

Monday, 19 December 2016

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Our Reference: Federal Budget Submission 2017-2021

Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

FEDERAL BUDGET PRIORITIES FOR THE SOUTH WEST METROPOLITAN REGION 2017 TO 2021

The South West Group strongly supports investment in the South West Metropolitan Region and provides justification for budget expenditure for regional infrastructure and facilities to meet the pressures and demands associated with population growth, congestion and its impacts on productivity.

The Federal Government's support for the priorities and funding allocations put forward by the South West Group will not only assist in addressing critical infrastructure for the region, but will also be investing in projects that have major contributions towards the State's economy.

The focus for the Federal Government budget submission from the South West Group is on a small number of transport related priorities and infrastructure projects that will provide the greatest economic benefit, given the Federal Government's constrained financial position.

The South West Group has continued to consult with State and Federal Members of Parliament and relevant agencies over the last twelve months, with a view of further developing productive working relationships and identifying opportunities to align regional, State and Federal priorities.

The priority projects put forward by South West Group over the 2017 to 2021 period with a focus on funding for projects in the 2017/18 budget and forward estimates to 2020/21 include:

- 1. Additional Lane on Kwinana Freeway North – Russell Road to Roe Highway (\$75 Million by 2018)**
- 2. Armadale Road Bridge (\$80 Million by 2018)**
- 3. Thornlie Rail Line Extension (\$170 Million by 2020)**
- 4. South West Metro Light Rail Investigations**
- 5. Canning Bridge Duplication and Relocation of Bus Interchange (\$100 Million by 2021)**

Apart from the South West Metro Light Rail Investigations that is funded internally by the South West Group, the other priority projects above are eligible for shared funding between the Federal and State Government through a 50:50 arrangement.

The combined total value of these regional priorities is \$850 Million, with the funding sought from the Federal Government being \$425 Million based on \$160 Million for the 2017/18 financial year and \$265 Million over the forward estimates.

The costs indicated above represent the Federal Government's 50% contribution toward these projects.

The Federal Government has committed \$50 Billion towards transport infrastructure to 2019/20 as part of its Infrastructure Investment Program.

I trust that you will consider this budget submission favourably and the South West Group looks forward to working together with the Federal Government on projects and initiatives that benefit the South West Metropolitan Region.

Should you have any queries regarding this submission, please do not hesitate to contact Mick McCarthy, Director South West Group, on phone 9364 0631, mob 0478 325 469 or email director@southwestgroup.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'BPettitt', with a long horizontal flourish extending to the right.

Mayor Brad Pettitt
South West Group Chair



SOUTH WEST GROUP SUBMISSION TO THE FEDERAL GOVERNMENT BUDGET FOR 2017 TO 2021

DECEMBER 2016

OVERVIEW

The South West Group, comprising the Cities of Cockburn, Fremantle, Kwinana, Melville, Rockingham and the Town of East Fremantle, is an advocate for projects and activities that benefit the South West Metropolitan Region. As the Voluntary Regional Organization of Councils (VROC) formed over thirty years ago, the South West Group has a long history in working with its member Councils across a range of issues.

Although the last officially released population data (30 June 2015 – ABS 3218.0) identifies the regional population as 419 200, the actual population is likely to be well above 425,000 based on population growth estimates over the last six years.

The region performs well above its 12% geographical extent of the Perth metropolitan area and population share (20.4% over the last 3 years) across a range of economic development indicators including:

- State lot activity (subdivision lots) – 27.9% in 2014/15, 22.2% in 2015/16
- Building approvals (new houses) – 24.6% in 2014/15, 25.3% in 2014/15
- 68.8% employment self-sufficiency

From a WA perspective, \$1 in every \$7 earned in the State (i.e. 14.3% of earnings) is attributed to the South West Metropolitan Region.

