



Senate Standing Committee on Finance and Public Administration

Administration and expenditure of funding under the Urban Congestion Fund (UCF)

Submission from National Growth Areas Alliance

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Executive Summary

- Australia's fast-growing cities, towns and suburbs on the outskirts of our major cities are home to 20% of the population. Population growth rates in these areas are double the national average.
- Federal Government investment in growth areas has not kept pace with population growth, resulting in significant deficits in transport infrastructure provision.
- The Urban Congestion Fund was seen as a promising sign of acknowledgment of the deficit and commitment to fix some of Australia's most severe congestion hotspots.
- The lack of transparency, consultation and strategic thinking in rollout of the Fund has resulted in missed opportunities to deliver much-needed projects in an efficient and timely way.

About the National Growth Areas Alliance

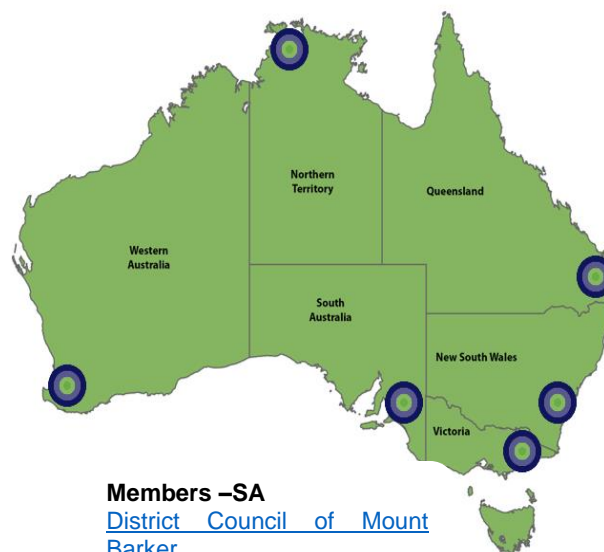
The [National Growth Areas Alliance](#) (NGAA) is an alliance of Councils from the fast-growing outer urban areas around Australia's major cities. Five million people live in growth areas – a number that has doubled in one generation. Until 2020, populations had been growing at more than double the national rate.

Fast growing outer suburbs generated 35% of population growth and 25% of job growth between 2011-16 but only received 13% of infrastructure investment (cited *State of Australia's Fast Growing Outer Suburbs, 2018*).

NGAA member councils have first-hand knowledge of:

- the impact of unplanned population growth rates at double the national average,
- inadequate transport, health, education, community and social infrastructure to cope with increased demand, and
- lack of government focus on the health, education and employment prospects of communities in rapidly-developed greenfield suburbs.

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Our interest in the Urban Congestion Fund

Life in most outer urban growth areas is not a 30 Minute City experience. Given the gaps in public transport infrastructure and the “last-mile” challenge, community reliance on the private car to get to jobs located far from home is significant. The demand for improved roads and road performance is now critical.

NGAA research in 2020 found that four out of five workers in growth areas travel more than 5km to get to work. The most common commute is 10-30 kms and a significant proportion travel 30km or more to get to work – that’s just in one direction. For commuters in outer growth suburbs, even a 5km commute from a growth suburb with poor roads and inadequate public transport can take an unreasonable amount of time due to congested intersections, single lane arterial roads and inadequate freeway access.

The average daily commute for workers driving from outer growth suburbs costs \$36.28 per return trip (if only considering running car costs, tolls and parking), or \$58.35 per return trip if including running costs plus standing costs such as insurance, registration and maintenance.

Commuting by car to work from outer growth suburbs costs commuters \$5.4 billion a year. That’s \$8,380 a year for full-time workers and \$4,170 a year for part time workers just to drive to work. The average income in these outer growth suburbs is only \$49,250 a year, resulting in more than 15% of income spent just on getting to work.

