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Damian Colclough
Executive Director, Freight Industry
Transport for NSW
18 Lee Street
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Dear Damian,

Draft NSW Freight and Ports Plan

I am writing in regard to the NSW Government's draft *Freight and Ports Plan*.

ARTC believes that state Freight Strategies play an important role in reinforcing the importance of freight and ports to the national economy and in ensuring that the state's freight and ports systems are well positioned to respond to emerging markets, challenges and opportunities.

ARTC welcomes the opportunity to comment on the draft NSW plan.

I believe that consultation between TfNSW and ARTC is increasingly effective and note that many of the issues in the Plan are being discussed regularly and in detail through our quarterly meetings and other ad hoc engagement. In general, I believe that there is good alignment between ARTC and TfNSW in relation to future development of the rail network servicing freight.

Specifically, ARTC would like to acknowledge the positive position adopted in relation to the Inland Rail project in the draft *Freight and Ports Plan* and *Future Transport Strategy* documents. In particular the acknowledgement that it is a once-in-a-generation project that presents an opportunity to reconfigure the regional NSW freight network and optimise regional freight movements through efficient linkages to NSW ports and the development of freight hubs along the 1,700 kilometre route. The project is being delivered by ARTC and we welcome the support afforded by the NSW Government including TfNSW in advocating for the project and in assisting in its delivery.

The draft strategy documents have also highlighted a number of specific initiatives that relate to the ARTC lease network, both for freight and passenger development. I look forward to continuing discussions with TfNSW on further developing and to progressing these.

Given the ongoing discussions around many of the specifics in the Plan, this submission is limited to three high-level issues that we consider to be critical and which deserve focus and emphasis in the final Plan.

Land-Use Planning

ARTC believes that freight has traditionally been under prioritised in metropolitan and urban planning. Integrated planning for the growing freight and logistics task, as cities like Sydney grow, needs to be recognised as essential for a well-functioning and prosperous city, recognising that urban freight is growing faster than any other freight task in Australia. Efficient freight movement through urban areas needs to be on an equal footing with other important planning outcomes such as urban renewal, affordable housing, efficient passenger transport networks, liveability and sustainability.

Preserving a dedicated rail freight corridor and intermodal terminal sites to serve the logistics / employment lands in Western Sydney, particularly around the Western Sydney Airport site at Badgerys Creek and Eastern Creek, is a key priority.

The collective Sydney planning and transport documents released on 19 March have a good recognition of freight and ARTC welcomes the identification of extensive land around the Western Sydney Airport as “potential future industrial / employment land” in the Western Sydney District Plan. The Greater Sydney Commission also appears to have recognised the value of agglomeration of freight activities and has acknowledged the value of such activities progressively consolidating in that region in the future. The consistent recognition of the Western Sydney Freight Line is also pleasing.

ARTC welcomes the culmination of this planning and the release on 26 April of draft corridors for four major future road and rail infrastructure corridors by the NSW Government. We understand that TfNSW and other NSW government agencies have worked hard towards identifying and to progressing these critical corridors including the Western Sydney Freight Line and Outer Sydney Orbital. It is our understanding that discussions TfNSW has had with stakeholders about these corridor preservations to date have been positive. ARTC looks forward to the next steps in the process and is a keen and willing participant in consultations TfNSW may seek regarding these freight-critical connections.

Now that the draft corridors have been released for public comment, it is critical that the State move quickly to implement the proposed zoning and to finalise and acquire the rail corridor following public feedback.

I note that NSW's view is that it is preferable for the market to identify and acquire potential terminal sites. While ARTC agrees that it is better that terminals are commercially driven, there is also a risk that the difficulty of connecting potential sites to the WSFL may cause sub-optimal outcomes, particularly given the need for an efficient terminal to be up to 2 km long and the desirability of integrated warehousing. I believe that there would be value in our discussing mechanisms to help support the efficient development of intermodal terminals.

Finally, moving forward it would be desirable to reinforce through the planning system a preference for industrial and logistics industries to increasingly locate in the Badgerys Creek / Eastern Creek area and to reduce fragmentation by refocussing the large number of small industrial areas around Sydney toward local activities such as waste collection, concrete batching and motor vehicle services.

Heavy Vehicle Pricing

The current heavy vehicle charging system has a significant number of inefficiencies that act to inhibit productivity in the freight and logistics sector, which has flow on effects for the wider economy. As you are aware there are strong arguments that the current system leads to an under-recovery of expenses reasonably attributable to heavy vehicle use of the road network. This has implications for the allocation of resources by government and on the decision making by participants in the freight industry who respond to the advantage provided to road freight through this system.

ARTC supports a reformed system of heavy vehicle pricing whereby price signals are provided to heavy vehicle users of road infrastructure based on the introduction of direct charges that fully reflect the actual costs of road infrastructure access, use and maintenance. Such a charge would be regulated by an independent body. This price signal would result in more efficient use of land freight infrastructure and productivity benefits for freight and transport operators. Such benefits would be felt in metropolitan areas including in Sydney, which has Australia's most severe road congestion and is expected to worsen in the coming years. This system would also provide state government road agencies with certainty in funding to undertake investments in areas of the transport network that have the greatest need.



ARTC would be very pleased to see a strong endorsement of road pricing and investment reform in the *NSW Freight and Ports Plan* and in particular a commitment to accelerating the implementation of reform.

Technology

ARTC recognises that there will be a significant increase in the number of freight and passenger services across the rail network, including the ARTC network, in the coming decades as the NSW economy and population continue to grow. ARTC endeavours to provide all of our customers with a high quality of service and is keen to take advantage of the potential growth in the rail task while ensuring we continue to maintain our service quality.

Roll-out of ARTC's Advanced Train Management System (ATMS) and the NSW Government's proposed Advanced Train Control System (ATCS) will be critical to maximising the potential of the rail network for both freight and passenger services in this growth environment. These advanced safe working systems are critical to achieving a safe, efficient and effective NSW rail network. ARTC would like to see the *Freight and Ports Plan* give greater prominence to these initiatives.

Interoperability of these systems is also critical to ensure that the enhanced safety benefits from ATCS and ATMS can be realised across both our networks and that rail operators, and by extension their customers, can realise these benefits at minimal cost and with minimal additional technological requirements. ARTC has been working closely and cooperatively with the NSW Government on this key issue. It is keen to ensure this continues into the future and to this end would like to see its importance acknowledged in the Plan.

Once again, we appreciate the opportunity to be able to engage with NSW on developing the future direction of freight. If you would like to follow-up on anything in this submission, please do not hesitate to contact me.

Yours sincerely

Simon Ormsby¹
Group Executive, Strategy and Corporate Development