

The Coalition's Policy to Build the Swan Valley Bypass and Perth Gateway

August 2013

Key Points

The Coalition will invest \$1.3 billion to get major road infrastructure projects built in Perth.

Unlike Labor, our commitment will not rely on the damaging and flawed mining tax – the mining tax, like the carbon tax, will be abolished by a Coalition government.

The Coalition will invest \$615 million to build the Swan Valley Bypass, which is a vital part of the Perth-Darwin Highway.

The Swan Valley Bypass will improve productivity, decrease business costs and ease congestion.

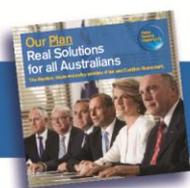
The Coalition will also complete the Perth Gateway without relying on the mining tax.

The Perth Gateway is an important project that will reduce congestion and improve access to Perth Airport.

Fundamentally, the Swan Valley Bypass and Perth Gateway will allow people to spend less time on congested roads and more time being productive or being with their family.

We will also continue the *Roads to Recovery* programme.

The Coalition will deliver the infrastructure Australia needs. Under the Coalition, vital transport projects will be underway across the country within twelve months of an election so that you spend less time in traffic and more time with your family.



Introduction

Infrastructure is key to Australia's competitiveness.

Better infrastructure underpins services, such as transport and logistics, water and energy. Inefficient infrastructure networks are one of the key reasons why Australia's productivity has declined and are also a key driver of the cost of living pressures affecting Australians.

Under the Coalition, vital transport projects will be underway across the country within twelve months of an election.

We have already committed:

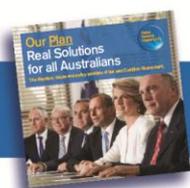
- \$6.7 billion to fix Queensland's Bruce Highway;
- \$1.5 billion to get construction underway on Melbourne's East West Link;
- \$1.5 billion to ensure the Westconnex project gets underway in Sydney;
- \$1 billion to support the Gateway Motorway upgrade in Brisbane;
- \$500 million to support the upgrade of Adelaide's North-South Road Corridor;
- \$400 million to upgrade the Midland Highway in Tasmania; and
- \$5.6 billion to complete the duplication of the Pacific Highway from Newcastle to the Queensland border.

In addition, the Coalition will:

- work with the NSW Government to get Sydney's F3 to M2 started by late 2014, which will mean shorter travel times, reduced congestion and safer roads for the residents of the Central Coast;
- get the Toowoomba Second Range Crossing underway; and
- build the National Broadband Network sooner and for tens of billions of dollars less than Labor's NBN.

The Coalition has a clear and definitive plan to build the nationally significant infrastructure our cities and country needs.

Our infrastructure plan will mean that people spend less time in traffic and more time with their family, that businesses can get their goods and services to market faster, and that our export industries can be more competitive.



The Plan

1. Build the Swan Valley Bypass – Without the Mining Tax

The Coalition will invest \$615 million to build the Swan Valley Bypass, which is a vital part of the Perth-Darwin Highway.

The Swan Valley Bypass is part of the Perth-Darwin Highway and will be the major northern traffic link for the city of Perth.

The project involves the construction of a new 40 kilometre highway between the intersection of Tonkin and Reid Highways and the Great Northern Highway near Muchea. Connecting roads will be upgraded and new interchanges constructed.

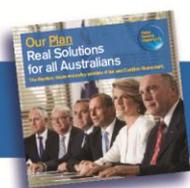
The project will:

- provide a link between Perth and the mining and tourism regions in the Murchison, Pilbara and Kimberley;
- facilitate access to, and investment in, the industrial estates near Bullsbrook and Ellenbrook;
- reduce traffic congestion and improve road safety by taking trucks off the Great Northern Highway and West Swan Road through the Swan Valley winery region; and
- provide easier access to the Swan Valley winery region, which attracts 700,000 visitors each year.

As with any other road project, the State Government will be responsible for construction of the Swan Valley Bypass. The Western Australian Government estimates the project will commence in 2016 and they have established a 'Project Development Team' to facilitate its construction.

The Swan Valley Bypass will improve productivity, decrease business costs and ease congestion.

Fundamentally, the project will allow people to spend less time on congested roads and more time being productive or being with their family.



