



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

**Friday, 23 January 2015**

Our Reference: Federal Government Budget Submission 2015-2019

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

## **2015 – 2019 FEDERAL BUDGET PRIORITIES FOR THE SOUTH WEST METROPOLITAN REGION OF PERTH, WESTERN AUSTRALIA**

The South West Metropolitan Region of Perth is one of Australia's most productive regions with high value manufacturing and diverse economic activity generating over \$30 billion gross regional product toward the State's \$236 billion economy.

The South West Group has been working closely with the State Government and Federal Coalition Members of Parliament over the last 12 months to identify regional priorities for investment in the South West Metropolitan Region.

The South West Group has adjusted its lobbying and advocacy approach to reflect the constrained financial position evident across the levels of government by targeting a limited number of projects with modest budget expenditure requirements, but high economic benefits and productivity gains.

The South West Group has also adopted a strategic approach to identifying regional projects of national significance based on the following key priorities:

- Community Connect South
- Proposed Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal
- Oil and Gas Industry Growth Centre

The regional priorities put forward by the South West Group acknowledge the announcement by the Premier of Western Australia on 17 December 2014 to begin construction of the Perth Freight Link in early 2016 through joint funding commitments by the Federal Government (\$925 million) and State Government (\$650 million) for this \$1.575 billion project.

The South West Group and member Councils are aware of proposed consultation and stakeholder engagement activities planned to be undertaken by Main Roads WA for the Perth Freight Link and its component projects over the coming months.

The Federal Government has a significant role within the region in supporting investment in nationally significant infrastructure, industry development, export development and skills development as well as multi-million dollar direct expenditure in the Defence sector.

The 2015/16 Federal Budget should reflect a strong infrastructure and project investment in this region to underpin the long term growth of the Australian Economy.

I trust that the Federal Government will look favourably upon these regional priority projects and provide the required financial support to ensure they become a reality and benefit the 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



**Mayor Jim O'Neill**  
**South West Group Chair**

Copy to all South West Metropolitan Region Federal Members of Parliament



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## **SOUTH WEST GROUP SUBMISSION TO THE FEDERAL GOVERNMENT BUDGET FOR 2015 TO 2019**

**DECEMBER 2014**

### **BACKGROUND AND REGIONAL CONTEXT**

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 2013 – ABS 3218.0) identifies the regional population as 403,051, the actual population is likely to be well above 425,000 based on 3.7% p/a population growth. 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) – 24.4% in 2012/13, 24.5% in 2013/14
- Building approvals (new houses) – 23.4% in 2012/13, 23.8% in 2013/14
- 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 \$243 billion WA economy (2012/13).

Employment in the region peaked at 215,600 in November 2014 but still remains volatile and transitioning from major resource project development to the housing and commercial construction sector.

## **REGIONAL CONTEXT**

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

These priorities aim to address the severe congestion impacts around Cockburn Central, progress the integrated planning for the Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal and promote the establishment of an Oil and Gas Industry Growth Centre in WA.

The South West Group has prepared a map overleaf showing the regional context of container freight movements into the region and a package of projects that form the regional freight infrastructure program.

