

Mr Rodd Staples
Secretary, Transport for NSW
PO Box K659
HAYMARKET NSW 1240

23 March 2017

RE: Submission on The Draft NSW Freight and Ports Plan

Dear Mr Staples

Regional Development Australia (RDA) Orana welcomes the opportunity to respond to the Draft NSW Freight and Ports Plan. RDA Orana applauds the plan's goals of moving goods in an efficient, safe and environmentally sustainable manner. We applaud moves to provide successful outcomes for communities and industry, particularly in regional NSW.

The Orana region covers approximately 25% of the state and includes some of the State's most productive agricultural areas. As a major producer of agricultural commodities, the region's economy relies heavily on efficient and reliable movement of produce from the region to markets and ports, using the Great Western and Golden Highways to reach Port Botany and the Port of Newcastle.

Mining and agriculture are the two most important industries in terms of output in this region, with a combined value of almost \$5 billion. Much of the bulk commodities from these sectors are moved by rail, while the inputs are generally moved by road. Improving the efficiency of both modes of transport would have a significant impact on the regional economy.

RDA Orana is delighted that the NSW Government has committed to fixing country roads and rail and supports the significant regional infrastructure investment program that will improve network constraints and "pinch points" through Fixing Country Roads, Fixing Country Rail and Bridges for the Bush. These initiatives will help regional councils improve connectivity and productivity for freight movements on local and regional roads to state highways and key freight hubs. Upgrading the regional rail network will also improve productivity and competitiveness for NSW exports and reduce costs for domestic supply.

While RDA Orana commends the continued investment into the Newell Highway and the Golden Highway as crucial links to and from this region, we also want to see an emphasis on exploring alternatives that reduce the impact of heavy vehicles on the existing system and improve overall road freight efficiency.

The draft NSW Future Transport 2056 Strategy and the Draft NSW Freight and Ports Plan identify congestion issues at Port Botany that are currently hampering efficiencies for producers and manufacturers from our region. Substantial government infrastructure projects are proposed to alleviate this congestion. However, both documents overlook the need to improve the 18km of rail line

between Enfield and Port Botany and the underutilised infrastructure capacity that already exists at the Port of Newcastle.

RDA Orana advocates for these five major projects to be treated as a priority to address the current freight and ports efficiency issues:

1. Upgrade the existing rail line between Enfield and Port Botany to a dual line and increase speed limits to boost efficiency.
2. Focus on the Port of Newcastle as the long-term container freight terminal solution for NSW, with associated rail line improvements. Its inclusion in the NSW Freight and Ports Plan as a complementary option to Port Botany would improve NSW competitiveness compared with other Eastern Australian states.
3. Establish a ring road around Dubbo, which is the biggest and most vibrant city servicing this region and a key transport hub for Central Western NSW.
4. Conduct investigations in the next 10 to 20 years into the feasibility of a tunnel to reduce the pressure on the Great Western Highway across the Blue Mountains.
5. Acknowledgement of the opportunity for the establishment of an international airfreight/passenger airport in the Orana region.

RDA Orana is encouraged by any initiative that eases rail and road congestion in Sydney; takes trucks off the roads and, in turn, reduces the safety risk for other drivers. We are keen to see trade kept in NSW and believe these actions would provide efficiency solutions that boost the State's economic prospects.

Should you require further information regarding this submission, please contact me on (02) 6885 1488.

Yours sincerely

Megan Dixon

Megan Dixon
Executive Officer

RDA ORANA SUBMISSION NSW FREIGHT & PORTS PLAN MARCH 2018



Executive Summary

The Orana region covers approximately 25% of NSW and includes some of the State's most productive agricultural areas. As a major producer of agricultural commodities, the region's economy relies heavily on efficient and reliable movement of produce from the region to markets and ports, using the Great Western and Golden Highways to reach Port Botany and the Port of Newcastle.

Reduced costs of production through improved supply chains are crucial to the continued growth of Australia's agriculture industry and to being competitive in the global marketplace. While rail and road freight systems are important, an efficient and cost-effective container freight supply chain is vital to this region's producers and manufacturers. RDA Orana has also undertaken in conjunction with its freight Study a feasibility study into the establishment of an international air freight airport within the Orana Region.

