

Department of Premier and Cabinet, Victoria

East West Projects Economic Analysis

**Review of the Estimation of  
Wider Economic Benefits**

December 2008

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Comments and queries can be directed to:

Scott Lennon  
Partner – PricewaterhouseCoopers  
Ph: 02 8266 2765  
Email: [scott.lennon@au.pwc.com](mailto:scott.lennon@au.pwc.com)

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# 1 Introduction

## Scope

PricewaterhouseCoopers (PwC) has been appointed by the Victorian Government to critique the economic work presented in Sir Rod Eddington's *Investing in Transport: East West Link Needs Assessment* (EWLNA) and to provide advice on the further development of the economic analysis conducted for the study.

PwC was requested to “review the full range of economic and community benefits of EWLNA projects and the supporting consultant reports to determine whether there are any critical flaws in the methodology, assumptions, data and analysis underpinning the information in the reports”.

This report considers the wider economic benefits (WEBs) element of this request<sup>1</sup> and also responds to the specific request to:

- “review and provide advice on the applicability of the measures of economic benefit (e.g. WEBs) in the Australian transport context and in the specific context of the recommended projects”.

The WEBs analysis was originally provided to the EWLNA study team by Meyrick and Associates, with support from Steer Davies Gleave.

## Wider Economic Benefits

‘Wider Economic Benefits’ is an umbrella term for a set of benefits, which are now routinely assessed in UK Cost-Benefit Analysis (CBA) (the UK Department of Transport pioneered the methodology and can be considered a world leader in WEB estimation). WEBs have not previously been captured within CBAs in Australia<sup>2</sup> but have instead been assessed via a

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<sup>1</sup> PwC is considering four aspects of the EWLNA analysis, covering (i) the ‘traditional’ CBA; (ii) Wider Economic Benefits (WEBs); (iii) Impacts connected to retrofitting infrastructure to urban areas; and (iv) Land use, social and demographic impacts.

<sup>2</sup> Economic appraisal methodologies constantly evolve as our understanding develops. For instance, in most advanced democracies appraisal now

separate economic analysis technique known as Economic Impact Assessment (EIA).

Put simply, it is considered that traditional cost-benefit appraisal - for a number of reasons but primarily because of the *absence* of perfect competition in some markets – does not fully reflect the total benefits (as distinct from impacts) of a transport policy or project. The WEBs considered in the EWLNA are<sup>3</sup>:

1. **Agglomeration externalities**, i.e. the benefits of close proximity not factored into individual business or commuter decisions;
2. **Imperfect Competition**: the difference between the value society places on the worker's output from one hour's work (i.e. the price of whatever the worker makes in one hour) and the cost of the worker's time to the firm; and
3. **Increased labour productivity**: the benefits of improved labour productivity beyond those accruing to individual commuters
4. **Increased labour supply**: the benefits of improved labour supply beyond those accruing to individual commuters.

### **WEBs and the ELWNA analysis**

The EWLNA estimated WEBs as an adjunct to the direct economic benefits of a traditional CBA. In the interests of transparency, these were presented separately.

To give an indication of scale, for the recommended projects the traditional benefits were assessed by Meyricks to be worth \$11.1bn (NPV). The WEBs were assessed by Meyricks to be

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incorporates a monetary value of carbon emissions, due to the climate change impacts of the gas. This is new – indeed perhaps only 1-2 years old in many countries, but there are few who would now argue that this impact is not of the utmost importance to policy makers and should not be measured.

<sup>3</sup> These are explained in depth later in this document.

worth \$3.3bn (NPV). The inclusion of WEBs in the Benefit Cost Ratio (BCR) increased the ratio from 0.7 to 1.0<sup>4</sup>.

The value of agglomeration externalities is the most significant WEB benefit for the EWNA comprising over three quarters of the total WEB benefit. The table below provides a break down of the estimated WEB value from the EWLNA.

Nature of benefit	Value, \$m (2031)	% of WEBs value
Agglomeration	\$229	76%
Imperfect Competition	\$17m	5%
Labour productivity	\$43m	14%
Labour supply	\$16m	5%
Total WEBs	\$305	100%

Clearly, these percentages suggest that most attention should be paid to the agglomeration benefits, since the other three benefits are less significant in the final BCR evaluation. **This paper therefore principally focuses on the agglomeration benefit.**

### PwC's approach

This critique considers whether there are any substantial flaws in the analysis conducted for the EWLNA study team. This matters, for two important reasons. First, to check that the conclusions drawn by the EWLNA team remain valid. Second, for 'whole of Government' reasons, since if WEBs are included in one project, they should – ideally - be included in other competing projects to assist comparison.

