



6 September, 2019

Ms Romilly Madew AO
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Dear Romilly

Re: Infrastructure Priority List 2020

Thank you for the opportunity to provide input to the update of Infrastructure Australia's Infrastructure Priority List for 2020.

As you know, the National Growth Areas Alliance represents local government in the fast-growing cities, towns and suburbs of Australia's capital cities. The challenges and opportunities presented to local government by rapid and sustained population growth are particularly evident in areas of expansive greenfield development where existing infrastructure is either non-existent or not equipped to cope with increased demand.

With this in mind, we offer these overarching comments on the national importance of investment in growth areas, and the potential application of project methodologies to address similar challenges across the nation. These comments will be supplemented by a response from the Alliance to the draft Infrastructure Australia Audit.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bronwen Clark", written in a cursive style.

Bronwen Clark
Executive Officer

Infrastructure Priority List 2020

Supporting statement

Australia's fast growing cities, towns and suburbs

Growth Areas typically are defined as those cities, towns and suburbs on the outskirts of the greater metropolitan areas of Australia's capital cities. Growth Area councils have an annual average population growth rate double the national average, housing new communities in low density greenfield development as well as medium and high density developments within existing suburban centres. Their populations are predominantly commuter workforce, with large tracts of employment lands, typically supporting manufacturing, freight and logistics.

The Alliance's 2018 *State of Australia's Fast Growing Suburbs* report states that Growth Areas are in transition, economically as well as demographically.¹ Their populations and their economies are becoming more diverse. Critically, the role of Growth Areas in relation to national productivity is pivotal – with the potential to connect the growing skilled labour market to industry.

Almost one in five Australians now call Growth Areas home. These cities, towns and suburbs are growing by around 3% every year, well above the Australian rate (1.7%).² But the nature of this growth is changing. Growth Areas are home to a diverse mix of age groups, offering opportunities for first homebuyers, upgraders and retirees. More residents are living in medium and high-density housing than ever before, renting is becoming more common and the population has become more culturally diverse.

Supporting Growth Areas results in increased national productivity

While the economic role and function of Growth Areas is one which is generally geared toward its large resident base they also having important export industries such as manufacturing and freight and logistics. However, the traditional economic role and function is transitioning, with several indicators showing early signs of entrepreneurial activity.

- Growth Areas are among the largest growing employment zones in Australia, with nine featuring among the top 25 growth LGAs between 2011 and 2016. On average, employment has grown by around 2.6% per year, well above the national rate of 1.2% per year.
- The share of high skilled jobs has increased across many industries, with health, education and professional services leading the way.

Growth Areas continue to play a pivotal role in supporting the productivity growth of cities by unlocking affordable housing for growing populations and employment lands and supply chains for freight and logistics. Significantly, Growth Areas account for over 11% of GDP despite only making up 6% of Australia's 545 Local Government Areas (LGA). In 2016, almost 13% of jobs were located in Growth Areas.

¹ Id Consulting, *State of Australia's Fast Growing Outer Suburbs, The Economic and Demographic transition of the Fast Growing Outer Suburbs, 2018*

² *ibid*, pp1-2

To continue this critical nation building role and also transition to the new economy, Growth Areas need transformational infrastructure and an inclusive plan for sustainable city growth that provides critical transport infrastructure to connect people to local jobs, social infrastructure and green space to create thriving, liveable local communities³. National productivity is at stake if we do not plan and invest in infrastructure that catalyses a continued role in the new Australian economy.

Timely delivery of infrastructure is critical to Growth Area liveability

A lack of certainty regarding the delivery of district level and city-shaping infrastructure can reduce the liveability of an area, entrench car dependency and restrict housing delivery and commercial investment. Timely delivery of supporting and transformative infrastructure has the potential to make a place.⁴

We commend the inclusion of significant transport projects in the 2019 Infrastructure Australia Priority List such as METRONET in Perth, Ballarat Line Upgrade in Melbourne's west, Gawler Rail Line Electrification in Adelaide's north, and access to the Western Sydney Airport. We a renewed focus on the development and delivery of projects that will create strong infrastructure frameworks in growth areas, including progression of initiatives such as corridor preservation for the Outer Sydney Orbital road and rail/M9, Mitchell and Kwinana Freeway upgrades, Melbourne Outer Metropolitan Ring Road, Cranbourne Line Capacity in Melbourne's south east, Picton Road safety in Sydney's south and freight initiatives in Southern Sydney and Moorebank.