The Federal Government's development of the Inland Rail from Melbourne to Brisbane together with significant upgrades to the Newell, Great Western and Golden Highways, will certainly generate economic growth and diversification in regional NSW and the Orana region by unlocking new export opportunities, increasing connectivity and enhancing productivity for agribusiness, manufacturing, tourism and mining.

The connectivity through efficient road and rail freight networks is critical to regional industry activity, with many producers completely reliant on road and rail to access domestic, national and international export markets.

RDA Orana supports the significant regional infrastructure investment program that will improve network constraints and "pinch points" through Fixing Country Roads, Fixing Country Rail and Bridges for the Bush. Fixing rail takes freight off roads on the way to port, allowing trade to stay in NSW. However, more work is needed along the Newell, Golden and Mitchell Highways.

Over the next 20 years, the regional freight task volume is forecast to increase by 76%. Contestable containerised freight is estimated to make up 40% of that growth. This scale of increase represents a potential risk to the efficiency and productivity of the regional freight and logistics network. In particular, the condition of the road network, already recognised as being poor in many places, will be under greater pressure to handle the growing task and much of that pressure will be felt by local government.

With poor condition, congestion, inefficient utilisation and access restrictions, producers and exporters are faced with load constraints, slower speeds, less direct routes and increased wear and tear on vehicles. These constraints are resulting in higher freight costs for regional producers and industry, impacting regional competitiveness and profitability resulting in higher costs to consumers, and loss of job creation opportunities in regional areas.

RDA Orana advocates for these five major projects to be treated as a priority to address the current freight and ports efficiency issues:

1. Upgrade the existing rail line between Enfield and Port Botany to a dual line and increase speed limits to boost efficiency.

The economy of regional NSW cannot improve while the rail line from western NSW to Port Botany continues to hamper productivity. The 18km of rail line between Enfield and Port Botany represents some of the poorest quality line in the state and is affected by severe speed restrictions that see trains travelling as slow as 10km/h.

This rail infrastructure bottleneck is in dire need of upgrading and should be replaced with a dual line to open the arteries for NSW, allowing for more efficient transfer of freight to port. Fixing this issue

would provide a significant boost to regional NSW by opening up more opportunity for regional access to imports and exports and providing a win for both the city and the country.

2. Focus on the Port of Newcastle as the long-term container freight terminal solution for NSW, with associated rail line improvements. Its inclusion in the NSW Freight and Ports Plan as a complementary option to Port Botany would improve NSW competitiveness compared with other Eastern Australian states.

Congestion issues at Port Botany are currently hampering efficiencies for producers from our region and substantial government infrastructure projects are proposed to alleviate this congestion. However, the current proposals overlook underutilised infrastructure capacity at the Port of Newcastle.

A container terminal at the Mayfield site would provide substantial savings to the NSW taxpayer and businesses. Its inclusion in the NSW Freight and Ports Plan as a complementary option to Port Botany would create genuine competition between the two port operators and allow NSW importers and exporters to choose the most efficient and cost-effective supply chain for their cargo.

RDA Orana is encouraged by any initiative that eases rail and road congestion in Sydney; takes trucks off the roads and, in turn, reduces the safety risk for other drivers; requires minimal spending from the NSW Government; and keeps trade in NSW. A container terminal at the Port of Newcastle could achieve all of these objectives for the benefit of the whole of NSW.

3. Establish a ring road around Dubbo, which is the biggest and most vibrant city servicing this region and a key transport hub for Central Western NSW.

Roads and Maritime Services has announced a second high-level crossing over the Macquarie River at Dubbo. This new \$140 million bridge has been designed to improve freight efficiency on the Newell Highway, reduce traffic congestion and provide an alternative route during flood events.

The proposed 32.5km freight ring road for trucks would serve a range of purposes, including:

- minimising interference with ~~town~~ the City's traffic flow.
- Significantly improving travel times for trucks traveling through the City
- improving the access for traveling visitors and the amenity of Dubbo centre
- increasing the attractiveness of Dubbo for warehousing, trucking and distribution industries, as the freight ring road would link directly to the City's bulk road and rail depots along with direct access and link to the Dubbo City Regional Airport for future growth as a air freight hub.

4. Conduct investigations in the next 10 to 20 years into the feasibility of a tunnel to reduce the pressure on the Great Western Highway across the Blue Mountains.