This note considers three elements of this question for each type of benefit:

- **Theory.** We consider and comment on the theoretical arguments for *and against* the economic validity of including WEBs in transport analysis generally, and in particular on the EWLNA projects, outlining the argument for and against, then proving a view on the merit of including or excluding;

<sup>4</sup> In dollar terms, \$14.4bn:\$15.0bn.

- **Methodology.** We consider the methodology used by the EWLNA team to assess these WEBs, assess the methodology accuracy and assess the risk of significant double counting;
- **Data.** We consider the assumptions and input data used by the EWLNA team to assess the benefits in this case, to consider if those assumptions are justified and if the data used is valid, with a particular focus on the applicability of UK data in the Victorian context.

The critique concludes with an assessment of whether any factors covered in the above analysis are significant enough to materially alter the BCA results. We have attempted to draft this critique in 'plain English', so that it can be broadly understood by non-transport economists. However, the use of jargon on some occasions has been difficult to avoid.

It should be noted that the services included in this proposal do not constitute either an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements. This is a top down assessment of principles using sample testing based on a negative assurance basis.

## 2 Agglomeration externalities

### Theory

Agglomeration theory itself is not controversial. It is widely observed that firms and workers often cluster: hence the existence of cities; business parks; technology corridors or valleys. Clusters of excellence by career speciality lead to increased innovation and higher sophistication: firms in the cluster are more often market leaders and can charge a premium. The explanation is that there is some productivity benefit to that proximity: economies of scale; access to more suppliers; access to knowledge spillovers (e.g. Silicon Valley); access to more customers (witness the existence of jewellery retailing clusters); and access to more workers, enabling better job matching.

Considerable empirical research, in the US, UK and Europe<sup>5</sup>, has confirmed the presence of this effect: controlling for other factors such as non-labour income and occupational and skills composition of the labour force, productivity rises in line with city density, due to these effects (i.e. there is a positive elasticity).

Venables (2007) outlines that a transport improvement in a city can have two obvious effects in light of this relationship. One, by improving links between firms as the effective density of the cluster rises. Second, by relaxing constraints on access to the city centre, overall city employment is increased.

The question for transport appraisal is whether the value placed on time savings by individuals or firms in either of these circumstances reflect the full benefits, given the existence of the productivity elasticity.

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<sup>5</sup> For instance, Rosenthal, Stuart S. and William C. Strange, "Evidence on the Nature and Sources of Agglomeration Economies," *Handbook of Urban and Regional Economics*, J.V. Henderson and J.-F. Thisse, eds, 2004. see also "Evaluating urban transport improvements: cost-benefit analysis in the presence of agglomeration and income taxation"; Anthony J. Venables London School of Economics and CEPR, 2004.

Taking the first effect, the view that appraisal currently undervalues the benefits rests on the fact that the productivity of any one firm depends on the location decision of other firms. For instance, if neighbouring firms all move out, the remaining firm will become less productive. Put another way, the gains to society of locating in the city exceed the private gains (the gains the firm might be expected to pay for) for any one firm.

This is called a 'positive externality', since the neighbouring firms will not consider the remaining firm's interest when making their decision – i.e. it is external to their own decisions. Therefore, there is a benefit - over and above the simple travel time benefits for all firms - of being closer together.

Taking the second effect, an individual will be willing to pay for the private benefit of working in the city, but will not take into account the wider benefit of the creation of a thicker and so more productive labour market by his or her addition to the effective workforce. Again, there is a benefit - over and above the simple travel time benefits for individuals - for all firms of being closer together.

Both these effects are classic *externalities*: the agglomeration elasticity reflects benefits to society that are not considered by individuals or firms. Thus, current appraisal techniques seem to undervalue the actual benefit, because current appraisal only measures the value of time for which individuals or firms are willing to pay.

Appraisal, it is therefore argued, should include an assessment of the 'extra' productivity uplift within the city (that is, the value of the agglomeration externality), in addition to the aggregate value of time savings to individuals and firms.

