

Transport for NSW
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Our Ref:
Date:

25822527
23 October 2024

Dear Sir/Madam

FREIGHT POLICY REFORM: INTERIM DIRECTIONS

Thank you for the opportunity to provide feedback to the Freight Policy Reform: Interim Directions Paper (FPRIDP).

Whilst the broad range of matters discussed in the paper are of interest to Wollongong City Council (Council) to support efficient and sustainable freight supply chains in the State, this submission is focussed on transport networks associated with the industrial lands specifically the Port of Port Kembla and broader connectivity of the Illawarra to Sydney.

This submission builds on Council's previous submission and the strategic work and stakeholder engagement undertaken by through the Economic Development Strategy 2019; Wollongong Industrial Lands Review 2023, the Wollongong Retail and Business Centres Strategy 2023 and draft Integrated Transport Strategy (underway).

The Port of Port Kembla provides an important economic role for the region and the State which includes:

- Deep sea port operations with potential to expand outer harbour
- Importation and storage of cars
- Importation of cement and in the future aggregate, sand and gypsum which is critical for the construction industry across Sydney - this includes supplying construction material to support development Southwest Sydney and growth around the Western Sydney Airport
- Export of steel, coal, mineral concentrates and grain
- Concept approval for a container terminal (2012), which includes reclamation of land in Port Kembla's Outer Harbour. The identification for Port Kembla to develop a container terminal once Port Botany has reached capacity is a long-established position of both the Port and NSW Government.

Importantly, Port Kembla is also home to BlueScope and other nationally significant manufacturers. BlueScope is investing significant resources into the future operations of its Port Kembla facilities and is also embarking on a transformational plan to repurpose 200 hectares of surplus non-steel making land for a range next generation multi-industrial precinct with emerging industries such as clean energy, education and defence.

The future of the State's freight network needs to support the opportunities for Wollongong's industrial and business lands including the critically important Port of Port Kembla and BlueScope lands and other regionally significant employments lands in the precinct.

Wollongong is the regional capital of the Illawarra Shoalhaven Region with a workforce of more than 700,000 within a one-hour commute. The region's population is expected to be greater than 550,000 people by 2041. The Region is expected to grow faster than the rest of NSW at a rate of 30% from 2021-41, with Shellharbour experiencing 39% growth, with a particularly high rate of growth in families with children. 79% of the local labour

force of 185,000 employed people in the Region work within the Region and 16% work outside the Region mostly in Greater Sydney. More people commute into the region for work than commute out.

Port Kembla is an asset of strategic national significance responsible for handling diverse cargo through 18 berths, including motor vehicles, machinery/equipment, bulk agricultural, bulk mineral, bulk liquid and construction cargo. It handles almost all of NSW's motor vehicle imports and is the largest grain export port on the east coast of Australia, connecting farmers and producers with the world. It has direct rail links with Greater Sydney and regional NSW and is ideally located to support current and future renewable energy industries, including offshore and onshore wind, critical minerals and green hydrogen. Port of Port Kembla proximity and access to Sydney's west and south west means Port Kembla is well positioned to handle the expected growth in freight volumes. Wollongong is also emerging as a global clean energy hub with a number of major projects in green hydrogen production, dual fuel power generation, gas pipeline and terminal infrastructure planned or already operating across the region.

NSW Second Container Terminal

We are concerned over the FPRIDP recommendation to reverse the established position for Port Kembla to be operate as the state's second container terminal once Port Botany reaches capacity. Page 48 of the FPRIDP recommends that:

- "1. NSW Government should not determine the location for a second container terminal in NSW at this stage, instead recognising Port Botany will remain the key container port for NSW for the foreseeable future.*
- 2. Whilst Port Kembla and the Port of Newcastle are able to pursue the activities they wish, the government does not need to provide additional infrastructure to assist these ports develop container terminals"*

This change of position regarding the use of Port Kembla as a future container terminal will result in the delay of planning required to establish rail and road enhancements and connections necessary to accommodate future freight demands in the Illawarra and freight destinations in Sydney and beyond. This has further implications for industrial lands that also rely on this network to diversify and expand.

Freight and Passenger Rail Connectivity – Illawarra to Western Sydney

Identification and planning of future rail connectivity between the Illawarra and Western Sydney should be consolidated and given priority to support the timely delivery of a rail network that supports sustainable growth in the region. While the FRPID states a preference for new freight lines to be dedicated to freight, new dual purpose lines should not be ruled out as use for freight and passenger purposes can make beneficial rail connections viable in areas outside of Sydney.