RDA Orana recognises that the Australian and NSW Governments have invested significantly to upgrade the Great Western Highway from M4 motorway from Penrith through to Lithgow. As it currently stands, the importance of this route is as a link to the western suburbs of Sydney for freight distribution and for commuter connections. However, the need to plan for capacity enhancements crossing the Blue Mountains should be investigated earlier than the 10 to 20 year timeframe indicated in the draft plan.

The debate over the future crossing over the Blue Mountains has been ongoing for decades and will not be resolved until a study is conducted into the feasibility of a tunnel or alternatively the Bells Line of road to better connect regional Western NSW to metropolitan Sydney and will reduce the pressure on the Great Western Highway across the Blue Mountains. Adding this study to the NSW Government's investigation priorities for the next 3 years will revolve the debate surrounding the future and economic viability of this route.

5. Acknowledgement of the opportunity for the establishment of an international airfreight/passenger airport in the Orana region

A Study carried out by Urbis on behalf of RDA Orana in 2016 clearly states the requirement for the viability of the establishment of an international airfreight/passenger airport in the region. Such a facility while needing the support of all levels of government will be ultimately driven by creation of value adding business activity for international export and significant private investment.

RDA Orana believes that increased investment in manufacturing, in our region that targets the emerging market opportunities particularly in the Asian market it is important to be able to value add to export “shelf ready” produce in Australia, will drive demand for such a facility and recognition of this opportunity in the NSW Freight and Ports plan will provide confidence to investors considering our region.

RDA Orana

Regional Development Australia (RDA) Orana is a not-for-profit organisation, funded by the Commonwealth Government as part of a national initiative charged with leading economic development across our regions.

The Orana region stretches across the Central West and Western region of NSW, covering an area of 200,000km², which represents 25% of the state. Orana is the most diverse and largest region in NSW, servicing a population of more than 121,000 people. The region encompasses 13 Local Government areas, with major regional towns including Dubbo, Mudgee and Cobar.

Orana has a strong agricultural history and growing mining tradition, with a diverse range of production activities undertaken across the region. The gross regional product is valued at approximately \$8 billion, with mining and agriculture the two most important industries, representing more than half of that output and having the biggest impact on the freight system. Much of the bulk commodities from these sectors are moved by rail, while the inputs are generally moved by road.

Key sectors by output and employment are listed below¹.

Industry	Output \$m	Output as overall %	Employment
Mining	2,940	18.3	3,353
Agriculture, forestry, fishing	1,982	12.3	6,711
Construction	1,828	11.4	3,668
Manufacturing	1,321	8.2	2,012
Health care & social assistance	836	5.2	6,672
Public administration & safety	770	4.8	3,672
Education & training	621	3.9	4,811
Retail trade	568	3.5	4,889

Regional transport and freight overview

The Orana region is recognised as a major producer of wheat and other grains, intensive irrigated crops such as cotton, livestock and meat products, and coal and mineral production. These commodities form the backbone of the Orana regional freight task and have the largest impact in determining the underlying freight and logistics requirements of the region at present. At the centre of the region is the city of Dubbo, which is a major transport hub and aggregation point for selling, processing and transporting livestock and agricultural produce to markets and ports across Australia.

The estimated regional freight task of the region is approximately 27,800 kilo tonnes (kT) per annum. This includes all internal, outbound and inbound freight that makes use of the Orana freight road and rail network. The regional freight task is forecast to grow significantly over the next 20 years to almost 49,000kT annually by 2035, an increase of 76% over current freight volumes.² Contestable containerised freight is estimated to make up 40% of the growth in total freight.³

The average annual regional production of wheat and other grains is estimated at 1,984kT, with 44% of that volume (873kT) making its way to the export market.⁴ Rail transport represents approximately 95% of the grain transported for export. Grain is expected to account for 10% of total growth over the next 20 years, with nearly three quarters of the demand likely to come from domestic markets.

¹ Remplan, Gross revenue generated by business and organisations in Orana RDA (Dec 2017) viewed 18 March 2018

² Urbis for RDA Orana, 2016, Orana Freight and Logistics Capability Study and Air Freight Study.