Key industries, facilities, activity and commercial centres in the region include:

- Major industrial areas (Kwinana, Latitude 32, East Rockingham)
- Australian Marine Complex
- Fremantle Ports
- Defence Facilities (HMAS Stirling - Garden Island and Leeuwin Barracks)
- Jandakot Airport
- Major hospitals (Fremantle, Fiona Stanley, St John of God Murdoch, Rockingham)
- Universities (Murdoch, Notre Dame and a campus of Curtin University)
- Activity centres – Murdoch (specialised), Fremantle (strategic), Rockingham (strategic), Cockburn Central (secondary), Kwinana (secondary) and Jandakot Airport (specialised)
- Retail/commercial centres (Booragoon, Fremantle, Rockingham, Cockburn Gateway, Jandakot City, Phoenix, Kwinana Marketplace, Canning Bridge)
- Industrial centres - Bibra Lake, Cockburn Central, Jandakot, Myaree, North Coogee, North Fremantle, O'Connor, Port Kennedy, North East Baldivis (priority)

The South West Metropolitan Region of Perth is Western Australia's most productive metropolitan region having an unmatched intensity of high value manufacturing and economic activity with around \$30 billion from the region contributing to the \$240 billion WA economy (2015/16).

Employment in the region was estimated at 210,600 in August 2016 but still remains volatile and transitioning from major resource project development to the advanced manufacturing, housing and commercial construction and other sectors.

REGIONAL CONTEXT AND INVESTMENT

In seeking to simplify the key priorities for investment and budget allocation, the South West Group has identified five key priority projects in the region.

These priorities aim to initiate activities that will secure future economic development opportunities for major infrastructure investment, as well as addressing severe congestion locations that are negatively impacting on regional productivity.

The South West Group is also lobbying the State Government for shared funding arrangements for those projects eligible for State funding.

In summary, the five priority regional projects put forward for funding allocation in the 2017/18 Federal budget and forward estimates are as follows:

1. **Additional Lane on Kwinana Freeway North – Russell Road to Roe Highway (\$75 Million by 2018)***
2. **Armadale Road Bridge (\$80 Million by 2018)***
3. **Thornlie Rail Line Extension (\$170 Million by 2020)***
4. **South West Metro Light Rail Investigations**
5. **Canning Bridge Duplication and Relocation of Bus Interchange (\$100 Million by 2021)***

**Assumes 50:50 cost sharing funding split for the \$850M cost with the State Government.*

Note that these projects are not ranked in order of importance, but are listed according to recommended completion dates. Further details are provided below.

**1. Additional Lane on Kwinana Freeway North – Russell Road to Roe Highway
(\$75 Million by 2018)**

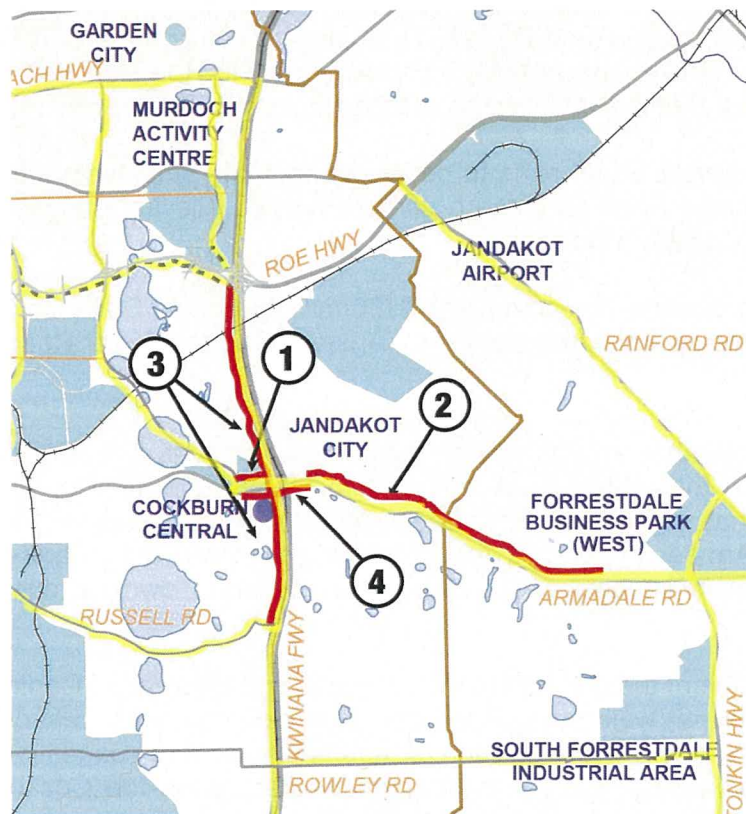
The significant population growth in the region, coupled with increased north-south traffic movements linked to the commercial developments and the Forrest Highway freeway extension, has resulted in severe congestion experienced on the Kwinana Freeway between Russell Road and Roe Highway.

