

Suburban Rail Loop Authority
80 Collins Street
Melbourne, Victoria 3000

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REF: SRL Precincts – Discussion Paper (Cheltenham to Box Hill)

Thank you for the opportunity to provide feedback on the Victorian Government's 'SRL Precincts – Discussion Paper' (discussion paper), focusing on precinct development along Suburban Rail Loop (SRL) East between Cheltenham and Box Hill.

Committee for Melbourne (the Committee) is an apolitical, not-for-profit, member-based organisation that brings together over 140 organisations from Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne. As an independent organisation, we represent no single interest group but seek to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

As a major city-shaping infrastructure project that will transform the way Melbourne functions, the SRL could help deliver various benefits for the city and its residents, including enhanced connectivity, housing choice, investment, job creation and economic growth. Successful precinct design and development will be crucial to realising these benefits.

This submission will address two issues that the Suburban Rail Loop Authority (SRLA) could consider as it embarks on developing the six precincts linking Cheltenham and Box Hill, and which would also apply to the precincts that will form part of SRL North and West. The first is the need for the SRL, including the SRL East precincts, to form part of an integrated transport plan for Greater Melbourne and Victoria, incorporating land use and economic development planning. The second is the need for a sustainable funding model to ensure that the SRL East precincts and broader project are delivered successfully.

Integrated planning

Melbourne is one of the fastest growing cities in the developed world. Its population recently surpassed 5 million and is expected to reach 6 million by 2031 and 9 million by 2050. Moreover, the city's freight task is forecast to grow, with Port of Melbourne anticipating total container trade volumes to increase over the long term by 3.5% annually to 2050. Visitation will also rise with Melbourne Airport expecting annual passenger numbers to double to 76 million per annum by 2042.

The Committee recognises that in the context of this growth, the Victorian Government, with support from the Federal Government, has implemented measures that it hopes will ensure Melbourne's transport network effectively accommodates the flow of people and goods. The 'Big Build' program, with its multitude of transport projects, including SRL, should help improve mobility, while reform of Melbourne's bus network could help increase bus patronage and reduce congestion. The Committee's recent report, [Course Correction: Transforming Melbourne's buses](#), outlines the reforms needed for Greater Melbourne's bus system, which would enhance connectivity with all SRL precincts. The discussion paper could highlight the key bus connectivity needs for each SRL East precinct to expand the reach of the SRL's service area.

Various infrastructure projects are needed to support Melbourne's development. However, the Committee contends that there is no detailed plan guiding the city's growth, which is leading to significant challenges. In its report, [Transporting Melbourne](#), the Committee calls for the publication of a comprehensive, integrated transport plan that incorporates land use and economic development

planning. The report acknowledges the plethora of city planning documents, including 'Plan Melbourne' – the city's key planning document – but maintains that they lack the detail necessary to ensure Melbourne grows sustainably to mid-century. The Committee notes that the Victorian Government's Housing Statement will underpin the development of a revised plan to encompass Victoria. As part of the 'Plan Victoria' consultation process, the SRLA could emphasise the importance of an integrated plan that incorporates transport, land use and economic development planning, and which includes appropriate detail and timelines for long-term projects and policies that will support sustainable growth. As part of its advice, the SRLA could demonstrate how it envisions the SRL, including the SRL East precincts, would form part of this plan to help support sustainability, social inclusion, affordable housing and productivity.

The lack of a comprehensive, strategic plan for Melbourne has led to significant urban expansion. The increasing number of residents seeking affordable housing further from the CBD is exacerbating social and economic disparities, with this pattern resulting in unequal access to opportunities. The Committee's [Benchmarking Melbourne 2023](#) report highlights this challenge, describing Melbourne as a 'tale of two cities.' Its data confirms that residents living in the outer suburbs face higher private transport costs and unequal access to amenities, education and health services, work and job opportunities, as well as social experiences. According to the report, Melbourne:

- Has the 3rd most sustainable transport mode share within the City of Melbourne out of 13 peers (61%) but is in the bottom half at the wider scale (27%).
- Is 4th out of nine North American and Australian cities for city centre walkability, but 8th out of nine when looking across the whole city.
- Places 6th among peers for city centre population, but 16th for population density as a metropolis.
- Has one of the most centrally concentrated innovation economies in the world, with four-fifths (81%) of its top tier innovation firms headquartered within 3 kilometres of the city centre.

Therefore, it is essential to consider Melbourne's broader challenges as part of this precinct development process to ensure that the significant investment in SRL benefits all Melburnians. Of primary importance is the thoughtful fusion of these precincts with various modes of transport, encompassing not only existing rail infrastructure but also buses, trams and active transport networks that extend well beyond the immediate boundaries of each precinct. The discussion paper, combined with ongoing community dialogue, provides an opportunity to create a shared vision for the SRL East precincts that considers their integration with suburbs across Melbourne.

