



A Co-operative venture of the municipalities of:  
Cockburn, East Fremantle, Fremantle, Kwinana, Melville & Rockingham

19 December 2013

Ref: State Government Budget Submission 2014-2018

Hon Colin Barnett MLA  
Premier; Minister for State Development  
24<sup>th</sup> Floor, Governor Stirling Tower  
197 St Georges Terrace  
PERTH WA 6000

Dear Colin

### **2014 to 2018 STATE BUDGET PRIORITIES FOR THE SOUTH WEST METROPOLITAN REGION**

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 State 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 State Government budget submission from the South West Group is on projects that are supported and feasible within the next term of government, rather than an extensive list of projects provided by the South West Group in previous submissions.

This approach recognises the need for budget priorities to be clear and well understood and supported by stakeholders, noting that the South West Group continues to advocate for ongoing State Government funding for the region across a range of portfolios such as:

- Integrated transport and land use planning, including public transport and light rail;
- Health and related services;
- Energy and continued investment in underground power program and energy efficiency schemes;
- Water supply, wastewater treatment and infill sewerage program
- Education and training;
- Law and order, including police stations;

- Recreation and sporting facilities;
- Waste management and greater allocation of the landfill levy directly towards local government waste management and recycling activities.

In addition, the South West Group supports and trusts that the State Government has due regard to budget submissions put forward by associations and organisations that align with important regional priorities and objectives such as the Western Australian Local Government Association (WALGA) and the Royal Automobile Club (RAC) of WA.

I trust that you will consider this budget submission favourably and the South West Group looks forward to working together with the State 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](mailto:director@southwestgroup.com.au)

Yours sincerely



**Barry Sammels**  
**Chair South West Group**

Copy to all South West Metropolitan Region Members of Parliament



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## **SOUTH WEST GROUP SUBMISSION TO THE STATE GOVERNMENT BUDGET FOR 2014 TO 2018**

**DECEMBER 2013**

### **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) that is about to celebrate its 30<sup>th</sup> anniversary, 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 2012 – ABS 3218.0) identifies the regional population as 388,201, the actual population is likely to have exceeded 400,000 in April 2013 based on 3.8% p/a population growth. The region performs well above its 11% geographical extent of the Perth metropolitan area and population share (20.4% over the last 2 years) across a range of economic development indicators including:

- State lot activity (subdivision lots) – 27% in 2011/12, 24.4% in 2012/13
- Building approvals (new houses) – 25.2% in 2011/12, 26.1% in 2012/13
- 68.8% employment self-sufficiency

From a WA perspective, \$1 in every \$6 earned in the State (i.e. 16.7% 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, Willetton, 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 \$236 billion WA economy.

Employment in the region peaked at 205,000 in September 2013 but still remains volatile and the issue of local content on major resource projects is still very relevant.

## REGIONAL INVESTMENT

The South West Group has advocated for ongoing investment in infrastructure and services in the region to reflect its contribution to the State's economy and to address the challenges facing the region in terms of population growth, congestion, freight transport, employment and business development.

The State Government's capital expenditure program across all portfolios is a lead indicator of government investment in the region. From 2009/10 to 2011/12, there was between \$1 billion and \$885 million spent in the region each year with a significant proportion related to the \$1.8 billion Fiona Stanley Hospital (FSH).

If the FSH costs are excluded, capital expenditure in the region ranged from around \$600 million to \$400 million between 2009/10 to 2011/12.

The total capital expenditure figures from 2012/13 to the current forward estimates period of 2016/17 show a declining trend in expenditure, with FSH being a major budget beneficiary only in the 2012/13 and 2013/14 financial years.

This declining trend is concerning as the forward estimates relate to a period when more expenditure for capital investment is required to address population growth, congestion and other challenges facing the region.

Year	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Total</b>	<b>\$525.8 M</b>	<b>\$431.6M</b>	<b>\$372.5M</b>	<b>\$285.2M</b>	<b>\$120.4M</b>
<b>FSH</b>	\$281.3M	\$108M	\$20M		
<b>Total (- FSH)</b>	<b>\$244.5M</b>	<b>\$323.6M</b>	<b>\$352.2M</b>	<b>\$285.2M</b>	<b>\$120.4M</b>

The South West Group supports the following projects as priorities for the 2014 to 2018 State Budget. These projects have been discussed with Local Members of Parliament and the relevant State Government agencies to ensure they are aligned, relevant and achievable. Note that all funding shown is the amount of funding requested from the Western Australian Government.

