



BUDGET

2014-15

Building Australia's Infrastructure



May 2014

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ISBN: 978-0-642-74984-0

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Building Australia's Infrastructure

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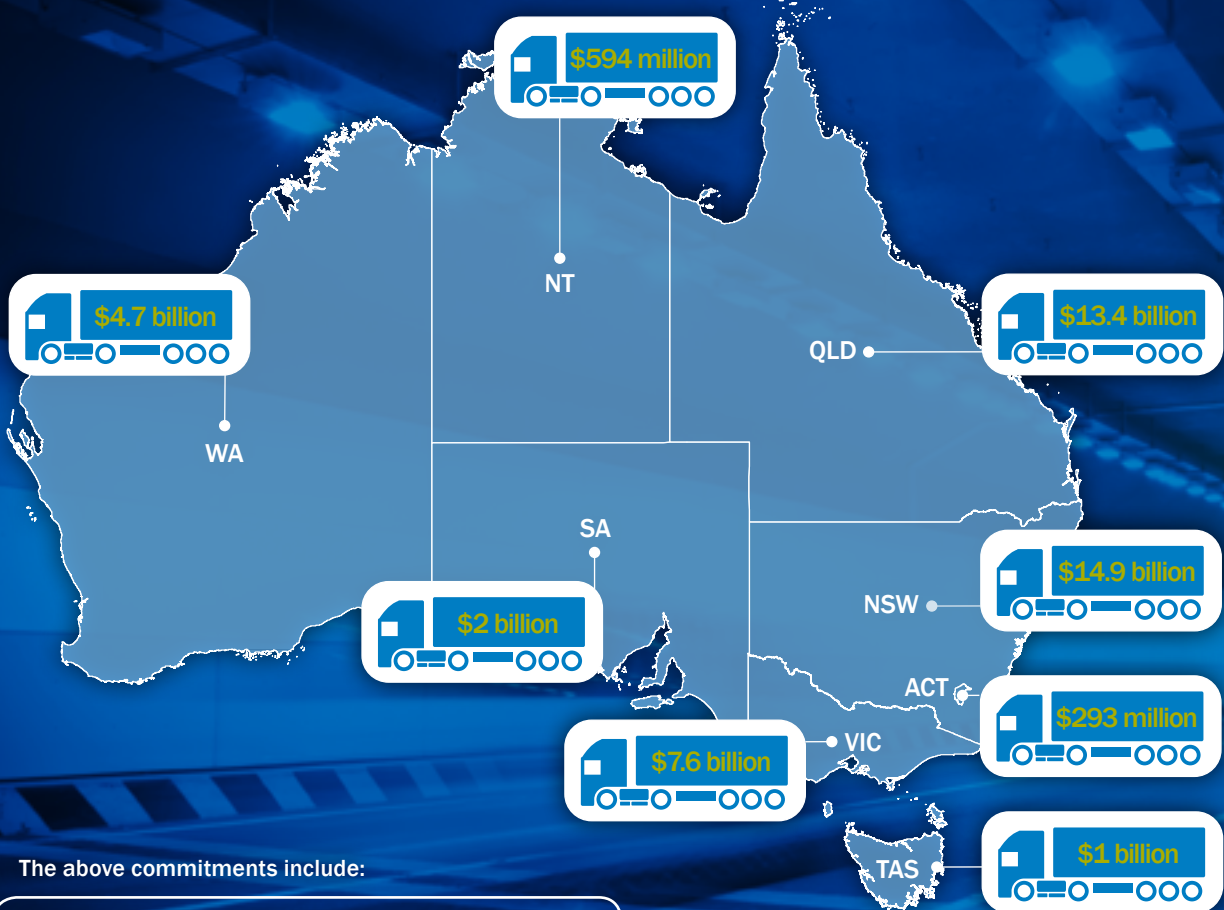


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Infrastructure investment

The Australian Government is investing \$50 billion across Australia over seven years to deliver vital transport infrastructure for the 21st Century. This investment includes:



The above commitments include:

- Roads to Recovery Programme **\$2.47 billion**
- Black Spot Programme **\$565 million**
- Bridge Renewal Programme **\$300 million**
- Heavy Vehicle Safety Productivity Package **\$248 million**

Catalysing infrastructure investment

The Government is making a historic investment in the 2014–15 Budget to get on with building Australia’s infrastructure.

A core element of the Government’s Economic Action Strategy is the commitment of an additional \$11.6 billion in the Budget for the **Infrastructure Growth Package**.

The Growth Package delivers \$5.0 billion for the Asset Recycling Initiative, \$3.7 billion to boost infrastructure investments to expedite projects and \$2.9 billion for the Western Sydney Infrastructure Plan. It brings the Commonwealth’s total investment in infrastructure to \$50 billion through to 2019–20.

This represents a record level of investment in infrastructure by a Commonwealth government and reflects the Government’s resolve to take decisive action to get real activity going, improve productivity and build a stronger, more prosperous economy.

These particular investments will improve the quality, efficiency and adequacy of road and rail links, reducing congestion, lowering business

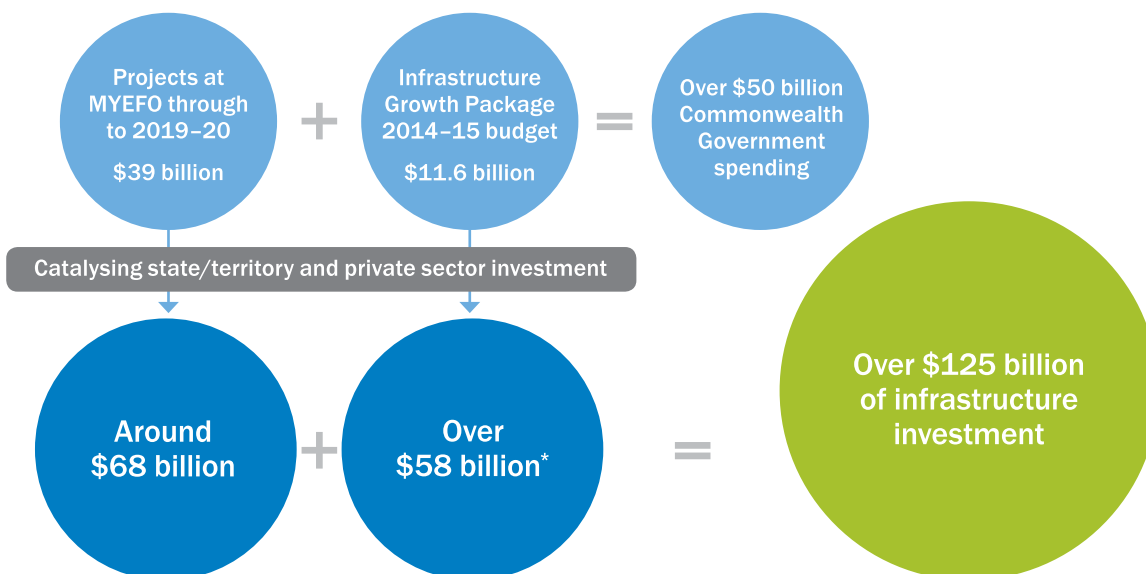
costs and increasing the liveability of our cities and regional areas.

The Government’s investment will also generate significant additional state and private sector participation to build the infrastructure that Australia needs.

The \$11.6 billion Infrastructure Growth Package is expected to catalyse over \$58 billion of new infrastructure investment, in particular by unlocking state government balance sheets. This is on top of the Government’s existing Infrastructure Investment Programme, which will generate some \$68 billion in infrastructure investment when combining expected state and private sector funding.

Taken together, this will catalyse additional infrastructure investment in excess of \$125 billion.

This investment will transform infrastructure across the country and lay the foundations for future growth. When the construction projects supported by the Government’s infrastructure initiatives are completed, they will add around 1 percentage point to GDP.



* This figure does not include potential additional private sector funding stimulated by the Asset Recycling Initiative.



Infrastructure – laying the foundations for future growth

The Australian Government is investing in new infrastructure projects that address debilitating bottlenecks and build the capacity Australia needs for the 21st Century.

The Government is responding to the needs of the economy by building infrastructure that will drive economic growth, create jobs and improve productivity.

All levels of government are facing considerable constraints in their budgets. This has become a significant impediment to the provision of the infrastructure Australia needs.

In this Budget, resources will be shifted from recurrent expenditure into investment to deliver the \$11.6 billion boost in funding.

In addition, to provide a secure funding source for road infrastructure, the Government will re-introduce the bi-annual indexation of fuel excise to the Consumer Price Index from 1 August 2014.