The construction of an additional lane south on the Kwinana Freeway between Roe Highway and Russell Road is nearing completion and has significantly improved south bound traffic flows along the freeway.

The construction of an additional freeway lane north from Russell Road in Aubin Grove to Roe Highway in Murdoch is urgently required, to alleviate congestion on the Kwinana Freeway heading into the Perth CBD.

The north bound section of the freeway is identified as a congestion hotspot in Main Roads daily traffic reports during AM and PM peaks. This section is also severely congested most of the day leading to unacceptable travel times and associated losses in productivity and road user frustration.

It is understood that the additional lane north will require major structural works for the bridge over the freight rail line (between Roe Highway and Berrigan Drive) which is a major cost factor for this important and necessary work.



The additional lane on the Kwinana Freeway North – Russell Road to Roe Highway (3) and Armadale Road Bridge (1) are urgent projects required to relieve congestion on the Kwinana Freeway and around Cockburn Central

In addition, it is understood that Main Roads is proposing to introduce intelligent transport systems (ITS) as part of its managed freeway system to this section of the Kwinana Freeway, for entry ramps in both the north and south bound directions. The use of ITS technologies is a key component for the upgrade of the Kwinana Freeway aimed at enhancing capacity and improving traffic flows.

The Federal Government contributed funding to the additional lane south. A shared funding arrangement, based on 50% contributions from the Commonwealth and 50% from the Western Australian Government is required for the \$150 million cost to construct the additional lane north.

The South West Group will continue to lobby the State Government to achieve a shared funding arrangement for the additional freeway lane north.

The South West Group supports the inclusion of \$75 million in the Federal budget for the construction of an additional lane north on the Kwinana Freeway (Russell Road to Roe Highway) by 2018.

2. Armadale Road Bridge (\$80 Million by 2018)

The creation of an additional bridge over the Kwinana Freeway has featured in strategic planning in the Cockburn Central activity centre area for almost 20 years and is a central link in the *Community Connect South* initiative.

Community Connect South is a package of projects aimed at addressing severe congestion in the south east and southern corridors of the Perth metropolitan area including the Armadale Road Bridge (1), duplication of Armadale Road (2), an additional lane north on the Kwinana freeway - Russell Road to Roe Highway (3) and widening of Armadale Road/ Beeliar Drive bridge intersections over the freeway (4).

Community Connect South aims to better connect key employment centres and improve productivity across Perth's southern corridor, whilst relieving congestion and enhancing safety around Cockburn Central.

The Australian Government committed \$166 million and the State Government \$29 million for the full duplication of Armadale Road (Anstey Road to Tapper Road) in their respective budgets.

Traffic congestion has spread beyond peak periods and is a real barrier for people living and working in the region. Residential, commercial and retail growth in the Cockburn Central area has significantly increased road traffic problems. Traffic at both Cockburn Central and Armadale Road is regularly gridlocked for large parts of every day. This causes significant impacts on families, small business owners, commercial and larger industries.

