



SOUTH WEST GROUP SEMINAR SERIES

SOUTH WEST GROUP



SOUTH WEST METROPOLITAN REGION INTEGRATED TRANSPORT FRAMEWORK AND COMPONENT PROGRAMS



A PAPER PREPARED BY THE SOUTH WEST GROUP FOR THE REGIONAL TRANSPORT FORUM “URBAN CONSOLIDATION, MOVING PEOPLE AND MOVING FREIGHT” HELD AT THE CITY OF MELVILLE – 8 NOVEMBER 2013

ABSTRACT

The South West Group has developed a regional transport framework and component programs in response to a range of transport and land use related challenges faced by the South West Metropolitan Region. The approach recognises the financial constraints evident in State and Federal Government budgets for future investment on transport related infrastructure projects and the current political climate that underpins decision making and priorities.

There are a number of State Government strategies and plans recently released in draft form or being undertaken that will have a significant influence transport planning and land use in the region. A pro-active approach is required to ensure that regional priorities are considered in the development and finalisation of these plans.

The South West Group has taken a “Do It Yourself” approach that builds upon the aspirations for the region, whilst recognising the difficult challenges ahead in attracting priorities and the investment required to support new infrastructure and optimise existing infrastructure and services.

The Regional Integrated Transport Framework and Component Programs aim to inform key stakeholders of our challenges and best position the region to respond to future opportunities. Sound data across a range of factors and strong business cases will be required to justify priorities and the level of investment, whilst demonstrating the social and economic returns. The South West Group and its member Councils will be engaging with its stakeholders and seeking their support to progress initiatives that benefit the region and our communities. We welcome your interest and active support in this journey.



INTRODUCTION TO THE SOUTH WEST METROPOLITAN REGION

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 30th 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 Perth metropolitan area spatial extent (11%) 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, 23.5% 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 AMC Floating Dock in action and construction of Fiona Stanley Hospital (FSH). AMC and FSH are major facilities and large employers in the region.



Combining these figures and facts, the region is essentially the “powerhouse” of the metropolitan area and plays a crucial role in managing the majority of seafaring import and export trade servicing Perth and surrounding regions.

The centres and facilities above, together with other commercial and light industrial areas throughout the region, are major employers and this important function is expected to grow in the future as planned expansions and new investments come on stream. The aim is to increase the region’s employment self sufficiency, which is currently below 70%, so that more people living locally can work in the region.

REGIONAL PRIORITIES AND STAKEHOLDER ENGAGEMENT

In the lead up to the State and Federal Government elections in March and September 2013 respectively, the South West Group identified a number of strategic regional priority projects to assist in determining which elements would form the basis for advocacy and lobbying activities. The elements selected were extracted from these priorities and used in its stakeholder engagement activities.

The nine Strategic Regional Priority Projects included the following:

- ***Outer Harbour Port Gateway – New Port(s)/Latitude 32***
- ***Murdoch Activity Centre/Jandakot City***
- ***Cockburn Central Development and Connections***
- ***Fremantle Inner Harbour***
- ***Fremantle City Redevelopment***
- ***Cockburn Coast Development***
- ***Keralup Townsite and Karnup***
- ***Central Transport Network***
- ***South Eastern Transport Network***

The selected projects extracted from the list above and used in the pre-election stakeholder engagement activities related to those elements that required action in the short term, were generally supported by both major political parties and negotiated in consultation with relevant State Government agencies.

- Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal
- Park and Ride Facility at Canning Vale
- Southern Freeway Connection to Murdoch Activity Centre
- Additional Lanes on Kwinana Freeway (Roe Highway to Cockburn Central)
- Cockburn Central Congestion Relief Plan
- Hampton Road Congestion/Grade Separation of Stock Road
- Planning for Rowley Road and Anketell Road (east of Freeway) as Freight Corridors
- Replacement of Fremantle Traffic Bridge, including Pedestrian and Cycling Facilities
- WA Oil and Gas Industry Innovation Precinct
- Establishment of Flagship Energy Efficiency Grants Program (similar to Solar Cities)

These projects formed the main projects for stakeholder engagement and media campaign activities undertaken by the South West Group in 2012 and 2013. Meetings with local Members of Parliament (State and Federal) and relevant State Government agencies, advertisements and media releases in local community newspapers, briefings of industry groups and other key stakeholders formed the core stakeholder engagement activities during the pre-election periods.



The South West Group was well received by stakeholders during these briefings, although it was recognised that the financial position of both the State and Federal Government made it difficult to gain early commitments for regional priorities.

