



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

Friday, 23 January 2015

Our Reference: State Government Budget Submission 2015-2019

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 2015 TO 2019

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 benefit, given the State Government's constrained financial position.

The South West Group has undertaken considerable consultation and briefings with State and Federal Members of Parliament over the last eighteen months, with a view of further developing productive working relationships and identifying opportunities to align priorities that will provide the greatest economic benefit to both the region and the state.

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

The South West Group 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 priority projects put forward by South West Group over the 2015 to 2019 period therefore focus on projects that are yet to be considered for the 2015/16 budget and include:

- 1. Community Connect South**
- 2. Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal**

Although these projects form the primary focus, the South West Group continues to advocate 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



Jim O'Neill
Chair South West Group

Enc: Community Connect South Map

Cc: All South West Metropolitan Region Members of Parliament



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SOUTH WEST GROUP SUBMISSION TO THE STATE GOVERNMENT BUDGET FOR 2015 TO 2019

DECEMBER 2014

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) 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 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% per annum 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 two key priority projects in the region.

These priorities aim to address the severe congestion impacts around Cockburn Central and progress the integrated planning for the Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal.

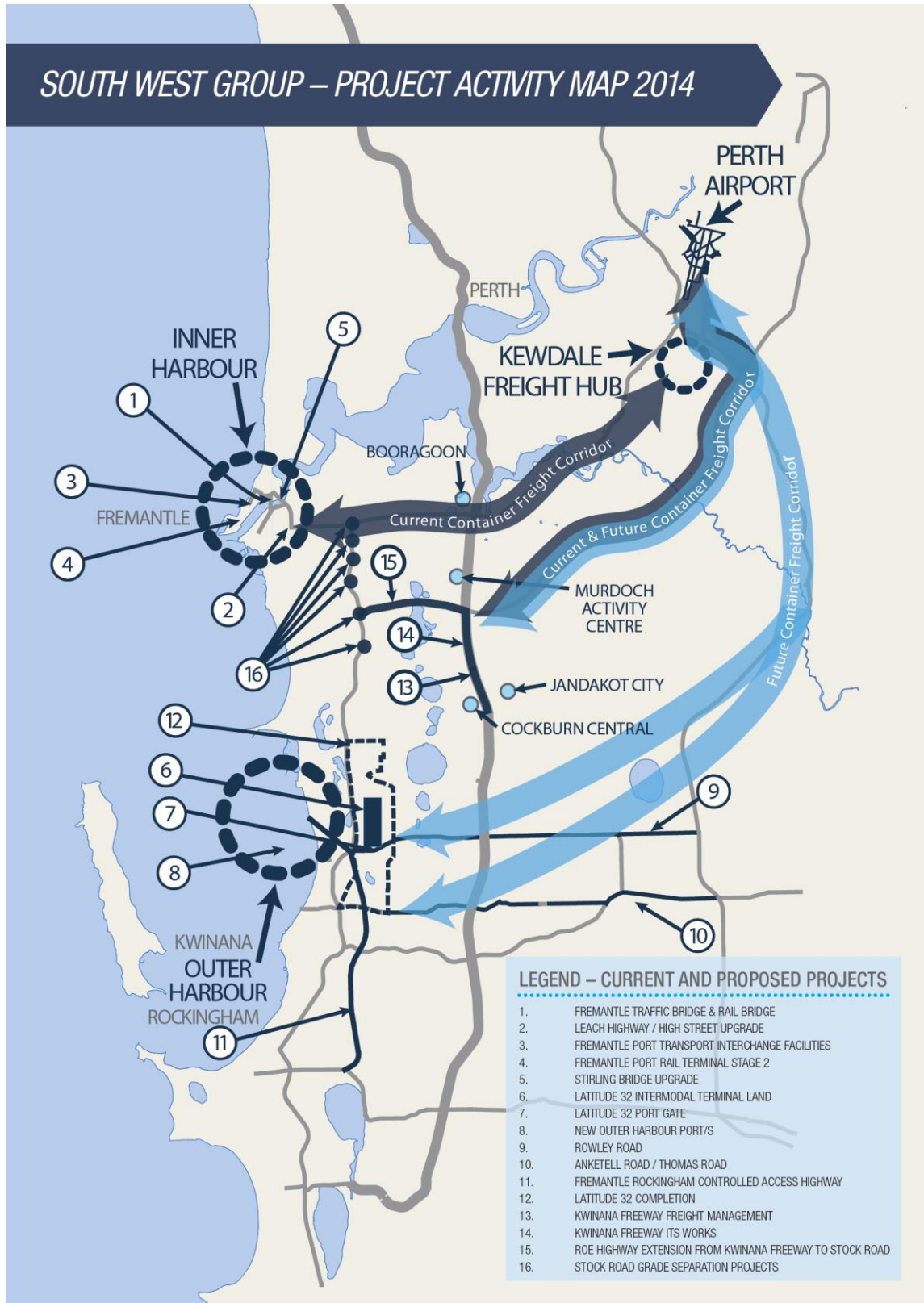
The South West Group has prepared a map overleaf showing the regional context of container freight movements into the region and a package of projects that form the regional freight infrastructure program.