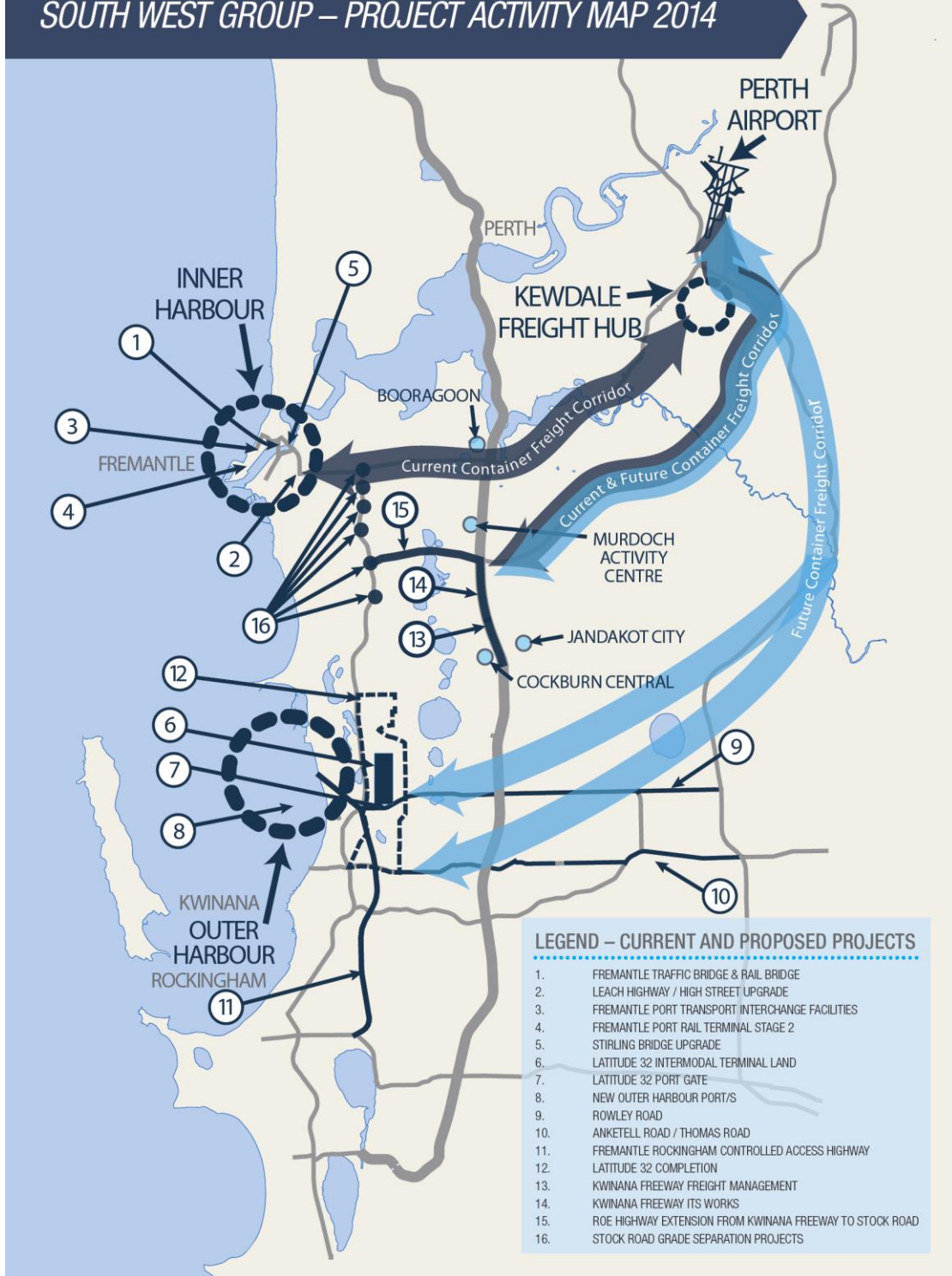
The Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal includes the following projects:

- Latitude 32 Intermodal Terminal Land (6)
- Latitude 32 Port Gate (7)
- New Outer Harbour Ports (8)
- Rowley Road (9)
- Anketell/Thomas Road (10)

There is a need for an integrated program requiring the establishment of a collaborative structure involving key government agencies and the private sector to plan, deliver and operate this strategic, economic and trade related port asset and its connections.

Given the significance of the port for trade and the national economy, the Federal Government is well placed to play an active role and supporting the State Government in the planning and development of the proposed outer harbour and intermodal terminal.

## SOUTH WEST GROUP – PROJECT ACTIVITY MAP 2014



The South West Group supports the following projects as priorities for the 2015/16 to 2018/19 Federal Budget.

1. Community Connect South
2. Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal
3. Oil and Gas Industry Growth Centre

These projects have been discussed with Local Members of Parliament and the relevant Federal Government agencies to ensure they are aligned, relevant and achievable.

The funding shown for the priority projects relate to the amount of funding requested from the Federal Government, noting some projects require matching State Government funding and the South West Group is actively pursuing budget consideration with relevant State Government agencies.

