

Submission to Infrastructure Australia

Background

Committee for Ballarat facilitates economic and social development within Ballarat and its region to leave a notable and sustainable legacy for the entire community. We are not party-political and work closely with the three levels of government. We identify and work through projects that target priority issues in key areas as determined through a broad consultative process. Projects are driven by expert task teams. Members of the Committee are drawn from a wide range of business and community leaders drawn from Ballarat and across the region.

Committee welcomes the opportunity to submit. We note that some of the arguments for specific infrastructure we put are work in progress with respect to the evidence required for a mature business case. Nevertheless we believe the proposals are compelling. Other aspects of the submission relate to important policy and planning issues.

On integrated, world class infrastructure

Consideration of infrastructure, including in this invitation to submit proposals, is frequently segmented. We believe business prosperity, and economic and social wellbeing, are rarely successful on the basis of provision of any infrastructure segment such as water, transport or telecommunications. We believe there is a strong case for reconsidering our national view about how infrastructure contributes to national economic prosperity and re-integrating the range of essential elements that are pre-conditions for success.

We also believe that there is merit in setting minimum levels of performance for each element of infrastructure in an integrated mix, according to fitness for purpose. The minimum levels should be set so that our national capability is well placed with respect to international markets and related conditions. This does not always happen in new multi-purpose business or industrial developments (which themselves may be treated in a disaggregated way), and rarely is possible in retrofitted developments. We represent a case below where important infrastructure (IT related) is not presently being provided because of (short term policy) complications.

Recommendations:

Adopt a policy model which facilitates consideration of infrastructure in an integrated way, based on the capacity of the infrastructure mix to contribute to national economic wellbeing and social cohesion.

Consider adoption of minimum standards for elements of infrastructure, fit for purpose, such that international competitiveness will not be compromised.

On population growth and regional development

Population growth in major metropolitan centres such as Melbourne has become an issue which requires urgent attention and in which we have some experience. When taken in conjunction with the commensurate strain on infrastructure provision (housing stock, industrial land and facilities, roads and rail transport, access to export

centres, climate change-friendly energy generation, and water security ...) it is clear that there are major issues to address for the major metro centres and their peri-urban fringes. An example close to Melbourne is the Wyndham shire, growing at 6-7% annually. Ballarat's growth at ~2% pa is likely to accelerate.

Ballarat, centred 110 km from Melbourne on a freeway, and other equivalent regions, should not be overtaken by metropolitan population overflows without strategic plans for how growth will occur. The region's future should not be determined by default, or by State governments without a view to integration and the national interest.

Regional centres and their immediate surrounding communities provide opportunities for further preferred growth and development in order to reduce the metropolitan growth tensions and facilitate a complementary wave of national economic activity. Many of these are production centres – such as Ballarat's education and health services, food manufacturing, engineering, mining, building and construction - while others are clearing houses for production in nearby regional locations – such as tourism, food and wine production, forest products, etc.

Regional centres, and the near-metro regions, particularly on peri-urban corridors like the Ballarat Corridor, are capable of providing significant additional productivity, and catering for unavoidable additional growth in metropolitan centres. And they are ideal locations to be supported in this process, in situations where economic activity grows together with environmental sustainability, social development and community cohesion. These are linked. Without economic drivers of a region's prosperity (and contributions to the nation's economy), environmental sustainability, social development and community cohesion are problematic. Infrastructure Australia can help stimulate growth by ensuring regions are accommodated with provision, rather than it being directed substantially to metropolitan centres.

This is not just a case or issue to be dealt with by Regional Development Australia. Infrastructure Australia will benefit from attending to contributions of infrastructure that facilitate balanced development in and around regional centres like Ballarat in order that continued economic contributions are supported. The alternative – allowing regional infrastructure developments to be overlooked or marginalised in priority – is likely to ensure the regions become net economic burdens rather than sources of additional national prosperity. This set of priorities is equal to and different from those addressing infrastructure in or to metropolitan centres.

Recommendation: Facilitate creation of infrastructure (below) for growth in regional Australia, to facilitate elevated contributions to the national and regional economies.

On water

Long term security is Committee for Ballarat's highest priority project for the region. We have recently narrowly survived the threat of running out of water for domestic and industrial purposes. Both purposes are critical, and for the food manufacturing industry based around Ballarat it is a partly unrecognised imperative. We are now interested in (truly) sustainable solutions, which we believe will require wider views and practices on capture, distribution, use and re-use. Commentators are numerous, yet policy makers and those who will advocate and enact sensible solutions are rare.