The only regional project advocated by the South West Group that received funding from the 2013/14 State budget was the additional lane on the Kwinana Freeway (Roe Highway to Cockburn Central), although it is understood that only the south bound lane has been approved and a business case is being developed for the north bound lane. The Fremantle Traffic Bridge (See Figure 1) also received minor funding, however this was for further investigation and business case development.



Figure 1: The “Replacement of the Fremantle Traffic Bridge” formed part of the South West Group pre-election stakeholder engagement activities and media campaign

REGIONAL INVESTMENT AND REVIEW OF ENGAGEMENT APPROACH

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 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
Total	\$525.8 M	\$431.6M	\$372.5M	\$285.2M	\$120.4M
FSH	\$281.3M	\$108M	\$20M		
Total (- FSH)	\$244.5M	\$323.6M	\$352.2M	\$285.2M	\$120.4M



It became clear that the financial constraints operating at State and Federal Government levels were having an impact on budget allocations toward capital projects in the region. The ongoing advocacy for regional projects was not likely to be a successful lobbying strategy on its own. As a result, the South West Group reviewed its engagement approach and identified a course of action that would make best use of resources and efforts over the next one to two years to best position the region for future priority consideration and funding opportunities.

The South West Group's "Do It Yourself" approach shows that the organization is pro-active in seeking to address the challenges facing the region and will continue to identify priorities and solutions in a collaborative manner in consultation with State government agencies and regional stakeholders. A "wait and see", "business as usual" or "Do Nothing" approach are not options.

THE REGIONAL INTEGRATED TRANSPORT FRAMEWORK

The Regional Integrated Transport Framework sits within, and supports the future development of, the Regional Integrated Transport and Land Use Strategy for the South West Metropolitan Region and progresses implementation of the South West Group Regional Transport Action Plan (RTAP).

The framework (See Figure 2) also ties the program components to the RTAP policies and outcomes measures, which aligns with those articulated in various State Government agency plans associated with transport and land use planning. The vision and purpose of the framework are as follows.

Vision

A region wide integrated and efficient transport system complementing growth in population with growth in jobs and employment self-containment, reduced congestion and travel time, and increased industry, business and economic productivity.

Purpose

To structure and link the Regional Transport Action Plan (RTAP) policy goals and program components and advocate for strategically planned investment and priority funding of transport and related infrastructure projects in the region.

The program components include:

- Congestion Management Strategy
- Integrated Program for Freight Infrastructure Projects
- Economic Assessment and Government Investment
- Our Public Transport Future

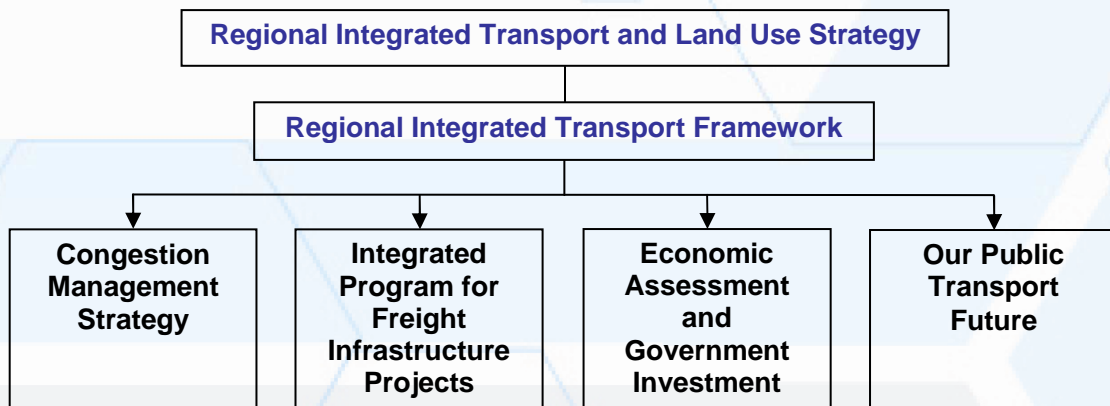


Figure 2: Regional Integrated Transport Framework and Component Programs



The purpose and vision for each of the component programs are described below. The role of the South West Group and member Councils in advocating for the resilience of the South West Metropolitan Region will be further developed under each of component programs.

CONGESTION MANAGEMENT STRATEGY

Purpose

To assess the key drivers and impacts of congestion in the South West Metropolitan Region and identify mitigation measures to improve the region's productivity and strengthen attraction and resilience of employment centres throughout the region.