The Productivity Commission's draft report on Public Infrastructure identifies poor project selection and inadequate planning as major constraints on building infrastructure in Australia. To address the mounting costs and inefficiencies

that are unnecessarily delaying projects, this Government is reforming Infrastructure Australia which will improve infrastructure project planning, selection and delivery, and contribute to a strong pipeline of infrastructure projects.

To further leverage private sector investment, the Australian Government stands ready to use its balance sheet to help manage risks that might otherwise impede private sector financing. For example, the Government is providing alternative financing in the form of a concessional loan to accelerate the delivery of the WestConnex project.

The Australian Government will also, where possible, encourage greater reliance on user charging, with the potential to stimulate significantly greater levels of additional private sector investment.

Together with record funding levels this will ensure the delivery of vital infrastructure for the 21st Century.



The Asset Recycling Initiative...

The Budget includes \$5 billion to establish the Asset Recycling Initiative – a key element of the Infrastructure Growth Package – to provide incentive payments to states and territories that sell assets and reinvest the sale proceeds to fund world-class infrastructure across Australia.

Under this historic partnership, states and territories will be encouraged to unlock capital in their balance sheets to fund new investment in productive infrastructure across the country. If some of the proceeds are used for other purposes, the incentive payment will be reduced proportionally.

The Asset Recycling Initiative will create opportunities for investors, including Australian superannuation funds, to invest in quality

infrastructure assets around Australia. This Initiative will leverage a significant increase in private sector investment by putting assets previously owned by the government in private hands. Over time these investors are likely to increase capital investment in the newly privatised entities to improve market share and to grow their businesses.

In a sign of strong support from states and territories for the Government's commitment to get infrastructure investment moving, all governments signed the National Partnership Agreement on Asset Recycling at the Council of Australian Governments meeting on 2 May 2014. This unanimous support for the agreement demonstrates constructive and cooperative federalism at work.



Asset Recycling Initiative – eligibility criteria

For projects to be eligible for funding under the Asset Recycling Initiative, states and territories must bring forward infrastructure projects that:

1. demonstrate a clear net positive benefit;
2. enhance the long-term productive capacity of the economy; and
3. where possible, provide for enhanced private sector involvement in both the funding and financing of infrastructure.

.... helping states unlock their balance sheets

How the Initiative works

The Asset Recycling Initiative is a five-year programme with funding allocated to specific proposals on a first-come, first-served basis. States and territories will have up to two years from commencement of the Agreement to agree with the Commonwealth the specific assets to be sold and the additional infrastructure investment to be supported by the Initiative.

States and territories will receive 15 per cent of the price of the asset sold if all the sale proceeds are allocated to new infrastructure investment.

Payments will be made over two instalments on the achievement of key milestones. The sale of the asset must be completed and the construction of the additional infrastructure must commence on or before 30 June 2019.

The Government's \$5 billion investment through the Asset Recycling Initiative will leverage close to \$40 billion of new infrastructure investment from the states and territories. This infrastructure investment will reduce congestion, improve market access for goods and labour, and increase safety.

To help facilitate private sector engagement in the Asset Recycling Initiative, the National Infrastructure Construction Schedule (NICS), the Government's national online infrastructure investment pipeline, will be used to publish details of the proposed asset sales. More information about NICS is available at www.nics.gov.au.

How the Asset Recycling Initiative works

Scenario 1: State invests all proceeds in new infrastructure

State A decides to privatise Port Thomas under a 99-year lease with expected net sale proceeds of \$1 billion, based on book value, and to reinvest 100 per cent of these proceeds in additional road investment in the capital city and regional areas, consistent with the eligibility criteria for new investments under the Agreement.

Under the terms of the Agreement State A will expect to receive \$150 million as an incentive payment, in two instalments of \$75 million.

Scenario 2: State pays down 50 per cent of debt and invests remainder of proceeds in new infrastructure

State B seeks to privatise the XYZ Energy Company with expected net sale proceeds of \$5 billion and intends to reinvest 50 per cent of the proceeds into new rail and road infrastructure consistent with the eligibility criteria for new investments under the Agreement.

Under the terms of the Agreement State B will expect to receive \$375 million as an incentive payment, in two instalments of \$187.5 million.



New infrastructure investments

Getting the right transport infrastructure in place is essential to our future prosperity.

As part of the Infrastructure Growth Package, the Government is committing \$3.7 billion to the new investments component to expedite investment in high-quality economic infrastructure that will support jobs and growth in the short term, while bolstering the long-term productive capacity of the economy.

As part of this package, the Government will invest:

- \$229 million in a National Highway Upgrade Programme;
- additional funding of \$200 million for the Black Spot Programme;
- an additional \$350 million for the Roads to Recovery Programme; and
- up to \$2.9 billion for key roads across Australia including:
 - the East West Link (stage 2) in Melbourne;
 - WestConnex (stage 2);
 - the Perth Freight Link in Western Australia;
 - the Toowoomba Second Range Crossing in Queensland;
 - the North-South Road Corridor in Adelaide; and
 - Northern Territory road upgrades.

In addition, the Australian Government has committed \$2.9 billion towards a ten-year \$3.5 billion Western Sydney Infrastructure Plan being delivered in partnership with the New South Wales Government. The Plan will enhance capacity to handle future traffic growth in the South West Growth Centre, and for the development of an airport at Badgerys Creek as well as improved local transport connections for Western Sydney.



Establishing an Asset Recycling Fund

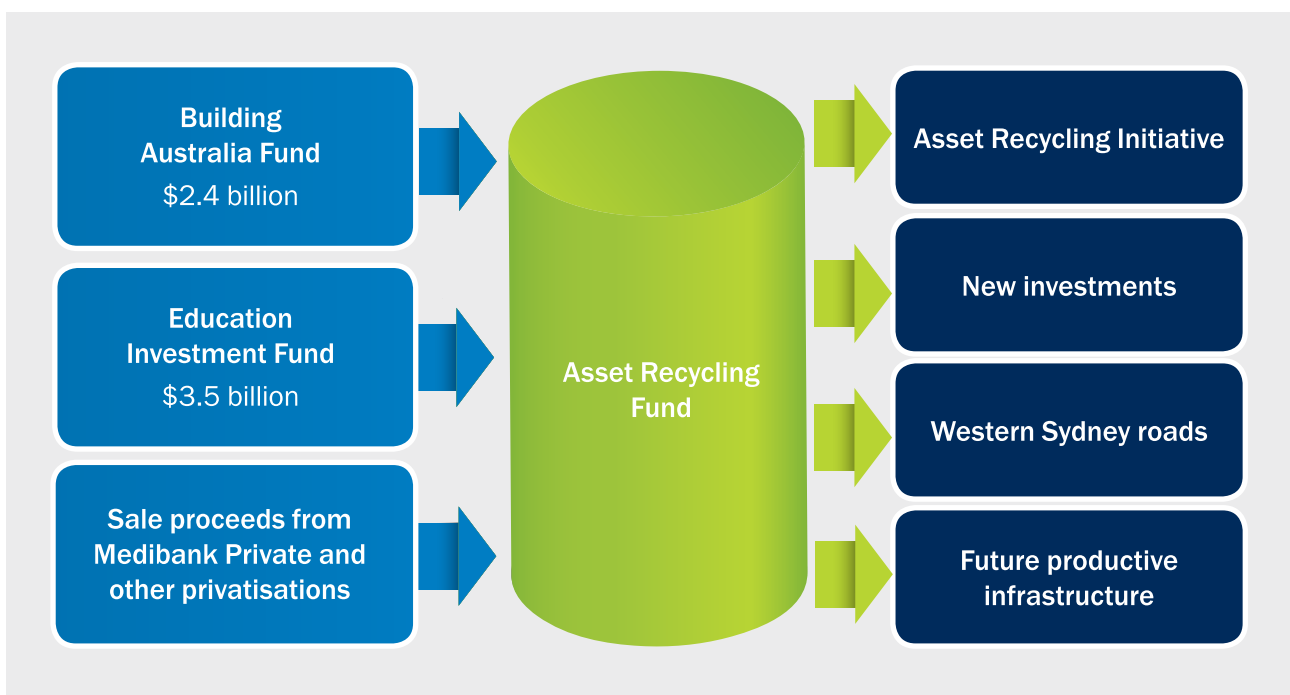
The Government will establish an Asset Recycling Fund to facilitate the investment in new infrastructure. The Asset Recycling Fund will commence on 1 July 2014.

The Asset Recycling Fund will be used to make payments to states and territories under the Infrastructure Growth Package. These payments will be used to assist states and territories sell existing assets and recycle the capital into new productivity-enhancing infrastructure as well as expedite nationally significant infrastructure projects across the country.

