



**SUBMISSION TO THE
NSW GOVERNMENT'S *DRAFT NSW
LONG TERM TRANSPORT MASTER PLAN***

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INTRODUCTION

Thank you for the opportunity to make a submission to the NSW Government's Long Term Transport Master Plan.

WSROC represents ten Western Sydney councils – Auburn, Bankstown, Blacktown, Blue Mountains, Fairfield, Hawkesbury, Holroyd, Liverpool, Parramatta and Penrith. These councils serve a population of 1.7 million people and with rapidly growing populations, face significant challenges in the years ahead. In fact, the cultural, social and economic diversity of Western Sydney makes it a microcosm of the broader Sydney community.

GENERAL COMMENTS

1. CBD Focus

The Draft Long Term Transport Master Plan acknowledges the need to look beyond the CBD-centric radial transport system yet many of its priorities still indicate an underlying CBD bias. This is no doubt a reflection of its response to broader planning issues.

The Draft Plan seeks to integrate planning with transport and to this end efforts are rightly made to identify not only currently constrained transport corridors, but also those where constraints will grow most rapidly as population grows and as employment centres grow.

Accordingly, the Plan seeks to identify areas of housing and employment growth to ensure that transport planning caters for those areas of growth : "We will ensure that future transport solutions respond adequately to demand and that strong corridor analysis that considers emerging needs underpins future decision making."(p82)

However, while this forward planning is welcome, this is largely a passive, reactionary approach. Mere identification of growth patterns is not enough. What is needed is management or direction of this growth in a way that minimises the increase in the number and extent of constrained transport corridors. Specifically this needs to reduce the CBD focus and its associated west-east radial transport structure. This long term demand management involves at least two critical aspects not adequately addressed in the Draft Long Term Transport Plan.

- a) The location of Sydney's projected 1.7 million increase (and Western Sydney's 1 million increase) in population over the next twenty five years. Where these people are housed will have profound implications for their transport needs and thus Sydney's transport system. Specifically, how close will new residential developments be to existing transport hubs and corridors and will they be mainly in greenfield sites or in areas of urban consolidation and in-fill? An approach to planning which allows greater greenfield development, apart from the other problems it creates, will potentially add more to the growth in transport costs than a planning approach which concentrates on in-fill and urban consolidation.

Thus a 2010 study by the Centre for International Economics (*Alternate Growth Paths*) which analysed the transport infrastructure and congestion costs from alternate growth scenarios for Sydney concluded that, compared to the 70% in-fill/ 30% greenfield scenario in the Metropolitan Plan, a 90%/10% scenario would incur \$1.3 billion less in transport cost over the

next twenty five years, while a 50%/50% scenario would increase transport costs by \$2.3 billion more over the same time.

It is important that planning operates in a way that influences people to live along corridors where public transport can be more easily and affordably provided. The Department of Planning and Infrastructure needs as a matter of urgency, working with UrbanGrowth NSW, to identify and support the development of substantial urban consolidation opportunities along existing public transport corridors, and preferably with easy access to employment opportunities and also to a range of community services.

- b) Effective long term demand management requires an approach to planning that is fully integrated in a way that ensures the generation of adequate employment close to where people live so that extra pressures on transport are minimised. If Sydney's planning regime follows the current Metropolitan Plan's projections, the employment shortage in Greater Western Sydney will grow by another 108,000 over the next twenty five years. This would mean an extra 108,000 Western Sydney residents a day commuting east to the CBD, North Sydney and Macquarie Park. This problem is reflected in the Master Plan's own forecasts of an increase in CBD jobs from 317,000 currently to 415,000 over the next twenty years. This increase in predominantly west-east commuter traffic would place unsustainable extra pressure on Sydney's transport system in a way that no affordable amount of extra spending on transport could accommodate.

