

THE HUNTER NATIONALLY SIGNIFICANT

Infrastructure priorities for the Hunter Region



Hunter Infrastructure Alliance



The Hunter

The Hunter Region is the sixth largest regional centre in Australia with a population of 617,000. The region has a wealth of natural and man-made attributes, a diverse economy and the capital Newcastle, is centred around the world's largest export coal port. In 2007/8 port trade was valued at \$10.3 billion.

The Hunter provides 33% of Australia's aluminium production, generates 65% of New South Wales electricity, is blessed with world famous vineyards and an equine industry comparable to that of Kentucky and Ireland. The Hunter is a *Growth Region* and is a major contributor to the state and national economy.

Over the next 25 years, the Hunter Region is seeking to build capacity to grow the population by an additional 160,000 people, create 66,000 new jobs, and construct 115,000 new dwellings.

The Lower Hunter Regional Strategy (LHRS) released by the New South Wales (NSW) Government in 2006 provides the framework for this development and guides the availability of adequate employment generating land and new land releases for residential growth. Importantly, the Strategy when released did not contain an infrastructure strategy to support the stated demographic and industrial growth.

The Hunter is also a gateway for other regions in NSW such as the Mid North Coast, New England, Central Coast, North West and Orana. These regions rely heavily on the Hunter for export of coal, grain and other commodities through the Port of Newcastle. It also provides access to the largest regional airport in NSW and access to markets for business to sell goods and services to the Hunter, Central Coast and further afield to Sydney and Melbourne.

Rural areas of the Hunter, like many other areas of Australia, have problems with accessing high speed broadband services. It is vital for businesses operating from rural locations need to operate on a level playing field with their metropolitan counterparts.

Alliance Members

The Hunter Infrastructure Alliance comprises the organisations that represent individuals, professionals and businesses that are key stakeholders in the Hunter.

**Hunter Business Chamber
Hunter Councils
Hunter Economic Development Corporation
Hunter – Regional Development Australia
Property Council of Australia
UDIA**

In response to the call from Federal Infrastructure and Transport Minister The Hon Anthony Albanese MP, these organisations have come together to put forward a consolidated list of infrastructure projects they believe will position the region for a prosperous future based on predicted growth levels.

These groups recognise that the Hunter has a capability and capacity to contribute significantly to the economic growth of both the state and national economy and are working together to promote the region.

The Hunter is a significant contributor to NSW GDP, and uncertainty created within the business, industry and the development sectors by the lack of a firm commitment from governments to progress key projects will jeopardise continued growth in the region and slow future economic development outcomes for the Hunter, the NSW and national economies.

The Alliance calls on all levels of government to deliver key infrastructure projects to the Hunter that will maintain the current capacity of industry and contribute to the impetus for future national prosperity.

The Projects

Investment in infrastructure underpins economic activity. While investment in physical infrastructure also delivers social and environmental objectives, it must deliver the hard edged economic objectives of:

- supporting new population and employment growth in new or established areas
- addressing existing bottlenecks, and
- driving economic competitiveness and productivity

Government leadership is crucial to infrastructure planning and delivery. The business and industry leaders listed in this document are pleased to contribute to the Australian Government's long term plan which, in turn, will enable business to confidentially development investment strategies. An increase in the level of transparency regarding the Government's priorities and plans for the future is also a highly desired outcome of this process.

Whilst the projects outlined in this submission are primarily focussed on physical infrastructure, the Alliance recognises the pivotal role that investment in human capital and skills development will play the Federal Government's ambitious nation building agenda.

The infrastructure projects in this document are already articulated in various strategies developed by state and federal governments over many years, including AusLink; NSW State Infrastructure Strategy; and the NSW State Plan.

Many of the projects listed have some funding allocations in state and federal budgets, several of which are in the planning and pre-construction phases. This demonstrates that governments have recognised the projects as relevant to the region.