The regional investment priorities requiring shared funding from the Federal Government are discussed in more detail below

## 1. COMMUNITY CONNECT SOUTH

The Community Connect South initiative builds upon and extends the “Cockburn Congestion Relief” project previously advocated by the South West Group and member Councils based on the following projects:

- Freeway bridge linking North Lake Road and Armadale Road
- Dual carriageway for Armadale Road, Kwinana Freeway to Warton Road
- Additional freeway connections and connector distributors

The South West Group also advocated for additional lanes on the Kwinana Freeway, between Roe Highway and Armadale Road/Beeliar Drive.

Of the above projects, only the additional lane on the Kwinana Freeway south bound was funded through a partnership between the State and Federal Government involving the equal sharing of the \$62 million cost.

The Cockburn Central area and associated road connections are recognised as one of the worst congestion hot spots in the southern metropolitan area and is cited as problem locations on daily traffic reports for the morning and afternoon peak periods.

The Community Connect South initiative includes 33 separate projects, with the City of Cockburn committing almost \$123M and the private sector (Colonial First State, Jandakot Airport Holdings, Developers) around \$25 million to upgrade local road infrastructure to manage congestion in the vicinity.

Further investment from the State and Federal Government to upgrade freeway interchanges, bridge structures and connection major roads is required.

Federal Government investment, and matching funds from the State Government, is required for the following road projects and upgrades for the Community Connect South initiative:

- ***Kwinana Freeway Additional Lane (North)*** – Beeliar Drive to Roe Highway
- ***North Lake Road Bridge over Kwinana Freeway*** – new construction
- ***Beeliar Drive Bridge over Kwinana Freeway*** – extend to six lanes
- ***Duplication of Armadale Road*** – Tapper Road to Anstey Road
- ***Duplication of Russell Road Bridge over Kwinana Freeway*** – to cater for vehicle growth and freight movements to the Australian Marine Complex.

The attached plan shows how the State and Federally funded road projects would positively contribute to the extensive range of road construction and upgrades being funded by the City of Cockburn and the private sector.

A summary of the funding requirements for the Community Connect South projects is provided below.

PROJECT	2015/16	2016/17	2017/18	2018/19	TOTAL
Kwinana Freeway Third Lane – North Bound	\$10M	\$40M	-	-	\$50M*
North Lake Road Bridge	\$20M	\$60M	-	-	\$80M*
Beeliar Drive Bridge – 6 lanes			\$10M	\$15M	\$25M*
Duplication of Armadale Road		\$30M	\$35M		\$65M*
Duplication of Russell Road Bridge			\$9M	\$10M	\$19M*
<b>TOTAL</b>	<b>\$30M</b>	<b>\$130M</b>	<b>\$54M</b>	<b>\$25M</b>	<b>\$239M</b>

\* Assumes 50% funding (Total of \$239M) provided by the State Government

It is assumed that the above projects will be eligible for 50% funding from the Federal Government, given their regional importance and contribution to improving regional road transport movements and freight productivity.

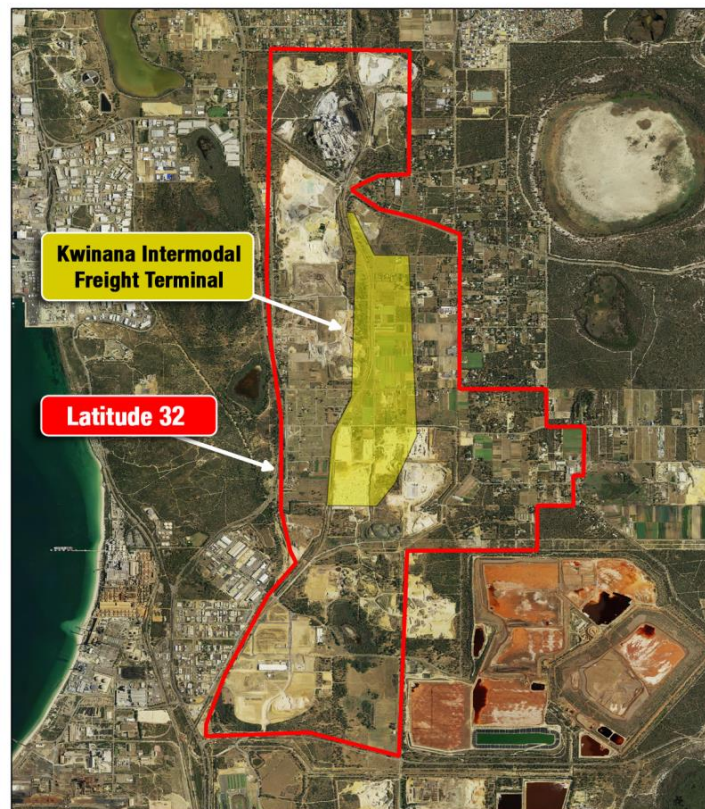
The South West Group is actively engaging the State Government and adjacent regions to ensure the above projects are considered for future funding.

