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Submission re NSW Metropolitan Strategy 'High Hopes but Low Expectations'

The Railway Technical Society of Australasia (RTSA) as a technical society of Engineers Australia challenges the present NSW Government to make a 'real difference' in sustainable development and transport. Over time, this will shape the character and values of communities and the built environment of Sydney.

The Government is to be commended for its initial steps in highlighting the impacts associated with 'poor' metropolitan development. These initial steps however must translate into real policy measures that target specific sustainable outcomes. These sustainable development policies then need to cascade into NSW Government agencies' plans, programs and projects.

The Government is also to be commended for the formation of the Department of Infrastructure, Planning and Natural Resources in overseeing sustainable development.

The RTSA considers that future development planning requires a strong strategic focus, with a particular emphasis on transport if issues such as congestion and environmental degradation are to be effectively addressed by Government. This strategic view requires a *managed* approach to Sydney's transport; an approach that will be more than a set of projects developed outside of an integrated plan.

It is useful to reflect on some of the previous transport plans, and why they became less than effective instruments for the Government.

The RTSA suggests that the Action for Transport 2010 transport plan was too project focused, and did not give adequate consideration or guidance to underlying principles that affect modal choice.

By way of example, whilst the Action for Transport 2010 had as its policy the stabilisation of vehicle kilometres travelled (VKT) per capita, there was no guidance as to how this would be achieved. There was an expectation that simply by providing a Parramatta Rail Link, along with a new railway to Castle Hill, and upgrades of the track to Newcastle and Thirroul that mode shift would surely eventuate.

These guiding principles could have stated for example, that the use of demand management techniques on road users (importantly road pricing) would slow VKT growth by X% whilst capacity on heavy rail for new growth areas, along with improved bus interchanging efficiency would see a mode shift of Y%. Furthermore, road capacity growth would be constrained and that public transport modes would be developed to act in a complementary manner and as a substitute to private transport.

Patrick's Corporation has expressed similar concerns about intermodal freight mode share (from an expanded Port Botany). For although an eventual 40% rail mode share has been 'predicted' by Sydney Ports Corporation, there is little confidence that unless this policy is actively managed at higher levels of Government, then sub-optimal results will occur. As a result, large social costs (both localised along road corridors and general community environmental costs) will result. Such external costs are discussed in the RTSA's submission to **the Legislative Council Inquiry into Port Infrastructure in New South Wales (Appendix A)**.

As it now stands 'VKT per capita stabilisation' seem problematic and Action for Transport 2010 appears to have gone by the wayside. Disturbingly, National Environmental Protection (Ambient Air Quality) Measure (AAQ NEPM) show Australia's concentration levels for ozone close to 150% of the NEPM standards (with Sydney the worst performer and continuing to rise).

In regards to air quality in Sydney, from a recent submission to the Productivity Commission in its inquiry into Energy Efficiency from the University of Wollongong and Rail CRC endorsed by the RTSA, it is noted (page 5), from two Bureau of Transport and Regional Economics in reports *The economic consequences of the health effects of transport emissions in Australian capital cities* and *Urban pollutant emissions from motor vehicles: Australian trends to 2020* (which give estimates of the health costs of air pollution from motor vehicle emissions, PM10 emissions and other information), it can be shown that the average health cost of air pollution from operations of cars (and other small passenger vehicles) in Sydney is 2.4 cents per vehicle kilometre. To recover a cost of 2.4 cents per car kilometre in capital cities through fuel taxes would require, assuming an average fuel use of 11.4 litres per 100 km (ABS SMVU 2001 estimate), a **fuel levy of about 21 cents per litre**.

The RTSA questions how the Parramatta to Epping portion of PRL, a new line to Castle Hill and track upgrades to Newcastle and Thirroul could be dropped from the Plan after a state election, when so much ‘due diligence’ was preformed, and how an M4 extension can be considered, which was not ‘on the horizon’ of the Plan? What indeed *is* the NSW government’s current transport policy, when project development priorities change from rail to road?

This is not to discredit the many large transport infrastructure projects, but to reflect on the lack of social context in which projects are preformed. This lack of social context condemns much of the Governments efforts to be reactive rather than proactive – to *predict and provide* (or reveal and react) rather than to *plan, manage and monitor*. The reality is, that once project priorities change the Plan automatically becomes dysfunctional.