With construction of the Cockburn West Aquatic and Recreation Centre (new base for the Fremantle Dockers) well advanced, there is an elevated need to construct the Armadale Road bridge as a permanent solution for addressing severe congestion at this locality and providing a bypass to alleviate traffic bottlenecks around the Cockburn Central activity centre.

Main Roads WA has prepared detailed designs for the Armadale Road Bridge, with the estimated \$160 million cost planned to be shared between the Federal and State Government. The City of Cockburn has spent over \$4 million in the construction of the bridge connection west of the Kwinana Freeway, in preparation for the Armadale Road Bridge link.

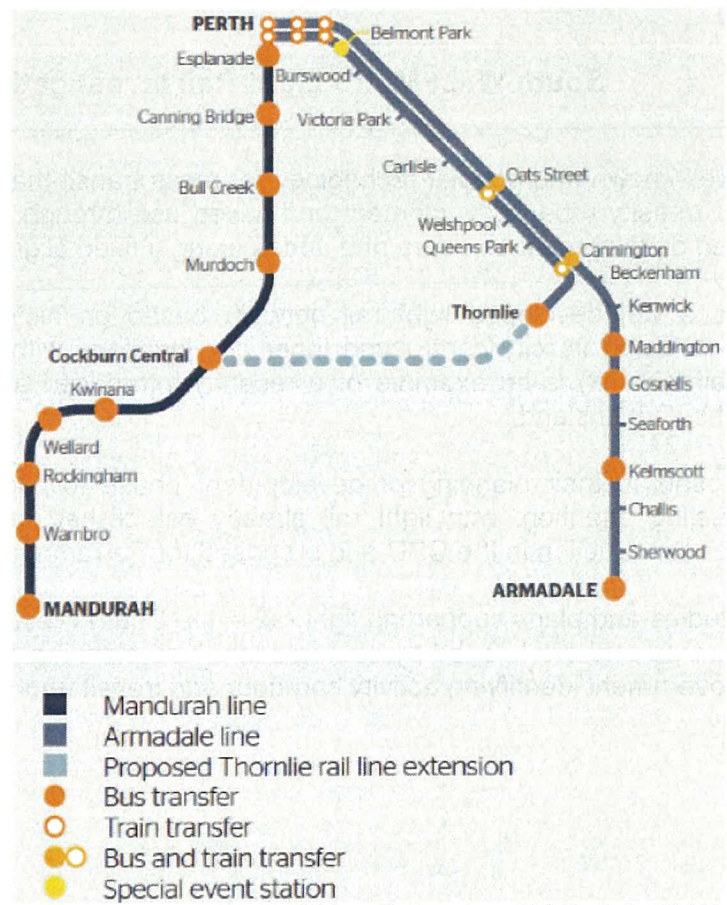
The South West Group supports the inclusion of \$80 million in the Federal budget to construct the Armadale Road Bridge over the Kwinana Freeway by 2018.

3. Thornlie Rail Line Extension (\$170 Million by 2020)

The Mandurah Rail Line is the busiest in the Perth Metropolitan area with over 20 million in annual boardings recorded over each of the last four years. This level of patronage represents one third of all branch line boardings, with data for the first quarter of 2015/16 suggesting the boardings trend is likely to continue.

The 2015 Australian Infrastructure Audit predicts that the Mandurah Rail Line will reach or exceed “crush capacity” by 2031. The State Government, as part of the draft Perth Transport Plan for 3.5 Million and Beyond, identified the Thornlie Rail Line Extension to be constructed around 2031 when Perth’s population reaches 2.7 Million.

The Thornlie Rail Line extension would provide much needed east-west public transport option to employment centres such as Canning Vale, Cockburn Central and Jandakot City.



