

# **FUND OUR FUTURE**



## **A DEDICATED NATIONAL INFRASTRUCTURE FUND FOR THE FAST GROWING OUTER SUBURBS**

**2016-17 COMMONWEALTH GOVERNMENT  
PRE BUDGET SUBMISSION**

**NATIONAL GROWTH AREAS ALLIANCE**



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## INTRODUCTION

Successive governments have failed to fund and build the infrastructure that fast-growing outer suburbs of our capital cities – from Wanneroo in Perth to Blacktown in Sydney’s west – need and deserve. As a result there is a significant backlog of infrastructure required and more growth coming.

These communities are confronted daily with a congested road network and lack of adequate public transport and health facilities. Already residents are often spending up to two hours each way in traffic – to get to work or reach basic services.

A growing population should be a vibrant resource, but instead communities and businesses are being held back by lack of investment.

Nearly 5 million people live in the fast growing outer suburbs. By 2031 they will house around 7.5 million people.

The Government’s recognition that creating better cities requires a high level of attention by all levels of government aligns strongly with NGAA objectives. The fast growing outer suburbs are an important part of the economy and how cities function.

A comprehensive and dedicated response is required to address the current and growing infrastructure lag that is holding outer growth areas back. We know that the benefits from investment in the fast growing outer suburbs will outweigh the costs, create jobs, increase tax revenues and permanently boost national GDP. It will also lead to a reduced cost of living, easier commuting, better access to essential services and a better quality of life.

NGAA proposes that a dedicated mechanism to fund infrastructure in the fast growing outer suburbs is a practical response to help deliver the outcomes both we and the Government are seeking for cities.

We know infrastructure is important to our member communities. There are many projects in NGAA areas about which communities feel strongly. A mechanism to fund the roads, public transport and health facilities they want is needed.

In the lead up to the 2016 Federal Election, NGAA and member councils and communities will be campaigning for a more long term, stable response. *Fund our Future* calls for a rethink of infrastructure policy and a dedicated national funding mechanism to fix the infrastructure problems of fast growing outer suburbs for the long-term.

Continued underinvestment will be catastrophic personally and for communities and businesses more broadly: increased stress, time wasted in traffic, fewer jobs and social isolation leading to divided communities.

These problems have a much wider impact than for the communities and residents directly affected. Neighbouring areas also feel the squeeze and business productivity decreases. That is why we are asking the Federal Government to take the lead in establishing a mechanism to fund our future.

## **OUTCOMES SOUGHT**

What we want to achieve for the outer growth areas is:

- Reduced cost of living
- Easier/less commuting
- Better access to essential services
- Increased productivity

The aim is to provide the infrastructure where population growth:

- occurred and there is still a backlog;
- is occurring now;
- is planned to go.

## **WHAT WILL HELP**

Priorities for the growing outer suburbs are:

- public transport – all modes, to provide access to jobs and services and take cars off the roads
- road connections that will ease congestion and open up economic opportunities
- health facilities that will not only provide much needed services but also provide jobs and attract other associated industries.

## **WHAT IS PROPOSED**

We propose that a dedicated mechanism to fund infrastructure in the fast growing outer suburbs of our capital cities is a practical response to help deliver the desired outcomes. A dedicated long term stable funding mechanism is required to fund the road connections, public transport and health facilities communities are crying out for and that will support and attract businesses and boost economic growth. Rural and regional areas have been recognised through dedicated funding but outer growth area population hotspots have never benefitted from this type of approach. Other examples of the Commonwealth Government investing in designated areas are Western Sydney, Northern Territory and Tasmania.

It is proposed that the Commonwealth Government would establish an outer metropolitan growth areas fund through which agreed projects would be supported. Commonwealth funds would help leverage other investment. Projects would emerge from local areas/regions and would be soundly based in strategic plans. They would not only have a strong evidence base but would also be able to demonstrate that they would contribute to the agreed policy goals.

## **PROJECT EXAMPLES**

The following examples are the sorts of projects we envisage being supported through a dedicated funding mechanism. They are strategic, they will open up employment, connect people to jobs and reduce costly congestion.

### **Build a rail line to link Western Sydney's high growth arc – Blacktown, Campbelltown and Penrith NSW**

To maximise Western Sydney's productivity and realise the region's potential there needs to be more connection between the North and South West Growth Centres. It is proposed to construct a dedicated rail network that connects Campbelltown (including the south-west rail line) to the Western rail line via Western Sydney airport and through to the North-west rail line via Marsden Park in Blacktown. This rail link would be much more to the people of Western Sydney than a connection to the new airport. It would increase productivity, reduce commuting times and create thousands of new jobs. The catchment is the Outer Western Sydney growth and innovation corridor. The outcomes would include:

- maximising use and potential of Western Sydney airport
- connecting residential growth corridors to employment
- facilitating economic development and diversity in job creation
- reducing road congestion
- creating scope for increased residential density to further meet housing need
- enables the creation of innovation hubs and specialised industry.

### **Connect our communities – Armadale and Cockburn, WA**

Connecting these two growth areas with a new bridge and connecting roads will bring people to jobs and increase the productivity and potential of both the City of Armadale and the City of Cockburn. Reduced road congestion will bring down the flow-on costs to business when their staff and freight are stuck in traffic. Councils have already contributed funds, but Federal Government support is needed.

These works will enhance inter-regional and intra-regional connectivity around the rapidly developing "Enterprise Arc" that comprises the Armadale Strategic Metropolitan Centre, Jandakot Airport, Cockburn Central, Forrestdale Business Parks, future Forrestdale Industrial Area, the Western Trade Coast and Fremantle.

