

17 July 2023

Re: Cardinia Shire Councils Submission to the Independent Strategic Review of the Infrastructure Investment Program: Pakenham Roads Upgrade Project.

Context

Cardinia Shire has been a powerhouse for population, housing, and economic growth in Victoria in recent years. It is one of the fastest growing municipalities in Australia and is situated in the Greater South East Melbourne region which is predicted to grow to a population of 2 million people over the next decade. A recent report by the Victorian Skills Commissioner found that the Greater South East Melbourne region is the largest and fastest growing amongst the six metropolitan regions that make up Melbourne's economy. The Greater South East Melbourne region is home to more than 500,000 jobs and 83,500 businesses.

According to the Australian Bureau of Statistics in 2021-22 Victoria recorded an increase in GSP of 5.6%, the strongest of any state and territory. The Greater South East Melbourne region plays an important role in this economic growth with key existing industrial and employment precincts and industrial land still to be developed in Pakenham and the Cardinia Shire.

There are however risks that come with this rapid growth, a major one is that critical infrastructure is not keeping pace with population and housing growth. More people are moving to Cardinia Shire and Pakenham as it has a supply of new homes being built and residential land being developed, but the roads and transport infrastructure are showing signs of stress.

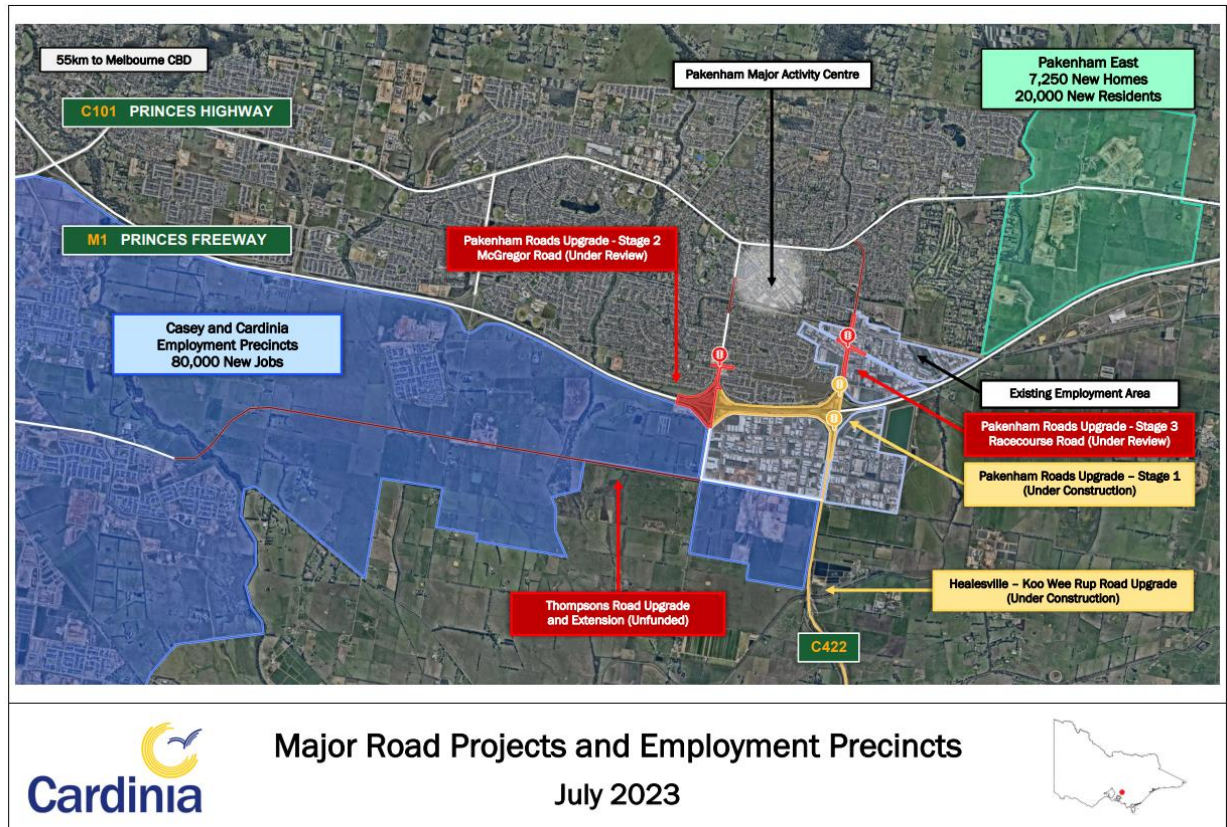
The Pakenham Roads Upgrade project is seeking to address some of this infrastructure pressure, with the project to deliver:

- reduced bottlenecks and improved traffic flow
- safer outcomes for all road users
- more walking and cycling options
- better connections to and from the Princes Freeway and the rapidly expanding Pakenham Employment Corridor, as well as to the Pakenham Major Activity Centre.

With housing availability currently, a key national issue and priority for State and Federal governments, Cardinia Shire and Pakenham play an important role in providing land and access to new homes. Across the Shire there are currently 20,509 developed residential lots and a further 18,039 lots undeveloped. Our data shows that an average of 3 families a day are moving into our community.

