



A Submission to the NSW Government

by Regional Development Australia - Illawarra

NSW Draft Freight and Ports Plan

22 March 2018



1) Introduction

Regional Development Australia (RDA) – Illawarra provided a submission to the Draft Strategy – Future Transport 2056 in December 2017.

This submission is supplementary to our above submission and aligns our recommendations which are focused on freight and ports.

The Illawarra Region includes the Local Government Areas (LGA's) of Wollongong, Shellharbour and Kiama and is home to around 300,000 residents. Residential growth in the West Dapto Urban Release Area will see internal population growth of 50,000 residents over the next 30-40 years. Metropolitan Wollongong is the third largest city in NSW and the Illawarra's economy contributes \$16.5 billion (2012-13) to the States production output.

The NSW Draft Freight and Ports Plan states that *'freight in Greater Sydney is expected to double over the next 40 years and increase by 25% in Regional NSW over the same period'*. It is unclear where the Illawarra region fits within this growth trajectory, being neither a 'region' nor considered an essential link in what could be an integrated freight system.

The Port of Port Kembla is under-utilised, has spare capacity and can assist the growing Sydney freight task. Wollongong should be deemed a Global Port City as it provides vital access to the Port of Port Kembla and is proximate to a large residential growth area in Macarthur. Furthermore, it is estimated that 50% of the State's growing container imports and exports will be concentrated in Sydney's south western area. This places Port Kembla in a proximate position to support the future freight growth in NSW by taking the pressure off Sydney's freight distribution corridors between Botany and South Western Sydney.

This submission will provide the rationale for the following recommendations by RDA Illawarra:

- 1. Wollongong should be deemed a Global Port City, as it is proximate to:**
 - a. Growing freight corridors in south/south western Sydney**
 - b. Growing population, both in the Illawarra region and Macarthur/south-western Sydney**
 - c. The Port of Port Kembla, a nationally significant asset, which is under-utilised and can support NSW and Sydney's growing freight challenges.**

- 2. Road and Rail infrastructure to support economic activity should be constructed in sufficient time to meet growing freight and population demands. RDA Illawarra therefore recommends the construction of:**
 - a. South West Illawarra Rail Link (SWIRL), at an estimated \$1.7 billion, to be delivered within the next 10 years, and**
 - b. Duplication of Picton Road within the next 5 years.**

2) Wollongong – a Global Port City

It is our view that Wollongong should be deemed a 'Global Port City' in the NSW Freight and Ports Plan. There are two reasons for this perspective:

1. Western Sydney's industrial growth, both in and around Badgerys Creek Airport, will create additional demand for freight connectivity between Western Sydney and the Port of Port Kembla, and
2. Residential growth is largest in the South/West of Sydney in the Greater Macarthur Priority Growth Area, where 35,000 houses will be developed within a 30 minute drive from Wollongong.

A *Global Gateway* is defined as a City that provides state level services and facilities to support a broad population catchment while also having international connections through their airport and/or port, therefore we assume that the 'Global Port City' would apply to Wollongong due to the national significance of the Port of Port Kembla in the overall freight task.

We recommend that Wollongong is deemed a Global Port City in Figure 28 (p. 47), in line with both Sydney and Newcastle ports, see figure below. If Wollongong remains a 'Regional City', it could be left out of key planning initiatives and be a missed opportunity for Wollongong and the Port of Port Kembla to support NSW & Sydney's future freight challenges.

