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TIME FOR A RAIL PLAN: ILLAWARRA RAIL FAILURES A STATE PROBLEM

The region's peak business organisation, Business Illawarra, together with a group of major local companies, is calling on the NSW Government to deliver a rail connectivity plan for the southern rail network that will address the fragility of the region's antiquated rail system, which has been exposed by recent weather events.

Recent storms saw the closure of the South Coast and Illawarra lines for two weeks in April, causing major disruption to both freight and passenger rail movements. Meanwhile the region's other key freight rail connection carrying 200 train services per month, the Moss Vale-Unanderra line, is out of action for six months due to land slippage.

The impacts on key local enterprises included:

- A severe disruption of the supply of metallurgical coal to BlueScope's steelworks at Port Kembla, as well as the export of its steel products;
- The obstruction of access to GrainCorp's Port Kembla grain terminal;
- The Manildra Group in Bomaderry shifted the transportation of its products to trucks at a cost of \$15 million and is required to haul grain supplies through the Sydney train network for the foreseeable future;
- Cement Australia's grinding facility at Port Kembla, which supplies a major proportion of the state's cement needs, has incurred increased costs by moving transport to roads and reduced ability to supply the state's construction sector; and
- Major logistical challenges for NSW Ports, the operator of Port Kembla, and a large number of its tenants.

Joined by these key impacted freight and manufacturing enterprises, Business Illawarra is advocating for the development of a detailed rail network plan for the region with clear timeframes for delivery, together with a business case to support the required upgrades.

"We are deeply concerned about the immediate and long-term future of the region's economy, if it is to continue to rely on antiquated rail links that fail during weather events, without a detailed plan for future upgrades," said Adam Zarth, Executive Director of Business Illawarra.

"Currently all bulk grain, coal, limestone and copper concentrate travelling to Port Kembla from western parts of the state is being redirected through the Sydney rail network, which means that our weak rail infrastructure has become an issue of state significance."

"Businesses need certainty in order to plan their future investments and this issue is becoming too big to ignore, with key companies based here severely impacted, including BlueScope, NSW Ports, Cement Australia, The Manildra Group and GrainCorp."

While there is no detailed plan to address the Illawarra's rail constraints, research commissioned by Business Illawarra at its own cost has found that even without major weather events, freight rail constraints will cost our economy \$230 million annually by 2041.

"Our [proposed solution](#) for a South West Illawarra Rail Link to connect Port Kembla to the Western Sydney aerotropolis and beyond, using the existing Maldon-Dombarton rail corridor at a total estimated cost of \$1.8 billion would create a complete freight and passenger rail bypass of Greater Sydney, support the growth of Port Kemba and a container terminal post-2041 and avert a \$1 billion economic loss due to congestion by 2056."

Business Illawarra has recently met with the Minister for Regional Transport, as well as the Shadow Minister for Transport to elevate this issue, and has gathered the support of elected officials Nathaniel Smith MP, Paul Scully MP, Ryan Park MP and the Hon Peter Poulos MLC, together with the Lord Mayor of Wollongong, Gordon Bradbury AM and Mayor of Wollondilly Matt Gould.

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Links to Illawarra First directed research on rail connectivity, conducted by the University of Wollongong SMART Infrastructure Facility:

- [Assessing the Impacts of Better Connecting the Illawarra, 2020](#)
- [Upgrading Rail Connectivity Between the Illawarra and Greater Sydney, 2017](#)

About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region's peak business organisation; a not-for-profit advocacy group dedicated to the economic development of the Illawarra.