³ PWC for Transport for NSW, 2015, Containerised Cargo Demand Assessment for Central West NSW, <https://www.transport.nsw.gov.au/sites/default/files/media/documents/2017/Containerised%20Cargo%20Demand%20Assessment%20Central%20West%20NSW%20282015%29.pdf>, accessed 16 March 2018

⁴ Ibid

Cotton is another key crop. The Orana region produces around 809kT of cotton and other non-cereal broadacre crops in an average year⁵, with 99% of that making its way to the export market.⁶ Nearly all of this is containerised and transported by road. Very few cotton gins have access to rail sidings and axle mass restrictions on rail freight reduce the competitiveness of rail when compared to long distance road hauliers.⁷

The largest exception to transporting agricultural produce by road is for processed meat, which is usually transported to intermodal terminals, such as the privately-owned Fletcher International Freight Terminal in Dubbo, which began operating to Sydney in 2015. From the Dubbo terminal, meat (as well as grain handled by Fletcher International Exports) moves by rail to Port Botany for export.

As stated in the draft plan, coal is the largest volume freight commodity in regional NSW and is expected to represent nearly 80% of the freight growth from regional NSW in the next 40 years. With mining accounting for nearly 20% of this region's output and agricultural output nearly \$2 billion, these projected increases will significantly impact on freight demands between regional centres and gateway ports, particularly Newcastle and Port Botany.

The mineral and energy resources sectors also make a significant contribution to the region, with new opportunities emerging in renewable energy development, including solar, wind and bioenergy.

Contributing to this anticipated increase are a range of projects that show prospects for growth and will increase the burden on the region's freight infrastructure and access to ports. Some of the proposed projects include the following:

- **Mudgee coal**
Moolarben Coal Complex is 40km north of Mudgee and has approval to operate three coal mines worth around \$1.3 million per annum until 2039, employing 1,400 people, which represents more than 15% of the town's workforce
Ulan Coal has approvals to 2031
- **Mine expansion at Cobar**
Glencore aims to invest \$150 million in infrastructure to extend the CSA mine's life by 16 years. A \$2 million upgrade is currently underway. CSA is an underground copper mine, employing 300 people.
- **Cobar biohub and solar thermal plant**
A \$250 million project promoted by RDA Orana that would specialise in converting forestry remains and cleared invasive native scrub to process bioenergy and high-value carbon-based products, including sawlogs, speciality timbers, essential oils, biochar, 'clean' energy and high value industry materials used in steel manufacturing. This project is due for completion next year and is expected to create 665 jobs.
- **Wellington North Solar Plant**
AGL is in the planning stage for a \$200 million, 300MW solar plant near Wellington, which will be one of the largest solar plants in Australia. This project is reaching the stage where the environmental impact study is due to go on public exhibition.
- **Bodangora Wind Farm**
Infigen Energy is building a 113MW wind farm near Wellington, which should be operational by 2019. The 33-turbine facility represents a \$233 million investment. The project will

⁵ Ibid

⁶ Cotton Australia, 2016, Cotton Annual 2016: Australian Cotton Industry Statistics

⁷ Urbis for RDA Orana, 2016, Orana Freight and Logistics Capability Study

provide approximately 120 direct jobs during construction and seven full-time jobs during its operating life.

- **Rail Maintenance Facility at Dubbo**
The new facility is expected to be ready for operation from 2019 and will create 70 new jobs. It will take delivery of 60 new XPT passenger cars (plus 19 diesel locomotives), as well as 23 XPLOERER and 28 Endeavour passenger cars. These trains will be shipped from China to Newcastle and will need to make the remainder of the journey to Dubbo by road via the Golden Hwy.
- **Fletcher International Exports**
Fletcher International Exports is one of the region's largest employers, with 650 staff. It exports 90% of its land and sheep meat products to more than 90 countries across the globe. The Fletchers supply chain includes an abattoir, grain receival facilities and intermodal rail terminal to deliver containerised freight to Port Botany. Fletcher International currently owns the longest and heaviest container export train in Australia. They began transporting from their Dubbo intermodal terminal in 2015 and move more than 18,000 20-foot equivalent units (TEU) per annum. They currently have a train capacity of up to 5,000mt trailing tonnage, with 186 TEU slots per service, up to three times per week and have the ability to run extra services.
- **Further investment in food manufacturing facilities**
RDA Orana is currently working with project proponents who are looking at our region for opportunities that now exist for agricultural value add products that have occurred under the FTA. Our goal is to see an increase in food manufacturing and value-adding within the region.