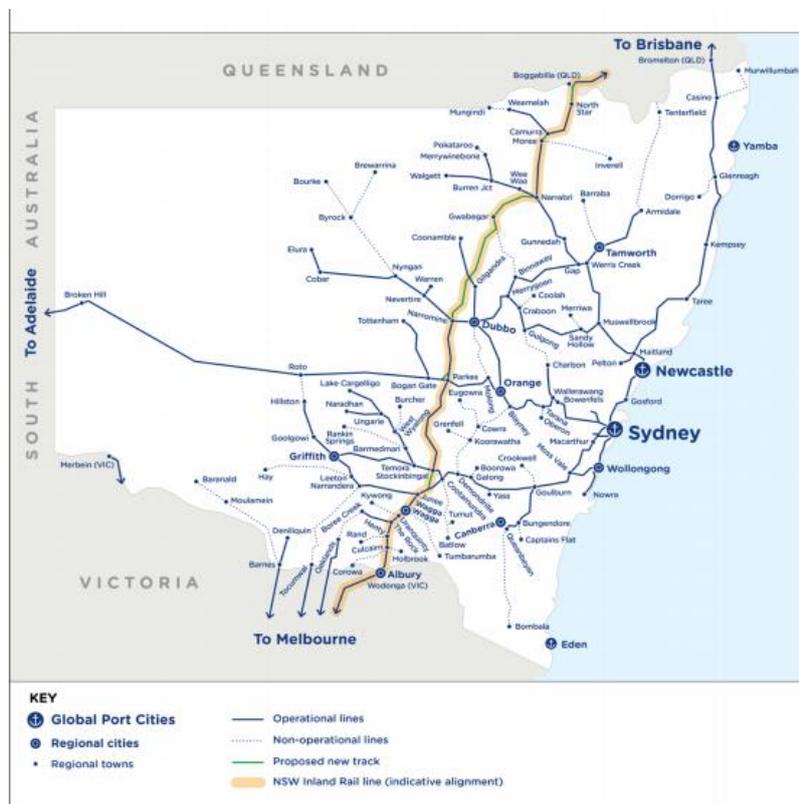


Figure 28: NSW Inland Rail

3) Port of Port Kembla

The Port of Port Kembla is an economic asset of national significance, critical to the future economic growth and development of NSW. Port Kembla is currently underutilised and has capacity for growth.

NSW Ports have deemed "**Port Kembla as the NSW port of growth**". It will continue to be NSW's largest motor vehicle import hub and bulk grain export port, while catering for a growing range of dry bulk, bulk liquid and general cargo. Port Kembla will also be home to NSW second container port."

Port Kembla is a deep-water harbour surrounded by large parcels of employment generating industrial land. The growth of the Port of Port Kembla could be realised through greater transport connectivity to Sydney and Western Sydney. It is primarily for this reason that Wollongong should be deemed a 'Global Port City and Global Gateway'.

It is noted that the NSW Draft Freight and Ports Plan states (p. 34) '*Port Kembla will act as a progressive overflow facility for Port Botany once its operational capacity has been reached. This is expected to occur after 2040, with Port Kembla requiring development to increase its capacity to accommodate the overflow.*' While we appreciate that this and the NSW Ports 30 year plan are a long term plans, we contend that Port Kembla could be enabled with efficient rail and road transport connectivity to support growth sooner than 2040. This would result in investment in rail and road networks to meet the long term planned freight growth of NSW.



Figure 21: Port Kembla

Ports and related rail and road infrastructure are fundamentally important facilitators of economic activity and growth. As well as contributing to the Illawarra regional economy, bulk trades currently add valuable export revenue to the NSW economy. We contend that movement of cargoes through Port Botany and Port Kembla could be optimised if they were treated as part of a single system, maximising the efficiency of the whole transport network through a single integrated freight transport system.

4) Freight Rail to/from Port Kembla

The NSW Draft Freight and Ports Plan notes (p.35) that *'While there is sufficient rail capacity in the short to medium term, freight rail access to Port Kembla is recognised by Infrastructure Australia as an initiative of **national priority.**'*

80% of imported containers through Port Botany are delivered within a 40 kilometer radius of the Port, and this will remain over the next 30 years. However, given Sydney's current and growing population based traffic congestion, lengthening truck curfews and general delays, this last 40 kilometer freight transit is already proportionally the most expensive of the entire import-export trip. Figure 23 of the NSW Draft Freight and Ports Plan demonstrates the proximity opportunity of the Port of Port Kembla to assist with this freight challenge.

Furthermore, the Plan notes (p. 55) *'**Access to Port Kembla is congested due to competition with passenger rail** as the route progresses via the Sydney metro network to the Illawarra line. This will worsen as metropolitan passenger services grow. Pursuing opportunities to separate freight and passenger rail will alleviate this impact.'* This is demonstrated diagrammatically below, with a coal train (8124) transporting coal to/from the Port of Port Kembla adjacent to a Sydney commuter train – noted here at Sutherland station.



Freight and passenger rail competition in Sydney, serving Port of Port Kembla

The use of dedicated freight lanes on key freight corridors is imperative. One such corridor is the **Maldon-Dombarton rail line**, for which RDA Illawarra has long advocated for the construction of this freight rail line.

In August 2017, Illawarra First and the SMART Infrastructure Facility, University of Wollongong, released a detailed report examining the cost and benefits of a new rail link, referred to as the **South West Illawarra Rail Link (SWIRL)**, along with upgrades to the existing South Coast Line.

SWIRL would complete and electrify the Maldon-Dombarton Line (35kms), together with electrification of a small section of the Moss Vale-Unanderra Line (7kms). The SWIRL would provide a critical passenger and freight service, creating a vital transport connection between the Illawarra and Sydney.

