



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

Thursday, 5 November 2015
Our Reference: State Government Budget
Submission 2016-2020

Hon Colin Barnett MLA
Premier; Minister for State Development
Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Colin

STATE BUDGET PRIORITIES FOR THE SOUTH WEST METROPOLITAN REGION 2016 TO 2020

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 a small number of transport related priorities and infrastructure projects that will provide the greatest economic benefit, given the State 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 and state priorities.

The priority projects put forward by South West Group over the 2016 to 2020 period therefore focus on projects for consideration in the 2016/17 budget and include:

- 1. North Lake Road Bridge (\$85M by 2018)**
- 2. Additional Lane Kwinana Freeway North - Beeliar Drive to Roe Highway (\$50M by 2018)**
- 3. Fremantle Outer Harbour and Intermodal Terminal - Planning and Detailed Design (\$5M by 2018)**
- 4. Rowley Road and Anketell Road - Land Acquisition (\$10M by 2018)**

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5. **Latitude 32 Industrial Area - Land Acquisition (\$50M by 2020)**
6. **Heavy Rail Link between Thornlie and Cockburn Central (\$170M by 2020)**
7. **South West Metro Region Transit Network Light Rail (\$5M by 2020)**
8. **Intelligent Transport Systems (ITS) Deployment for Perth's Arterial Network (\$150M by 2020)**

Although these projects form the primary focus in the short term, the South West Group continues to advocate and support investment for ongoing State Government funding for the region across a range of portfolios such as:

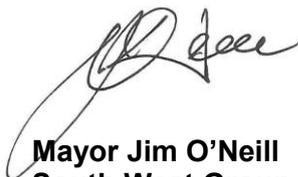
- Integrated transport and land use planning, including public transport and light rail;
- Health and related services;
- Energy and continued investment in underground power program and energy efficiency schemes;
- Water supply, wastewater treatment and infill sewerage program
- Education and training;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

Yours sincerely



Mayor Jim O'Neill
South West Group Chair

Enc: South West Group Annual Report 2014/2015

Cc: All South West Metropolitan Region Members of Parliament



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SOUTH WEST GROUP SUBMISSION TO THE STATE GOVERNMENT BUDGET FOR 2016 TO 2020

NOVEMBER 2015

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 2014 – ABS 3218.0) identifies the regional population as 414 527, the actual population is likely to be well above 425,000 based on 3.0% per annum population growth 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) – 24.5% in 2013/14, 27.9% in 2014/15
- Building approvals (new houses) – 23.8% in 2013/14, 24.6% 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, 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 \$254 billion WA economy (2013/14).

Employment in the region was strong at 215,300 in September 2015 but still remains volatile and transitioning from major resource project development to the 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 seven 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 advancement of planning and land acquisition for the proposed Fremantle Outer Harbour, intermodal freight terminal and connecting transport corridors (Anketell Road and Rowley Road) are critical for the future freight needs of the region and the state.

These initiatives, together with road infrastructure projects to address chronic congestion along the Kwinana Freeway and Cockburn Central and the extension of the Thornlie Rail Line to Cockburn Central, form the basis for the South West Group's regional priorities for the State budget 2016/17 and beyond.

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

In summary, the eight priority regional projects put forward for funding allocation in the 2016/17 State budget and forward estimates are as follows:

- 1. North Lake Road Bridge (\$85M by 2018)***
- 2. Additional Lane Kwinana Freeway North - Beeliar Drive to Roe Highway (\$50M by 2018)***
- 3. Fremantle Outer Harbour and Intermodal Terminal - Planning and Detailed Design (\$5M by 2018)**
- 4. Rowley Road and Anketell Road - Land Acquisition (\$10M by 2018)**
- 5. Latitude 32 Industrial Area - Land Acquisition (\$50M by 2020)**
- 6. Heavy Rail Link between Thornlie and Cockburn Central (\$170M by 2020)***
- 7. South West Metro Region Transit Network Light Rail (\$5M by 2020)**
- 8. Intelligent Transport Systems (ITS) Deployment for Perth's Arterial Network (\$150M by 2020)***

