

**No Port Enfield Community Group ( NoPE )**

**submission to**

**Port Infrastructure in NSW Inquiry**

**Jan 2004**

## Port Infrastructure - Our Concerns

No Port Enfield Community Action Group (NoPE) is a group of people and businesses concerned about the impacts of the proposed Enfield intermodal terminal.

The proposal by the Sydney Ports Corporation to build a 60 Hectare intermodal terminal on the site of the Old Enfield Marshalling Yards in Sydney was initially announced in September 2001. The facility, located in a predominantly residential area and dubbed "Port Enfield" was promoted as an "inland port", and sought to operate 24 hours a day 7 days a week, and generate up to 600,000 truck (semi-trailer and B-double) movements per annum on local and regional roads.

Members of the NoPE group have campaigned against a number of proposals for intermodal terminals at the Old Enfield Marshalling Yards in Sydney. In 2002 NoPE wrote a strong and comprehensive submission to the Milton Morris AO Independent Review of Sydney Ports Corporation Enfield terminal, and members have made many presentations to various community, environmental, industry and government groups on freight rail and intermodal terminal issues.

This submission is a brief summation of the views of NoPE on the issue of port and transport infrastructure, particularly freight rail.

**NoPE continues to oppose any plans for an intermodal terminal at Enfield / Chullora in Sydney, and we also oppose the present plans by Sydney Ports Corporation for \$ 580 million 60 ha. expansion of Port Botany by reclamation of Botany Bay.**

In our view, **projected trade growth would be better handled by a more equitable spread of the expected growth** in shipping containers **among the four existing working ports** of the Greater metropolitan area of Sydney - Newcastle, retained facilities in Sydney Harbour, Port Botany and Port Kembla.

NoPE believes that Sydney Ports Corporation, a corporatised quasi-government body is driving the push to expand Port Botany primarily to expand their own bottom line. However we question whether what is best for Sydney Ports Corporation is necessarily what is best for NSW as a State, and whether it provides **the best value for the taxpayers of NSW** who are funding this Port Botany expansion proposal.

Sydney Ports Corporation ( "SPC") are competing against, rather than pursuing complementary strategies with, the ports of Newcastle and Port Kembla, both of which presently have existing and under utilised infrastructure including berth space, port side land and port side rail connections.

We suggest that an equitable spread of the container freight task among the existing ports would minimise the economic, social and environmental impacts of the huge projected growth in container trade on Sydney whilst providing jobs and growth for Newcastle and Port Kembla.

NoPE accepts that there will be an increase in trade growth and more specifically growth in the number of shipping containers handled. Whether that rate of growth is 5%, 6% or 7% is debatable. We would like to see estimates from other bodies, independent of Sydney Ports Corporation, for example shipping industry groups or transport industry groups, to provide a comparison to the SPC figures.

Provision of port infrastructure is long-term, big picture spending, and expenditure should be made with the very long term view in mind. We need to consider who / what / where this port infrastructure will service in 20 - 50 years time.

In our view, having followed this issue closely for some years, the NSW Government's recently announced Ports Growth Plan, the two pages of which are available publicly, fails to take into account the long term view, the provision of land side infrastructure, and the disastrous environmental consequences of an expansion of Port Botany, or the economic and social implications for the people of Sydney, Newcastle and the Illawarra that arise from an expansion in Botany Bay rather than use of existing facilities at all four greater metropolitan ports.

**We cannot and should not justify the expansion of Port Botany** in the heart of a choked and congested city **by saying we need it to service industry and commerce in 'Sydney'**, when that **industry is itself being pushed further north and south** towards Newcastle and Wollongong by urban sprawl and population pressure.

We cannot provide port infrastructure without a plan for and provision of land side transport for the movement of those containers to and from the wharves. To do so, is to put the cart before the horse.

Port Botany and its precinct face traffic gridlock, not only from increased port traffic, but from an expanded Sydney Airport, the Cooks Cove proposal, and the huge Green Square development.

## **Port Botany expansion - the head of the monster**

Sydney Ports Corporation ("SPC") **proposes reclaiming 60 ha of Botany Bay next to their existing facility for a major expansion of Port Botany.**

This proposal will enable a doubling in the volume of cargo handled by the terminal over the next decade and triple it by 2025, SPC estimates say 3 million TEU's (twenty foot equivalent units) by 2025.

When plans for the Port Botany expansion were initially touted in "*First Port, Future Port, 2001*" part of SPCs strategy for dealing with this increase in container numbers was the Port Enfield intermodal proposal.