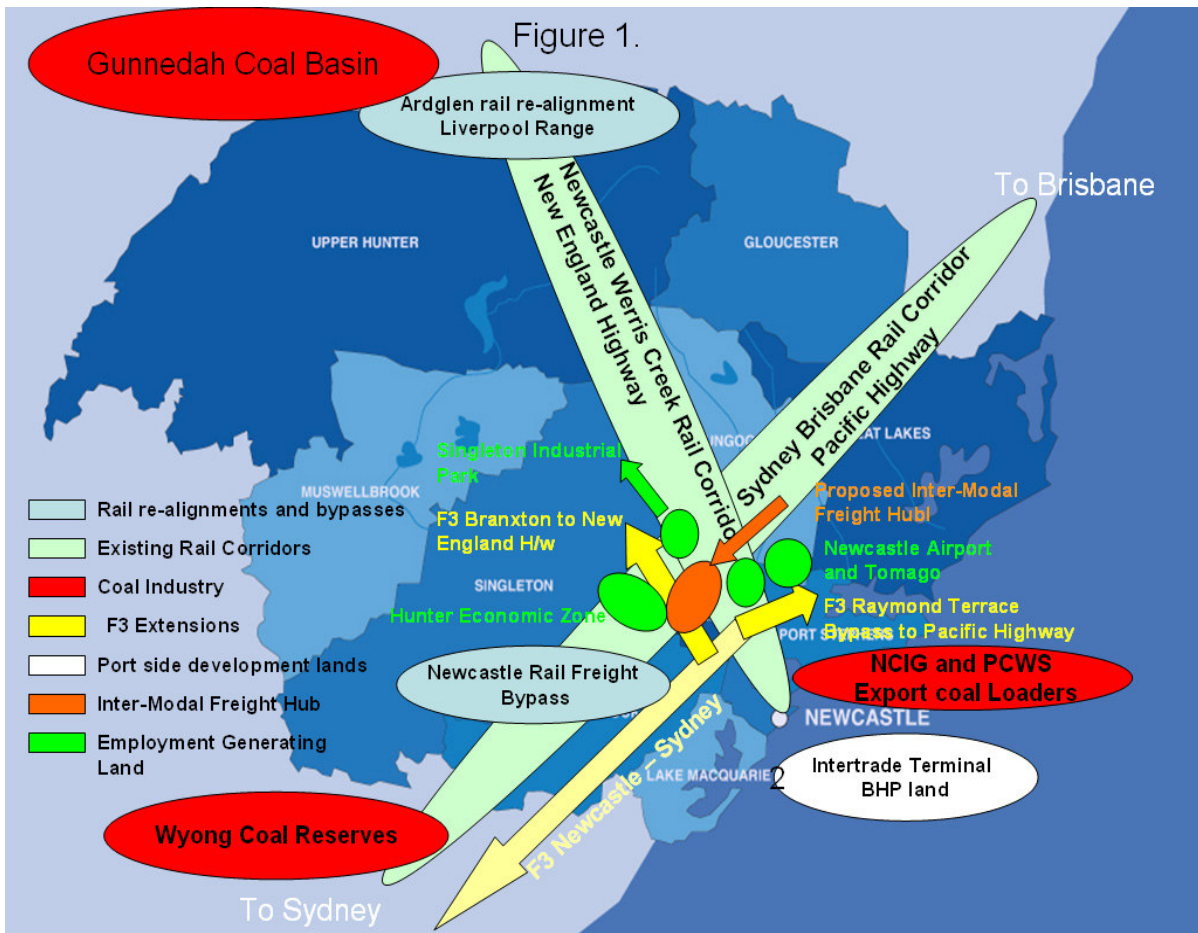
The projects listed in this paper cover various road, rail, transport, and communication infrastructure projects. These projects represent key infrastructure needed to ensure the region keeps pace with planned growth in the medium to long term.

Transport corridors for employment generating lands, rail freight, intermodal activities and port related growth detail in the NSW Ports Growth Plan and referenced in the Lower Hunter Regional Strategy (LHRS) are considered a high priority.

The projects are:

- **PORT:**
 - **Fund continued improvements of rail freight task between Sydney and Brisbane including the identification, acquisition and construction of a rail freight bypass of inner Newcastle**
 - **Diversification of port trade, berth construction and associated infrastructure upgrades**
- **ROADS:**
 - **Fund and construct improvements of the F3 Freeway to boost capacity and linkages to:**
 - **M2/M7(northern access to Sydney),**
 - **Pacific and New England Highway in the Hunter.**
- **COMMUNICATIONS:**
 - **Provision of improved Broadband communication in regional and rural locations in the Hunter.**
- **RAIL:**
 - **Identify and acquire a transport Corridor for a fast train link Sydney to Newcastle**
 - **Fund and construct the Lake Macquarie Integrated Transport Centre**

Figure 1 shows the relationship between employment generating lands detailed in the Lower Hunter Regional Strategy, proposed coal projects, Intertrade development, proposed road projects and road/rail corridors.



1. PORT:

- **Fund continued improvements of rail freight task between Sydney and Brisbane including the identification, acquisition and construction of a rail freight bypass of inner Newcastle**

Neighbouring regions to the Hunter rely on critical transport links such as rail for the movement of coal, grain, ore and other commodities to the Port of Newcastle for export.

*The Great Freight Task*¹ identified the main difficulties of moving freight on the East Coast of Australia in a report produced in July 2007, this included access through Sydney in a north-south direction, the Hunter Valley coal chain and further missing rail links in the Hunter Valley.

PROJECT: WEST – EAST RAIL CORRIDOR The freight rail movements from the west to the port are currently primarily coal from the Upper Hunter (approximately 80 trains per day).

