

Tamworth Regional Council – Freight Policy Reform Submission.

Question One

Response

In relation to the above six matters, are there particular aspects of policy that are causing challenges to your business operations or efficiency?

Tamworth's economy has the potential to capitalise on growth opportunities and align to the New South Wales (NSW) annual Gross Regional Product (GRP) growth of 2.1%* through further integration with supply chain networks.

Tamworth Regional Council transports 50,000 tonnes (over 2,000 containers) per annum of freight to Port Botany. Despite the region's strategic importance, current freight infrastructure and policy pose significant challenges, hindering efficiency, competitiveness and economic potential.

Currently, primary freight corridors (road and rail) bypass the Port of Newcastle, which is closer and more accessible by rail for Tamworth based businesses. Port Botany access is congested, rail is not given priority over passenger trains, and this forces freight onto the road network.

Utilising the Port of Newcastle would result in annual savings of over \$1.16 million for local producers and a reduction of over 1.6 million tonnes of CO2 emissions.

Tamworth has developed an Intermodal with QUBE to allow containerised freight direct access to Port Botany, which became operational in March 2024. They acknowledge that container export via the Port of Newcastle will introduce efficiencies (cost, time, carbon) for the area. Tamworth's largest (international) export industries (in terms of value – as per 2022/23 NIEIR figures) were food product manufacturing (\$270 million) and agriculture (\$57 million).

These industries are also among the largest employers in Tamworth – employing around 3,300 people (approximately 10% of total workers) as per NIEIR data for 2022/23. Considering the significance of these industries, the region's economy would benefit substantially from initiatives to increase the competitiveness of these sectors through reduction of supply chain costs.

Additionally, producers in the region have voiced their support for initiatives to further develop the Port of Newcastle. In 2022 (in an article titled 'Deal struck to unshackle Newcastle port' which appeared in the Northern Daily Leader of 8th November), NSW Farmers supported 'an unrestricted' Newcastle Port as it could 'save \$2.8 billion for farmers over three decades.

Similarly, Business NSW (its Regional Director for the New England North West) also voiced its support for 'quicker ways of moving products from our region to major shipping and logistics hubs on the coast' (in an article titled 'businesses aim to turn region into engine room of trade between India and Oz' which appeared in the Northern Daily Leader of 3rd June 2023). Business NSW has noted that such developments can be beneficial in ramping up productivity across the region's agriculture and manufacturing sectors.

The need for enhanced port access will also increase as the region's population grows. The Tamworth Regional Council Local Government Area (LGA) is targeting a population of 100,000 by 2041 (articulated in the Blueprint 100 Strategy). This represents a 53% increase from its current population of 65,246 (as at end June 2023, as per the estimates of economy.id based on Australian Bureau of Statistics data).

* As per National Institute of Economic and Industry Research (NIEIR) data compiled by Informed Decisions (id), from 2003 to 2023

Furthermore, several key projects in the region stand to benefit from improved port access. These include the Tamworth Global Gateway Park (TGGP) a 246-hectare development which aims to primarily attract heavy industrial/industrial enterprises and boost the regions and NSW's economy. (As mentioned previously, the park contains a rail intermodal facility operated by QUBE.)

Another 120-hectare business park is also being developed in Tamworth by Hunter Land which too is targeting industrial and transport/logistics companies.

Similarly, the one billion dollars pledged by the Grains Research and Development Corporation (GRDC) for research, development and extension, will benefit surrounding areas like Narrabri and could also increase their demand for port access.

Considering these multiple factors, further development of the Port of Newcastle can provide a significant boost to Tamworth, the wider New England North West region and NSW.

Current Road Freight Corridor



Source: Transport for NSW

Current Rail Freight Corridor



In relation to the above six matters, are there particular actions – short, medium or long-term, that you think the NSW Government alone or together with the Australian Government should take to support the efficient operations of your business?

Short-term:

- Immediate recognition of Newcastle as a future container terminal and the most important port for north east, north west and central west producers.

Medium-term:

- Upgrading the Kamilaroi and New England Highway to improve safety and capacity for freight transport.
- Continuing to invest in regional intermodal terminals and distribution facilities at strategic locations to facilitate efficient mode transfers.
- Making planning faster, removing barriers to industrial development.
- It would be beneficial if more support is provided to educate regional exporters and importers of potential opportunities for exports/imports to encourage greater usage of intermodal etc. facilities. Additionally, more support to link intermodal facilities etc. with road transport companies to enable end-to-end services for customers would also be beneficial.