However, whilst the theory is now accepted in the UK and elsewhere, it is important to consider the arguments against the inclusion of these benefits in CBAs. Below are three main theoretical arguments against this approach:

1. *There is a risk of overstatement, because although firm A does not value the impact it has on other firms (e.g. firm B), firm B values that impact in its own value of time.*

It is true that, if firm A moves close to firm B, both firms benefit from reduced travel times. Therefore only measuring the benefit to firm A would undervalue the benefits. However, the WEBs technique is not about measuring the benefit to firm B of firm A's actions – this is already measured because the travel time saving for firm B is included in standard appraisal.

Instead, because we only capture the *private* benefits to both firms, the WEBs technique is seeking to measure something else: the public, or external, productivity “boost” from increased density. Since this is not traded in conventional markets, neither firm values the additional effect - it is external to both firms, and thus additional to their value of time savings<sup>6</sup>.

2. *The extra value caused by the agglomeration externality is often reflected in higher wages in agglomerations, which is in turn reflected in individuals' willingness to pay for travel time savings - therefore there is a risk of double counting.*

This argument here is that because of agglomeration, the closer proximity and density increases innovation and sophistication, so the value of a firm's output increases and that this is partly reflected in higher wages. Therefore any reduction in travel time savings as proxied by wages will reflect the increased value because it is this reduction in trip cost that facilitates agglomeration.

However, as before agglomeration economies are externalities and the benefits of agglomeration are therefore not directly traded in conventional markets. As a result, the additional value does not fully transfer through to wages, and so wages will not capture all the actual productivity increase within firms.

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<sup>6</sup> Contrast land price uplift. Some analysts argue that the uplift in land prices as a result of a transport improvement cannot be included because the uplift is a direct result of the transport improvement and hence is partly or largely captured in the surplus generated from the transport project. Land is traded in conventional markets and hence, the value of any uplift can be internalised. The benefits from agglomeration are not directly traded in conventional markets (although they can be evidenced in rent differentials) and hence, like other externalities, cannot be internalised.

3. *Where employment relocates from outside the city to inside the city (or from one part of the city to another) those places would experience a reduction in productivity following a decline in employment levels, reducing or negating the overall productivity effect.*

This is an important issue. Two movements are possible:

- If employment moves from a lower agglomeration area to a higher agglomeration area, then we would expect higher productivity in the new area to significantly outweigh the lower productivity in the original area – thus a net positive impact; or
- Employment *could* move from high to low productivity areas, in which case we would expect a net negative impact on productivity, since the worker made a larger contribution to economy-wide productivity in his original location.

To ensure that these net effects are both fully captured, the impacts should be measured beyond the narrow transport corridor. In the case of the EWLNA team, changes in effective density were measured for the whole of Melbourne<sup>7</sup>, thus capturing the mix of impacts across the city.

### **Methodological issues**

The EWLNA team utilised the United Kingdom Department for Transport official methodology.

To simplify, this is a two step process:

- Assess the changes in the costs of travelling to, from or within one or more locations following the intervention and the resulting changes in employment patterns. Then translate this into an assessment of the impact upon effective density of each area; and
- Measure the impact of increased effective density upon productivity via an agreed elasticity based on empirical evidence (to get the % productivity increase per area),

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<sup>7</sup> NB: The appraisal seeks to estimate new jobs with a netting off of any job losses.

then multiplied by GDP per worker and employment by industry to get the overall economic uplift.

This central methodology is robust in itself (i.e. the equation is comprehensive).

However, concerns lie in the geography of the scope of the analysis, in that it is essential to consider all places from where *employment shifts*, or a potential negative effect can be missed. Thus the calculation must sum up across a range of industries and areas to give the true agglomeration benefits, capturing both agglomeration and disagglomeration.

In this case, the Meyricks analysis looked at the effect Melbourne-wide, not simply the east-west corridor. Whilst in theory a wider scale – e.g. Victoria – might be justified, in practice simplifying the methodology to the Melbourne area is justified since the effect outside Melbourne will be small, and certainly marginal in terms of the overall costs and benefits of the project.

### Data issues

The EWLNA team used local data for the analysis, including original research by the consultants SGS into the employment demographic impact of different options. It is beyond the scope of this critique to evaluate the robustness of these data sources, but PwC has no reason to believe that the data is not robust.