However, coal reserves in the Gunnedah Basin will need improved access to the Port of Newcastle over the Liverpool Ranges in the next five years. Export of coal from the Gunnedah Basin is expected to reach 12 million tonnes per year.²

- There is a need to build an efficient rail link between the inland NSW and the coast, through the Liverpool Range with the ability to link to coastal rail assets and utilise the Port of Newcastle.
- Commodities such as grain and container trade could be more efficiently serviced by the Port of Newcastle if missing rail infrastructure was provided. For example, the construction of new line between Merrygoen and Gulgong would provide efficient connections to Dubbo and beyond.
- There is also insufficient track in the Hunter Valley to adequately allow for the passage of bulk freight at critical times, in particular, the wheat harvest. There are issues in the port area regarding the efficient handling of bulk wheat, due primarily to the age of the freight handling facility and track configuration.
- It should be noted that the preference of the grain industry is to export via Newcastle as it reduces steaming time by half a day, reduces travel time and can be done via one mode of transport.
- ARTC have leased control of the Hunter rail corridor from the NSW State Government and they have identified a number of possibilities for the re-alignment through the Liverpool Range at or near Ardglan. The options are based on assumptions that include the maintenance of the current alignment as a secondary track, with the new alignment been predominantly funded by industry (particularly the coal industry).
- In 2007 ARTC undertook a route selection study and initially costed the project for the various options and ranged from \$167 million to \$465 million.
- The timetable for funding of this project will be determined by the private sector (notably the mining industry). ARTC have indicated that the Federal Government has no plans to fund this project.
- Federal and State Government cooperative facilitation with industry will be crucial in providing the capacity on the line well in advance of demand.

PROJECT: NORTH - SOUTH RAIL CORRIDOR Rail freight movements in the Sydney to Brisbane corridor are set to increase dramatically over the next 20 years increasing from 7 million tonnes per annum to 17 million tonnes by 2029³. The potential opening up of the Central Coast coal reserves will be an additional strain upon existing rail infrastructure.

With the expected increase in passenger usage (5.6 million) by 25% by 2025⁴ the pressure on the provision of a rail freight bypass of inner Newcastle will be of strategic importance for the future.

¹ *The Great Freight Task* Standing Committee on Transport and Regional Services July 2007

² *Sydney Urban Corridor Key Freight Stakeholder Consultation Summary of Findings* PB July 2006

³ Sydney Brisbane Sydney Corridor Strategy AUSLINK

⁴ Sydney Brisbane Sydney Corridor Strategy AUSLINK

- At present all rail freight from the rail lines north and west of Newcastle is carried over the existing track through the Newcastle urban areas. Along this track there are several road/rail crossings that severely impede the efficiency of road traffic. This line also supports passenger services between Sydney and Newcastle and to destinations further west and north of Newcastle.
- Improvements in rail freight movements through the Sydney metropolitan area, Hornsby and Gosford through a dedicated freight line would reduce any immediate need for an inland freight line between Melbourne and Brisbane.
- The Lower Hunter Regional Strategy (LHRS) identified the need to investigate a rail freight bypass for Newcastle. The concept of a rail freight bypass around Newcastle has been discussed in many studies and strategies. The Australian Rail Track Corporation (ARTC) North-South Corridor Strategy, released in draft form in February 2005, identified a number of measures required to increase rail freight mode share through increased travel speeds and payloads. A project was identified as the Fassifern to Hexham link, a bypass of urban Newcastle. This project ranked 6th overall out of the 146 projects. According to a pre-concept study the cost of construction and contingencies would be \$480 million.⁵
- The identification of the corridor for the Newcastle Rail Freight Bypass is strongly advocated due to its importance to the region's future development needs. The benefits include:
 - Time savings of between 14 and 35 minutes for freight moving north through the Hunter⁶;
 - Improved access to large projects planned for the future such as Intertrade Terminal;
 - Transport of coal from the Wyong basin is expected post 2010 to output 4 million tonnes per annum. This development would put significant demand on existing infrastructure;
 - Service of the Employment Freight Hub identified in the LHRS at Beresfield;
 - Improved social amenity for residents of Newcastle and Lake Macquarie by removing rail freight/coal trains from their suburbs;
 - Improved efficiency of the North-South corridor (distance and time) as detailed in Corridors Strategies by DOTARS and ARTC.
 - Depending on the chosen option cost estimates vary from \$330 million to \$480 million;
 - Carbon emission savings would be greater than 2300 tonnes per annum in 2015 and more than 4300 by 2035.⁷
- Extra coal terminal capacity is being development by the private sector, however increased rail infrastructure capacity is required to meet the growing export demand from the Hunter Valley, Wyong and Gunnedah basins.
- Preservation of a corridor should be considered an immediate priority in light of the impact of the future freight task Sydney-Newcastle, Sydney-Brisbane and coal developments in Wyong area.

○ **Diversification of port trade, berth development and associated infrastructure upgrades**

The Port of Newcastle currently has a strong comparative advantage. It is the world's largest coal export port and also has one of Australia's largest pieces of vacant port side land.

In 2007/8 total port trade was valued at \$10.3 billion. The bulk of the export trade represented 89 million tonnes of coal. In 2009/10 this is expected to reach 120 million tonnes.

The Hunter accounts for more than 32 per cent of NSW exports including coal; aluminium and metals; mining services, products and equipment; fresh and processed food and wine. With the exception of coal, the majority of product produced in the Hunter is exported outside through Port Botany. This is due to the lack of transport capability and infrastructure at the Newcastle Port.

PROJECT: NEWCASTLE CONTAINER TERMINAL In 2003, the NSW Government announced its NSW Ports Growth Plan.