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.

SOUTH WEST GROUP – PROJECT ACTIVITY MAP 2014



REGIONAL INVESTMENT – CAPITAL EXPENDITURE

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). The 2014/15 budget included \$27.6M for the FSH project, which was the final capital budget instalment for this major project.

The total capital expenditure figures from 2013/14 to the current forward estimates period of 2017/18 show a declining trend in capital expenditure in the region.

Year	2013/14	2014/15	2015/16	2016/17	2017/18
Total	\$525.8 M	\$338.8M	\$179.2M	\$146.9M	\$99.8M

This declining trend is concerning as the forward estimates relate to a period when more expenditure in capital investment is required to address population growth, congestion, infrastructure and services challenges facing the region.

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

- 1. Community Connect South**
- 2. Fremantle Outer Harbour and Kwinana Intermodal Freight Terminal**

These projects have been discussed with Local Members of Parliament and the relevant State Government agencies to ensure they are aligned, relevant and achievable. Note that all funding shown is the amount of funding requested from the Western Australian Government, noting some projects will be eligible for Federal funding.

1. COMMUNITY CONNECT SOUTH

Ministers: *Minister for Transport*

Agencies: *Main Roads WA*

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 other projects were not funded in the 2014/15 budget or forward estimates and are not identified on the Main Roads Western Australia Infrastructure Delivery Plan (1 September 2014), which extends to 2017.

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 26 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.

Further investment from the State and Federal Government to upgrade freeway interchanges and bridge structures is required, particularly as the congestion impacts will be exacerbated by the State Government's proposal to build a new rail station car parks at Cockburn Central and Aubin Grove.

State Government investment 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 primarily cater for additional traffic associated with the proposed Aubin Grove rail station car park.

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, based on initial estimates provided by Main Roads.

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*
TOTAL	\$30M	\$130M	\$54M	\$25M	\$239M

** Assumes 50% funding (Total of \$239M) provided by the Federal 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 road and freight productivity and connecting communities.

2. FREMANTLE OUTER HARBOUR AND KWINANA INTERMODAL TERMINAL

Ministers: *Minister for Planning and Minister for Transport*

Agencies: *Department of Planning, Department of Transport, LandCorp, Fremantle Ports*

The development of a new port(s) at Kwinana is arguably the most significant project in the South West Metropolitan Region. A legal challenge associated with the private port proposal (James Point Port Pty Ltd) is pending and has implications for the development of future port(s).

