



Submission to Transport for NSW

PICTON ROAD UPGRADE

Submitted by RDA – Illawarra

September 2021

EXECUTIVE SUMMARY

Regional Development Australia (RDA) Illawarra is grateful for the opportunity to provide a submission regarding proposed upgrades to Picton Road.

RDA Illawarra submits that Picton Road should be upgraded to a four lane, divided carriageway along its entire length from the M1 Princes Motorway (Mount Ousley Road) in the east to the M31 Hume Motorway (near Wilton). This is based on the **need for better connectivity and safety** as well as the **deliverable economic benefits compared to the cost of further delay**.

Recent minor safety improvements to this major arterial road have not addressed the key issues of journey duration, capacity constraints and future needs; perpetuating a piecemeal approach to improvement only delays **delivering what is required for fast, easy and safe access to and from the Illawarra region**.

The **development of the Port of Port Kembla** and the increasing **importance of Western Sydney** require direct, capable and efficient connectivity between these two locations. Similarly, the **growth of residential and commercial centres at Wilton and Greater Macarthur** will increase demand on transport corridors between the Illawarra and south-western Sydney.

On average, **over 20,000 use Picton Road each day**, with heavy vehicle use (at 25 per cent in 2019) growing faster than passenger vehicles. **There is not a thoroughfare like Picton Road elsewhere in NSW that carries 20,000 vehicles per day with a heavy vehicle proportion as high as 25 per cent**. The Hume Highway near Gundagai carries half the daily volume as Picton Road, with a similar heavy vehicle proportion, but is of freeway standard with two lanes in each direction.

Infrastructure Australia regards Picton Road safety and capacity as a problem requiring a “Near Term (0-5 years)” solution. This is also the stated position of regional Peak Bodies and Local Governments of Wollongong, Shoalhaven, Kiama and Shellharbour. **Delays in completing this key link to the west are estimated to reach \$130M per year** in travel times by 2031 and **nearly \$9M a year in crash costs** for fatalities and serious injury.

Long-planned improvements to the **Mount Ousley Interchange** at the foot of Mount Ousley Road (on the M1 Princes Motorway) have recently been **fully funded for imminent completion**. This improvement – though needed and most welcome – is only part of the transformative change that will result from a complete upgrade in the road link between Port Kembla and the M31 Hume Motorway. RDA Illawarra submits that the upgrade to **Mt Ousley Interchange and duplication of Picton Road over its entire length are best delivered together**; doing one without the other is a sub-optimal solution with long-term ramifications.

The **economic benefits** of developing Picton Road as a four-lane divided highway (at an estimated cost of \$180M) have been calculated to deliver: **360 ongoing jobs; \$40.5M in additional annual overall output and \$225M in yearly GSP**. Additionally, completion will deliver **nearly \$42M by savings in travel time, vehicle operating costs and safety**.

RDA Illawarra advocates that the \$44M currently slated for safety improvements on Picton Road be incorporated into a **comprehensive plan to deliver a \$180M four lane, divided carriageway** from Mt Ousley Road to the Hume Highway **within the next five years**.

BACKGROUND

Picton Road and Mount Ousley Road comprise a **major freight connection** between the M1 Princes Motorway and the M31 Hume Motorway.



This important arterial link down the Illawarra Escarpment already operates at capacity during certain periods of the day, making this upgrade project a major priority.

Land use changes at both Wilton and Greater Macarthur Growth Areas are expected to deliver an additional 73,000 homes nearby by 2040, placing further pressure on Picton Road.

Picton Road is forecast to reach capacity by 2025 and heavy vehicles make up 25% of its 20,000+ daily vehicle movements.

Currently the 27km stretch of road between the two major motorways is **largely single lane**, with only 9km of passing lanes divided over several sections. Improvements in recent years have focused on safety enhancements.

The **estimated cost of delivering a full four-lane divided highway for 27 kms is \$180M** (2020 figure). In conjunction with the (fully funded) improvements to the interchange at the bottom of Mount Ousley, **duplication of Picton Road will have significant, transformative impact on the Illawarra & Shoalhaven economies.**

CONNECTIVITY

Road and rail connectivity is vital to economic and jobs growth for the Illawarra region. **Fast, easy and safe connections to Greater Sydney create significant business opportunities.**

The Illawarra and Shoalhaven regions are bordered by the sea to the east and the escarpment to the west. Major markets lie to the north, south and west – with the importance of Western Sydney increasing each year as its population grows and conurbations move closer to the Illawarra.