The Master Plan seems to recognise this problem and talks of "accommodating land use, growth and urban renewal and ensuring land use policies make a positive impact on congestion" (p104). However, it gives little hope that planning is sufficiently focused on solutions. In fact, the graphs on page147 show that even with the initiatives identified in the Master Plan, car travel times along Sydney's six most constrained corridors will be worse in 2031 than they are now. Clearly this does not mean the proposed initiatives should not go ahead, but it does show that they do not represent a sustainable long term solution.

Rather than demand identification, what is needed is demand management to reduce the CBD focus and to prevent this unsustainable growth in east-west travel occurring, or to at least minimise its extent. Thus a significant part of the solution to Sydney's transport problem is a planning/employment solution, not merely a transport solution. Without that, increased expenditure on transport will never really provide a solution.

2. Implementation

A second major concern of WSROC is that while the Master Plan identifies a large number of transport issues affecting Sydney, it seems to lack a coherent implementation strategy and delivery timetable. Without an implementation timetable and the commitment of funding, the Master Plan runs the risk of being seen as a very elaborate wish list that may not translate into action. It is acknowledged that this is partly due to funding constraints and partly the anticipation of the release of the report from INSW and its recommended priorities.

It is imperative that now the INSW Report has been released, a timetable with funding commitments is developed quickly with the implementation of transport priorities to commence soon after. An essential part of this revolves around funding and financing of infrastructure.

As the Draft Master Plan points out, there is an important difference between financing and funding. Aside from the funding limitations, the ability to source affordable finance is another factor which affects the capacity to invest in vital infrastructure in a timely way.

The admission that “we need to be willing to debate and discuss our {funding} options based on reliable evidence and accurate information” (p320) applies to financing as much as it does to funding. Yet this is not happening. It has been clear for some time that state and federal governments, no doubt driven by their respective Treasury advisors, have shown a strong aversion to debt. This is understandable and appropriate if borrowing is being considered for recurrent expenditure, but the situation is quite different when it comes to financing productive infrastructure.

Arguably, borrowing for infrastructure that increases productivity and economic growth should generate sufficient revenue growth to pay the debt servicing costs. For those infrastructure assets which enjoy a rate of return above the cost of borrowing, (not to mention the social and environmental benefits) public borrowing for infrastructure should be at least considered, particularly as governments in Australia can generally borrow at less than commercial rates. This is a debate which needs to be tackled rather than being ruled out by a prima facie rejection of debt.

This matter is considered further in the response to chapter 10.

SPECIFIC COMMENTS

Of the eight “Action” areas in the Draft NSW Long Term Transport Master Plan, WSROC makes specific comment on the following which are of most relevance to the Greater Western Sydney region.

Chapter 2 & 3: Integrating Modes to Meet Customer Needs

WSROC welcomes the focus on meeting customer needs and “actions that bring different modes together to create a seamless, integrated experience.”

A key aspect of meeting customer needs is improving the role of transport in linking households to their places of work and study. Meeting customers’ regular commuting needs is one of the fundamental roles of our transport system, with work, work-related business and education accounting for 47% of all trips. Services in Western Sydney are not always reliable, regular, safe, and efficient, partly a function of service management and partly a function of inadequate infrastructure investment.

Public Transport Services - Rail

For those Western Sydney communities serviced by rail, (and the few serviced by public buses) the main priorities are frequency and reliability of service. During peak hour there is a need for more express services from the outer suburbs to Parramatta and the CBD and between Parramatta and the CBD.

On many services more carriages or more frequent services are needed to reduce the serious over-crowding which occurs during peak periods. Outside of peak hour, services on many lines are

far too infrequent, an issue that requires immediate attention considering the increasing number of people travelling for work or leisure out of traditional peak times. WSROC welcomes the commitment to “additional services in the shoulder peak, off-peak periods and weekends” as short term “rail efficiency measures” (p129) but without more detail it can't be known whether these will have a significant impact or will only produce marginal improvements.

WSROC also supports the stated measures which include improved integrated ticketing, electronic ticketing, aligned timetables, modern interchanges, better real-time information and an upgraded public transport fleet, all of which will help facilitate the use of multiple transport modes.