Theirs was a two pronged approach, with the inland intermodal terminal at Enfield - a rail / road interchange for the containers expected to be railed to and from Port Botany - as one part of the strategy, and expansion of Port Botany as the other.

It was anticipated that 40% of containers handled by Botany would be railed to / from Enfield. Port Botany was the head of the monster, fuelling the beast, and Enfield was the tail. There was, of course, a sting in that tail.

In March 2002 following outrage at the Enfield proposal by residents, businesses, local councils and local government groups, the then NSW Transport Minister, Hon Carl Scully MP announced an Independent Review of the Enfield intermodal proposal to be conducted by a former NSW Liberal Transport Minister, Mr Milton Morris AO.

In February 2003, following a lengthy review process, Mr Morris AO found in his report that **"the current proposal for Enfield was unacceptable and not to proceed in its current form."** Minister Scully concurred with his findings, and the planning and EIS process for Enfield were stopped.

Further key recommendations in the Morris report included:

- That a major reassessment of intermodal terminal demand and potential sites be urgently conducted involving all relevant bodies.
- That the Commonwealth Government should immediately release funding to improve freight rail access within the Sydney metropolitan area and specifically to enable the construction of the Chullora- Macarthur freight line.

The report recommended a network of smaller intermodal terminals, so that containers may travel closer to their final destinations by rail.

The final origins / destination of container cargoes has been plotted by SPC based on an Origin and Destination study conducted in 1998. NoPE believes that the data gathered more need updating for a more accurate and timely result based on a wider sample. Given the importance of planning transport infrastructure it would be desirable to conduct a wide survey across as many "players" as possible. We acknowledge that some in the industry may consider information of this nature to be "commercial in confidence" but it is essential for the ongoing benefit of the industry that planners get it right.

NoPE has continued to campaign against the development of a intermodal terminal at Enfield, and to campaign for the expected increase in container trade growth to be spread more equitably among NSW four current ports. Because the expansion of Port Botany and the Enfield intermodal proposal are just two parts of the same proposal, **we also are strongly opposed to the expansion of Port Botany.**

It is the view of NoPE that SPCs "Port Enfield" proposal may have been "stalled", but an intermodal terminal at Enfield remains firmly on their agenda. Indeed, in the recent *Sydney Ports Corporation Annual Report 2003* p. 10 Chairman David Field states

"In addition, the proposed Enfield Intermodal Terminal remains an important component of our ports strategy. ...The Corporation will be pursuing Government endorsement for the important project to be reconsidered and ultimately approved for development..."

It is widely acknowledged that there is a shortfall in intermodal capacity in the Sydney metropolitan area, but the Port Botany proposal should not proceed without supporting intermodal capacity, with predictions made by SPC in the 2004 Port Botany EIS ( Appendix P ) that 40% of containers will leave Botany by rail ultimately **depend on a freight rail network capable of handling 1.2 - 1.3 million TEUs per annum.**

This necessarily includes network upgrades, and intermodal capacity to transfer those containers to road and hence to their final destinations.

**Even so, 1.8 million TEUs will be need to be transported by road from Port Botany, double the number trucked at present.**

We question whether Sydney's road capacity, especially in the Botany precinct will cope with this forecast. Already the M5 is widely perceived to be clogged, and this is only set to worsen with increased population densities and lack of public transport. Moreover, while the project cost of the Botany expansion is projected at \$580 million at present, external costs to be borne by the taxpayer including road maintenance, transport corridor upgrades, etc will run to many millions, perhaps billions more.

## **Enfield - wrong place, wrong time**

Proposals for intermodal terminals at Enfield ( three major proposals since the 1970's) have failed to take sufficient account of local and regional road traffic issues. A proposal in the early 1990's by (then) National Rail for a 30 Hectare terminal at Enfield was subsequently moved to Chullora, some 1.5 km's away and approved after a Commission of Inquiry added 30 conditions to the approval.

Road traffic issues proved to be a major stumbling block for the National Rail proposal at Enfield. Whilst Enfield's proximity to major roads linkages ( Hume Highway east - west, and Roberts Rd / Centenary Dr north - south) is held up as an advantage by proponents , it is this very proximity that limits traffic planning / road reconstruction options and works against the proposals when scrutinised.

It is our view that road traffic issues are the fatal flaw in intermodal proposals for Enfield because they fail to take account of cumulative local and regional impacts with many huge traffic generating developments such as the Sydney Produce Markets, Australia Post mail centre, Sydney Olympic Park, Rookwood Necropolis, Pacific National intermodal at Chullora, already in existence.