**Assumes 50:50 cost sharing funding split with the Federal 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. North Lake Road Bridge and Connections (\$85M by 2018)

The North Lake Road Bridge is part of a package of projects known as *Community Connect South* aimed at reducing congestion at Cockburn Central, whilst unlocking economic development opportunities and avoiding congestion related productivity losses including:

1. North Lake Road Bridge
2. Armadale Road Duplication
3. Additional Lanes on Kwinana Freeway North (Beeliar Drive to Roe Highway)
4. Widening of Beeliar Road and Armadale Road Bridge over the Kwinana Freeway from four to six lanes

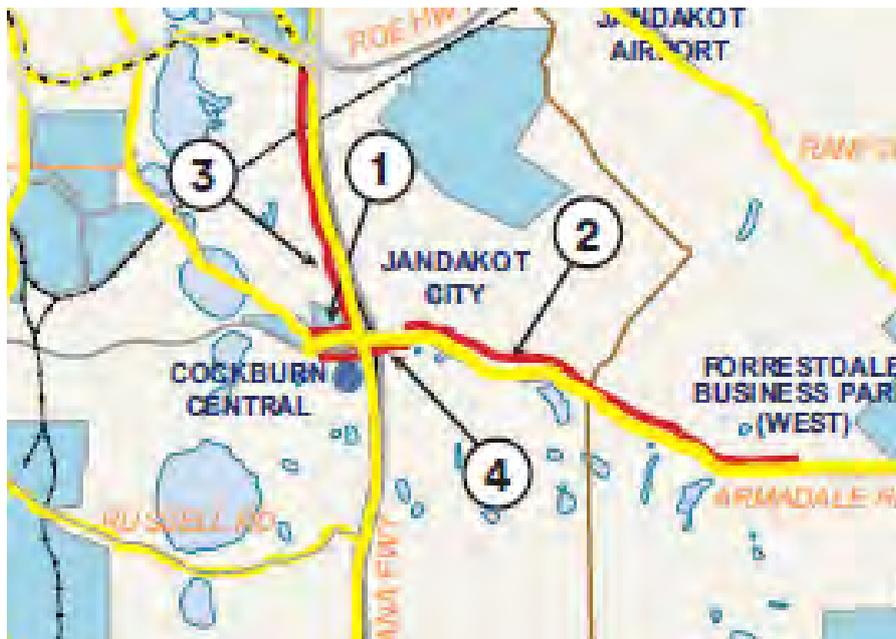


Figure 1: North Lake Road Bridge (1) and connected priority projects aimed at relieving congestion at Cockburn Central and on the Kwinana Freeway

The State and Federal Government have made election funding commitments towards the Armadale Road duplication (2) and therefore allocations in future budgets will be required to reflect these commitments. The additional lanes on Kwinana Freeway North - Beeliar Drive to Roe Highway (3) features in the South West Group's advocacy priorities (see below), whilst the widening of Armadale Road/Beeliar Drive Bridge over the Kwinana Freeway (4) may not be required in the short term should the North Lake Road Bridge be constructed.

The North Lake Road Bridge will enable traffic to bypass the congested Cockburn Central area around the existing Kwinana Freeway/Armadale Road/Beeliar Drive and Beeliar Drive intersections further west of the freeway.

Although detailed design and alignment work is still progressing, cost estimates from Main Roads WA suggest that the North Lake Road Bridge and associated connections would cost in the order of \$165 million, \$85 million provided by the State Government as part of the 50:50 funding split with the Federal Government.

The South West Group supports the inclusion of \$85 million in the State budget to construct the North Lake Road Bridge over the Kwinana Freeway to relieve congestion in the Cockburn Central area by 2018.

2. Additional Lane Kwinana Freeway North - Beeliar Drive to Roe Highway (\$50M by 2018)

The recently constructed additional lane on the Kwinana Freeway South (Roe Highway to Armadale Road) and further extension southward currently under construction to Russell Road has significantly eased severe traffic bottlenecks on the Kwinana Freeway around the Cockburn Central area.