Public Transport Services- Bus

There is a serious need for north-south cross-regional public bus services. This has been a critical deficiency in Western Sydney's public transport system, leaving many Western Sydney residents no option but to use private motor vehicles. WSROC welcomes the inclusion of a list of bus priorities (p185) as short term priorities and urges an immediate start to the implementation of key strategic bus services.

Key bus routes need to be configured as bus transitways and parking and bus shelters need to be of a sufficient standard to encourage commuters to use these services, at least for part of their regular commute.

Modernising the Transport Fleet

WSROC supports the goal of replacing over 50% of the electric train rolling stock as many carriages at least on the Western lines, are old, uncomfortable and lacking air conditioning. While there have been some improvements to the comfort and cleanliness of carriages in recent years and further upgrades are planned, there is still a long way to go. The intention to increase the quantity of rolling stock by 28% is also supported so long as this adequately covers the increases needed for the South West Rail Link and North West Rail Link as well as planned increased services on other lines.

Interchanges

The location and quality of interchanges is particularly important in either encouraging or discouraging the use of public transport.

Thus WSROC recommends targeted investment in interchanges at strategic rail stations as well as at key bus transit hubs as a means of encouraging greater use of public transport. At many stations interchanges need to be improved to facilitate passenger transfer from buses to trains. Stations easily accessible from major roads and with ample low-cost land should provide substantial parking facilities to encourage “park and ride” commuting and all stations should be designed to facilitate “kiss and ride” usage.

WSROC welcomes the Master Plan's recognition of these issues and is pleased to see Canley Vale, Fairfield, Granville, Guildford, Quakers Hill, Parramatta, Rooty Hill and Penrith listed as priorities as well as “increased park and ride facilities ... as part of the North-West Rail link”. It is important that work on these and others at strategic locations is commenced in the short term.

Investment needs to address issues of safety and security, general appearance, cleanliness and amenity, adequate lighting, accessibility, the availability of weather protection, convenient signage and secure bicycle storage.

Accessibility

Initiatives to upgrade interchanges and stations must focus on increasing accessibility for those with mobility impairment. The construction of lifts at major stations in recent years has been welcome but these need to be more widely implemented.

The provision of community transport options for those who cannot use commercial public transport services and who do not have their own transport, is still grossly inadequate and more needs to be done, preferably working with local councils, to increase the availability of community transport services.

Cycling

The use of bicycles for commuting in conjunction with public transport is very low in NSW compared with other states and territories, with combined bicycle/public transport accounting for only 0.6% of commuter trips at the time of the 2006 Census. However, these numbers are expected to grow and a stated aim of NSW 2021 is to "More than double the mode share of bicycle trips made in the Greater Sydney region, at a local and district level, by 2016."

The provision of secure and convenient bicycle parking facilities at stations is a prerequisite to encouraging multi-modal commuting, with the added advantage that "... parking space for bicycles etc., can be provided much more cheaply and efficiently than for cars, especially where land is expensive or restricted" (Independent Public Inquiry, Long-Term Public Transport Plan for Sydney Preliminary Report 2010).

Chapter 4: Getting Sydney Moving Again

Public Transport

Clearly Sydney's transport system has suffered from years of under-investment by successive governments and Western Sydney has arguably suffered more than most other parts of Sydney.

Four of Sydney's five corridors marked as highly constrained are links between Western Sydney and the east and the projected growth in Western Sydney will seriously exacerbate these constraints.

Investment in transport infrastructure in Western Sydney has not kept up with population growth. The rail network in Western Sydney has not been significantly expanded since the 1930s yet the region's population is now five times the size it was then. The result is that residential growth has been pushed further and further from rail networks, with an increasing reliance on buses and private cars. Yet bus services, either private or public have not kept up and have not been adequately integrated with rail services.