Long-term:

- Continuous investment in advanced technologies to modernise freight operations, ensuring sustainability and resilience.

- Expand inland rail connectivity and rail intermodal facilities, to enable better connectivity between regional areas and between regional areas and metropolitan areas.
- Recognise the risk posed by over-dependence on Port Botany and expand alternative ports such as the Port of Newcastle.

Question Two

Do you have recommendations or issues to note about rail freight policy?

Response

The Future Transport Strategy of Transport for NSW notes how due to ongoing economic shifts, there will be changes to freight flows from Regional NSW to key ports. It also emphasises that Inland Rail, Special Activation Precincts and Regional Job Precincts will boost regional economies and position regional businesses to take advantage of global markets. Any changes to rail freight policy should respond to these shifts and changes.

As a general principle, it is important that rail freight policy responds to and complements the growth aspirations of regional areas like Tamworth.

As articulated before in this document, Tamworth's growth aspirations include expanding its population (to 100,000 residents by 2041). In addition, 'Tamworth Tomorrow' (the economic development strategy of Tamworth) seeks to grow its existing industries (agriculture, meat processing etc.) and diversify into new/emerging sectors (visitor economy, agri-tech etc.). The strategy also emphasises improving overall business productivity and efficiency.

It should be noted that objectives of 'Tamworth Tomorrow' specifically refers to 'enhancing regional transport connectivity and efficiency'. Improvements in rail freight policy in the region clearly complement this objective.

Overall, inland rail capacity and connectivity between the region and ports as well as other areas of the country should be improved. As the Future Transport Strategy articulates 'in NSW, major commodities, including steel, beef, forestry, grain and other agricultural produce are expected to increase'. As production and population increases, rail freight capacity too should expand.

To increase connectivity between regional areas and between regional areas and metropolitan areas, it is important that more investments are also made in rail intermodal facilities. Where such facilities exist – such as in Tamworth's case – support should be provided to make best use of such infrastructure.

For instance, there could be potential benefits of exploring synergies between rail freight and trade policies. Also, regional exporters may not be as aware as their counterparts in metropolitan areas to act on opportunities stemming from improvement in rail connectivity. Awareness efforts and advocacy could assist in this regard.

In addition, the following specific recommendations/suggestions could be beneficial to Tamworth in terms of rail freight policy changes.

There is a need to improve connectivity between Inland Rail and critical junctions, including the Narrabri Junction that will bring freight between the Inland Rail and Tamworth via Werris Creek.

The axle load limit between Tamworth and Werris Creek is required to be upgraded to 25TAL.

Anecdotal reports from exporters in the northwest indicate that users have found it difficult to access Port Botany. It is not known if this is due to congestion in the port itself or congestion on the line from Werris Creek to Sydney.



Question Three

Do you have recommendations or issues to note about ports?

Response

Some of the points relating to this question have already been covered in detail before in this document.

These include recognising the importance of aspirations of regional areas like Tamworth in rail and other infrastructure policy, supporting the growth (population and industrial) ambitions of regional areas and improving overall capacity of transport infrastructure and expanding rail intermodal facilities.

While these may relate more to inland rail infrastructure, it should be noted that to realise the full benefits of improved rail and transport connectivity, clearly the ports in the region too need to expand/improve. This indicates that the synergies between inland rail and ports, as well as the synergies between wider transport infrastructure developments and ports should be considered thoroughly in policy decisions.

The primary issue with port policy is the oversight on Newcastle's future container terminal status. This needs immediate revision. As pointed out previously, unlocking the potential of the Port of Newcastle in this manner can provide a substantial boost to regional exporters located in areas like Tamworth. Increasingly, as the intensity of carbon emissions become an important issue, opportunities to carbon emissions by reducing the length of the journey to the port can provide a competitive advantage to such regional exporters.

It should also be emphasised that regions like Tamworth rely heavily on Port Botany at present. For such areas, having an alternative port in the form of the Port of Newcastle is useful both from a risk mitigation and a competition viewpoint.