The Kwinana Freeway north bound experiences chronic congestion during peak AM and PM periods and moderate to severe congestion during the work hours of most week days from Russell Road to north of Cockburn Central.

This section of the Kwinana Freeway is identified as a congested location in daily morning and afternoon traffic reports and increases travel times for residents commuting to the Perth CBD and other employment locations within and outside the region.

The construction of an additional lane north on the Kwinana Freeway from Cockburn Central to Roe Highway is required to relieve traffic congestion (refer to project 3 in Figure 1 above).

Preliminary estimates indicate that \$100 million would be required, however it is understood that more detailed cost estimates are in preparation taking into account the complexity of the rail bridge upgrade.

It is assumed that this project will be eligible for the 50:50 funding split with the Federal Government under a cost sharing arrangement similar to the additional lane south along this section of the freeway

The South West Group supports the inclusion of \$50 million for the construction of an additional lane north on the Kwinana Freeway (Cockburn Central to Roe Highway) by 2018.

3. Fremantle Outer Harbour and Intermodal Terminal - Planning and Detailed Design (\$5M by 2018)

The South West Group has long advocated for the acceleration of planning and design for the proposed Fremantle Outer Harbour and associated intermodal terminal.

A decision on the timeframe for transitioning to the Fremantle Outer Harbour is required to provide certainty for planning and investment for what will be the most significant infrastructure investment in the region for coming decades.

The lack of clarity on investment timeframes for the outer harbour has been further complicated with the planned Perth Freight Link and the proposed sale of the Fremantle Port.

The South West Group has therefore taken a pragmatic approach in advocating for the planning and detailed design for the new port and intermodal terminal to be advanced as a regional and State priority.

This work would draw upon the Planning Assessment of Future Ports and Industry Areas (Naval Base to James Point) study completed by PB/Hyder in 2013 and international best practice port design and operations across the globe.

Key factors requiring consideration in the planning and design work include:

- environmental impacts (land and marine) of the new port and associated infrastructure
- timing for the construction of the port and connecting infrastructure corridors
- transition arrangements for containers and other trade between the inner harbour and proposed outer harbour.



Figure 2: Study Area for the Planning Assessment of Future Ports and Industry Areas (Naval Base to James Point)

The South West Group supports a budget estimate of \$5 million to complete the planning and detailed design of the new outer harbour port and intermodal facility by 2018

4. Rowley Road and Anketell Road - Land Acquisition (\$10M by 2018)

The Department of Planning is currently undertaking a multi-disciplinary planning study for the sections of Rowley Road and Anketell Road between Kwinana Freeway and Tonkin Highway to determine suitable alignments to accommodate their designated and future strategic freight functions.

This study is planned to be completed by mid-2016 and there will be a requirement for land acquisition to secure road reservations outside of the 20 metre wide reservations that currently exist.

Given the critical nature of these roads for the proposed outer harbour, and links to key freight infrastructure such as the Kewdale Freight Hub and South West Highway, it is essential that land acquisition processes and funding allocations be put in place to establish and secure the road reservation and to enable both of these links to act as high wide load corridors.

Rowley Road and Anketell Road Investigations - Kwinana Freeway to Tonkin Highway



Figure 3: Indicative alignment of Rowley Road and Anketell/Thomas Road between Kwinana Freeway and Tonkin Highway

The South West Group supports a budget allocation of \$10 million over the next two years as an initial contribution toward land acquisition costs for Rowley and Anketell Roads, with further funding to be considered following the completion of the Department of Planning study.

5. Latitude 32 Industrial Area - Land Acquisition (\$50M by 2020)

Latitude 32 Industrial Area is one of the largest and least developed industrial areas in the metropolitan region and is strategically positioned to key Western Trade Coast infrastructure assets such as the Australian Marine Complex, Kwinana Industrial Area, Fremantle Bulk Terminal and Jetty and the proposed Fremantle Outer Harbour and Intermodal Terminal.

LandCorp, as the lead agency in the planning and development of the Latitude 32 Industrial Area, has progressed MRS Amendments and developer contribution schemes to advance the planning of the industrial area precincts.

