

Submission

No 30

INQUIRY INTO THE UTILISATION OF RAIL CORRIDORS

Organisation: Tourism & Transport Forum

Name: Mr John Lee

Date Received: 29/02/2012



The Committee Manager
Committee on Transport and Infrastructure
Parliament House
Macquarie St
Sydney NSW 2000

Tourism & Transport Forum (TTF) Submission to the Parliamentary Inquiry into the utilisation of rail corridors.

TTF represents the public policy interests of the leading public and private sector organisations in the transport, tourism, aviation, infrastructure, property and investment sectors. We welcome the opportunity to contribute to the development a strategy to improve the productive use of land in NSW and enhance the integration of land use and transport planning.

TTF is a long-standing advocate of transit oriented development (TOD) both as a means of fostering the sustainable development of our cities and as a mechanism for governments to leverage the latent demand created by mass transit corridors to generate revenue.

From the outset it must be noted that while the inquiry's primary aim is to examine how land surrounding rail corridors may be more productively used, the regular operation of these corridors for moving people and freight must remain paramount. Any development and associated activity, particularly in the air space above rail lines, must be able to occur so as not to directly impede, nor create the potential for impediments to the regular operation of rail services. Similarly, any such development must occur with careful regard to the future expansion of rail infrastructure and not limit options through the alienation of land that could be required in the medium or long term.

With a few notable exceptions, the optimal utilisation of land surrounding rail corridors has not occurred in NSW to the extent that is has in other parts of Australia and internationally. TTF hopes this inquiry will examine in detail the potential for development of land and airspace around rail corridors as well as the regulatory hurdles to overcome in order to improve development outcomes in this area. This submission details the key priorities of TTF and its members for the consideration of the Committee.

Transit Oriented Development

The basic principles of TOD are simple - develop medium to high density residential housing, key services and associated employment opportunities around key transport hubs. It creates strong links between residential and commercial spaces, removing the need to travel long distances for work or leisure.

By ensuring that residents live within a short walk of regular services – principally rail lines, but also bus and light rail – TOD makes public transport a more convenient option. The mix of uses not only creates more interesting neighbourhoods, it is necessary to facilitate more public transport-compatible households. It enables commuters to avoid congested roads by

transferring to a readily available public transport alternative. Public transport is an integral rather than incidental part of transit-oriented suburbs.

Best-practice TOD suburbs integrate different modes of transport. In this way, it helps create a 'critical mass' of public transport in concentrated centres, providing focal points for government funding and attracting private sector investment.

TTF recommends that the inquiry examine the extent to which TOD suburbs – such as St Leonards, Chatswood and Edgecliff – can be established elsewhere across the CityRail network. In particular, sites along the Inner West and Bankstown rail lines should be targeted for increased density, supported by more frequent services.

Park 'n' Ride

On-street parking around most CityRail stations is scarce, and many commuters are reluctant to leave their car parked at a station during the day due to security concerns. Noting the current program of increasing commuter car parking spaces, TTF believes there is further scope to expand park 'n' ride commuting across Sydney particularly in the outer suburbs, where car dependency rates are among the highest in Australia and the walk-up catchment of train stations is relatively small.

Whilst TOD and urban renewal projects will be a key focus for inner-urban and medium density suburbs (generally within a half-hour commute to the CBD by train), improving the appeal of park 'n' ride commuting should be a priority for the outer suburbs and major intercity rail hubs. The inquiry should recommend the establishment of more multi-story park 'n' ride facilities above and adjacent to train stations with direct access to platforms and integrated pricing incentives for rail commuters.

Revenue generating potential

TTF firmly believes that under the right circumstances, governance and regulatory framework, TOD around train stations can deliver a significant ongoing revenue stream for government. The potential for development around rail corridors to generate revenue must be approached on a case by case basis, however there is strong evidence to suggest that commercially driven management of real estate owned by rail authorities can be profitable.

In Hong Kong, MTR (operator of the Hong Kong metro) has successfully employed TODs as a driver of revenue. By playing an active role in the development of real estate above and around large stations, the MTR has significantly increased the value of their air rights and reaped significant additional revenue to the point that real estate development has been their largest generator of profit, reaping HK\$4.67 billion in 2008. A large part of this success is attributable to the premiums paid for residential and commercial space within TODs in Hong Kong. Empirical work undertaken by the Lincoln Institute of Land Policy has shown that for units built within TODs price premiums exceed 30%, which is indicative of the revenue uplift that can be generated through integrated land and transport planning.

Improving connectivity

In addition to development opportunities, TTF believes the inquiry should examine how air space above rail corridors can be utilised to improve connectivity between communities on either side of the corridors. In many instances, development and economic growth

opportunities have been forgone due to the presence of a physical barrier between one part of a city and another.

Opportunities to establish multi-modal interchanges over train stations should also be explored where existing overpasses can provide direct access to station platforms. The need for more seamless interchange will become more pertinent as Sydney shifts to a 'trunk and feeder' network design with limited capacity for buses to move about the inner city. Examples of this can be seen on the Mandurah Rail Line in Perth, where well designed bus-rail interchanges have been very successful in facilitating a high level of multi-modal journeys throughout the city's sprawling South Eastern suburbs.

Governance

TTF believes alternative governance frameworks must be considered in order to bring a more commercial focus to the management of Railcorp's real estate holdings. For example, under the Victorian model VicTrack was set up as a separate public agency to manage the state's rail lines as well as associated lands and infrastructure. VicTrack owns rail infrastructure and leases it to The Victorian Department of Transport for operations. It also carries out the following commercial functions:

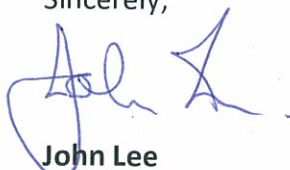
- Property leasing and licensing of surplus railway land;
- Providing telecommunications services using surplus railway network capacity;
- Outdoor advertising;
- Commercial property development; and
- Environmental programs on railway lands such as remediation of contaminated land.

VicTrack's commercial activities provide a revenue base for it to fund improvements in areas such as signalling, station upgrades and level crossing removal projects. Importantly it provides a revenue stream for government – in 2010-2011, VicTrack posted an operating profit before tax and depreciation of \$211.3 million.

Noting the government's current review into improving the cost efficiency of Railcorp, TTF believes greater separation between the control of assets, infrastructure and operations should be considered. With regards to the inquiry terms of reference, the VicTrack governance model comprehensively addresses each point, and should be regarded as a best practice model in optimising the utilisation of rail corridors.

TTF hopes the committee can incorporate a range of views, including our own into its findings and recommendations. Ultimately, I believe this inquiry is a vital and necessary step in delivering real outcomes in integrated land use and transport planning. Should you wish to discuss any of the issues raised in this submission please do not hesitate to contact Trent Zimmerman, TTF National Manager, Transport on 9240 2047 or tzimmerman@tff.org.au.

Sincerely,



John Lee
Chief Executive