Economic and land use impacts of transport projects

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Not all infrastructure is equal

• *Strategic infrastructure* – change the location decision of firms and households.

• *Structural infrastructure* – provide the skeletal framework for the urban region.

• ‘*Follower*’ services and facilities – localised service catchments.
Conceptual flow of benefits

Impact of Transport / Accessibility Improvements

- Cheaper Inputs
  - Reduced Costs
  - Increased Demand

- Increased Labour Productivity
  - Increased Income
  - Increased Demand

Economic Mass
- Specialisation & Diversity

Change in Urban Form
- Highest & Best Use

Increased Demand

Increased Prices
Increased Supply

Increased Labour Productivity
- Reduced Costs
- Increased Demand
Melbourne City Loop

- Conceptualised as early as 1929 as a way to address congestion at Flinders and Spencer Street Stations.
- Funded by state government and special rates levy applied by City of Melbourne.
- Built in the 70s-80s it provided quantum increase in accessibility within the CBD and suburbs.
- Patronage increases from mid 2000s exhausted spare capacity.
Rail Passenger Journeys, Sydney and Melbourne (Millions)
Western Ring Road Project

- Anticipated to deliver major economic benefits by linking national freight corridors with Port of Melbourne and Melbourne Airport.
- Heavy freight use spurred industrial growth along length of route, redistributing Melbourne’s industry.
- Allowed existing industries in Docklands to relocate to cheap industrial land with good accessibility, freeing up Docklands for redevelopment.
- Industries left Southbank, Richmond & Collingwood.
- Major residential development.
CityLink Project

- First proposed by the City of Melbourne as a Southern Bypass of CBD in 1929, partly to allow Swanston Street to be pedestrianised.


- Originally a city bypass route, final design included CBD access.

- Connects several of Melbourne’s radial freeways and the Port and Airport.
Benefit Stream Across Time $Billion

- Significant development occurred in Docklands
- Economic slowdown following introduction of new tax system (GST)
- Significant development occurred in Southbank
- Recession of the early 1990s
- Slowing economic growth in the City of Melbourne
Shifting the trajectory

VICTORIAN POPULATION GROWTH
Britomart

- Transport Centre Opened in 2003.
- Significant commercial development.
- Redevelopment of key stations of Newmarket and New Lynn have also contributed to rail patronage increases.
- Northern Busway in 2009 further helped to increase access skilled labour.
Employment Growth in Auckland CBD

- **1996-2001** – **100 jobs**

- **2001-2006** + **9,300 jobs**.

- **2006-2013** + **5,000 jobs**
Auckland Annual Rail Journeys (Millions)
Key points

• In the global age, cities are vital to the economic prosperity of nations.

• Australia cities are becoming less competitive, as we don’t fully understand the role of Strategic infrastructure.

• Better understanding previous project will help to better plan and deliver future projects.
Questions / Discussion