

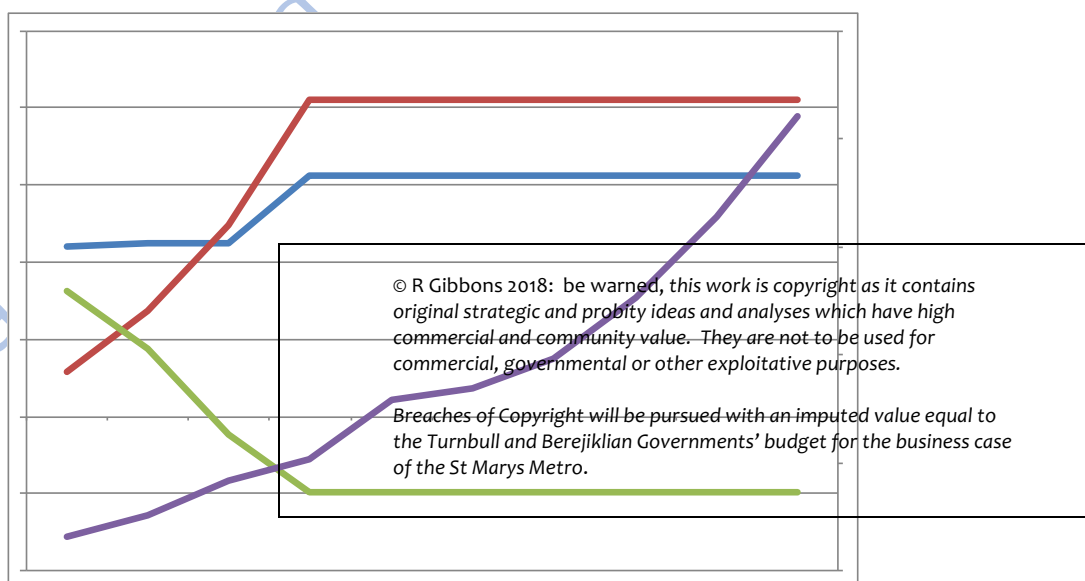
CRISIS IN NSW FREIGHT & PORTS PLANNING

DECONSTRUCTING & RECONSTRUCTING

BACKGROUND TO ~

BEREJKLIAN'S & TURNBULL'S FLAWED FREIGHT AND PORT POLITICS & ECONOMICS

4 July 2018



CRISIS IN NSW FREIGHT & PORTS PLANNING

DECONSTRUCTING & RECONSTRUCTING BEREJKLIAN'S AND TURNBULL'S PORT POLITICS & ECONOMICS

The current NSW Government's first pass at a TfNSW Freight and Ports Plan was in 2013, following iNSW's the year before and iA's parallel effort: the strategic and efficiency values of all were low and they were chastised in the *Daily Telegraph* and on blog sites. TfNSW's responsible executive received a massive promotion instead of ? Now the Prime Minister has fused his interests with the NSW Premier's in an infrastructure direction that features a two-way "cloak of invisibility", with agencies covering-up political blunders, thus reinforcing lobby interventions.

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The author is a logistics specialist *inter alia*, having studied Chicago's and Sydney's in great depth, handled all freight and port issues from 1977 to 1984 (including setting up container raiing), written THINKING LOGICAL LOGISTICS for Shipping Australia in 2003, and then THINKING LOGICAL LOGISTICS II – EASTERN SEABORD RAIL FREIGHT PLAN, in 2012 (updated progressively). In 2003 he was engaged to prepare a strategic plan for the Working Harbour, which ceased two days later because of Carr's Working Harbour decision. As General Manager of Newcastle City Council, he worked with the Port to improve its community interfaces.

THE PLAYING FIELD

Maritime Services used to own all the ports and handled them fairly, looking at needs especially after Neville Wran became Premier and closed the Balmain coal loader; at about the same time that container operations were moved from the corrupt Darling Harbour to the non-unpacking Port Botany. I managed those arrangements.

Enfield was owned by RailCorp and had an interesting history including Carl Scully engaging the Hon Milton Morris to review rail and road balances there, Scully favouring roads. Milton disagreed and this was a real "social contract" situation. Botany was set up with a 40% raiing target which is a similar social contract issue but with the problem that electrification was not extended to Port Botany and the rail line was archaic. (The layout of the Port's facilities was always badly handled.)

Baird's and Berejiklian's port privatisation agenda from 2013 corrupted competition principles; while the Turnbull Government's "initiatives" have had disastrous "unintended consequences". As in other crises, they then refused to amend and correct their mistakes which will have unacceptable levels of intergenerational costs. They are rushing to cement the path, imperilling productive capacity at all three of NSW's major ports in a perverted attempt to protect owners' interests at Port Botany and Moorebank.

The Governments have voided competition principles and evaded accepted economic protocols, and breached their social contracts with the ports' communities: by suppressing expert discussion, camouflaging their own motives and documents, and creating false expectations.

They have stumbled into a disaster of a planning context that will confront future generations unless this one takes responsible action. Thus worst gets worse in the lowest performance of any governmental network in my life. The "Infrastructure PM" has a higher error rate than Holt and McMahon combined; and his "we are caring for Sydney" is really "we care for our investor mates and ideological partners". Baird and Berejiklian had a Labor "Cupboard", not a Cabinet. They are wrecking the Liberal brand of responsible financial management.

Ports Australia was right in its published case in saying that Berejiklian's approach **"lacks clarity and is likely to raise ambiguity among the community and uncertainty for businesses looking to invest ... it does not translate to meaningful actions for the future of this State and its ports network"**.

The Calfas Panel (below) addressed this (my comments are at right):

Over the past five years, a number of important national reviews, which impact on freight, have been undertaken by government. We have also seen reforms and strategies with freight as the main focus including the 2012 National Ports Strategy, 2013 National Land Freight Strategy and Infrastructure Australia's 2015 Australian Infrastructure Audit, which highlighted potential future national freight constraints. These previous reforms and strategies do not deal with the supply chain in its totality. **A number of priorities/reforms identified in those documents are still to be implemented, and a number of the identified issues remain.** Urgent action is now needed

Exactly and this one will be no different as it starts on the foundation of a poisoned tree – wrong assumptions, wrong structures and processes, deskilled agencies and undue interference by populist politicians. "Totality" is a misnomer as legacy systems are over-complex and disparate. Moreover, the "chain" is not entirely about logistics e.g. Parliaments

The Panel was also right to say that:

A National Freight & Supply Chain Strategy presents an opportunity for a true national approach to freight that transcends borders and transport modes and creates the environment to deliver significant productivity, safety and environmental reforms.

RDA Sydney summarised the needs in their submission to TfNSW – note this accords with Greiner's classic "it's all a bit arse-about" when Berejiklian released her initial plans and opposed his more-professional State Infrastructure Strategy:

Long term 40-60 year visions and port plans for Newcastle, Port Botany and Port Kembla should be coordinated and inter-related, and built around an overall NSW population and economic growth forecast and plan, and as part of a more detailed integrated Greater Sydney economic, land-use and transport plan and model capable of handling various growth scenarios. Current and future inter-related air, road and rail capacity constraints need to be considered. It is imperative that wherever possible this planning aligns with Australian government port and airport plans

To develop more realistic freight demand models for improved long term plans we must have a much more detailed knowledge and better understanding currently of what we have and how it works.

There is a long Panel discussion on how structures would work but they are regarded here as being founded on Turnbull/Berejiklian wet sand rather than Eddington's strong pillars. **It failed to develop a credible framework for meeting genuine critical issues, most especially a recently fractured Federal stratum to – unbelievably – replicate a long-festering NSW "planning stench" (O'Farrell).** The competing Ports and City Councils have been cowed by past transgressions. **That a Botany clique is setting rules over competing cities and ports is absurd and wrong.**

The fused Governments' programs are unsustainable and NSW has no option but to reject Turnbull's and Baird's/Berejiklian's policies, then reconstruct them properly.

If the instigators have to be removed in order to achieve economic sustainability, that is arguably a fair price to pay. In a similar vein, the NSW and Regional Business Chambers have driven some of the worst actions and should be exposed to scrutiny and audit through special processes; which should also apply to

the two satellite city councils which have undermined their communities' interests, in this author's opinion. Industry submissions were inconsistent and erroneous in important respects.

Just a year ago, iA ruled Maldon-Dombarton out – looking for a re-engineering. The PM recently put his foot in the bucket over Botany going to 40% railed which will never happen.

By the way, the Calfas Panel (below) supported “social contract” approaches:

<p>There needs to be a social licence for freight, and education and expectations that freight is a valued system contributing to community well-being and prosperity. Governments and industry need to collaborate for this to be realised.</p> <p>All levels of government and industry should work collectively to strengthen the social licence for freight and promote positive communication of its importance for the community and economy, including through the development of a ‘value of freight’ web resource</p>	<p>Misunderstands the nature of “social contract” (rarely “licence”) – widely quoted by Baird re greyhounds (see main report). Berejiklian smashes, not listens.</p> <p>Panel clearly does not remember Milton Morris’ Inquiry into Enfield under Carl Scully – pressure will build to implement Morris’ ideas of reducing suburban trucks movements around Moorebank as well.</p>
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In 2003 Premier Carr and Minister Costa engineered an electoral trick, moving containers out of Darling Harbour, cars off Glebe Island to Kembla, and break bulk and heavy lifts off the only rail-connected White Bay. They wafted the prospect of containers to Kembla and Newcastle but it was a sham exercise albeit Newcastle believed and is still smarting.

The current arrangement has Nick Whitlam’s Port Authority in a supervisory role over two major port agencies, NSW Ports (CEO being Marika Calfas) being a State-owned corporation leasing Ports Botany and Kembla, and Newcastle independently leased by an Australian/Chinese consortium. Calfas also manages Enfield and the empty containers depot at Cooks River.

Not one agency has done the analysis that is required to re-plan Sydney’s thin port capacities to cover an end-demand some three times the total of their potentials. The two-thirds will be coming from Parkes. A world-class IMT operation is needed in or near Eastern Creek. The economics of Inland Rail require full integration across cities and regions – it faces enough trouble ‘n’ strife without having Kembla and Newcastle sterilised.

There is no MSB authority that prepares proper plans and reports-back on performance data: TfNSW does not do that and it is definitely not independent of Ministerial capriciousness. It has demonstrated its engineering incompetence across the full spectrum of modes and issues.