Equitable Access to Social Infrastructure in Growth Areas

The Alliance supports the calls of the Parliamentary Inquiry into the Australian Government's role in the development of cities, *Building Up and Moving Out*⁵, to take a renewed focus on planning for places at the local and neighbourhood level, ensuring that metropolitan scale plans are sequenced with development to support growth, investing in places where people want to live.

Place-based urban planning and design integrates leadership and design excellence to create high amenity places for people that respects the natural resources that our future relies upon.⁶ It also demands an urban configuration where residents can access work, study, cultural, recreational facilities and essential services such as healthcare within minutes of their home - reducing congestion and emissions, and returning time to residents for greater social and family connectivity, health and well-being.

³ Centre for Urban Research RMIT University, Transformational Infrastructure Projects in Australia's Fast Growing Outer Suburbs, 2018, p.5

⁴ Camden Council, Draft Local Strategic Planning Statement 2019

⁵Parliament of Australia, Building Up and Moving Out, Inquiry into the Australian Government's role in the development of cities, (2018), p xxx, accessed 8 October, 2018 at https://www.aph.gov.au/Parliamentary_Business/Committees/House/ITC/DevelopmentofCities/Report

⁶ Creating Places for People, An Urban Design Protocol for Australian Cities, (2011), P 7, accessed 18 October, 2018, at <https://urbandesign.org.au/downloads/>



WA - Federal Regional Sporting Facilities Infrastructure Fund, Growth Areas Perth and Peel

The provision of adequate sporting and recreation infrastructure is an important responsibility for governments in Australia as an area of market failure that provides large positive externalities. While directly impacting individuals, the financial cost of physical inactivity is largely born by the health system and therefore the taxpayer.

Growth Areas Perth and Peel (GAPP) is an alliance of outer metropolitan Local Governments representing 1.2 million residents, or over half of the current population of Greater Perth. With over 75% of the growth of Perth expected to be accommodated in these areas, these residents are increasingly facing a shortage of regional level sporting facilities that limits access to organised sport, resulting in high travel costs, reduced levels of participation and rising government health care costs. Travel requirements over-and-above a 10km journey threshold have been modelled to quantify this problem in a conservative manner, and are estimated to be \$80 million in 2019, increasing to \$152 million a year by 2036 if left unaddressed.

The true flow-on impact of poor access to facilities has not been monetised, but is evidenced in the fact that GAPP Local Governments have a higher proportion of people who undertook no or low exercise (65%) compared to other metropolitan areas (55%).

To address this significant city scale problem, the GAPP is seeking Federal Government contributions of up to \$350 million in combination with State Government, Local Government and private investment. This investment will enable the delivery of twelve major new facilities and upgrades over the next decade and will provide significant benefits to all Perth residents by reducing travel requirements, increasing participation rates and easing capacity constraints on the full range of existing sports facility assets.

Transport Projects to Address Urban Congestion and Increase Resilience

The outer suburbs of Australian cities expanded rapidly with increased private car ownership and the desire for affordable living away from inner-city congestion. New ways of working, supported by high quality digital infrastructure, is starting to transform the skills and job profile of outer suburban communities, but families still rely on access to roads, rail and public transport to connect to the jobs, facilities and services far from home.