The Fund will receive an initial contribution of \$5.9 billion from the uncommitted funds in the Building Australia Fund (\$2.4 billion) and the Education Investment Fund (\$3.5 billion). Further contributions will be made from the sale proceeds from Medibank Private and from other privatisations.

The investments in the Asset Recycling Fund will be managed by the Future Fund Board of Guardians. The Asset Recycling Fund capital and net earnings from the Fund will be invested in infrastructure under the National Partnership Agreement on Asset Recycling, the National Partnership Agreement on Land Transport Infrastructure Projects and possible further agreements.

The Australian Government is putting in place the necessary plans to make incentive payments to states and territories from the Asset Recycling Fund from 1 July 2014 to get infrastructure funding moving.



Secure funding for new road infrastructure

The Government will secure funding for additional productivity-enhancing road infrastructure projects by reintroducing indexation of fuel from 1 August 2014. This will secure \$2.2 billion over the forward estimates to immediately start investing in Australia's future by building new roads and upgrading existing roads.

Funding constraints at all levels of government have become a significant impediment to the provision of the infrastructure that Australia needs to bolster the productive capacity of the economy and prosperity for the 21st century.

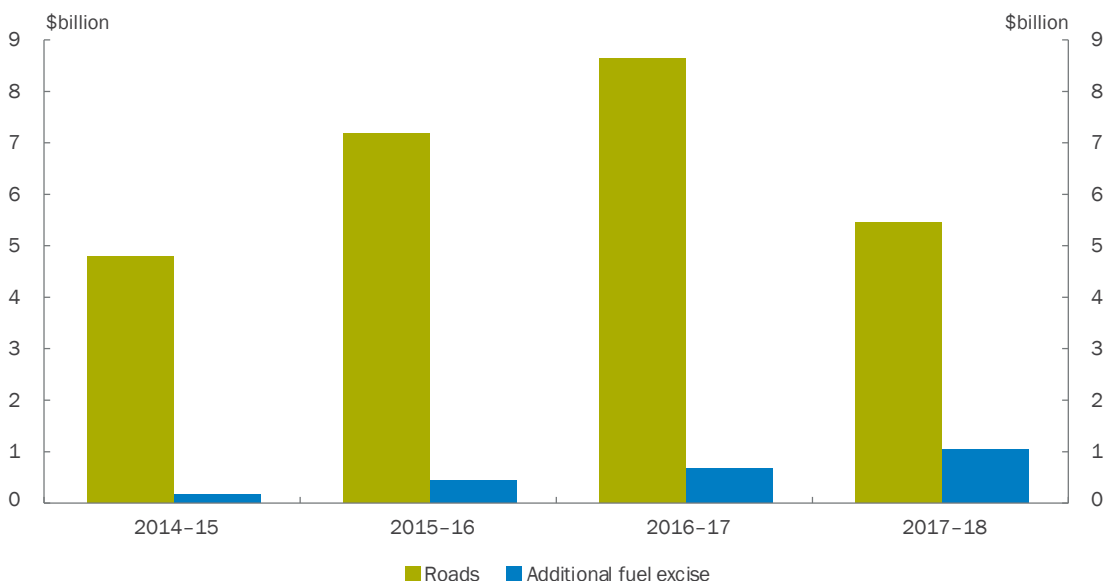
Accordingly, the Government will move to amend the *Excise Act 1901* to ensure that the amount spent on road infrastructure is greater than the net revenue raised by the reintroduction of indexation on fuel excise and excise-equivalent customs duty.

Under difficult Budget circumstances, this is the responsible way to immediately start building the productivity boosting road infrastructure that Australia needs.

The Government is also addressing the immediate infrastructure funding challenge in this Budget by effecting a significant shift of resources from recurrent spending to investment in new infrastructure, and by providing an appropriately generous and targeted incentive to states and territories to unlock capital on their balance sheets.

For the longer term we will also look for opportunities to encourage greater recourse to private sector involvement. For example, through promoting appropriate use of user charging where possible, encouraging an unsolicited bid framework and creating greater certainty around a pipeline of projects through the Government's 15-year Infrastructure Plan.

A growing contribution to road funding







Alternative financing – leveraging investment

The Government is prepared to use alternative financing to complement traditional grant funding and more effectively use its balance sheet to support Australia's infrastructure needs.

Alternative financing arrangements could include the provision of loans, guarantees and/or equity. In cases where the project is supported by user charging, such arrangements can be used to help mitigate risks, for example, uncertainty regarding likely toll revenues, which might otherwise impede private sector investment.

The Government will ensure that the risks for the Commonwealth are carefully assessed and effectively managed.

A good example of this approach is the Government's commitment to provide up to \$2 billion in alternative financing, through a concessional loan, to support the second stage of the WestConnex project in NSW. The Australian Government's concessional loan will provide bridging finance while the project is constructed, with repayment to occur when the project becomes operational and generates revenue. Moreover, the financing will enable the acceleration of this stage of the project by up to 18 months, and complements the \$1.5 billion in grant funding that the Government has committed to get the WestConnex project moving.

The Government has requested the Productivity Commission provide advice on the use of alternative financing as part of its current inquiry into Public Infrastructure. This advice will help inform the Government on the further expansion of alternative financing to infrastructure projects in the future.



Improving project selection and delivery



Infrastructure Australia has a central role to play in the Government's strategy to enhance the quality of Australia's infrastructure and improve productivity. The Government is following through on its commitment to strengthen Infrastructure Australia by reforming its governance arrangements to create a more independent, transparent and expert advisory body.

The new governance arrangements will provide for greater accountability and clarity of roles and responsibilities. The existing advisory Infrastructure Australia Council will be replaced by an Infrastructure Australia Board with clear accountabilities under the *Commonwealth Authorities and Companies Act 1997*. A Chief Executive Officer (CEO) position will be established, reporting to the newly established Board, replacing

the existing Infrastructure Coordinator role. The CEO position will be responsible for implementing the Board's strategic objectives.

In order to develop a national view on infrastructure priorities and policies to ensure better value for money and deliver the infrastructure this nation needs in the 21st century, the Government has tasked Infrastructure Australia to:

- undertake 5-yearly evidence-based audits of Australia's infrastructure asset base;
- develop top-down priority lists at national and state levels;
- develop a 15-year infrastructure plan; and
- evaluate proposals for nationally significant economic infrastructure, as well as proposals in the education and health sectors.

Projects seeking Australian Government funding of \$100 million or more will be required to be evaluated. Infrastructure Australia will be expected to publish its findings.

The 15-year infrastructure plan will be instrumental in ensuring early and rigorous planning for Australia's infrastructure. It will include clearly defined service standards for project delivery, outline short- and long-term productivity gains and identify any complementary projects required to maximise productivity gains. The plan will also articulate a recommended timeframe in which projects be brought to market, commencing with those projects of highest productivity value.

This will give certainty to industry and ensure public funding is used to deliver the right infrastructure projects at the right time.

The Productivity Commission inquiry into public infrastructure is examining the cost and efficiency of delivering infrastructure projects in Australia. The Government will consider the findings to determine ways to further improve the selection and delivery of projects.

New South Wales



The Australian Government is investing \$14.9 billion into New South Wales to fund major projects, including:

- the **Western Sydney Infrastructure Plan**, a ten-year road investment programme to meet future growth in the South West Growth Centre and for the development of an airport at **Badgerys Creek**;
- the **Pacific Highway** upgrade, which will be completed by the end of the decade;
- **WestConnex**, 33 kilometres of new and upgraded motorways linking Western and South-Western Sydney with the city, Sydney Airport and port precincts;

- **NorthConnex**, a nine kilometre tunnel under Pennant Hills Road bypassing 21 sets of traffic lights; and
- the **M1 Productivity Package** for capacity improvements in four sections of the M1 Motorway.

These and other significant commitments the Australian Government has made in New South Wales since the 2013 Federal Election are detailed below.