Proposed Thornlie Rail Line Extension (RAC, July 2015)

The Thornlie Rail Line extension would also provide an alternative route and contingency in the rail network for commuters accessing the Perth CBD in the event that Mandurah line north of Cockburn Central was not operational or experienced technical faults during busy periods.

In addition, the construction of the Perth Stadium and associated \$130 million train station at Burswood necessitates the need to bring forward the Thornlie to Cockburn rail link as an essential component of the rail network.

It is estimated that the Mandurah line will carry about 15% of patrons to events at the Perth Stadium, with about 5% (or approximately 3,000 people per event) expected to board from Mandurah to Cockburn Central stations.

The Thornlie to Cockburn Central rail line would provide a more direct route for patrons accessing Perth Stadium via the Armadale line and relieve congestion by avoiding the need to change trains in the busy Perth station during events.

Given that the Perth Stadium will be open in 2018, there is a need to bring forward the construction of the Thornlie Rail Extension to 2020, rather than by 2031 as outlined in the draft Perth Transport Plan for 3.5 Million and Beyond.

The shared funding arrangement with the Federal Government is consistent with the Prime Ministers recent announcement on the focus of rail in the \$50 billion infrastructure investment plan.

The South West Group supports the inclusion of \$170 million in the Federal budget to construct the Thornlie Rail Line extension by 2020.

4. South West Metro Light Rail Investigations

Light rail is a well-known and popular technology for mass transit that has the potential to facilitate higher density urban development and mixed use through the establishment of transit orientated development corridors and nodes along a fixed alignment.

Melbourne has a well-developed light rail network based on historic tram lines, with Adelaide also servicing its city centre and inner city locations with light rail. The Gold Coast Light Rail (G-Link) is an example of a recently introduced and highly successful light rail project in Queensland.

Light rail proposals in their planning or development phase for Canberra, Hobart and Perth are attracting attention, with light rail already established in Sydney and future proposals under construction in the CBD and proposed for Parramatta.

A number of studies and plans supporting light rail in the South West Metropolitan Region have been prepared and are backed by strategic land use planning frameworks prepared by the State Government identifying activity corridors and transit priority routes.

