



Australian Government

# Nation Building Program

## Next Phase of the Nation Building Program

# NB2



Through the Nation Building Program, the Australian Government has made a significant improvement to Australia's productivity. As we move into the next phase of the Nation Building Program, the Australian Government will build on these achievements to continue to address our nation's infrastructure needs.

We need to not only invest in new, large scale projects, but to link this investment to our long term planning and reform agendas. We also need to get the most out of our existing infrastructure by finding ways to use it more efficiently.

The investment that we will make through the next phase of the Nation Building Program from 2014-15, will build upon the successes to date and provide a solid foundation for addressing our transport infrastructure needs into the future. This investment will be made in partnership with state, territory and local governments, as well as with industry, to ensure that the right projects are delivered at the right time.

Nobel Prize winning economist, Paul Krugman, wrote that 'Productivity isn't everything, but in the long run it is almost everything'. The Australian Government knows that if Australia is to maintain or improve its high quality of life and remain internationally competitive, economic reform and nation building must be a top priority.

As we move into the next phase of the Nation Building Program (NB2), we are renewing our focus on productivity through investment in our national road and rail networks. The overarching objective of NB2 will be to *'lift Australia's productivity through nationally significant land transport infrastructure'*. Our investment through NB2 will be focused on four cornerstone themes to support this overarching objective: Moving Freight; Connecting People; Safety; and Innovation. Each theme will consist of three subcomponents, each with their own objective to support and complement the overarching program objective.



## Moving Freight

The operation of the national freight sector is integral to the wellbeing of all Australians—and its efficiency has a direct impact on national and individual prosperity. Improved efficiency in the transport and logistics industry results in reduced input costs all the way through supply chains, providing productivity gains across the economy.

Through NB2, the Australian Government will:

- provide funding for major projects that improve our road and rail infrastructure on major interstate freight networks and in key growth areas, through an 'Interstate Freight' program;
- provide funding for significant local freight links, including port connections and intermodal solutions, through a 'Local Freight' program; and
- fund projects that are focused on addressing bottlenecks in our supply chains using lower cost, high benefit infrastructure solutions, through a 'Heavy Vehicle and Rail Freight Productivity' program.

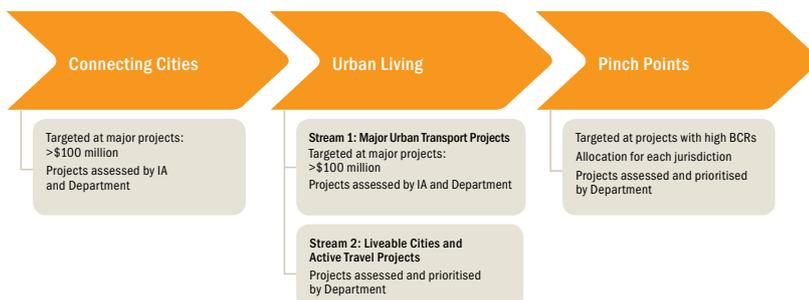


## Connecting People

Our national highways, our major regional roads, rail links, urban corridors, suburban streets and rural byways are fundamental to our way of life. They are vital connections, and the Australian Government is pursuing an ambitious agenda to ensure the efficiency, productivity and sustainability of those connections.

Through NB2, the Australian Government will:

- continue our longstanding commitment to investment in our national roads and railways (including in regional Australia), to connect people across the nation, through a 'Connecting Cities' program;
- provide much needed investment in our public transport networks, and pave the way for greater investment in active travel, through an 'Urban Living' program; and
- look to pursue high benefit, lower cost infrastructure solutions to ease the burden of urban congestion and increase the capacity and efficiency of our transport networks, through a 'Pinch Points' program.



# Productivity Significant Infrastructure

## Freight

Efficient and connected freight networks

<b>Freight</b> Light connections regions and improve to ports	<b>Heavy Vehicle and Rail Freight Productivity</b> To improve efficiency and capacity of supply chains
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## Living People

Infrastructure to connect people across the nation

<b>Living</b> In liveability and essential services	<b>Pinch Points</b> To increase capacity and efficiency and reduce congestion in urban areas
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## Safety

Quality of our national road and rail networks

<b>Recovery</b> Upgrade local roads safety and access to communities	<b>Network Regeneration</b> To upgrade, improve and maintain national road and rail networks
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## Innovation