Economic Overview

There are four main dimensions in Newcastle which relate to the general situation:

- | | | | |
|---|---|---|---|
| 1 | Intrinsic economic merit as an investment | 3 | Political smarts, given the magnitude of impediments |
| 2 | Feasible option to Port Botany especially re transport & shipping/logistics logic | 4 | Indicator of weaknesses in State and regional policy and planning logic |

The official hierarchy of ports is Botany first and until full, Kembla second, and Newcastle third. There is no proper strategy that supports this product of capricious Ministerial statements:

- No economic analysis of a broad multi-regional type done by the Brookings Institute or of sub-elements
- No employment and housing strategy that meshes with current and future jobs, infrastructure and social infrastructure patterns
- No proper industry inputs that professionally address all such factors as smart “white knights”.

It is a classic case of State Government *sleight-of-hand*. The situation also requires the State Business Chamber (which uniquely covers four affected regions) to do what its website said:

NSW Business Chamber has learnt to stay the course, remain resolute and never give up.... It's about fearless advocacy ... but also recognising that results come through partnership with other advocacy groups and governments on constructive solutions.

That it does not do so is tragic for NSW industry and regions. The fact is, its Western Sydney subsidiary undermined my freight and port and Blue Mountains work and the City Deal-cum-St Marys Metro. It cannibalised its Newcastle and Wollongong siblings without any of them having a clue about economics, logic and unintended consequences. Its Newcastle chair is conflicted-out with his government role and should never have been admitted let alone elected as chair, in my opinion.

ALC injected a degree of economic realism – and possibly lack of faith in the Calfas team:

We question whether the State Government's intention to list Port Kembla as the state's next major container terminal, once Port Botany reaches capacity will be adhered to by the incumbent lessee of the Port Botany and Port Kembla facilities? If container facilities at Port Kembla eventuate, then significant land freight network improvements will have to be made to enable the movement of cargo to/from the port. There is already significant use of rail for movement of cargo (mainly coal) to and from Port Kembla and this is expected to double by 2031. Funding infrastructure for the transport of containers could be an issue, given that once ports are leased, the revenue stream for the Government from port charges would naturally cease.

Two NSW “projects” in the 2018 Budget immediately failed economic blunder-checking tests, tripping up the PM badly, being

1. \$400 million for the duplication of the Botany Freight Line where economic analyses, reported in *The Conversation* (below), showed that not one more train would be delivered through duplication. Compare that with the PM's rave:

“Every single additional train with containers along this rail line takes 50 trucks off the roads,” he said. “The goal is to increase the rail share of this Port Botany port, this container port from just under 20% to 40% and we're seeing big growth in the port as well.”

2. The \$50 million (plus the State's \$50 million!*) for the “business case” for the Metro line from St Marys to Badgerys Airport is a deliberate deceit with multiple “unintended consequences” including
 - a. Badgerys airport will not have high-quality transit services and very real options were deliberately sterilised without election legitimacy or process probity
 - b. Parramatta CBD is again disadvantaged as St Marys has no logic, the Airport line should be full rail to Parramatta and up the Epping link to the Metro there
 - c. There will be further degradation of the commuting, freight and special events capabilities of the Bradfield rail system
 - d. The undermining of the economic interests of the logistics chain from Wollongong via the SW and Western Sydney to Parkes, and the associated movement of jobs west
 - e. The Inland Rail's logistics basis is reduced through cutting-off Port Kembla and forcing grain, coal and minerals trains through the metropolitan network
 - f. The numbers of car carriers and coal trucks on Mount Ousley and Picton Roads will increase rather than fall substantially (with the same logic applying around Ports Botany and Hunter), and
 - g. Commuting support to the growing population of the South West and Illawarra are lost with a passenger crisis from 2020 and coal crisis from 2031 - in the context of the \$100 billion waiting list of unfunded promises in Berejiklian's inner zones menu of metros, trams and mega-tunnels without due diligence legitimisation.

* page 149 of Budget Paper No. 2

Shipping Australia's submission was the only one to hit the central Port issue on its head, albeit it got its formulae wrong and noting the PM seems to have no clue about such reality:

It is noted that the strategy addresses the outer harbour expansion project at Port Kembla. The concept plan proposes the development of two separate container facilities, each serviced by two berths. The two terminals are expected to be constructed between 2014-2025 and 2026-2037 respectively, depending on

demand. Each berth would have capacity of 300,000 TEU per annum, providing a total capacity of 1.2 million TEU per annum upon completion in 2037 (AECOM Australia; 2010)

In our view, too little, too late. On page 170 of the draft strategy, it says that in 2011, Sydney Ports Corporation forecast an increase in the container trade from 2 million TEU in 2010-2011 to 10.98 million TEU in 2036.

ALC also got its numbers wrong according to the modelling (below) but the direction right:

By 2040, Port Botany is estimated to have a container throughput of 7 million TEU – almost three times the container throughput achieved in 2016.¹³ ALC has long held the view that the duplication of a 2.84km section of single track between Port Botany and Enfield is a vital infrastructure project for NSW. The project is currently listed as a ‘High Priority Initiative’ by Infrastructure Australia. Transport for NSW currently lists the project as being in the planning phase.

Both forgot or didn’t know about the only real rail capacity econometrics I am aware of:

The foreign economists¹ who reviewed Port Botany’s railing revealed these myths (NB their throughput projections are questioned*):

- * the peak capacity of Port Botany’s current rail resources is 1.78 million containers per annum, which is well above the levels needed to achieve the 28% rail targets over the next decade and beyond
- * Industry myth: “Not only is rail capacity [at Port Botany] insufficient for current container demand, there is no rail capacity to meet future container demand”
- * capacity gains do not depend on any investment in new tracks or trains: they can be achieved just by improving operational practices at Port Botany. Indeed, our analysis also isolated the reasons why the rail infrastructure at Port Botany appears congested:
 - o low-volume trains
 - o unproductive staging practices, and
 - o peak-hour congestion stemming from poor train scheduling
- * building expensive new infrastructure will produce marginal volume gains: 4% for a new centralised rail terminal, 0.4% for upgrading the current ones, and **no improvement at all for the proposed track duplication project**
- * the key lies in streamlining its operations. Our recommendations include:
 - o a dynamic train scheduling system to replace fixed servicing times at stevedore terminals;
 - o train staging outside the port precinct; and
 - o standardising all port-bound trains so that they contain a minimum number of containers

Note that 28% involves excessive and unacceptable road movements,* and the sustainable “social contract” railing level remains at 40% via Kirby and Turnbull if throughput is to increase over say 3 million TEU p.a. The railing capacity needed at 4 million TEU is 1.6 million TEU while at 7 million TEU it is 2.8 million TEU. The truck numbers are modelled in the confidential appendix and are horrifying, showing that **Governments have surrendered their credibility to political naïveties and lobbyists with fancy PowerPoints and suspect motives.** The respective train numbers are c 100 trains per day and 170 trains per day (both “full” – more if the current disarray continues). **I have done detailed capacity and productivity projections and a social impact matrix – all for the first time - in order to give a boundary to the social contract and say that Botany must overspill by if* truck numbers are not to explode beyond all acceptable limits.**

* This conclusion is in white font as a protected IP, as are passages related to recovery strategies

This capacity challenge was addressed in my THINKING LOGICAL LOGISTICS II wherein I quoted Lloyd’s List’s seminar’s conclusion that 30 million TEU has to be the target limit. No Government or industry body accepted my analysis then and we have lost so much time. (Many of the submissions to TfNSW were strong on productivity issues.)

¹ See Harabor, Guimaran and Van Hentenryck, “Port Botany doesn’t need another expensive rail project – here is the evidence”, The Conversation of 9 February 2016

Underpinning PON's Deloitte's analysis and its submission, an earlier freight catchment study appears to have spread the Newcastle zone as far as Parkes; where reality would have Parkes, the main hub on Inland Rail, drawing its local IMT trade from its own geo-economic circle. As well, the comparison was of regional freight to PON or Botany, not to Parkes. It was redundant.

Even then, landside cost savings amounting to a discounted \$1.1 billion, or \$1.3 billion as the cost of lost competition, are not revolutionary numbers and would not justify a massive infrastructure investment. (Claims that PON's higher operational level would materially affect truck congestion in Sydney has to be tempered by precise locational analyses and are not generally valid – 1% is less than a year's growth.)

The remaining misunderstandings that are beyond the industry's, Governments' and Calfas Panel's ability to resolve, all three main ports being at risk, include:

- Maldon-Dombarton can carry high levels of passenger and freight traffic: Centurion, S Jones MP, Business Chamber, City Council, Parkes Council, TfNSW, ARTC. They didn't read the feasibility assessment report and were distracted from preparing an effective strategy to take car carriers off Mt Ousley, not to mention addressing a regional commuter crisis from 2020 and a coal crisis from 2031. Now TfNSW has tried to pretend a new line with 20-km tunnel is somehow feasible – it is not, it is a fraud
- Newcastle's belief: a massive new rail project across the most difficult terrain carrying a thin payload and supposedly able to connect with the distant Inland Rail will be approved by a State Government that doesn't like Newcastle and whose own and lobbies' back pockets would be hurt
- A Central West collation of councils: see one section of Inland Rail at a time and trusting conflicted Ministers they talk to "to do the right thing", while the Inland Rail is not working now or in the foreseeable future
- A Western Sydney "business" community comprising Labor figures from failed, loud ideas: cannibalised their Illawarra and Hunter brethren without the victims even realising. They lead State and Federal Coalition Governments by the nose, after O'Farrell promised to end "Labor's planning stench" (which still festers in Macquarie Street).

One industry submission to TfNSW on the draft of a revision of the 2013 Freight and Port "Plan" said it was a national exemplar, but every other body said the opposite. Not one, including the main victim, Port of Newcastle, can see a way to relieve their burdens, but waste money on clock-watchers and reject outsider ideas and experts in a classic "groupthink" loss of reality.

Finally, the freight and ports issue is not on a different planet to commuting, employment re-balancing and the Second Airport. My work is always holistic. WSROC's website carried several indications that it should see that *Thinking Logical Logistics II*, plus my congestion plan, are being worth building on. Some examples are:

WSROC: The proposed Badgerys Creek airport is ... only expected to deliver a fraction of the jobs the region needs (around 60,000 jobs over the next 30 years). In the past, a passive approach to jobs creation, including the release of employment lands, has not been effective in generating the required density and diversity of employment the region needs; and therefore is unlikely to do so in the future.