It stated that "*Once Port Botany reaches its capacity Newcastle would then be developed as the location for the next container terminal facility*".

- The third Port Botany container terminal development is expected to be commissioned in 2011. With the growth of 7% p.a. in container volumes Port Botany's predicted capacity will be achieved in approximately 10 years (3.2m teu's p.a.). The combined capacities of the three terminals may be able to cater for further increases (at the ship interface) however; the most pressing and difficult

⁵ Fassifern to Thornton Rail Project Pre-concept design report. GHD June 2008

⁶ Fassifern to Thornton Rail Project Pre-concept design report. GHD June 2008

⁷ Fassifern to Thornton Rail Project Pre-concept design report. GHD June 2008

issue will be the capability of Sydney's metropolitan infrastructure to cope with the growing container trades. It will become crucial to expedite the NSW Governments Three Port Strategy.

- The Sydney metropolitan area has entrenched barriers to the creation of efficient freight solutions and this problem supports the need to commence developing the Newcastle international container trade solution (Intertrade Terminal).
- The Newcastle container trade infrastructure development will be a significant contribution to the NSW and national economy. It will greatly contribute to the reduction in costs and carbon emissions for the state's key volume and value exporters (most are within the capture zones for this port). These key export trades include: primary aluminum, cotton, containerized grains, cereal foods, manufactured steel products and animal feed products.
- The continuing trend to the use of 40ft container units for imports causes an exponential increase in the demand for road and rail rolling stock required to service the intermodal task which in turn exacerbates the demand on Sydney infrastructure.
- Consideration in regard to the feasibility of raising relevant road-rail bridges to enable the double stacking of containers on freight trains will also be important. If viable, this could dramatically increase the capacity of freight that could be carried through the Port of Newcastle.
- A commercial analysis (Intertrade submission 2006) has demonstrated that a modest change in import container volumes entering the NSW market via the Port of Newcastle can:
 - be a cost efficient support for the exporters and their container demands,
 - replace the export volumes currently using the Newcastle to Sydney (and Sydney metropolitan) road and rail links,
 - become a vital connection should the proposed Melbourne to Brisbane Inland Rail project be developed.
- With the development of 150 hectares at the Intertrade site the opportunity exists to provide additional freight berths to increase the export of Hunter product across the Port. However, it should be noted that in June 2008 with the release of the NSW State Infrastructure Strategy (SIS) funding has been allocated for an additional berth at Mayfield (Mayfield Berth no 4). It is expected to be completed by 2009 at a cost of \$24 Million. Further investment in berths is still required if a sustainable container terminal operation is to be developed.

Recommendations

- **Through COAG, the Federal Government coordinate infrastructure development activities in export supply chains Australia wide to ensure that infrastructure is well developed to meet future demand. This must be achieved in consultation with all logistic providers including rail operators, rail track providers port authorities and state governments.**
- **The Hunter Valley Coal Chain must have the capacity to meet export demand. It is critical that the Federal Government (through ARTC) and the coal industry ensure that appropriate capacity is delivered ahead of demand.**
- **Diversification of Australia's port trade where appropriate should be a high priority. In the Hunter Region the key infrastructure projects are:**
 - **fund and develop a container terminal in Newcastle to service the market north of the Hawkesbury and provide further capacity for Sydney based trade,**
 - **facilitate rail access through the Liverpool Ranges, and**
 - **identify, fund and construct the inner Newcastle freight rail-bypass.**

2. ROADS:

- **Fund and construct improvements of the F3 Freeway to boost capacity and linkages to:**
 - **M2/M7(northern access to Sydney),**
 - **Pacific and New England Highway in the Hunter.**

The F3 Freeway provides a vital link between Sydney and Newcastle and is a major link by road in the Brisbane – Sydney Corridor. This freeway has major problems connecting with the Sydney orbital road system (M2/M7).

At the Hunter Valley end there is significant congestion experienced at Hexham and Tomago accessing the Pacific Highway. Access from the New England Highway to the major growth areas in the Upper Hunter is also congested at peak times in Maitland, Rutherford, Lochinvar and Branxton.

The Federal Government through its previous program, AusLink, and the NSW Government's State Infrastructure Strategy both recognised the significance of these linkages and have provided funding for preconstruction and property acquisitions for F3 Branxton Link (\$53 million has been spent to date). Corridor planning has been finalised for the F3 Raymond Terrace Extension and Route planning for the F3 - M2/M7 extension in Sydney's north has also been completed.

PROJECT: CORRIDOR STRATEGY All other major regional centres of Australia have had corridor strategies developed by the previous Federal Government under DOTARS. The Hunter and Central Coast regions, despite being situated on national transport corridors, do not have such a strategy in place to identify critical infrastructure needs to drive future investment.

It would be in the national interest for such a strategy to be developed as the region is a major economic driver for the Australian economy.

PROJECT: F3 TO BRANXTON In May 2008 the RTA revised costing put the F3 Branxton links project costing at \$1.2 billion (out-turn dollars at \$1.7 billion) providing the project was completed in 2013 with a reported BCR estimated at 1.6.