Significant Benefits of the Swan Valley Bypass

Infrastructure Australia has assessed the Swan Valley Bypass as a national priority project that “clearly address[es] a nationally significant issue or problem and relevant options are being considered.”¹

Infrastructure Australia has indicated the project will provide economic benefits to Western Australia and Perth:

“The objective of the project is to increase capacity – including capacity for high-productivity vehicles – and improve amenity on the main highway between Perth and the north–west of Western Australia by delivering a new road bypassing the Swan Valley and outer eastern suburbs of Perth. Significant economic growth in the north–west region has placed pressure on transport networks, including the section of the Great Northern Highway which passes through residential growth areas in the outskirts of Perth.”²

The project is a priority for the Royal Automobile Club of Western Australia, which has noted the Swan Valley Bypass will ease congestion:

“Currently conflict exists between adjacent community land use and heavy vehicles in the Swan Valley. This section of the corridor restricts the efficiency and productivity of heavy vehicles due to lower speed limits and curfews. Capacity problems are evident on the existing two lane road and these will worsen as traffic volumes increase causing significant social impacts on residents and local industries. The City of Swan is regularly approached by its local residents and commercial operators to pursue the urgent construction of an alternative route.”³

The City of Swan has noted the Swan Valley Bypass will have significant local and economic benefits, including:

“...reduc[ing] traffic congestion and heavy freight movements through the Swan Valley tourist area, improving safety and transport efficiency, noise management and amenity. We also anticipate it will improve road capacity to and from the Ellenbrook and Bullsbrook communities, which are expected to grow to about 47,000 and 21,000 residents by 2031 respectively.”⁴

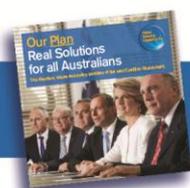
The Swan Valley Bypass will deliver clear benefits to the people of Western Australia.

¹ Infrastructure Australia (2013) *National Infrastructure Plan*, p.101.

² Infrastructure Australia (2013) *National Infrastructure Plan*, p.121.

³ Royal Automobile Club of Western Australia (2013) *Federal Priorities for Western Australia*, p. 2.

⁴ http://www.swan.wa.gov.au/Lists/Media_Releases/City_welcomes_Federal_funding



2. Build the Perth Gateway – Without the Mining Tax

The Perth Gateway is a \$1 billion project that involves a major upgrade to the road network surrounding Perth Airport and the freight and industrial hubs of Kewdale and Forrestfield.

The project is slated to be completed by 2017, but is reliant on revenue from the Rudd-Gillard Government's mining tax.

The Coalition will complete this project without relying on the mining tax.

The Coalition will move immediately to abolish the mining tax. The mining tax discourages investment and job creation in one of Western Australia's strongest sectors. It discourages new domestic and foreign investment in Western Australia's mining sector.

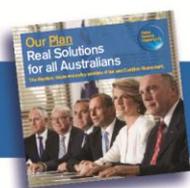
Abolishing Labor's mining tax will boost investor confidence in our economy by restoring Australia's reputation as a safe and reliable investment destination and improving our sovereign risk profile.

According to the Western Australian Government, the Perth Gateway involves:

- a major freeway-to-freeway interchange at Tonkin Highway-Leach Highway, including a new primary access road to the consolidated airport terminal;
- a new interchange at Tonkin Highway-Horrie Miller Drive-Kewdale Road;
- a new interchange at Leach Highway-Abernethy Road;
- upgrading Leach Highway between Orrong Road and Tonkin Highway to an expressway standard and associated upgrades to local roads and intersections in the Kewdale area;
- a principal shared path along Tonkin Highway and Leach Highway;
- upgrading of the existing Tonkin Highway-Roe Highway interchange to a partial freeway to freeway interchange;
- upgrading Tonkin Highway between Great Eastern Highway and Roe Highway to six lanes; and
- a new interchange at Boud Avenue (subject to further funding negotiations).⁵

This is a vital project that will be completed without a mining tax under the Coalition.

⁵ <https://www.mainroads.wa.gov.au/BuildingRoads/Projects/UrbanProjects/Pages/GatewayWA.aspx>



Significant Benefits of the Perth Gateway

Infrastructure Australia has assessed the Perth Gateway as a national priority project.