Cross-regional north-south public transport is almost non-existent for most Western Sydney residents and road systems are, in many cases, grossly inadequate. Inadequate planning for freight transport has added significantly to pressure on the region's roads.

Investment in transport infrastructure for Greater Western Sydney must cover the twin objectives of facilitating north-south travel within the region, particularly in the outer suburbs, while still improving travel to and from the CBD as well. The serious backlog in both public and private transport infrastructure means that both need to be addressed as high priorities.

WSROC welcomes work on the South-West Rail Link and the government's commitment of funding to the North-West Rail Link, although it is disappointing that an explicit commitment has not been given to extending the NWRL to the Richmond line.

A number of public transport priorities have not been adequately covered in the Master Plan. These include-

- an extension of the NWRL to the Richmond line
- duplication of the Richmond line
- Parramatta-Epping rail link, either heavy rail or light rail
- extension of and increased frequency of services on the Cumberland Line
- investigation of a Western Sydney Light Rail system linking key centres in Western Sydney
- preservation of corridors for long term outer urban public transport connections
- improved rail freight and intermodal network (see below)

Another concern is the vagueness regarding a second harbour crossing. Given that the decision has been made to route the NWRL via Epping and Chatswood, it is imperative that it is supported by a second harbour crossing, or the congestion for NWRL passengers having to change at Chatswood will be intolerable. The concern is that the Master Plan's timetable for this is "long term" (p132, 159), thus raising serious doubts about it being ready in time for passengers from a completed NWRL.

WSROC welcomes the listing of a number of key Western Sydney corridors for "bus priority work" (p185) including:

- Penrith to Blacktown
- Penrith to Mt Druitt
- Blacktown to Castle Hill
- Blacktown to Parramatta
- Castle Hill to Hornsby
- Castle Hill to the City
- Parramatta to the city
- Parramatta to Liverpool
- Parramatta to Bankstown
- Parramatta to Burwood

It is vital that these priorities are listed for action in the short term and WSROC acknowledges the Master Plan's commitment to "Begin implementation of the Growth Centres Bus Head Start Program in Western Sydney " (p134) and "Start priority works on key roads in Western Sydney growth areas" (p133) in years 0-5 as part of "actions to improve bus networks." Further, it is essential that "future options for bus corridor investment" which include

- Mt Druitt to Blacktown via Western Sydney Employment Area
- Mt Druitt to Castle Hill via Norwest Business Park

- Western Sydney Employment Area to Macquarie Park via West Ryde

- are pursued as high priorities to support the required employment growth in the region.

Private Motor Vehicles

Improvements to the road network are critical for the 75% of Western Sydney residents who travel to work by car (approximately 65% as drivers and 10% as passengers). They are also essential to reduce the economic cost of road congestion, estimated by the Bureau of Transport Economics to rise from \$4.6 billion a year in 2009 to \$7.8 billion a year by 2020.

WSROC welcomes the fact that the Master Plan lists the M4 East extension and the duplication of the M5 as priorities, along with the M2-F3 connection as part of "...a long term plan to complete critical links in Sydney's motorway network." (p76)

The importance of these projects is reinforced by INSW in its "*First Things First*" report which lists WestConnex (M4-M5) and the M2-F3 connection as highest priorities for the 0-5 year time-frame.

The Draft Plan also importantly lists other road "pinch points" in growth centres such as Parramatta as key short term priorities. These must be focused on building connections to all key centres across western Sydney and to employment lands in order to help geographically spread Sydney's economic base.

Chapter 5: Sustaining Growth in Greater Sydney

Integrated Planning

Catering for the projected growth in Greater Western Sydney must be a high priority for Transport for NSW, both in terms of improving services and in infrastructure investment. According to the Metropolitan Plan (2005), Greater Western Sydney will account for 60% of Sydney's total population growth over the next twenty five years, growing from 1.9 million to almost 3 million during that time. This will also mean another 350,000 homes in the region and, if Western Sydney's job deficit is not to worsen, an extra 390,000 jobs.