## 2. FREMANTLE OUTER HARBOUR AND KWINANA INTERMODAL TERMINAL

The development of a new port and intermodal facility at Kwinana is arguably the most significant project in the South West Metropolitan Region. 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 recommended increasing the footprint from 70 hectares originally proposed during draft structure planning for the precinct to 170 hectares as shown on the figure below.

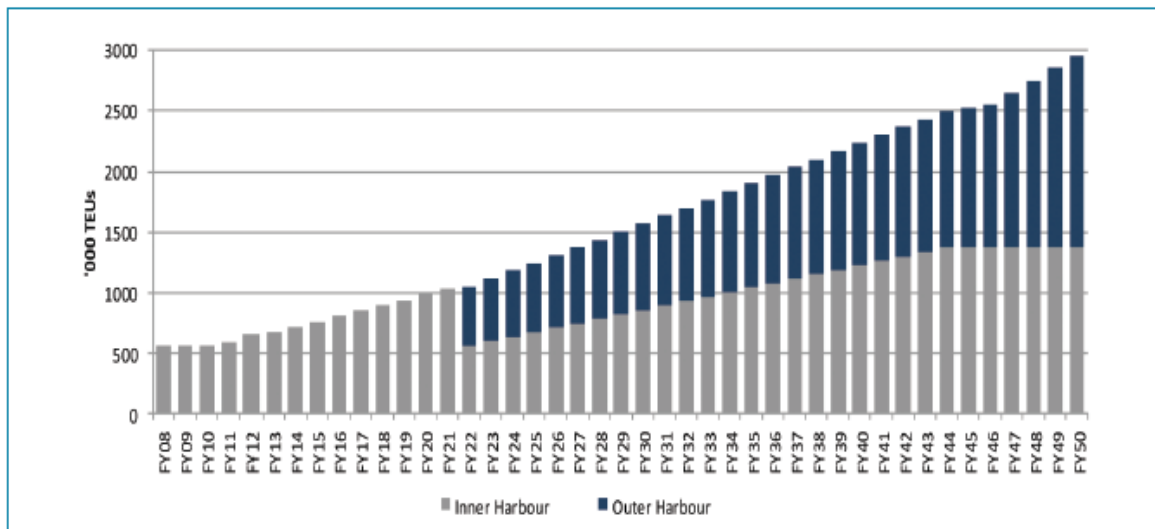
Latitude 32 and Kwinana Intermodal Freight Terminal



The proposed port 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.

The Department of Transport are finalising Perth and Peel Freight and Intermodal Network Plan, which will provide greater guidance on the requirements and timeframes for the new port and supporting infrastructure.

According to previous presentations provided by the Department of Transport and the recently produced figures provided in the Perth Freight Link business case summary, the Fremantle Outer Harbour will be required to be constructed and operational by 2022 (see figure below on indicative scenario for the Inner and Outer Harbour transitioning arrangements).



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

The South West Group supports the acceleration of land acquisition for the intermodal terminal and supporting infrastructure/connections by the State Government.

The operation of, and connection between, the Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal will be critical in optimising port operations and the movement of freight to distribution centres.

There is a need for the establishment of an integrated program, appropriate project coordination and the allocation of lead agency responsible for the planning and design of the outer harbour and its supporting infrastructure.

As a partner funder of the facility, the Federal Government are well placed, through agencies such as Infrastructure Australia, to facilitate these arrangements and contribute expertise toward this major infrastructure project.