Improved connectivity will deliver:

- A far greater ability for businesses to be competitive
- Improve productivity through more efficient movement of people and goods and provide better access to major enterprise locations in the region;
- Improve accessibility to employment centres in the region, providing the centres with a greater talent pool to recruit from;
- Provide improved employment self-sufficiency

### **Finish the Gawler rail line project – Playford, SA**

Federal Government assistance is required to complete the electrification of the Gawler rail line and possible extension to Tanunda. This would drastically improve the commute for thousands of residents who work or study in the city. It would also open up the northern suburbs, Gawler and Barossa as a more viable location for business, employment and education. The outcomes would include:

- Job creation in construction through Northern suburbs of Adelaide which has a depressed jobs market and closure of Holden in 2017.
- An electric train will provide environmentally friendly and efficient public transport (rail) options for residents of Playford to the Adelaide CBD or the Gawler & Barossa District for work or study.
- Employment/Training opportunities.
- Reduced CO2 through electricity not diesel.
- Tourism through improved service and access to gateway to the Barossa.

### **Finish fixing Thompsons Road – Casey, Vic**

The major bottleneck at the Thompsons Road/Western Port Highway intersection causes major delays and is a cost to businesses, their employees and the community as a whole. The bottleneck would be fixed by upgrading the intersection and duplicating and extending Thompsons Road where needed. The Victorian Government has already allocated funding to get this project started, but it cannot be finished without Federal Government funding. Thompsons Road will unlock the development of more than 3,000 hectares of employment land, which is key to the delivery of local jobs for the region's growing residential population. The outcomes would include:

- Removing the major bottleneck at the Thompsons Road / Western Port Highway intersection which is affecting regional travel in both north-south and east-west directions;
- Provide a new high capacity east-west freight and logistics corridor linking across the South East Region;
- Deliver a much needed high capacity alternative to the Monash Freeway;
- Act as a start-up catalyst for the timely development of employment land located within the Casey Cardinia growth corridor and reduce the significant local employment deficit;
- Reverse the westward tidal flow of workers leaving the region by contributing to the generation of local employment opportunities;
- Provide a direct high capacity public transport connection between the residential areas of Casey and the employment land in Cardinia

## THE SCALE OF THE TASK

Past research<sup>1</sup> has pointed to the opportunities from investment in NGAA areas, with the benefit including significant jobs creation, higher tax revenues and a permanent boost to national GDP of \$18bn per annum.

This research also demonstrated that NGAA council residents are disadvantaged because of:

- Poor access to jobs and services
- Lower incomes
- Lengthy travel times (to work), and
- High car dependency.

A recent benchmarking analysis undertaken by SGS Economics and Planning for NGAA builds on this earlier work and again demonstrates that the fast growing outer suburbs are significantly disadvantaged, having demonstrably poor access to health and transport infrastructure compared to neighbouring more established areas closer to city centres.

The work finds that to catch up and then to keep up with the infrastructure needs of the growing population in these areas, investment of around **\$5 billion each year over the next 15 years will be needed.**

### Other findings

- Fast-growing outer suburbs do not have the same access to roads, public transport and health facilities available to residents in more established neighbouring suburbs.
- The current infrastructure backlog stands at around \$50 billion, or \$12,457 per resident.
- A further investment of around \$23 billion, or \$3,677 per capita, would be needed from now to 2031, to keep infrastructure on a level playing field as the population grows.

These figures are conservative and can be seen in the context of other national estimates of Australia's infrastructure deficit which have been in the order of hundreds of billions of dollars.

### What if the Investment Isn't Made ?

Previous research<sup>2</sup> concluded that the disadvantage in the fast growing outer suburbs will worsen if significant public funding commitments are not forthcoming. Other publications<sup>3</sup> point to a growing divide within cities if investment is not made.

- Australian cities will become divided cities.
- Residents of the fast growing outer suburbs will endure entrenched spatial disadvantage.
- Access to jobs and services will deteriorate
- Travel time to work and other opportunities will lengthen

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<sup>1</sup> SGS Economics and Planning for NGAA, Cost Benefit Analysis of Investment in Growth Areas, 2009.

<sup>2</sup> SGS Economics and Planning for NGAA, Cost Benefit Analysis of Investment in Growth Areas, 2009.

<sup>3</sup> Essential Economics, One Melbourne or Two, 2013 and Committee for Sydney, Adding to the Dividend, Ending the Divide, 2014.

- Social, economic and environmental costs will amplify.

### **What Investment Would Provide**

Investment would provide significant jobs creation, higher tax revenues and a permanent boost to national GDP of \$18bn per annum. The benefits stem from outcomes such as improved workforce participation, more local job opportunities and improved access to jobs and services elsewhere.<sup>4</sup>

It would also reduce the cost of living, improve quality of life and reduce road congestion. This would benefit residents and businesses, increase workforce participation and improve productivity. Better connectivity will benefit cities as a whole and in the Committee for Sydney's words, add to the dividend and end the divide.<sup>5</sup>

### **Infrastructure Australia – Australian Infrastructure Audit**

Access to transport remains a critical social equity consideration, particularly for the outer suburbs of Australia's cities and most parts of regional Australia. These areas generally have an undersupply of transport services (especially public transport) and of local employment options.

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<sup>4</sup> SGS Economics and Planning for NGAA, Cost Benefit Analysis of Investment in Growth Areas, 2009. The investment and the benefits were from half closing the gap between NGAA areas and metropolitan host areas.

<sup>5</sup> Committee for Sydney, Adding to the Dividend, Ending the Divide, 2014.