Current and future land transport networks

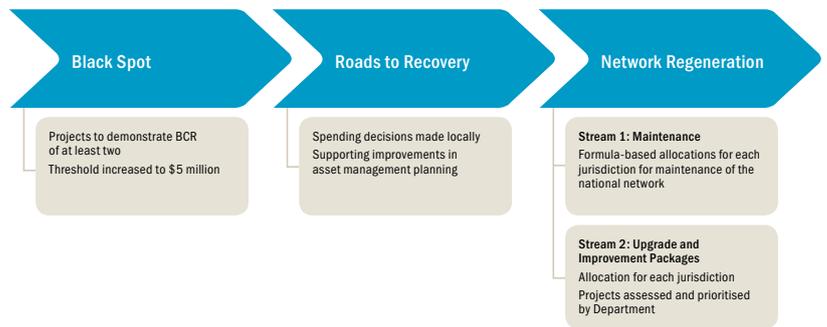
<b>Planning and Research</b> Plan for the the future land network	<b>Evaluation and Compliance</b> To ensure program objectives are met and value for money is achieved
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## Safety

The Australian Government is taking a national leadership role in road safety and providing substantial funding for road safety projects and programs that upgrade our road networks.

Through NB2, the Australian Government is:

- providing for the continuation of the highly successful Black Spot program, to help reduce the social and economic costs of road crashes;
- providing a renewed commitment to the longstanding Roads to Recovery program, which provides vital funding to all local councils to repair and upgrade local roads, improving road safety and access to essential community services; and
- providing a renewed commitment to its investment in road maintenance on the National Network, together with funding for upgrades and improvements to the road and rail networks across the nation, including high priority boom gates and heavy vehicle rest area projects, through a new 'Network Regeneration' program.



## Innovation

Investing in smart infrastructure approaches has real value. This is especially the case for systems that can relieve urban congestion, enhance the country's freight movements and make our transport systems safe, efficient and more sustainable. But innovation is not only about the use of new technologies. Undertaking sound planning work allows for the development of innovative solutions to identified problems or infrastructure shortfalls. Undertaking reviews of existing projects also provides an opportunity to assess potential shortcomings in existing approaches, and to identify innovative ways to improve process and achieve greater value for money for future projects.

The Australian Government is committed to reforming our transport future using innovative solutions and, through NB2, will:

- provide funding for projects that use smart infrastructure technologies to optimise the use of urban transport infrastructure, through a 'Smart Infrastructure' program;
- fund planning and research activities that will guide future investment in the national land transport network, through a 'Planning and Research' program; and
- establish an ongoing 'Evaluation and Compliance' program to assess projects at various points in the project life cycle to ensure program objectives are being met and value for money is achieved.



# Targeting the Right Projects

Good, long term planning is imperative in achieving sustained productivity gains. The Australian Government will continue to invest in large scale infrastructure projects to lift productivity and enhance our way of life.

We need to focus on outcomes, not short term ambitions. Our infrastructure investment decisions need to be closely linked with our strategic planning work and reform agendas to maximise the impacts of our investments.

Infrastructure Australia's work in developing a pipeline of nationally significant projects is making large gains towards ensuring the greatest efficiency in our infrastructure investment. To this end, since its first National Infrastructure Audit in 2008, Infrastructure Australia has released three annual National Priority Lists. Furthermore, Infrastructure Australia ensures that strategic alignment of projects with long term planning is considered through its reform and investment framework, as well as project deliverability.

The Australian Government has accepted Infrastructure Australia's advice and funded all of its recommended 'ready to proceed' priority projects in the Freight and Cities themes from its 2009 Priority List. This includes the Torrens and Goodwood Junctions project funding announced in the 2012-13 Budget.

In an expansion of its initial role, Infrastructure Australia will conduct assessments of all projects over \$100 million seeking funding under NB2. In addition, the Australian Government Department of Infrastructure and Transport will provide strategic and detailed implementation advice. This will ensure that Australian Government funding is being directed at those projects of greatest national significance and with the greatest potential to improve productivity.

Key projects to be funded under NB2 will also be required to demonstrate links to significant national policies including: the Commonwealth Infrastructure Investment Framework; the National Ports Strategy; the National Urban Policy; and the

forthcoming National Land Freight Strategy. Funding for major projects will also be tied to conditions in order to best leverage our investment—for example through strong partner funding arrangements with the states and territories, use of Intelligent Transport Systems and a more rigorous application of cost estimation policies.

To date, the Australian Government has committed to several key projects for investment under the next phase of the Nation Building Program. These projects include:

- Moorebank Intermodal Terminal, NSW
- Parramatta to Epping Rail Link, NSW
- Moreton Bay Rail Link, QLD
- Inland Rail, VIC, NSW and QLD
- Torrens and Goodwood Junctions, SA
- Princes Highway West, VIC
- Gateway, WA
- Tasman Highway, TAS
- Majura Parkway, ACT