Recommendation: Take decisive action on national, sustainable water capture, distribution, use and re-use policy and practices for industrial and domestic purposes.

On building stocks and carbon emissions

There are major opportunities to provide building codes and planning schemes through which energy, materials and water efficiency measures can be implemented (or mandated) immediately. In cases where there is evidence for cost recovery based on mitigated emissions and/or recovered operating costs, these should be implemented now. This action would make a major contribution to reduced emissions and mitigation of climate change. We expect these opportunities would apply to new residential and commercial/industrial stock immediately, and to retrofitted stock at the earliest opportunity. A similar case exists for provision of appropriate green spaces to avoid creation of localised damaging microclimates and to assist with reductions of greenhouse emissions.

Recommendation: Introduce location-responsive, national building codes and planning schemes for new and retrofitted buildings with a view to minimising climate change impacts from inefficient water, energy and materials usage in construction and operation of the buildings.

On transport, particularly for freight

The Eddington Report

Melbourne is presently 'bottlenecked' at the West Gate Bridge for road transport to and from Melbourne from the west and southwest. It is close to grid locked in peak periods and has been when the West Gate Bridge has been closed to traffic because of strong winds. Commentators on climate change, including the CSIRO, confidently predict that extreme weather events such as strong winds and storm conditions in Melbourne will become more frequent. An alternative route into Melbourne is urgent. Traffic from west to east across Melbourne is similarly compromised so that road business traffic and freight movements are inefficient and at risk. The road and rail freight system is not designed to allow rail freight to assist with solutions. We support the Eddington Report's recommendations and their cost-efficiency studies. They will facilitate inter-regional as well as Melbourne destination transport.

Recommendation: Implement the Eddington Report recommendations

Radial systems

Presently most major road and rail transport routes radiate from metropolitan centres. Victoria has a minor exceptional link from Horsham to Portland otherwise major road and rail transport and freight links are to and from Melbourne. This is unrealistic and does not contribute to balanced development across a State in the national interest. Grain harvests in Victoria's west and northwest, and dairy and other livestock produce in the west and north should be equally able to be exported through Portland or Geelong and are presently restricted in doing so. Meeting part of our domestic needs for goods and services would be facilitated if inter-regional centre transport routes were better developed.

Is there an example of the restriction? Ballarat is on the intersecting point of the Western Freeway, and Glenelg, Midland and Sunraysia Highways. Most inter-regional traffic comes through Ballarat's built up area, much of it through Ballarat's CBD (or through improvised routes in the City). This is an unacceptable assault on amenity and safety downtown, and highly inefficient for road freight. It is also a major disincentive for regional development and the exploration of regional initiatives to balance rampant metropolitan growth. We know of a number of regional business development opportunities that have been lost because inter regional road transport is not facilitated. We also know that road transporters avoid these difficult routes and over-use lower rated regional roads in frustration. The 2007 Ballarat Road Transport Strategy demonstrate a benefit/cost ratio of 2.0 for the western arterial segment.

Recommendation: Support the construction of inter-regional road systems that contribute to national and regional economies, including a north-south road link in and through Ballarat to complement the radial road system that links Melbourne and the other capital cities. This would upgrade and re-align Midland Highway.

Integrating efficient systems

Much of Victoria's inland freight is by road when rail is more energy-efficient for longer haul (over ~200km, unless in exceptional situations) and significantly lower contributor to climate change. The national rail system is in disrepair and disarray, except for pockets addressing particular needs (e.g. mining). And it does not integrate well with road freight systems. As another example: Ballarat's rail freight terminates in the CBD and transfer of containers to road for local distribution is compromised by residential areas and inappropriate street alignments. This is causing the demise of Ballarat's rail freight centre at a period when it should be growing in use, and integrating with road freight. (See further below)

Recommendation: Support the restoration of a national rail network where actual and potential usage figure justify it for heavy long-haul freight using standard gauge rail, integrated with the national road system.

A national freight plan

Container freight traffic is increasing, cities are becoming congested and in need of curfews. Amenity and potentially safety are compromised in some parts of our cities because we do not have a national plan for freight management including: road, rail, sea and air freight; warehousing; cross docking and interchanges; distribution; etc. Transport is one of the most significant contributors to greenhouse gases and hence climate change. At a carbon price of ~\$20 per tonne it is estimated that each and every heavy duty long haul truck will have \$30-50,000 in additional annual costs.

The nation needs a coordinated plan rather than each capital city/region acting alone.

Recommendation: Consult on and create a national freight policy.