The extent of existing land use activities and private ownership of land within the Latitude 32 Industrial Estate (refer to Figure 3 below) are key barriers in advancing the planning and facilitating investment in industrial development.

As a consequence, there is a requirement to accelerate land acquisition of the Latitude 32 Industrial area, particularly core locations likely to play an important role in the development and future operation of the Fremantle Outer Harbour.



Figure 4: Western Trade Coast showing location of Latitude 32 Industrial Area

The South West Group supports the allocation of \$50 million dollars in the 2016/17 budget and over the forward estimates to acquire land in the Latitude 32 Industrial Area.

6. Heavy Rail Link between Thornlie and Cockburn Central (\$170M 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 that 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 Public Transport for Perth in 2031 Plan, identified the Thornlie to Cockburn Central link as part of the ultimate development of the heavy rail network for population of 3.5 million.

This link would provide much needed east-west public transport option to employment centres such as Canning Vale and provide an alternative route and contingency in the rail network for commuters accessing the Perth CBD in the event that Mandurah line was not operational or experienced technical faults during busy periods.

In addition, the construction of the Perth Stadium and associated \$130 million train station 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.

The RAC identified the Thornlie Rail Line extension at an estimated cost of \$340 million as one of their top priorities in their submission on Federal priorities to the Commonwealth in July 2015.

Transperth train system - Mandurah & Armadale lines

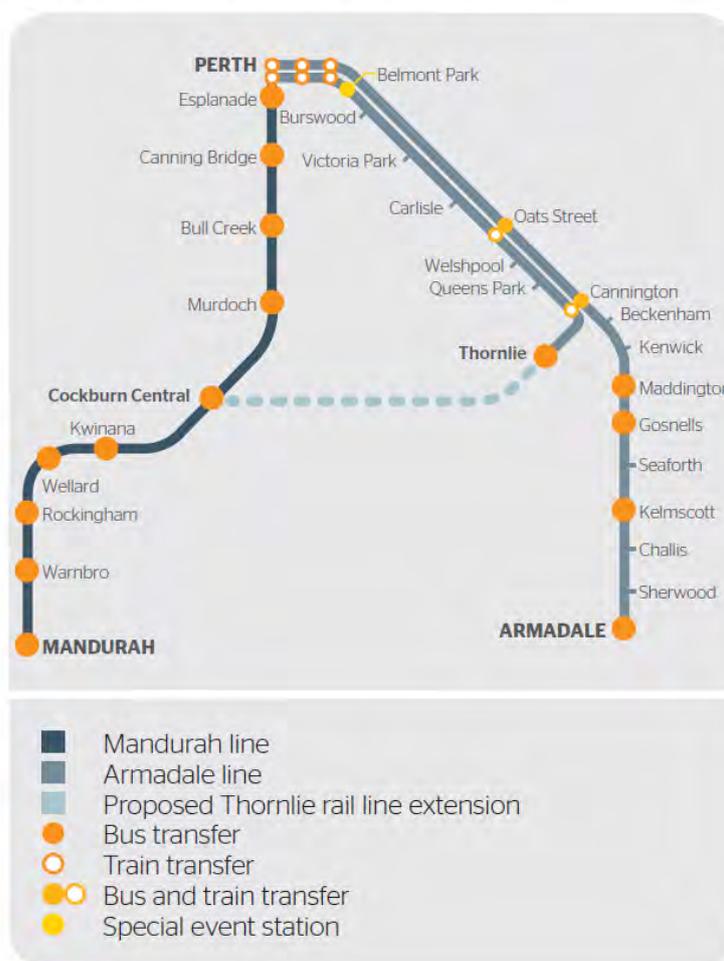


Figure 5: Proposed Thornlie Line Extensions (Source RAC, July 2015)

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

7. South West Metro Transit Network Light Rail (\$10M by 2020)

The Department of Transport released the draft Public Transport Plan for Perth 2031 on 14 October 2011 and received over 1,000 public submissions. The final Public Transport Plan for Perth 2031 has yet to be released, with the Department of Transport confirmed in information provided to an Upper House estimates committee in May 2015 that two key transport planning projects would not be progressed as planned - Moving People Plan and the Perth Public Transport Plan.