Page 22 of the FPRIDP recommends to

- "9. Build on the current work in identifying the corridors to provide a dedicated freight network in metropolitan Sydney and connecting to the Hunter and Illawarra, with a preference for dedicated freight rail lines moving from an implied to an explicit policy by incorporation of this into a NSW Government master plan"*

The lack of any explicit reference to the Maldon-Dombarton freight rail link and elements of the FRPID paper that reference the Outer Sydney Orbital (OSO) project imply that the OSO is to be the primary or only freight rail link between Western Sydney and the Illawarra. The OSO project is envisaged to provide a dedicated freight rail link and motorway without provision for passenger rail services. The NSW Government *Future Transport Strategy* identifies a potential corridor for fast rail within an area also generally identified for the OSO stage 2 in the FRPID. Furthermore, the NSW Government is commencing work a plan for the South Coast Line dubbed the *Illawarra Rail Resilience Plan* which will:

- Assess the current performance of the existing network as well as alternative corridors to identify options on network-wide solutions.*
- Compare options, such as upgrades versus new infrastructure, to determine the best value for taxpayers and meet the current and future needs of commuters.*
- Build on and formalise studies and assessments and deliver a unified plan for the future of Illawarra rail."*

There is a need to align the various NSW Government projects that address future rail connectivity between the Illawarra and Sydney (including the Western Sydney Aerotropolis) to identify the preferred future freight and passenger rail network in the region.

Maldon-Dombarton Rail Line and the South West Illawarra Rail Line

In addition to the change in position on Port Kembla as the state's second container terminal, we are concerned that the report does not recognise the potential benefits of the Maldon-Dombarton Rail Line.

Port Kembla is able to leverage Sydney's existing container supply chain infrastructure, for instance intermodal terminals and warehouse/logistics operations, which can be enhanced in connectivity with the future construction of a Maldon-Dombarton Rail Line.

Port Kembla is the next closest port to the State's largest population centre of Greater Sydney and is closest to the growth centres of Western and South Western Sydney. Port Kembla is 70 kilometres from South Western Sydney which is comparable to the distance from Port Botany and stands in contrast to the 200 kilometres to Port of Newcastle.

The drivers for Maldon-Dombarton Rail Line have changed significantly since the original proposal was developed in the 1980s. The future population of Western Sydney is significantly higher than forecasts of the 1980s, increasing the demand for consumer products and catalysing the development of the Western Sydney Airport. The Illawarra region will play a significant role in supporting the importation and production of essential goods for Western Sydney, and this rail line will ensure these goods are able to be transported by rail rather than thousands of trucks per year.

The South West Illawarra Rail Link (SWIRL) (also referred to as the Maldon-Dombarton Rail Line within a freight context) is the necessary infrastructure link to enable the future operation and growth of the economies of the Illawarra and south western Sydney. Linked to Port Kembla, the SWIRL presents a complete freight bypass to the congested east West corridor of Sydney. As a dual track line, it also links passengers from the growth centres across the Illawarra and the growing substantial population of southwest Sydney and subsequent growing interconnectedness of our two regions. A passenger line will support business employment and leisure trips from Wollongong and Western Sydney by transferring single occupancy vehicle trips from Picton road to a more sustainable mode of transport.

This project is included on Infrastructure Australia's priority list, with a medium-term time frame of 5-10 years. It is still at stage one of the process early stage proposal with the recommendation that the NSW government identify and analyse potential investment options as part of stage two of the assessment framework. Further information in support of the business case for the SWIRL (and Maldon Dombarton) is provided in Attachment 2 to this submission.

There is no mention of the Maldon-Dombarton Rail Line or the South West Illawarra Rail Line (SWIRL) project in the FPRIDP. The SWIRL proposal should be advanced with necessary planning undertaken to enable corridor reservation and shaping of surrounding land use and future development. A lack of action may lead to much more challenging and costly establishment of the corridor and compromised outcomes.

The Minns Government have committed to investigation of rail connections for both passenger and freight east-west of the Illawarra Escarpment, connecting the Illawarra to the Aerotropolis. This work is set to be informed through the *Illawarra Rail Resilience Plan* in 2025.

Resilience of Regional Road and Rail Networks

While the FPRIDP generally addresses actions for preparedness and recovery with respect to disasters and disruption, resilience should be recognised as another driver to delivery rail network enhancements particularly in the Illawarra where crossings of the Illawarra escarpment are limited and create significant vulnerabilities for the movements of people and goods.

Improving the resilience of the regional road network which has been severely impacted by weather events in recent years should be a priority. For example, in April 2022, storms saw the closure of the South Coast and Illawarra rail lines for two weeks causing major disruption to both freight and passenger rail movements. Meanwhile, the region's other key freight rail connection, the Moss Vale-Unanderra line, was out of action for six months due to land slippage. Further details about the impacts of these disruptions on key local enterprises is contained in the press release from Business Illawarra which was issued shortly after the event in July 2022 (Attachment 1).