- In July 2008 the State and Federal Governments announced a joint independent study to investigate the Lower Hunter Transport needs. The study will also review the costing of the F3 to Branxton link. The study will be completed by November 2008 and it will assist in informing Infrastructure Australia of available options.
- If funding is unavailable to build the entire extension it is suggested that the F3 Extension can be staged and broken up into three projects. The first two stages involve the construction of the Branxton to Buchanan sections in an affordable form. The third stage would provide an upgrade of John Renshaw Drive along with suitable intersection treatment at the junction of John Renshaw Drive and the F3 Freeway. This would relieve pressure from the towns noted above. Traffic controls on other local roads may be necessary to restrict heavy vehicles access such as semitrailers and b-doubles through Cessnock CBD if this option is taken up.
- The building of the F3 Freeway to Branxton and Raymond Terrace links would have significant impact in reducing traffic through towns in the Lower Hunter along the New England Highway and reduce carbon emissions in vicinity of townships where congestion occurs. These missing links will also provide the necessary connectivity from the mineral and agricultural producing areas of NSW to the Port of Newcastle.
- The F3 to Branxton project is a significant infrastructure project that will have facilitate access to new residential and employment lands as referenced in the in the Lower Hunter Regional Strategy.

PROJECT: F3 TO RAYMOND TERRACE The F3 Freeway to Raymond Terrace is part of the \$2.2 billion Pacific Highway upgrade program funded under AusLink. To date \$4.1 million has been allocated in corridor planning (\$1 million 2006/7 NSW State Budget). Cost of construction is estimated at \$367 million (2006) and BCR greater than 1.⁸

Three route options were displayed for public comment in October 2005. In 2008 the final preferred route was selected. This extension will facilitate improved access for development of planned projects in the corridor for example:

⁸ Pacific Highway Upgrade – F3 to Raymond Terrace Preferred Routes Option Report. Maunsell Australia Pty Ltd 2006.

- Future roads and intersection treatments off the proposed F3 Freeway at Tomago Road need to be considered in order to service the following:
 - Newcastle Airport (passenger movements expected grow to in excess of 1.8 million per year and this is a conservative estimate);
 - Tourism development (tourism in the Port Stephens LGA injects \$341 Million per year and supports 3,889 direct and indirect jobs)
 - Proposed 100 hectares Aerospace industrial precinct at Williamstown (DAREZ) (expected to provide up to 5,000 jobs in the aerospace);
 - Residential development in Medowie/Tilligerry Peninsula and further north to Port Stephens
 - 450 hectare industrial development at Tomago.
- Traffic flow is expected to increase on Tomago Road according to traffic projections by Port Stephens Shire Council. The Community Settlement and Infrastructure Strategy estimates based on past vehicle movements "vehicle per day" an increase in 2005 from 9,524 to 13,435 over 10 years to 2015.

PROJECT: F3 TO ORBITAL CONNECTION (M2 to M7) The northern end of the 9 km section of Pennant Hills Road linking the M2/M7 (Sydney Orbital System) to F3 at Wahroonga has been designated as an interim National Highway route (estimated cost \$1.6 billion). Although this project is not directly located in the Hunter Region it will have a significant impact on connectivity between Sydney and the rest of NSW.

- Total heavy vehicle traffic on the F3 is 11,300 per day. By 2021 traffic on the F3 Freeway is expected to grow to 94,000 vehicle /day with 21,600 truck movements. This is based on annual growth of 1.5%, which is half the measured growth of the last 10 years.
- This route carries approximately 76,000 vehicles per day which comprises 23% inter-regional and long distance traffic. Average traffic speed along the section is often lower than 25Km/hour with congestion occurring at am/pm traffic peaks.
- Pennant Hills Road carries 8,800 heavy vehicles /day. 25% of heavy vehicles using Pennant Hills road have destinations north of Newcastle.
- Freight tonnages will grow from 32 million to 60 million tonnes if rail mode share remains at 14% (share 5 million tonnes 2004) Railcorp suggests it will grow to 23%.
- \$5.8 Million was allocated in state budget in 2006/07 with another \$2 million in 2007/08 for planning. This project is also included in the State Infrastructure Strategy.
- Connection to F3 – M2/M7 orbital will improve the competitiveness of the Newcastle Port, provide more efficient access to intermodal facilities in Western Sydney and offer an alternative port for importers to discharge goods.

Recommendations

- **For this region to maintain the high level of competitiveness and contribution to the national economy it is critical that road infrastructure to service freight, access to the port and to support the rapidly growing regions of the Central Coast and the Hunter be funded and constructed as high priorities (population of these two regions is expected to grow to 1.2 million over the next 25 years). Key projects are:**
 - **Development of a regional corridor strategy by the Federal Government**
 - **Fund and construct the F3 to Branxton connection**
 - **Fund and construct the F3 to Raymond Terrace connection**
 - **Fund and construct the F3 – M2/M7 orbital connection**

3. COMMUNICATIONS:

○ Provision and improved Broadband communication in Regional and Rural locations in the Hunter.

