

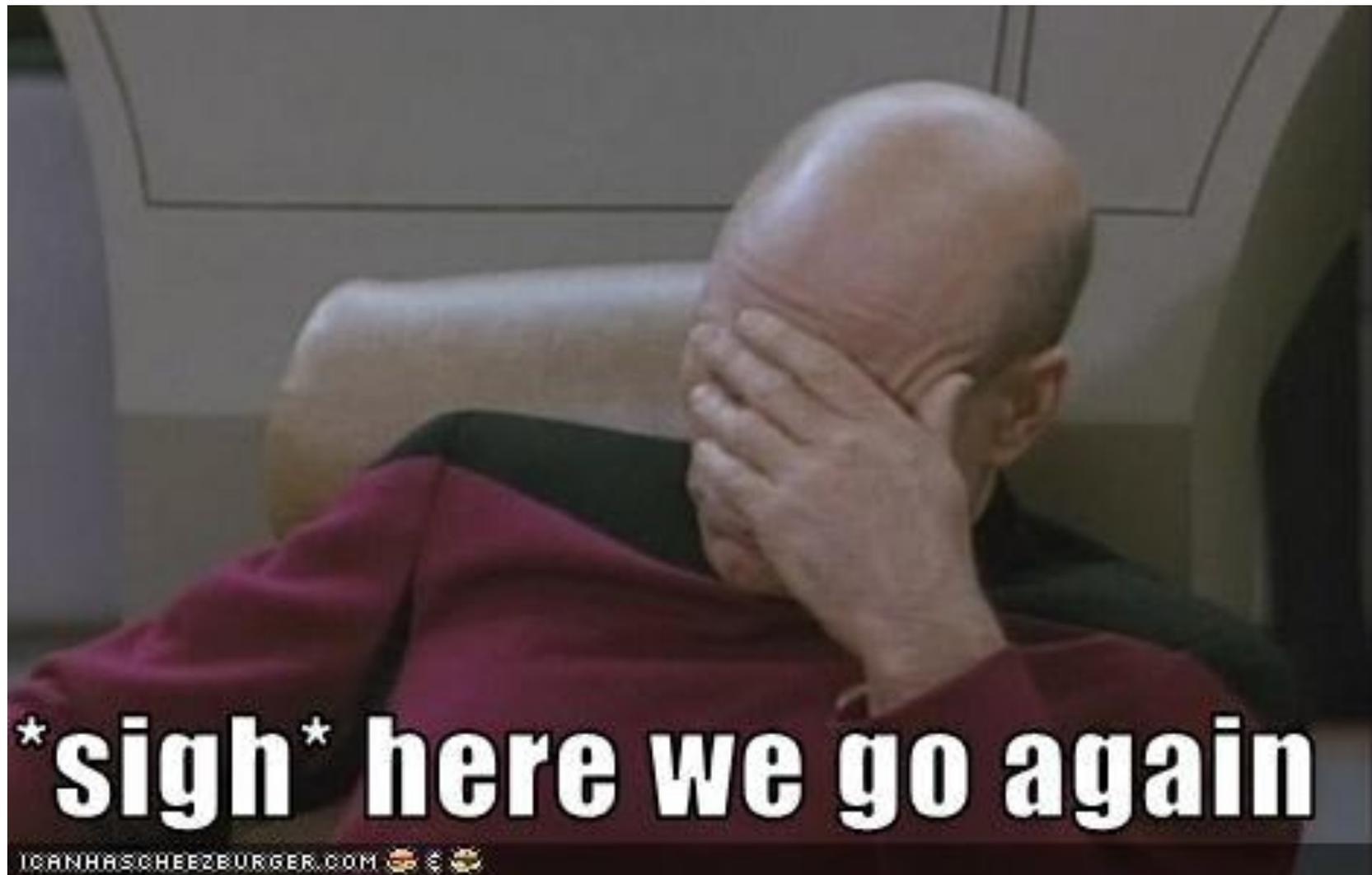


Australian Government

Department of Infrastructure and Regional Development

Overview of Australian Government Investment in Land Transport Infrastructure

SEATS - 20 August 2015



***sigh* here we go again**

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Infrastructure Investment Programme