NEW SOUTH WALES INFRASTRUCTURE INVESTMENT





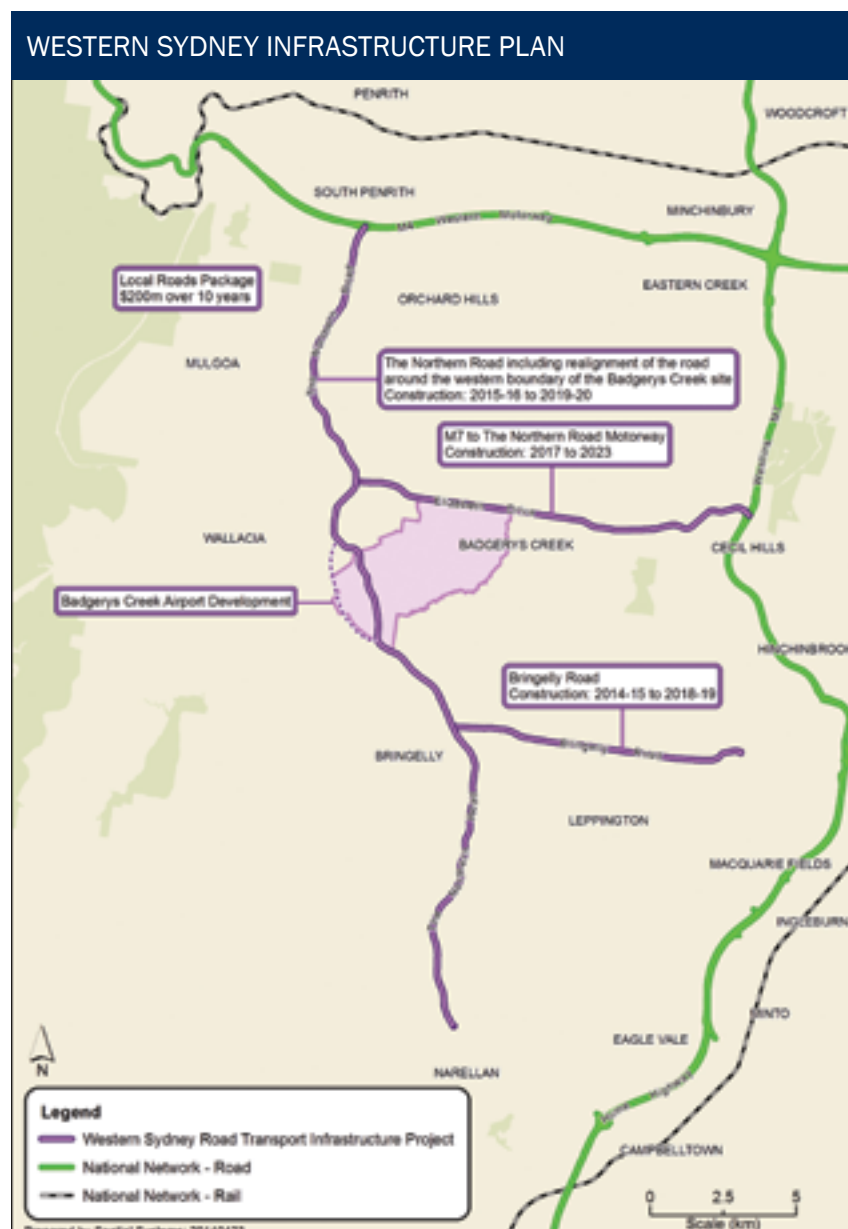
Western Sydney Infrastructure Plan

The Australian Government, in partnership with the New South Wales Government, has announced a ten-year road investment programme of close to \$3.5 billion for Western Sydney – the Western Sydney Infrastructure Plan. This programme includes:

- upgrade of the Northern Road to a minimum of four lanes from Narellan to the M4 Motorway;
- construction of a new four-lane motorway between the M7 Motorway and the Northern Road;
- upgrade of Bringelly Road to a minimum of four lanes from Camden Valley Way to the Northern Road;
- improved interchanges connecting the Northern Road and the new motorway with arterial roads; and
- a \$200 million local roads package.

Benefits of the investment programme include capacity to handle future traffic growth in the South West Growth Centre and for the development of an airport at Badgerys Creek, as well as improved local transport connections. The Australian Government is providing \$2.9 billion towards this package, with construction due to commence in 2014–15, for completion in 2024.

In addition, the New South Wales Government is undertaking corridor planning for a continuation of the South West Rail Link to the Badgerys Creek airport site and onward to St Marys, where it would connect with Western Line Services, as well as south to Narellan. The Australian Government will also preserve a rail corridor and station box at the Badgerys Creek airport site for future use.





WestConnex

The WestConnex project, with a cost estimate of over \$11 billion, is one of the largest transport infrastructure projects in Australia.

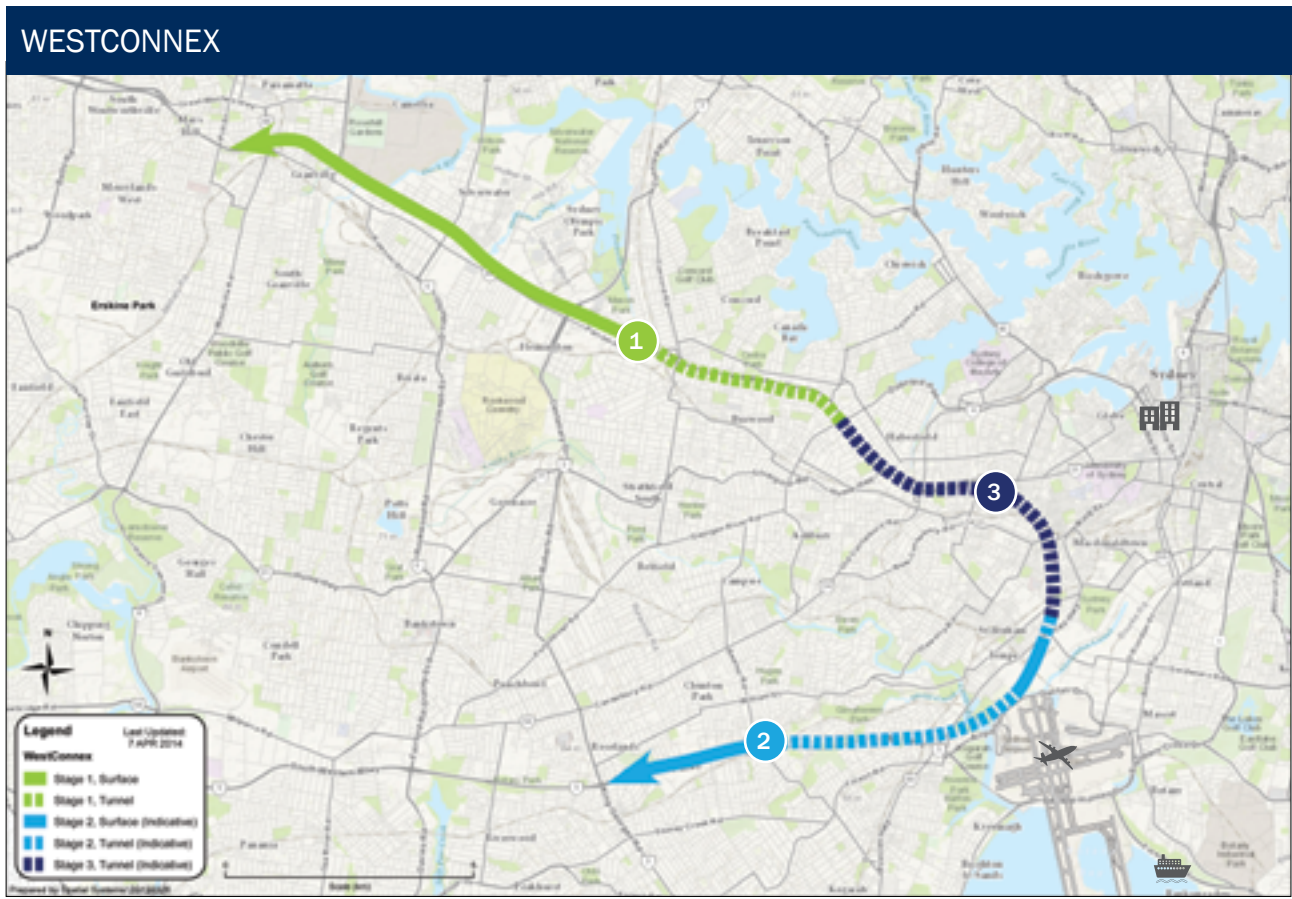
WestConnex will deliver 33 kilometres of new and upgraded motorways linking Western and South-Western Sydney with the city, Sydney Airport and port precincts. WestConnex will remove traffic from surface roads and place it in underground tunnels—bypassing up to 52 sets of traffic lights. Up to 3,000 trucks a day will use these tunnels instead of Parramatta Road, creating the opportunity for urban renewal along Parramatta Road. Travel times for motorists travelling between Parramatta and Sydney's Kingsford Smith Airport will be reduced by up to 40 minutes.

The Budget provides \$1.5 billion in Australian Government funding for the project and a

concessional loan of up to \$2 billion to accelerate delivery of Stage 2 by up to 18 months. This innovative financing solution will provide bridging finance while the project is constructed, with repayment to occur when the project becomes operational and generates revenue. In addition to accelerating the delivery of Stage 2, the loan will enable this stage to be constructed at a reduced capital cost.