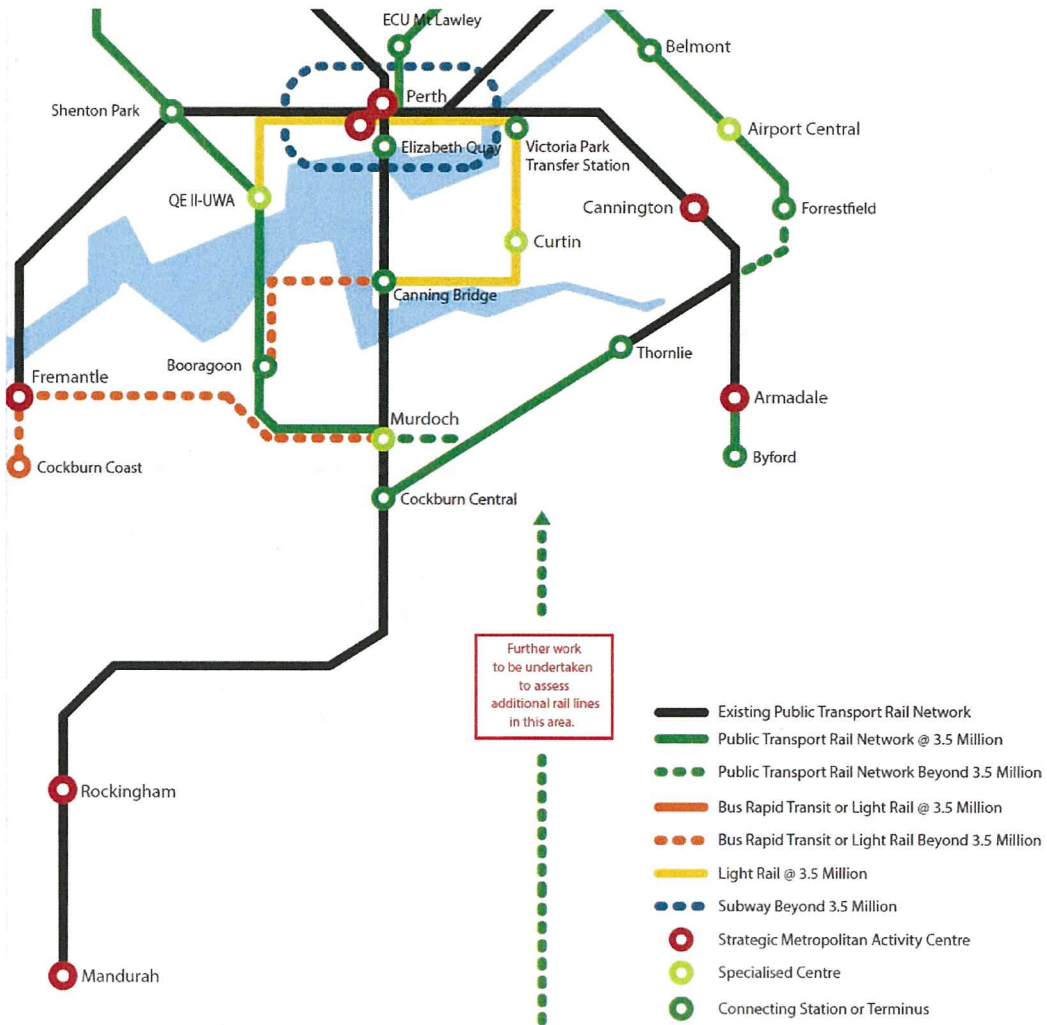
**SOUTHWEST METRO TRANSIT NETWORK
KEY ACTIVITY CENTRES**

- District Centre
- Specialised Centre
- Secondary Centre
- Strategic Metropolitan Centre
- ↔ Rail lines
- Train station



The Southwest Metro Transit Network Study prepared jointly by LandCorp and South West Group member Councils in 2010 outlines potential light rail and bus rapid transit routes in the South West Metropolitan Region linked to the Cockburn Coast development

The State Government has also identified transit corridors in draft Sub-regional Frameworks for both the Central and South Metropolitan/Peel sub-regions, with the draft Perth Transport Plan for 3.5 Million identifying the Perth Light Rail proposal and numerous light rail/bus rapid transit routes in the region.



Proposed Light Rail and Bus Rapid Transit Corridors for the Central and South Metropolitan Sub-regions

The Federal Government has identified value capture, as a key component for funding public transport infrastructure projects such as light rail, and forms a key component of the Smart Cities Plan.

The South West Group is undertaking its own research for the introduction of light rail to connect activity and employment centres in the region, particularly through congested east-west routes that are poorly serviced by public transport and require an alternative approach to unlocking economic development potential and productivity gains.

This research is based on a land use and planning led approach, rather than the traditional public transport patronage demand models used by government agencies as the key decision making tool for public transport infrastructure and services provision.

The light rail networks will connect activity centres along activity corridors and be supported with planning scheme amendments that encourage higher residential density and commercial infill developments.

The South West Group will develop business case and cost benefit analysis for priority light rail network sections, in partnership with the member Councils, other key stakeholders and the private sector.

The South West Group is keen to work with the Federal Government, State Government and other key stakeholders to initiate the establishment of a light rail network in the South West metropolitan Region

The South West Group supports the introduction of light rail the South West Metropolitan Region and is undertaking research aimed at identifying priority light rail network sections linking activity centres and realising land use led investment in corridor development.

6. Canning Bridge Duplication and Relocation of Bus Interchange (\$100 Million by 2021)

Main Roads WA traffic data for 2014/15 recorded an average of 68,919 vehicles per day on Canning Bridge, with AM and PM peaks carrying between 5,000 and 6,000 vehicles per hour.

