching an in-principal agreement with the Victorian Government by mid 2016; and
- financial close for the project occurring by late 2017.

More details on the Western Distributor project can be found at <http://consult.transurban.com>.



**Julie Galligan**  
Company Secretary

## Investor enquiries

**Jessica O'Brien**  
Investor Relations Manager  
+61 3 8656 8364

## Media enquires

**Tim Salathiel**  
Head of Public Affairs – VIC  
+61 407 523 650

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Telephone +612 9254 4900  
Facsimile +612 9254 4990

## WESTERN DISTRIBUTOR: PROPOSAL DESIGN



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Facsimile +612 9254 4990

# Media Release

The Hon Daniel Andrews MP  
Premier



Tuesday, 8 December, 2015

## WESTERN DISTRIBUTOR PROJECT GETS THE GREEN LIGHT

The Andrews Labor Government will partner with Transurban to build the \$5.5 billion Western Distributor Project, which includes the Monash Freeway Upgrade and upgrades to Webb Dock.

Premier Daniel Andrews, Treasurer Tim Pallas and Minister for Roads Luke Donnellan today released the Victorian Government's reference business case, which shows the project stacks up financially, delivering a benefit of \$1.30 for every dollar invested.

The Western Distributor will deliver immediate travel time savings of up to 20 minutes a day, take 6,000 trucks off the West Gate Bridge, and create 5,600 new jobs. The estimated \$5.5 billion project will:

- Widen the West Gate Freeway from 8 to 12 lanes between the M80 and Williamstown Road
- Build a tunnel under Yarraville and a second river crossing over the Maribyrnong
- Construct an elevated road along Footscray Road with direct links to the Port of Melbourne
- Create the longest managed motorway system in Australia from Geelong to Pakenham
- Build 4.5km of new cycling and pedestrian paths including completion of the Federation Trail

This project will put an end to trucks rat-running through inner west streets to get to the Port, with existing truck curfews on local roads to be extended once construction has completed.

The final scope and design will be confirmed in consultation with the community, local government and industry during a comprehensive planning process to be undertaken during 2016.

The Labor Government will also deliver the Monash Freeway Upgrade as part of the project, providing a network-wide solution and streamlining traffic from Geelong to Pakenham.

The project will be funded through a combination of tolling on the Western Distributor, an extension of Transurban's CityLink concession, and State and Commonwealth contributions.

Construction on Webb Dock will begin this month, the Monash Freeway Upgrade section will start construction in 2016, construction on the Western Distributor begins in early 2018, and the full project will be completed by 2022.

The Government has moved to Stage 4 of the market-led proposal guidelines and has submitted the business case to the Commonwealth Government and Infrastructure Australia for assessment and funding consideration.

### Quotes attributable to Premier Daniel Andrews

*"We're getting on with the Western Distributor to provide an alternative to the West Gate Bridge, slash congestion on the M1 from the west to the south east and create thousands of new jobs."*

*"Motorists will see immediate travel time savings of up to 20 minutes a day – almost two hours a week Victorians can spend at home with family instead of stuck in traffic on the West Gate or Monash."*

### Quotes attributable to Treasurer Tim Pallas

*"We always said that we'd ensure that the project represented value for money for Victorian taxpayers, and it does."*

**Media Contact:** Lisa Tucker 0421 597 669 | [lisa.tucker@minstaff.vic.gov.au](mailto:lisa.tucker@minstaff.vic.gov.au)

*“The business case found that this project will deliver a return of \$1.30 for every dollar invested, and an \$11 billion boost to Victoria’s economy.”*

**Quotes attributable to the Minister for Roads Luke Donnellan**

*“Congestion and trucks bound for the Port are choking residential streets and costing Victorian businesses.”*

*“The Western Distributor will take 22,000 vehicles a day off the West Gate Bridge, including up to 6,000 trucks and improve links to the Port of Melbourne, Webb Dock and the inner north.”*