GIBBONS: the employment imbalance between eastern and western Sydney – 300,000 jobs growing to double that fairly quickly - which leads to road and rail over-loading, public and private costs (including toll imposts), and inefficiency in the logistics, transport, waste, land use development and infrastructure investment communities. Only an Inland Rail Bridge that gives Sydney access to Brisbane's and Melbourne's Ports via Parkes, with about 40 million TEU capacity in Intermodal Terminals in Western Sydney, will ensure Sydney's overall economic viability.

This analyst's contemporary correspondence included this passage:

WSROC is accepting Greater Sydney Commission moves which exclude broad employment and congestion strategies and impose unfair taxation:

GSC'S WEST DISTRICT PLAN: 24-hour Airport operation and no rail except for internal corridor (which is contentious) and contains no reference to containers or IMTs, Maldon-Dombarton or Port Kembla, or Parkes. The Towards document contains no guide on project selection and appraisal, taxation and financing, or how GSC will amend the Plan for Growing Sydney. Neither does the West District Plan.

Towards is enthusiastic about the “catalytic impacts” of the Metros, NorthConnex and WestConnex, tramways, Northern Beaches Hospital “and any future State Government investments”. It indicates that population forecasts have been increased and said GSC “needs clear criteria about where additional capacity should be located.

Our vision for accommodating homes for the next generation is intrinsically linked to planning for and integrating with new infrastructure and services” – but then only talks about renewal corridors, infill and fringe areas; not infrastructure.

It pushes Value Capture which is unsuitable for “pipeline” financing and which creates new inequalities between generations and places. [NB switching from SW to NW must affect these matters.]

Its development compacts are unprofessional: they break systemic Christie- and Eddington planning and fit in with developers’ needs not the community’s, just like the Parra tram and their Greater Parramatta and the Olympic Peninsula (GPOP) strategy.

So the Second Airport, Port Kembla, Inland Rail, multi-regional commuting and freight efficiency, employment re-balancing (congestion relief) and the Governments’ very credibility, have been undermined by a set of staccato announcements that appear to lack infrastructure education, experience, wisdom or care for community.

Baird Super-Tax & iA Calfas Panel – monopolistic manipulation

When Baird “privatised” Ports Botany and Kembla, he sought to maximise the return to the State so he could justify Berejiklian’s extravagant Metro and Gay’s WestConnex schemes. He did this in two ways:

1. He combined the two most likely container terminals, Botany as first rank and Kembla as second, which added some bulk but also further marginalised Newcastle. Kembla was thus prevented from competing politically or economically with Botany, with the Botany chain extending to the Moorebank Intermodal Terminal (IMT) which has fused governmental (ex-Labor) and corporate interests
2. He wrote a secret clause into the sale contract, guaranteeing that Newcastle would pay a super-tax to Botany on container throughput. This mirrored per Bruce Baird’s protective clause for tollways against possible transit competition in the early 1990s.

That is pre-history and the City Deal disaster follows from it (below).

Some years ago, say in 2013-4, iA contracted a disease that is common in NSW, of backfilling on a capricious Ministerial announcement with an analytically weak “independent” report as retrospective “justification”. Its host, the Department of Infrastructure and Regional Development, was specifically infected, especially after a period when the Prime Minister’s Office had micro-managed it according to Mike Mrdak. (A specific example was trying to justify double-handling as a virtue at Moorebank while its chair was on iA’s Board.)

iA failed again with its giving “highest priority” to the “southwest metro” when that metro will serve less than 5% of the population growth it is targetted to meet! while it sucks all available capital out of the regional rail, freight and ports pool.

Berejiklian and Turnbull knew I’d written THINKING LOGICAL LOGISTICS II and strangely (but as with my critique of the Greater Sydney Commission’s performance), iA conducted an “industry consultation” exercise through a Panel that was chaired by Calfas, two of the other three members being associated with iA and Botany/Moorebank.

The Panel did not present a professional SWOT and also misunderstood the nature of “critical issues” and “scenario planning”, so the methodological and empirical gaps are fatal. To illustrate, one of the most profoundly critical issues is the WS City Deal’s defilement of Port Kembla’s access to Inland Rail and the Illawarra’s economic future post-BHP. This is what the Panel said:

Preserve and protect land, air and water transport corridors and buffer/transition zones, as well as land for future freight use in growth areas, such as projects for the development of an alternative rail alignment into Port Kembla, Western Sydney Airport freight related road and rail, a high capacity rail link to the Port of

Brisbane and intermodal terminal and pipeline connections and future intermodal locations for Inland Rail. Target Commonwealth investment toward key freight routes and associated first/last mile roads, with investment aligned to the National Strategy. For example from City Deals ... Implement key objectives and recommendations of the National Freight Strategy as part of City Deals

NSW is preparing for large growth in freight volumes across Greater Sydney and regional NSW, and is supporting industry to take advantage of new technology to improve freight movement

That is their summary of the NSW crisis (apart from generic urban congestion). Newcastle does not get a mention, as usual. Genuine “critical issues” were omitted (as in most industry submissions to the Panel). The host agency, DIRD/iA, is in the same position with their relevant reports. They didn’t even mention the PM’s proclivity in taking dud projects off Treasury and Budget cycles through unconstitutional devices, including City Plans.

It is simply not good enough. THINKING LOGICAL LOGISTICS II has greater relevance. They made specific comments on competition which made their intent quite clear:

Other than where completely vertically integrated supply chains exist, freight modes and operators need to work together for the whole network to be efficient	No exceptions (see next line) – even monopolistic corporates are subject to competition and other rules.
Review opportunities for reform to competition policy to recognise that vertical integration where one player may own and operate different parts of a supply chain (for example, a single owner of rails, train sets and intermodal terminals) may produce a more efficient outcome for customers than enforced structural separation.	Rejected, Botany self-interest noted. There is no reason to allow monopolistic over-rights. Open access regimes should be compulsory in remote locations (and Moorebank given ANAO concerns) to overcome such monopolistic distortions.
Require business cases developed for infrastructure funding submissions to include a comprehensive analysis of alternative options including low build / no-build alternatives, which may include investment in technology or operational efficiencies (for example, investing in new rolling stock instead of duplication of underlying rail track).	Agree and that is the default under due diligence, Sir Rod Eddington’s exercises being examples. Turnbull and Berejiklian reject these principles without exception to date.

The last line is elaborated in the Port Kembla section (below). The Panel also undermined the value of social contracts in the complex context of ports and buffer zones (including truck congestion zones):

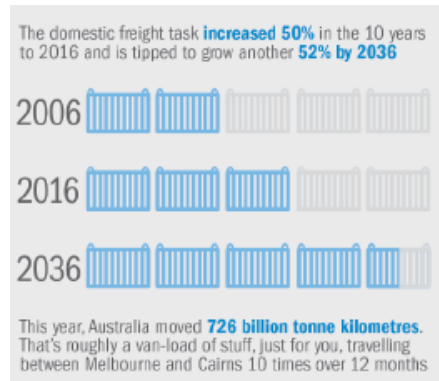
Freight precincts need to have adequate capacity to handle expected future volumes, and there needs to be sufficient capacity in the associated land, maritime and air connections. Just as importantly, these precincts must remain accessible for the purposes of trade and protected from inappropriate or incompatible uses that compromise their productivity and optimal utilisation of existing land and infrastructure	Dreaming , continues mistakes in status quo instead of planned improvements <ul style="list-style-type: none"> • Trucks around Moorebank and Enfield (know history?) • Between ports
Preserve and protect land, air and water transport corridors and buffer/transition zones, as well as land for future freight use in growth areas, such as projects for the development of an alternative rail alignment into Port Kembla, Western Sydney Airport freight related road and rail, a high capacity rail link to the Port of Brisbane and intermodal terminal and pipeline connections and future intermodal locations for Inland Rail.	City Deal reversed Port Kembla – didn’t iA understand, as well as the Panel? There is no proper process for approving corridors , iA does not have one – they listed the West Metro immediately when Baird announced it, then down-rated it when I exploded at the further abuse of protocols.
Improve the reliability of freight movements (often as important to customers as the capacity of networks or cost of transport) through state governments guaranteeing freight train paths in mixed use rail networks, similar to the approach adopted by NSW in relation to the Northern Sydney Freight Corridor initiative	Governments will not allow corporates to override politically-driven passenger priority. Another over-simplistic bureaucratic idea.
Accelerate the delivery of as-of-right access to key freight routes by B-doubles and other combinations unless current physical constraints genuinely impede their use	Unacceptable. Bureaucracy overriding local governance.

The Panel produced one of the classic clangers (at right):

The conclusion (reflected in the full analysis) is that this report cannot be relied on as a guide to repairing current defects and to near future actions.

It covered-up wanton deceit and incompetence and reinforced monopolistic unfairness to competing ports.

The obvious structural solution is to untangle NSW Ports which is feasible as it is Government-owned.



A challenge: Melbourne to Cairns is c2,944 kms
Load "for me" is say 10 tonnes
Sum is 2,944 t/kms x 2 = 58,880 p.d. (ignoring empty back-load)

Multiplied by 10 = 589,000 which is **0.00081%** of claim

Turnbull/Taylor City Deal Manipulation

The City Deal was engineered by the then Cities' Angus Taylor MP and – as publicly revealed – a PMO executive who had not previously worked in urban and regional planning. They reversed the UK precedent by reinforcing central capricious control instead of delegating and devolving to city-states as in the UK. The pressure had come from my critiques of the GSC conflicted structures, legislation, methodology, empiricism and analysis.

The pre-planning had no councils involved but then discussions proceeded with 8 councils in GSC's arbitrary "Parkland" city. It excluded three with massive interests, namely Wollongong, Parramatta and Blacktown. (Under Carr, DPC conducted extensive consultations about the formation shapes of Sydney's regions, the outcome being "catchment-based". GSC ignored that.)

The City Deal was running towards a South West to St Marys via Badgerys orientation, partly for passenger services but also linking with Maldon-Dombarton which the Chinese Centurion wanted to use fast trains on. (They don't mix, below.) **At the 11th hour, the 72nd week of 72, the Prime Minister and Berejiklian capriciously rotated the route so that the South West will be metro rail and incapable of carrying freight trains, thus killing all commuting benefits but favouring the Berejiklian Chinese NW metro model which is failing and apparently deserves camouflage instead of correction.**

The 8 Councils were given \$15 million each for community benefits so Wollondilly households got the \$800 jackpot. Blue Mountains took the lollies, saying that at least our hatred of the Badgerys Airport was stated somewhere. Liverpool thought that the Deal that excluded her LGA was a "huge win for Western Sydney". Bankstown "welcomed" the Metro then opposed it after RG explained the reality Vs the bull!