Objectives

- To identify and quantify the factors leading to increased congestion in the region
- To identify and quantify the adverse productivity impacts associated with traffic congestion
- To identify mitigation measures, including behaviour change, to relieve congestion, enhance amenity and improve productivity

Figure 3 below, taken from an unpublished Main Roads WA report, shows the most congested locations and routes within the Perth Metropolitan Area. The blue dots represent congested intersections and the red lines the most congested routes. The South West Metropolitan Region is particularly impacted by congestion, with significant congestion occurring along the east-west connections (Leach Highway, South Street, Canning Highway).

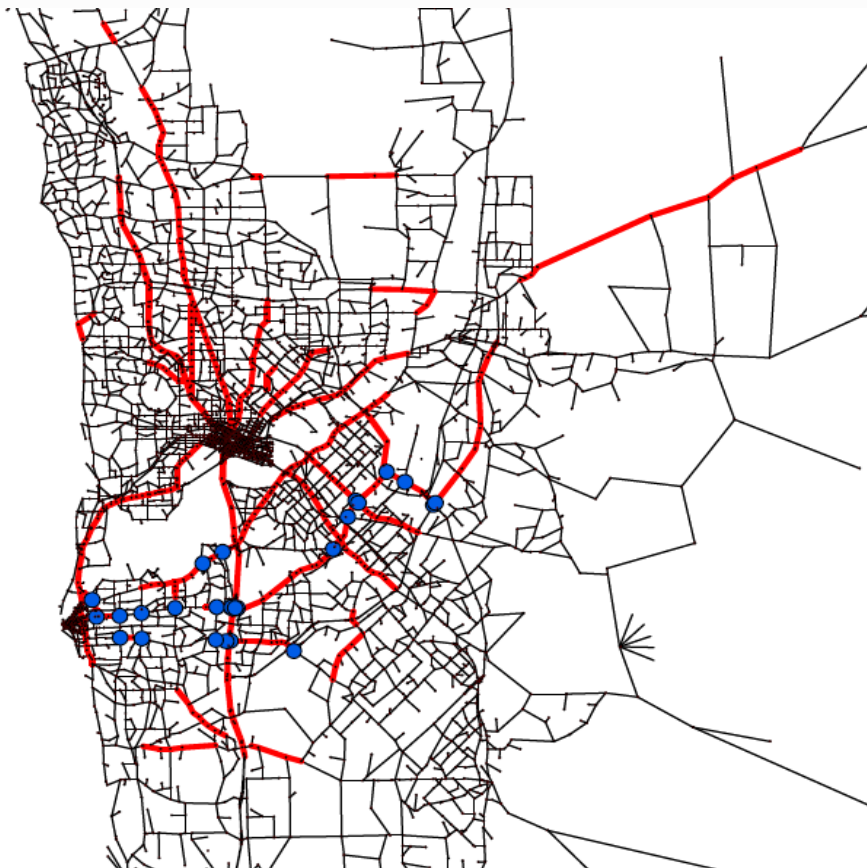


Figure 3: Major Congestion hot spots in the Perth Metropolitan Area (Source www.patrec.org)



The congestion in Metropolitan Perth has been increasing significantly over the last decade and is projected to accelerate to 2020. Figure 4 shows the dramatic rate of increase and the rapid growth of metropolitan road freight and vehicle kilometres travelled.

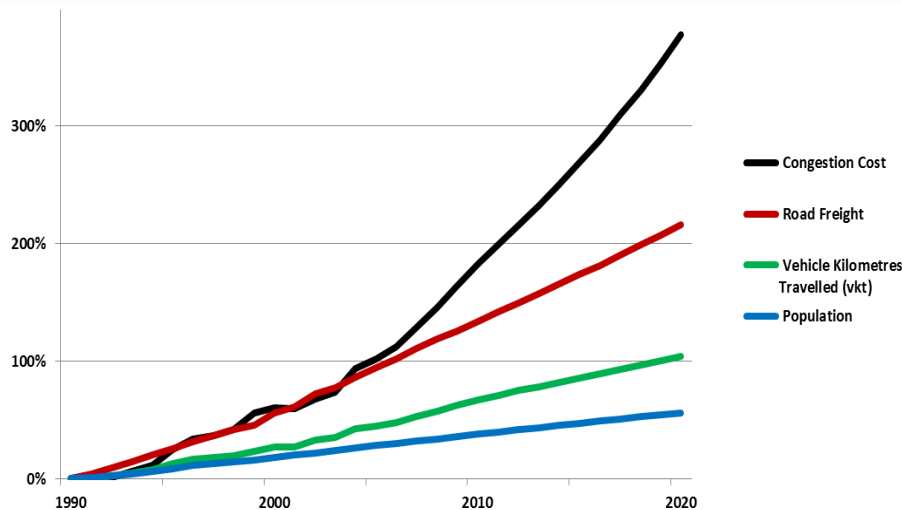


Figure 4: Perth Congestion (Source WA Department of Transport)