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

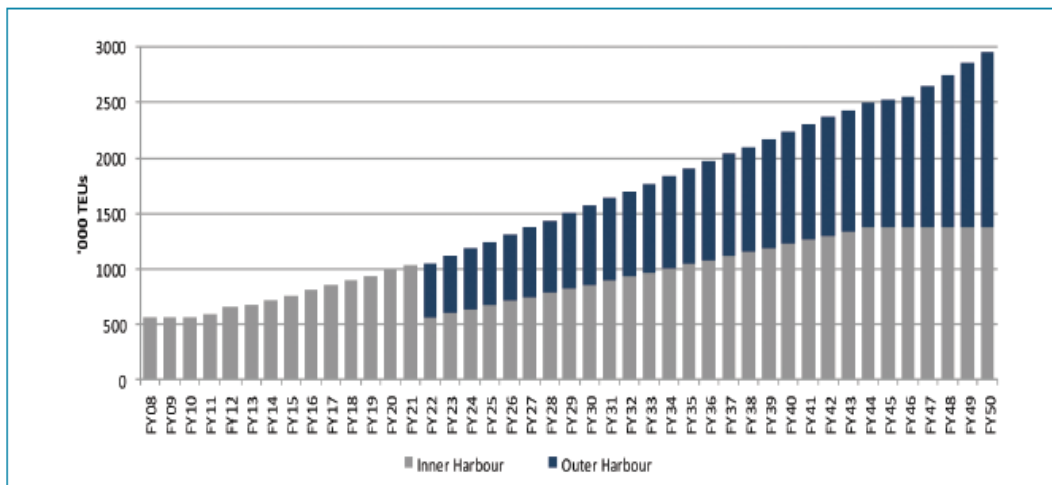


The WAPC has completed a Planning Assessment of Future Port and Industry Development (Naval Base to James Point) to identify the preferred port option and determine future approvals required for the port and associated industry area.

The proposed port(s) 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 critical to the success of the ports and requires the immediate initiation of planning for the port development if this timeframe is to be achieved.

LandCorp has taken the lead role in the land acquisition and assembly process for Latitude 32, however limited funding provided by the State Government for this purpose has inhibited progress in this regard.

The South West Group supports the acceleration of land acquisition for the intermodal terminal and supporting infrastructure/connections. The recommended funding for the land acquisition program is outlined below.

PROJECT	2015/16	2016/17	2017/18	2018/19	TOTAL
Kwinana Intermodal Freight Terminal	\$10M	\$20M	\$10M	\$10M	\$50M
Latitude 32 Industrial Area	\$5M	\$5M	\$5M	\$10M	\$25M
TOTAL	\$15M	\$25M	\$15M	\$20M	\$75M

A similar program of land acquisition and assembly will be required for the proposed Fremantle Outer Harbour following a decision on the preferred option, access and infrastructure requirements for the new port.