An inspired leak, with map, was printed in the SMH on 23 February. (An indication was given by iA as explained later.) The features there are compared here with the details announced on 4 March:

SMH

- SW to 2nd Airport Rail Link (Minister Fletcher on record as West Metro is best) - \$1-3 billion
- Airport to St Marys - \$30 billion
- Planners say SW extension won't be ready for 2026 + value capture
- Fletcher says "city shaping" dictates SW not Parra connection
- Labor SW to Badgerys then Rouse Hill
 - * NSW PR said SW included in this

PM PR

- * NS rail from St Mary's to 2nd Airport [NB no SW in near term], 50:50 Fed/State – words differ from map (below) - \$7 billion +?
- * \$100 m for Business Case* on that option (also 50:50) – i.e. over 80 consulting-years
- * Investment Attraction Office
- * New planning regime via councils
- * \$150 m to community facilities
- * Skills training
- * 5G – what happened to NBN?

The abrupt and unexplained change from the SW to NW socio-geography is dramatic in terms of:

- accessibility, congestion, probity, taxation and commuting impacts, and sheer logic
- the inherent poor economics of the NW 2
- the stated contra-intentions of the Federal Minister for Cities and Infrastructure, Paul Fletcher MP
- the over-commitment of funding under Rebuilding NSW (being about \$100 billion)

Supposedly the St Marys logic was based on the WS Rail Needs Scoping Study which did not satisfy stages 1 and 2 of iA's protocols (although it did not have the geographical disability of the City Deal), in particular it:

- Suggests rail access not needed when airport opens
- States *sotto voce* that metro technology is preferred but without meeting due diligence protocols = PM's notion of "ideology and stupidity".
 - "The preferred type of rail for the East-West Link from Western Sydney Airport to Greater Parramatta is a rapid metro. This provides high frequency, all stop services and competitive journey times while connecting communities along the route. These trains are designed to operate at up to 130km/h"- is not impartial.
 - The XPT operates well below its design speed and cutting metros off from the Bradfield system is possibly the worst error ever made in Sydney's history (previously the non-implementation of the 1909 recommendation to lift the CBD and suburban tram tracks and re-lay them around the new electrified rail's stations).
- Does not discuss freight uses of a north/south connection which is now doubly critical given \$10 billion to inland rail bridge + iA clarion calls to protect long-term corridors. Maldon-Dombarton and Moss Vale-Unanderra both need that heavy rail connection through to Inland Rail
- Has excellent sensitivities etc but accepts an invalid circular argument from GSC – 30-Minute City = axial rail = metro not "expressnet" etc. iA itself disproved 30-Minute Cities in its Growth implications report, meaning the ideological basis of the Scoping report invalidates it. (That iA report assumed SW to Badgerys and to NW so the pessimism about 30-Minutes was justified – GSC is in disgrace.)
- Includes options but gets relative capacities completely wrong, repeating a mistake iNSW (then iA) made in 2012 in using MTR (proponent) numbers – rail is 38,400 not 28,800; and metro is 30,000 (15% seated!) not 46,000. Greiner 2012 confirmed Bradfield re-engineering at 40,000. The metro is a myth in most respects
- Gets value capture and Transit Orientated Development economics and practicality wrong – see this analysts' refutation of the PM's and Minister Fletcher's (*et al's*) proclamations at the time - <http://www.onlineopinion.com.au/view.asp?article=17989&page=0>

A mythical outer orbital including 20-km tunnel has been floated by TfNSW as with the equally mythical long rail by-pass of Sydney (below). Both have been left to the never-never in a State where \$15.9 billion from poles and wires blew out to \$80 billion then over \$100 billion in Berejiklian's elongation of Labor's horror story.

Logistics chains as well as corridor reservations and capacity adjustments require careful planning, route reservations and staged construction, all heading in the right direction. The current intentions use the wrong technology, wrong trackage and wrong route. The run-ons are horrendous.

The greatest myth is that Maldon-Dombarton linked to the SW chain had been properly planned. (I say that as one of the three initial planners in the Dark Ages of 1981-2.) Albanese's Feasibility Study said it has a maximum capacity of 60 trains per day (which is doubtful given over-standard grades) which is about 2 million TEU; but the Illawarra's SWIRL has fast trains on it as well as its baseloads of grains, minerals, coal and car imports (if TfNSW can get its act together).

SWIRL's case and iA's evaluation are disreputable but so is Newcastle's case – not forgetting Turnbull's Port Botany's Budget blunder (below). M-D has been a Fed football for Coalition and Labor Governments alike since 1988. Just a year ago, iA ruled it out – looking for a regional re-engineering (not that they'd know what this is – I did it but no one listened).

A re-engineering of the whole Illawarra/South West/West chain is required, not yet another ideological time warp. Illawarra hits a capacity limit with passenger services in 2020 (i.e. tomorrow) and coal in 2031 (i.e. next week). That that is so is true is demonstrated in the following sectional texts.

Turnbull, Berejiklian and even Labor's Shorten have pushed ahead via the commitment of major capital to the West Metro and St Marys Metro without any legitimisation or due diligence. This is cross-Party ineptitude.

At the very least, the distorted basis of the WS City Deal and the incompetence of its analyses as excluding the drastic effects on freight, employment re-balancing, access to the Second Airport, connections to Kembla and the Inland Rail, and commuting, indicates an urgent need to cancel the City Deal before Turnbull and Berejiklian cause more damage to this and coming generations.

PORT BOTANY & GSC

The ECONOMICS section has covered capacity and productivity issues. Baird raised the stakes of social contracts and it is interesting that I've done three community mapping exercises via ABS for the NRMA, Newcastle City and Port Botany trucks. **Taken with my capacity and productivity modelling, I can put the most credible case yet seen in NSW for amending Government planning because of its impossible capacity/demand Vs community balance.**

The local community has resisted higher rail operations levels even though Labor and now Turnbull have promised to duplicate the freight line. The fact is, in 2013-4 I met with the Labor mayors of Botany Bay and Randwick who loved my truck-reduction initiatives, only to be micro-managed by the State MP who hates both railing and trucks. Duh indeed.

The Greater Sydney Commission's reports have many non-actions including over metros, trams, Bankstown Airport and affordable housing. Their treatment of port and freight matters is shown here:

Greater Sydney Commission

By taking a leadership role, we can make sure that public resources and expertise are brought together to create a more productive, liveable, resilient and sustainable Greater Sydney.

Freight and logistics activities are an economic facilitator in any city. This statement is true for every class of freight — from air to rail and container freight, to the local delivery of parcels in vans. Our land use planning must therefore recognise, support and mitigate impacts of freight delivery. Maintaining the productivity of the District's freight network is an important consideration in this draft District Plan.

(The Cargo Movement Coordination Centre) is increasing the efficiency of the rail network in support of new and planned intermodal terminals at Enfield and Moorebank. These facilities are seen as integral to enabling growth of trade through the ports. They will act as extensions of the port to the inland by enabling large volumes of containerised freight to be rapidly transferred by rail closer to the catchments of delivery and/or distribution

GSC cannot take a leadership role, it is subservient to Fed and State Government silo-thinking and induced and direct lobbyists' processes
"Important consideration" is a matter of words – not one action is proposed, even on buffer zone protection through land use planning instruments.

False statement: 1.4 m TEU does not "enable growth of trade" as they barely service existing levels and create extra truck movements.

The Sydney Motorway Corporation is currently working with Sydney Airport and other strategic landholders to develop a detailed proposal for the connection from the St Peters Interchange to the north side of the Airport

“Detailed proposal” is contra to poor pre-planning.

Port Botany Rail Line duplication: A partnership between Transport for NSW and the Australian Rail Track Corporation will increase capacity between Marrickville and Port Botany through duplication of the existing rail line. The planned duplication will provide capacity for the forecast increase in Port Botany trains, with new flows from the Enfield Intermodal Logistics Centre (opened 2016) and Moorebank Intermodal Terminal, which is currently under construction.

False statement: “provide capacity” when the shortfall in train paths against mode split guidelines are 5 p.d. from 2025 rising to 20 p.d. from 2030 (minima) at high wagon utilisation, more if 2.5 m TEU p.a. cannot be reached.

Foreshore Road Capacity Upgrade: Adding a dedicated freight only heavy vehicle lane to Foreshore Road could optimise Port landside movements and help improve the NSW economy. Foreshore Road is the primary route of entry and egress for heavy vehicles visiting stevedore terminals, container depots, fuel terminals and other freight generators in the Port Botany precinct.

Foreshore Road is also a truck parking area and is usually uncluttered by passenger vehicles

Sydney Airport East Precinct: Roads and Maritime Services is removing the General Holmes Drive rail level crossing This project and upgraded adjacent roads will improve the movement of rail freight to and from Port Botany, and improve traffic flow to the Airport and Port Botany.

Improve is an appropriately modest label

WestConnex was designed to improve regional freight movements and reduce traffic along some sections of Parramatta Road. It also aims to return local streets to local communities and enable urban renewal and improved transport services.

WestConnex is also limited in regional flows (SGS) and hits hotspots such as Anzac Bridge

I can say with unique confidence that the Turnbull/Berejiklian plans are crap. But I say the same of the various industry chambers and associations, NSW Ports, iNSW and iA, TfNSW and the like as I regularly do.

Terry Moran, Peter Shergold and John Menadue *inter alia* are regular bloggers on the decline in standards of public policy-makers.

I agree but am told by one of America’s pre-eminent political scientists that I am the first in the world to map the dysfunctional linkages between conflicted cross-memberships, political appointments, lobby interdictions and un-elected agency brutality in their planning and project cycles – and adverse outcomes such as waste, subsidisation of foreign property speculators, declines in service standards, and increasing needs over the level of population increase.

Port Botany has its own Port problems, including a failure by the State Government to heed NSW Ports’ plea to transfer the whole Port zone to Randwick City, away from Botany Bay Council, because the former protected the buffer zone and the latter encouraged encroachment. The latter’s mayor also opposed increased railing levels for NIMBY reasons.

PORT KEMBLA

In 2008 the then chair of Port Kembla Nick Whitlam welcomed PM Rudd’s infrastructure funding promises by seeking \$1.2 billion to match Botany’s container capacity and \$300 million to finish Maldon-Dombarton. Adele Ferguson wrote it up as busting “the cosy duopoly between Patrick and Dubai Ports (formerly P&O ports)”. His hopes were to be dashed as, underneath all, is a Cargo Cult reality shared across the industry and especially Ports Australia and Botany and Newcastle.