The State Government is now working on a third new plan, namely the Perth Transport Plan for a population of 3.5 million, which is expected to be released in the first half of 2016 based on the consolidation of the Moving People and Perth Public Transport plans.

The South West Metropolitan Region is serviced by the Mandurah and Fremantle Rail Lines and bus services. The Mandurah Rail Line carries almost one third of all train passengers in the Perth and Peel region, with the Murdoch station being the busiest station outside the Perth CBD with around 8,000 boardings per day. Cockburn Central, Bull Creek, Rockingham and Canning Bridge are also busy stations with daily boardings ranging from 5,500 to 3,500.

The 2015 Australian Infrastructure Audit predicts that the Mandurah Rail Line will reach or exceed "crush capacity" by 2031.

The South West Group believes that a minimum of \$5 billion in capital expenditure is required by 2031 to develop an effective functioning public transport network for the metropolitan area and to support the goals of Directions 2031 and Perth and Peel @ 3.5 million.

Public transport investment should be proactive in creating productive, engaged communities with high amenity. There needs to be much stronger links between transport planning, land use planning, metropolitan planning and structure planning.

Greater investment in public transport is required throughout the South West Metropolitan Region, with a focus in the short term on improved bus services and the introduction of mass transit forms of public transport such as light rail.

The recent interest from the Prime Minister in private sector funding options for light rail signifies support and a discernable shift from the Federal Government toward more innovative forms of investment in public transport infrastructure projects.

The South West Group has been a partner in investigations for the establishment of light rail networks throughout the region, with the most notable studies being:

- South West Metro Transit Network Study (Parsons Brinckerhoff, 2011)
- Southwest LRT Corridor Study: Murdoch to Fremantle (Crocker, 2014)

The South West Metro Transit Network Study, which was undertaken in partnership with LandCorp, recommended a light rail network linking Cockburn Coast to Rockingham, Fremantle, Murdoch, Cockburn Central and Canning Bridge in the South West Metropolitan Region.

At an estimated \$1B capital cost for the light rail network, the South West Group supports funding in the short term to progress the light rail network from conceptual design through

to detailed design of the network alignments and station/stop locations, together with funding models for priority segments of the network.

The examination of funding options through land value uplift and capture will involve the development of funding framework and cost-benefit model that builds on work completed to date and provides a template for the evaluation of other light rail projects proposed throughout the state and nationally.

**SOUTHWEST METRO TRANSIT NETWORK
KEY ACTIVITY CENTRES**

- District Centre
- Specialised Centre
- Secondary Centre
- Strategic Metropolitan Centre
- ←→ Rail lines
- Train station



The South West Group supports a funding allocation for \$5M funding for period 2016 to 2020 for integrated transport planning, financial analysis and modelling work to establish light rail as recommended in the South West Metro Rapid Transit Network Study (2011).

8. Intelligent Transport Systems (ITS) Deployment for Perth's Arterial Network (\$150M by 2020)

ITS, which is a collective term for a broad range of information and communications technology solutions (integrated into road infrastructure, vehicles and public transport networks) work to help reduce congestion, improve mobility, save lives and optimise the value of existing infrastructure.

ITS is becoming an increasingly important component in the management of congestion and road networks. Main Roads WA has implemented a number of pilot programs using ITS across the metropolitan area and is assessing these to determine their effectiveness in relieving congestion.

The RAC has recommended a total investment of \$300 million in ITS across Perth's arterial network, with priority locations for deployment as part of its submission on Federal priorities (RAC, July 2015).

