

27 June 2013

High Speed Rail Study
Department of Infrastructure and Transport
GPO Box 594
CANBERRA ACT 2061

Via website upload

Dear Sir/Madam,

Thank you for the opportunity to provide comment on the Government's *High Speed Rail Study: Phase 2 Report* ("the Report").

The NSW Business Chamber is one of Australia's largest business support groups, helping around 30,000 businesses each year. Founded in 1885, the NSW Business Chamber works with thousands of businesses, from owner operators to large corporations, from product-based manufacturers to service provider enterprises.

The NSW Business Chamber is a leading business solution provider and advocacy group with strengths in workplace management, workplace health and safety, industrial relations, human resources, international trade and improving business performance. Operating throughout a network in metropolitan and regional NSW, the NSW Business Chamber represents the needs of business at a local, State and Federal level, advocating on behalf of its members to create a better environment for industry.

The NSW Business Chamber is a firm advocate of high-speed rail (HSR) in Australia and commends the Government's efforts to undertake a feasibility study of HSR along the east coast of Australia. HSR has the potential to improve accessibility along the east coast, delivering benefits to our major cities and regional areas.

Recommendation 1: Recognise that a High-Speed Rail network would transform our regions

The Report demonstrates that the construction of a HSR network between Melbourne-Sydney-Brisbane would generate significant economic benefits for the east coast of Australia. The Economic Benefit Cost Ratio (EBCR) is 2.3 for the whole network, including 2.5 for the Sydney-Melbourne leg.

This EBCR is relatively high for a rail infrastructure project so it should not be understated. Rail projects traditionally have longer term pay-offs which are generally not fully accounted for in traditional cost-benefit ratios.

While recognising that it is hard to forecast with confidence, HSR has the potential to transform areas where HSR stations are located. This is particularly relevant for our regional areas, where HSR could provide a catalyst for creating new business opportunities and jobs. As the Report argues, HSR would need to be coupled with appropriate strategies for regional development to fully realise these benefits.

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Recommendation 2: Governments need to also commit to long term infrastructure projects

There is no denying that HSR will be expensive and given the current fiscal environment, committing to such a long term project may face some difficulties.

Recent experience has shown that governments of all persuasions are reluctant to commit to long term transport projects. This is likely to be the result of two drivers: the backlog of short-term transport projects needing investment; and short-term political cycles.

Governments need to start making longer term commitments, beyond single or several political cycles, to projects that will help build a more prosperous future Australia. The Nation Building Two Program is mostly limited to short-term to medium-term projects (in terms of planning and construction times as well as payback periods).

Governments may need to work more with constituents to effectively communicate the benefits of this approach. From an industry perspective, business is more than happy to support projects over the longer term so long as they are properly financed, costed and managed so that short term milestones are consistently met.

While end to end this is a big project, it will never be a single project but a series of shorter rail links. In thinking about high speed rail we encourage governments to think about the Newcastle-Sydney and Canberra-Sydney segments as projects in their own right. And they may well be links which start as fast rail models building to HSR over time. While the HSR model specified and examined in this Feasibility Study may be the desired final outcome, it would make sense to look at faster rail connecting Canberra to Newcastle as an initial starting point given the poor state of, and underutilised, country rail connections in NSW.

Recommendation 3: Further work should be undertaken to compare HSR costs with alternative investment

The Report provides population and transport demand projections which make clear that additional investment will be needed to the existing transport networks and public infrastructure along the east coast of Australia. The report states that:

Travel on the east coast of Australia is forecast to grow at around 1.8 per cent per year over the next 20 years, increasing by approximately 60 per cent by 2035. By 2065, travel on the east coast will have more than doubled, from 152 million trips in 2009 to 355 million trips per year.¹

The current aviation, road and rail infrastructure would not be able to meet this demand, therefore reducing inter and intra-state access and impacting on the nation's productivity. While the cost of building a HSR network along the east coast of Australia is high, the cost of not making any improvements to infrastructure will inevitably be higher.

¹ *High Speed Rail Study: Phase 2 Report*, p.3.

The Federal and relevant State Governments should undertake further work to compare the costs of building HSR, or aviation and/or road capacity augmentation in order to compare the costs and benefits of these options against the costs and benefits of the base case. This analysis should be undertaken in a transparent manner to ensure public confidence and support for the final outcome.

Recommendation 4: Corridors must be reserved as an initial step.

The Report importantly argues that the first phase of a future HSR program is the 'Preparation and Corridor Protection' phase which would precede a formal commitment to build the HSR system. Given the rate of growth projected along pockets of the proposed HSR path, corridors must be protected now to ensure planning decisions do not directly inhibit the construction of a HSR network or indirectly affect the optimal operation of a HSR network through incompatible planning in surrounding land.

The protection of the Badgerys Creek site and accompanying requirements imposed on surrounding planning could be a good model to learn from.

Recommendation 5: Integration with suburban rail networks should be considered in-depth by all levels of government.

In 2012, the NSW Business Chamber commissioned a report entitled *Liveable Sydney: How would High-Speed Rail Change Sydney and NSW*² which demonstrated that it is possible to integrate high-speed rail into Sydney's suburban rail network as a first phase, provided suburban rail planning supports this aim.

International experience in building HSR has generally demonstrated that a successful implementation of a HSR network best occurs when there is an initial roll out of the network which is integrated with existing rail infrastructure. This approach has the advantage of allowing faster rail access without the potentially unpalatable price tag. Over time, dedicated HSR infrastructure can then be built once patronage increases and it is more financially viable to do so.

This option would enable parts of the east coast to have access to fast rail sooner, as it would also help to justify much-needed improvements to the suburban rail networks. This would need to be done in concert with state governments as they have responsibility for the planning and delivery of suburban rail networks.

However, the NSW Government's recent *Sydney's Rail Future* plan, which details the proposed path forward for metropolitan Sydney's suburban rail network, renders integration impossible by limiting the proposed second harbour crossing and parts of the northern line to metro-style trains. This demonstrates why there needs to be a joint transport planning approach from all tiers of government that is based on a longer-term vision for transport and land use planning in Sydney. By this we mean a vision which both levels of government have helped develop and have signed up to rather than just an exchange between governments of more or less independently developed plans.

² NSW Business Chamber (2012)

<http://www.nswbusinesschamber.com.au/NSWBC/media/Misc/Lobbying/Thought%20leadership/Liveable-Sydney-How-would-high-speed-rail-change-Sydney-and-NSW.pdf>

Conclusion

Thank you for the opportunity to provide comment on the Report. For further information on any of the points made in this submission, please contact Larissa Cassidy on 02 9458 7359 or Larissa.Cassidy@nswbc.com.au.

Yours sincerely,

A handwritten signature in black ink that reads "Paul Orton". The signature is written in a cursive style with a large, prominent 'P' and 'O'.

Paul Orton
Director, Policy and Advocacy