Regional Cities New South Wales
NSW Ports Connectivity
Policy Position Paper

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About Regional Cities NSW

RCNSW is an alliance of 15 regional cities from across the state. The alliance aims to grow regional cities in New South Wales (NSW) through increased investment that will build productive, liveable and connected regions.

Our cities are not only strong regional hubs, providing services and infrastructure to local residents and those in surrounding towns and rural areas; they are an increasingly affordable alternative for people and businesses seeking to escape Sydney.

Our members are:

- Albury City Council
- Queanbeyan-Palerang Council
- Coffs Harbour City Council
- Griffith City Council
- Goulburn Mulwaree Council
- Maitland City Council
- Bathurst Regional Council
- Broken Hill City Council

- Wagga Wagga City Council
- Orange City Council
- Armidale Regional Council
- Dubbo Regional Council
- Lismore City Council, and
- Tweed Shire Council
- Tamworth Regional Council

Why Regional Cities?

Regional cities are thriving urban centres that provide a high level of economic activity, amenity and affordability (when compared to metropolitan capitals). These cities are strong regional hubs providing a central point to access essential transport, health, business, employment and education and other services.

The services and infrastructure in regional cities are accessed by local residents as well as those in surrounding towns and rural areas - strong regional cities create strong regions.

Due to the service hub role that regional cities play, our member cities can also provide a liveable and affordable alternative to people and businesses seeking to escape Australia's major capitals.

All RCNSW members have scalable infrastructure and services. With the right level of investment regional cities can accommodate a growing population – meaning our members can grow sustainably and share in NSW's growing population.

Regional Connectivity

Australia's economic competitiveness is closely linked to the quality of our national supply chain infrastructure—the ports, railways, roads and airports that link Australian goods and services to domestic and overseas markets.

Connected regional cities are no different and are fundamental to enabling regional economies. These connections should aim to connect regions to each other, as well as to metropolitan capitals and international markets.

Infrastructure Australia noted that between 2011 and 2031, the total domestic land freight task will grow by 80% and that the transport and logistics sectors of the Australian economy are estimated to contribute 14.5 per cent of GDP, making strategic planning critical the nations prosperity[1].

Infrastructure Australia further noted that population growth exacerbates congestion on networks that are already under strain, particularly in urban areas where freight and passenger transport share the same road or rail infrastructure[2].

By 2056, the New South Wales government estimates that the state's population will grow to more than 11 million people, there is also an expectation that freight volumes will double in the Greater Sydney area and grow by a quarter in regional New South Wales.

In more recent times it has become clear that the state's infrastructure needs to be more resilient to the impacts of climate change as a series of natural disasters cut off communities and also important freight networks due to significant weather events[3].

As a result of this growth, physical corridors of road and rail infrastructure will come under significant stress with freight routes impacted – if these challenges are not met, the impacts will be largely borne by exporters time and money.

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[1] https://www.infrastructureaustralia.gov.au/listing/speech/australias-growing-freight-task-challenges-and-opportunities
[2] https://www.infrastructureaustralia.gov.au/listing/speech/australias-growing-freight-task-challenges-and-opportunities
[3] https://www.abc.net.au/news/2022-07-13/blue-mountains-line-landslide-freight-disruptions-passengers/101231140

RCNSW acknowledges the NSW Government's Freight and Ports Plan 2018-2023 and calls on government and industry to collaborate on clear initiatives and targets to make the NSW freight task more efficient and safer so NSW can continue to move and grow[4].

Regional NSW accounts for 30 per cent of NSW Gross State Product (GSP) and 33 per cent of goods manufactured in NSW. Regional NSW's freight task is forecast to grow from 255 million to 286 million tonnes.

Given the significant cost of new infrastructure, the NSW Government has acknowledged they need to work with local government to boost the performance and utilisation of the State's existing roads, rail, ports, pipelines and airports.

NSW Port Connectivity

The NSW Government have identified Port Botany and Port Kembla as the state's priority ports.