Telecommunications infrastructure is vital to securing continued industry sector growth and the well being of the community. It facilitates participation in the information economy at all levels.

Whilst the Hunter has improved some communications infrastructure in the last few years through the introduction of ADSL by Telstra, Federal and State government projects and the establishment of local carrier services by other companies, access to broadband, mobile services and good quality fixed line infrastructure in rural areas of the Upper Hunter is still a major issue.

PROJECT: IMPLEMENT NATIONAL BROADBAND NETWORK Significant issues exist for people living on the land outside rural towns, as they suffer from poor infrastructure, low Internet connection speed on dial up modems and lack of mobile coverage. The Federal Government through initiatives such as the HiBiS, IAP and more recently the Australian Broadband Guarantee satellite subsidies has improved the situation. However, issues related to product offering still makes broadband unattractive to most farmers on the land.

- To help raise the level of interest and uptake of broadband in communities outside larger rural towns, the Hunter Region has on numerous occasions attempted to secure funding to address this equity imbalance through the Community Based Broadband Demand Aggregation Program under past federal government programs but has been unsuccessful.
- Across rural areas in the Upper Hunter approximately 68% of the population have broadband ADSL coverage. In contrast Telstra quotes 95% ADSL coverage. It is crucial to note that Telstra figure are skewed as only 16% of the Hunter's population live in the Upper Hunter and the 95% is derived for the whole of the Hunter.
- If you leave the major rural town and larger villages out of the equation that have access to ADSL broadband the figure drops to approximately 68%. Because of the sparseness of these farming communities it has become unattractive for Telstra and other carriers to invest in Broadband infrastructure. A report on farming Sectors by the Australian Communications and Media Authority (ACMA) indicated from a survey that 39% of farmers were still on dial-up modems Australia wide⁹ this is consistent with our research in the Hunter.
- All the major rural towns in the Hunter now have ADSL enabled exchanges which covers a radius of approximately 4km for these exchanges. Under the USO the small regional towns with up to 500 telephone customers have their Exchanges enabled with ISDN but the up-take of this technology has been cost prohibitive for small business and the general community also ISDN speed is relatively slow (maximum 128Kbits) as compared to ADSL.
- Agribusiness contributes approximately \$1 billion to the Hunter's economy. There is a growing requirement for primary producers to have access to broadband and other services to effectively do business as more interactive services now apply.
- Access to a range of on line services are increasingly vital, for example, on-line weather information, on-line multimedia content, agricultural information, livestock and machinery market information introduction of new farming practices on larger properties for remote monitoring functions, distance education/research, on-line health and social amenity.
- Many farmers are now taking advantage of the Australian Broadband Guarantee (ABG) with the provision of subsidised satellite services, However, this will not provide the final solution as there is not enough bandwidth for advanced services (such as triple play services touted over the next 5 to 10 years where 6 to 12Mbit/s are quoted as a minimum). Satellite coverage in the farming sector in NSW accounts for 52% of broadband connections, this indicates the lack of terrestrial infrastructure available.
- The concern is whether the proposed National Broadband Network (NBN) will deliver to the Upper Hunter in sparsely populated farming communities where difficult hilly terrain which even prevents coverage of existing mobile services. Whatever Telecommunication company is successful in delivering the Government's new NBN a choice of technology in addition to fibre would need to be considered to improve the business case for any builds in these remoter areas.

⁹ Telecommunication Today Report no 3 Farming Sector attitudes to take up and use. January 2008

- Telstra's Next G mobile service has improved delivery of broadband by wireless modem but is still costly in terms of access charges and cost of data compared to ADSL plans. Furthermore coverage is limited away from major highway and towns.
- For the Upper Hunter the promise of 98% broadband coverage proposed by the National Broadband Network would certainly present challenges to and telecommunication infrastructure providers in terms of cost of delivery.
- To improve competitiveness, the farming sector must have the opportunity to compete on equal footing with other businesses operating in more densely populated areas of Australia.

Recommendations

- **Wireless broadband technologies such as Wimax coverage should be continued to be supported by the Federal Government through programs such as ABG to allow Wireless Broadband providers to reach the more remote areas servicing the farming sector and others.**
- **Establish the means for strong inter-government collaboration between the Federal Government, state government agencies and local government. This will be the key to improving knowledge and information on regional areas with regard to telecommunication deficiencies.**
- **Undertake an audit of each the Hunter Region's requirements and highlight priority projects.**

4. RAIL:

- **Identify and acquire a transport Corridor for fast passenger train link Sydney to Newcastle**
- **Fund and construct Lake Macquarie Integrated Transport Centre**

PROJECT: FUND RAIL CORRIDOR STRATEGY & RESERVE LAND CORRIDOR 82% of the current population of NSW lives in the urban corridor between the Hunter and the Illawarra (based on 2006 Census figures). This figure is set to grow dramatically over the next 25 years by 1.46 million people.

The fast train link to Sydney is an often discussed project and for it to be realised, long term planning and involvement from all levels of government is must. This project should be incorporated into a national vision for linkages of major population areas on the east coast of Australia.