Regional NSW Initiatives Identified in the Draft NSW Freight and Ports Plan

The NSW Government's 2036 plan for the Central West and Orana regions communicated a regionally-focused goal for the regions to have quality freight, transport and infrastructure networks.⁸ This Draft NSW Freight And Ports Plan represents an opportunity to achieve that vision. The development of the Melbourne to Brisbane Inland Rail, alongside upgrades to the Newell and Golden Highways, has the potential to transform these regions into one of the key freight and logistics destinations in Australia. This will generate economic growth and diversification by unlocking new export opportunities, increasing connectivity and enhancing productivity.

Road

Road is by far the dominant regional freight mode in the Orana region, accounting for 85% of the regional freight task.⁹ The road freight network is critical to regional industry activity, with many producers completely reliant on it to access domestic and export markets. RDA Orana is delighted that the NSW Government has committed to fixing country roads.

However, the forecast increase in the regional freight task represents a potential risk to the efficiency and productivity of the regional freight and logistics network. In particular, the condition of the road network, already recognised as being poor in many places, will be placed under greater pressure to handle the growing task. This will place additional pressure on local councils to fund increased future maintenance costs of local and regional roads. Regional councils have a role to play in improving connectivity and productivity for freight movements on local and regional roads to state highways and key freight hubs and rely on continued support from the NSW and Australian Governments to do so.

Dubbo and Mudgee are the key population and employment centres of the Orana region. The Mitchell Highway, Bells Line and Great Western Highway will continue to be important for passenger vehicle movements to Sydney. None of these routes can continue to take even more freight without ongoing expenditure for decades to come.

There is also currently a restriction on high productivity vehicles such as B Doubles (26m) over the Blue Mountains, limiting the maximum size of road vehicles transiting from the Orana region to the Sydney Basin to 19m. Significant investment in the Bells Line of Road is required to lift this restriction, however that is not the preferred freight route for this region. Ideally, a dual lane highway from Sydney to Narromine is the best alternative to mix freight and passenger movements.

Newell Hwy

The Government's commitment to upgrading the Newell Highway is critical and responds to continued community concerns. As the backbone of the regional road freight network, the Newell Highway upgrade has the greatest potential to greatly benefit the region. However, this highway needs continued upgrades to address safety concerns and manage tourism flow across regions. In 2015-16, the section of the Newell Highway that is in the Orana region experienced 88 crashes, of which 10% were fatalities. A further 21 accidents resulted in serious injury.¹⁰

The Newell Highway is a vital transport corridor between the second and third largest Australian cities, with freight productivity expected to nearly double over the next 20 years.¹¹ NSW Planning & Environment recognises that an upgraded Newell Highway and Golden Highway, coupled with Inland Rail, could boost the region's reputation as a freight hub and increase opportunities for freight and logistics facilities and intermodals close to road and rail corridors.¹²

⁸ NSW Planning & Environment, 2017, Central West and Orana Regional Plan 2036

⁹ Urbis for RDA Orana, 2016, Orana Freight and Logistics Capability Study

¹⁰ Transport for NSW, Crash and Casualty Statistics,

http://roadsafety.transport.nsw.gov.au/statistics/interactivecrashstats/lga_stats.html?tblga=4, accessed 18 March 2018

¹¹ Hyder Consulting for Transport for NSW 2011, NSW Freight Supply Chain Study – Hunter, Northern, Western Regions

¹² NSW Planning & Environment, 2017, Central West and Orana Regional Plan 2036

With these future opportunities in mind, consideration should be given at this key stage of planning to a bypass for the Newell around Dubbo, which is a continually expanding regional city servicing a regional population of more than 120,000. Population growth in this area was identified at 5.5% for 2011 to 2016 in the 2017 Census. The current low-level bridge carries around 20,500 vehicles per day (about 11% heavy vehicles) over four traffic lanes, while the existing high-level bridge carries around 18,300 vehicles per day (about 4% heavy vehicles) over two lanes.¹³

