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# AUSTRALASIAN RAILWAY ASSOCIATION SUBMISSION

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To

Transport for NSW

On

Sydney Metro



## THE ARA

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The Australasian Railway Association (ARA) is a not-for-profit member-based association that represents rail throughout Australia, New Zealand and Indonesia. Our members include rail operators, track owners and managers, manufacturers, construction companies and other firms contributing to the rail sector. We contribute to the development of industry and government policies in an effort to ensure Australia's passenger and freight transport systems are well represented and will continue to provide improved services for Australia's growing population.

The ARA thanks Transport for NSW for the opportunity to provide this submission to the Sydney Metro. For further information regarding this submission, please contact Phil Allan, Chief Operating Officer on [pallan@ara.net.au](mailto:pallan@ara.net.au) or 02 6270 4507.

## Introduction

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Australia's capital cities are the economic powerhouses of the nation, as well as housing the vast majority of the population. Sydney is Australia's largest city, with its CBD and sub-regions collectively producing over 22 per cent of national GDP.<sup>1</sup> Providing effective, efficient public transport to support integrated transport and land-use planning outcomes in Sydney is an important role for the NSW Government to undertake in conjunction with other public sector and private sector partners.

As with the other east coast capital cities of Melbourne and Brisbane, rail capacity in the inner core of Sydney's rail network is reaching capacity and new alternative routes must be developed and built to provide new rail capacity for both travel to the CBD, but also to the increasingly important urban economic sub-regions such as Parramatta, North Sydney-Chatswood, North Ryde-Macquarie Park and Green Square-Mascot. The development of Sydney Metro and the other rail infrastructure capacity works it enables will have a definitive, long-term impact on Sydney into the 21<sup>st</sup> Century.

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<sup>1</sup> SGS Economics & Planning: <http://www.sgsep.com.au/insights/urbecon/gdp-growth-how-are-australias-major-cities-performing/>

As the peak body of the Australasian Railway industry, the ARA supports the development of both the Northwest Metro and the City & Southwest Metro as vital rail infrastructure projects to better manage population growth and protect Sydney's social, economic and environmental future. As the Northwest Metro is already under construction, this submission will focus on the concept and design of the Sydney & Southwest Metro (SSM).

## Design concept

The ARA supports the overall concept of true, metro-style heavy rail operation as the right decision for Sydney to take on this corridor. It supports the combination of driverless trains, high-capacity rollingstock and stations to deliver safe, reliable, high-frequency rail services in the Sydney CBD and inner suburbs. Overseas evidence shows that once a city opens a metro-style urban railway, all new urban rail lines will be subsequently built to the metro standard.<sup>2</sup>

The ARA also supports the indicative route alignment of the SSM, including the conversion of the Bankstown line from conventional suburban railway to Metro. It has no firm opinion on the alignment and station options for the CBD section of the SSM, apart from noting that an alignment serving a station at the University of Sydney would provide the SSM with access to an all-day, bi-directional source of patronage and make a key connection to a nationally important educational, research and bio-medical precinct.

Such an alignment choice would provide networked public transport connections to other significant educational and research precincts around Macquarie University, bio-medical precincts near St Leonards, commercial precincts in the CBD, North Sydney, Macquarie Park and Norwest. The use of high-quality public transport to better integrate urban planning and development of business, educational and medical services is supported by the ARA.

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<sup>2</sup> R. Malla (2014), 'Automation sets a new benchmark', *Metro Report International*, March 2014, p. 3. Viewed on 10 August 2015 at: <http://metroautomation.org/wp-content/uploads/2014/03/Metro-Report.-March-2014-RMalla-p03.pdf>

## The Metro and integrated transport

The ARA views the completed Sydney Metro project as an important test of how well public transport integration can work in Australian cities, to provide a less car-dependent lifestyle option for firms and households living on or around the corridor. To achieve this aim, which has been a key objective of NSW Government transport and urban planning strategies over several decades will require high-quality integration of the Metro into other public transport modes and networks, particularly the existing Sydney Trains system and the public and private bus systems.