## REGIONAL CONTEXT

In seeking to simplify the key priorities for investment and budget allocation, the South West Group has identified Activity Centres congestion and freight transport congestion as areas requiring the most pressing infrastructure investment in the region.

The Activity Centres experiencing the greatest congestion impacts in the region relate to Murdoch Activity Centre and Cockburn Central Activity Centre. The freight investment focuses on the Fremantle Inner Harbour, proposed Fremantle Outer Harbour and critical freight corridor connections between these facilities and Kewdale.

The Freight and Logistics Council of WA prepared a summary of issues across the urban and freight interface (October 2013) which identifies the arc between the Fremantle Port, the Kewdale road/ rail intermodal terminal and Perth Airport is the most critical freight and logistics corridor in the city, with high demand for staging and distribution sites along this arc.



Figure 1: Most Critical Freight and Logistics Corridor (Freight and Logistics Council, October 2013)

The map attached (refer to page 10) to this submission shows the regional context for the priority areas advocated for future investment based on the Inner Harbour, Outer Harbour and key Activity Centres.

These regional investment priorities are discussed in more detail below

**1. ACTIVITY CENTRES – MURDOCH AND COCKBURN CENTRAL**

**Ministers:** *Minister for Transport*  
**Agencies:** *Main Roads WA*

The Murdoch and Cockburn Central Activity Centres have emerged as two of the most rapidly developing, challenging and congested centres in the metropolitan area. The rapid development has by far outstripped the planning and investment in transport infrastructure to support the growth and enable the timely and logical development of these centres.

**Murdoch Activity Centre**

As a specialised activity centre focussed on health and education, the level of traffic congestion experienced during the development of the Fiona Stanley Hospital (FSH) has directly impacted on Murdoch Drive, South Street and Farrington Road, as well as caused congestion impacts on the Kwinana Freeway.

Traffic modelling for the Murdoch Activity Centre (MAC) has shown unacceptable levels of morning peak period congestion along the Kwinana Freeway at South Street (heading north) and congestion within the MAC and on adjacent Streets (Murdoch Drive, South Street, Kwinana Freeway south) during afternoon peak period.

The recent decision by the State Government to defer funding consideration for the Roe Highway Extension within this term of government (2013 to 2017) will exacerbate traffic congestion around the MAC for an extended period. A southern connection from the Kwinana Freeway to the MAC is required urgently and (in the short term) to relieve congestion and enable emergency vehicles and patients to access the site when the Fiona Stanley Hospital (FSH) opens in October 2014.

It is understood that Main Roads WA has put forward a business case for Farrington Road connection design based on an interim arrangement (6 – 8 years) pending a decision on the proposed Roe Highway Extension, which is subject to environmental and funding approvals.

The dependency on short trip passenger trips for car parking at the Murdoch rail station and changes associated with construction activities has created a range of conflicts for the Murdoch Activity Centre and to a lesser extent the Bullcreek rail station.

Journey to work data indicates that a large proportion of patrons using the Murdoch rail station travel by car from the south eastern suburbs, predominantly along South Street. Rather than patrons from these growth areas taking up more car parking in the future at the Murdoch rail station and causing further congestion for the Murdoch Activity Centre and Fiona Stanley Hospital, a transport interchange with car park at Canning Vale is supported. The interchange would be linked by shuttle buses using the existing priority bus lanes along South Street during AM and PM peak periods.

There are large areas of land located east of Roe Highway and south of South Street/Ranford Road suitable for a transport interchange and car park facility. This is a logical and cost effective arrangement that utilises existing road infrastructure and bus services, whilst relieving congestion on South Street and Murdoch Activity Centre.

The South West Group estimates that a 500 bay car park facility would cost in the order of \$8 million, assuming that land owned by the State Government is available and therefore no land acquisition is required.