The SWIRL Report was produced in August 2017 in the context of the Federal offering to provide business case funding for selected regional rail track improvements. Illawarra First’s notion was to add commuting and logistics capacity for inter-regional movements between the coast, the SW and Greater West via completion of the Maldon-Dombarton (M-D) rail link. Yes, same link unrequited.

A classic example is the polarity between coal freight projects and infrastructure projections. These passages are from UOW's SWIRL report, with the contrast between the Governments' relying on the South Coast line but sabotaging the main alternatives, Maldon-Dombarton and Moss Vale-Unanderra:

the freight volume on the South Coast Line was 9,566 kilotonnes in 2011 and is estimated will double over the next 20 years (NSW Freight and Ports Strategy, 2013). However, it is expected there will be no spare capacity on the line from 2030 (based on ACIL Tasman's demand forecast).

As freight shares the South Coast Line with passenger trains, freight traffic is not allowed to use the line during the peak commuting hours. Also, the rail line is basically set up for passenger trains, which makes it difficult to secure longer train paths for freight trains. In addition to these limitations, the expected growth in the passenger demand and the introduction of the southern Sydney rapid trains project will provide further boundaries for freight, especially more difficulties for freight train paths availability. Meeting the future demand of freight will require efficient solutions to manage these limitations.

iA had a different rationale in early 2017::

Modelling provided by the proponent indicates that there is expected to be adequate freight capacity on the Illawarra Line and Moss Vale to Unanderra Line to meet demand until 2031. From 2031, proposed changes to the operation of the Illawarra line, with the potential introduction of rapid transit services to Hurstville, may introduce new capacity constraints. The timing of these proposed future changes would be a significant factor in determining how and when future additional freight rail capacity to and from Port Kembla would be required.

The "rapid transit to Hurstville" reflects Berejiklian's haphazard metromania. She announced it along with Bankstown only to find out the interconnections would work only with difficulty if at all. This is called "poor pre-planning" and has been roundly criticised by Schott's Commission of Audit, Grattan's analyses of NSW's "negligent" approach, iA's own analyses, and SGS Economics' studies of WestConnex for the City of Sydney, inter alia. (See comments on the Calfas Panel report, above.)

There are four other issues which indicate the need for a re-look:

1. The PM gave the Faster Trains money to the Central Coast and explicitly said the Illawarra needs to work harder if it is to get any. The \$ millions given to CLARA under that program was a PM's captain's call on dud ideological grounds. It will be tested as corrupt and/or incompetent (as the \$400 m to Botany railing is already), with the question, why wasn't it spent wisely – and what sort of cadre advises him given the gap between mouth and reality? He has no escape from the arrow labelled "\$100 million allocated to a lucky consultancy" for a few weeks work
2. The UOW SWIRL study underestimated the significance of coal capacity issues and of the difficulty of scheduling passenger services if M-D is built as planned. The progress of the second Airport is relevant also but see the failure of the West and St Marys Metros and of the City Deal
3. The PM and Premier made a massive mistake in appeasing the metro lobby in the form of an erratic outcome of the WS City Deal. If that "decision" is allowed to stand, Port Kembla will lose forever both Moss Vale-Unanderra and M-D connections to Western Sydney and the Inland Rail bridge
4. There has been a long-term misunderstanding of the incompatibilities of logistics mixed with passenger services and of the logistics needs of Greater Sydney. Up to two-thirds of Sydney's containers will need to be collected at Parkes; while Newcastle and Port Kembla will have to be built-up to handle say 5 million TEU per annum each if possible. SWIRL and PON reflected both misunderstandings.

Comments, in short, on SWIRL are:

1. Coal capacity deadline of 2030 in the South Coast Line is critical and receives insufficient attention. Counteracts the fatal City Deal "decision"
2. No reconciliation of M-D's 60 trains per day Vs increase in car importing + containers + changes to wheat and coal. Headways between trains and trade peaks in Port receivals should be discussed explicitly.
 - a. We need a schematic showing current and future train movements as well as volumes to serve as a reference and blunder-checking aide
 - b. Reversion to Corrigan-like car import yards (Minto, now further west?) needs to be discussed as a strategic issue

3. There is a real chance that passenger trains cannot run on M-D due to capacity and scheduling conflicts
4. Should focus on high-voltage AC electrification and link to Goulburn and to Parkes
5. Grade remains a worry, 3.3/100 (not 3/100) is limiting, strongly agree with duplication but take it to four and extend it from Maldon to Werrington (?) and remember Christie freight line from Enfield to Main West

(disagree with comment on p 28 - the SWIRL would be a predominantly dual track line except for the two major bridges and the 4 km tunnel This would pose some constraint on capacity but this constraint would not be considered limiting in the short to medium-term in our view.)

6. 6,000 cars to train switch of commuters to be tested – unlikely
7. Valuation of time savings on p 33 is questionable (SGS re WestConnex)
8. BCA: is a ranking tool, not merit test, wrong name needs correction (BCA not CBA).

The harsh reality is that Port Kembla's coal stakeholders/owners are sending their product to Newcastle due to price disparities; while the closure of BHP's steel facilities is mooted (with more notice than Newcastle received).

I am grateful to Newcastle's Greg Cameron for these two quotes via The Newcastle Herald:

reported on 28 July 2012:

But Mr Baird said yesterday Port Kembla was found to be the most cost-effective location "for any potential future overflow of containers from Port Botany", based on an assessment of the NSW freight network and its proximity to businesses and warehouses in south west Sydney.

Mr Baird made no mention of a "cap on numbers" at the Port of Newcastle including the economic implications for northern NSW of maintaining the Port Botany monopoly over container movements.

reported on 3 August 2012:

In truth, the writing has been on the wall for some time before now, but in coming to Newcastle to deliver those words, Mr Gay was saying clearly and absolutely that Newcastle had lost its place in the planning queue to Port Kembla as the overflow port for the state's main container facilities at Port Botany.

PORT OF NEWCASTLE

The *Newcastle Herald's* recent revelation of a Baird secret super-tax on container handling that favours the Government-owned Port Botany has focussed media attention on container prospects, but at the margin. There are more fundamental impediments which the regional community seems to be unaware of and is certainly not addressing as it must, as **Newcastle has to fight for its future**. Without a better and stronger stance, Newcastle will never have a container terminal – not in my grandchildren's lifetimes at least.

The Port of Newcastle commissioned several consultancies designed to boost its commercial prospects, including

1. Deloitte – “NSW Container and Ports Policy” (March 2018): task to establish an economic case to divert traffic from Port Botany to PON on the basis of a large “footprint” through regional NSW, material reductions in truck traffic in Sydney, and reductions in logistics costs. It is referenced here as “Deloitte”
2. Lycopodium - “Container Transport Economics Study” (2016, not sighted).

Deloitte had done other consultancies such as *The NSW Economy in 2031-32* (2012) and *Shaping Future Cities – designing Western Sydney* (2018) – a particular target for a separate critique – the City Deal's N/S Rail debacle. They prepare NZ's port annual data reports.

Underpinning the Port of Newcastle's (PON's) but not specifically mentioned and the Business Chamber's thinking where it is mentioned, is the long-term public campaign by the former BHP media flack Greg Cameron, who aims to

... privately fund a rail freight bypass of Newcastle and Sydney by building a container terminal at the Port of Newcastle and riling containers and general freight for the Sydney market.

Cameron has included the replacement of both Ports Botany and Kembla by PON. Deloitte, PON and the Business Chamber made it clear that they rely on its capacity and separation between freight and passenger. (His model might be financially feasible - \$15 billion at 7% over 20 years under a banker's reducing balance model would require 22 full 1.8 km trains per day, at \$100 per TEU. That does not mean the project can be justified: the politics alone say that "it is whistling in the wind".)

The official content is in the NSW Freight and Ports Plan of 2013:

Analysis carried out by Infrastructure Australia suggests that a multi-modal corridor from Western Sydney north to the Central Coast and lower Hunter may provide a more effective long term connection between Sydney, the Illawarra and areas to the north.

An adaptive Outer Sydney Orbital corridor would support a new level of integrated transport planning. It would potentially allow four significant modal problems to be resolved through one integrated corridor. An Outer Sydney Orbital would:

- Provide a dedicated rail freight line north from Sydney, beyond the current Northern Sydney Freight Corridor Project
- Identify and reserve a corridor for the new orbital road link
- Provide a Western Sydney Freight Line
- Provide a corridor for an Inland Rail Route.

Deloitte reproduced the State's position on Inland Rail:

Mid term	Inland Rail	\$9.9 billion	Project is partially funded.
	This project will complete a new rail connection between Melbourne and Brisbane, via Wagga, Parkes, Moree and Toowoomba. The new line will be a more efficient route that bypasses the Sydney rail network, significantly altering the pattern of freight operations through Sydney.	Source: Infrastructure Australia (2017), 'Infrastructure Priority List'	State Government contribution is to be determined.

The words are sloppy but meaningful only if Governments and industry realise that the game is changing (they don't seem to have yet).² Also sloppy are these "intentions":

Long term	Western Sydney Freight Line and Intermodal Terminal access	\$2.2 billion	Project is partially funded.
	This project will deliver a dedicated rail freight line connecting Western Sydney to the Sydney Metropolitan Freight Network, with connections to intermodal terminals. This will reduce delays to freight trains on the main Western Line, where passenger trains take priority.	Source: Infrastructure NSW (2014), 'State Infrastructure Strategy Update 2014'	
Long term	Outer Sydney Orbital	No assessment of the project costs has been made	Funding sources are to be determined.
	The Outer Sydney Orbital (M9) is a 76km transport corridor running from the Central Coast to the Illawarra. It will connect the growth centres, provide links to the future Western Sydney Airport, and support the freight network.		An assessment of potential project options is being made.
Long Term	Development Port Kembla's Outer Harbour	\$700 million	Project has been funded.
	This project includes dredging and reclamation for the creation of multi-purpose and container terminals This will allow the Outer Harbour to be readily developed to meet demand.	Source: Transport for NSW (2013), 'NSW Freight and Ports Strategy'	Stage 1A of the project has been completed.
Long Term	Capacity upgrades to Port Botany	Assessments of costs are not available	The timing and delivery of increased capacity will depend on actual trade volumes, productivity improvements and wider industry changes.
	Brotherson dock will be deepened to allow for unrestricted access by 10,000 TEU container vessels. The Hayes Dock Services Area will also be developed to provide additional accommodation for small service boats.		