The Department of Infrastructure and Transport has noted the project:

“...will deliver significant economic benefits by improving access to the airport for travellers and freight, including fly in fly out workforces for the resources industry, as well as for freight vehicles accessing Kewdale and Forrestfield, Perth’s primary freight hub.”⁶

Perth Airport has noted the project will deliver significant benefits:

“The increased capacity of the terminal facilities to manage increased passenger numbers will facilitate growth in the State and result in assisting with the realisation of billions of dollars of economic benefit to the State and the Commonwealth. The local economy will also improve through job creation and an increase in activity for industries that service operators at the airport, as passenger numbers continue to increase... in 2009 it was estimated that in terms of lost productivity, the cost of the congestion on the road network around Perth Airport to the Perth economy was \$21 million a year.”⁷

The benefits of the Perth Gateway to Perth and the Australian economy are significant.

3. Roads to Recovery Programme

The Coalition will continue the *Roads to Recovery* programme and look to expand it once the Budget returns to strong surplus.

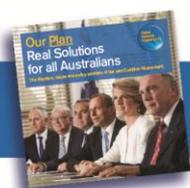
The Coalition established the *Roads to Recovery* programme in March 2001.

The programme has been incredibly successful in providing funds directly to local councils to improve their local road network. It has become an essential element in helping local councils across the country maintain and upgrade more than 650,000 kilometres of local roads. Maintaining local roads is estimated to cost local government \$3.8 billion per annum. *Roads to Recovery* gives local government a much needed helping hand in meeting this infrastructure burden.

Between 2001 and 2009 the *Roads to Recovery* programme provided more than \$2.4 billion to support over 15,000 road projects.

⁶ http://www.infrastructure.gov.au/department/statements/2012_2013/files/NBII_PERTH_FACTSHEET.pdf

⁷ http://www.perthairport.com.au/Libraries/General_Docs/Final_MDP_-_New_Access_Roads_-_Gateway_WA.sflb.ashx



We will maintain the *Roads to Recovery* programme, which has benefitted all regions of Australia, including Western Australia.

Once the Budget position is restored, the Coalition will seek to ensure that *Roads to Recovery* is extended and is adequately funded so that local councils can continue to provide essential transport infrastructure for the community.

The Choice

Instead of promoting investment and jobs growth in Western Australia, the Rudd-Gillard Government has slugged the economy with the mining tax and the carbon tax.

The Rudd-Gillard Government has fundamentally failed to deliver infrastructure that will increase productivity and help Australia deal with our ageing population.

Kevin Rudd promised the Building Australia Fund would get \$20 billion from budget surpluses, but he relied on funds put aside by the Howard Government to establish his Fund. He then proceeded to draw down on the Fund to pay for home insulation and school halls. The Building Australia Fund now has just a quarter of the amount promised by Kevin Rudd and that quarter comes almost entirely from the surpluses of the Howard Government.

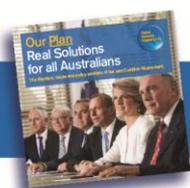
Only 14 per cent of Kevin Rudd's stimulus spending was directed to productivity enhancing infrastructure.

In the 2008-09 Budget, the Rudd-Gillard Government stated that efficient public infrastructure investment requires a "commitment to transparency at all stages of the decision making process."

Yet only a year later, the Rudd-Gillard Government did not release the cost-benefit analysis of the 15 projects (amounting to \$80 billion of investment) selected for partial government funding in the 2009-10 Budget. Six of these projects were not on Infrastructure Australia's priority list. Labor also decided to build a multi-billion dollar National Broadband Network that will now cost more than \$90 billion with no cost-benefit analysis.

The results of the Rudd-Gillard Government's poor investment in economic infrastructure and lack of transparent cost-benefit analysis are clear:

- our cities suffer from widespread congestion on their road networks;
- our freight centres are hindered by poor infrastructure planning and woeful integration of road, rail and air networks; and



- our export supply chains suffer from under-investment and the legacy of inefficient government ownership.

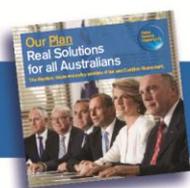
These problems translate into direct costs for businesses and families.

The Coalition will stop Labor's pork barrelling and will deliver the infrastructure Australia needs.