Aggregation of urban areas in the future along the Wollongong to Newcastle coastal corridor will provide a strong impetus for the provision of a fast train link.

These figures present a strong argument for the provision of a fast train service in this nationally significant growth region.

For many years travel time between the major centres of Sydney and Newcastle has increased despite the upgrading of the rail network between the two centres.

- Travel times last century was on average 25 to 30 minutes faster than today travel times today. This due to the increased demand on the line, both in freight and passenger traffic.
- The development of a fast train link would provide many advantages for the Hunter Region and take pressure of the Sydney housing market. It would provide a viable alternative for people to live in the Hunter and commute to work in Sydney.
- It would relieve the pressure on the F3 through the reduction of cars accessing the freeway and mitigate the need for further major investment on the road.
- The train would service a population base in excess of 1.2 million people in the next 25 years, in the Newcastle and Central Coast regions.
- Further options would be to extend the fast train to the Wollongong making it available to a larger population base.
- There is real potential to provide an improved connection to Newcastle Airport, the fastest growing regional airport in NSW. The recent O'Neill Report on tourism (commissioned by the NSW government) indicated that a possible long term option would be to extend the fast train to Newcastle Airport.
- The provision of a dedicated fast train line would also increase options on planning for the NSW freight task.
- Listing the benefits for the Hunter and Central coast derived from a fast train service would be:
 - travel time;
 - job creation;
 - industry development;
 - economic stimulus;
 - increased tourism;
 - decreased pressures on road;
 - rural and regional development and
 - enhanced freight capacity.

PROJECT: LAKE MACQUARIE INTEGRATED TRANSPORT CENTRE (LMITC)

Glendale is a rapidly growing employment centre. The supporting road network is inadequate and congested. Strategic investments are needed in the road system to improve access of the adjacent Cardiff industrial area to the Port of Newcastle and F3 freeway.

Road network improvements will support land use intensification and improve access to a new railway station and transport interchange.

- The NSW Government's Lower Hunter Regional Strategy (LHRS) designates Glendale as an emerging major regional centre. The LHRS projects an additional 6200 jobs and 4000 dwellings in the area by 2030. It also identifies the adjacent land along Main Road as a "renewal corridor" for more intensive economic and/or housing development.
- The Glendale-Cardiff area is the Hunter Region's largest employment node with 16,000 employees working in light industries, manufacturing, warehousing and freight logistics.
- The LMITC is strategically important to the Hunter Region economically. It will bring business and employment, reshaping and improving the amenity the city of Lake Macquarie. The most recent cost estimate for this project is \$60 million.
- Lake Macquarie Transport Interchange (LMITC) - includes a railway station, bus interchange, commuter car parking, and kiss and ride facilities. It will be the main station in Lake Macquarie.
- Road Link Proposals - extend Pennant Street (Cardiff Industrial Estate) over the main northern railway line to the intersection of Glendale Drive and Main Road. This link would provide a second entrance to the Cardiff Industrial Estate. Providing a free flowing and convenient route for heavy vehicles travelling to the Port of Newcastle and F3 Freeway, and relieve the Munibung Road/Macquarie Road intersection.
- Modelling indicates that some 16,000 vehicles per day will use the link, of which around 1,500 will be heavy vehicles.
- The LMITC will create a regionally strategic hub which will:-
 - Connect public transport including the construction of a new railway station and bus interchange;
 - Link a major commercial centre with transport and employment zones and improve traffic flow and will ease traffic congestion;;
 - Provide heavy road users with better access to the F3 freeway and the Port of Newcastle;
 - Provide better access to the Hunter Region's largest employment zone (currently 16,000 employees in light industries, manufacturing, warehousing and freight logistics);
 - Improve bus and commuter access to the Lake Macquarie Transport Interchange and Glendale Centre via the additional access.
- The Lake Macquarie Transport Interchange is a prime example of a project that, when completed, will make an immediate positive impact on the serious congestion and bottlenecks existing in this growth area. Not only will it alleviate this problem, but it is poised to be the basis for strong population and jobs growth in the Hunter.

Recommendations

- **The Federal Government (in conjunction with relevant state governments) identify and acquire the corridor for a fast passenger train service along the coastal strip from Newcastle via Sydney to Canberra for future needs of the east coast of Australia.**
- **The Federal Government, in conjunction with the NSW Government, commit to and fund the entire Lake Macquarie Integrated Transport Centre project (including the vital road linkages) at Glendale as a high priority in the short to medium term.**

WAY FORWARD

Infrastructure Australia will provide the blueprint to kick start the development of nation building infrastructure projects. The commitment to funding and completing catalyst infrastructure must be a collaborative goal involving all levels of government, industry and the broader community.

The recent visit to the Hunter by the Federal Cabinet sends a positive message that this region is high on the radar of government. The diversity and strength of the regional economy is undeniable. However, the Hunter, like much of Australia, is facing infrastructure capacity constraints and bottlenecks. Visionary leadership is needed now to meet the demand generated over recent decades and to ensure that adequate planning takes place for the future.