An accurate assessment of the size of the elasticity between density and productivity is, for obvious reasons, fundamentally important. However, in the absence of specific Australian, Victorian or Melbourne data, the EWLNA team used of United Kingdom agglomeration elasticity data. The question is therefore: is this justified in the Melbourne context?

A large number of studies use cross-section data on cities (often but not always in the US) to relate productivity to city size<sup>8</sup>. Findings vary according to the extent to which researchers are able to control for the quality of inputs, but typically find an elasticity in the range of 0.04-0.11. In other

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<sup>8</sup> This data is drawn from DfT 2007: UK Department of Transport 2007: transport, Wider Economic Benefits and Impacts on GDP.

words, a 1% increase in the density of a city would lead to increase in firms' productivity of 0.04-0.11%.

Clearly, it would be better if local agglomeration elasticity data could be used, and in due course the Victorian Government may wish to consider how to develop the data required in conjunction with academic experts.

However, at the present time Australian analysts need to use overseas data. Whilst Melbourne is a unique city with a unique industrial mix and structure, it shares many common features with other services-based cities in western, free market economies. This gives a good degree of assurance that the UK figure is of a similar order of magnitude to the Melbourne estimate.

In addition, by using the UK figure of 0.04 – the lowest figure found in the studies – Meyricks have selected a cautious level of elasticity (it could, for instance, have been argued that Melbourne is closer to the US rather than European cities in land use and has an industry mix – especially the importance of financial services – which justifies a figure nearer 0.11).

Therefore policymakers can have a good degree of comfort that it is more likely the figure used underestimates rather than overestimates the true benefits.

## 3 Imperfect Competition

### Theory

Traditional appraisal measures the reduction in labour costs to firms due to travel time savings. The reduction in labour cost is used as a proxy for the actual value to society of the time saving. This is because, *in a perfectly competitive market*, hourly labour costs are the same as hourly productivity, since perfect competition means the price a firm can charge for a good or service is the same as the cost of producing that good or service (in this case, the labour cost).

However, it is argued that in reality, many markets are not perfect. Therefore, firms can charge more for a good or service than it costs to produce, and so labour costs are no longer an adequate proxy, since the value to society is now higher than the labour cost, provided the firm does increase production as a result of the time saving. This difference is called the “price-cost” margin.

As a result, there is a gap between the value of labour and the value of the output. Appraisal, which is based on the value of the worker’s time, therefore does not fully capture the value of the worker’s output.

It can therefore be seen that, from a theoretical perspective, the justification for this benefit is the presence of imperfect competition in some Australian markets. There can be little debate that this is the case – it is widely accepted that many real world markets are imperfect. Thus, from a theoretical perspective, assessing this impact is justified.

### Methodology

The methodology is straightforward: an uprate factor is applied to the value of business time savings.

This uprate factor is a combination of the cost-price margin (how imperfect is the market) and the elasticity of demand in the imperfect market (by how much does output rise following a reduction in time savings).

## Data

The difficulty in measuring this benefit is the lack of data to justify a particular uplift rate.

The EWLNA team used a UK uplift rate, based on an estimate by Venables, Newbery, Harris and Davies<sup>9</sup> as well as further analysis by UK Government agencies.

However, the UK admits<sup>10</sup> that such data is scarce in the UK economy, and we are not aware of any work in Australia that has estimated an uplift for use in transport appraisal. Consequently, the team also relied upon the UK uplift rate.

It is clearly the case that dedicated Australian or Victorian data would be more satisfactory. However, the question is whether the UK uplift rate is a sufficiently accurate proxy for Australia to give some robustness to the results.

In the absence of directly comparable data, it is difficult to be definitive on this issue. The two relevant elements of the uplift rate are the *average price-cost margin* and *the elasticity of demand*.

The UK uplift rate uses a price-cost margin that is estimated from various sources, including OECD studies. The UK settled on a figure of 0.2, higher than the OECD range of 0-0.15. The elasticity of demand component is sourced from UK-only data.

Whilst it could be argued that due to its economic size and location Australia has a shallower domestic market than the UK – for instance, number of supermarkets, airlines - it would be speculative to make economy-wide judgements about the degree of imperfect competition in Australian markets versus UK markets without a thorough literature review<sup>11</sup>.