WestConnex will deliver more than \$20 billion in economic benefits to New South Wales. Around 10,000 jobs will also be created during the construction of the project—including many apprenticeships.

Construction commences in July 2015, with completion of all stages of WestConnex expected in 2023.





NorthConnex

The \$3 billion NorthConnex project will provide a continuous motorway between the New South Wales Central Coast and Western and South-Western Sydney. NorthConnex will also make it possible to travel by road from Newcastle to Canberra and Melbourne without encountering a single set of traffic lights.

NorthConnex comprises the construction of twin three-lane road tunnels. The tunnels will be approximately nine kilometres in length, running beneath Pennant Hills Road and the Northern Railway Line, linking the M1 Pacific Motorway at Wahroonga to the M2 Motorway at West Pennant Hills. The Commonwealth is contributing \$405 million, including \$5 million in 2013–14 to assist with the costs of conducting a tender process. Construction is expected to commence in early 2015, with completion expected by late 2019.

By bypassing up to 21 sets of traffic lights, the project will reduce travel times by up to 15 minutes during peak periods compared with current travel times on Pennant Hills Road.

The reduction of up to 5,000 heavy vehicles on Pennant Hills Road will improve safety, local air quality and noise amenity along the corridor. It will also reduce congestion on the local road network and provide the opportunity for better public transport in the local area along Pennant Hills Road. There is also potential for urban renewal from reduced traffic, returning local streets to local communities.





Pacific Highway

The Australian and New South Wales Governments are working together to complete the Pacific Highway upgrade by the end of the decade.

The upgrade will increase freight efficiency through reduced costs for transport operators, while providing local benefits through enhanced amenities for townships that will be bypassed by the upgraded Pacific Highway. It will provide a four-lane divided road from Hexham, near Newcastle, to the Queensland border.

The Australian Government has committed \$5.6 billion from 2013–14 towards the upgrade.

The benefits already being realised over the length of the highway include:

- travel time savings of an average of around 90 minutes for light vehicles and an average of 100 minutes for heavy vehicles. The overall savings in travel time are expected to increase to 2.5 hours when the full upgrade is complete; and
- halving of fatal crashes from the mid-40s to the 20s annually, along the entire length of the highway. It is anticipated that future upgrades will continue to improve safety, further reducing the number of deaths and injuries on the highway.





PACIFIC HIGHWAY





Victoria

The Australian Government is investing \$7.6 billion in Victoria to fund major projects, including:

- the **East West Link**, an 18 kilometre motorway connecting the Eastern Freeway with the Western Ring Road;
- the **Regional Rail Link**, including up to 50 kilometres of dedicated dual track link from West Werribee to the Southern Cross Station via Sunshine and the extension of platforms and other capital works;
- **Western Highway Ballarat to Stawell**, to complete planning for the duplication of the Western Highway from Ballarat to Stawell and duplicate approximately 57 kilometres from Ballarat to Buangor; and
- **Princes Highway West duplication** (Winchelsea to Colac), to duplicate approximately 38 kilometres of the Princes Highway West from Winchelsea to Colac.

Commitments the Australian Government has made in Victoria since the 2013 Federal Election are detailed below.





East West Link

East West Link is an 18 kilometre motorway that will connect the Eastern Freeway at Clifton Hill with the Western Ring Road at Sunshine West. The estimated \$14–\$18 billion project is vital to the Australian and Victorian economies and will help address the major transport challenges currently facing Melbourne. East West Link includes an Eastern Section (Stage 1) – a six kilometre link that will connect the Eastern Freeway to CityLink; a Western Section (Stage 2) – a 12 kilometre link that will connect the Port of Melbourne to the Western Ring Road; and a Port Connection – a separate link that will connect CityLink to the Port of Melbourne.

East West Link will reduce travel times by up to 20 minutes for commuters travelling from areas such as Geelong and Ballarat to the City.

The Eastern section alone is expected to allow 80,000 to 100,000 vehicles each day to bypass around 23 sets of traffic lights.

East West Link will improve accessibility to important economic and employment centres across the city and will provide an immediate boost to the economy by creating approximately 6,000 jobs during peak construction periods of both sections.

The Australian Government has committed \$1.5 billion for the Eastern Section of the motorway and has more recently committed a further \$1.5 billion to accelerate delivery of the Western Section. Construction on the Eastern Section is expected to commence in late 2014 and be completed in 2020. Construction on the Western Section is expected to commence in late 2015 and be completed in 2023.

EAST WEST LINK



Queensland



The Australian Government is investing \$13.4 billion into Queensland to fund major projects including:

- the **Bruce Highway**, with 45 new projects or programmes including major upgrades, new overtaking lanes, rest areas and targeted safety improvements;
- **Gateway Motorway North**, which will ease congestion, enhance safety and increase access to and from the Bruce Highway from Northern Brisbane and the Port of Brisbane;
- **Toowoomba Second Range Crossing**, providing a 41 kilometre alternative crossing of the Toowoomba range that will remove traffic from the Toowoomba town centre and cutting up to 40 minutes of travel time;
- **Warrego Highway**, upgrades between Toowoomba and Miles;
- **Ipswich Motorway**, (Rocklea to Darra); and
- **Cape York Regional Package**, which will upgrade and weather-proof a range of community infrastructure projects in Cape York.

Since the 2013 Federal Election, the Government has made significant commitments in Queensland as outlined in this map.

QUEENSLAND INFRASTRUCTURE INVESTMENT





Bruce Highway

Through the Australian Government’s Fix the Bruce Highway Policy, funding will be provided for new and existing projects, including major upgrade works, realignments, strengthening and widening of roads, plus a range of safety and efficiency measures to target crash black spots and to provide additional overtaking lanes and rest areas. The Commonwealth is providing up to \$6.7 billion through to 2022–23.

This multi-billion dollar investment will go a long way towards addressing serious deficiencies that have plagued the Bruce Highway for too long. The investment will improve flood immunity, target congestion and capacity constraints by investing in more overtaking lanes, interchange upgrades and the construction of additional lanes.

Major construction projects include the Mackay Ring Road, Cooroy to Curra – Section C, Caloundra Road to Sunshine Motorway – Stage 1, Cattle and Frances Creeks upgrade, Yellow Gin Creek upgrade and Sandy Gully Bridge upgrade, and the Cairns Southern Access Corridor – Stage 2. The investment will also include construction of new overtaking lanes and rest areas and targeted safety improvements at known crash black spots along the highway.





Gateway Motorway North

The Gateway Motorway North project will provide substantial relief for motorists through reduced congestion, queuing and delays and reduced crash rates. It will provide significant productivity benefits for freight movements, particularly heavy vehicle movements to and from the Bruce Highway and the industrial/commercial precincts in Northern Brisbane and to the Port of Brisbane.

The project involves a major upgrade of the Gateway Motorway including:

- widening 11.3 kilometres of Brisbane’s Gateway Motorway to six lanes between Nudgee and Bracken Ridge;
- reconfiguring the Nudgee Interchange;
- duplication of Deagon Deviation, including a new overpass and on-ramp incorporating ramp metering provisions;
- new bridges over Nundah Creek and widened bridges over the Bicentennial Road Interchange and Sandgate Road/Shorncliffe Railway line; and
- construction of off-road cycle/pedestrian facilities, Intelligent Transport Systems, and noise and amenity improvements.

The Australian Government is contributing up to \$1 billion to the Gateway Motorway North project, with construction to start in late-2014 and expected to take around three years to complete.





Toowoomba Second Range Crossing

The Australian Government has committed up to \$1.285 billion towards the Toowoomba Second Range Crossing in southern Queensland. The Government will support up to 80 per cent of the public construction cost of the project, following private sector engagement.

The new link is expected to be a toll road and will provide a far superior range-crossing for freight vehicles to the existing Warrego Highway range-crossing, which will remain open for standard vehicles. The project is expected to be delivered as a public private partnership with construction expected to commence in mid-2015.

The approximately 41 kilometre long project is expected to include:

- a two-lane dual carriageway from Helidon to a tunnel on the eastern approaches to the range summit;

- a three-lane dual carriageway to the Warrego Highway at Charlton;
- two 695 metre-long tunnels;
- a single-lane dual carriageway from Charlton to the Gore Highway; and
- intersection works to link with the existing road network.

The existing Toowoomba route requires traffic to pass through the Toowoomba town centre and the associated 16 sets of traffic lights. It is estimated that the Toowoomba Second Range Crossing will cut up to 40 minutes off travel times for heavy vehicles.