Life in most Growth Areas is not a 30 Minute City experience. Nationally, the story is a consistent one with up to 80 per cent of residents commuting from their suburb every day.⁷ Given the gaps in public transport infrastructure and the “last-mile” challenge, community reliance on the private car to get to jobs located far from home is significant, and the demand for improved roads and road performance is now critical. As reported by the Australian Automobile Association, road performance is deteriorating nationally, with reliability and congestion worsening. The Bureau of Infrastructure, Transport and Regional Economics estimated that congestion cost Australia \$16.5 billion in 2015. Without major policy changes, congestion costs are predicted to reach between \$27.7 and \$37.3 billion by 2030.⁸

⁷ Id Consulting, State of Australia’s Fast Growing Outer Suburbs, The Economic and Demographic transition of the Fast Growing Outer Suburbs, (2018), p 28-30

⁸ Australian Automobile Association, (2018), Road Congestion in Australia, p 4-5

There are three problems with public transport for residents of Growth Areas, described Infrastructure Australia's *Outer Urban Public Transport; Improving Accessibility in lower density areas (2018)*⁹, lower levels of access, poor frequency and longer travel times. The Alliance firmly believes that these challenges go to the heart of the health, well-being and resilience of our communities.

WA - South West Metropolitan Public Transport Improvement, South West Group

A business as usual approach will see a continuing poor rate of public transport usage in Perth. The Australian Infrastructure Audit 2019 only projects an increase in the share of trips taken by public transport, with the 2016 rate for Perth of 6.4% only growing slightly to 6.9% in 2031. This compares to a projected increase in Perth weekday car travel growing by 34.3% from 48,035,000 kilometres in 2016 to 64,484,000 in 3031. The South West Group wish to see public transport use grow through innovative use of transport technology and high quality infrastructure to over 10% of trips by 2031.

The South West Metropolitan Region is one of the fastest growing urban areas in Australia and is expected to grow by 334,167 persons between 2017 (433,167) and 2047 (767,334). It is a high growth, national scale region in which “place” level planning will function effectively.

The scope of the South West Metropolitan Public Transport Improvement project includes:

- Fremantle to Cockburn Transit Link
- Rockingham Transit Link
- Fremantle to Murdoch Transit Link
- Canning Bridge Activity Centre Redevelopment

It also includes application of technology such as guided vehicles, smart transit ways, smart stops and stations, autonomous vehicles and alternatively fuelled vehicles. It does not include the Canning Bridge Crossing Capacity and Interchange which is already an Infrastructure Australia Priority Project.

NSW - Castlereagh Connection, Penrith City Council

The “Castlereagh Connection” is a potential road project in Western Sydney that would connect significant populations in the region, intersect with existing and planned infrastructure and provide critical flood evacuation infrastructure to one of the highest risk communities in Australia.

134,000 people live on the Hawkesbury-Nepean Valley floodplain and significant existing and future populations would need to evacuate in a 1 in 100-year flood (estimated 64,000 people). Under current evacuation routes a significant number of evacuees come through Penrith and exit via the M4. The Castlereagh Connection would divert many of the 64,000 to the M7, thereby reducing the choke point at the M4 Penrith, estimated to be in excess of 6 hours.

⁹ Infrastructure Australia, (2018) *Outer Urban Public Transport: Improving accessibility in lower density areas*, accessed on 8 November, 2018 at <https://infrastructureaustralia.gov.au/policy-publications/publications/outer-urban-public-transport.aspx>

Transport for NSW's Future Transport 2056 Greater Sydney Infrastructure and Services Plan identified Castlereagh Connection as a strategic road with a future role supporting growth in freight volumes. Given the proximity of the future airport and national and international freight opportunities there is a current and future need to provide supporting road networks and east-west connectivity.

The existing road network is currently heavily congested during morning and afternoon peaks. Connectivity to the Motorway network from the Northern suburbs of Penrith is constrained. The current corridor runs alongside the Marsden Park growth area with a planned 30,000 homes and limited public transport access. Future planned and infrastructure also intersects with the Castlereagh Connection corridor including the Outer Sydney Orbital freight and road corridor and the North South Rail Link (Sydney Metro Greater West) and the benefits of providing supporting road network connectivity will enhance the significant investment in this infrastructure.

Sunshine and Geelong Fast-Rail Connection and Melbourne-Geelong rail line electrification

In 2018 the Victorian Government announced plans to invest \$50 million for detailed planning to investigate a fast rail-link between Sunshine and Geelong via Wyndham. With \$4 billion invested in the Regional Rail Link, Wyndham City supports calls for the Federal Government to capitalize on this opportunity and help fund this connection as a way of unlocking major employment opportunities.