This growth needs to be supported with critical infrastructure to ensure that the people who have and will continue to make Pakenham, Cardinia Shire, and Greater South East Melbourne their home are adequately supported by the Australian Government. The infrastructure needs for the region are significant and include road upgrades, improved public transport linkages and investment to ensure the activation of residential and industrial land.

Up until now, governments' approach to this infrastructure challenge has been piecemeal and reactive. Cardinia Shire believes that this review presents an opportunity to update and improve the existing business case that has been done for the Pakenham Roads Upgrade to better account for the need for greater housing availability and the fast-tracked approval of both the Pakenham East Precinct Structure Plan (PSP) and the Pakenham South Employment Precinct both of which were approved by the State Minister for Planning after the completion of the business case.



This annotated aerial map identifies all three stages of the Pakenham Roads Upgrades project and its critical links to the Pakenham Major Activity Centre, the Pakenham East PSP and the state significant industrial land which incorporates the Pakenham South Employment Precinct.

Project Overview

Pakenham is growing rapidly, with 57,000 residents almost half of our population residing in this community alone. The population is forecast to increase by 32% or to a total of 75,193 by 2031. This will further impact an already heavily congested traffic network.

The Pakenham Roads Upgrade is part of a wider investment in improving transport infrastructure in Pakenham including level crossing removals at Racecourse Road, McGregor Road and Main Street, an extension of the existing train line to Pakenham East, a new train station at Pakenham and upgrades to Healesville-Koo Wee Rup Road.

This key project that would ensure that infrastructure investment are well connected and keeping pace with and meeting the needs of the growing community. Stage 1 of the project is already underway, the Independent Strategic Review into Infrastructure Investment Program is specifically considering if Stage 2 and Stage 3 of the project should continue.

Stage 2 - McGregor Road: \$94 million

The McGregor Road Upgrade includes:

- adding an extra lane on McGregor Road between the Princes Freeway and Webster Way
- upgrading the intersection of McGregor Road, Henry Road and Webster Way
- widening the western freeway ramps and reinstating traffic lights to manage vehicles entering the freeway.

Stage 3 – Racecourse Road: \$209 million

The Racecourse Road Upgrade includes:

- adding an extra lane on Racecourse Road between Peet Street and Azola Drive
- upgrading the intersection at Bald Hill Road by replacing the roundabout with traffic lights
- upgrading the intersection at Railway Avenue and Campbell Street by adding traffic lights
- improving bus connections by reopening Railway Avenue for buses only to access the new Pakenham Station
- building new walking and shared use paths improving safety for pedestrians and cyclists and completing the missing link between Healesville-Koo Wee Rup Road in the south and the new Pakenham Station in the north

Project Benefits

The Pakenham Roads Upgrade Project will have wide-reaching liveability and safety benefits for Cardinia Shire residents and the people travelling into the region for employment opportunities more broadly. When delivered in its entirety it will:

- improve safety
- reduce bottlenecks
- improve traffic flow and liveability of the Pakenham community
- provide more walking and cycling options
- provide better connections to and from the Princes Freeway reducing travel times
- provide improved access to the Pakenham Employment Corridor
- provide a north south connection into South East employment corridor
- provide improved access to the Pakenham Major Activity Centre supporting the local economy with improved visitation and access to cars off the Princes Freeway
- provide improved access to the future Pakenham Community Hospital
- provide improved access to the Pakenham Train Station
- provide a main throughfare for the Pakenham East PSP which will house 23,000 residents

Alongside these direct benefits the Pakenham Roads Upgrade also supports several complimentary policy objectives, in particular housing supply and urban planning. Investing in improved roads to better service the growing number of new homes being built allows for even greater housing development and is a better urban planning outcome.

The deliverability for this project and others like it across our region is high, Stage 1 is already underway as are other rail infrastructure upgrades being undertaken by the Victorian government. There is significant local interest in improving the traffic conditions and the demand for residential and industrial land is high.

This coupled with the recent fast-tracking of the development of the Pakenham East PSP and the Pakenham South Employment Precinct the community will see an addition of over 7000 homes and 3965 jobs Cardinia Shire shows that demand is unlikely to diminish. In a climate of a nationwide housing shortages these developments are significant and will require improved road infrastructure to support the growth.

There is a clear risk that residential growth will continue unabated in order to meet high demand and infrastructure will not keep pace, this has a detrimental effect on the quality of life for those Australians who are looking to own their own home and have a secure place to live in Cardinia Shire.

Our data shows that the reliance on the road network in our shire is already above the state average, 92.4% of our residents own a car compared with 87.6% statewide. With few public transport options, the road network is critical to residents, but also to businesses with these roads serving as a key thoroughfare to industrial precincts and through to regional economic activity centres the Port of Hastings, the Latrobe Valley and Greater Gippsland.