Additional details regarding densification strategies around the SRL East precincts, including the degree to which population (and employment) density may increase in each precinct, would be welcome. This would help demonstrate how the government is responding to the challenges associated with a growing population through the SRL project and help guide decisions around the provision of adequate housing, open space, social services, schools, childcare, public transport and other amenities. It is well-documented that the supply of social and affordable housing is a pressing issue for Melbourne and Victoria. While the discussion paper acknowledges the importance of diverse housing, providing additional details around the nature and composition of the state's population growth will help ensure better housing outcomes. Infrastructure Victoria's '[Our home choices](#)' report, which makes the case for shifting housing demand from greenfield suburbs to established suburbs, provides a series of recommendations on ways to improve density around urban renewal precincts.

Moreover, the design of the SRL East precincts needs to form part of a future vision for how they will connect with and complement other precincts that will be developed across Melbourne. This vision should be grounded in clear economic objectives, with each precinct developed in a way that supports identified growth sectors (e.g., health sciences, fintech and sportstech). Infrastructure Victoria's '[Choosing Victoria's future](#)' report, which modelled five different, possible urban growth futures, notes that greater economic and productivity benefits would accrue with the ongoing consolidations of

businesses and jobs in the central city and key precincts. As part of its advice for 'Plan Victoria', the SRLA could encourage the government to ensure that the 10 Activity Centres included in its Housing Statement, as well as the precincts identified in Plan Melbourne, are assessed and reviewed to ensure their alignment and complementarity with the SRL precincts.

The SRLA could potentially take learnings from two significant Melbourne precincts when planning for, and allocating resources to, the SRL East precincts. Fishermans Bend has not reached its potential because, amongst other issues, it lacks sufficient public transport access. In Arden, achieving alignment among the three key stakeholders tasked with delivering the Arden Structure Plan is proving challenging, with issues relating to housing affordability, environmental sustainability and building controls threatening the precinct's future performance. The challenges associated with these precincts point to the need for sound planning and easy access to the SRL East precincts.

Sustainable funding

As the biggest infrastructure investment in Victoria's history, the SRL project presents a significant undertaking. The Committee notes that with SRL East slated to be completed by 2035, SRL North by 2053 and the completion date of SRL West to be determined, it is inevitable that numerous challenges will arise, necessitating thoughtful solutions to ensure the project's success.

One challenge that could emerge is sustainable funding for SRL East, including for precinct development between Cheltenham and Box Hill, as well as long-term funding for SRL North and West. While the Victorian Government has indicated that funding for SRL would involve a mix of sources, including public financing, potential private sector involvement through public-private partnerships (PPPs), value capture mechanisms and federal government support, funding details are needed.

Overseas examples provide useful lessons regarding sustainable funding for major transport projects. The California High-Speed Rail project, which aims to connect major cities in California, faces funding challenges due to cost overruns, political opposition and federal funding uncertainties. Its completion timeline is now unknown. In London, a lack of funding clarity has contributed to the Crossrail 2 project being shelved to a future time. In both cases, prior to the official announcement of these projects, authorities acknowledged the necessity of a multifaceted funding approach.

The Committee recognises that significant funds are essential for a wide array of purposes related to SRL East and the broader project, including for planning and design, land preparation, construction, utilities infrastructure, community consultation, operations and more. Additionally, with projects of this size and scale, there are common funding challenges that may confront project stakeholders, including, but not limited to, cost escalation, revenue generation and debt management. Moreover, unforeseeable funding hurdles, such as geopolitical tensions, natural disasters and global supply chain disruptions, could eventuate. Given these challenges, authorities could consider the following strategies to help ensure optimal funding outcomes:

1. Accurately estimate the costs: Accurate cost estimation could help in securing funding commitments. A comprehensive and transparent analysis of project costs, including contingency plans for cost overruns, could garner greater confidence from stakeholders.
2. Develop a clear funding plan: Provide a clear and well-documented funding plan, comprising diverse funding streams, to help secure commitments from both public and private sources. A detailed breakdown of the funding structure will help instil confidence.
3. Commonwealth funding assurance: Continue to work proactively to secure Commonwealth funding commitments to reduce uncertainties about federal contributions.

4. Private sector partnerships: Explore and promote private sector involvement as soon as possible to provide additional funding sources and expertise. PPPs could be pursued for various project components.
5. Continuous monitoring: Establish robust financial monitoring and risk management practices to address funding shortfalls, which could allow for proactive adjustments and mitigate potential delays.

A clear funding plan, linked to the outcomes that the precinct development aims to deliver, will enable ongoing commitments to be achieved. A focus on the diversity of funding streams is necessary, including for example value capture, which has proved to be a viable funding source for large transport infrastructure projects globally. For example, Tax Incremental Financing is a common method that has been successful across the US and was one of the 13 funding channels for the London Crossrail project.

Hong Kong's Mass Transit Railway is another transport system that has applied value capture mechanisms successfully. Managed by the MTR Corporation, it is considered one of the most efficient and profitable systems globally, thanks in part to its ability to readjust its value capture strategy to a management-based model. While the circumstances surrounding the use of value capture for this project and others vary, it is worth gaining a thorough understanding of what methods have worked in different environments to ensure the most appropriate ones are applied to the SRL.

The Committee thanks the SRLA for providing the opportunity to offer feedback on its discussion paper and wishes it well as it plans and develops the SRL East precincts between Cheltenham and Box Hill. For further information, contact Senior Policy and Advocacy Officer, Brett Van Duppen, at bvanduppen@melbourne.org.au

Yours sincerely,



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