In June 2017, Roads and Maritime Services announced the preferred route for a new \$140 million bridge across the Macquarie River at Dubbo. The second high-level crossing would improve freight efficiency on the Newell Highway, reduce traffic congestion and provide an alternative route during flood events.¹⁴ RDA Orana is of the view that any additional bridge across the Macquarie River at Dubbo should be considered as part of a heavy vehicle bypass. Dubbo City Council's Road Transportation Strategy to 2045 advocates a 32.5km freightway ring road for trucks be progressively developed to encourage and support truck movements around the city centre.¹⁵

This freightway would serve a range of purposes, including:

- minimising interference with town traffic and improving travel times for truck drivers by reducing gear changes
- improving the amenity of Dubbo centre by removing heavy vehicles
- increasing the attractiveness of Dubbo for 'warehousing, trucking and distribution industries'.¹⁶

Golden Hwy

The Golden Highway is continuing to develop as a key freight pathway linking Newcastle to Central and Western NSW. RDA Orana applauds the ongoing Golden Hwy corridor upgrades, but believes there is a need to increase the focus on congestion and freight access restrictions.

Traffic along this route is made up of nearly 25% heavy vehicles. The forecast is that heavy vehicle truck traffic along the Golden Highway will grow by around 1,000 trucks per day (or almost 50 trucks per hour) by 2031¹⁷. There are a number of deficiencies along this route that need to be addressed:

1. Access restrictions mean the highway is currently only available to standard 19m B-double vehicles.
2. Road safety is paramount, with nearly one crash per week along the Golden Highway in 2015-16.¹⁸
3. More bypasses are needed for towns like Denman.
4. Maintenance needs to be a priority to ensure ongoing safety through consistency of the road surface.

There is also a need to develop a freight container terminal facility at the Port of Newcastle to capitalise on this emerging freight pathway and help overcome congestion at Port Botany.

With Newcastle taking on more project-based freight, the Golden Highway takes on bigger haulage tasks that cannot be transported by rail. This puts additional pressure on the highway, which is in need of continual upgrades to cope with the mass freight demands. One significant example is the new XPT, which will be transported by road to Dubbo's new rail maintenance facility along the Golden Highway. Sixty new XPT passenger cars will be shipped from China to Newcastle in the early 2020s,

¹³ Roads & Maritime, May 2017, Preferred Option Report – New Dubbo Bridge

¹⁴ June 2017 Update, <http://www.rms.nsw.gov.au/projects/western-nsw/dubbo-bridge/index.html>, accessed 13 March 2018

¹⁵ Have Your Say: Dubbo Road Transportation Strategy to 2045, dubbocitycouncil.boswebsystems.com/LiteratureRetrieve.aspx?ID=107747, accessed 13 March 2018

¹⁶ Stapleton Transportation and Planning Pty Ltd 2009, Dubbo City Planning and Transportation Strategy 2036

¹⁷ Hyder Consulting, 2013, Linking the Hunter and Orana Region: Establishing the Case for Improving the Golden Highway

¹⁸ Transport for NSW, Crash and Casualty Statistics,

http://roadsafety.transport.nsw.gov.au/statistics/interactivecrashstats/lga_stats.html?tblga=4, accessed 18 March 2018

plus 19 diesel locomotives, 23 XPLOER and 28 Endeavour passenger cars—all of which will be loaded onto trucks for the NSW component of their journey.

Heavy vehicle regulations

As noted in the draft plan, there is an increasing demand for heavier and longer vehicle combinations. Restricted access and load limits on existing roads mean productivity improvements through freight speeds are limited, with longer journeys and less productive (or more) vehicles used to carry freight.

RDA Orana supports initiatives to improve efficient and higher mass limit freight movements in regional NSW. Current industry-focussed initiatives such as the Grain Harvest Management Scheme promote the safe and productive movement of grain and deserve continued Government support. The Orana Regional Organisation of Councils participates in this scheme annually as part of a regional bid to improve safety, protect roads and increase productivity and efficiency. Parallel to this, we need to see a continued focus on maintaining and upgrading the existing road network to cope with these heavy vehicle movements.

Rail

Rail is playing a more significant role for transporting the region's bulk commodities and resources destined for export markets via Port Botany and the Port of Newcastle. As stated in the NSW Draft Freight and Ports Plan, increasing the use of rail for heavy freight movements will help the NSW Government achieve its goal of a 30% reduction in road fatalities and serious injuries by 2021.

