

**SUBMISSION BY
SHOALHAVEN CITY COUNCIL**

TO

**INQUIRY INTO THE
INTEGRATION OF REGIONAL
RAIL AND ROAD FREIGHT
TRANSPORT AND THEIR
INTERFACE WITH PORTS**

9 MAY 2005



Preamble – ‘The Network Approach’

The success of the internet is gained from its ability to join any part of the network to any other part.

Business trading over this electronic trade highway knows no bounds and new trade has occurred because of the infinite connectivity which this super highway can provide.

Background – ‘Shoalhaven City Council – a Regional Player’

Shoalhaven City Council has supported the network approach to delivering outcomes for regional communities.

In this area of advocating a comprehensive network to deliver regional economic development, Council has been an active supporter of the South East Australia Transport Strategy (SEATS) organisation and the PHocus Task Force of the Southern Council’s Group and its partners. Within these alliances, Council has played an active part in lobbying and positive advocacy for a better transportation network in the south east region of NSW.

As part of this advocacy, Council has in recent years:

- been instrumental in establishing Main Road 92 as a Road of National Importance under the Arterial Roads Program to upgrade an existing link across the Illawarra escarpment between the Southern Tablelands of NSW with the South Coast and industrialised areas of Nowra/Wollongong/Port Kembla.
- been a part of the lobby group to have the NSW Government commit to the upgrading of the Princes Highway in accordance with ‘Action for Transport – 2010’. This included having the Federal Government commit \$34m to the construction of a bridge on the North Kiama Bypass.
- coordinated the South Coast Transport Study (released November 2000) on behalf of Councils along the south coast of NSW.
- participated with both SEATS and PHocus in deputations to State and Federal Ministers/Shadow Ministers and other relevant politicians in support of improving the transportation network in south eastern Australia.
- made submission to various inquiries, green papers, committees in support of a better and more comprehensive network which will drive benefits not only to metropolitan areas but more specifically to those linkages that address interregional trade.
- more recently, have been a key stakeholder in having additional funding approved to address the specific safety issues along the Princes Highway. This has included an additional \$30m from the NSW Government and \$20.7m from the Federal Government which will be spent along this highway between Wollongong and the Victorian boarder over the next two years.

The Freight Task and its interface with ports

Shoalhaven as you may appreciate is located on the South Coast of NSW approximately 160km south of Sydney on the Princes Highway. Shoalhaven has a sound economic base quite diversified with the main activities being manufacturing, defence, education, construction and retail. Our industrial sector has a broad market base including substantial export which requires both inward and outward freight to the major metropolitan areas and key ports including Botany and Kembla.

With the Princes Highway being the main artery for the South Coast, the inadequacy of this transport corridor to service the needs of the communities along its route both in Southern NSW and in the Gippsland became obvious to Shoalhaven City Council. In 2000 Council coordinated a Transport Strategy Study for the South Coast of NSW which highlighted the inadequacies of the current highway system in a north/south direction as well as the east/west escarpment crossings which are vital to moving produce and freight between the coastal plain and the tablelands of Southern NSW.

Council motivated the Illawarra Regional Organisation of Council (now know as the Southern Councils Group) to form a lobby group of regional players to set about and follow an agenda to improve this vital piece of community infrastructure. This group which became known as PHocus was established by a coalition of Southern Councils Group, NRMA, SEATS, Road Transport Association, Illawarra Business Chamber, and Tourism Task Force Australia. Since its instigation in 2003 this group has played an active part in both lobbying NSW and Federal politicians of all political persuasions to understand the issues confronting the south coast communities because of the poor state of this infrastructure.

The aims of the objective of the PHocus group are as follows:

Gain commitment from the State and Federal Governments for the funding of the upgrade of the Princes Highway in order to deliver the following outcomes:

- a. A four lane dual carriageway north of the Jervis Bay turnoff, to a 100 km/h design standard, by 2010, to incorporate:
 - Design speed 80-100 km/h from Albion Park Rail and South Kiama bends
 - Oak Flats to Dunmore upgrade
 - North Kiama bypass
 - Gerringong to Berry upgrade
 - Shoalhaven River crossing
 - South Nowra duplication
 - Berry bypass by 2008

- b. B-Double access to the Victorian border, for example:
 - Strengthen Clyde River bridge
 - Realign northern approach to Wagonga Inlet
 - Realign Brogo River approach from south
 - Bega township – B-Double alternative design
- c. Elimination of major constraint points on the Princes Highway which render the link impassable due to adverse conditions:
 - Pambula River floodplain
- d. All other sections, bring up to current standards, with progress upgrading to give:
 - Overtaking opportunities every five kms
 - Local rest areas and parking

It is this Council's belief (and also that of the Southern Councils Group, PHocus, SEATS and Australian Business Limited) that the current commitment by the NSW Government outlined in the document 'Action for Transport 2010', which is equivalent to approximately \$380m over 12 years, needs to be supplemented by at least \$400m to bring the highway up to an acceptable service standard. PHocus and this Council have sought that this \$400m be provided under a program such as *Auslink* on a \$ for \$ basis between the Commonwealth and State Governments. Since 2003, the lobbying has generated additional funding from both the State (\$30m) and Commonwealth (\$20.7m). All parties are committed to continuing to apply the pressure and lobbying to generate the funds necessary for the upgrading of this important highway network.

Council has also lobbied hard for the upgrading of the escarpment crossing between Nowra and the Southern Tablelands via the NSW Government declared, Main Road 92 (see Map attached). In 1997 the Prime Minister announced that this part of the link between Nowra and Nerriga would be classified as a 'Road of National Importance'. This announcement was brought about subsequent to much lobbying by Shoalhaven City Council based on the fact that this part of the escarpment crossing was common to a number of different network connections which would deliver to the freight requirement, based upon the sub-region from Nowra to Port Kembla, the most efficient and effective escarpment crossing.