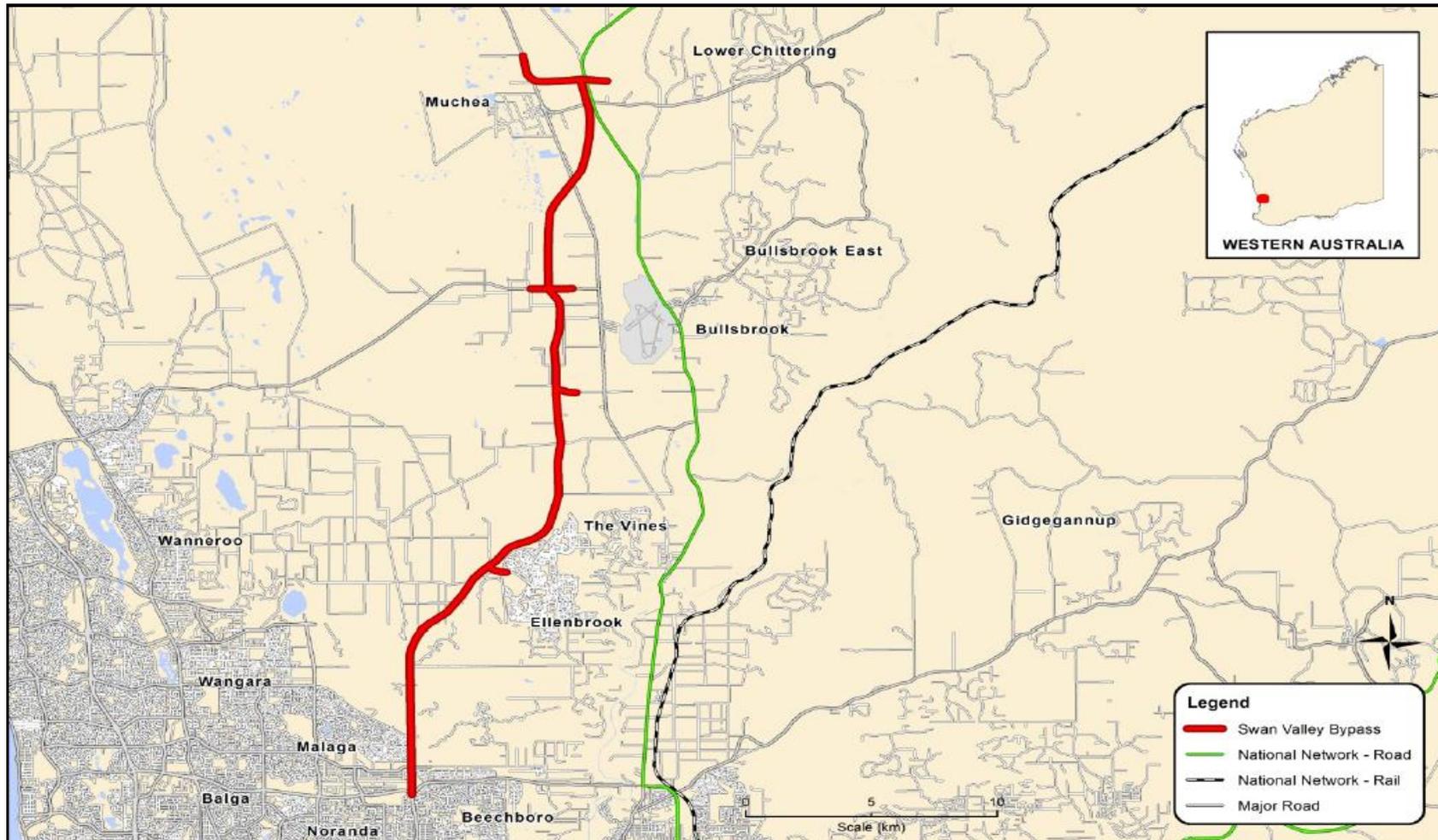
Under the Coalition, vital transport projects will be underway across the country within twelve months of an election so that you spend less time in traffic and more time with your family.

Cost

The Coalition will invest \$1.3 billion to construct the Swan Valley Bypass and the Perth Gateway – without a mining tax – so that Perth's traffic congestion can be reduced and productivity increased.