Targeted investment is required to not only maintain the rail sector's market share, it's imperative that additional investment is targeted to increase the productivity of rail freight on projects such as access to the Port of Botany. Failure to maintain the current standard of the network along with additional investment in improved access to Port Botany is likely to see a continued transition from rail to road freight, placing further burden on the road network, which will place pressure on the commitment of NSW Government achieving its goal of a 30% reduction in road fatalities and serious injuries by 2021.

The priority for the Orana rail network needs to be improving the utilisation and efficiency of the existing rail network. Specifically, improving the coordination of outbound freight and increasing the demand for inbound freight is considered critical.¹⁹

In its consultations to develop the 2016 Orana Freight and Logistics Capability Study, Urbis identified improving access to rail sidings on the country rail network and developing mobile main line loading facilities as specific initiatives to increase the utilisation of the network. The Bridges for the Bush project will address some of the rail network's needs. However, there also needs to be:

- an increase in the number and capacity of passing loops on the network
- improved train signalling
- a change to maintenance regimes to increase axle loads on specific rail lines.

These investments would remove barriers to operating longer and more efficient trains on the regional rail network. Below-rail operators estimate that increasing the length of freight trains from 600m to 1,000m could reduce freight costs by an average of 30%.²⁰ These are significant savings that could be the difference between the success and failure of a regionally-based business. These kinds of improvements add to the efforts of major regional councils, including Dubbo, to demonstrate the benefits of relocating to regional areas as part of the combined effort to take the pressure off Sydney at a time of significant population growth.

RDA Orana recognises the need for a demonstrable improvement in network usage and efficiency to make such investments financially viable. For this reason, RDA Orana urges the NSW Government to

¹⁹ Urbis for RDA Orana, 2016, Orana Freight and Logistics Capability Study

²⁰ Ibid

take an integrated approach to planning and investing in the freight network where linkages from regions to the city areas are concerned.

Port Botany linkage

The economy of regional NSW cannot improve while the rail line from western NSW to Port Botany continues to hamper productivity. An example is Fletcher International Exports is by far the biggest exporter in this region and one of the major users of this rail line. Their business, which freights containerised meat, as well as grain and cotton from growers across the region and minerals and inputs from the mining sector, is currently hampered by the deficiencies they experience over the network.

The 18km of rail line between Enfield and Port Botany, is some of the poorest quality line in the State and is affected by severe speed restrictions that see trains travelling as slow as 10km/h on this line. This rail infrastructure bottleneck is in dire need of upgrading and should be replaced with a dual line to open up the arteries for NSW, allowing for more efficient transfer of freight off port and onto port. Fixing this issue would provide a significant boost that regional NSW, by way of opening up more opportunity for regional access to imports and exports, providing a win for both the city and the country.

Upgrading this line is the number one priority for freight improvements being advocated by RDA Orana to address the freight and ports planning needs of NSW. Greater utilisation of the Port of Botany in the short term will provide the boost this region and the economy of NSW needs.

The line between Lithgow and Enfield is currently unavailable for freight movements for nine hours each day due to the prioritised needs of peak passenger train periods. Further investment into improving pathing and technology around freight and passenger trains working more closely would reduce the impact on freight and improve the utilisation of the Sydney Trains network.

Port of Newcastle

The current bottleneck that freight carriers experience on a daily basis from the Orana region coming into Port Botany should not continue to be tolerated in Australia's biggest and fastest-growing city. While repairing the Enfield to Botany stretch is the key priority, the Port of Newcastle presents the best opportunity for a longer-term containerised freight solution.

As Australia's third largest port, the Port of Newcastle handled 167 million tonnes of cargo with a value of \$24 billion in 2017. Of that volume, 159 million tonnes was coal. The Orana region generated a total coal output valued at \$1.6 million.²¹

While development of a cruise terminal at Newcastle and private investment in the development of the Kooragang Island Terminal 4 are commendable undertakings, RDA Orana urges the NSW Government to put a stronger emphasis on Newcastle as a freight terminal. Container terminal facilities are needed at Newcastle to support the connectivity being established to the west of the State through enhancements to the Golden Highway.