- Largest Commonwealth investment in infrastructure in Australia's history
- Providing approximately \$42 billion from 2013-14 to 2018-19 in the Infrastructure Investment Programme
 - Some of Australia's largest infrastructure projects
 - Local roads
 - Key regional freight routes

Infrastructure Investment Programme



WestConnex: \$15.4 billion project

- \$1.5bn AG grant funding
- \$2bn AG concessional loan

Above: Map of the WestConnex project.

Right: Artists impression of the M4 Widening section



Infrastructure Investment Programme

\$5.64 billion investment to upgrade the Pacific Highway by the end of the decade



Above left: Pacific Highway Upgrade: Nambucca Heads to Urunga – Aerial view May 2015



Above right: Pacific Highway Upgrade: Frederickton to Eungai – Kemps Access Road April 2015

Infrastructure Investment Programme

The Princes Highway East - Traralgon to Sale project will duplicate 35 of the 47 kilometers from Traralgon to Sale to increase capacity, improve safety and provide more reliable travel times. Construction commenced in 2010 and is expected to be completed in 2018. The Australian Government is contributing \$210 million towards the \$260 million project.

Below Left: Work completed on the 2.8 kilometre section from Denison Road to Nambrok Road east of Rosedale.

Below Right: Installation of steel concrete reinforcing for the new bridge over the Thomson River west of Sale.



Context and Drivers

- Australian economy entering 25th year of economic growth and this is forecast to continue
- Fundamentals remain strong by ours and global standards
 - Lower oil prices for next year
 - Lower exchange rate
 - BUT – iron ore prices are down – investment expected to be down by 25% in 2015-16
- Need to improve national productivity – this portfolio has an important role in meeting this challenge – BITRE has shown:
 - Domestic freight task to double from 2010 levels by 2030
 - Air passenger movements to 279 million over same period
 - Population of Australia will be 37.6 million by 2050
 - Sydney and Melbourne at 8 million each by same timeframe

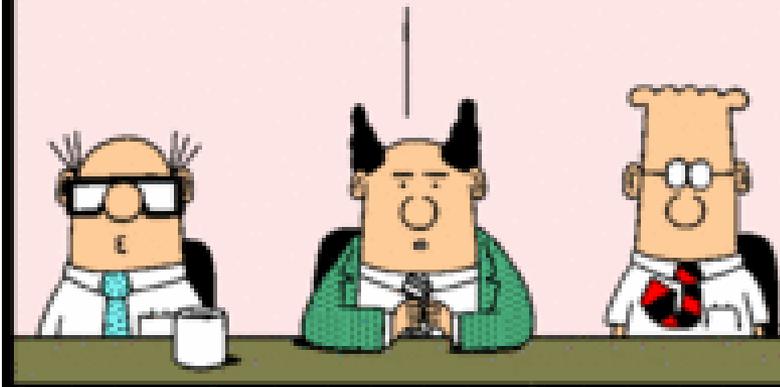
Context and Drivers

- 2015-16 Budget had few surprises – steady hand approach
- We work with jurisdictions and local government to deliver this investment
 - 100 projects now complete
 - 88 under construction
 - Over 100 in planning
- This does not include projects undertaken at a local government level under Roads to Recovery and Black Spot programmes
- An expectation that there will be more infrastructure commitments from the Government over the next 12 months leading up to the 2016 Budget