Swan Valley Bypass

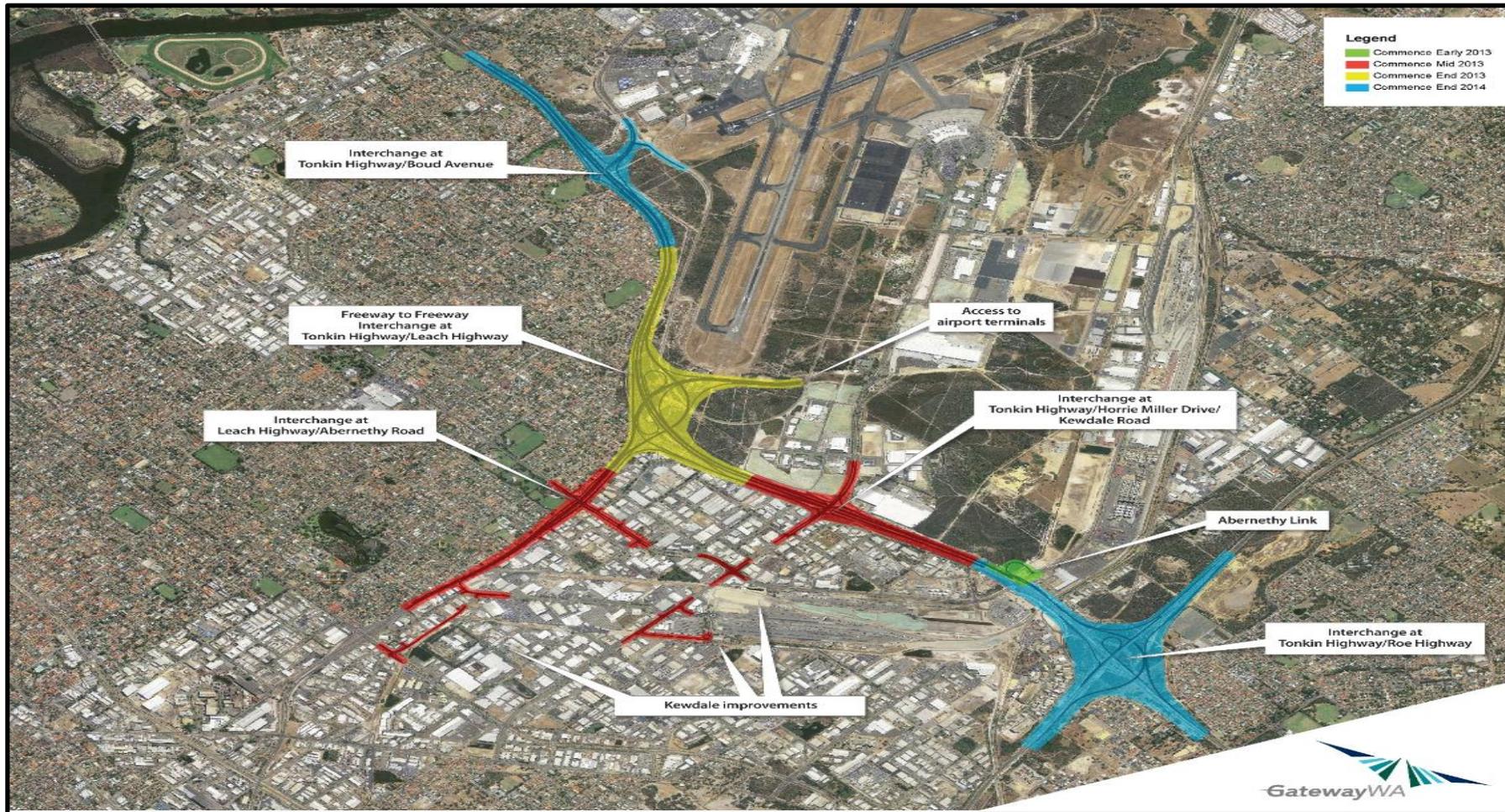


Source: Nation Building Programme, at:
http://www.nationbuildingprogram.gov.au/publications/reports/pdf/new_projects/WA_Swan_Valley_Bypass.pdf



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Perth Gateway Project



Source: Main Roads WA, at:

<https://www.mainroads.wa.gov.au/PublishingImages/Gateway%20WA%20Project%20Map.RCN-D13%5E23113646.JPG>



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Hope.
Reward.
Opportunity.



THE NATIONALS *for Regional Australia*

For further details of the Coalition's Plan go to
www.realsolutions.org.au