It is imperative that transport planning is fully integrated with regional planning for housing and employment. As discussed above, while the Draft Master Plan does attempt to cater for corridors with the greatest planned growth, the required whole-of-government approach which minimises the growth in corridor constraints by diversifying the location of employment seems to be missing. As a high priority, planning must focus on generating more employment in Western Sydney to take the pressure off the daily flood of commuters travelling from west to east for employment. On the Master Plan's own projections, this will grow by around another 100,000 over the next twenty five years, a situation that is not sustainable.

Transport planning must play two critical roles in this. The first is to encourage business investment in the region by improving transport linkages which will improve their access to supplies, markets and skilled employees. The second is to facilitate the daily commute for employees to these locations, something which is lacking for many of the region's employment lands.

One of the key issues for Greater Western Sydney is the need for better north-south cross-regional public transport links. WSROC welcomes the commitment that "...future transport planning will focus on moving the transport network closer to a connected transport system {than a radial one} to give our customers new travel opportunities and choices through increased interchange. This will support more cross-city and cross-region journeys." (p56)

Public Transport

WSROC has long argued that one of the major deficiencies with the current system of public transport is the radial system which focuses on transporting people to and from the CBD. This has effectively ignored those needing to travel north-south across Western Sydney, as many do, making those journeys ridiculously long and excessively expensive.

WSROC welcomes the acknowledgement of the need to address public transport issues around Penrith and Liverpool and their links to Parramatta and other Western Sydney centres.

WSROC also welcomes the Plan's commitment to "begin implementation of the Growth Centres Bus Head Start Program in Western Sydney" and to "...transform Sydney's bus system from a radial system ... to a networked system, scaling up bus capacity on cross-city routes" and that "Bus services will integrate with the North West Rail Link".

The list of priorities (p185) contains many key Western Sydney routes and rightly mentions corridors for future links between Blacktown and Mt Druitt and the Western Sydney Employment Lands and Norwest Business Park. However, it does omit some other key north-south routes including connections between Campbelltown/Liverpool, Penrith and Windsor/Richmond.

Consideration needs to be given to implementing a public bus service along the M7 to link with feeder local services to key commercial centres, employment lands and residential areas.

Significantly, specific details on a time table for implementation of many listed projects are conspicuously missing and need to be provided if the public is to have confidence in the Government's commitment to the final Long Term Transport Master Plan.

As part of a possible suite of solutions to address the cross-regional public transport deficiencies in Western Sydney, WSROC urges a consideration of the Western Sydney Light Rail Project proposed by Parramatta Council. This would have the double benefit of building a significant north south public transport network in this part of Western Sydney, as well as servicing Sydney's second CBD, one that will generate many of the jobs needed in the region in coming years. If the results of the feasibility study currently underway are positive, WSROC urges the Government to incorporate this into its planning for Western Sydney's public transport network.

Roads

A high priority must be the major motorways, particularly the M4 East and the duplication of the M5, two critical corridors which cannot cope with current traffic volumes let alone the projected increases as Western Sydney grows. WSROC welcomes the priority accorded to these with the WestConnex projected prioritised by INSW and also welcomes the Government's funding commitment to this project.

The Draft Master Plan acknowledges the projected growth in road congestion in outer Western Sydney corridors, for example “...people travelling from Penrith to Campbelltown or from Badgery’s Creek to Blacktown” and “...the need to find ways to meet this demand in the years ahead.” (p120)

The network of major regional and local roads is also fundamental to supporting business investment and economic growth in the region and WSROC welcomes the “Pinch Point Strategy” (p186) as an essential part of this. These must be considered a high priority for implementation, particularly those which support the new employment areas.

Consultation

In the development for proposals to address intra-regional and local road needs, it is important that Transport for NSW works closely with local councils and relevant ROCs to ensure that transport planning is incorporated into the regional and sub-regional planning process.