Context and Drivers

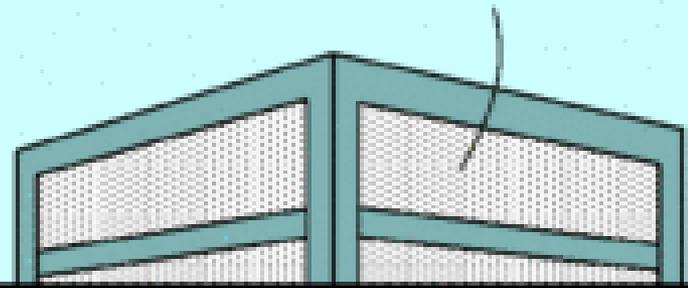
- Tight fiscal constraints across all levels of government
- Attempt to invest in the right projects in the right areas for the biggest return on that investment
- The Programme delivers a range of smaller targeted investments of interest to your organisation:
 - Heavy Vehicle Safety and Productivity Programme
 - Bridges Renewal Programme
 - Roads to Recovery Programme
 - Black Spot Programme
 - Untied grants for local roads
- Not attention grabbers but have a real impact especially in regional areas

NEVER TELL ANYONE
WE DON'T HAVE ENOUGH
RESOURCES TO DO A
PROJECT. IT MAKES US
LOOK LAME.



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INSTEAD, SAY WE
HAVE A FIXED CAPACITY
THAT IS ALREADY
DEDICATED TO HIGHER
PRIORITIES. THAT
MAKES WHOEVER ASKED
US FOR HELP LOOK LAME.



Policy – Value For Money - Planning

- We want an integrated, long term approach to planning for future infrastructure needs – certainty for business and community
- All levels of government working together to ensure land use plans and infrastructure investments align with national and regional priorities – based on evidence
 - Badgerys Creek planning studies as an example
 - Planning needs to be integrated with population planning, lifestyle and employment – corridor and precinct reservation
 - Transport needs planning across the board

Policy – Value For Money - Planning

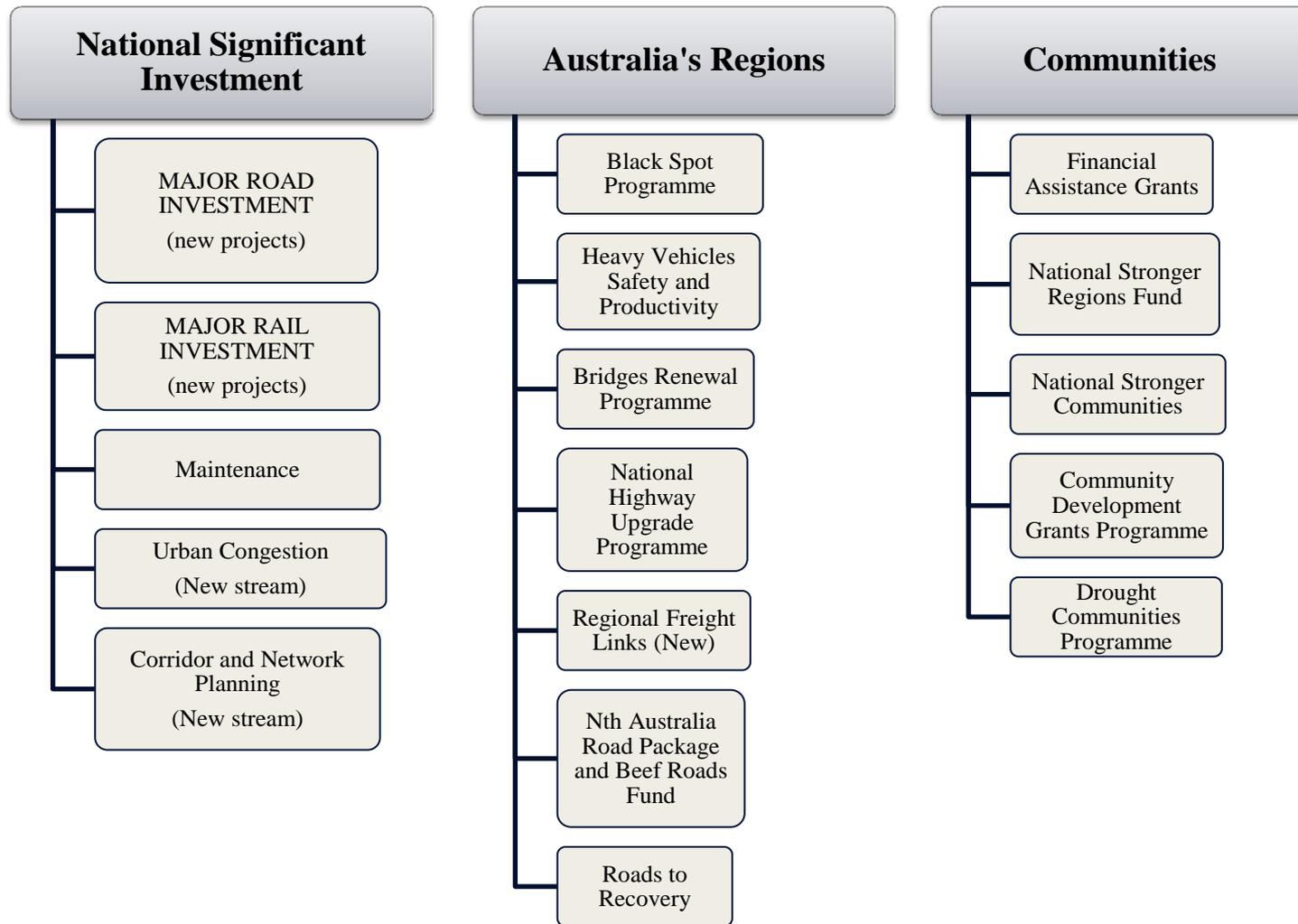
- Value for money – Commonwealth involved in all of these
 - Choosing the right project
 - Choosing right procurement
 - Ensuring a competitive market
 - Paying the right price – cost estimation
 - Ensuring you get what you paid for
- Private Sector Investment
 - Global desire to invest in Australian infrastructure
 - Runs on the board
 - Road pricing – funding and financing infrastructure
 - \$11 billion annual congestion cost nationally

