

Mr Bill Brummitt
Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES, ACT 2600

30th January 2013

Dear Mr Brummitt

RE: 2013-14 PRE-BUDGET SUBMISSION ON RAILWAY LINE EXTENSION TO EPPING NORTH IN MELBOURNE

The accompanying submission is in response to invitations from the Australian and Victorian governments to submit submissions for the 2013-14 budgets. This submission is from the Aurora Community Association (ACA), a residents group from Epping North in Melbourne. The submission is requesting joint funding from both governments for a public transport project.

Our submission aims to make the case that not spending on transport can be more costly than spending – even when the project is estimated to cost \$200-\$400 million. The project is a railway line extension of about five kilometres to Epping North (which includes the Aurora Estate). Construction of this Estate began in 2006 with a design based on a railway line that does not exist.

Paying for extra vehicles because of lack of public transport is inflicting financial hardship on many lower income families already paying off hefty mortgages. The absence of a train means more road use which in turn means more road congestion. Congested roads mean more time on the roads and less time for preparing proper meals, sleep, exercise, family life and socialising - all of this increasing the possibility of damaging health and social consequences.

The three stations proposed for the railway line extension can create opportunities for more growth of local businesses which can then create opportunities for increased local employment. Long distances from work mean more road congestion in Melbourne's middle and inner suburbs. Increasing living costs and reduced liveability are likely to discourage new home buyers in general in Melbourne's outer growth areas and directly impact on the health and well-being of existing residents.

Yours Sincerely,



Toni-Marie Wuelfert
President
Aurora Community Association

Submission for Railway Line Extension to Epping North in Melbourne

**Aurora Community Association (ACA)
2013/ 2014 Federal Budget Submission**

January 2013

This 2013-14 budget submission is for the extension of a railway line to Epping North in Melbourne – a railway line on the proposed transport corridor that has featured in the Melway street directory for a number of years, a proposed railway line that is part of the design of VicUrban/ Places Victoria's flagship Aurora Estate which commenced construction in 2006 and a proposal which is supported by the City of Whittlesea Council.

The Whittlesea Council has made the following points in its case for this railway line¹ (last updated on 4 January 2013):

- this railway line is needed immediately even though delivery will take 3 to 5 years,
- the Epping North heavy rail extension will cost an estimated \$200–\$400 million,
- the Epping North rail extension could:
 - enable households to avoid the purchase of a second car, generating total cost savings of around \$30,000 per household or \$30m (*for every 1000 such households*) in community savings,
 - increase employment, education, training and social opportunities by increasing mobility, especially among vulnerable groups,
 - improve the access of vulnerable groups to health care, education and shopping,
 - create infrastructure cost-savings that would cut the price of a \$300,000 house and land package by \$9,000 to \$27,000 (*i.e. a cost saving in the range of \$9,000 - \$27,000*),
 - allow developers to confidently provide a greater diversity of housing types, including more affordable housing on compact lots and in medium density housing forms,
 - cut traffic volumes and road accidents, noise, air pollution and residential disruption
 - take the equivalent of 11,000 cars off the road,
 - cut greenhouse gas emissions by a value of \$500,000 per year,
 - add around \$81m annual value to the northern Melbourne economy, by avoiding costs and reinvesting productive resources,
 - promote up to 1600 permanent new jobs across the metropolitan area.

The plan is for the Epping North train line to pass between the Northern Hospital and the Epping Shopping Plaza where a railway station would be located. This station could lead to increased local business by enabling more people to travel comfortably to this area, especially the disabled and those without cars. The train line may reduce road congestion in the area which could assist in the development and functioning of the new fruit and vegetable market near the corner of Cooper Street and Edgars Road.