Activity at the Port of Newcastle contributed \$1.8 billion to the gross state product of NSW. More importantly, the port is currently underutilised. It has the capacity to more than double its current trade. With 80ha of land ready to be developed with deep-water frontage at the Mayfield site, the Port of Newcastle has the ability to diversify into a container terminal. It has existing rail, road, land and shipping channel infrastructure and could save the NSW Government unnecessary spending of more than \$1 billion in reclaiming land and building new infrastructure to establish container facilities at Port Kembla.

This site could also be developed as an automotive facility and to handle more bulk liquids. Crucially for the Orana region, expanding at Newcastle would create a level playing field for Australian

²¹ Remplan, Gross revenue generated by business and organisations in Orana RDA (Dec 2017) viewed 18 March 2018

businesses wishing to access export markets, especially those who are already well connected to the port from regional NSW.

Infrastructure at port, rather than infrastructure in the region, has also been identified as a barrier to the use of rail²². The development of the Mayfield site as a container terminal would reduce these barriers and help ease congestion in the Sydney basin. The Port also has storage capacity to handle large 10,000 TEU container vessels and substantial industrial land within the port and neighbouring areas to accommodate distribution centres, taking even more traffic off Sydney's busy roads.

Benefits of expanding the Port of Newcastle include:

1. Transport cost savings for exporters that could make them more internationally competitive.
2. Reduced travel times, creating efficiency gains and cost savings.
3. Access direct to the port by longer trains.
4. Increased competition among shipping companies and stevedores, which could reduce costs.

The NSW Government's Future Transport Strategy 2016 estimates that an investment of at least \$4.8 billion will be needed to meet the forecast growth in container trade through Port Botany and Port Kembla over the next 40 years. This growth in trade could be handled via the Port of Newcastle with insignificant cost.

Without a choice of container terminals on offer, exporters in some parts of NSW are sending freight by rail or road right past the Port of Newcastle.

A Newcastle container terminal would be a complementary option to Port Botany, create genuine competition between the two port operators and allowing NSW importers and exporters to choose the most efficient and cost-effective supply chain for their cargo.

Alternative Blue Mountain route Tunnel/Bells line of Road

RDA Orana recognises that the Australian and NSW Governments have invested significantly to upgrade the Great Western Highway between the M4 from Penrith through to Lithgow. As it currently stands, the importance of this route is as a link to the western suburbs of Sydney for freight distribution and for commuter connections. However, the need to plan for capacity enhancements crossing the Blue Mountains should be investigated earlier than the 10 to 20 year timeframe indicated in the draft plan.

The debate over the future crossing over the Blue Mountains has been ongoing for decades and will not be resolved until a study is conducted into the feasibility of a tunnel or alternative Bells line of road to reduce the pressure on the Great Western Highway across the Blue Mountains. Adding this study to the NSW Government's investigation priorities for the next 3 years will revolve the debate surrounding the future of this route.

Hunter-Orana Fuel Pipeline

RDA Orana supports this concept in principle for the benefits in reducing the volume of high-risk freight on the roads. There are some concerns that it would introduce a monopoly into a commodity that currently has good market share. As the NSW Government is simply proposing investigating the construction of a pipeline at this stage, that move is endorsed. However, the 10 to 20 year timeframe for investigations does not reflect the increasing usage of the freight pathway from the Orana region to the Hunter. This timeframe should be shortened to reflect the growing demand to link these regions.

Air freight

The Orana region will continue to benefit from its connections to Sydney, including the new Western Sydney Airport. While there is currently insufficient passenger demand between the Orana region and

²² PWC for Transport for NSW, 2015, *Containerised Cargo Demand Assessment for Central West NSW*, <https://www.transport.nsw.gov.au/sites/default/files/media/documents/2017/Containerised%20Cargo%20Demand%20Assessment%20Central%20West%20NSW%20%282015%29.pdf>, accessed 16 March 2018

Asia to make belly air freight commercially viable before 2050²³ under current demands, acknowledgement of the establishment of an international airfreight/passenger airport in the Orana region will significantly enhance its development opportunities.

Note, this could be reinforced with some content around tourism and the Zoo's \$50 million investment currently underway.

The biggest challenge facing exporters using other airfreight hubs are the access, cost and time constraints from the region. RDA Orana urges the NSW Government to consider acknowledgement of the opportunity for the establishment of an international airfreight/passenger airport in the Orana region.

²³ Urbis, 2017, Orana International Air Freight Feasibility Study