The ARA believes that where rail-rail interchange occurs, such as at Epping, Chatswood, St Leonards, Martin Place and Central that transfers between the Metro to Sydney Trains and vice-versa should be easy and 'free-body' (that is, taking place within the paid area of both stations) through clean, high-capacity and undercover pedestrian networks. At other stations where transfer between medium-capacity on-road public transport takes place including at Kellyville (T-Way) and Dulwich Hill (Inner West Light Rail) stations, interchange is fast, efficient and undercover to minimise walking and waiting times. Similar care in interchange design and service planning at other stations is needed to ensure feeder buses have robust and regular connections with Sydney Metro services.

There is also a need to future proof options and align other transport planning strategies to maximise the level of integration between the Sydney Metro and other public transport modes, particularly high-capacity bus and light rail corridors. For example, Transport for NSW's pre-feasibility study into Northern Beaches Bus Rapid Transit included options for interchange at North Sydney or Chatswood stations.<sup>3</sup> Revisiting bus planning for the Military Road/Spit Road and Warringah Road corridors should be underway in order to provide better bus connections from the Northern Beaches into Sydney Metro. Similarly, re-examination by TfNSW of investment in the Strategic Bus Corridors to prioritise routes feeding into the Sydney Metro would be another aspect of an integrated transport planning effort that maximises the benefits of this significant public transport investment.

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<sup>3</sup> Transport for NSW (2012), *Northern Beaches Bus Rapid Transit Pre-Feasibility Study*. Viewed on 22 August 2015 at: <http://www.transport.nsw.gov.au/sites/default/files/b2b/bus/northern-beaches-brt-pre-feasibility-study.pdf>

## Transport and land-use planning

The ARA also views the improved integration of transport and land-use planning as a critical outcome of the Sydney Metro project once it has been fully built out. Once again, the land-use planning goal of increased residential and job density in transit-oriented development (TOD) around public transport nodes and along corridors has been an aspirational goal of urban planning strategies in NSW over several decades. The development of Sydney Metro provides an opportunity to finally begin realising these aspirational goals through the true integration of transport and land-use planning.

The November 2012 report into the utilisation of rail corridors by the NSW Legislative Assembly's Committee on Transport and Infrastructure spoke of the importance to Sydney's future liveability of TOD on and around rail corridors as part of a strategy to absorb continued population growth and reducing reliance on greenfield land releases on the urban fringe.<sup>4</sup>

The gazettement of land around three station precincts on the Northwest Metro (Bella Vista, Kellyville and Showground) as Urban Activation Precincts (UAP) for higher density mixed-use and residential development is a good start to integration and complements other UAP sites along the existing sections of the Northwest Metro (at North Ryde, Macquarie Park and Epping).<sup>5</sup> The ARA also notes that the NSW Department of Planning has begun early consultation with communities along the Bankstown line regarding higher density development along the corridor as the line is upgraded as part of the City & Southwest Metro project.<sup>6</sup>

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<sup>4</sup> NSW Legislative Assembly (2012), *Utilisation of Rail Corridors*, Committee on Transport and Infrastructure Report 1/55, November 2012. Viewed on 18 August 2015 at: [https://www.parliament.nsw.gov.au/prod/parliament/committee.nsf/0/4b498c014907c7b9ca257abe001b844a/\\$FILE/Utilisation%20of%20rail%20corridors%20report%201-55.pdf](https://www.parliament.nsw.gov.au/prod/parliament/committee.nsf/0/4b498c014907c7b9ca257abe001b844a/$FILE/Utilisation%20of%20rail%20corridors%20report%201-55.pdf)

<sup>5</sup> Z. Fielding, 'Numerous Sydney areas rezoned to allow for higher density development', *Property Observer*, 11 August 2014. Viewed on 22 August 2015 at: <http://www.propertyobserver.com.au/forward-planning/adding-value/subdivision-zoning/34334-numerous-sydney-areas-rezoned-to-allow-for-higher-density-development.html>