Pakenham and Cardinia Shire are centrally located and have strategic links to many nationally significant precincts and projects, including:

- connectivity to south east employment corridor which is State significant industrial land
- connectivity to the Port of Hastings and the recently announced renewable energy terminal, a key part of a net zero economy
- connectivity to regional Victoria the Latrobe Valley and Gippsland both areas playing an important role in renewable energy transition
- access to the Federally significant Future South East Airport, as identified in Plan Melbourne
- export benefits for the agriculture sector with the largest export of asparagus being in the corridor
- connectivity to the national freight network
- Improved access to Phillip Island, major international tourist destination
- Strong alignment to delivery of the National Road Safety strategy 2021-30.

Cardinia Shire is a strong growth corridor for housing and for industrial activity, it provides the links between regional economies and metropolitan Melbourne. This central location and proximity to Port of Hasting and the Latrobe Valley will become increasingly important in the transition to renewable energy and a net zero economy.

Investment pipeline

Cardinia Shire Council fully supports an infrastructure pipeline that ensures nationally significant projects are appropriately assessed and funded. The 10-year pipeline should be looking to deliver infrastructure projects that anticipate growth rather than playing catch up.

The Pakenham Roads Upgrade was the result of combining several proposed road upgrade projects and was not initially considered as a single strategic infrastructure project. The Infrastructure Australia evaluation of the project notes that there is a lack of certainty around the economic benefits of the projects.

The advice from Infrastructure Australia is clear on some of the deficiencies in the existing economic work relating to the project but does not question the need for change. The narrow focus of some of the initial business case work is largely the result of the piecemeal and uncoordinated way that this project was developed.

From the Cardinia Shire perspective, a much broader and in-depth assessment is required for the project that would take into consideration the more recent developments in the area including as previously stated, the Pakenham East PSP and the current land release, The Pakenham South Employment Precinct, the Level Crossing upgrade work, the proposed Officer South industrial precinct, the future Community Hospital and the connection to the renewable terminal at the Port of Hastings.

Greater coordination in the development of key infrastructure projects is needed, the Infrastructure Australia evaluation for the Pakenham Roads Upgrade is evidence that work needs to be done by governments at all levels from the outset to ensure all the relevant information is assessed.

Project Future

The Pakenham Roads Upgrade project has many of the elements required to be a Commonwealth government strategic priority. However, all current and future benefits need to be appropriately considered with project proponents given the support to deliver and contribute to the review process if required so it adequately explores the full scope and impact of this key project.

The need for the Pakenham Roads Upgrade project is clear, the benefits the project brings to the local community and the broader economy are evident. There is a significant risk that if this project does not continue then the road network will be under further stress and safety and productivity will diminish across the region.

The project is well supported by the community, with consultation on Stage 2 and 3 already completed by Major Road Projects Victoria (MRPV). That work found:

- 83% of respondents were supportive of the upgrades
- 89% had concerns while travelling through the area, mostly with traffic flow and congestion
- only 12% of walking and cycling path users said the current paths are good or very good, with no one rating them as excellent

The community also shared that they wanted the upgrade finished as fast as possible to improve traffic conditions in Pakenham. If this project does not go ahead and there is no plan to improve the road conditions and broader infrastructure in Pakenham and Cardinia Shire there will be community disappointment and frustration.

Many people move to Cardinia Shire because there is an affordable housing supply, especially for families. However, if the critical infrastructure does not keep pace with the housing supply it will be these families that suffer the consequences through unsafe traffic conditions, bottlenecks, long commutes, poor access to local services, and limited access to bike and walking paths.

It is our position that the benefits of this project should be reassessed to adequately include current and future benefits. On behalf of our residents, Cardinia Shire is ready to be an open and collaborative partner in this process to ensure this project gets built.

Conclusion

The need for the Pakenham Roads project is not disputed. The work done by the Victorian State Government and Infrastructure Australia clearly demonstrates that Pakenham is a growth area of significance. The Victorian Government has already heavily invested in the area, allocating \$844 million to the Level Crossing Removal project alone.

There is no doubt in our minds that the Pakenham Roads Upgrade project has a place in the investment pipeline. We request that a comprehensive update of all benefits be considered, as part of your CBA analysis, and that you ensure including that:

- The demand growth of the projected population is reflective of the fast-tracked Pakenham East PSP, which was approved by the Victorian Planning Minister, in direct response to the COVID-19 pandemic. The fast-tracked Pakenham East PSP will see the Pakenham community's population increase by 23,000 residents, 7000 homes and 1500 jobs.
- The wide-reaching economic benefits of the agglomeration from business clustering and improved labour supply resulting from the Pakenham Major Activity Centre infrastructure investments and the Pakenham South Employment Precinct. All of which were approved by the Victorian Minister for Planning after the original business case was completed. This economic growth will see an additional 2465 local jobs become available in the area.

With these factors in mind, we are confident that the benefits of this project will far outweigh the cost, while delivering on the Commonwealth Government's policy objectives in housing supply, urban planning, and transition to a net-zero economy. The Pakenham Roads upgrades will also deliver tangible benefits to a growing number of Australians who call Pakenham, Cardinia Shire, and Greater South-East Melbourne their home.



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