Corridor Preservation

WSROC welcomes the Master Plan’s recognition of the need to identify and preserve corridors to allow for future transport infrastructure investment. The failure to preserve corridors now could allow development which would either prevent future transport projects or make them extremely expensive.

The nomination of a corridor for an outer Western Sydney ring road, M9, linking the north-west and south-west growth areas, via Penrith or Werrington is essential and strongly supported. This corridor preservation is also listed as a short term priority by INSW. The other eight Western Sydney corridors identified (p196) and the long term Castlereagh Freeway and possible Bells Line of Road corridor are also important.

Public transport corridors need a similar commitment. While mention is made in the report of preserving corridors for the extension of the North West Rail Link and the South West Rail Link, a stronger, more explicit commitment is needed here.

It is essential that these two lines are eventually connected via the main western line, possibly at Werrington and planning needs to take place in the short term to identify and quarantine these corridors from other development.

Long Term Solutions

As stated in the introductory comments, by the Plan’s own admissions the proposed infrastructure initiatives will not alleviate Sydney’s congestion in the longer term. As the graph on page 147 shows, car travel times on the six most congested corridors will be worse in twenty five years than they are now, even with the infrastructure initiatives proposed in the Master Plan. Clearly, they would be a lot worse without the proposed investments, but the fact that they will still deteriorate with the proposed initiatives, indicates that what is proposed does not provide a solution.

A more comprehensive approach to planning for Sydney’s growth is needed. As a start, this requires initiatives to increase public transport usage. More fundamentally though, as discussed above, it requires a reorientation of planning priorities to:

- a) ensure most residential growth occurs around public transport corridors, and
- b) diversify Sydney's economic centres to generate most of the employment growth closer to where people live, particularly in Greater Western Sydney.

Chapter 7: Supporting Efficient and Productive Freight

Western Sydney Impacts

Improving the flow of freight across NSW is an economic and social imperative. As nearly 30% of Australian containerised imports arrive through Port Botany before they are transported to other locations, most in Western Sydney, freight movement must be a key focus of Sydney's transport needs.

While Sydney's population is growing at a little over 1% a year, container volumes through Port Botany have been growing by 7.5% since its inception, reaching 2 million TEUs last year. Projections indicate that this volume will double within the next ten years and increase by 3.5 times within twenty years. Air freight volumes are projected to increase by 85% over the same time (NSW Government, Port Botany and Sydney Airport Transport Improvement Program, 2011).

The impact of increased freight volumes on Western Sydney will be disproportionately high given the central role of the M5 and M4 in the east-west connections from these gateways and the growing concentration of industrial, warehousing and freight distribution networks in Sydney's west. This makes the proposed WestConnex an urgent priority. However, this in itself is not a solution.

The other key priority must be to increase the proportion of container freight which is carried by rail rather than road. The Government's aim of doubling this proportion should be the bare minimum considering the low current base of only 14% (down from 22% ten years ago) and a suite of measures must be considered to achieve this. Failure to do so will add unsustainable pressure onto road networks, reduce productivity and add to social and environmental costs.

Intermodal Terminals

Decreasing freight dependence on road requires the construction of efficient, high capacity intermodal terminals at strategic locations, particularly in Western Sydney, and the construction and/or upgrading of key rail linkages between those and Port Botany. WSROC welcomes the commitment that these intermodals "will be located on dedicated freight lines" (p272).

A high priority must be the commencement of planning for a major Western Sydney Intermodal Terminal at Eastern Creek. WSROC welcomes the listing of this as a medium term project but the immediate identification and preservation of a corridor for the essential Western Sydney Freight Line link is critical before development make this impossible.

The completion of the South Sydney Freight Line and the Northern Sydney Freight Corridor are essential parts of a rail freight network. WSROC also urges the inclusion of the Maldon-Dombarton Line as a higher priority in order to take some of the pressure off the south-west Sydney region.