The RTSA believes this reactive approach has been brought about by long-term reactionary fiscal policies, rather than progressive social policies that encompass sustainable development and energy use. Whilst acknowledging and commending the Government’s eradication of past profligate spending, the RTSA believes that managerial capability needs to be built back into

Government agencies. Financial resources need to be deployed in order that effective and efficient transport services can be provided for this generation and the generations to come.

Commendable initiatives such as Rail Clearways project are in reality a remedy for past systemic neglect of train reliability and safety. Although the RTSA advocates that Governments have legitimate recourse to debt, it is instructive that debt will be used, in this instance, to remedy a deficiency on existing services, rather than introduction of new capacity (to new release areas).

Similarly, the Strategic Bus Corridors initiative is largely motivated by eradication of inefficient existing contractual arrangements. To what extent does the Strategic Bus Corridors initiative support a NSW Government transport plan?

Financial resources are only one element of ‘sustainable development’. This should be balanced with the other elements of ecological and social development. The Government is entitled (indeed expected) to take on responsible long-term liabilities in order to provide the social and human capital necessary for future generations to exist.

The RTSA urges that the NSW Government give serious consideration to moving away from *predict and provide* approach to the *plan, manage and monitor* model for Sydney transport. Sydney has grown out of its colonial ‘rum rebellion’ past and into a sophisticated, vibrant city, with up to 1000 new inhabitants entering into the Greater Metropolitan Region every week and Gross Regional Product for NSW contributing 36% of the National figure (Sydney’s Economic Geography: Trends and Drivers page 33). Sydney needs a planned urban transport system that enables a socially progressive future for generations to come.

The RTSA specifically suggests that the NSW Government considers:

1. Set targets for environmental outcomes, related to urban transport.
2. Develop policies that target the drivers, pressures, state and impacts related to transport in accordance with Ecologically Sustainable Development principles.
3. Specifically, to introduce demand management policies on private transport that reflects the social marginal cost.

4. Integrate land use planning with transport planning.
5. Invest heavily (directly or in partnership with private industry) in both capacity and service quality of public transport.
6. Integrate modes of public transport so that they complement each other and in some cases the private vehicle; including world-class transport interchanges and world class Intelligent Transport Systems for public transport.
7. Develop a comprehensive intermodal freight plan for Sydney that addresses the competing interests of urban social, environmental and economic development. [note that one such plan was promised in 1998].
8. Acknowledge and commit to an improved land transport pricing scheme.

As above, the NSW Government is to be commended for the metro strategy initiative. However with the likes of many federal and state government papers on transport and related issues, the NSW Government needs to translate initiatives into specific policy measures. To have high hopes *as well as* high expectations, for future generations.

As above, Appendix A summarizes a recent submission re freights and ports. Detailed in Appendix B is an outline of the RTSA's main response to the Parry report. The Parry report recognised and acknowledged the importance of road pricing in Sydney's metropolitan transport planning. A Ten-Point Pricing Plan follows in Appendix C. We conclude with a summary of the RTSA's submission into Sustainable Cities 2025 in Appendix D.

APPENDIX A Summary of submission to the Standing Committee on State Development of the Legislative Council Inquiry into Port Infrastructure in New South Wales

The Railway Technical Society of Australasia (RTSA) - a technical society of the Engineers, Australia welcomes the NSW Legislative Council Committee on Port Infrastructure in NSW. The RTSA supports an integrated approach to logistics that delivers good social, economic and environmental outcomes for all Australians. Further, the RTSA believes that rail can significantly contribute to these outcomes.

Evidence presented in the attached submission demonstrates rail's advantages in distributing large quantities of intermodal freight through the highly urbanised areas of greater metropolitan Sydney, as well as line-haul intermodal freight between Australia's capital cities. However, the submission also demonstrates the severe deficiencies of the existing rail links between Newcastle, Sydney and Port Kembla and notes that the recently released NSW Infrastructure Report Card launched in August 2003 by the Sydney Division of Engineers Australia judged that the New South Wales rail network was only worthy of a D rating.

The expansion of Port Botany (and other ports within NSW) presents both the state and federal governments with many challenges. From a land transport perspective, ports require an efficient distribution network as part of their production process. Just as intermodal terminals are a critical link in the land transport logistic chain, so too the linking of intermodal terminals to inland ports and dockside ports is critical to shortening the links between the sea and land modes. The 'production process' challenge for Port Botany is particularly strong because of limited physical access to the port and the high social cost of road transport. Ad hoc planning for these distribution bottlenecks will strangle economic development and create social problems within the urban form.