<sup>6</sup> S. Williams, 'Highrise apartments mooted for inner west rail corridor', *Domain*, 22 May 2015. Viewed on 19 August 2015 at: <http://www.domain.com.au/news/highrise-apartments-mooted-for-inner-west-rail-corridor-20150522-gh77nx/>

## Financing and funding

The financing and funding of new urban rail infrastructure is increasingly expensive, requiring high levels of direct investment by State governments, a burden even more difficult to bear with the withdrawal of the Federal Government from funding urban rail projects.<sup>7</sup> While the \$8.3 billion Northwest Metro is being directly funded by the NSW Government through existing funding processes, the \$9.6 billion - \$11 billion cost of the CBD & Southwest Metro is being funded from the sale of the electricity distribution network.

While the ARA supports the sale to fund this important rail infrastructure project, it recognises that asset sales are a 'one-off' transaction that cannot be repeated. What is needed is a steadier, more sustainable long-term stream of funding to allow financing of rail and other infrastructure projects. The ARA's 2014 report *Innovative Funding and Financing of Public Transport* outlined some options that may help fund further expansion to the Metro system or future improvements to capacity. These methods could include:

- New levies or 'betterment rates' applied to land benefitting from government investment in transport infrastructure, similar to levies in the 20<sup>th</sup> Century that helped fund the Sydney Harbour Bridge or Melbourne's Underground Rail Loop;
- Value capture, where the increases in the value of land adjacent to metro stations is fully or partially captured to either pay for new or existing rail infrastructure; and
- Joint development, where a combination of property developers, rail operators and governments build TODs and jointly benefit from both increased land values and long-term rent revenues.<sup>8</sup>

The ARA recommends that the NSW Government ensure that some form of value capture mechanisms is in place for the Urban Activation Precincts on both the Northwest Metro and the

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<sup>7</sup> Australasian Railway Association, 'Rail approaches funding cliff in Federal Budget', Media Release 13 May 2015. Viewed on 19 August 2015 at: [http://ara.net.au/UserFiles/file/Media%20Releases/Rail\\_approaches\\_funding\\_cliff\\_in\\_Federal\\_Budget.pdf](http://ara.net.au/UserFiles/file/Media%20Releases/Rail_approaches_funding_cliff_in_Federal_Budget.pdf)

<sup>8</sup> Australasian Railway Association (2014), *Innovative Funding and Financing for Public Transport*. Viewed on 20 August 2015 from: <http://ara.net.au/UserFiles/file/Publications/14-02-14%20REPORT-Innovative-Funding-and-Financing-for-Public-Transport-FINAL%20%281%29.pdf>

CBD and Southwestern Metro to test and validate value capture concepts in an Australian setting.

## Conclusion

The ARA congratulates the NSW Government for its bold decision to continue on from construction of the Northwest Metro by starting advanced planning and early works on the CBD & Southwest Metro. The ARA views the entire Sydney Metro project as a step-change for Australia's railways, as evidence from overseas shows that once the automated 'metro' style trains are introduced to an urban rail network, subsequent new lines will be built to metro standards.

However, the ARA believes that the NSW Government and its agencies need to address the issues raised in this submission to ensure the successful introduction of this new rail technology into Australia. These issues include:

- Ensuring the best catchment area of population and jobs is selected to provide all-day, all-direction passenger flows;
- Integration between the Metro and supporting feeder modes, including heavy and light rail, buses and ferries along with walking and cycling. This includes ensuring priority, speed and frequency for on-road feeder modes and safe, convenient interchanges;
- Using existing tools in the planning system to achieve land-use and transport planning to allow higher density development around Metro stations, providing a solid mixed-use environment of residential, commercial, retail and other uses;
- Leveraging value capture mechanisms to ensure the uplift in land values from the construction of the Sydney Metro can be channelled back into new and improved public transport infrastructure and services to create a 'virtuous cycle' on project funding and financing.

The ARA looks forward to the opportunity to be involved in and further contribute to the development of Sydney Metro project as it rolls out over the next decade.