

23 February 2024

Picton Road Upgrade Review of Environmental Factors
Transport for NSW
Level 6, 18 Lee Street
CHIPPENDALE NSW 2008

To whom it may concern:

Submission to Transport for NSW: Picton Road Upgrade - Review of Environmental Factors

Business Illawarra makes this submission on the *Picton Road Upgrade – Review of Environmental Factors* (REF) on behalf of the Picton Road Motorway Coalition.

In 2020, Business Illawarra formed the Picton Road Motorway Coalition¹ to represent businesses, stakeholder groups and community members across the Illawarra and Wollondilly council areas and campaign for the upgrade of Picton Road to motorway standard, including new interchanges at Wilton on the M31 Hume Highway and on the M1 Princes Motorway Interchange at Mount Ousley.

The Coalition based its campaign advocacy on 2018 research produced by Illawarra First (Business Illawarra's peak leadership forum) in partnership with the NRMA, entitled [Upgrading Road Connectivity Between the Illawarra and Greater Sydney](#). The Coalition's advocacy resulted in the [announcement of \\$44 million in planning funding](#) by the Minister for Transport initially, followed by [additional funding announced in the 2022 Federal Budget](#) that has brought the total to \$120 million.

Following this initial success, the work of the Coalition continues through focused advocacy on behalf of industry and the wider business community for the earliest delivery of this important project for both the regional economy and the wider community.

Our submission to the REF is a means of continuing our advocacy on this topic and ensuring that government is aware that this project remains a top priority for businesses across the region.

On behalf of the Coalition, I would like to request Transport for NSW continues to provide close consultation with the group as part of an ongoing effort to shape the best way forward for the future Picton Road Motorway and would like to suggest that a representative from Transport for NSW provide a briefing to our members on this project at your earliest convenience.

Kind regards,



Adam Zarth
Executive Director
Business Illawarra

¹ The Picton Road Motorway Coalition consists of: Cleary Bros, Murrell Freight Lines, K&S Freighters, Linfox, NSW Ports, LINX Cargo Care Group, Cement Australia, Autocare, South32, University of Wollongong, CRAM Foundation, South Coast Private Hospital, Soilco, Flagstaff Group, M. J. Rowles, IRT, Kells Lawyers, Jamberoo Action Park, Wollongong City Council, Wollondilly Shire Council and the Illawarra Shoalhaven Joint Organisation of Councils, Road Freight NSW, National Growth Area Alliance, NRMA, Port Kembla Chamber of Commerce, Corrimal Chamber of Commerce, and AiGroup.

Context

The Illawarra is one of the state's fastest-growing regions with a strong and diversified economy. As the third largest economy in NSW and home to the port of Port Kembla, the Illawarra holds the solutions to many of the challenges facing Greater Sydney.

Transport connectivity between the Illawarra and Greater Sydney, as well as surrounding regions, remains the most significant factor inhibiting our region's economic growth. On behalf of its members across every sector of the economy, Business Illawarra has placed top priority on improving transport connectivity and has worked over several years to advocate successfully for improvements based on rigorous evidence developed at its own cost as part of its Illawarra First business leadership program.

Given the lack of a dedicated rail link, our regional economy relies on efficient road connectivity to greater Western Sydney, where increasingly our economic future lies; particularly given the development of Nancy Bird Walton Airport at Badgerys Creek and the surrounding aerotropolis which will contribute towards 200,000 new jobs in the 'Western Parkland City'.

Fit-for-purpose major road connectivity will be essential to maintaining Port Kembla's roles as NSW's growth port and a key economic asset for the region. Currently it is the state's main vehicle importation terminal, its largest grain export terminal, and its second largest coal export port. Port Kembla's role in the trade of bulk construction materials is set to continue to grow and will be the site of NSW's next container terminal once Port Botany reaches capacity after 2040, as well as a future hydrogen energy hub.

Problem

Picton Road is a 37 km road linking the M1 Princes Motorway at Mount Ousley to the M31 Hume Highway between Wilton and Picton. It is the primary connection from Port Kembla and Wollongong to Western Sydney and the emerging growth areas in the south west of Sydney. It is also the preferred heavy vehicle route from the Illawarra to the Sydney CBD and surrounds.

As one of the state's busiest freight corridors, it carries a high proportion of heavy vehicles that is unrivalled in NSW. The annual growth of traffic, including heavy vehicles, has been significant and is set to balloon for both passengers and freight, with the planned population increase at Wilton and the development of the Western Sydney Airport and Aerotropolis.

However, Picton Road is of a substantially lower standard than other roads in NSW that carry similar volumes and a similar mix of cars and heavy vehicles. Only a small proportion of the 100 km/h road is divided, and an even smaller proportion is double lane each way.

The road reaches peak capacity during both the morning and afternoon, meaning stop-start traffic and at times complete standstill; adding further to the existing safety hazard and detracting significantly from its efficiency.

The outcome of this is both poor community safety and economic cost to the state. According to Infrastructure Australia, in the five years up to March 2019, there were seven fatal crashes and 26 serious injury crashes (which resulted in nine fatalities and 34 serious injuries). This is more than double the New South Wales average for the number of fatal and serious crashes per kilometre for similar type roads.