The Federal Government should be actively involved and support the State Government in the planning and development of the Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal.

This will ensure that the planning and development of the Fremantle Outer Harbour is undertaken consistent with the objectives and priorities in the Federal Government's



National Ports Strategy (2012) and the principles stated in the National Land Freight Strategy (2012).

The requested funding contribution relates to the active involvement of Infrastructure Australia in the facilitation of planning and coordination for the Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal as a project of national economic significance.

PROJECT	2015/16	2016/17	2017/18	2018/19	TOTAL
<b>Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal Facilitation</b>	-	\$0.5M	\$0.5M	\$1M	<b>\$2M</b>

#### **4. Oil and Gas Industry Growth Centre**

The Abbot Government’s Industry Growth Centres program is a key initiative in its recently released Industry Innovation and Competitiveness Agenda.

These industry led centres provide the opportunity to bring together expertise from business and industry, the scientific and research communities and university sector toward a common goal – to drive growth, jobs creation and technological advancement across industry sectors.

The South West Group was a collaborator in the WA Oil and Gas Industry Innovation Precinct bid under the previous Labor Government and is actively involved in the establishment of a similar innovation “hub” under the Coalition Government’s Industry Growth Centres program.

Collaboration between businesses and research has proven to be the basis for enhanced international competitiveness in other countries.

The Industry Growth Centres will foster these links and relationships which are critical to future economic success.

Woodside Petroleum, Shell and other partners are in the process of developing a bid for the Oil and Gas Industry Growth Centre proposal, which is supported by the South West Group given its potential to strengthen the role of the Australian Marine Complex (AMC – see below) and Jandakot City as important oil and gas industry facilities in the region.

**The Australian Marine Complex in Henderson is a key regional facility that supports the establishment of the Oil and Gas Industry Growth Centre in WA**



The AMC's role as a key platform for the oil and gas industry growth centre offers numerous opportunities and potential benefits to the South West Metropolitan Region in areas such as employment, training, business growth and industry expansion for the major partners, junior companies and SMEs involved in the centre.

The South West Group has been a strong advocate for industry in the South West Metropolitan Region and played a key advocacy role in the establishment of the AMC at Henderson.

The Industry Growth Centres will each receive up to \$3.5 million per year over a four year period, with the expectation to become self-sustaining beyond this period.

<b>PROJECT</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>TOTAL</b>
<b>Oil and Gas Industry Growth Centre</b>	\$3.5M	\$3.5M	\$3.5M	\$3.5M	<b>\$14M</b>

The South West Group is keen to work with the Federal Government in engaging with the State Government to realise cost sharing arrangements and benefits for these priority projects.

The South West Group has prepared a budget submission to the State Government to facilitate this process, which is aligned with the priorities identified for shared funding.