Main Roads WA has investigated a range of solutions and a staging program to address traffic congestion on and around Canning Bridge, however the implementation of the required infrastructure projects and upgrades requires State Government funding.

The congestion around the Canning Bridge precinct requires a number of priorities to be implemented as a package to achieve acceptable outcomes.

The Canning Bridge projects include:

- The relocation and construction of the Canning Bridge Bus Interchange in an area located east of the Canning River in the City of South Perth
- The construction of the Manning Road southbound On Ramp onto Kwinana Freeway
- The duplication of Canning Bridge to four lanes in both directions

These projects are likely to require funding in the order of \$200 Million to complete and have not been all been included in the Perth Transport Plan for 3.5 Million, WA State budget (2016/17 and forward estimates to 2019/20) or Main Roads Infrastructure Delivery Plan (July 2016).

As the Perth CBD gateway into the region and key commuting corridor for south of the river communities in the Central sub-region, Canning Highway is critical to the region's daily journey to work and school commuting and associated transport productivity.

The City of Melville has been working with the City of South Perth and the State Government to progress the proposed works associated with the Canning Bridge area over many years and in accordance with the approved structure plans.



The proposed relocation of the bus interchange will relieve congestion over the Canning Bridge rail station and provide land use intensification opportunities in the Como location

As the Perth CBD gateway into the region and key commuting corridor for south of the river communities in the Central sub-region, Canning Highway is critical to the region's daily journey to work and school commuting and associated transport productivity.

The City of Melville has been working with the City of South Perth and the State Government to progress the proposed works associated with the Canning Bridge area over many years and in accordance with the approved structure plans.

The Canning Bridge priority upgrades are likely to be eligible to receive both State and Federal Government funding and the South West Group will be advocating for a shared funding solution that facilitates construction as early as possible.

The Turnbull Government has already pledged \$15M toward the Manning Road southbound On Ramp in the lead up to the Federal election in July 2016.

Funding splits based on 50% State contribution (\$100M) and 50% Federal funding (\$100M) have been applied to other transport infrastructure projects in the metropolitan.

The South West Group supports the inclusion \$100 Million in the Federal budget to construct the priority works for the Canning Bridge upgrades and new bus interchange.

A summary of the Federal budget requests for the period 2017/18 to 2020/21 is provided overleaf, noting that the combined total value of these regional priorities is \$850 Million, with the funding sought from the Federal Government being \$425 Million based on \$160 Million for the 2017/18 financial year and \$265 Million over the forward estimates.

**SUMMARY OF SOUTH WEST GROUP FEDERAL GOVERNMENT BUDGET
PRIORITIES FOR 2017 - 2021**

PROJECT	TIMING				COMMENTS
	2017/18	2018/19	2019/20	2020/21	
1. Additional Lane on Kwinana Freeway North – Russell Road to Roe Highway (\$75 Million by 2018)	\$50M	\$25M	-	-	To reduce severe freeway bottlenecks from Russell Road through Cockburn Central to Roe Highway
2. Armadale Road Bridge (\$80 Million by 2018)	\$50M	\$30M	-	-	To relieve congestion and bypass Cockburn Central intersections
3. Thornlie Rail Line Extension (\$170 Million by 2020)	\$50M	\$50M	\$50M	\$20M	To increase capacity and provide contingency on rail network and provide direct Perth Stadium access
4. South West Metro Light Rail Investigations	-	-	-	-	To determine priority alignments and funding models for the establishment of light rail networks
5. Canning Bridge Duplication and Relocation of Bus Interchange (\$100 Million by 2021)	\$10M	\$40M	\$30M	\$20M	To address congestion for the region's CBD gateway, including the relocation of the bus interchange
Total	\$160M	\$145M	\$80M	\$40M	\$425M

** Assumes *50% funding (Total of \$425M) provided by the State Government*