The NSW Government subsequently came to the party and supported the Main Road 92 project and much planning has taken place between Shoalhaven City Council, the NSW RTA and the Commonwealth Department of Transport and Regional Services. Much frustration however has eventuated by the fact that the original budget for the upgrade of \$80m has now been eroded substantially to around \$65m (in 1997 terms), because of delays in the political process within NSW to deliver planning approval and other necessary legislative approvals (National Park boundary adjustments: SEPP 58 approvals for construction of the road in the Sydney water catchment) to the point where early in 2005, despite significant cooperation at

departmental level to deliver the project, the necessary approvals to undertake the project have not yet been forthcoming.

Council seeks via the *Auslink* program to continue the work commenced in this project by joining with Goulburn Mulwaree Council to seek funding to assess the most efficient and effective route beyond Nerriga to the west towards Bungendore and Queanbeyan and eventually on the Hume Highway at Gunning or Yass, and to preserve this route in the regional planning instruments so that the tableland connection can be progressively upgraded to deliver the most efficient outcome to satisfy the regional freight need.

The importance of Main Road 92 is not linked only to the Shoalhaven but also will provide a freight corridor coming out of Gippsland via the Monaro Highway and from Northern Victoria and the Riverina areas of NSW via the Hume Highway corridor to utilise a freight link into the Illawarra in general and specifically to Port Kembla. This route will provide opportunities for export of regional produce using Port Kembla as a port supporting a regional industry base. In the restructuring of the port facilities in and around Sydney the most likely outcome for the Port of Kembla is that it will look to service the Oceania market which is a similar market that the fresh produce from East Gippsland is also trying to address.

It is noted that on the 6th April 2005, the NSW Government announced the approval of \$30m construction project to deliver improved cargo handling at the port. This announcement included an expectation that Port Kembla would see the current tonnage of 600,000 tonnes/annum increasing to 2.77 million tonnes/annum. The project will supplement works which are nearing completion on a multipurpose berth. The importance of Main Road 92 as a corridor between the Monaro and Port Kembla will bring economic benefit not only to the coastal area between Nowra and Wollongong but also to those areas around Cooma Bombala and the fruit and vegetable areas between Dandenong and Sale in the Victorian Gippsland.

Whilst Main Road 92 terminates at Nowra, the connection to Port Kembla via the Princes Highway will need to be improved to complete the link. This will add significant pressure to the Southern Councils Group and partners call for upgrading of the Princes Highway between Kiama and Nowra to a 4 lane, dual carriageway pavement by 2010.

Rail Infrastructure

With respect to rail transport, the south coast line is a lateral which emanates from Sydney and runs through Wollongong/Port Kembla to Bomaderry on the northern bank of the Shoalhaven River.

Whilst it does supply an important service to the Manildra Group's starch mill, because of its inability to provide direct connection with most other industrial areas of importance to Nowra based business (including ports) only limited other freight is carried by rail beyond Wollongong.

The difficulty in moving freight through Sydney, and more specifically between Hurstville and Sutherland is also a major inhibitor with regard to rail freight along the South Coast Line. Triplication of this line (Hurstville to Sutherland) specifically for freight may provide a solution.

From a purely parochial perspective, a freight intermodal facility in proximity to the junction of the Hume/Monaro/Main Road 92 would be of immense benefit to the freight task in and out of Shoalhaven. Over the years, this has been proposed by Yass, Gunning, Goulburn and even Canberra. A possible expansion of the current intermodal depot at Tarago could be considered within the matrix.

Shoalhaven industry has a vital interest, along with Wollongong and Port Kembla in such a facility as much of the freight from the coastal industries needs to go south and west, mainly to/from Victoria. By transfer to rail, containers could be moved from the roads for the majority of the journey.

Linking Regions with markets

Shoalhaven City Council along with many other regional economies is concerned with Government at all levels creating solutions for the metropolitan and inter-metropolitan networks. Council concedes that the freight task in these centres is enormous.

However, for non-metropolitan regions to grow, trade (or freight) needs to be achieved with other regions, a number of metropolitan markets and export port facilities of seaports and international airports.

The linking of agricultural produce from the Gippsland with markets in Oceania can be achieved by links through the Princes Highway/Monaro Highway/Main Road 92/Princes Highway corridor. Similarly timber from Bombala, Canberra and Tumut through Port Kembla crossing the escarpment at Main Road 92.

Conclusions:

1. Good access by industry to and from ports (both airports and seaports) is essential. Whether the medium is by rail or road it should be efficient and effective, delivering realistic costs to the producer/consumer.
2. As not all generators of freight are in metropolitan areas, acknowledgement of the inter-regional freight task needs to be acknowledged in all Government policies and programs.
3. Additionally, the value adding in the production/manufacturing chain needs to be recognised and appreciation that inter-regional trade needs to be encouraged before or after product moves through a metropolitan or regional port.
4. The network approach is vital to all freight efficient tasking. All levels of Government need to address the access issues of freight to the inter-regional corridors. Major impediments such as rivers, mountain ranges and floodplains need to be addressed in a

wholistic way. Cooperation is essential, but more is required. Once committed to a project, there must be a willingness to deliver and complete the link to allow the network to reform and prioritise.

5. The introduction of intermodal facilities needs to be planned. Cooperation between all levels of Government, in concert with the private sector is essential for delivery of an effective network. Sub-regional hubs will also need to be developed to allow regions to capitalise on the broader rail/road network.
6. Just like the internet, the strength of the network is determined by the weakest link. The macro network will be even stronger if in the deliberations, consideration is given to the micro regional links that develop freight for export and deliver regional economic growth.

Signed by

RD Pigg

General Manager

Main Road 92