Policy – Value For Money - Planning

- National Infrastructure Construction Schedule
 - The National Infrastructure Construction Schedule (NICS) establishes the first-ever national government infrastructure project pipeline.
 - The website outlines current and upcoming infrastructure projects procured by the Government sector in Australia.
 - Collates the infrastructure commitments of the Commonwealth, state and territory government and local governments to present a single timeline of projects.
 - Industry has been calling for a one-stop portal with this information.
 - Vehicle to showcase Australian infrastructure to international markets.
 - Includes all social and economic infrastructure projects with a total value over \$50 million (over \$25 million for the smaller territories) where governments have committed to fund construction.

National Productivity Economies

Local



Heavy Vehicle Safety and Productivity Programme

- Improve productivity and safety outcomes of heavy vehicle operations across Australia, through funding infrastructure projects. State, Territory and Local Governments have been eligible to apply for funding in all rounds. The programme will contribute a maximum of 50% of the total project cost.
- The first three rounds of the HVSP provided \$120 million in funding from 2008-09.
- Successful projects under Round Four of HVSP with over \$90 million in Australian Government funding were announced in March 2015.
- Under Round Four, 5 Victorian projects received over \$3.5m in Australian Government funding.
- Round Five late 2015.



Bridges Renewal Programme

- The Australian Government has committed \$300 million to the Bridges Renewal Programme. The objectives of the BRP are to contribute to the productivity of bridges serving local communities, and facilitate higher productivity vehicle access. The Australian Government is contributing a maximum of 50% of the total project cost.
- Successful projects under Round One of the BRP were announced in March 2015, with over \$100 million in proposals approved. State, Territory and Local Governments were eligible to apply in Round One.
- Under Round One, 15 Victorian projects received over \$11m in Australian Government funding

Round Two opened on the 1 July 2015 and will close 31 August 2015. Only Local Governments (and incorporated areas) are eligible to apply in Round Two.