The project will help drive Queensland and Australia's economic growth by creating jobs and providing a gateway to the state's resource-rich Surat Basin and the agricultural food bowls of the Darling Downs.





Western Australia

The Australian Government is investing \$4.7 billion into Western Australia to fund major projects, including:

- **Perth Airport Gateway**, which will reduce congestion and improve access to Perth Airport and the surrounding industrial areas;
- **Swan Valley Bypass**, a new 40 kilometre highway from the Reid Highway and Tonkin Highway intersection in Malaga to the Great Northern Highway at Muchea;
- the **Perth Freight Link**, providing improved capacity for heavy vehicle freight movements to and from the Port of Fremantle;
- **Great Northern Highway**, Muchea to Wubin;
- **North West Coastal Highway**, Minilnya to Barradale; and
- **Tonkin Highway**, grade separations.

Since the 2013 Federal Election, the Government has made significant commitments in Western Australia as detailed in this map.





The Perth Freight Link

This major, innovative project will provide a direct free-flowing connection between the Roe Highway and the Port of Fremantle, providing improved capacity for heavy vehicle freight movements to and from the Port. The project will complement the Australian Government's investment in projects such as Gateway WA, the Tonkin Highway Grade Separations, the Swan Valley Bypass and the High Street Upgrades. It will establish the Roe Highway as the preferred east-west freight route into the Port of Fremantle. This in turn will reduce the number of heavy vehicles using the Leach Highway, reducing commuter congestion on this route.

The project is expected to include heavy vehicle charging and be delivered as a public private partnership. The final scope and design of the project will be determined in consultation with the Western Australian Government and is anticipated to include:

- a Roe Highway extension from its existing terminus at the Kwinana Freeway to Stock Road in Coolbellup. This five kilometre new road, which will be Stage 8 of the Roe Highway, will be a four lane dual carriageway link with a number of interchange connections; and
- improvements to Stock Road and High Street which are likely to include grade separations, intersection improvements and widening to remove traffic lights and enable free-flowing heavy vehicle movements. This will provide an upgraded road along Stock Road from the Roe Highway Extension to the Leach Highway, then along the Leach Highway, High Street and the Stirling Highway as far as Marmion Street.

The Perth Freight Link is expected to reduce transport costs and improve efficiency in heavy vehicle movements and freight access to Fremantle Port from Kewdale.





THE PERTH FREIGHT LINK



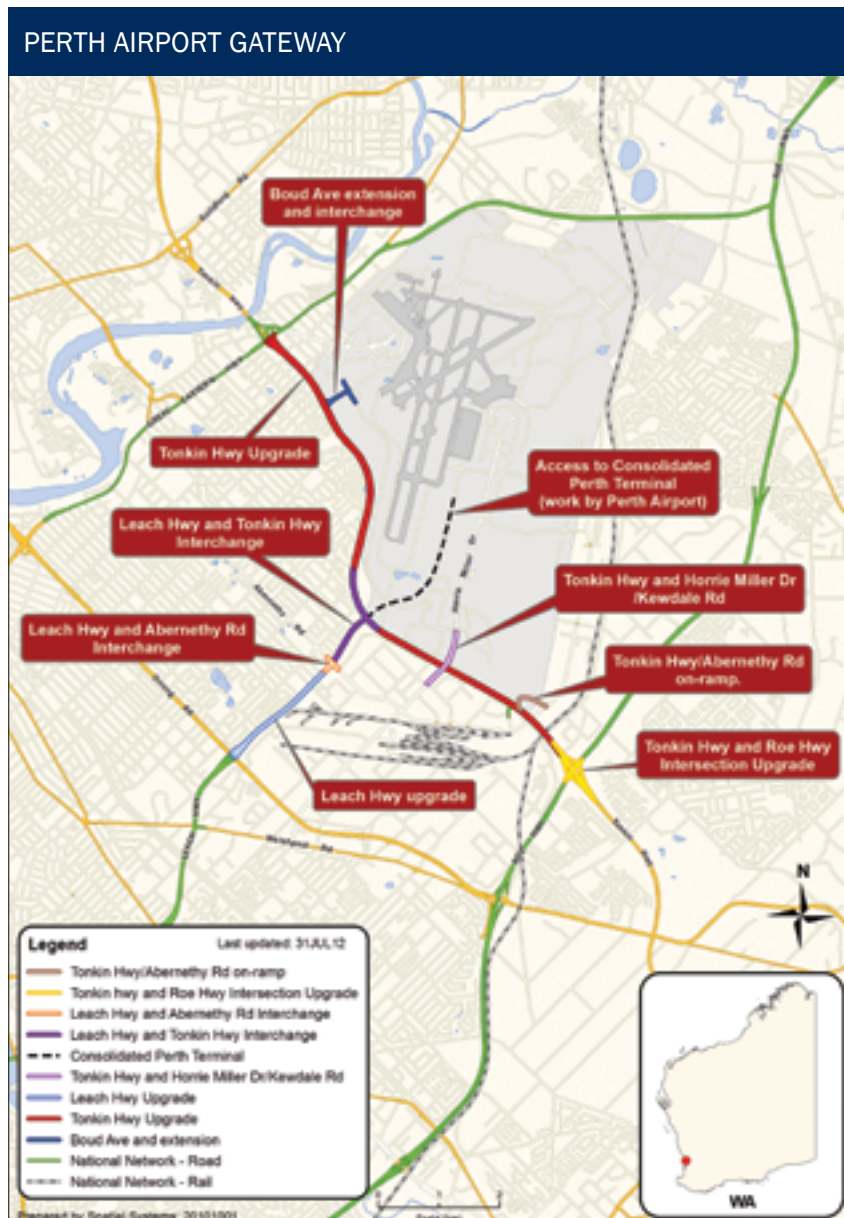


Perth Airport Gateway

The Australian Government is continuing a major upgrade of the roads around Perth Airport, in particular around the southern access to the airport. It includes widening roads, and new and upgraded interchanges on the Tonkin and Leach Highways.

The project is expected to reduce congestion and improve access to Perth Airport and the surrounding industrial areas. It will cater for increasing traffic generated by growth in passenger numbers through the airport and consolidation of the domestic and international terminals. It will also support resource operations in regional areas of Western Australia by improving access to the airport for fly-in fly-out workforces.

The Australian Government will contribute \$675 million to the Perth Airport Gateway project, with completion expected in early 2017.





Swan Valley Bypass

The project will involve the construction of a new 40 kilometre highway from the Reid Highway and Tonkin Highway intersection in Malaga to the Great Northern Highway at Muchea.

The Great Northern Highway forms a key freight route connecting Perth to the north of Western Australia and is an important link for the transport of equipment and supplies to mining operations in the Pilbara region.

The project is expected to improve freight efficiency and freight network capacity, reduce vehicle operating costs and provide travel time savings. It will also relieve traffic congestion and improve the safety of the existing highway through the Swan Valley.

The Australian Government will contribute \$615 million to the Swan Valley Bypass, with construction expected to commence in late-2016.