However, both are open, trade-exposed liberal markets. It is therefore a fair assumption that the Australian figure is unlikely to be so substantially different from the UK figure that the order

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<sup>9</sup> Venables, A. (1999), M. Gasiorek, D. Newbery, P. McGregor, R. Harris and S. Davies, "The welfare implications of transport improvements in the presence of *market failure* - the incidence of imperfect competition in UK sectors and regions", DETR

<sup>10</sup> UK Department of Transport 2007: transport, Wider Economic Benefits and Impacts on GDP

<sup>11</sup> It would of course be possible to conduct an academic review of Australian research sources to develop an estimate for the Australian context.

of magnitude of benefits should be called into question (and again, if there is a significant difference, at first glance Australia's markets are likely to be less competitive than the UK, which means the benefit assessment would be conservative rather than overstated).

## 4 Labour market impacts

### Theory

The EWLNA team note that two types of labour market impact are already captured in appraisal:

- The extra output from new workers – caused by the increase in labour supply due to a reduction of commuting costs (what is called the labour supply elasticity); and
- The extra output from existing workers – caused by existing workers working longer hours or shifting to more desirable jobs due to a decrease in commuting time.

In both cases, the EWLNA argued that “any increase in output will only have been considered by individuals to the extent that they receive compensation in the form of an after-tax salary or wage”<sup>12</sup>. In other words, current appraisal only reflects the after tax private benefit, not the pre tax benefit to the whole of society. To accurately capture the full productivity benefit, appraisal should therefore uplift the value to reflect these missing benefits.

### Methodology

The methodology starts with the level of increased output due to these two effects as captured in conventional appraisal.

The extent of the undervaluation is a function of the tax wedge between gross and net wages. Two other issues should be addressed:

- For new workers, the reduction in government support to affected individuals should also be assessed; and
- An adjustment should be made to reflect the fact that new workers on average increase output by less than the average worker.

These factors should be readily and objectively measurable, and were factored into the methodology used by the Study team.

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<sup>12</sup> Technical Report, page 28.

## Data

The EWLNA team relied on UK figures for the calculation of the relevant tax wedges. These were adjusted for the Australian context, by using Australian Treasury evidence for the size of the Australia tax wedge as compared to the UK tax wedge. (The Treasury, in turn, relied upon 2005 OECD figures, so we can assume that the basic data is robust).

The EWLNA team used the difference in average tax wedge (33 v 28%) as the basis for their calculations, by simply reducing the relevant UK figures for each type of benefit (new workers and existing workers) by the same 5% margin. This raises two issues:

1. The EWLNA team rightly took into account the Government support foregone by new workers. The team effectively relied upon the UK figure (10% of output), since the adjustment to the Australian context only allowed for difference in the average tax wedge and not government support foregone.

Although the only option currently opens to analysts, it is suboptimal to rely upon UK data (although a rapid estimate of prevailing benefits in Australia suggests the order of magnitude is similar). Nevertheless, a significance test should be applied to the value of extensive further research given the minimal impact this would have on the overall CBA.

2. It would be possible to identify a more accurate tax wedge figure for the workers in question, in particular because the level of tax wedge varies with earnings<sup>13</sup>. Evidence cited in the EWLNA technical report (Gregg et al 1999) suggests that new entrants to the labour market increase output by only 69% of average earnings: therefore the tax wedge for those who earn 69% of the average may offer a more accurate assessment.

Conveniently, the OECD publishes the figure for the wedge for workers with 67% of average earnings. For example, in the case of single workers with no children, this is under 25% in Australia. However, it may be sensible to apply a significance test here: the differences are not large and the overall impact on the CBA is unlikely to be significant enough to merit further urgent analysis<sup>14</sup>.

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<sup>13</sup> Family circumstances also play an important role, but it is fair to say that few transport models fully evaluate family circumstances in their analysis.

<sup>14</sup> Furthermore, the UK tax wedge for lower income workers is also lower. Since, in this context, the difference between the countries is the key point, this reinforces questions as to the value of further research.

## 5 Recommendations

The inclusion of WEBs into the Benefit-Cost Ratio (BCR) for the East-West projects lifted the BCR by over 40% from 0.7 to 1.0<sup>15</sup>. This is a significant change, and it is important to understand the robustness of the approach used to calculate the WEB benefits.

As WEB estimation is a new and evolving practice, some economists have some residual concerns re: double counting/overstatement issues when WEBs are included in a BCA. Such economists feel WEBs are best captured and assessed as part of an EIA. Consequently, it is important to transparently show the BCR with and without WEBs (and to breakdown WEBs into its 4 components) to illustrate the significance of WEBs in determining project viability. Importantly, this transparency was provided by the EWLNA.