Constraints and Reliability Impacts

The FPRIDP recognises that rail freight travelling to and from Port Kembla by the Illawarra Line is constrained by passenger rail services in the region. Freight services can be delayed for extended periods as passenger services are given priority. As mentioned above while the FPRIDP recommends any new rail freight lines be single purpose lines there is still benefit to providing new dual purpose rail lines in regional locations for the broader economic growth and connectivity of Wollongong to Sydney.

The FPRIDP addresses a number of different road network constraints such as load limits and congestion that restrict heavy vehicle access in certain locations. There should be greater recognition and actions to address the existing limitations of regional freight corridors for oversize and over height items which presents a barrier to new and emerging investment opportunities such as the importation, assembly, manufacturing and distribution of renewable energy infrastructure.

Further to the above, there are also capacity limitations and reliability concerns on the Moss Vale rail line.

In conclusion, the future resilience and economic vitality of Wollongong's industrial lands including the Port of Port Kembla and nationally significant manufacturing precinct relies on appropriate transport investment into the road and rail to support freight corridors.

Council calls on the further Freight Policy to make recommendations as necessary to support the resilience and growth in regional industries. Further, this policy works should be done in collaboration with the current development of the NSW State Government Strategic Regional Integrated Transport Plans and Rail Resilience Plan. Council welcome ongoing consultation through the development and finalisation of the Freight Policy.

Please contact me should you require further information.

Letter authorised by

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MEDIA RELEASE
FOR IMMEDIATE RELEASE

**BUSINESS
ILLAWARRA**

11 July 2022

TIME FOR A RAIL PLAN: ILLAWARRA RAIL FAILURES A STATE PROBLEM

The region's peak business organisation, Business Illawarra, together with a group of major local companies, is calling on the NSW Government to deliver a rail connectivity plan for the southern rail network that will address the fragility of the region's antiquated rail system, which has been exposed by recent weather events.

Recent storms saw the closure of the South Coast and Illawarra lines for two weeks in April, causing major disruption to both freight and passenger rail movements. Meanwhile the region's other key freight rail connection carrying 200 train services per month, the Moss Vale-Unanderra line, is out of action for six months due to land slippage.

The impacts on key local enterprises included:

- A severe disruption of the supply of metallurgical coal to BlueScope's steelworks at Port Kembla, as well as the export of its steel products;
- The obstruction of access to GrainCorp's Port Kembla grain terminal;
- The Manildra Group in Bomaderry shifted the transportation of its products to trucks at a cost of \$15 million and is required to haul grain supplies through the Sydney train network for the foreseeable future;
- Cement Australia's grinding facility at Port Kembla, which supplies a major proportion of the state's cement needs, has incurred increased costs by moving transport to roads and reduced ability to supply the state's construction sector; and
- Major logistical challenges for NSW Ports, the operator of Port Kembla, and a large number of its tenants.

Joined by these key impacted freight and manufacturing enterprises, Business Illawarra is advocating for the development of a detailed rail network plan for the region with clear timeframes for delivery, together with a business case to support the required upgrades.

"We are deeply concerned about the immediate and long-term future of the region's economy, if it is to continue to rely on antiquated rail links that fail during weather events, without a detailed plan for future upgrades," said Adam Zarth, Executive Director of Business Illawarra.

"Currently all bulk grain, coal, limestone and copper concentrate travelling to Port Kembla from western parts of the state is being redirected through the Sydney rail network, which means that our weak rail infrastructure has become an issue of state significance."

"Businesses need certainty in order to plan their future investments and this issue is becoming too big to ignore, with key companies based here severely impacted, including BlueScope, NSW Ports, Cement Australia, The Manildra Group and GrainCorp."

While there is no detailed plan to address the Illawarra's rail constraints, research commissioned by Business Illawarra at its own cost has found that even without major weather events, freight rail constraints will cost our economy \$230 million annually by 2041.

"Our [proposed solution](#) for a South West Illawarra Rail Link to connect Port Kembla to the Western Sydney aerotropolis and beyond, using the existing Maldon-Dombarton rail corridor at a total estimated cost of \$1.8 billion would create a complete freight and passenger rail bypass of Greater Sydney, support the growth of Port Kemba and a container terminal post-2041 and avert a \$1 billion economic loss due to congestion by 2056."

[REDACTED]

[REDACTED]

[REDACTED] —

Links to Illawarra First directed research on rail connectivity, conducted by the University of Wollongong SMART Infrastructure Facility:

- [Assessing the Impacts of Better Connecting the Illawarra, 2020](#)
- [Upgrading Rail Connectivity Between the Illawarra and Greater Sydney, 2017](#)

About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region's peak business organisation; a not-for-profit advocacy group dedicated to the economic development of the Illawarra.