The South West Group have identified congestion as a major challenge for future development of the South West Metropolitan Region and are promoting a broad strategy of integrated land use and planning, enhanced public transport, increased active transport, freight on rail, use of technology to optimise infrastructure capacity and use as well as additional road and grade separation investment.

The Bureau of Infrastructure Transport and Regional Economics prepared Working Paper 71 in 2007 titled "Estimating urban traffic and congestion costs for Australian Cities and estimated that annual social costs of congestion for the Perth metropolitan area will increase from \$0.9 billion per annum in 2005 to \$2.1 billion in 2020 (BIRTE 71, 2007). This equates to a current (2013) congestion cost of \$1.50 billion for Metropolitan Perth.

Given the broad assumptions in BITRE71, a conservative estimate of the avoidable annual cost of congestion for the South West Metropolitan Region is currently around \$300 million and that this is likely to increase to \$450 million by 2020.

There are many congested locations that have a much higher proportion of heavy vehicles than average. High Street and parts of the Kwinana Freeway, Stock Road, Leach Highway and South Street have traffic profiles with around 20% heavy vehicles. The South West Group supports priority being given to road investment that improves productivity for the movement of freight that is crucial for the long term development and prosperity of the South West Metropolitan Region.

There are examples of major developments and facilities in the region that have been severely impacted upon by congestion, leading to delays and/or additional costs, including:

- Fiona Stanley Hospital and St John of God Hospital expansion at the Murdoch Activity Centre
- Australian Marine Complex and Kwinana Industrial Area
- Cockburn Central Activity Centre
- Jandakot City Commercial Development



Main Roads is currently developing a Congestion Management Strategy for the Perth Metropolitan Region and the South West Group will be actively engaging with this study to ensure that congestion issues affecting the region are considered during its development and implementation.

OUR PUBLIC TRANSPORT FUTURE

Purpose

To outline an aspirational vision for the progressive development of high quality public transport integrated with increased opportunities for walking and cycling in support of regional initiatives for affordable living, targeted higher density and increased local employment.

Objectives

- *To improve personal mobility through increasing the proportion of public transport passenger trips*
- *To develop a high quality public transport network that improves accessibility within and across the region*
- *To improve intermodal functionality for public transport passengers*

Our Public Transport Future will investigate the latest thinking on public transport infrastructure, services, technologies and behaviour change programs.

The opening of the Manduarh Rail Line in December 2007 was a catalyst that significantly increased the use of public transport in the region and provided viable alternatives to passenger vehicle trips. The popularity of the rail extension has created service provider and user issues, particularly related to over crowding during peak time usage and unmet demand for car parking.

The three tiered network of services include rail, (mass transit, heavy and light rail), road based rapid transit services and regular bus service. It is likely that the most effective and efficient future public transport system operating in the South West Metropolitan Region will require a combination of a network of services.

The network of services should be flexible and able to adapt to behaviour changes on the use of public transport, changes in land use and major developments, growth in population and establishment of employment centres as well as providing linkages between activity centres and employment zones.

There has been considerable discussion on the benefits and costs associated with light rail and bus rapid transit (BRT) services for the region, particularly in regards to alignments, value capture and funding models.

Investigations linked to the Cockburn Coast development identified a transit network of light rail to service activity centres in Cockburn, Fremantle and Melville (See Figure 5).



**SOUTHWEST METRO TRANSIT NETWORK
KEY ACTIVITY CENTRES**

- District Centre
- Specialised Centre
- Secondary Centre
- Strategic Metropolitan Centre
- ↔ Rail lines
- Train station



Figure 5: Southwest Metro Transit Network (Parsons Brinckerhoff, 2011)

The estimated \$1 billion cost for the light rail network in the region also includes a light rail link between the Rockingham Rail Station to the Rockingham Strategic Metropolitan Centre.

The Draft Public Transport Plan for Perth (Department of Transport, 2011) identified an ultimate rapid transit network for a city of 3.5 million people with almost no light rail and mainly BRT in the South West Metropolitan Region to meet future public transport demands (see Figure 6).