The RTSA believes that urban and freight transport impact on each other, and need to be considered in an holistic planning framework. As such it has requested that Auslink and the state governments work together to meet these overall transport challenges.

Historically, the benefits of many rail developments have had long-standing recognition, but many rail projects have failed to be delivered because of a lack of infrastructure funding. The attached submission calls on the release of funding so that these projects can be implemented. The rail projects include a new southern freight access corridor into intermodal terminals, upgraded rail links between Newcastle, Sydney and to Port Kembla along with consideration of completion of the Maldon Port Kembla Railway and the Wentworth rail deviation. Investment in rail infrastructure is urgently required to correct these arterial deficiencies.

The attached submission also advocates funding support for rail infrastructure feasibility plans, and consideration of both higher rail fares and improved road pricing with attention to both congestion pricing within and near Sydney, and mass distance charges for heavy vehicles.

The RTSA advocates a consistent approach for road and rail pricing. The present inconsistency in access pricing leads to inefficient allocation of resources and biases the freight task towards road. In turn, this leads to expensive road infrastructure development to overcome high social and environmental costs.

The submission gives estimates of the current external costs of moving a 40 foot container weighing say 30 tonnes by road from Newcastle to Sydney as \$84.50. This is much higher than an intermodal transfer using a rail line haul from the Port of Newcastle followed by an urban road delivery in Sydney with estimated external costs of about \$16-50. The difference is then \$68. The difference between the external costs of road haulage and the external costs of intermodal movement of such a container between Port Kembla and Sydney is about \$29.

It is important that such external costs are taken into account in both pricing and infrastructure planning. Simply to ignore high external road freight costs is a recipe for putting more and more heavy trucks onto increasingly congested roads.

The challenge for both the state and federal government is to build a ports and intermodal distribution system that is complementary of each transport mode. The advantages of each mode must be matched to the demands of the freight task whilst at the same time minimising the impacts on society. This will be no small task given the open access nature of Port Botany (and other ports), and the private interest property rights of intermodal terminals.

Access rights to these terminals as well as the interconnecting land bridge will be key issues for a regulatory and planning framework that encourages competition and development whilst at the same time delivering good social and environmental outcomes. This is crucial not only for Sydney's development but also for the State and national interest.

APPENDIX B COMMENT ON THE MINISTERIAL INQUIRY INTO NSW PUBLIC TRANSPORT

The views of the Inquiry on the need to address road pricing are appreciated, and we trust that these can be given some support by Government. We are also generally supportive of the draft recommendations for rail fares. However, we consider that more attention needs to be given to the following issues.

1. Section 2.3 of the interim report on page 8 briefly discusses the role of the Commonwealth in urban transport, with comments including:

"In the past the Commonwealth has contributed funding to urban public transport infrastructure. Examples are the extension of the East Hills rail line in the early 1970s and the Merrylands to Harris Park 'Y' link in the 1990s under the Building Better Cities program. However, the Commonwealth's Green Paper on the proposed national land transport plan released in 2002 was criticised by NSW transport agencies for failing to consider future funding for urban public transport. The Railway Technical Society of Australia also comments that: *'[The Government's] AusLink proposals are commendable, but glaring omissions, such as the lack of funds for urban public transport and mainline track straightening near Sydney, demonstrate the lack of understanding of the seriousness of transport issues in [Greater Metropolitan Region].'* "

The influence of the Commonwealth on urban transport is important, and may well warrant more attention by the NSW Government in the following areas:

A. Research to complete a list of earlier Commonwealth contributions of funding to urban public transport infrastructure within New South Wales, also their contributions to urban roads within NSW.

B. Development of a paper of a potential role for the Commonwealth in improving passenger transport in Sydney and other major cities (possibly involving CoAG as suggested by the Productivity Commission in their October 2004 draft report on National Competition Policy). This paper could also contain:

i. Comment on Federal support for urban public transport in other Federations - including the United States and Canada. As noted in our main submission, about 20 per cent of United States Federal funding of land transport goes to mass transit.

ii. Comment on the role of the Commonwealth in taxation measures that actually encourage urban road vehicle use, and discourage use of urban public transport.