The Victorian Department of Planning and Community Development goes even further about car costs in the discussion paper "Melbourne, let's talk about the future" where it is stated:

"It was estimated in 2008 that owning one less car meant a household could spend an extra \$110,000 on a new home and repay a \$300,000 housing loan in 12 years instead of 25 years, thereby saving \$245,000 in interest payments or accumulating in excess of \$1 million in superannuation over a working life." ² Cost savings from public transport have also been presented by the Public Transport Users Association.³ The PTUA estimates a cost of \$12,000 a year to own

¹ See website <http://www.whittlesea.vic.gov.au/building-planning-and-transport/roads-and-transport/future-transport-needs/extend-the-rail-line-to-epping-north-and-mernda>

² See website http://www.planmelbourne.vic.gov.au/data/assets/pdf_file/0004/121855/Discussion-Paper-November-2012.pdf, p. 37

³ See website <http://www.ptthatworks.org.au/>

and operate a typical medium car. It also mentions that car occupants are 5 times more likely to be killed than public transport passengers.

New home buyers in Epping North, as elsewhere in the City of Whittlesea municipality, find the additional car expenses make it much harder to pay off housing mortgages. Median mortgage repayment per month within this municipality has increased, according to the ABS census, from \$867 in 2001 to \$1863 in 2011. In the 2011 municipality ward of Whittlesea South West (which included Epping North) median mortgage repayments were the equivalent of 38% of median household income.⁴

The increasing use of cars in the growing Epping North/ Wollert area has meant worsening road congestion which is increasingly time-wasting and costly. This has not been helped by

- insufficient additional and upgraded main roads to match population growth,
- a bus service with limited coverage, frequency and connectivity, and
- the failed promise of the Epping North train line extension.

Time lost from road congestion is also becoming a more serious health issue. A 2011 survey of over 25,000 participants from Victoria's 79 Local Government Areas has found that such lost time can mean there is insufficient time for proper meals, sleep, exercise and socialising.⁵ These health consequences are potentially very serious - perhaps leading to more hospitalisation and job losses and the reduction of life spans by 5 - 10 years. The survey refers to a warning "that the implications of time pressure are profound:

- wellbeing is compromised by the stress of being harried,
- social capital (or community) declines as people no longer have the time to participate in collective or public activities,
- families and friendships may be fractured as people have no time to spend with those they care about most."

Car financial strain and health concerns resulting from time-wasting road congestion are contributing to individual and family stress which is very likely to play a significant role in a major social problem. The problem relates to family violence incidents which have increased by 225% in the City of Whittlesea since 1999. The Whittlesea council has noted that "Whittlesea's reported family violence incident rate in 2011-12 is 985.8 per 100,000 population, compared to Victoria's rate of 910.3 per 100,000 population."⁶

A recently formed organisation that has been making a strong case for more infrastructure in the outer suburbs is the National Growth Areas Alliance⁷ (NGAA). The NGAA represents 25 of Australia's fastest growing municipalities (including the City of Whittlesea), about 3.6 million people and 24 per cent of Australia's metropolitan population. Over the next 20 years NGAA's population will grow at double the

⁴ See website <http://www.whittlesea.vic.gov.au/your-council/~media/Files/About%20Whittlesea/Population%20characteristics%20by%20municipal%20electoral%20wards%202012.pdf>, pp. 24-25

⁵ See article "Time: A social determinant of health" in TIME_Conference-Posters-A3-WEB.pdf from www.vichealth.vic.gov.au

⁶ See website <http://www.whittlesea.vic.gov.au/your-council/advocacy/our-top-10-advocacy-priorities#traineeppnorth> and heading "Family violence"

⁷ See website <http://www.ngaa.org.au/>

national rate. One NGAA document states that “According to research in the British Medical Journal, for every \$1 invested in community networks and services, \$10 were saved in costs on poor health, reduced crime and better employment outcomes, amongst other things ...”⁸ Another document states “the estimated benefits of interventions that reduce youth disengagement in Melbourne’s interface councils could potentially return 23.6 times the government’s initial investment to society”.⁹ The latter document (and its key point summary) spells out in considerable detail the costs and benefits of key interventions for growth area communities and suggests funding options.