Figure 6: Perth Public Transport Plan Ultimate Network (Department of Transport, 2011)

The South West Group supports the introduction of light rail and supporting BRT in the South West Metropolitan Region and will be further examining what this might look like and how it can be developed as part of the Our Public Transport Future study.

Funding options and the role of value capture in key rapid transit centres and corridors will be explored in the study, along with the use of technology and real time data to support decision making and to optimise the network and services.



INTEGRATED PROGRAM FOR FREIGHT PROJECTS

Purpose

To develop the value proposition through the “packaging” of regional priority transport projects to attract investment and priority funding of infrastructure for more efficient freight movements associated with the Fremantle Ports and the industrial and commercial precincts within the region.

Objectives

- *To develop the capacity and capability to respond to the projected growth of the regional freight task*
- *To avoid adverse productivity impacts of congestion on key freight corridors*
- *To provide integrated solutions that optimises use of existing freight infrastructure and investment in new infrastructure and upgrades, including intermodal facilities*

Freight is the major economic driver for the South West Metropolitan Region, which is strategically located and has major facilities and infrastructure including the Fremantle Inner Harbour, proposed Fremantle Outer Harbour port/s and a range of businesses supporting the freight, logistics, supply chain and warehousing industries.

The transport links in the region are critical in connecting the infrastructure and facilities via the main freight corridors to the Kewdale freight hub. 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 (see Figure 7).

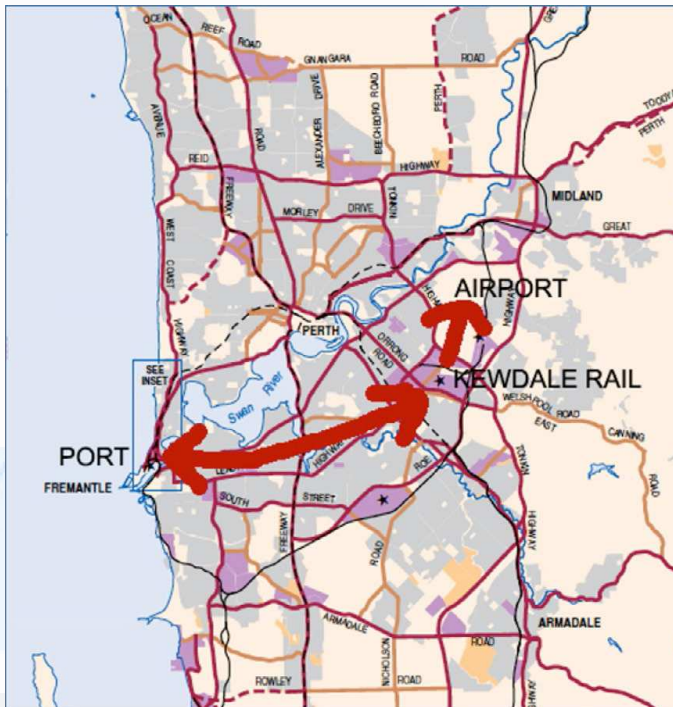


Figure 7: Most Critical Freight and Logistics Corridor (Freight and Logistics Council, October 2013)



The South West Group seeks commitment to an integrated program for freight infrastructure projects to 2031 and beyond. In this period there is an estimated \$300 billion shortfall in funding for infrastructure projects across Australia and integrated infrastructure solutions will be essential to improving freight capacity and ensuring high freight corridor productivity (National Infrastructure Plan: June 2013 Report to COAG P6).

Container Transport through the Fremantle Port is expected to nearly double by 2025 necessitating the development of a new port in the Outer Harbour linked to a new intermodal terminal at Latitude 32. This development will require major upgrading of both rail and road infrastructure through the region and good planning would see parallel development of this linking infrastructure with port development.

The Fremantle Ports assume such significance to the South West Metropolitan Region that all priority freight projects are expected to contribute to improving port productivity.

The priority freight projects have been packaged and form a part of the "Fremantle Ports Linkages Program" based on three strategic bundles being:

- Inner Harbour Linkages
- Outer Harbour Linkages
- Dual Linking Road and Rail Projects

The South West Group will be working with Fremantle Ports and the freight and logistics industry to develop the integrated program of freight projects for the region.



The program will consider the strategic context for the projects and consider long term projects requiring ongoing priority determination and a staged approach to reflect logical and timely implementation. Financing options based on industry participation, priorities and budget positions of the State and Federal Government and opportunities for private investment will form part of the investigation.