Regionally significant transport project

South West Illawarra Rail Link (SWIRL – Incorporating Maldon-Dombarton Rail Line)

The South West Illawarra Rail Link (SWIRL) is the necessary infrastructure link to enable the future operation and growth of the economies of the Illawarra and south-western Sydney. Linked to Port Kembla, the State's next container terminal, the SWIRL presents a complete freight bypass to the congested east-west corridor of Sydney. As a dual track line, it also links passengers from the growth centres across the Illawarra and the growing substantial population of South West Sydney and subsequent growing interconnectedness of our two regions. A passenger line will support business employment and leisure trips for Wollongong and Western Sydney by transferring single occupancy vehicle trips from Picton Road to a more sustainable mode of transport.

This project is included on Infrastructure Australia's priority list project, with a medium term timeframe of 5-10 years. It is still at stage one of the process 'early stage proposal' with the recommendation that the NSW Government identify and analyse potential investment options as part of stage 2 of the assessment framework.

SWIRL is an electrified dual track, passenger and freight line along the pre-existing 35 kilometre long Maldon-Dombarton rail corridor. This base option also includes the electrification of the 7 kilometre long section of the existing Moss Vale-Unanderra Line between Dombarton and Unanderra. Freight trains would mainly travel between Port Kembla, using the South Coast Line between Coniston and Unanderra, then onto the SWIRL and arrive at Maldon. There have also been two complementary extensions to the first proposal, including:

- SWIRL-WSA: a 30 kilometre long extension of SWIRL towards the future WSA, electrified, dual purpose (passenger and freight) line.
- SWIRL-St Marys: an 18 kilometre long extension of SWIRL-WSA to St Marys and the future Western Sydney Freight Terminal and a dual purpose, dual track electrified connection to the Main Western Line for passengers.

In just over a decade, by 2036, the South Coast Line will be at capacity for passengers and freight; the Port Kembla Container Terminal will be only five years away and population growth at Wilton will necessitate the construction of a station and a rail connection to the Main Southern Line, delivered most cost-effectively by the SWIRL.

By 2050, the population of the Illawarra is expected to grow by 60,400 and the Wollondilly by 50,000. Commuters from the Illawarra to Greater Sydney will grow from 26,000 (in 2016) to 46,000 by 2041 and from the Wollondilly from 16,000 (2016) to 39,000 by 2041.

Benefits:

- 15-20 minute faster journey between Wollongong and Western Sydney by 2041 for 18,500 daily commuters, providing a productivity gain of \$73M per year.
- Removal of rail and road bottleneck developing in the Illawarra that by 2056 will result in a \$1B economic loss.
- Relieve rail and road congestion through the east-west Sydney corridor by providing a freight bypass to the South West. Congestion also relieved in major roads connecting the Illawarra and south-western Sydney: Picton Road, Appin Road and Heathcote Road.
- Reduced time travel cost for commuters.

Addressing regional job deficits: Without infrastructure improvements and other measures, this population growth will see existing jobs deficits deepen across both the Illawarra and the Wollondilly Shire. The 200,000 jobs projected for Western Sydney within 20 years present nearby opportunities for residents but there are no planned passenger rail linkages between the regions.

Releasing the capacity of Port Kembla: The Illawarra's rail network reaches capacity in 2036 (according to Transport for NSW) and after 2041 the planned container terminal at Port Kembla will add 9,300 additional train paths to the network and a further 1.6 million road trips.

Preventing congestion costs to our economy: It is estimated that by 2041, freight rail constraints will cost the regional economy \$230 million annually, and the productivity loss due to commuting will cost our economy \$680 million.



Extract from draft Wollongong Integrated Transport Strategy:

FREIGHT

OPPORTUNITIES FUTURE HEAVY FREIGHT ROUTES

Port Kembla is one of NSW's key ports and primarily responsible for vehicles (importing) and grain (exporting)¹ and it is slated to become NSW's next container port when Port Botany approaches capacity. The increasing significance of Port Kembla will require a rethink of how freight moves through the region. There are two key moves regarding the future of heavy freight - South West Illawarra Rail Link (SWIRL) and M1 bridge upgrades.

SWIRL

The NSW Government has committed to a number of projects in NSW that segregate rail freight from the passenger network and improving capacity. One of these projects is the South West Illawarra Rail Link (SWIRL)² which presents a complete freight bypass to the congested east-west corridor of Sydney.

SWIRL will address the current risk of 100% reliance on the South Coast Line to Sydney for both passenger/freight rail.

With more freight slated for this rail link to Western Sydney, there will be added benefit of less truck movements on our at capacity roads.

M1 BRIDGES UPGRADE

Some bridges on the M1 limit the movement of oversize loads, resulting in detours and impacts on surrounding communities. Significant increases in oversize and over-mass movements are expected to originate from Port Kembla in the future. Bridges on the M1 should be assessed in relation to these anticipated movements from the Port of Port Kembla and be upgraded as needed to accommodate them.

KEY FREIGHT ROUTES AND FUTURE RAIL FREIGHT OPPORTUNITY (SWIRL)