The Interface Councils of Melbourne comprise ten councils (including the City of Whittlesea) who are working together to improve liveability in the areas they represent. In a report “One Melbourne or Two?”¹⁰ prepared for them in 2012 it was noted that “the avoidable social costs of congestion for Metropolitan Melbourne are expected to increase from \$3.0 billion in 2005 to \$6.1 billion in 2020 (in constant 2005 dollars).” The principle causes are inadequate public transport provision, high car dependency, lack of sufficient local jobs, lack of local community services and lack of local leisure services; these causes especially apply to growth areas.¹¹ The report concluded that “the cost of providing key infrastructure over this period (2012 – 2027) is estimated at \$9.5 billion, or just 23% of the cumulative congestion costs (\$42 billion). Importantly, the provision of greater numbers of local jobs, community services and public transport options in the Interface would be expected to contribute significantly to reducing congestion and associated costs, as reliance on vehicle-based travel declines”.¹²

Concern about the increases in oil prices have led to construction of the VAMPIRE index by Griffith University academics Jago Dodson and Neil Sipe. (VAMPIRE stands for ‘Vulnerability Assessment for Mortgage, Petroleum, and Inflation Risks and Expenditure’.¹³) Dodson and Sipe refer to one source raising the possibility of a peak of conventional oil production before 2030 and another source setting 2020 as its latest estimate for a peak oil prediction.¹⁴ The authors note that higher fuel prices affect those on modest or below-average incomes the hardest.¹⁵ They draw attention to the outer suburbs in Australian cities which feature residents on lower incomes, paying off substantial mortgages on homes they believed they could afford and being highly car dependent (at considerable expense) for long distance travel. The authors point out that “If Australian cities are to remain socio-economically resilient in the coming decades, our urban planning will need to give much greater emphasis to less oil dependent modes of travel, such as public transport, walking and cycling”.¹⁶ This also implies that it will be more affordable to build the railway line now than when peak oil raises building costs.

⁸ See website

http://www.ngaa.org.au/media/806/ngaa_report_tomorrows_healthy_and_productive_communities_november_2012.pdf, p. 1.

⁹ See website http://www.ngaa.org.au/media/298/cost_benefit_analysis_final_report.pdf, p.4.

¹⁰ “One Melbourne or Two? Implications of Population Growth for Infrastructure and Services in Interface Areas Final Report”, prepared for Interface Councils by Essential Economics Pty Ltd, 11169, March 2012.

¹¹ Ibid., p. 69.

¹² Ibid., p. 73.

¹³ Jago Dodson and Neil Sipe, “Unsettling Suburbia: The New Landscape of Oil and Mortgage Vulnerability in Australian Cities”, Griffith University Urban Research Program, Research Paper No. 17 August 2008, p. 1.

¹⁴ Ibid., p. 3.

¹⁵ Ibid., p. 4.

¹⁶ Ibid., p. 38.

Members of the Aurora Community Association (ACA) have campaigned for the railway line extension for several years. The ACA has forwarded a submission about Epping North transport to the Outer Suburban/Interface Services and Development Committee¹⁷ (submitted in December 2011). This submission provides details of the history of the proposed railway line extension – from the time the proposal attracted new home buyers to the time it appeared to be deferred indefinitely. This submission also makes a case for a railway line extension to Epping North as well as for more local transport infrastructure in general. A more recent campaign document¹⁸ on behalf on the Epping North community (and presented at a public meeting) appears on the ACA website www.aurora.asn.au. The latter document attempts to respond to typical government excuses for not constructing the railway line extension.

The ACA supports the case for more government funding for infrastructure in general for disadvantaged outer growth areas rather than for preference to be given to Epping North/Wollert. Currently governments do not appear to be set up to deal with outer growth areas as a whole, despite the work of the NGAA. In the past this has allowed governments to acquire substantial revenue from home buyers paying stamp duty and GST for the home and paying for land reclassified as residential – with governments at the same time not accepting any obligation to adequately compensate these home buyers with necessary infrastructure. Lack of infrastructure has added substantially to the cost of living in the outer suburbs and is increasingly discouraging new home buyers. This is probably one of the causes of the current low level of new housing construction which is contributing to the substantially reduced government revenue from new home purchasers let alone from income and company tax provided by home builders.