Truck routes planned to service SPCs Enfield proposal include King Georges Rd to the M5, Roberts Rd / Centenary Drive (already acknowledged by the RTA to be at saturation at various intersections), the M4 motorway, and the Hume Highway east and west of the site. Experience has shown that trucks often "rat run" on local streets to avoid congestion and a number of fatalities have occurred on local roads in truck involved accidents.

The Morris report also highlighted a number of crucial factors that were emerging logistics issues in Sydney resulting in nearly all parties and interest groups agreeing that more intermodal capacity was needed, but there was far from universal support for Enfield as the preferred option.

Some parties in the trucking industry criticised the Enfield option, referring to it as " infield " - a reference to its position in the inner ring of Sydney, far from the industrial western and south western areas of Sydney where a large percentage of containers are originated / destined. It may have been in the outer metropolitan area once, many years ago, but for Enfield, plans for intermodal terminals are too late.

Another matter Mr Morris raised for consideration is the Westlink M7 (Western Sydney Orbital), which was then a plan and is now a reality (under construction). This provides a north south link from Ingleburn / Crossroads in the south through Blacktown and beyond, servicing existing and potential industrial / commercial areas. The importance of this link to the transport industry had been recognised some time ago with transport firms buying land along the corridor. It also provides a direct link from intermodal terminals in the Macarthur region to the west, and potentially the northwest.

## **Lack of Transport Planning - freight rail, the forgotten task**

Failure to take into account cumulative local, regional and indeed state wide impacts of developments is symptomatic of a crucial underlying problem - there is no "plan" to take Sydney and the entire Greater metropolitan area, including Wollongong and Newcastle, into the next 25 - 30 years, let alone longer.

In 1968, the *Sydney Region: Outline Plan 1970 - 2000 A.D. State Planning Authority* produced a principles diagram showing the strip of coastline Newcastle - Wollongong and showing four port facilities with interconnecting road rail corridors as well as proposed urban areas in the Sydney basin.

Whilst urban sprawl in the greater metropolitan area has far outgrown predictions, at least they had a plan for transport and growth.

It is our view that a lack of planning for major infrastructure, particularly integrated transport infrastructure including road and both freight and passenger rail, is resulting in contradictory, haphazard and inappropriate developments that impinge on the functionality of Sydney for its residents and industries.

## **Future Growth of the Greater Metropolitan Region**

Planners say that because of Sydneys' geographical ( physical ) constraints over the next 30 years, growth will be in the south west and far south west, extending along the Southern Highlands corridor towards Goulburn; in the Illawarra, South Coast; and along the Central Coast extending towards Maitland and the Hunter Valley in the North.

Population pressure and urban consolidation policy and spiralling property values will see industry shift towards those less densely populated areas and away from the inner ring of Sydney. In the next 30 - 50 years, Newcastle and Wollongong / Port Kembla will simply be suburbs of Sydney, and they will be more closely placed to the industrial areas than will Port Botany.

Already it is quicker to move a container from Port Kembla to areas in south west Sydney including the Macarthur region, Penrith, St Marys, Wetherill Park, and Badgery's Creek than it is to truck it there from Port Botany. As industry is pushed outward, the disadvantage of Port Botany will grow, the attraction of Port Kembla and Newcastle will become more apparent.

Fortunately Newcastle and the Hunter region, and Wollongong and the Illawarra and South Coast regions are both keen to see the throughput of freight shipping at their port facilities increase, providing a basis for further regional development and of course providing much needed local jobs.

## **Modal shift to freight rail**

Over the last ten to fifteen years there has been an increasing international revival of freight rail and in Australia the push for a modal shift of freight to rail is gaining pace, in our view justifiably so, for its economic, social and environmental benefit.

NoPE is generally supportive of the modal shift to rail for the freight task, but believe that any such move must provide acceptable and effective means of mitigating the local environmental down side of such moves, particularly in urban corridors where diesel locomotives haul freight on otherwise electrified lines.

Our local residents, many of whom have lived along the rail corridor servicing Enfield for many years, point out that there is a big difference between the heavy freight trains operating now, and the trains that Enfield has traditionally seen.

Noise and vibration along these freight routes are real issues. In addition, diesel locomotives produce high levels of particulate air pollution. These are issues that require innovative, effective, and often expensive amelioration.

