

TREASURER TOM KOUTSANTONIS

Thursday, 22 June 2017

Time for the Feds to back South Australian infrastructure

The 2017-18 State Budget commits South Australia's share towards a major capital-investment program to deliver the next stage of the South Road upgrade and complete the electrification of the Gawler train line.

The State Government is seeking a contribution from the Commonwealth for both projects, identified by Infrastructure Australia as high priorities.

Treasurer Tom Koutsantonis has written to Federal Treasurer Scott Morrison asking the Federal Government to provide its funding share for the vitally important infrastructure projects, which would support hundreds of South Australian jobs.

An updated Gawler Electrification business case, along with the final project proposal report for the South Road upgrade between Pym Street to Regency Road, have today been provided to the Federal Government.

These documents have also been submitted to Infrastructure Australia, which has previously provided a positive assessment of these projects.

Stage 1 of the Gawler Electrification is being fully funded by the State Government at a cost of \$152.5 million and will involve electrifying the rail line to Salisbury, supporting about 135 jobs a year during construction.

The State Budget allocates \$462.5 million for Stage 2 with South Australia seeking a 50/50 funding commitment from the Turnbull Government.

The updated Gawler Electrification business case shows that completing the electrification will significantly increase capacity and deliver a faster, cleaner and more reliable service for the northern suburbs.

The additional investment will support an extra 95 jobs a year during construction.

The State Budget also commits \$415 million towards the North-South corridor to deliver the missing link between Pym Street and Regency Road.

Completing this relatively small project will deliver substantial benefits, creating a non-stop 47km corridor from the River Torrens to Gawler, saving up to eight minutes in peak hour traffic.

A detailed economic assessment underpinning the project proposal report shows a huge cost benefit ratio of 7.4:1, and that the project will support 250 South Australian jobs a year until 2022.

Consistent with the Northern Connector and Darlington projects, the State Government is seeking a Federal Government contribution of 80 per cent, with the remaining 20 per cent to be contributed by the State Government.

Background

Both projects are “shovel ready”, with the electrification of the Gawler line tendering process underway, while the current Torrens to Torrens project could be extended to include the Pym Street to Regency Road project.

When former Federal Infrastructure and Regional Development Minister Warren Truss withdrew \$76 million of funding from Stage 1 of the Gawler Electrification, the State Government announced it would have to go it alone.

There is now an opportunity for the Federal Government to partner with the State Government on Stage 2, which would deliver the full electrification of the Gawler line.

The \$10 billion rail fund established in the recent Federal Budget would be an appropriate source of funds.

Former Prime Minister Tony Abbott committed to turn Adelaide's South Road into a non-stop north-south corridor by 2023, reaching agreement to fund three stages in a \$2.5 billion deal with the State Labor Government.

As recently as May, the Federal Government recommitted to this promise, reinforcing the significance of a Federal commitment to the Pym Street to Regency Road project immediately.

Quotes attributable to Treasurer Tom Koutsantonis

The State Government stands ready to partner and work with the Federal Government, just as we did to spend \$174.3 million to upgrade the Oaklands Crossing.

South Australia has committed to its share of \$673.9 million in funds to get on with the next stage of the South Road upgrade between Pym Street and Regency Road and complete the electrification of the Gawler rail line.

If the Turnbull Government is genuinely committed to delivering a non-stop north-south corridor by 2023, we need it to commit its share of funding for these projects so we can get on with delivering them.

Quotes attributable to Transport and Infrastructure Minister Stephen Mullighan

We have submitted more than enough documentation to support a Federal commitment to both the Gawler Electrification and Pym Street to Regency Road projects.

If we get a quick decision from the Federal Government, we could extend the current Torrens to Torrens project and connect it with the South Road Superway, securing jobs for hundreds of South Australian workers until 2021.

Once this section is built, you'll be able to drive from Torrensville to Gawler without stopping at a single traffic light.

The business case for Gawler Electrification more than stacks up, and we're already getting on with building this important public transport project.

Completing the electrification of the Gawler line will increase capacity and improve the reliability and efficiency of Adelaide's busiest train line, allowing 2400 more passengers an hour to use the train in peak periods.

We have now provided another updated version of the business case which was first submitted in 2008 and has been updated numerous times.

Patronage on the Gawler line rose by more than 30 per cent in the seven years to 2016, making it Adelaide's most popular train network, and we want to keep growing that patronage.

Media contact: David Russell 0434 307 012