Submission

Urban Policy Consultation Document

Friday, 28 June 2024

Introduction

The Australian Logistics Council (ALC) is pleased to respond to the Urban Policy Consultation Document.

ALC is the peak national body representing major companies participating in the end-to end freight supply chain and logistics industry with a focus on delivering enhanced supply chain safety, efficiency, productivity, and sustainability.

Understanding Supply Chains

The Australian economy has become increasingly reliant on sophisticated, continent spanning and international supply chain networks. The freight industry serves as the backbone of the economy, facilitating the movement of raw materials, finished products, and essential supplies both within Australia and across the globe.

The supply chain is made up of a highly complex network of interconnected and interdependent parts, with each component playing an essential role in ensuring the smooth and efficient flow of goods and services from a myriad of suppliers to a myriad of end consumers. This comprehensive system involves various entities, including suppliers, manufacturers, warehouses, distributors, retailers, and consumers. Their connections are interwoven through a complex set of interdependencies that must work in harmony for supply chains to function effectively for society.

The productivity and efficiency of a supply chain hinges on the discrete performance and cohesive integration of its various sub-systems. This includes not only freight transport and freight logistics but also encompasses urban planning and planning regulations, communications, information technology, legal and regulatory systems, and the people and infrastructure that support the process.

Population growth is closely connected to consumer demand and trade volumes. Australia's freight system is the lifeblood of our economy and way of life. Each year, our infrastructure operators, transport companies and logistics experts deliver about four billion tonnes of goods across Australia – that equates to 163 tonnes of freight per person per year[1]. Australia's population is expected to grow by another 10 million people by 2040, an increase which must be supported through proactive investment in freight transport and freight logistics infrastructure and regulatory improvement.

Improvements to industrial asset land-use planning and the associated infrastructure required to support our growing population can, if planned correctly, result in more effective and efficient supply chains, providing significant benefits to Australia's economy. The World Bank Logistics Performance Indicator shows there is a strong positive relationship between a high performing logistics sector and GDP per capita, indicating that improved logistics can drive economic growth[2]. Studies estimate that a 1% improvement in supply chain performance results in a 1.4% increase in economic growth[3]. Conversely, inadequate integration of freight logistics and freight transport industrial activity in urban land use planning increases supply chain costs for businesses and consumers and has a direct inflationary impact. This is a critical consideration to protect Australian society from increased costs of living.

[1] National Freight and Supply Chain Strategy 2019 chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.freightaustralia.gov.au/sites/default/files/documents/national-freight-and-supply-chain-strategy.pdf

[2] https://www.worldbank.org/en/news/speech/2017/05/22/performance-and-prospects-of-global-logistics

[3] Rajeev K. Goel, James W. Saunoris, Srishti S. Goel, Supply chain performance and economic growth: The impact of COVID-19 disruptions,, Journal of Policy Modeling

Supply Chain Systems Overview

A systems thinking approach is crucial for managing the inherent complexities and interdependencies of supply chains and freight logistics. Supply chains operate beyond local and state borders and modal preferences, necessitating policies that avoid siloed approaches and conflicting regulations across various levels of government and between jurisdictions. Policies must be designed with an understanding of the entire supply chain system to effectively meet the needs of producers, manufacturers, end users, communities, consumers, and businesses.

This includes the requirement to create cross-departmental and cross-jurisdictional harmonisation. This is particularly important in the areas of land use planning decision making and urban growth, to meet the requirements of freight transport, logistics and warehousing, and to integrate supply chains as essential in the process.

Supply chain systems thinking and "joined-up" government approaches are prerequisites for coherent policy development and successful action plans to address the major economic and societal challenges such as decarbonisation, climate change (including increased incidence of extreme weather events), and digitisation. These issues require multi-faceted and multi-layered policy approaches that rely on collaboration between government, industry, and subject matter experts to transition to the new operating and economic environments they bring while protecting community well-being and seizing new opportunities as they arise. Freight logistics, freight transport and supply chains, when supported by appropriately integrated policy, can significantly aid in delivering critical societal goals and this transition.

It is essential that the economic, social, environmental, and operational importance of supply chains remains a focus as governments continue to develop state and national policy, and that supply chain understanding is built across all levels of government in the public domain; the education of planners and government decision makers alike is required so supply chain, freight logistics and freight transport systems are adequately considered.

Commentary on the Consultation Paper

The ALC is a strong supporter of the Australian Government's goals and objectives to enable our urban areas to be liveable, equitable, productive, sustainable, and resilient, and welcomes the re-prioritisation of urban policy formation.