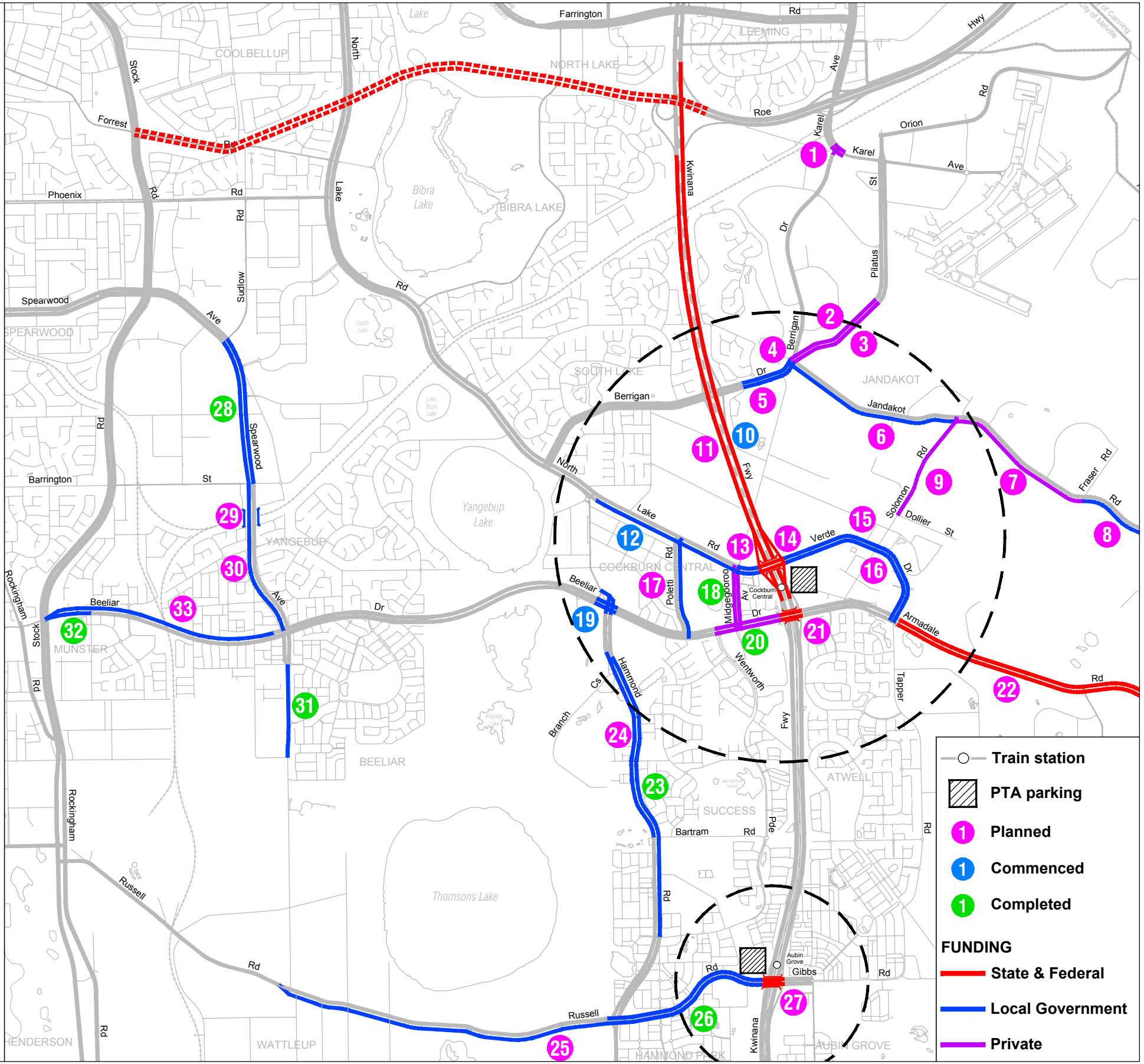
A consolidated summary of the Federal Government budget requests is provided overleaf.

<b>SUMMARY OF SOUTH WEST GROUP FEDERAL GOVERNMENT BUDGET PRIORITIES 2015-2019</b>
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<b>PROJECT</b>	<b>TIMING</b>				<b>TOTAL</b> \$
	<b>2015/16</b> \$	<b>2016/17</b> \$	<b>2017/18</b> \$	<b>2018/19</b> \$	
<b>Kwinana Freeway Third Lane – North Bound</b>	\$10M	\$40M	-	-	<b>\$50M*</b>
<b>North Lake Road Bridge</b>	\$20M	\$60M	-	-	<b>\$80M*</b>
<b>Beeliar Drive Bridge – 6 lanes</b>	-	-	\$10M	\$15M	<b>\$25M*</b>
<b>Duplication of Armadale Road</b>	-	\$30M	\$35M	-	<b>\$65M*</b>
<b>Duplication of Russell Road Bridge</b>	-		\$9M	\$10M	<b>\$19M*</b>
<b>Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal Facilitation</b>	-	\$0.5M	\$0.5M	\$1M	<b>\$2M</b>
<b>Oil and Gas Industry Growth Centre</b>	\$3.5M	\$3.5M	\$3.5M	\$3.5M	<b>\$14M</b>
<b>Total</b>	<b>\$33.5M</b>	<b>\$134M</b>	<b>\$58M</b>	<b>\$29.5M</b>	<b>\$225M</b>