<b>PROJECT</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>TOTAL</b>
<b>Southern Freeway Connection to Murdoch Activity Centre</b>	\$15M	-	-	-	<b>\$15M</b>
<b>Canning Vale Park and Ride Facility</b>	\$4M	\$4M	-	-	<b>\$8M</b>
<b>TOTAL</b>	<b>\$19M</b>	<b>\$4M</b>	-	-	<b>\$23M</b>

### **Cockburn Central Activity Centre**

Cockburn Central is a secondary activity centre that has also experienced excessive traffic congestion which has impacted on productivity and amenity.

In previous budget submissions and in the lead up to the State election, the South West Group put forward a package of projects aimed at relieving congestion in and around the Cockburn Central Activity Centre including;

- Additional lanes on the Kwinana Freeway (Roe Highway to Cockburn Central)
- North Lake Road Bridge and connections
- Duplication of Armadale Road east of the Kwinana Freeway

Although \$55M has been included in the 2013/14 State budget for the additional lane south bound as part of the Kwinana Freeway Freight Management System project, it is understood that funds for the north bound lane are not included in this budget and that a business case is being prepared by Main Roads for consideration by the State Government for the north bound lane.

The South West Group supports the construction of the additional north bound lane on the freeway, as it is necessary to remove this regular bottleneck and relief congestion.

The South West Group also supports the North Lake Road bridge as an important project required within the 2014 to 2018 period.

The significant growth in commercial, retail and residential development at Cockburn Central is leading to severe local area congestion including on connector roads, intersections and freeway on/off ramps. The area is commonly gridlocked during morning and afternoon peak periods. A proportion of the congestion is attributable to through traffic seeking to access Armadale Road, Beeliar Drive or North Lake Road.

The freeway overpass solution supported by the South West Group would provide a direct link from North Lake Road to Armadale Road and significantly increase the capacity of roads through and around Cockburn Central. Main Roads has previously prepared cost estimates for the North Lake Road overpass, with and without freeway connections. Preliminary cost estimates indicate an overpass bridge alone around \$50M.

In regards to the Armadale Road duplication, this is only likely to be a viable project consideration beyond 2018 and will therefore form a future advocacy project.

<b>PROJECT</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>TOTAL</b>
<b>Kwinana Freeway Third Lane – North Bound</b>	\$15M	\$10M	-	-	<b>\$25M*</b>
<b>North Lake Road Freeway Overpass</b>	\$10M	\$20M	\$20M	-	<b>\$50M</b>
<b>TOTAL</b>	<b>\$25M</b>	<b>\$30M</b>	<b>\$20M</b>	<b>-</b>	<b>\$75M</b>

*\* Assumes 50% funding (\$25M) provided by the Federal Government*

## **2. FREMANTLE INNER HARBOUR AND CONNECTIONS**

**Ministers:** *Minister for Planning and Minister for Transport*

**Agencies:** *Department of Planning, Department of Transport, Main Roads WA, LandCorp and Fremantle Ports*

The State Government has committed \$73M of the \$431M capital expenditure budget for 2013/14 in the South West Metropolitan Region toward the Fremantle Inner Harbour based on a package of projects around the port, Victoria Quay and Rouse Head.

The South West Group has, over a long period, advocated for the replacement of the Fremantle Traffic Bridge, with most recent proposals related to a replacement involving passenger rail and improved marine safety, pedestrian and cycling facilities. Business cases for this \$250M replacement option have been put forward to the State Government over several years and applications for Infrastructure Australia funding have also been submitted by Main Roads, without success.

It is now understood that a replacement option is not being pursued by Main Roads and only funding for asset maintenance and improvements are proposed to be provided over the next decade or so. Although the South West Group will continue to support the bridge replacement option, these circumstances indicate that lobbying for bridge replacement funds would be unlikely to gain serious consideration at this time.

The South West Group also supports rail upgrades and passing loop proposed north of the Cockburn Triangle and other measures to increase freight onto rail. This section of rail is expected to have a 200% increase in freight movements by 2031 and these projects should assist in progressing further toward the target of 30% of freight on rail espoused by the State Government and advocated by the South West Group.

Given the above and existing commitments toward the port facilities and nearby road connections (e.g. High Street/Leach Highway Fremantle Upgrade), the South West Group is therefore seeking the State government to provide budget allocations for improved road freight corridor projects such as grade separation on the four most northern intersections of Stock Road including:

- Stock Road/Leach Highway
- Stock Road/Garling Street/Stockdale Road,
- Stock Road/South Street and
- Stock Road/Winterfold Road

The budget estimates below involve the initiation of detailed design in 2014/15, with construction concluding in 2017/18 based on a \$200M total cost estimate and a cost sharing arrangement between the State and Federal Government, given that Stock Road is part of the national freight network.