Evidence base

Illawarra First has produced the preeminent contemporary evidence base on road connectivity between the Illawarra and Greater Sydney in its [2018 road study](#), in partnership with the NRMA. The research was undertaken by Veitch Lister Consulting.

The study made the following findings in relation to Picton Road, and ultimately concluded that:

“...to provide greater capacity and a road of an appropriate standard for the volumes it carries, Picton Road should be duplicated between the Princes Motorway and the Hume Motorway, near Wilton” (p. 58).

Road performance

1. In 2017, 20,800 vehicles used Picton Road per day, comprising an exceptionally high ratio of heavy vehicle traffic at 25 percent.
2. During the morning peak (6am to 10am) 5,200 vehicles use the road (32-40 percent heavy vehicle traffic).
3. Average annual growth in daily traffic and heavy vehicles is growing at 7 to 8 percent each year.
4. Picton Road is projected to reach peak hour congestion in 2022 and daily congestion in 2025.

Economic benefits of upgrade

In 2021, the upgrade of Picton Road to motorway standard would deliver total economic benefits of around \$33.5 million per year, comprising:

- \$25 million in travel time savings.
- \$7 million in vehicle operating cost savings.
- \$1.5 million savings from crash reductions.

This will rise to \$41.7 million per year by 2031. A more detailed breakdown of these problem/opportunity costs is presented below.

Table 1 - Economic benefits for Picton Road Upgrade

	Travel time (\$m)		Vehicle operating cost (\$m)		Crashes (\$m)	
	2021	2031	2021	2031	2021	2031
Cars	14	17	3	3		
Light commercial	2	2	1	1		
Heavy commercial	9	13	3	4		
Total economic benefits	25	32	7	8	1.5	1.7

The Illawarra First/NRMA road study contained an estimated benefit cost ratio (BCR) of 1.8 to 2.6 for duplicating the road.

Solution

The Picton Road Motorway Coalition's advocacy, based on the findings of the Illawarra First/NRMA road study, was for a complete upgrade of the existing road to a four-lane divided highway before it reaches daily capacity in 2025.

Further, given the poor design and age of the interchanges at the Hume Highway near Wilton and the Princes Motorway at Mount Ousley, it was advocated that both should be redeveloped to account for the future surge in vehicle volumes and maximise the efficiency of the completed motorway.

According to the Illawarra First/NRMA road study, the primary aim of the Picton Road Motorway proposal is:

"...to improve the regional connection function of Picton Road by increasing its capacity. This will allow Picton Road to cater for increasing travel demands generated by growth in employment centres in Sydney and freight demand generated in the Illawarra through Port Kembla. It would improve travel speeds through better road alignment and would allow freer traffic flow through continuous passing opportunities. The improved road will provide better access to Wilton and the Glenfield – Macarthur growth areas. It will also help to improve access from those areas to the Illawarra."

At 2018, projected costs for a 24 km length of two-lane carriageway were between \$180 million and \$220 million, according to the Illawarra First/NRMA road study. Contemporary costs, including the two redeveloped interchanges, are unknown and expected to be outlined within the planning work being undertaken by Transport for NSW.

Recommendations

Key to the Illawarra achieving its potential as a region both economically and socially is the need to upgrade Picton Road to motorway standard; including the complete interchanges with both the Hume Highway and the Princes Motorway.

The importance of this project is highlighted by its poor standard and performance relative to its significance to the NSW road network, as highlighted by the Illawarra First/NRMA road study:

"The study could not identify a road similar to Picton Road elsewhere in NSW that carries 20,000 vehicles per day with a heavy vehicle proportion as high as 25 per cent. The Hume Highway near Gundagai carries half the daily volume that Picton Road does with a similar heavy vehicle proportion, but is of freeway standard with two lanes in each direction. The Hunter Expressway near Sawyer's Gully carries a similar daily volume to Picton Road, but only 15 per cent of these are heavy vehicles. The expressway is also a high standard road." (p. 37).

Recommendation 1: Based on the findings of the Illawarra First/NRMA road study, it is recommended the Picton Road Motorway project and interchanges be completed by 2025 given the road will reach its anticipated peak hour capacity in 2022 and daily capacity in 2025.

Recommendation 2: It is further recommended that Transport for NSW continue to engage with the Picton Road Motorway Coalition to best understand the needs of major employers, councils and other stakeholders, in terms of design, alignment, features and procurement of the future road.

About Business Illawarra and Illawarra First

Business Illawarra is the peak business organisation and the regional chamber that supports businesses and local chambers across the Illawarra, primarily, as well the South Coast and Capital regions, and is a division of Business NSW (formerly known as the NSW Business Chamber).

We develop policy, advocate to all levels of government on issues affecting businesses, undertake research to guide greater public and private sector investment in economic infrastructure, and support the development of workforce capacity and skills in our region.

Illawarra First is the top tier of Business Illawarra membership, harnessing best practice and thought leadership to progress key priorities including improving connectivity with Sydney, realising greater value from existing strategic infrastructure and leveraging competitive advantages to bolster economic growth. Its membership comprises a select group of leading businesses in the Illawarra, sharing a commitment to driving the development and prosperity of the Illawarra.