Uncoordinated regional public transport and road systems

Regional Australians are seriously under-served for road travel and with public transport. They also have a degraded C class road system. Public transport users include a range of public transport-reliant community members – aged, disabled, students, low income families, supporters of greenhouse-reduction. There are very significant impediments because the system is under-developed, and/or its maintenance and renewal is neglected. For passenger rail systems, there are impediments because of single tracks and dual freight and public transport.

Recommendations:

Support the restoration of c-class roads;

Develop coordinated road and rail passenger systems in regional Victoria

Public transport, metropolitan and inter-regional destinations

Improved passenger movements into and across Melbourne will facilitate travel to work for an increasingly mobile and highly demanded skilled workforce for industries. It will also contribute to Melbourne's liveability, and regional Victorians' capacity to access (such as through a fast rail system from the regions) Melbourne for a variety of economic and social reasons.

Recommendation: Facilitate regional passenger rail traffic to Melbourne, and passenger rail movements across Melbourne.

Air transport systems and associated employment zone facilitation

Regional airport systems are under-maintained. In Ballarat's case there is significant transport-related development in progress – pilot training - or pending additional development – inter-regional and metropolitan air traffic. Air-side developments are limited by low capacity pavement strength and extent.

Business park and industrial development on hundreds of hectares of land around the Ballarat airport will complement the air transport- and training-related developments. The employment zone will create important social infrastructure as well as domestic and international economic activity. City of Ballarat's proposal provides more detail, including economic data.

Recommendations:

Support the creation of City of Ballarat's airport precinct as a key regional initiative.

Support the runway upgrade at Ballarat Airport as outlined by the City of Ballarat.

On broadband

Australia's access to high speed broadband of 100Mbps and above is very modest, leaving those of our businesses which rely of international trade in large electronic files at a disadvantage. These include graphics and entertainment, and design and engineering businesses. The task of overcoming this lies partly with the installation of inexpensive and readily available high bandwidth fibre optic cable in new and retrofitted developments.

Why is this not happening? We are reliably informed by executives in Australia's large telecommunications provider that installing these cable at the opportune time (when new commercial, business or industrial parks are being constructed, and trenches are available and open for other infrastructure) would leave them at a commercial disadvantage. This they say is because competitors are likely to be given access to those cables without making a commensurate contribution to the cost of their installation (or potential revenue earning capacity). Yet we would resist the installation of multiple cables, one for each potential provider, or monopolistic access.

This 'policy stand-off' requires urgent resolution in order that new facilities have access to international, state of the art broadband facilities. Once this is resolved, retrofitting can have appropriate benchmarks for service, and established facilities can move towards international benchmark services

Recommendation: Urgently resolve the 'policy' or pragmatic questions that are presently preventing the installation of international standard broadband facilities in all new and retrofitted business sites.

On energy generation, particularly electricity

Metropolitan cities need regional Australia more than ever for their potential for non carbon-based electricity generation. The coal and gas-based electricity generation in Australia, and through Australia's resources, is a major source of greenhouse gases and climate change. Symbolically and practically, Australia must move rapidly to reduce the dependence on carbon-based sources.

Near-metropolitan regions are all very well placed to generate very low 'carbon' emitting electricity through solar sources (photovoltaic and solar concentrated steam fired generators), and low intensity heat sources through passive solar collectors. They are generally well placed for wind generated electricity.

With modest levels of support as have been modelled internationally (e.g. in Germany and Spain, through gross feed-in tariffs for photovoltaic-generated electricity in Germany's case) these industries would become more appealing as well as financially more viable through economies of scale. With modest incentive, each peri urban region of Australia's capital cities would become self sustaining in non carbon-based electricity generation, *and* make substantial contributions towards electricity generation for the major cities.

One could ask why this is not happening already. Present coal and gas miners, and electricity generators make important contributions to the national economy through raw material or energy supply, and distributors' livelihoods are inextricably linked with that supply chain. Society's future may well have other priority allocations, including our sustainability. Staying with the status quo will see only slow movement towards alternative systems, and probably very stressful changes in the interim. We seek support to explore alternative systems through faster evolutionary change.

Recommendation: Investigate the feasibility of providing incentives for near metro regional centres like Ballarat to become self sufficient in non carbon-based electricity generation and make significant early contributions to capital cities' and the nation's electricity needs.

We would welcome the opportunity to discuss this submission in more detail with *Infrastructure Australia*.

A handwritten signature in black ink, appearing to read 'D Lloyd', with a stylized, cursive script.

*D Lloyd, CEO
14th October 2008*