Consideration will also be given to the economic and social costs and benefits related to investment in port infrastructure, transport connections and industrial development including employment opportunities, workforce training and development and participation of small to medium enterprises.



ECONOMIC ASSESSMENT AND GOVERNMENT INVESTMENT

Purpose

To assess the level and adequacy of investment on transport related infrastructure in the South West Metropolitan Region in the context of the region's current and projected contribution to the State's economy in the face of significant population growth, increased freight movements and the impacts on productivity associated with congestion.

Objectives

- *To quantify the significant financial contribution of the region toward the State's economy*
- *To assess the level of State and Federal Government investment in transport infrastructure in the region, taking into account an equitable share based on a range of economic and social indicators*
- *To recommend regional transport infrastructure projects that funding should be directed toward an increased capability and regional and State economic productivity*

The South West Metropolitan Region is a major contributor to the Western Australian economy with the State's primary precinct for intensive heavy industrial development and high value manufacturing. The South West Group estimates that the region contributes over \$30 billion (or 12.7%) each year to the \$236 billion Western Australian economy (WA Treasury Notes on Gross State Product for 2011/12).

The growth of the region has been dramatic over the past decade driven by the strong Western Australian economy and demand for commodities flowing from the state's linkages with the growing economies of China and India.

Government expenditure on transport related capital works is directed to managing and maintaining mobility, productivity and safety for economic and social development as population growth increases the regional travel demand on infrastructure and services.

The State is developing metropolitan transport plans, undertaking planning for a new Outer harbour development and structure planning for the Latitude 32 industrial area and Murdoch Activity Centre. As these and future developments occur, there is an impact on the transport network; increased traffic volumes and congestion levels leading to extended travel times especially in peak periods.

The challenge is to ensure that investment in transport infrastructure and services sustains mobility, productivity and safety as population grows with economic and social development, increased freight demand and travel demand by people to activity centres and employment locations across the region and beyond.

Based on a series of investment indicators, the South West Metropolitan Region expects the average State and Federal funding should be 16% of State expenditure and 1.80% of Federal expenditure.

The 2013/14 State Budget provided \$185.9 million for transport and freight related capital works in the South West Metropolitan Region (8% of the State total). This compares with an equitable \$368 million based on 16.0% of the \$2.3 billion State Budget in the transport portfolio.

The Federal Government provided \$59 million funding for transport infrastructure (Leach Highway) under the Phase 2 Nation Building Program in the South West Metropolitan Region.



The declining trends for capital investment in the South West Metropolitan Region as previously provided in this paper under “Regional Investment and Engagement Approach” is concerning and will not be sufficient to meet the increasing demands as a result of population growth and congestion.

The South West Group will further develop the justification for increased investment in the South West Metropolitan Region and continue to engage with stakeholders to secure a greater share of future capital budgets for the region. The investment work will also examine other financing models to support infrastructure investment in the region, including Alliances, Public Private Partnerships (PPP) and other forms of funding.

BENEFITS OF SOUTH WEST GROUP INVOLVEMENT

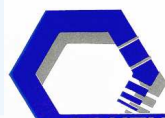
There are a range of benefits for regional stakeholders and member Councils through the ongoing involvement of the South West Group as it seeks increased investment in the region.

- Stakeholders have a clear understanding of regional issues and priorities
- Stakeholders can use this information in their own advocacy activities to support business cases and gain community and stakeholder support for investment priorities
- The South West Group is able to aid and abet State Government agencies and Industry bodies in areas where funding is sought for common priorities
- The South West Group can facilitate planning, community engagement and stakeholder support for regional projects and initiatives
- The South West Group is an established conduit for engaging Local Governments and providing an effective interface between government and community

NEXT STEPS

The next steps that the South West Group will be undertaking following the conclusion of the 8 November 2013 Regional Transport Forum are outlined below.

- Use the information gathered from the Regional Transport Forum to inform its priorities in the development of budget submissions (State and Federal Government)
- Undertake ongoing engagement with State and Federal Members of Parliament and State Government agencies to refine priorities and costings
- Respond to State Government plans and strategies with implications for transport and land use planning in the South West Metropolitan Region (Moving People, Moving Freight)
- Promote of progress and outcomes of engagement and submissions on the South West Group website www.southwestgroup.com.au and other communication channels
- Arrange and promote a Regional Freight Forum planned for 11 April 2014 as an industry, ports, logistics and supply chain based forum examining the opportunities and constraints for freight in the South West Metropolitan Region.





Map of South West Metropolitan Region