South Australia



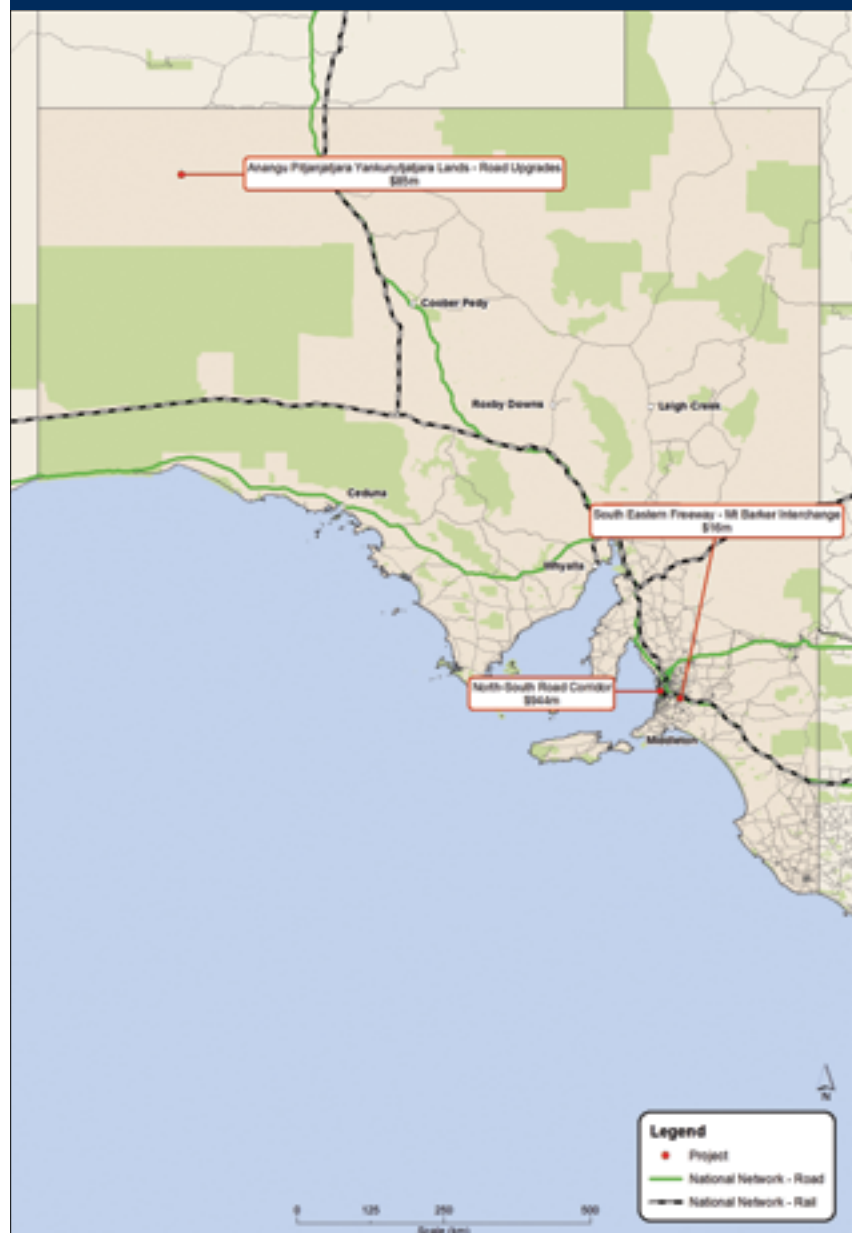
The Australian Government is investing \$2 billion into South Australia to fund major projects including:

- **North-South Road Corridor**, which will complete the Darlington and Torrens Road to the River Torrens projects as the first stages of the upgrade of the full corridor; and
- the **Anangu Pitjantjatjara Yankunytjatjara (APY) Lands** project, which will upgrade 210 kilometres of the main access road from the Stuart Highway to Pukatja and improve 21 kilometres of community roads, including improvements to roads leading to airstrips in Pukatja, Umuwa, Fregon, Mimili and Indulkana and the Umuwa power station.

The Australian Government's investments in South Australia since the 2013 Federal Election are detailed in this map.



SOUTH AUSTRALIA INFRASTRUCTURE INVESTMENT





North-South Road Corridor

The project will involve the upgrade of the North-South Road Corridor in Adelaide. The South Road upgrade at Darlington will involve upgrading the carriageway to expressway standard from north of Sturt Road to the Southern Expressway. The Torrens Road to the River Torrens project (Torrens to Torrens) will upgrade and widen this 3.7 kilometre section of South Road.

An upgraded North-South Road Corridor will improve freight transport productivity in Adelaide. The corridor is a critical route for the movement of freight and business related passenger traffic, connecting the Port of Adelaide, Adelaide Airport, the Islington intermodal terminal and other freight terminals. An upgraded South Road will not only improve north-south traffic flows along the corridor, but will also improve connectivity for east-west traffic by reducing delays at South Road intersections.

Construction on both the Darlington and Torrens to Torrens projects is expected to commence from mid-2015. Commonwealth funding of \$8.5 million is enabling planning for the Darlington project to be fast tracked, with the planning study to be completed in late-2014.

The Australian Government has committed a total of \$944 million (comprising \$496 million for the Darlington project and \$448 million for the Torrens to Torrens project) to complete the two highest priority sections of the corridor as the first stages of the upgrade of the full corridor.



Tasmania



The Australian Government is investing \$1 billion in Tasmania to fund major projects state wide with a focus on economic growth and jobs.

Building infrastructure projects that will make a difference and getting products to markets in the most efficient way possible is a priority for the Government. Key projects in the Tasmania include:

- the **Midland Highway Upgrade**;
- **Freight Rail Revitalisation**, to upgrade the rail network to secure the safety, reliability and competitiveness of rail freight operations;
- **Brooker Highway – Elwick-Goodwood to Howard Road**, to consolidate the existing staggered intersections at Goodwood and Elwick Roads and replace the existing Howard Road roundabout with traffic lights; and
- **Huon Highway/Summerleas Road Intersection Upgrade**, to upgrade the intersection between the Huon Highway and Summerleas Road to address cross-traffic movements.

The Australian Government's investments in Tasmania since the 2013 Federal Election are detailed in this map.

TASMANIA INFRASTRUCTURE INVESTMENT





Midland Highway

The upgrade of the Midland Highway will improve safety on this major north-south corridor between Hobart and Launceston. The Midland Highway connects southern Tasmania with ports in the north allowing access for Tasmanian industry, including tourism, to mainland and international markets.

Freight and passenger movements on the Midland Highway are forecast to increase by 70 per cent and 40 per cent respectively by 2030. The upgrade of the Midland Highway will facilitate this forecasted increase in the movement of freight and passengers. The upgrade forms part of the Australian Government's Economic Growth Plan for Tasmania.

The Australian Government will contribute \$400 million over 10 years from 2014–15. The Australian and Tasmanian governments are working together to finalise projects that could be undertaken under this commitment. It is likely that a package of works will include road widening, additional lanes and other safety measures.



Northern Territory



The Australian Government is investing \$594 million in the Northern Territory to fund major projects with a focus on economic growth and jobs.

A key priority for the Government is to build infrastructure projects that make a difference and improve access for products to markets. Key projects in the Northern Territory include:

- the **Northern Territory Roads Package**, providing \$77 million to upgrade key Northern Territory roads. This investment will improve safety and improve connectivity for communities;
- the **Regional Roads Productivity Package**, upgrading six regional roads to improve flood immunity, safety and reliability for communities. The upgrades are to the Roper and Buntine Highways and Port Keats, Arnhem Link, Central Arnhem and Santa Teresa Roads; and
- **Tiger Brennan Drive Duplication – Darwin CBD to Berrimah Road**, to duplicate Tiger Brennan Drive from Berrimah Road to Darwin CBD to improve safety and efficiency and reduce congestion for commuters.

Since the 2013 Federal Election, the Government has made significant commitments in Northern Territory as detailed in this map.

NORTHERN TERRITORY INFRASTRUCTURE INVESTMENT



Australian Capital Territory



The Government is investing \$293 million in the Australian Capital Territory to fund major projects with a focus on economic growth and jobs.

Building infrastructure projects that will make a difference and getting products to markets the most efficient way possible is a priority for the Government. Key projects in the Australian Capital Territory include:

- **Majura Parkway**, constructing an 11.5 kilometre, four-lane dual carriageway linking the Federal Highway with the Monaro Highway; and
- **Ramp Metering**, installing ramp metering on the Tuggeranong Parkway/Cotter Road interchange, to control the timing of traffic entering the Tuggeranong Parkway.



AUSTRALIAN CAPITAL TERRITORY INFRASTRUCTURE INVESTMENT



Inland Rail

The Inland Rail will link Melbourne and Acacia Ridge (Brisbane) with an alignment of 1,731 kilometres, including 599 kilometres of new track and 426 kilometres of upgraded track.

The Australian Government is committing \$300 million to pre-construction works. Opportunities are being explored for private sector funding and financing of the project.

The Inland Rail will reduce terminal-to-terminal freight transit time between Melbourne and Brisbane by seven hours to 20.5 hours – more than 25 per cent – and improve reliability and availability compared to the current coastal line via Sydney.

The Inland Rail will also improve freight productivity for coal and grains from southern Queensland and northern NSW and facilitate freight movements from regional communities.



INLAND RAIL



New and continuing initiatives...

Through the Infrastructure Investment Programme, the Australian Government is funding a number of cross-jurisdictional initiatives as well as increasing funding to some existing smaller programmes.

The \$350 million additional funding for the **Roads to Recovery (R2R) Programme** comes on top of the Government's earlier commitment of \$2.1 billion being provided to the programme from 2013–14 to 2018–19. The R2R Programme supports maintenance of the nation's local road infrastructure asset, which facilitates greater access for Australians and improved safety, economic and social outcomes.

The \$200 million additional funding for the **Black Spot Programme** comes on top of the Government's earlier commitment of \$364.5 million being provided to the programme from 2013–14 to 2018–19. The Black Spot Programme makes an important contribution to reducing the national road toll under the National Road Safety Strategy and Action Plan.