It is critical that the planning of intermodal freight terminals take place in a way which minimises the impact on local communities and local transport systems. In this context, while it is recognised

that the decision has been made to construct the Moorebank Intermodal Terminal, it is imperative that on-going consultations occur with Liverpool Council to ensure that local impacts are minimised and that the areas transport system be improved so no negative effects are felt by local residents or businesses.

Management Measures

In addition, management measures are needed to increase the efficiency of freight usage of existing road networks. WSROC supports the consideration of "... road pricing and other demand management measures... to manage growing congestion and coinciding demand for road space between passengers and freight vehicles at peak periods." (p272) However, these measures should be considered immediately, not delayed until the medium or longer term under which they are listed. Efforts must be made now to reduce heavy freight traffic on major roads during peak times. This might be assisted by differential time-variable tolling charges, and/or gate charges at ports and intermodal terminals. Without a significant rebalancing of the cost of road versus rail freight, most freight users will continue to prefer road.

Chapter 10: Funding / Financing

WSROC recognises the competing demands on government budgets and acknowledges the reality that ultimately someone has to pay for infrastructure improvements. In the final analysis this is either transport users or taxpayers. However, that should not preclude a closer analysis of the options, both for funding and financing.

User Pay Charges

WSROC notes that the Master Plan supports "Proposed national charging and investment reforms {which} if agreed, will lead to more direct charging of heavy vehicles for the roads that they use, ... whereby collected funds will be re-invested in transport" (p321).

It is imperative that such revenue is articulated for transport funding and does not find its way into consolidated revenue, or used as a means to reduce otherwise designated transport funding, as so often seems to happen with such programs.

WSROC also notes the Master Plan's consideration of "...consistent distance based charging for the Sydney motorway network" (p328). While the principle of this is understandable, WSROC has real concerns that this would impact heavily and unfairly on disadvantaged Western Sydney residents. Residents on the outer fringes of Western Sydney often live there because they can't afford to live closer to the city and to their work and would be penalised further by having to pay more under a distance-based tolling system.

Where there are no public transport alternatives available, the argument that distance-based tolling would "...significantly increase the efficiency with which we use our road network" (p328) is simply untenable. All it would do is increase the inequity of the system.

For these reason WSROC opposes distance-based tolling for passenger travel unless measures are put in place to protect lower income commuters from the outer suburbs, particularly those who do not have access to a public transport alternative.

WSROC supports “charging a higher premium for parking” in the CBD “... to encourage more people to use high volume public transport options rather than private motor vehicles” (p330) but only if there is adequate secure parking at key suburban stations on all lines to allow commuters to park and ride.

Heavy Vehicle Road Use

The above concerns about distance-based tolling do not apply so readily to heavy vehicle road use. As heavy vehicles create more damage to our roads and generate a higher proportion of the maintenance costs, it is reasonable that they pay a larger proportion of those costs and that this is related to weight and usage levels/distance travelled. Further, in a commercial context, higher road usage costs might increase the attractiveness of rail freight.

Public Private Partnerships

WSROC supports measures to actively explore opportunities for PPPs and private sector financing to transport infrastructure “...where there are clear value-for-money benefits for taxpayers”. It is imperative that this is the over-riding criterion and that past arrangements which have clearly not been in the interests of taxpayers are not repeated. The role of Treasury's Infrastructure Financing Unit must ensure that this is the case.

Value Capture Funding

WSROC supports a fuller consideration of value capture to supplement revenue from a share of the increase in property values resulting from transport infrastructure investment. As a matter of principle this seems to be an equitable approach but careful analysis is needed to ensure that it is applied equitably and that it does not discourage investment.

Commercialising Existing Infrastructure

WSROC supports in principle the exploration of commercialising opportunities associated with transport infrastructure. The recent NSW parliamentary inquiry into the Utilisation of Rail Corridors, considered the commercial use of space above assets such as railway stations. Such measure may help finance the construction of attractive, user-friendly stations and interchanges.