Taking a wider whole of Government perspective, the scale of WEBs varies considerably between projects. It is thus an important tool in comparative analysis and capital allocation. This requires WEBs analysis to be completed on all relevant projects, so that direct comparisons can be made. As a result, conclusions about the robustness of the WEBs appraisal drawn in the context of the EWLNA projects have an important wider application.

We split our findings<sup>16</sup> into the three headings used in the report: theory, methodology and data.

**Theory.** It is widely accepted that there is imperfect competition in many markets, and it is also widely agreed that valuing only the private benefit to workers of increased labour undercounts the whole of society benefit.

Indeed, the theory behind agglomeration economies is now widely accepted. Similarly, the debate concerning the risk of double counting has been largely agreed, on the basis that

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<sup>15</sup> In comparison, WEBs for Crossrail, London's new cross-city rail link lifted the BCR from 1.8-2.6:1.

<sup>16</sup> It should be noted that the services included in this proposal do not constitute either an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements. This is a top down assessment of principles using sample testing based on a negative assurance basis.

agglomeration economies are external and therefore not measured through current appraisal techniques.

We conclude that the validity of WEBs should not be doubted on grounds of theory. Therefore our first recommendation is:

- **The Victorian Government should endorse the theoretical case for the inclusion of Wider Economic Benefits in the appraisal for the EWLNA projects, and for transport appraisal more generally. Victorian Government CBA Guidelines should be updated to provide step-by-step WEB calculation approaches.**

**Methodology.** The methodologies underpinning WEB analysis are arguably at the cutting edge of modern economic analysis. The EWLNA team used the best available methodologies for estimating WEBs.

Like all economic analysis, the real world has to be simplified at times. For imperfect competition and labour market impacts, the calculations are relatively simple and the methodology is more logical.

Once again, measuring agglomeration economic benefits is more complex. The methodology requires good data on the productivity/density elasticity; employment changes; changes in effective density and average GVA. Whilst the calculation is relatively more complex, once the presence of the agglomeration externality and an associated elasticity is accepted, the methodology appears adequately robust for use in CBAs to better inform selection decisions between options for projects

Importantly, it is only robust if the analysis looks at a wide geographical area, in order to assess changes in productivity away from the narrow study area. The EWLNA did this, since the team looked across the whole city of Melbourne rather than an East-West corridor.

We conclude that the methodologies are also robust. Therefore our second recommendation is:

- **The EWLNA team have used the current better practice methodologies to appraise WEBs. These methodologies, although not without imperfections, are robust enough to utilise in CBAs to measure relative WEB generation.**

**Data.** Where the EWLNA has relied upon Australian data sources, our review has not identified any issues giving rise to risks of material inaccuracies (although in keeping with our brief we have not sought to verify and confirm result accuracy). However, due to the lack of available Australian data, the EWLNA team has a high reliance upon London data for a number of key inputs, notably:

- The agglomeration elasticity;
- The imperfect competition uplift;
- Labour supply elasticity; and
- Tax wedges and value of government support

Clearly, the use of Australian data would be likely to improve the accuracy of results. The immediate issue is, however, whether there is reason to believe that the London data is likely to be significantly different to the Melbourne equivalent. On balance, whilst there will be differences including London having twice the population of Melbourne, the WEB benefits generated are likely to be broadly similar. In addition, where a range of figures was available (such as the agglomeration elasticity) the EWLNA team used conservative figures.

Coupled with the fact that these data inputs are only one part of the calculation, we do not believe that the use of London data creates a significant risk of a major overstatement of the size of the WEB benefits. Importantly, the use of non-Melbourne data assumptions was clearly identified and the WEBs effect was transparently separated so that stakeholders can understand the relative importance in the results and the risks associated with their inclusion.

Our third and fourth recommendations are therefore:

- **Whilst the use of London data for some parts of the WEBs analysis is suboptimal, there is no available alternative for Melbourne at the present time. Further, the use of London data appears unlikely to significantly affect either the scale of the benefits or the conclusions drawn from the analysis.**
- **The Victoria Government may wish to consider, given the wider whole of Government issues, the case for supporting further research to develop Australian or Victorian data sources to underpin the WEBs methodology.**