The Hunter Region has enjoyed a history of strong economic growth, offers a high quality way of life and has an outstanding natural environment. If this region is to continue to provide strong input into the national economy investment in key infrastructure projects is a must.

The Hunter Infrastructure Alliance is pleased to present a united stance on those projects that will ease supply chain bottlenecks, attract significant business investment, support population growth and further promote quality of life.

However, it is just as important to identify and commit to immediate projects as it is to understand and agree to what will be required in the long term and then make firm plans for delivery. Particular attention should be paid to reserving land corridors where the demand for certain infrastructure projects is unlikely to arise for many years. If this does not occur there is real potential for encroachment into important corridors by urban development.

The Hunter Infrastructure Alliance commends this submission to Infrastructure Australia.

The Projects:

- **PORT:**
 - **Fund continued improvements of rail freight task between Sydney and Brisbane including the identification, acquisition and construction of a rail freight bypass of inner Newcastle**
 - **Diversification of port trade, berth construction and associated infrastructure upgrades**
- **ROADS:**
 - **Fund and construct improvements of the F3 Freeway to boost capacity and linkages to:**
 - **M2/M7(northern access to Sydney),**
 - **Pacific and New England Highway in the Hunter.**
- **COMMUNICATIONS:**
 - **Provision of improved Broadband communication in regional and rural locations in the Hunter.**
- **RAIL:**
 - **Identify and acquire a transport Corridor for a fast train link Sydney to Newcastle**
 - **Fund and construct the Lake Macquarie Integrated Transport Centre**

**Hunter Infrastructure Alliance
SIGNATORIES**

Dr John O'Brien, Chair



Mr Roger Stephan, CEO



Ms Karen Howard, President



Mr Bob Hawes, Chair, Hunter Chapter



Mr John Tate, Chair



Mr Stephen Barr, Chair, Hunter Chapter



References

NSW State Infrastructure Plan 2006/2008

Bilateral Agreement between Commonwealth of Australia and the State of NSW 2004-2009

Hunter Valley Research Foundation (HVRF) "Assessment of the Economic Impacts in the Hunter Region and beyond from Construction and operation of F3 Freeway Extension from Seahampton to Branxton"

Hunter Valley Research Foundation 2002 F3 Freeway Seahampton to Branxton Report on Cost Benefit ratio March 2002

A Review of the reliability of Cost Estimation of QDMR Projects funded under AusLink Evens & Peck June 2007

LMCC, Job estimates based on 35 people per sq hectare of industrial land, Feb 2007

LMCC, The Lake Macquarie Integrated Transport Centre, Transport Infrastructure for the Hunter's Largest industrial Park, July 2002

LMCC Economic Development Section

Sydney Urban Corridors Key Stakeholders Consultations "Summary of Findings 2006

Australian Rail Track Corporation (ARTC) Draft North - South Corridor Strategy 2005

DOTARS North - South Rail Corridor study (Melbourne - Brisbane)

Thornton to Killingworth Sub- Regional Conservation and Development Strategy (Parsons Brinckerhoff)

Please contact the following about any aspect of this document:

Kristen Keegan

Regional Director – Hunter
Property Council of Australia

122 Parry Street
NEWCASTLE WEST NSW 2302

t. 02 4927 1550

f. 02 4929 7121

m. 0405 528 184

e. kkeegan@propertyoz.com.au

SUMMARY OF HUNTER PROJECTS				
Infrastructure Type	Description	Project	Indicative Cost	BCR
PORT	<ul style="list-style-type: none"> Continued improvements of rail freight task between Sydney and Brisbane including the identification of a rail freight bypass of Newcastle Diversification of port trade, berth development and associated infrastructure upgrades 	<ul style="list-style-type: none"> Rail Freight bypass of Newcastle Facilitation of rail re-alignment Ardglen Liverpool Ranges Development of Container terminal at Newcastle 	\$480 Million \$167-465 Million Not Determined	
ROADS	Continued improvements of the F3 Freeway to improve capacity and linkages to: <ul style="list-style-type: none"> M2/M7(northern access to Sydney), Pacific and New England Highway in the Hunter 	<ul style="list-style-type: none"> F3 Branxton Extension F3 –M2/M7 orbital F3 Raymond Terrace Extension Development of Hunter Central Coast Corridor Strategy 	\$1.2 Billion \$1.6 Billion \$367 Million Not Determined	1.6 >1
COMMUNICATIONS	Provision of improved Broadband communication in regional and rural locations in the Hunter	<ul style="list-style-type: none"> Audit of Communications Needs in the Hunter Australian Broadband Guarantee continued Collaboration between State and Local Governments 	Not Determined Existing Program	
RAIL	Transport Corridor for fast train link Sydney to Newcastle	<ul style="list-style-type: none"> Lake Macquarie Integrated Transport Centre. Investigate Fast Train corridor Newcastle-Sydney-Illawarra 	\$60 Million Not Determined	

Note: Benefit Cost Ratio not available for all projects

Funding level are not in 2008 dollars values and are sourced from various studies between 2005- 2008