

22 October 2024

Dr Kerry Schott AO, Mr Lucio Di Bartolomeo, Dr Hermione Parsons  
Freight Policy Reform Program Panel  
C/O Transport for NSW

Dear Dr Schott, Mr Di Bartolomeo, Dr Parsons,

The Business Council of Australia represents members from across the economy, many with extensive operations in New South Wales. This includes companies that are directly involved in the freight industry, as well as freight industry customers and suppliers. The BCA welcomes the work that NSW is developing to ensure that the state has the policies and projects in place to support efficient movement of freight.

There is a selection of issues that have been raised by BCA members in the recently released Freight Policy Reform Interim Directions Paper that we have feedback on for the Panel's consideration:

#### **Reliability and availability of the network**

The reliability and resilience of the transport network remains an important issue for BCA members.

BCA members have told us that given the lower emissions profile of rail, there is a desire to increasingly move more freight by rail, provided it can achieve reliability and cost competitiveness. The reliable operation of the rail network in the face of both extreme weather as well as interactions with passenger services, is particularly important if the Government is going to succeed in encouraging more freight on rail. This will involve working closely with the ARTC and Federal Government.

We note the discussion around the Country Regional Network and grain lines. It will be important to prioritise expenditure on elements of the rail network most in need, however given the permanency of excising sections of the rail network, review of the grain lines must be undertaken as a genuine consultation with industry users. In respect to the Country Regional Network, the state needs to balance the operational complexities raised in the paper with the efficiencies achieved through private stewardship.

On the road network, the upgraded motorways in Sydney and new regional bypass infrastructure provide more consistent, high-quality routes for freight. Bypassing local roads and avoiding traffic lights greatly assists with travel time reliability. This type of work should continue to be part of the state's investment priorities, along with more local targeting of network pinch points and last mile access needs.

Projects such as the Outer Sydney Orbital and Western Sydney Freight Line will improve travel time reliability and should remain part of the short-term corridor protection and long-term planning for the state.

## Land use

We recognise the critical need to deliver well located housing, and the fact that underutilised industrial areas provide large-scale opportunities to do so in inner city areas of Sydney.

However, the retention of strategically located industrial land around major transport nodes is an important issue for BCA members. This is particularly the case around the major ports and airports. Extended distance (where industrial land has been displaced) can create operational inefficiencies, adding extra trucks to road networks and creating further congestion and bottle necks. This then results in further emissions, additional congestion, and triggers the need to bring forward other transport infrastructure investment.

A balanced approach that recognises the needs of freight and industry is required in this discussion, and this is appropriately reflected in the paper.

The Panel should also consider whether there are unrealised opportunities for take up of industrial land outside Sydney that have high quality transport linkages. For example, examining land availability around Newcastle and the Lower Hunter, which has high quality rail freight connectivity. This may become particularly relevant in a scenario where Newcastle becomes a regular container port.

## Ports

NSW has the benefit of three major ports, all of which are privately operated. Legislative changes by the NSW Government removed the preferential treatment for Port Botany and Port Kembla in respect to the container trade. In that context, the BCA supports the position that the NSW Government should allow each port operator to pursue their own competitive approach in respect to future development, including operation of new container terminal facilities. The goal should be to have a strong and competitive port network for exporters and importers, relying on private capital to provide the waterside investment needed to support overall growth. The Panel should therefore support competition between the port operators in respect to container trade, allowing market forces to determine the most efficient allocation of containers.

The Government must continue planning for quality landside connectivity to each port, in partnership with the Federal Government. Projects including new motorway infrastructure between Sydney Gateway and Port Botany, the Lower Hunter Freight Corridor, and the Maldon to Dombarton rail line are often raised as future infrastructure to support the major ports. The BCA's view is that government funding decisions to advance these projects should be based on robust business case work that demonstrates they are needed and a high priority for limited government capital. In the meanwhile, they should continue to form part of future planning and protection approaches.

In respect to landside access to Port Botany, the BCA supports efforts to improve modal shift to rail, noting rail's importance as part of the broader decarbonisation effort for the freight sector. To this end the Panel should encourage a faster stand-up of 600m port shuttle services. There should also be a renewed focus on the implementation of the national voluntary guidelines for landside stevedore charges.

The Panel should also recognise the impacts and opportunities of Federal projects on the connectivity with the ports. For example, there are opportunities for better connecting regional areas in northern NSW to the Port of Newcastle given the upgrades delivered by Inland Rail. The Federal Government's proposed high-speed rail project between Newcastle and Sydney has the potential to free up capacity on the existing Main North line for freight services.

## Aviation

The BCA encourages the Panel to consider the inclusion of aviation in its work. While the major airports and air services are federally regulated, they are a key part of the NSW economy, and their landside infrastructure is serviced by the NSW Government. Furthermore, the state government should put forward a view on how the Federal Government regulates those airports given the impacts it may have on freight movements more generally.

One issue is that under Federal law, once Western Sydney Airport opens, overnight freight services to Sydney Airport will be banned from operation. This removes choice for operators, many of which will have continued daytime freight operations at Sydney Airport, given that the majority of air freight moves in the hold of passenger planes. The legislation also is severely limiting of what freight aircraft can operate overnight, a list which is outdated and not reflective of the latest aircraft and their lower noise profiles. The Panel should provide policy direction to the NSW Government on this issue.

I trust these inputs are helpful to the Panel's deliberations and look forward to the final version of the Panel's paper.

Yours sincerely



**Wendy Black**

Executive Director Policy  
Business Council of Australia