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

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

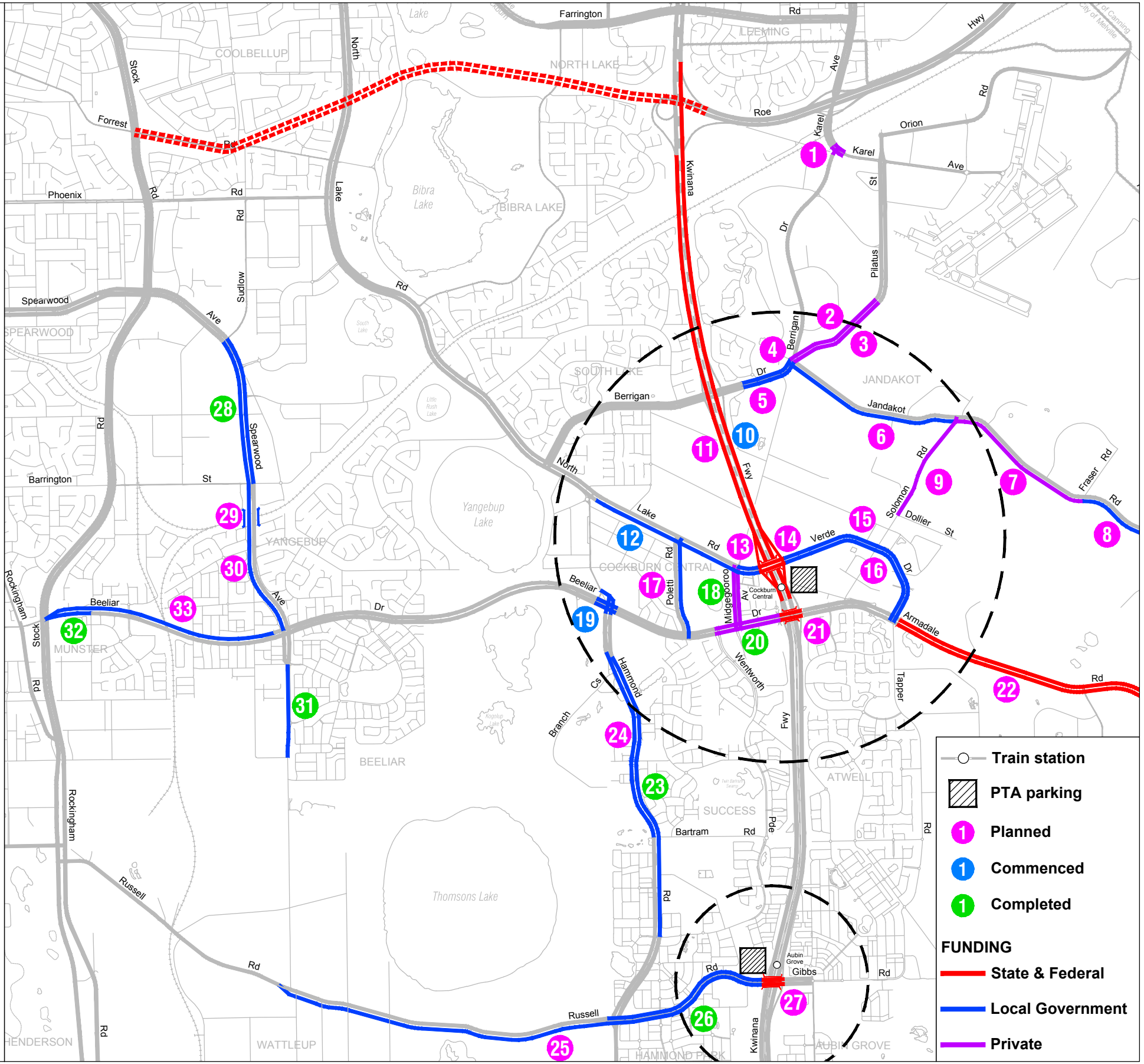
A consolidated summary of the State Government budget requests is provided below.

SUMMARY OF SOUTH WEST GROUP STATE GOVERNMENT BUDGET PRIORITIES FOR 2015 - 2019

PROJECT	TIMING				COMMENTS
	2015/16	2016/17	2017/18	2018/19	
Kwinana Freeway Third Lane – North Bound (\$50M)*	\$10M	\$40M	-	-	To support completion of Fiona Stanley Hospital in April 2015.
North Lake Road Bridge (\$80M)*	\$20M	\$60M	-	-	Will provide major congestion relief for Cockburn Central
Beeliar Drive Bridge – 6 lanes (\$25M)*	-	-	\$10M	\$15M	Supports 6 lane upgrade to Beeliar Drive west of freeway
Duplication of Armadale Road (\$65M)*	-	\$30M	\$35M	-	Will achieve dual carriageway Armadale to Kwinana Freeway
Duplication of Russell Road Bridge (\$19M)*	-	-	\$9M	\$10M	To cater for additional traffic from Aubin Grove rail car park
Kwinana Intermodal Freight Terminal (\$50M)	\$10M	\$20M	\$10M	\$10M	Land acquisition and land assembly costs
Latitude 32 Industrial Area (\$25M)	\$5M	\$5M	\$5M	\$10M	Land acquisition and land assembly costs
Total	\$45M	\$155M	\$69M	\$45M	

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