<b>PROJECT</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>TOTAL</b>
<b>Stock Road Grade Separation Projects (4)</b>	\$20M	\$20M	\$40M	\$20M	<b>\$100M*</b>

*\* Assumes 50% funding (\$100M) provided by the Federal Government*

### **3. FREMANTLE OUTER HARBOUR AND CONNECTIONS**

**Ministers: *Minister for Planning and Minister for Transport***

**Agencies: *Department of Planning, Department of Transport, LandCorp, Fremantle Ports***

The development of a new port(s) at Kwinana is arguably the most significant project in the South West Metropolitan Region. A legal challenge associated with the private port proposal (James Point Port Pty Ltd) is pending and has implications for the development of future port(s). The State Government is currently undertaking a Planning Assessment to identify and consolidate existing information and determine future approvals required for the port.

The Kwinana Intermodal Freight Terminal located within Latitude 32 is a key facility for the successful operation of the future port. A review of the footprint for the intermodal terminal has resulted in an increase from the 70 hectares originally proposed to 170 hectares.

The proposed port(s) and support facilities will require a Government-led program approach to the planning and coordination of infrastructure, connecting corridors and services related to the port and Latitude 32. It is understood that the Department of Transport are developing the Cockburn Sound Ports Strategy and an Intermodal Strategy as part of the Perth and Peel Freight Network and Intermodal Network Plan currently under development. This strategy and program approach for ports and intermodal facilities is supported by the South West Group.

Progress in land assembly and land acquisition for the intermodal terminal and key surrounding industrial land in Latitude 32 will be critical to the success of the ports and requires initiation early in the port development process.

The map attached outlines the future container freight corridors required to support the outer harbour and associated projects. It is important to note that there is also significant truck movements from the south associated with bulk freight into and out of the outer harbour, Kwinana Industrial Area and CBH grain terminal. These are not included on the map, but will also require ongoing investment to maintain and enhance their freight function.

The South West Group supports the acceleration of land acquisition for the intermodal terminal and supporting infrastructure/connections. The recommended funding for the land acquisition is outlined below.

PROJECT	2014/15	2015/16	2016/17	2017/18	TOTAL
Kwinana Intermodal Freight Terminal	\$10M	\$20M	\$10M	\$10M	\$50M
Latitude 32 Industrial Area	\$5M	\$5M	\$5M	\$10M	\$25M
<b>TOTAL</b>	<b>\$15M</b>	<b>\$25M</b>	<b>\$15M</b>	<b>\$20M</b>	<b>\$75M</b>

<b>SUMMARY OF SOUTH WEST GROUP STATE GOVERNMENT BUDGET PRIORITIES FOR 2014-2018</b>
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PROJECT	TIMING				COMMENTS
	2014/15	2015/16	2016/17	2017/18	
Southern Freeway Connection to Murdoch Activity Centre	\$15M	-	-	-	Required by the end of 2014 to coincide with completion of Fiona Stanley Hospital.
Canning Vale Park and Ride Facility	\$4M	\$4M	-	-	Costs relate to facility only and do not include additional buses or shuttle services.
Kwinana Freeway Third Lane – North Bound	\$15M	\$10M	-	-	Roe Highway to Cockburn Central. Required by the end of 2014 to coincide with completion of Fiona Stanley Hospital.
North Lake Road Freeway Overpass	\$10M	\$20M	\$20M	-	Costs relate to bridge only and do not include freeway connections.
Stock Road Grade Separation Projects (4)	\$20M	\$20M	\$40M	\$20M	Relates to 4 grade separated intersections in the northern section of Stock Road.
Kwinana Intermodal Freight Terminal	\$10M	\$20M	\$10M	\$10M	Land acquisition and land assembly costs
Latitude 32 Industrial Area	\$5M	\$5M	\$5M	\$10M	Land acquisition and land assembly costs
<b>Total</b>	<b>\$79M</b>	<b>\$79M</b>	<b>\$75M</b>	<b>\$40M</b>	

# SOUTH WEST GROUP – PROJECT ACTIVITY MAP 2014