Many residents in the outer growth areas are increasingly experiencing financial stress. Governments tend to behave as if community campaigning about such situations will give them plenty of warning about future voter behaviour that will allow them to respond appropriately in time. They are not allowing sufficiently for growing cynicism, hostility and distrust towards governments because of an increasing trend of governments to respond favourably to the wishes and directions of the rich and powerful at the expense of the disadvantaged. Extreme government neglect of the outer growth areas raises the eventual possibility of adverse social consequences which could be very costly – especially with the likelihood of increasing numbers of outer suburban homes becoming unsaleable and either unoccupied or occupied by squatters.

The Victorian State Government is inappropriately prioritising transport projects, especially public transport, and has been totally ignoring the regular valid criticisms of the Public Transport Users Association. Cost-benefit analysis could be applied much more when prioritising road and public transport projects. \$5-10 billion for an East-West road tunnel appears to be aimed at residents from the East and South East of Melbourne who wish to travel occasionally and quickly to and from the Tullamarine airport. The claim that important road work is needed to deal with congested traffic in the

¹⁷ See website

http://www.parliament.vic.gov.au/images/stories/committees/osisdv/Growing_the_Suburbs/Submissions/Sub_29_Aurora_Community_8.12.2011_Growing_the_Suburbs_OSISDC_B.pdf

¹⁸ See website http://www.aurora.asn.au/wp-content/plugins/downloads-manager/upload/PT_Meeting_10_09_12.pdf

inner city does not allow for a leading cause of this congested traffic i.e. incoming vehicles from the outer suburbs where public transport is not an alternative. Government bodies appear blind to the obvious solution of more public transport in the outer suburbs, including Epping North.

Another very large proposed investment is the Melbourne Metro project which includes the construction of a nine-kilometre rail tunnel through the centre of the CBD, from South Kensington to South Yarra.¹⁹ The tunnel is to connect the Sunbury and Dandenong rail lines and will include five new underground railway stations. These new stations are meant to decrease congestion at existing inner city stations. The Public Transport Users Association has been scathingly critical of an earlier, more costly and more ambitious version of this proposal; in particular the PTUA raises major doubts about a “capacity crisis”.²⁰ While public transport has grown rapidly since 1996, this follows a rapid decline in the previous two decades.²¹

The Australian Government is already involved with enlightened funding of \$2.1 billion for a new 14 kilometre railway line connecting Parramatta CBD with the Epping to Chatswood rail line in Sydney.²² This project is believed to be essential to the future prosperity of the city making it possible for connections to key employment centres and providing greater access to educational opportunities; it will also help alleviate growing pressure on some of Sydney’s busiest road corridors and help reduce the growing social and financial burden of road congestion. There is a major overlap here in the case for Epping railway development in Sydney and in Melbourne.

The Victorian Labor Party is persisting with plans for rapid transit bus services instead of railway line extensions to Epping North and Mernda – with the dubious argument that this will save money. Such plans incorrectly assume that trains and buses are inter-changeable. 50 to 100 people can quickly board a train with 12 or 18 wide doorways to choose from. Train travellers from the outer suburbs typically park their cars at a station car park; an Epping North train station car park, unlike a bus stop, would attract passengers from many kilometres away and would also bring in more business to nearby shops. A single trip by train to the CBD would be much quicker and far more attractive than a combined trip with a bus that has typical experiences that slow it down and make it hard to connect with a train schedule.

The Aurora Community Association urges the Commonwealth Government and the Victorian State Government to seriously consider and act on the case for a railway line extension to Epping North in the 2013/ 2014 budgets.

¹⁹ See website <http://corp.ptv.vic.gov.au/projects/rail-projects/melbourne-metro/melbourne-metro-faqs/>

²⁰ See website <http://www.ptua.org.au/files/2009/ConnectingToTheFuture.pdf>, pp. 13 – 20.

²¹ See website <http://m.news.com.au/VIC/pg/0/fi1805502.htm;jsessionid=531C6FCD5B85131F386266FF4F5E1594>

²² See website http://www.infrastructure.gov.au/department/statements/2012_2013/files/SYDNEY_HIGHLIGHTS.pdf