However, it is of concern that with the signing of the ARTC agreement as discussed below, a federal corporation may have control and responsibility for these issues / problems. This leaves open the possibility that, as has happened with the Federal Airports Corporation and Mascot Airport, a remote "service provider" who has no local connections or concerns will fob off complaints from locals who have little recourse.

## Rail - the Big Picture

The development of rail networks in the States of Australia has been a hotpotch, miss-match of rail gauges and operating systems, resulting in a largely fragmented national non-system.

Over the last fifty years, the dream of a national system slowly became reality as the mainland capitals were slowly joined with a standard gauge rail network, with Sydney - Melbourne in 1962 being the first joined. The recent completion of the Darwin - Alice Springs rail line, finally connecting all the mainland capitals by rail is, of course, the most visible and celebrated piece of the Australian rail jigsaw.

In 1997 a National Rail Summit agreed on the need for the interstate network to be operated as a single network, with the Australian Rail Track Corporation established in 1998 to manage and operate the "defined interstate rail network".

Recently NSW signed a track lease agreement with the Australian Rail Track Corporation. The agreement includes an \$ 872 million investment package for upgrading of freight rail in NSW. This includes \$ 180 million to build the Southern Sydney Freight line from Macarthur to Chullora, providing a dedicated freight link from the Melbourne - Brisbane line and Sydney ports, \$ 175 million for upgrades between Macarthur and Albury, and \$ 123 million for the Maitland to Queensland border lines.

Although not mentioned in the ARTC documentation, NoPE is keen to see the completion of the 80% finished (but shelved) Maldon - Dombarton rail link, which would provide direct dedicated freight access from Port Kembla to the Macarthur region, constructed as one other piece of essential freight rail infrastructure.

In its Action for Air, and Action for Transport 2010 documents, the State government promotes a modal shift to freight rail as a strategy for reducing air pollution in Sydney, by reducing truck numbers, and truck kilometres. If it were truly serious about this objective, it would plan for / provide freight rail infrastructure necessary to rail containers to intermodal facilities located in areas much closer to their final destinations, the industrial west and south west of Sydney.

In addition, transport planning to take the greater Sydney region 50 - 100 years into the future must include corridors for rail and sufficient adjacent land for intermodal facilities.

## Alternatives

It is our view that there are viable and sensible alternatives to the present Port Botany reclamation / expansion that should be explored now.

Patricks have gained approval for upgrades of their Botany terminal facilities, which will improve their efficiency and allow them to handle 1.3 million TEUs by 2016 - doubling their present capacity without any need for further expansion.

When combined with the P&O terminal capacity it appears that the current so called "urgent container crisis" may indeed be a red herring, **giving us the next few years when we must find a workable, equitable, efficient answer to our freight transport needs.**

In addition it appears that there is not universal support within the shipping industry for the present Botany expansion proposal. Recently Globe Star Shipping presented a discussion paper "Sydney Ports - Thinking Logical Logistics" in which it presented an alternative strategic plan for efficiency upgrades at Port Botany.

Newcastle, with the former BHP site, has existing berth space, many hectares of available land, and a strong desire to see more jobs in the city. Newcastle has the potential to handle up to 1 million TEU's p.a. and has existing rail links to the site.

Port Kembla has a natural deep water harbour, existing berth space with more under construction, excess road and rail capacity following the closure of previous industry and a downturn in the coal trade using the Port.

Like Newcastle, Kembla is keen to see an increase in shipping, whether it be containers, roll on roll off cargo such as cars, or bulk or break bulk cargo. Port Kembla is ideally located to service south and south western Sydney as well as south coast and local markets.

Both of these ports argue that any additional land side transport costs associated with moving containers to Sydney are offset by cheaper berth charges and shorter waiting times for ships entering the ports.

Moreover, there is an argument to be made, especially for Newcastle, that if a major port facility is built, industry will come, especially as the Hunter Valley does not have the constraints of the coastal escarpment that is a problem for the Illawarra.

A trend in international shipping is for lines to minimise their ports of call, and we can see why one ship would not want to call at four ports. However there is, in our view, no reason why different shipping lines couldn't use different ports. Not all players in the market want to, or can afford to, use Port Botany.

One argument used to rationalise expansion plans is that international shipping lines want to come to "Sydney". With tongue in cheek, may we suggest that this could easily be achieved by simply renaming ports "Sydney North" and "Sydney South".

### **Request to appear before the Inquiry**

We would like the opportunity to address the Standing Committee on State Development on behalf of our community, to expand on the views expressed in this brief submission and to respond to any particular issues that may arise during the course of the enquiry.

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