2. On page 135 of the interim report re Possible future investments in transport infrastructure a comment is made"

"Upgrades to existing rail lines, including lines to Newcastle and the Illawarra, to increase the frequency of intercity services in line with population growth and to reduce travel times. These, along with other investments aimed at creating faster services, would cost an estimated \$2.55 billion each year or \$51 billion over 20 years."

The NSW Government needs to address in some detail the need for track straightening as identified in the Action for Transport 2010 report in 1998 between Berowra and

Warnervale, and between Waterfall and Thirroul, plus, other locations such as the Wentworth deviation between Menangle and Mittagong (as raised in our submission).

We would also invite clarification of the reference to "**Upgrades to existing rail lines ... would cost an estimated \$2.55 billion each year or \$51 billion over 20 years.**" This is a lot of money, which we suggest would deserve several pages of explanation rather than a few lines. We would also welcome an expansion of the 2001 reports prepared by Mr Ron Christie when Co-ordinator General of Rail of the attributed estimate of capital requirements over the next 10 years (?) of about \$20 billion, plus \$2 billion for rolling stock.

3. As per our main submission, the NSW Government could be doing much more to improve advanced planning of infrastructure upgrades - not only for the metropolitan network, but also mainlines serving interstate freight and regional NSW. This need for advanced planning has been heightened by the NSW Infrastructure Report Card released on 4 August 2003. Rail was given a damning D rating with the comment:

While there have been a number of recent initiatives which are reforming rail management and increasing investment, the future of NSW rail remains uncertain. Inadequate funding and capacity problems of the Metropolitan Network are major issues.

The delay in resolution of the ARTC proposal and the consequential delay in improving the Sydney- Melbourne interstate line is of concern. The provision of public transport infrastructure to service NSW's growth areas remains unresolved.

At the launch the point was made about present generations living off the work of earlier generations. As noted by the media, the D rating shows room for improvement (eg Australian Financial Review, Friday 8 August 2003, Editorial '**Rail and other roads to ruin** which includes: *The award for the most decrepit piece of nationally important infrastructure... goes to the NSW rail network, which is the core of the national rail freight network the Commonwealth is trying to draw together as part of its Auslink integrated land transport plan.*

4 We would urge the NSW Government to address the benefits of upgrading intercity rail services, rather than recommending their discontinuation. If Queensland can successfully introduce a passenger tilt train in 1998 on tracks upgraded for faster and heavier freight trains, and if Victoria can roll out Regional Fast Rail over the next few years, surely NSW can make some effort to improve intercity rail, rather than reduce services.

For example, services to the Northern Tablelands could be improved (rather than cut back) with track upgrades including:- the Berowra -Warnervale upgrade promised in Action for Transport 2010 for 2007 (at least the Final Report could get this project 'Back on Track');

a Fassifern Hexham bypass that would also save time for passenger and freight trains and a new rail tunnel via the Little Liverpool Range (at least one could be planned for NSW as indeed a rail corridor has been protected for the crossing of the Little Liverpool Range in Queensland between Grandchester and Gowrie).

The Queensland tilt trains (electric and diesel) are also of interest in that they demonstrate that people are prepared to pay increased fares for improved levels of service.

5. The RTSA would like to see a commitment to completion of a new Waterfall- Thirroul route, and would trust that a full response is made to the recently released recommendations for the care and maintenance of the existing Stanwell Park Viaduct.

6. The Society would also encourage the NSW Government to encourage the Australian Rail Track Corporation (ARTC) to develop proposals for the 48 km "Wentworth" deviation between near Campbelltown to Mittagong that was noted in an ARTC 2001 Track Audit. This would reduce point to point distance by about 20 km and save freight trains an average of 19 minutes. At an estimated cost of \$218 million, protection of this corridor for a rail deviation should have been undertaken years ago.

7. The Society notes the brief reference on page 33 of the interim report and section 3.4 re 'The potential for expansion of light rail', and hopes that the Government can take a more positive view of its potential for future expansion.

APPENDIX C A ten point transport pricing plan

There is increased interest in road pricing as shown, for example, by the New South Wales Ministry of Transport (2003), and a decision of Australian Transport Council (2002) to adopt a National Strategy for Lowering Emissions from Urban Traffic. This strategy includes *"...programs that encourage people to take fewer trips by car' and transport 'from predominantly fixed to predominantly variable costs [to ...] ensure that transport users experience more of the true cost of their travel choices.'* One approach is given by the RTSA to the Submission to the House of Representatives Environment and Heritage Committee's inquiry into Sustainable Cities 2025 which suggested a ten point transport pricing plan along the following lines.