Conservative estimates contained in the report [Upgrading rail connectivity between the Illawarra and Sydney](#) indicate SWIRL would deliver an additional \$2.6 billion in Gross Regional Product and 1,100 new jobs for the region at a benefit-cost ratio of 1.13. The investment would also reduce congestion on connecting road infrastructure, assist in accommodating expected population growth, improve freight productivity and provide an important alternative rail connection to the ageing South Coast Line, which was built in the 19th Century, and is a serious impediment to employment, growth and regional investment.

In addition to these assessments, the decision to proceed with Badgerys Creek airport provides further economic and social benefits that have not been estimated in the SWIRL report and which did not exist when Maldon-Dombarton was originally conceived. The most significant of these is the growth of Western Sydney residential areas, and specifically the the Greater Macarthur Priority Growth Area, where 35,000 houses will be developed within a 30 minute drive from Wollongong.

According to the Draft Freight & Ports Plan, p. 76, Maldon-Dombarton freight rail link will be investigated in the next 10-20 years. This will not meet the completion of Badgerys Creek Airport in 2026, nor will it meet the growing freight task in sufficient time for construction.

RDA Illawarra supports the recommendation that construction of the SWIRL, at an estimated \$1.7 billion, should be a priority project, which is delivered within the next 10 years. This rail link would improve connections between Port Kembla and Greater Sydney, improve connectivity between the Illawarra and Badgerys Creek and reduce congestion pressures on the existing South Coast Rail Line and the present road network.

The South West Illawarra Rail Link (SWIRL)



Benefit Cost Ratio 1.13
(7%, 50 years)



\$1 invested in the SWIRL would provide a return to the Illawarra of \$1.84



Over 1,100 additional permanent jobs in the Illawarra



\$2.6 Billion Gross Regional Product in the Illawarra

- SWIRL (New Line)
- SWIRL (Electrification of Existing Line)

- Current Rail Network
- Badgerys Creek Airport

5) Road networks

The principal road freight routes for heavy vehicles are along Mount Ousley, to Picton Road and then the Hume Highway, southwards to Victoria and beyond and northwards to Sydney and beyond. Relatively few heavy vehicles use the Princes Motorway to access Sydney or Port Botany. The preferred route is via Picton Road, Hume Highway and M5 East.

The capacity of Mount Ousley Road is currently being tested, despite some recent road improvements, due to the steep grades of the road and the impact on heavy vehicles. Heavy vehicles volumes have grown at an average of 6% per annum on Mount Ousley Road.

Currently, heavy vehicles comprise more than 25% of the traffic on Picton Road and this composition is expected to be maintained with traffic growth estimated to increase by 5% per annum.

The Illawarra Business Chamber is currently undertaking a road study, and contends in its submission to the 2056 Transport Plan, that Picton Road should commence duplication construction, along the entire route between the Hume Highway and Princes Motorway, within the next five years.

Safety on Picton Road has been an ongoing issue. Despite several road improvement [projects](#) over the last decade to address safety concerns, accidents and fatalities are still occurring on this major heavy vehicle and growing freight corridor. See below a double fatality example from March 2017.



24 March 2017, Two truckies killed in a head on accident on Picton Road, Daily Telegraph

RDA Illawarra recommends the duplication of the entire Picton Road between Princess Motorway and Hume Highway, as it is a key economic and social infrastructure asset for both the Illawarra region, as well as for the south-west growing NSW freight task, within the next 5 years.

6) Summary - Recommendations

The Draft NSW Freight and Ports Plan sets out the challenges for NSW to meet the expected doubling of freight in Sydney over the next 40 years. The Illawarra region, and specifically the Port of Port Kembla, are uniquely positioned to support this growth, which is primarily in the south-south-western Sydney area. Ports and related rail and road infrastructure are fundamentally important facilitators of economic activity and growth. The Port of Port Kembla is a nationally significant asset which is currently under-utilised, and the suggested plans for its development are over 20 years in the future, too long to be of real benefit to NSW's growing freight challenge.

RDA Illawarra makes the following recommendations to the Draft NSW Freight and Ports Plan:

- 1. Wollongong should be deemed a Global Port City, as it is proximate to:**
 - a. Growing freight corridors in south/south western Sydney**
 - b. Growing population, both in the Illawarra region and Macarthur/south-western Sydney**
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Given the steady growth of the Sydney freight challenge and the long lead time for the construction of any major infrastructure to meet that challenge, the need for positive decisions is fast becoming critical.

Failure to commit to the necessary infrastructure expansions to meet the growing freight challenge, will condemn future generations in Australia's largest city, to an increasingly congested and expensive import-export network. The resultant economic ramifications may well be enormous and possibly irreparable. The Port of Port Kembla should be enabled to perform for the benefit of the state of NSW.