Public transport costs commuters \$2,540 a year for full-time workers and \$1,270 a year for part-time workers to get the train, bus or tram to work. Public transport is often a much cheaper alternative, with public transport commutes from outer growth suburbs costing just \$11.00 per return trip.

However, for many people in outer growth suburbs, public transport is not available or viable in terms of timetables or length of commute and may still require multiple modes such as driving to get to a transport route. (Astrolabe Group, [*Jobs and Commuting in Outer Growth Suburbs*](#), 2020)

Bearing these statistics in mind, NGAA welcomed the initial announcement of the Urban Congestion Fund in 2018 as a commitment to address some of the most pressing congestion problems that 5 million people in growth areas – or 20% of Australia’s population – face each day.

Response to Terms of Reference

The National Growth Areas Alliance remains disappointed that the significant amount of targeted investment in the Urban Congestion Fund was not subject to a transparent, consultative or strategic assessment process.

Overall, we see the rollout of the Urban Congestion Fund as a missed opportunity to:

- move infrastructure decision-making out of the Federal government silo and coordinate project planning and investment with all levels of government
- leverage Federal government investment to maximise the impact of transport infrastructure investment on local economies and communities
- deliver congestion-busting infrastructure in an efficient and timely manner due to unplanned and uncosted projects.

Governance, Performance and Accountability

It is difficult to comment on the governance of the Urban Congestion Fund, as the process for distribution of funds was never made clear to potential recipients.

Local Government Areas represented by the National Growth Areas Alliance hold some of the most congested roads and public transport sites in Australia. Our Alliance welcomed the concept of the Urban Congestion Fund, as it appeared to be part of the solution to the impact of congestion on outer suburban residents and businesses.

In numerous representations and correspondence since the initial announcement of the Fund in May 2018, NGAA sought clarification on how local government could best work with the Federal Government to ensure the Fund would be allocated to projects most likely to 'bust congestion' in Australian cities.

No avenue for consultation was identified as the Fund's distribution clearly remained a decision solely for the then Minister for Population, Cities and Urban Infrastructure.

By July 2019, NGAA was concerned when advised by the then Minister that three quarters of the \$4 billion announced for the Fund had already been allocated, and that responsibility now sat with relevant jurisdictions to deliver the project.

We were particularly concerned to be advised that the Minister did not have a complete list of all projects allocated funding, nor was a clear role for the federal bureaucracy established.

Advice from our Member Councils indicates that very few car park projects had been identified as local priorities and that, in the majority of cases, the announcement of project funding took Council by surprise.

Given the lack of consultation or transparency in the decision-making process, we believe the approach taken was neither appropriate nor effective.

This has resulted in missed opportunities for local government and other stakeholders to leverage Federal Government investment in their area, such as community or commercial development.

Furthermore, some commuter car parks are unable to be upgraded due to ongoing level crossing removal works or other projects such as arterial road duplication or residential developments that will impact commuter patterns in the local area.

Allocation of funding

NGAA's understanding is that little, if any, local advice was sought on the choice of locations for commuter car parks.

Particularly concerning is the Federal Government allocation of contracts for the projects prior to consultation. This has resulted in vastly underfunded projects, which will either deliver reduced number of car parking spaces or result in sub-optimal outcomes which will prove unsustainable in the long-term (for example gravel rather than asphalt surfaces).

The situation also transfers considerable risk to local government which is bound to spend considerable time and effort trying to secure additional Federal funding for a non-priority project. It also transfers reputational risk to local government, who as the closest level of government to the community, will be implicated in the project's non, partial or delayed delivery.

Impact on reducing congestion

It is NGAA's view that the Commuter Car Park Fund has not relieved congestion in Australia's fastest-growing urban areas. There remains widespread and severe shortage in transport infrastructure across growth areas nationally.

Next Steps

NGAA would be happy to provide additional information on individual projects on a confidential basis. We remain hopeful that a transparent and consultative process may evolve from the lessons learnt during the rollout of the Urban Congestion Fund.