1. Re tolls

- A. remove toll rebates in Western Sydney, which are costly to administer.
 - B. reinstate tolls at Berowra and Waterfall, with the proceeds being used to expedite improvements of both the Pacific and Princes Highways.
 - C. ensure that the Mitcham - Frankston motorway is built as a toll way.
2. Remove the Queensland Fuel Subsidy Scheme, at least from South East Queensland.
 3. Impose a congestion charge for access to the Sydney and Melbourne CBDs. It works well in London. And/or impose an environmental fuel levy for motor vehicle use in the Greater Metropolitan Areas of state capital cities and Canberra.
 4. Restore fuel excise indexation, with the additional revenue going into improved transport infrastructure. To ensure best use of funds, replace road funds (as enjoyed by the NSW Roads and Traffic Authority) by transport funds (as per Western Australia, New Zealand and as proposed under AusLink).
 5. Ensure that the third determination of heavy vehicle road user charges by the National Transport Commission recovers - at least the populous zone - the full road System costs from heavy articulated trucks, B-Doubles and road trains. At present, these vehicles are cross-subsidised by other road users. Ensure that additional revenue is directed towards not only National Highway System maintenance (to compensate for changes under AusLink), but improved intermodal facilities.
 6. Increase annual registration fees for the heavier four wheel drive vehicles.
 7. Accept a recommendation of the Productivity Commission to hold an inquiry into road provision, funding and pricing. Also have the Productivity Commission examine urban transport.
 8. Increase rail fares, with all proceeds going into a better rail system.
 9. Improved land transport data, with publication of accurate, comprehensive and up-to-date information on all modes of transport, with details of energy use and greenhouse gas emissions.
 10. Ensure that major airports and seaports are not in receipt of hidden subsidies.

Summary of RTSA submission re Sustainable Cities 2025

Cities can only be deemed sustainable when their transport is environmentally sustainable. This is not currently the case in Australia's major cities. For example, between 1991 and 2002 Sydney's population grew about ten per cent, the numbers of households increased by about 15 per cent, car numbers about 20 per cent, whilst road use in terms of vehicle kilometers travelled rose by about 25 per cent. A further such increase in vehicle use

would cause major problems. Instead, people need to be encouraged to walk, cycle or use public transport to a much greater extent than they currently do.

Although Sydney's passenger train use increased during the 1990s, its share of passenger kilometers stands at only 5 per cent. As well, in 2002, the Sydney City Rail System was given a C- rating. The Sydney Greater Metropolitan Region as a whole needs billions of rail "catch up" works over the next decade.

Better rail infrastructure and improved road pricing are two measures that would encourage more use of public transport in our major cities. The congestion costs of road usage in Australian capital cities now exceeds \$12 billion per year. As well, the cost of adverse health impacts due to air pollution from motor vehicle use in Australian capital cities now could be \$3.3 billion a year (BTRE "The economic consequences of the health effects of transport emissions in Australian capital cities" ATRF, 2003).

Although the Federal Government's AusLink initiative is a positive development, it fails to adequately address funding for urban public transport. Government also needs to address congestion pricing for cars in our major cities and mass distance pricing for heavy trucks. Discussion on addressing excessive "automobile dependence" in the Sydney Greater Metropolitan Region which is now home to about 25% of Australia's population was also limited in the White Paper. Recent Federal Budgets could have done much more to encourage sustainable transport, but instead the New Tax System led to cheaper cars, cheaper petrol, cheaper diesel and more expensive public transport. Mainline track straightening, upgrading for faster and heavier freight trains, and the issue of fast passenger trains warrant the attention of Government at all levels.

A supplementary submission from the RTSA addresses the rising international price of oil. The Federal Government is yet to give full attention to warnings of permanent world decline in cheap oil production within the next decade. Signing the Kyoto agreements would help reduce oil dependence, as would reviewing the measures in 2000-01 that lowered the cost of cars, petrol and diesel fuel. Here, if carbon dioxide was charged at \$40 per tonne, Australia's use of now over 17 billion litres of petrol and 7 billion litres of diesel would raise an amount of \$2.6 billion per year.