Whilst Port Botany remains the major container port for NSW, it will ultimately reach capacity and **Port Kembla – as the nominated port of growth for NSW - will need to be expanded** to manage additional capacity. RDA Illawarra contends that landside traffic constraints – mainly congestion and the extension of travel times across Sydney from Port Botany - will compel an expansion of Port Kembla sooner than planned by NSW Ports Pty Ltd.

Access to the Illawarra region is limited to five key routes: north-south via the Princes Motorway and Princes Highway; east-west by Picton Road, Appin Road and the Illawarra Highway, though the steep gauge and hairpin bends of the Illawarra Highway make it unsuitable for heavy vehicles and B-doubles.

The Illawarra has a larger commuting community, with over 26,000 travelling to work in Greater Sydney each day. This is **reciprocated by over 15,000 commuters who travel daily to their jobs in the Illawarra.** Poor rail connections from the Illawarra to Western Sydney, and slow connections into Sydney itself mean that most commuters travel by road: 90% to Western Sydney and 80% into Sydney itself.

Mt Ousley is the common route for traffic heading north and west, which can then use either Picton or Appin Roads to access areas of Western Sydney. On average, over 53,000 vehicles use Mount Ousley and more than 20,000 use Picton Road each day, with heavy vehicle use – at nearly 15% and 25% respectively in 2019 – growing faster than passenger vehicles.

Both **Mount Ousley and Picton Road are forecast to reach capacity in the mid-2020s** with **travel times along key routes** to Sydney's north and west **forecast to increase by up to 25%** through to 2031, absent upgrades to the existing road network.

RDA Illawarra supports forecasts that – because of limited capacity on the single rail link to Greater Sydney - freight movements on the South Coast Line could be displaced entirely by passenger services before 2030. **This will cause additional load on the road network to Greater Sydney** and has **serious implications for key organisations** based in the Illawarra – including **BlueScope Steel.**

ECONOMIC BENEFITS

In May 2018, Veitch Lister Consulting completed a major study (*Upgrading Road Connectivity between the Illawarra and Greater Sydney*) for the NRMA and Business Illawarra.

Based on overseas data, their report indicated that **every \$10 million invested in roads** adds:

- ▶ Close to **20 ongoing jobs** in the state economy
- ▶ **\$2.25 million to overall output** per year
- ▶ **\$11.5 million to the GSP** per year.

Submission to Transport for NSW – Picton Road Upgrade

Based on these figures, the **full duplication of Picton Road** – with an estimated value of \$180M – will deliver¹:

- ▶ **360 ongoing jobs**
- ▶ **\$40.5M** in additional **overall output**, per year
- ▶ **\$225M in GSP**, every year.

These economic benefits will be shared between the Illawarra, Greater Sydney and broader NSW regions.

In addition to the economic outcomes, duplication of Picton Road would deliver an **additional estimated total annual benefit of nearly \$42 million per year** to road users (by 2031) through:

- ▶ Savings in travel time - \$32M
- ▶ Vehicle operating costs - \$8M
- ▶ Improved safety - \$1.7M.

Tourism is an important and fast-growing industry for the Illawarra, employing over 12,000² people in the accommodation and food sector and delivering over \$606M in regional value-add³ each year. Between March 2012 and March 2016, the number of visitors to the Illawarra increased by around 500,000 per year, representing an annual increase of nearly 4 per cent⁴.

Many visitors to the Illawarra (over 45 per cent) come from Greater Sydney. Given the lack of direct rail services from the Illawarra to Western Sydney, and the low frequency of services from Sydney, it is not surprising that most tourists visit the Illawarra by car. Over nine million trips to the South Coast were made by car in 2016-17, with 98 per cent of these trips being made by domestic overnight or day trip visitors⁵.

Research shows that tourists are arriving on the South Coast in greater numbers – the year to September 2017 showed an increase of 7.7 per cent on the previous year; and spending more nights – an increase of 5.9 per cent for the same timeframe.

Attracting tourists relies on fast, easy and safe access to the region. As the Illawarra increasingly becomes ‘The Beach for Western Sydney’ capacity constraints and safety issues on Picton Road will become a key factor in maintaining growth in the key tourism sector.

CAPACITY & SAFETY

According to Infrastructure Australia⁶ and a key component of their problem definition:

*In the five years up to March 2019, there were **seven fatal crashes** and **26 serious injury crashes** (which resulted in **nine fatalities** and **34 serious injuries**).*

This is more than double the New South Wales average for the number of fatal and serious crashes per kilometre for similar type roads.