*\* Assumes 50% funding provided by the State Government*

- KAREL AVENUE**
- 1 Karel Avenue / Berrigan Drive Intersection (Re-construct & Traffic Signals) 2014/15 \$1.0M
- PILATUS STREET**
- 2 Berrigan Drive to Airport Boundary (Construct 1 c/w) 2015/16 \$5.0M
- 3 Berrigan Drive to Airport Boundary (Construct 2nd c/w) 2020/21 \$2.0M
- BERRIGAN DRIVE**
- 4 Berrigan Drive / Jandakot Road Intersection (Construct & Traffic Signals) 2014/15 \$4.0M
- 5 Kwinana Freeway to Jandakot Road (Construct 2nd c/w & Upgrade Verge) 2015/16 \$5.0M
- JANDAKOT ROAD**
- 6 Berrigan Drive to Solomon Road (Land & Construct 2 c/w) 2016/17 \$10.2M
- 7 Solomon Road to Fraser Road (Land & Construct 2 c/w) 2016/17 \$6.0M
- 8 Fraser Road to Warton Road (Land & Construct 2 c/w) 2025/26 \$13.5M
- SOLOMON ROAD**
- 9 Jandakot Road to Dollier Street (Upgrade kerb & drain) 2016/17 \$1.0M
- KWINANA FREEWAY**
- 10 Roe Highway to Armadale Road (Additional lane south) 2014/15 \$61.0M
- 11 Beeliar Drive to Roe Highway (additional lane north) tbc \$100.0M
- NORTH LAKE ROAD**
- 12 Hammond Road to Kentucky Court (Construct 2nd c/w & Open drain) 2013/14 \$4.1M
- 13 Kentucky Court to Kwinana Freeway (Bridge approach) tbc \$2.0M
- 14 Kwinana Freeway bridge (Bridge across and distributor connectors) tbc \$160.0M
- VERDE DRIVE**
- 15 Kwinana Freeway to Armadale Road (Land & Construct 1 c/w) 2015/17 \$13.0M
- 16 Kwinana Freeway to Armadale Road (Construct 2nd c/w) 2023/24 \$8.0M
- POLETTI ROAD**
- 17 Beeliar Drive to North Lake Road (Construct 2nd c/w & Traffic Signals) 2017/20 \$5.0M (50% Landcorp, 50% CoC)
- MIDGEGOROO AVENUE**
- 18 Beeliar Drive to North Lake Road (Construct 2nd c/w & Traffic Signals) 2014 \$2.5M
- BEELIAR DRIVE**
- 19 Beeliar Drive/Hammond Road Intersection (Land/Realignment & 4 way Traffic Signals) 2012/14 \$2.8M
- 20 Wentworth Parade to Kwinana Freeway (6 Lanes & Traffic Signals) 2014 \$6.0M
- 21 Kwinana Freeway bridge (Widen bridge to 6 lanes over freeway) tbc \$50.0M
- ARMADALE ROAD**
- 22 Verde Drive to Anstey Road (Construct 2nd c/w & additional lanes ) tbc \$130.0M
- HAMMOND ROAD**
- 23 Branch Circus to Wentworth Parade 2008 \$1.8M
- 24 Branch Circus to Bartram Road (Construct 2nd c/w & upgrade verge) 2016/18 \$7.0M
- RUSSELL ROAD**
- 25 Henderson Road to Hammond Road (Land & construct 2nd c/w) 2025/27 \$17.0M
- 26 Hammond Road to Kwinana Freeway (Construct 2nd c/w) 2012 \$4.5M
- 27 Kwinana Freeway bridge (Duplication of bridge) tbc \$38.0M
- SPEARWOOD AVENUE**
- 28 Sudlow Road to Barrington Street 2011 \$11.6M
- 29 Railway south of Barrington Street (Duplication of bridge) 2017/18 \$5.5M
- 30 Barrington Street to Beeliar Drive (Construct 2nd c/w) 2017/18 \$4.8M
- 31 Bluebush Avenue to Fancote Avenue 2009 \$0.7M
- BEELIAR DRIVE**
- 32 Stock Road to Watson Road 2010 \$0.6M
- 33 Stock Road to Spearwood Avenue (Construct 2nd c/w) 2015/16 \$3.0M



# COMMUNITY CONNECT SOUTH

GNA 12/2014

Scale 0 1km