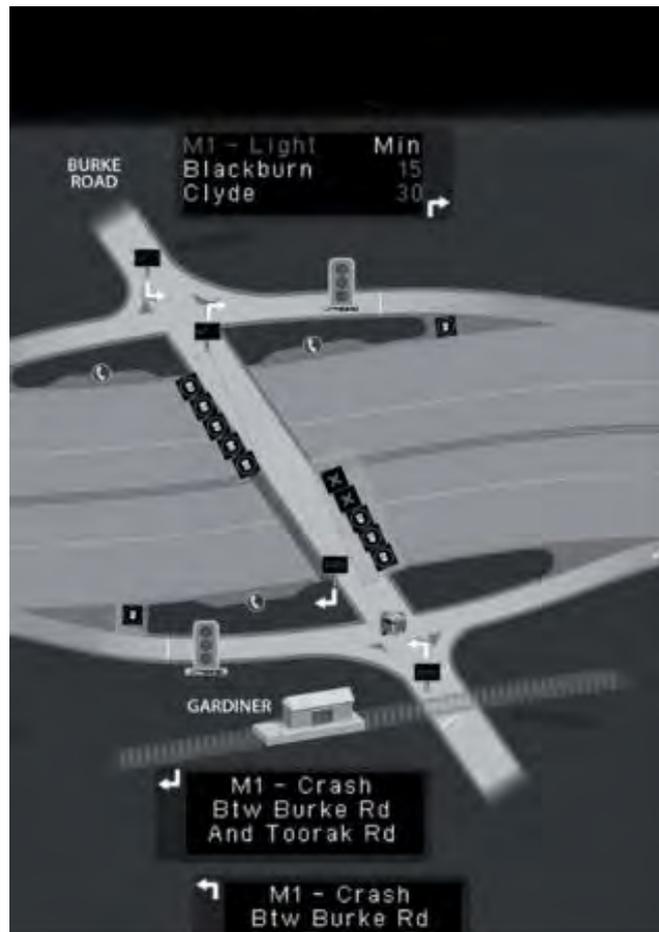


Figure 6: ITS and Managed Motorways (Source – Transmax)

Based on the 50:50 funding split with the Federal Government, a State Government contribution of \$150 million over the forward estimates is considered appropriate to deploy and further trial the use of ITS to relieve congestion pressures on the road network.

The South West Group supports the allocation of \$150 million by the State Government to deploy and trial Intelligent Transport Systems (ITS) across the Perth arterial network 2016 to 2020.

A consolidated summary of the South West Group's State Government budget requests is provided below.

SUMMARY OF SOUTH WEST GROUP STATE GOVERNMENT BUDGET PRIORITIES FOR 2016 - 2020

PROJECT	TIMING				COMMENTS
	2016/17	2017/18	2018/19	2019/20	
1. North Lake Road Bridge and connections (\$85M by 2018)*	\$40M	\$45M	-	-	To relieve congestion and bypass Cockburn Central intersections
2. Additional Lane Kwinana Freeway North - Beeliar Drive to Roe Highway (\$50M by 2018)*	\$20M	\$30M	-	-	To reduce bottlenecks around Cockburn Central through to Roe Highway
3. Fremantle Outer Harbour and Intermodal Terminal - Planning and Detailed Design (\$5M by 2018)	\$2M	\$3M	-	-	To confirm design, environmental impacts, operational capacity and cost requirements
4. Rowley Road and Anketell Road - Land Acquisition (\$10M by 2018)	\$3M	\$7M	-	-	To identify and protect road reservations for strategic freight corridors
5. Latitude 32 Industrial Area - Land Acquisition (\$50M by 2020)	\$10M	\$10M	\$10M	\$20M	To progress planning and development of industrial precincts
6. Heavy Rail Link between Thornlie and Cockburn Central (\$170M by 2020)*	\$20M	\$50M	\$50M	\$50M	To increase capacity and provide contingency on rail network and provide direct Perth Stadium access
7. South West Metro Transit Network Light Rail (\$5M by 2020)*	\$1M	\$1M	\$2M	\$1M	To determine alignments and funding models for the establishment of light rail networks
8. Intelligent Transport Systems (ITS) Deployment for Perth's Arterial Network (\$150M by 2020)*	\$15M	\$35M	\$50M	\$50M	To increase efficiency and relieve congestion on existing road network
Total	\$111M	\$181M	\$112M	\$121M	\$525M

* Assumes *50% funding (Total of \$455M) provided by the Federal Government