Financing Infrastructure

As stated in the general comments above, the prima facie rejection of borrowing, even for productive infrastructure, has held back much-needed infrastructure investment. The result has been a reduction in economic growth as well as a loss of the social and economic benefits that come with improved transport.

Given that the cost of road traffic congestion alone for Sydney is estimated to rise from \$4.6 billion a year in 2009 to \$7.8 billion a year by 2020, the economic benefits of infrastructure investment must be considerable, and arguably in some cases at least, greater than any associated borrowing costs. Thus from a macro point of view, the case for debt-financed infrastructure investment must be at least worthy of analysis.

For those infrastructure assets which enjoy a rate of return above the cost of borrowing (not to mention the social and environmental benefits), public borrowing for infrastructure should be at least considered. The fact that governments in Australia can generally borrow at less than commercial rates would suggest that finance servicing costs would be less for public infrastructure investment projects than for private ones or PPPs.

A number of economists have recently made the same point. In an article in the SMH (28/11/2011), Deloitte Access Economics director Chris Richardson said the state government should not curtail well-targeted infrastructure improvement for the sake of its credit rating.

"If it comes down to a choice between infrastructure that makes sense and the AAA rating, NSW should go for the infrastructure that makes sense."

He argued that "There is an eminently respectable economic case for borrowing for infrastructure and in NSW, where the need for infrastructure is particularly strong, the ratings agencies should be happy because it improves the infrastructure of the state." He added that the AAA credit rating is not necessarily a test of good government.

These views were echoed by the Grattan Institute's Saul Eslake who said that "An elephant stamp from the ratings agencies should not be the be all and end all of good state government." (SMH 28/11/11)

There is a real need to more fully analyse the benefits of borrowing for productive infrastructure but governments have shown a reluctance to do that.

A 2010 report by Lateral Economics, *Getting Sydney Moving*, commissioned by WSROC, argued that "With the emphasis on minimising public debt and an increasing reliance on private investment, NSW has paid the price in lower growth than would otherwise have been the case if there had been more adequate investment and had it been more appropriately funded." (p2)

Its analysis of Sydney's toll roads constructed over the last two decades concluded that if they had been funded by public borrowing rather than the private sector, there would have been a net gain to the Government of \$5.8 billion over that time (p3, 21).

This is in no way an argument for fiscal laxity, but it is an argument for a serious consideration of the costs and benefits of borrowing for productive infrastructure. This analysis should occur both generically and on a case by case basis.

Chapter 11: Delivering the Transport Master Plan

WSROC acknowledges the consultation that has occurred to date and welcomes the Government's commitment to "collaborate with Regional Organisations of Councils and other stakeholders to develop detailed area plans such as regional transport strategies, city access plans and precinct plans" (p340).

WSROC supports in principle the intention to "explore opportunities for joint planning, delivery and funding of programs with partner agencies and councils" for local infrastructure, so long as these are genuine sharing arrangements that don't constitute further cost shifting onto local councils.

As pointed out above, a key aspect of delivery is financing. Without a financing plan any timetable for implementation will be tenuous at best. The prima facie exclusion of borrowing to finance essential infrastructure makes it much more difficult to fund vital projects that should have been completed years ago and without which economic growth will continue to be retarded.

CONCLUSION

While the Draft Long Term Transport Master Plan correctly identifies a number of the State's key transport priorities and tries to plan for long term infrastructure needs, WSROC's prime concern is with its underlying assumptions.

The problem is the Plan's implicit continuation of the current CBD focus, along with the associated radial structure of most of our transport system. Even though the Draft Plan talks of integration and diversification, there is no evidence that DPI has taken this on board. Without a deliberate change in the focus of planning policies in a way which reduces the growth in numbers commuting between west and east, extra investment in transport infrastructure will still not solve Sydney's "transport problems".

A much more determined whole-of-government approach is needed to re-balance Sydney's growth, to focus most new residential developments along public transport corridors and to ensure the generation of employment closer to where people live.