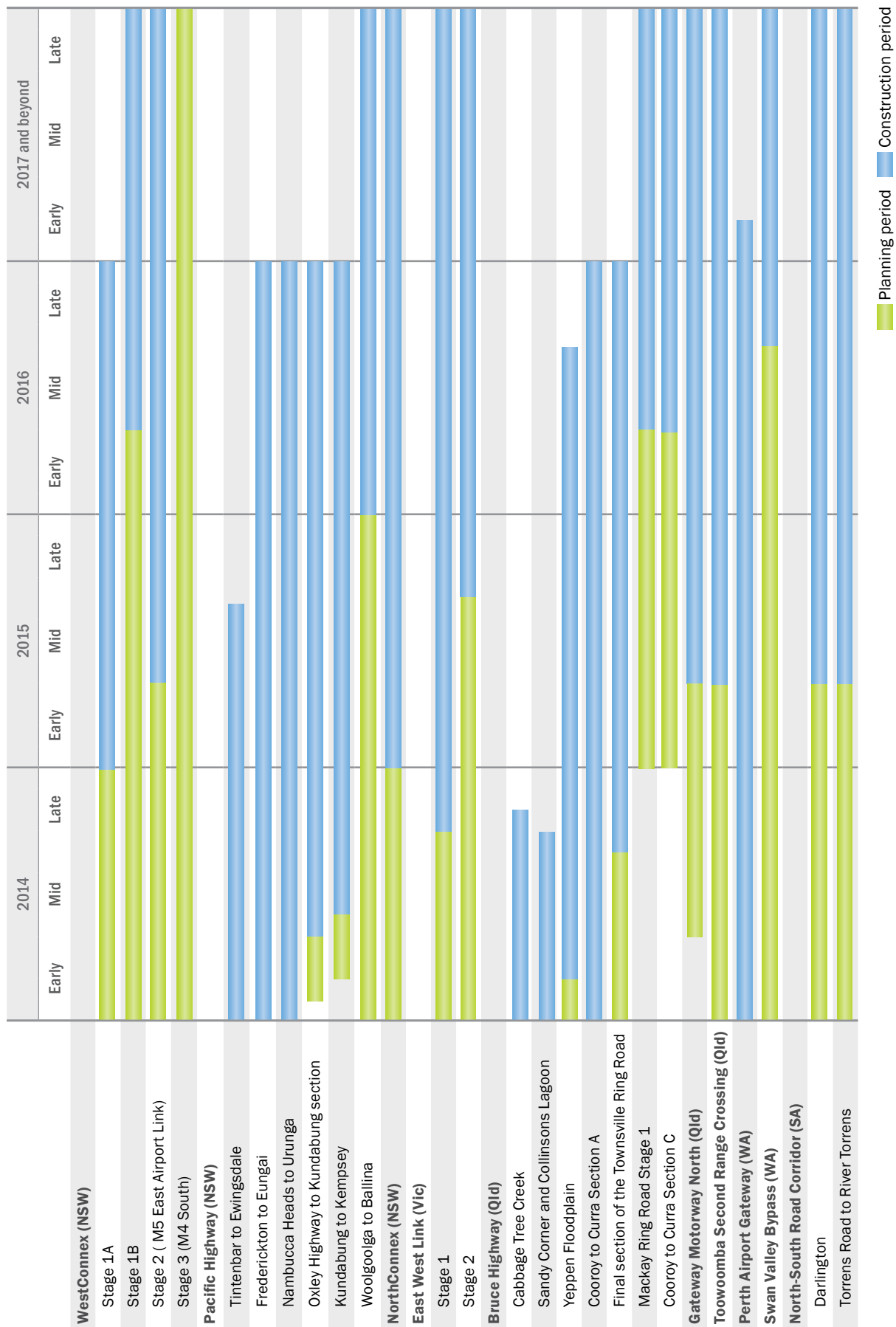
\$300 million for the **Bridges Renewal Programme** to upgrade the nation's deteriorating bridges to improve safety, freight links and connect people with communities.



\$229 million will be provided to a new **National Highway Upgrade Programme** that will provide funding for improvements to Australia's key national highway networks through works such as shoulder and centreline widening, ripple strips and wire rope barriers, overtaking lanes, turning lanes and pavement improvements.

\$248 million will be provided to continue the **Heavy Vehicle Safety Productivity Package** to deliver projects including rest areas, parking/decoupling bays, technology trials, road enhancements; and demonstration projects.

Appendix A: Getting on with the job – Infrastructure construction schedule



Appendix B: Commonwealth expenditure on infrastructure

| State | Forward Estimates ^a | 2018-19 | Beyond 2019-20 | Total |
|--|--------------------------------|--------------|----------------|-------------------|
| | (\$ billion) | (\$ billion) | (\$ billion) | (\$ billion) |
| New South Wales | | | | |
| Pacific Highway | 4.6 | 1.1 | - | 5.6 |
| WestConnex | 1.5 | - | - | 1.5 |
| Western Sydney Infrastructure Plan | 1.2 | 0.5 | 1.1 | 2.9 |
| Other projects | 4.4 | 0.5 | " | 4.9 |
| Total | 11.7 | 2.1 | 1.2 | 14.9 |
| Victoria | | | | |
| East West Link | 2.5 | 0.5 | - | 3.0 |
| Victorian Regional Rail Link | 1.5 | - | - | 1.5 |
| M80 | 0.2 | 0.1 | - | 0.3 |
| Other projects | 2.6 | 0.3 | - | 2.9 |
| Total | 6.8 | 0.9 | - | 7.7 |
| Queensland | | | | |
| Bruce Highway | 2.7 | 0.9 | 3.1 | 6.7 |
| Gateway Motorway North | 0.7 | 0.3 | - | 0.9 |
| Legacy Way | 0.4 | - | - | 0.4 |
| Warrego Highway | 0.4 | 0.1 | - | 0.5 |
| Other projects | 4.3 | 0.6 | - | 4.9 |
| Total | 8.5 | 1.8 | 3.1 | 13.4 |
| Western Australia | | | | |
| Perth Freight Link | 0.9 | - | - | 0.9 |
| Gateway WA | 0.6 | - | - | 0.6 |
| Swan Valley Bypass | 0.4 | 0.2 | - | 0.6 |
| Other projects | 2.4 | 0.3 | - | 2.6 |
| Total | 4.3 | 0.4 | - | 4.7 |
| South Australia | | | | |
| North-South Corridor Adelaide | 0.8 | 0.1 | - | 0.9 |
| Goodwood and Torrens Junction | 0.2 | - | - | 0.2 |
| Other projects | 0.7 | 0.1 | - | 0.8 |
| Total | 1.8 | 0.2 | - | 2.0 |
| Tasmania | | | | |
| Midland Highway | 0.2 | " | 0.2 | 0.4 |
| Freight Rail Revitalisation | 0.1 | " | - | 0.1 |
| Other projects | 0.4 | 0.1 | - | 0.5 |
| Total | 0.7 | 0.1 | 0.2 | 1.0 |
| Northern Territory | 0.5 | " | - | 0.6 |
| ACT | 0.3 | " | - | 0.3 |
| Inland Rail Pre-Construction | 0.3 | - | - | 0.3 |
| Sub total of smaller projects | 0.4 | " | - | 0.4 |
| Total | 0.7 | " | - | 0.7 |
| Commonwealth Investment Expenditure | 35.1 | 5.7 | 4.5 | 45.3 |
| Asset Recycling Initiative | 3.9 | 1.1 | - | 5.0 |
| Total Commonwealth Government Expenditure | 39.0 | 6.8 | 4.5 | 50.3 |
| | | | | - |
| State investment resulting from Asset Recycling Initiative ^b | 26.0 | 7.3 | - | 33.3 [*] |
| State and private sector expenditure from projects committed at MYEFO ^{c,d} | 26.9 | 0.9 | 1.9 | 29.7 |
| State and private sector expenditure from projects committed as part of this Budget ^{d,e} | 6.9 | 2.0 | 4.1 | 13.0 |
| Total | 98.8 | 17.0 | 10.4 | 126.3 |

" Less than \$50 million. Some figures may not add up due to rounding.

* This does not include potential additional private sector funding as the type of infrastructure projects to be funded are unknown at this time. The actual project construction will not occur in this time period. Actual construction is expected to extend beyond 2019-20.

a. Includes some 2013-14 investment expenditures.

b. Treasury estimate.

c. Excludes Western Sydney Infrastructure Plan.

d. State and private sector investment expenditure allocated to relevant expenditure period where project timing known, otherwise allocated to Forward Estimates period. Excludes estimates of payments made to 30 June 2013.

e. Including Western Sydney Infrastructure Plan.

Source: Unless otherwise specified, BITRE estimates based on information provided by project proponents.