Port Botany in Sydney is the main container Port in NSW and plays a major role in the NSW economy as a gateway for international trade as the primary bulk liquid and gas port.[5]

Port Kembla is NSW's largest terminal for vehicle imports and grain exports, and the second largest terminal for coal exports. Port Kembla has been identified as the location for the development of a future container terminal to augment capacity at Port Botany when required (2041).

The Port of Newcastle is also a priority port for NSW as the Australia's largest terminal for coal exports. Due to the shifts in climate change policy, the port owners have a master plan that will allow the diversification and expansion for traditional exports.

Port Botany handles a total of 2.5 million Twenty Equipment Units (TEUs) of freight per year, 440,000 (or 18%) of this is rail freight - the highest volume of containers transported by rail of all ports in the country.[6] Almost 90% of all rail freight heading to Port Botany comes from regional NSW.

Regional producers and policy experts alike have concerns about the congestion encountered at Port Botany - attributed to broader (passenger) rail congestion.

On the Sydney Trains Network approximately five per cent of rail paths are allocated to freight, with another four per cent made available on an ad-hoc basis. NSW legislation requires that passenger trains be given reasonable priority.

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[4] https://future.transport.nsw.gov.au/plans/nsw-freight-and-ports-plan-2018-2023
[5] NSW Freight and Ports Plan 2018-2023
[6] NSW Ports website

Current delays are negatively affecting the producers in regional NSW as their products are being delayed up to 12 hours when travelling by rail into Port Botany - a delay that can cost more than $300 per container or up to $40,000 on a single train arrival.[7] It is further noted that neither Port Botany nor Kembla are equipped to handle the more efficient large freight trains (1800m).

There are similar concerns regarding the singular use of Port Kembla as the state's second container terminal (scheduled to come online by 2041). This facility will also face similar congestion as there is expected to be 49% increase in rail path demand and 21% increase in road trips between Wollongong and Sydney[8].

In more recent times it has also become clear that the state's infrastructure needs to be more resilient to the impacts of climate change as a series of natural disasters cut of communities and also important freight networks due to significant weather events[9].

A clear example of this is in March and April this year when heavy rainfall caused landslides impacting access to both Ports Botany and Kembla, this restricted services and also required those services that could to be routed through Sydney's suburban network. Resilience needs to be built into the state's freight network.

It is on this basis that RCNSW highlights that the Port of Newcastle presents a strategic opportunity to become a key priority port for regional NSW. The port's catchment area extends west to Parkes and north to Moree, taking in Dubbo, Tamworth, Armidale, Narromine and Walgett and will also connect to the Inland Rail (once complete). This port can also take large (1800m) freight trains and does not have same level of entanglements with the urban rail network that impact line congestion and reliability.

RCNSW is making this call as the state's reliance on Port Botany for current and Kembla for future capacity encounters risks for both scalability and reliability particularly as the state continues to grow.

If the Port of Newcastle is to be considered a strategic solution for regional NSW's export capability, current arrangements that require the port to pay compensation to NSW Ports (if more than 50,000 containers are transported annually) need to be addressed to create a more competitive exporting solution regional NSW producers.

RCNSW makes this recommendation as part of the opportunity to update to the NSW Government's Freight and Ports when the plan expires in 2023.

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[7] https://www.graincentral.com/logistics/botany-rail-choke-exacerbates-sydney-container-crisis/
[8] https://www.businessillawarra.com/content/dam/nswbc/businessillawarra/submissions/IA%20Regional%20Strengths%20and%20Gaps%20-%20BI%20submission.pdf
[9] https://www.abc.net.au/news/2022-07-13/blue-mountains-line-landslide-freight-disruptions-passengers/101231140

Recommendations

1. Update NSW Government's Freight and Ports Plan 2018-2023: to reflect the current Port of Newcastle's Masterplan and capacity to support regional NSW businesses seeking to access efficient port services to export their product; and

2. Removal of the container tariff out of the Port in Newcastle: to ensure a cost competitive exporting option for regional NSW producers.

For Further Information:

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