² The Moorebank website states that the land reserved at Badgerys Creek is "unlikely to have enough spare space to also accommodate a container freight precinct. New rail and road connections ... would also be needed...". This is a monopolist's way of bad-mouthing a more rational scheme.

The last item is a joke, the whole scene is a Shakespearean farce. As is the Port's failure to recognise the defects in Deloitte's "watch watching" report.

The earlier freight catchment study appears to have spread the Newcastle zone as far as Parkes; where reality would have Parkes, the main hub on Inland Rail, drawing its local IMT trade from its own geo-economic circle. As well, the comparison was of regional freight to PON or Botany, not to Parkes. It was redundant.

Even then, landside cost savings amounting to a discounted \$1.1 billion, or \$1.3 billion as the cost of lost competition, are not revolutionary numbers and would not justify a massive infrastructure investment. Claims that PON's higher operational level would materially affect truck congestion in Sydney, coming from PON and printed in the AFR, has to be tempered by precise locational analyses and are not generally valid – 1% is less than a year's traffic growth.

Thinking Logical Logistics (2003) focussed on filling-in Brotherson and creating an efficient linear wharfage as in New York. That has still not been included in public discussions – why not?

How these factors play in a stronger submission to both levels of Government is the subject of the proposed deed of agreement given to selected industry stakeholders.

Deloitte does not contain a SWOT or critical issues matrix and its Executive Summary does not mention Port of Newcastle lease and planning permissions, the same for Port Botany in its specific context, or of known criticisms of reports it referenced including their own analysis of the Northern Sydney Freight Corridor.³ The factors of importance to Deloitte are shown in the left column, with comments in the right:

There is little regard (in Governmental "plans") to the significant role that the Port of Newcastle could play in helping to manage the current and growing freight task for NSW as well as in facilitating major economic, environmental and regional benefits to the State.

This is a significant gap in planning, as it doesn't account for a number of important considerations:

The current and future volume of freight moving into and out of Northern NSW is significant and is comparable to total throughput seen at some of Australia's ports. Moving this freight through Port of Newcastle would keep it out of Sydney reducing transport costs and potentially delaying the need to expand the freight network;

The draft freight and ports plan does not contemplate utilising the existing capacity within the Port of Newcastle and its road and rail connections in meeting the container freight task. Therefore, the current plan may result in inefficient outcomes and unnecessary investment;

Focussing on Port Kembla alone doesn't integrate with broader NSW Government plans for regional development. By diversifying port freight across the state and reducing supply chain costs for producers and consumers, the NSW Government could enhance current 'economic engine' industries across NSW, boost regional economic development and industrial diversity; and

A more competitive port industry in NSW would create benefits in terms of reduced freight costs, fewer transport externalities and

True but the "economic case" needs to be framed in the context of faster growth in road freight, the intended move of inter-capital road freight to Inland Rail which is remote from PON, and the geo-political realities of the central and two satellite ports' precincts and connections. There can be no presumption, on Deloitte's reasoning, for an intrinsic case for PON taking a larger role in national logistics.

Deloitte did not discuss scale economics of ports, Inter Modal Terminals (IMTs) or transport systems. "Comparable" is irrelevant when assessing a new investment framework.

Arguably, all Australian ports are well under the accepted minimum scale internationally – none of the world's top 20's capacities are below 8 million TEU (Port Botany's medium-term utilisation level).

PON scenarios must include higher transport costs for that proportion of the majority Metropolitan destinations that might be "forced" to use PON.

Regional growth drivers will be region-specific and even Inland Rail's potentialities have been strongly questioned. "Optimistic" assumptions feature in iA and TfNSW/iNSW

³ Dr John Goldberg contested their treatment to the extent that there are no cost savings (from moving freight from road to rail) and "By correct use of the NSW Treasury guidelines, my audit showed that the real benefits were only about one-fifth those obtained by Deloitte". See Jenny Wiggins, "NSW rail benefits overstated by flawed analysis", AFR 22 Jan '14.

greater port and stevedore productivity which would flow through to the broader economy.

reports. "May result" is agreed but cannot be assumed.

The primary expression of Deloitte's was PON's submission to the draft NSW Freight and Ports Strategy:

By 2031, the freight task in New South Wales is projected to nearly double to 794 million tonnes. Ports outside of capital cities, together with their road and rail supply chains, offer significant capacity and avoid duplication of expensive infrastructure elsewhere. Ensuring that existing road and rail transport infrastructure is being utilised and optimised to its full capacity is critical to supporting and improving the efficiency of the NSW freight task.

The Port of Newcastle, with its central geographic location on the eastern seaboard, existing capacity and supply chain infrastructure, is well placed to support the New South Wales economy.

The Hunter Valley rail network has capacity to accommodate the contracted coal volume, as well as latent capacity to move non-coal trade including bulk grain and containers from regional New South Wales to Newcastle without the need for significant capital investment.

Major projects, such as the Inland Rail provide an opportunity to further enhance Newcastle's connectivity, consolidating rail access to an extended area of New South Wales and potentially Southern Queensland and Northern Victoria as well as improved alternatives to road freight. This modal shift will provide greater benefit to growers and producers, more efficient use of the transport network and ensure that the economic benefits are retained in New South Wales.

In an environment where commercial owners are seeking to maximise the potential of each port, there is an opportunity for the NSW Freight and Ports Plan to take a broader view of the ports within New South Wales and how their combined capacity might be leveraged to increase competition and efficiency for NSW exporters and importers, maximise return on government investment, and position NSW to retain trade that may otherwise be lost to Queensland (the Port of Brisbane) or Victoria (the Port of Melbourne) when the Inland Rail is complete. Importantly, it should be noted that a requirement of the Government's privatisation of the ports was that each port is required to produce a five yearly Port Development Plan with the express purpose of assisting the State, government agencies and the local community to understand Port Lessee's intentions in relation to the development of the Port.

The Port of Newcastle can receive 1.5 kilometre long trains directly to the proposed container terminal site. The Port and neighbouring areas have plenty of vacant industrial land to accommodate logistics parks and other distribution facilities.

A report by Deloitte Access Economics notes that there is currently around \$27.6 billion in planned investment to support port freight in NSW. Alternatively, a Newcastle container terminal can be built now, providing a complementary import and export option to Port Botany and helping to address some of the infrastructure and congestion issues that the draft plan identifies.

"Significant capacity" is misleading:

1. The shortfall between "peak capacity" (Lloyd's List conference) and the total 3 Ports' theoretical capacity is at least equal to that capacity i.e. 50% short
2. Transport capacity is insufficient to allow either the theoretical or peak capacities to be reached, ever
3. The "without significant capital investment" at left is wrong
4. The PON statement that Newcastle will be the first port to access Inland Rail is wrong and its very access is not an easy matter. PON's thought that the bypass could be part was over-optimistic
5. NSW Freight & Ports Plan has never taken a "broader view" and will not now
6. Kembla is on its knees and it is questionable that national and state leaders can downplay its plight
7. WRONG GAME: Inland Rail is not "competition", it is essential. Competition will be between Brisbane and Melbourne, with Parkes making a dash for a big role at Newcastle's expense
8. 1.5 kms train length is not long enough + clearance for double-stacking is probably not sufficient
9. Deloitte's figure is cuckoo-land quality
10. There are more than 105 m truck movements a year in Sydney
11. "Some" is true but enough?

THE RECONSTRUCTING

All Governments have given lip-service to the importance of freight, regional growth, trade, “jobs jobs jobs, Port expansion, and credible planning, what Turnbull calls variously engineering, economics, logic and science. He decries ideologies which are stupid, and theory.

Yet his is the first Federal Government to actively seek to destroy the growth prospects, even the fundamental engineering and economics, of Ports Kembla and Newcastle, Inland Rail, Western and South Western Sydney, and the Bradfield rail system.

No involved agency has developed a potentially-successful holistic economic, political and employment strategy. NSW and iA summaries and analyses are fanciful in a State which is more than \$100 billion under-funded against inner-zone promises, with a crashing failure of its “Hail Mary” agencies, TfNSW and the Greater Sydney Commission. Regional leadership is needed but the incredibly powerful post-BHP Newcastle spirit is nowhere to be seen.

The queue of promised projects in existing metropolitan areas is already an unfunded \$100 billion-plus – without a cent for Newcastle jobs (including a wasteful tramway). The Port, Chambers and Governments continue with an approach which bears little relationship with the real challenges facing Newcastle’s chance of a container terminal before 3000!

The Calfas Panel was right, this ill-discipline through to gross stupidity must cease, starting now with freight and port policy and starting with iA and Calfas negativities and the positives from THINKING LOGICAL LOGISTICS II.

The “industry” had welcomed Gibbons’ work but refused to pay; and has deteriorated in performance to the point where submissions to TfNSW on its draft were inconsistent and incorrect in important respects. The two satellite Ports’ submissions defaulted to substandard and improbable transport schemes and made economic mistakes. Neither showed sufficient politico-social skills and empiricism to adequately promote their objectives; and spurned the one that might have got the job done.

The industry association, Ports Australia, stymied itself by recusing itself from inter-port negotiations, meaning they ignore about 90% of the real issues in NSW. Other industry associations such as in banking, IT and insurance manage better somehow.

The Western Sydney Rail Alliance was formed by vested interests when the Rail Needs Scoping Study was forced (so it might seem) by this analyst’s loud protests about corrupted processes in the post-2012 metro debacles. The Alliance promised to “*assess each of the 11 options ... based on criteria such as key destinations, transport needs, potential passenger numbers, travel times and potential funding options*”.

They went on, on their website, to state that “*The Alliance’s submission was supported by an analysis undertaken by Deloitte and Arup and highlighted the tremendous economic benefits that would be created by North-South rail*”. **The CEO of WSROC put it differently in the media – “This is not about growth forecasting, or business cases, or demand modelling, or feasibility studies. It is all about vision and just a little bit about courage”.**

The Alliance missed Greiner’s point of “Zero Gate” and iA’s and iNSW (and Sir Rod Eddington’s *et al* forever through the history of economic thought) of benefit/cost ratios based on truthful discounted cash flows, internal rates of return, returns on investment, payback periods, and valuation of qualitative externalities.

The costs of not doing this under the Berejiklian schemes amounts to \$30 billion or more in just 5 years and disastrous consequences for the Bradfield inheritance and the North Sydney, Sydney and Parramatta CBDs. (Eddington’s London and Melbourne studies were exemplary assessments of integrating heavy and light rail, truck routes, walking and cycling etc. Sydney needs a City Plan that does that.)