A 97 per cent increase in Victorian rail patronage since 2012/13 is one of the reasons provided by the Victorian Government for the need to investigate a fast-rail connection with Geelong. According to the Victorian Government, a fast rail link from Geelong to Melbourne would slash travel times between Victoria's capital and its second biggest city, as well as creating a rail pathway to Melbourne Airport. Wyndham City agrees with the assessment that a future Melbourne Airport rail link should integrate into the existing rail network. This approach would maximise the benefits of the link, unlocking capacity in Melbourne's booming West and North and providing better services for regional Victoria.

With both the Victorian and Federal Governments making financial commitments towards construction of a Melbourne Airport rail link via Sunshine, a fast-rail connection to Geelong is vital to facilitating this better integration of Victoria's rail services.

It is vital to note that Wyndham's population is already greater than Geelong's and connecting Melbourne, Geelong and Wyndham by fast rail would unlock major employment opportunities while reducing traffic congestion. As noted in Infrastructure Australia's recent audit, there is a disparity of transport availability and affordability between inner city and outer suburban areas, and unless this is addressed our transport networks will continue to be inequitable. Wyndham City encourages Infrastructure Australia to recognise the national significance of this

Increased Local, Regional and National Productivity

Growth Areas play an important role supporting the productivity of cities by increasing labour supply and providing diverse and affordable housing. The 31 fastest growing municipalities accounted for 35 per cent of Australia's population growth during (2011-2016), yet received only 13% of federal infrastructure investment during the same period.

The economic gains of concentrating economic activity in Central Business Districts are being outweighed by productivity lost in travel-time and congestion. In 2016, the job deficit position was 69 for every 100 workers living in the outer suburbs with up to 80 per cent of workers across the nation commuting from the outer suburbs.¹⁰

The Alliance supports the findings and recommendations of Infrastructure Australia's Reform Series, Future Cities, Planning for our Growing Population¹¹ that well-planned cities - where the location of jobs, homes, industries and their supporting infrastructure networks are coordinated to maximise accessibility and liveability - will deliver the best outcomes for Australian communities.

VIC - Western Interstate Freight Terminal, Wyndham City Council

The proposed Western Interstate Freight Terminal (WIFT) is a nationally significant project, recognised previously through a joint Victorian and Australian Government funded pre-feasibility study in 2013. The Victorian Government has also provided funding to commence a business case and the Victorian Freight Plan - Delivering the Goods identifies the need to reserve land for the location of the WIFT in Truganina.

The project will include the construction of an interstate rail freight terminal and warehousing precinct at Truganina and a rail link to the interstate rail freight network. Currently interstate containers bound for distribution in Melbourne are railed to terminals at Dynon, next to the Port of Melbourne, and then trucked to the outer suburbs. The Dynon terminals have limited space and capacity and can be difficult to access, contributing to traffic congestion throughout Melbourne.

Independent studies have confirmed Truganina as an optimal location for the WIFT as it is close to around 50 per cent of the existing interstate freight rail customers, with good road access to other parts of Melbourne. It is also large enough to include a significant precinct for co-located freight and logistics activities which would likely use the rail terminal. The WIFT site also has the necessary space to accommodate demand for rail freight well beyond 2050.

Numerous freight strategies strongly recommend the need for freight rail services to each of the freight activity centres. The 2010 Shaping Melbourne's Freight Future strategy indicated that rail-road freight terminals were far superior to road-road freight terminals given the predicted growth in freight movements. It is recommended that corridors for rail be implemented early to ensure that the land is secured for that purpose.

Conclusion

The National Growth Areas Alliance urges prioritisation of infrastructure investment in outer urban growth areas, and appreciates Infrastructure Australia's focus on the needs of our Member Councils. Please contact Bronwen Clark, Executive Officer on 0448 401 257 or bronwen.clark@ngaa.org.au for additional information.

¹⁰ *ibid*, pp 29-30

¹¹ Infrastructure Australia (2018), Future Cities, Planning for our Growing Population, p 108-109, accessed 18 November, 2018, <https://infrastructureaustralia.gov.au/policy-publications/publications/files/future-cities/Future-Cities-Paper.pdf>