Roads to Recovery Programme



Roads to Recovery Programme

- **Roads to Recovery** funding is currently set at \$350 million per annum until 2018-19. Additionally, the 2015 Budget confirmed a further \$350 million would be provided in 2015-16.
- Furthermore, on 23 June 2015, the Australian Government announced that an additional \$1.105 billion will be provided to Roads to Recovery in the next two years. This brings total funding for the programme to \$3.205 billion over the five years to 2019.
- The administrative arrangements for the programme remain simple, with councils free to choose the road projects to be funded.
- Victoria receives \$651.95 million under the current programme. Translates to approximately 8,500 projects in local communities over five years.

Black Spot Programme

- The Government has broadened the eligibility criteria for the **Black Spot Programme** for the next two years to make it easier for regional communities to compete for the additional funding.
- This programme makes an important contribution in reducing the national road toll under the National Road Safety Strategy and Action Plan.
- The Government has made a commitment to provide Black Spot funding of \$60.0 million per annum. Additionally, in the 2015 Budget, the Government confirmed a further \$200 million (\$100 million in 2015-16 and \$100 million in 2016-17) for the programme.
- This brings total funding for the programme to \$500 million over the five years to 2019.
- Victoria will receive \$116.9 million over this period. It is estimated this will fund approximately 450 projects.

Stronger Communities Programme

- The Stronger Communities Programme is designed to deliver social benefits across Australia.
- The Government is providing \$45 million over two years commencing in 2015-16 to target small capital projects in local communities in each of the 150 electorates across Australia to improve local community participation, cohesion and contribute to vibrant and viable communities.
- Funding of \$150,000 per year over two years will be available to support projects in each of the Electorates. Applicants must seek a grant of at least \$5,000 and up to a maximum of \$20,000 and must match the SCP grant in cash or in-kind on at least a dollar for dollar basis.
- The input of the community is a key priority of the programme. Each Member of Parliament must establish a community consultation committee consisting of representatives from the local community or consult with an existing committee to assist with identifying projects for consideration by the Government.

Community Development Grants

- The Australian Government established the \$300 million Community Development Grants Programme in 2013 to support needed infrastructure that promotes stable, secure and viable local and regional economies. In the 2015-16 Budget the Government provided a further \$50 million over three years from 2015-16 to 2017-18 for Government initiated projects.
- To date, \$316.3 million in funding is allocated to 294 projects across Australia's regions.
- Victoria is delivering 83 of these projects with the Australian Government contributing \$50 million of the \$90 million invested.
- Projects include the \$9.8 million Monbulk Soccer Club Facilities Upgrade
- \$8.3 million Water Infrastructure Project in the Golden Plains Food Production and Employment Precinct
- \$2.4 million Dog Facilities Enhancement for Guide Dogs Victoria
- \$1.1 million Elmore Events Centre Amenities and Stables Development.

National Stronger Regions Fund

- The \$1 billion National Stronger Regions Fund is investing in priority infrastructure in regional communities, driving growth, creating jobs and enhancing liveability, with projects that provide a strong economic focus particularly in disadvantaged regions.
- The Australian Government announced funding of \$212.2 million for 51 projects across Australia under Round One.
- Victoria is delivering 19 of these projects with the Australian Government contributing \$83.9 million of the \$269.6 million invested.
- Projects include the \$55 million Construction of a Regional Arts Centre at Narre Warren, the \$40 million Norlane Community Centre and the \$30 million dollar Construction of Craigieburn Water Park in Craigieburn project.
- Round Two of the National Stronger Regions Fund is now closed to applications. Eligible Local government and not-for –profit organisations should monitor the Department of Infrastructure and Regional Development website for details of future rounds under this programme.

Conclusion

- Very significant infrastructure investment
- Targeted across jurisdictions and at all levels of government
- Importance of planning
- Value for money
- Private sector investment