There is merit in the basic N/S concepts but the pre-determined decision to link with the NW metro is unacceptable as the N/S route has multiple freight and passenger entry points, not just St Marys which is perverse when you think of it.

By the bye, the Deloitte and Arup studies are interesting but they assume the City Deal is going through, not assessing what the needs really are.

It is intrinsic to the State's sustainability that the dysfunctional consequences of existing mistakes be recognised and reversed. The main one is the WS City Deal and the associated clangers. The Calfas Panel Report offends against competition principles and is overly optimistic about making a change – it too must go back to the drawing board.

Background to Email © R Gibbons 2018

Covering Note

This is the culmination of a few bad decades of poor policy and planning performance – and of sustained barbaric unfairness to me and the general populace.

The attached document is a COLD BATH. It contains details of alleged deceits, mistakes, conflicts of interest and ignored options and ideas.

My work is of world-class standard and has been peer-reviewed accordingly. The chart on the cover is an output of the modelling I've done on capacity, productivity and community externalities – the first in NSW, I believe.

The process now is that the PM applies the same logic to this work and my other pieces as per offers, as he and Berejiklian did to the “business case” of the St Marys Metro (herein described as a disgrace).

He can and will

You have this to ponder for 24 hours. It is copyright, draft and incomplete – the latter is the exclusion of the socio-economic material which goes back in if I have to proceed to full publication and distribution.

Please do not breach copyright – the consequences would be serious. Berejiklian added three more instances in the last weeks and will feel my wrath.

Please feel free to ring, enough wheels have spun, it's time to get off the potty, please.

Robert

0408 112001

© R Gibbons 2018: be warned, this work is copyright as it contains original strategic and probity ideas and analyses which have high commercial and community value. They are not to be used for commercial, governmental or other exploitative purposes.

Breaches of Copyright will be pursued with an imputed value equal to the Turnbull and Berejiklian Governments' budget for the business case of the St Marys Metro.

There is no market imperative behind Newcastle's claim. There is no strategy to build a political coalition of regional interests Vs waste in the metropolis, including the pernicious effects of the Western Sydney City Deal. There, the WS Business Chamber cannibalised its regional buddies without them even realising.

The City is distracted by the despicable Mike Baird super-tax clause and by claims that Newcastle can replace Port Botany and Port Kembla (both owned by the State Government) through a railway by-pass of Sydney's great economic mass to be provided by the same State Government. Dream on.

The main problems facing Newcastle still include:

- Soft regard for Labor-held Hunter Federal and State electorates Vs hard preference to Liberal MsP on the Central Coast, and unskilled advisors in the agencies and Offices, producing a diversion of funds to Faster Rail which will reduce freight priorities at a time when both Illawarra and Hunter interregional lines are under pressure already`
- Incompetence in the regional business chambers and councils, with the Hunter relying on theoretically separating freight and passengers through the mythical by-pass, Wollongong

combining the traffics through a rail extension that will have grossly insufficient capacity, and Western Sydney twisting urban budgets so as to sterilise freight via Port Kembla and the South West's commuters whose mayors were bought-off by the PM using a Baird stratagem

- Hunter's acceptance of the Port/Deloittes approach without independent verification
- In-built State bias towards Ports Botany and Kembla and Cooks River IMT which are State-owned as is Enfield; Moorebank being "connected" and Kembla being closer to Sydney and more easily connected to Inland Rail (other things being equal)
- Ignorance of *realpolitik* factors in city, regional State and Federal affairs, the *carpe diem* factor
- Small market yield from Newcastle's catchment together with cynicism about the Port's claim that it will spread over terminals on the Inland Rail

The "industry" had welcomed Gibbons' work but refused to pay; and has deteriorated in performance to the point where submissions to TfNSW on its draft were inconsistent and incorrect in important respects. The two satellite Ports' submissions defaulted to substandard and improbable transport schemes and made economic mistakes. Neither showed sufficient politico-social skills and empiricism to adequately promote their objectives; and spurned the one that might have got the job done.

The industry association, Ports Australia, stymied itself by recusing itself from inter-port negotiations, meaning they ignore about 90% of the real issues in NSW. Other industry associations such as in banking, IT and insurance manage better somehow.

The Western Sydney Rail Alliance was formed by vested interests (below) when the Rail Needs Scoping Study was forced (so it might seem) by this analyst's loud protests about corrupted processes in the post-2012 metro debacles. The Alliance promised to "assess each of the 11 options ... based on criteria such as key destinations, transport needs, potential passenger numbers, travel times and potential funding options".

They went on, on their website, to state that "The Alliance's submission was supported by an analysis undertaken by Deloitte and Arup and highlighted the tremendous economic benefits that would be created by North-South rail". The CEO of WSROC put it differently in the media – "**This is not about growth forecasting, or business cases, or demand modelling, or feasibility studies. It is all about vision and just a little bit about courage**".

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By the bye, the Deloitte and Arup studies are interesting but they assume the City Deal is going through, not assessing what the needs really are.

That is the essence of what Grattan summarised of the Eastern Suburbs tram which had been pushed by Max Moore-Wilton in similar terms. Grattan called it “negligent” and it is simply unacceptable that ideology is allowed to obviate due diligence.

The latter is in draft form as the current iteration of THINKING LOGICAL LOGISTICS II: EASTERN SEABORD RAIL FREIGHT PLAN.

Lord Nolan’s Ethics Commission in the UK have pointed to dysfunctions that come from lack of clarity and lack of transparency. As the world’s greatest reform thinker, Lord Acton, put it, **Every thing secret degenerates, even the administration of justice; nothing is safe that does not show how it can bear discussion and publicity.** It was unacceptable in 1994-5 when the Fahey Government tried to keep secret motorway contracts that were displayed on US websites – without prejudice to good outcomes; just as 110 redactions in a Business Case for the Bankstown Metro hide the real motive which is real estate speculation at the expense of system performance - \$20 billion of taxpayers’ money being at stake! iNSW does not give public access to even its lists of cases let alone reports.

The key role is the CEO of the Federal Department of Infrastructure and Regional Development. That agency supervises Federal agencies which in turn are supposed to reform State functions. It is most disturbing to see such a position engaged in preparing submissions to iA where he has a Board seat (so sending and receiving), with iA having low repute post-Eddington, so he supervises iA which he helps run. Extraordinary, with no mention in its Annual Report or websites found to indicate how such conflicts are even acknowledged let alone managed.

ADD INSW

here are the UK local governance values from Lord Nolan’s Committee on Standards in Public Life:

THE SEVEN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

As previously recounted elsewhere, Roger Douglas, then Minister of Finance in NZ, in his December 1987 Economic Statement, gave the following criteria (which have responses ex my package aligned with them):

Individual functions should be allocated to local or regional agencies, which represent the appropriate community of interest.

- Local levels should energise communities and advocate and aspire – outside of ethical and legal constraints of the planning assessment system
- Local councils will approve complying developments, contract municipal services, and provide community leadership while listening to precincts and neighbourhoods
- The regional level will link with the local level, break the toxic local employment climate, and act in an adjudicative mode more efficiently than councils can
- The regional level will also link national, state and local levels through a co-ordinative forum which will be open to local interests through the internet and public seminars

Operational efficiencies are desirable.

- The RPCs will corporatise planning services on a consultancy basis to their regions and possibly more widely
- ROCs will establish pooled employment resources for auditing, engineering and other special skills which can best be delivered on a shared basis
- Councils will move to a virtual basis over time, subject to the protections identified by Professor Allan
- IPART will be asked to revise the nexus between cost indices and revenue so as to ensure productivity and competition reforms

Any authority should have clear non-conflicting objectives. Any trade-offs between objectives should be made in an explicit and transparent manner.

- Local councils will not be responsible for preparing planning instruments or for assessing DAs but will engage politically in both
- Council meetings will take more responsibility for sanctions but not impose them
- The RTC tribunals will hear sanction and related cases, giving both side a chance to be heard and imposing decisions which retain current appeal avenues
- State agencies will take action in serious cases only and less serious cases will not disappear

Clear and strong accountability mechanisms should be encouraged

- Local councils will be accountable for community energy, political advocacy and aspirational proposals. Their "integrated planning and reporting" documents will be reviewed and pre-approved by the Auditor General and assessed by IPART. Their meetings will observe OH&S standards, and no more secret task forces. GMs will be able to act more professionally and with protection but be more accountable
- Leadership restored, DLG appropriately re-positioned
- RPCs will adhere to professional standards of probity and analysis, with avenues for staff to express concerns at early stages. Their tribunals will meet in public, generally, and adopt appropriate forms for planning or disciplinary matters and the like
- Regional planning and project schemes will be subject to professional standards, plebiscites of proposed "taxpayers", and state certification (Auditor General) and IPART as well as planning agencies
- GM appointments will be independent of councils, by the Commissioner for Local Government in concert with the Public Service Commissioner

EXECUTIVE SUMMARY

1. The Turnbull and Berejiklian Governments pay lip service to growth in jobs, trade, ports, rail and regions; but an increasing sloppiness in standards and interdictions by vested interests have seen “unintended consequences” in many areas grow to be dreadful prospects for future generations.
2. In freight and ports, “initiatives” in unrelated areas of urban planning have been so poorly managed that they threaten the viability of all three of NSW’s major ports and the economics of Inland Rail.
3. The current NSW Government’s first pass at a TfNSW Freight and Ports Plan was in 2013, following iNSW’s the year before and iA’s parallel effort: the strategic and efficiency values of all were low and they were chastised in the *Daily Telegraph* and on blog sites. Now, officers involved in that and parallel activities for Berejiklian are CEOs in all urban guard posts. (Parallel changes were made in Turnbull’s administration.)
4. Ports Australia recently published the conclusion that Berejiklian’s approach **“lacks clarity and is likely to raise ambiguity among the community and uncertainty for businesses looking to invest ... it does not translate to meaningful actions for the future of this State and its ports network”**.
5. When Premier Baird “privatised” Ports Botany and Kembla in 2013, he sought to maximise the return to the State so he could justify Berejiklian’s extravagant Metro and Duncan Gay’s WestConnex schemes. He did this in two ways:
 - a. He combined the two most likely container terminals, Botany as first rank and Kembla as second, which added some bulk but also further marginalised Newcastle. Kembla was thus prevented from competing politically or economically with Botany, with the Botany chain extending to the Moorebank Intermodal Terminal (IMT) which has fused governmental (ex-Labor) and corporate interests
 - b. He wrote a secret clause into the sale contract, guaranteeing that Newcastle would pay a super-tax to Botany on container throughput.
6. Turnbull calls his views variously as engineering, economics, logic and science. He decries ideologies which are stupid, and theory. Yet he has permitted the continuance in his agencies of a disease that is common in NSW, of backfilling on a capricious Ministerial announcement with an analytically weak “independent” report as retrospective “justification”. A specific example was iA trying to justify double-handling as a virtue at Moorebank while its chair was on iA’s Board. The City Deal was the biggest from which followed this sleight-of-hand:
 - a. The City Deal was running towards a South West to St Marys via Badgerys orientation, partly for passenger services but also linking with Maldon-Dombarton which the Chinese Centurion consortium wanted to use fast trains on. (They don’t mix, below.)
 - b. At the 11th hour, the 72nd week of 72, the Prime Minister and Berejiklian capriciously rotated the route so that the South West will be metro rail and incapable of carrying freight trains, thus killing all commuting benefits but favouring the Berejiklian HK North West metro model which is failing and apparently deserves camouflage instead of correction.
7. Two NSW “projects” in the 2018 Budget immediately failed economic blunder-checking tests, tripping up the PM badly, being
 - a. \$400 million for the duplication of the Botany Freight Line where economic analyses, reported in *The Conversation*, showed that not one more train would be delivered through duplication. Compare that with the PM’s rave:

“Every single additional train with containers along this rail line takes 50 trucks off the roads,” he said. “The goal is to increase the rail share of this Port Botany port, this container port from just under 20% to 40% and we’re seeing big growth in the port as well.” This reinforces the original Kirby Inquiry 40% as a basis for the “social contract” (as emphasised by Baird during the greyhounds debacle)

- b. The \$50 million (*plus the State's \$50 million!**) for the “business case” for the unlegitimised Metro line from St Marys to Badgerys Airport is a deliberate deceit (Turnbull is taking many projects off-Budget, into political gifting), with multiple “unintended consequences” including
 - i. Badgerys airport will not have high-quality transit services and very real options were deliberately sterilised without election legitimacy or process probity
 - ii. Parramatta CBD is again disadvantaged as St Marys has no logic
 - iii. There will be further degradation of the commuting, freight and special events capabilities of the Bradfield rail system
 - iv. The numbers of car carriers and coal trucks on Mount Ousley and Picton Roads will increase rather than fall substantially (with the same logic applying around Ports Botany and Hunter), and
 - v. Commuting support to the growing population of the South West and Illawarra are lost with a passenger crisis from 2020 and coal crisis from 2031 - in the context of the \$100 billion waiting list of unfunded promises in Berejiklian’s inner zones menu of metros, trams and mega-tunnels without due diligence legitimisation.
8. Berejiklian and Turnbull knew I’d written THINKING LOGICAL LOGISTICS II and, as with my critique of the Greater Sydney Commission’s performance, iA conducted an “industry consultation” exercise through a Panel that was chaired by the CEO of “NSW Ports” – which is the monopoly combination of Ports Botany and Kembla – and two of the other three members also were associated with iA and Botany/Moorebank.
9. The Panel did not present a professional SWOT and also misunderstood the nature of “critical issues” and “scenario planning”, so the methodological and empirical gaps are fatal. It proposed
 - a. Relaxing competition laws thus reinforcing Botany’s and Moorebank’s holds
 - b. Implementing “social licenses” but proposing specific elements inconsistent with that
 - c. As-of-right access by the largest trucks to all roads and extended operating hours at airports and the like
 - d. A raft of reforms in governmental processes and procedures but without awareness of systemic failures as reflected in Terry Moran’s and like opinions that the standard of governmental decision-making is at its lowest point
10. **That a Botany clique is setting rules over competing cities and ports is absurd and wrong.**
11. It failed to develop a credible framework for meeting genuine critical issues, most especially a recently fractured Federal stratum to – unbelievably – replicate a long-festering NSW “planning stench” (Premier O’Farrell).
12. Not one agency has done the analysis that is required to re-plan Sydney’s thin port capacities to cover an end-demand some three times the total of their potentials. The two-thirds will be coming from Parkes. A world-class IMT operation is needed in or near Eastern Creek (as proposed in my 2012 Thinking Logical Logistics II)⁴. The economics of Inland Rail require full integration across cities and regions – it faces enough trouble ‘n’ strife without having Kembla and Newcastle sterilised.
13. There are no countervailing or self-correcting forces
 - a. Wollongong and Newcastle City Councils have recused themselves
 - b. Industry lobbies make sense but campaign quietly
 - c. The Business Chamber’s network has the WS chapter cannibalising the Hunter and Illawarra siblings, with none realising the destructive effects of quite sloppy work – both satellites relying on impractical and ineffective legacy rail links (a mythical outer orbital including 20-km tunnel has been floated by TfNSW as with the equally mythical long western rail by-pass of Sydney) in pretending they can compete against Botany
14. No governmental or industry body has conducted the basic empirical and analytical work to test the limits to Port Botany’s hegemony:

⁴ The Moorebank website states that the land reserved at Badgerys Creek is “unlikely to have enough spare space to also accommodate a container freight precinct. New rail and road connections ... would also be needed...”. This is a monopolist’s way of bad-mouthing a more rational scheme.

15. **I have done detailed capacity and productivity projections and a social impact matrix – all for the first time - in order to give a boundary to the social contract and say that Botany must overflow by if* truck numbers are not to explode beyond all acceptable limits.**

This conclusion is in white font as a protected IP, as are passages related to recovery strategies

I submit that:

1. A two-part process be implemented being
 - a. **Persuade them there's a problem:** A hard-hitting critique incorporating this document and the WS City Deal document, well within the by-election timeframe
 - b. **Explain the solution:** Release of a “green paper” being THINKING LOGICAL LOGISTICS II - a coordinated industry and regional governance model and port and logistics industry framework that fills-in the five year gap that the Calfas Panel left us.

The Governments have voided competition principles and evaded accepted economic protocols, and breached their social contracts with the ports' communities: by suppressing expert discussion, camouflaging their own motives and documents, and creating false expectations.

It is intrinsic to the State's sustainability that the dysfunctional consequences of existing mistakes be recognised and reversed. The main one is the WS City Deal and the associated dangers. The Calfas Panel Report offends against competition principles and is overly optimistic about making a change – it too must go back to the drawing board.

No countervailing remedial forces

Councils

Industry

ACCC

PON took its eyes off the ball, or more precisely, turned up at the wrong football field

I am the first in the world to map the dysfunctional linkages between conflicted cross-memberships, political appointments, lobby interdictions and un-elected agency brutality in their planning and project cycles – and adverse outcomes such as waste, subsidisation of Chinese property

At the very least, the corrupt basis of the WS City Deal and the incompetence of its analyses as excluding the drastic effects on freight, employment re-balancing, access to the Second Airport, connections to Kembla and the Inland Rail, and commuting, indicates an urgent need to cancel the City Deal before Turnbull and Berejiklian cause more damage to this and coming generations.

I am the first in the world to map the dysfunctional linkages between conflicted cross-memberships, political appointments, lobby interdictions and un-elected agency brutality in their planning and project cycles – and adverse outcomes such as waste, subsidisation of foreign property speculators, declines in service standards, and increasing needs over the level of population increase.

(O'Farrell). Calpas is part of an increasing takeover of governmental policies by commercial interests and unelected agencies.

Note that 28% involves excessive and unacceptable road movements,* and the sustainable “social contract” rail level remains at 40% via Kirby **and Turnbull** if throughput is to increase over say 3 million TEU p.a. The rail capacity needed at 4 million TEU is 1.6 million TEU while at 7 million TEU it is 2.8 million TEU. The truck numbers are modelled in the confidential appendix and are horrifying, showing that **Governments have surrendered their credibility to political naïveties and lobbyists with fancy PowerPoints and suspect motives.** The respective train numbers are c 100 trains per day and 170 trains per day (both “full” – more if the current disarray continues).

Newcastle is facing systemic discrimination

The official hierarchy of ports is Botany first and until full, Kembla second, and Newcastle third. There is no proper strategy that supports this product of capricious Ministerial statements:

- No economic analysis of a broad multi-regional type done by the Brookings Institute or of sub-elements
- No employment and housing strategy that meshes with current and future jobs, infrastructure and social infrastructure patterns
- No proper industry inputs that professionally address all such factors as smart “white knights”.
 - a. It is a classic case of State Government *sleight-of-hand*.
- 2. **The conclusion (reflected in the full analysis) is that this report cannot be relied on as a guide to repairing current defects and to near future actions.**
- 3.
- 4. **It covered-up wanton deceit and incompetence and reinforced monopolistic unfairness to competing ports.**
- 5.
- 6. **The obvious structural solution is to untangle NSW Ports which is feasible as it is Government-owned.**

. Logistics chains as well as corridor reservations and capacity adjustments require careful planning, route reservations and staged construction, all heading in the right direction. The current intentions use the wrong technology, wrong trackage and wrong route.

The abrupt and unexplained change from the SW to NW socio-geography is dramatic in terms of:

- accessibility, congestion, probity, taxation and commuting impacts, and sheer logic

- the inherent poor economics of the NW 2
- the stated contra-intentions of the Federal Minister for Cities and Infrastructure, Paul Fletcher MP
- the over-commitment of funding under Rebuilding NSW (being about \$100 billion)

Turnbull calls variously engineering, economics, logic and science. He decries ideologies which are stupid, and theory.

Yet his is the first Federal Government to actively seek to destroy the growth prospects, even the fundamental engineering and economics, of Ports Kembla and Newcastle, Inland Rail, Western and South Western Sydney, and the Bradfield rail system.

No involved agency has developed a potentially-successful holistic economic, political and employment strategy. NSW and iA summaries and analyses are fanciful in a State which is more than \$100 billion under-funded against inner-zone promises, with a crashing failure of its “Hail Mary” agencies, TfNSW and the Greater Sydney Commission. Regional leadership is needed but the incredibly powerful post-BHP Newcastle spirit is nowhere to be seen.

The queue of promised projects in existing metropolitan areas is already an unfunded \$100 billion-plus – without a cent for Newcastle jobs (including a wasteful tramway). The Port, Chambers and Governments continue with an approach which bears little relationship with the real challenges facing Newcastle’s chance of a container terminal before 3000!

The Calfas Panel was right, this ill-discipline through to gross stupidity must cease, starting now with freight and port policy and starting with iA and Calfas negativities and the positives from THINKING LOGICAL LOGISTICS