The Veitch Lister Consulting study⁷ reported:

The study could not identify a road similar to Picton Road elsewhere in NSW that carries 20,000 vehicles per day with a heavy vehicle proportion as high as 25 per cent.

The Hume Highway near Gundagai carries half the daily volume that Picton Road does with a similar heavy vehicle proportion but is of freeway standard with two lanes in each direction.

The Hunter Expressway near Sawyer’s Gully carries a similar daily volume to Picton Road, but only 15 per cent of these are heavy vehicles. The expressway is also a high standard road.

OPPORTUNITY COST

The cost of delay can be tangibly calculated by considering two factors:

1. Delays in duration of travel (i.e. time to get from ‘A to B’)
2. Safety (cost of fatalities and serious injury)

Duration of travel has been estimated by Veitch Lister Consulting, who converted travel times to costs using values provided in TfNSW’s economic evaluation guidelines⁸. In this study, delays were calculated as the difference between the time to travel along a road at the peak traffic speed and the time to travel along the road at free flow speed.

It concluded that the **annual cost of delays to the Illawarra community from delay times on all routes to Sydney CBD, Wilton, Parramatta and Badgerys Creek total \$550M in 2021.**

Based on projected traffic flows for Picton Road in 2031, the estimated cost of delays on this route will reach \$130M per annum by 2031⁹.

In terms of safety, Australian Transport (Assessment and Planning) has calculated the cost of vehicle crashes based on severity¹⁰. As at June 2013, their average crash cost by injury severity was as follows:

Crash Severity	Fatal	Serious Injury	Minor Injury
Value (\$ in 2013)	2,463,432	629,484	22,992

Safety statistics show that Picton Road has suffered nine fatalities and 34 serious injuries in the five years to March 2019: an average of 1.8 fatalities and 6.8 serious injuries per year. The combined calculated cost of this is \$8.8M per year. The human suffering is incalculable.

The price of delay for the Illawarra community is estimated at nearly \$140M per year by 2031 – on a route that can be upgraded to a four-lane divided road at a cost of \$180M.

ABOUT RDA ILLAWARRA

Regional Development Australia (RDA) Illawarra is a well-established locally based not-for-profit organisation. We are neutral brokers of economic development and have no competing or member-based conflicts to manage – we exist for the greater good of economic growth of the Illawarra region, which includes Wollongong LGA.

Submission to Transport for NSW – Picton Road Upgrade

We acknowledge the work of Veitch Lister Consulting and their 2018 report ‘**Upgrading Road Connectivity between the Illawarra and Greater Sydney**’ for the NRMA and Business Illawarra, which is quoted extensively in this submission. A copy is available [here](#).

REFERENCES

¹ Dependent on continued as-modelled economic performance

² ABS 6291.0.55.003 - RQ1 - Employed persons by Industry division of main job (ANZSIC), Labour market region (ASGS) and Sex, Annual averages of the preceding four quarters, Year to August 1999 onwards – February 2020

³ REMPLAN data – March 2020

⁴ Upgrading road connectivity between the Illawarra and Greater Sydney, Veitch Lister Consulting for the NRMA and Business Illawarra, May 2018 accessed on 6 September at <https://www.mynrma.com.au/-/media/documents/reports-and-sub/upgrading-road-connectivity-between-the-illawarra-and-greater-sydney.pdf?la=en&hash=42B5B800547CF40CD106B7A04EEDAC28>

⁵ *ibid*

⁶ Australian Government, Infrastructure Australia, Picton Road Safety and Capacity, accessed on 6 September 2021 at <https://www.infrastructureaustralia.gov.au/map/picton-road-safety-and-capacity>

⁷ Upgrading road connectivity between the Illawarra and Greater Sydney, Veitch Lister Consulting for the NRMA and Business Illawarra, May 2018 accessed on 6 September at <https://www.mynrma.com.au/-/media/documents/reports-and-sub/upgrading-road-connectivity-between-the-illawarra-and-greater-sydney.pdf?la=en&hash=42B5B800547CF40CD106B7A04EEDAC28>

⁸ TfNSW Principles and Guidelines for Economic Appraisal of Transport Investment and Initiatives : Transport Economic Appraisal Guidelines

⁹ RDA Illawarra analysis based on Veitch Lister Consulting data and projected traffic volumes to 2031

¹⁰ Australian Transport Assessment and Planning, Crash Costs accessed on 6 September at <https://www.atap.gov.au/parameter-values/road-transport/4-crash-costs>

Photo Credit: Valeria Miller (Unsplash)