The ALC would like to provide feedback on several specific issues identified in the Consultation Paper. These points do not pertain to the ALC's position on specific policy issues but are important in establishing a shared understanding of supply chains and the context for policy development. Just as Urban Planning has been missing for decades from Australia's policy consideration, integrated supply chain, freight logistics and freight transport planning been also sorely neglected – with negative ongoing consequences for our cities and our community:

- **Vision Overview:** The vision outlined in the consultation document lacks the substance needed to make cities both functional and sustainable. While the attempt to address challenges like housing productivity, social cohesion, disaster resilience, and climate action is commendable, the document fails to show the seriousness and comprehensiveness required to tackle these issues effectively.
- **Objectives and Realistic Principles:** The objectives identified in the consultation document while noble, appear utopian. For example, ensuring "no one in no place is left behind" and promoting inclusivity for elderly individuals overlooks the practical necessities to make these things possible in urban functionality. Similarly, promoting health and wellbeing through noble objectives fails to address the realities of urban infrastructure need.

  The figures presented do not adequately describe the complexities of urban systems. They represent a fragmented view that simplifies rather than clarifies the intricate interplay of elements required for functional cities. The principles should be grounded in reality, with a focus on fundamental infrastructure that is currently missing.
- **Shared Government Vision:** Planning systems across all states and territories can benefit from a co-ordinated and clear approach to land use and building forms relating to industrial properties. This can be achieved by optimising the supply chain from source of goods to end consumer using infrastructure and minimising environmental impacts. Planning must keep pace with changing trends and be part of a new

conversation about freight logistics and freight transport activities into the future. There is currently low commitment to regulatory and policy consistency from governments. The most urgent concerns are at the local and state government levels, demanding more coordinated and integrated planning, management and monitoring. Integrated planning requires harmonisation of policy across each level of government.

- **Support for Cross-Portfolio Engagement:** The ALC supports the initiative for cross-portfolio engagement on urban policy matters. This is a critical step toward integrated policy development that reflects the interconnected nature of urban systems and supply chains.
- **Economic Significance of Freight and Logistics:** The document highlights the employment contributions of cultural and creative industries, noting they comprised 5.9% of total employment in 2021. However, the significance of supply chain and freight logistics is far greater. This sector is fundamental to our economy, yet the focus remains disproportionately on social drivers rather than these essential economic foundations.
- **Road Transport Dominance:** The document describes road transport as the predominant mode of moving freight, overlooking this predominance is by design. Road transport's dominance is a decades long policy and investment position for the movement of freight across our vast, low-density cities. Government policies favour road infrastructure investment over rail and sea transport, resulting in one of the highest per capita rates of road freight activity globally. This impacts supply chain productivity, sustainability, and resilience. Road and rail freight infrastructure networks are not governed in the same way.

  Rail infrastructure must be self-funded with returns on operating costs and capital investment, while road infrastructure is predominantly funded through fuel excise and government investment. Rail freight logistics infrastructure continues to suffer from a lack of systematic, incremental investment compared to road infrastructure across Australia.
- **Environmental Impact of Trucks:** Buildings account for around 18% of direct carbon emissions in Australia, while passenger cars account for 10%. The emissions from trucks, however, are significantly higher and must be considered. A comprehensive approach to reducing urban emissions should include significant investment in decarbonizing the freight and logistics sector.
- **Funding for Urban Precincts:** The $150 million allocated for an urban precincts in the partnerships program is insufficient to support transformative investment in urban Australia. Far more investment is required, as indicated by the budget allocations for 2023/24. Private sector investment plays a crucial role and must be elevated in the document to attract the necessary capital. It is the only way for our country to proceed given each government's budgetary constraints.
- **Policy Support for Critical Infrastructure**: The policy supports other national priorities such as housing productivity, social cohesion, disaster resilience, and climate action. However, apart from scant mention, it neglects to include supply chain and freight logistics and freight transport. It is critical that the policy also supports critical infrastructure issues, as identified in the National Freight and Supply Chain Strategy.
- **Urban Policy Forum Representation:** We are disappointed that supply chain, freight logistics and freight transport were not represented in the Urban Policy Forum. This omission results in a lack of consideration for the critical complex and interdependent systems that determine how our economy functions and how through supporting these systems our cities can reach social cohesion, sustainability and resilience objectives.
- **International Urban Policy Examples:** Countries such as Germany, the Netherlands, and Singapore have successfully integrated logistics and supply chain considerations into their urban policy and infrastructure development for decades. For instance, the port of Rotterdam in the Netherlands and the meticulously planned urban logistics of Singapore (both port cities like all of Australia's capital cities) showcase the importance of logistics. These examples highlight how far behind Australia is in incorporating and comprehensively understanding import, export and domestic trade and essential land side logistics in national policy. Unlike these countries, Australia continues to appear complacent about the importance of freight transport infrastructure and planning for logistics efficiency. Inefficient supply chains systems in large urban areas increase the costs of living and create unintended but avoidable externalities.
- **Balanced Urban Policy Discussion:** While the importance of accommodation and effective national housing is undeniable, the discussion in the consultation document is too heavily weighted around housing and wellbeing and local commercial activity. Spatial systems of cites also require integrated

industrial land use planning which produce jobs and – as the Covid-19 crisis showed - underpin every other aspect of economic and social activity. It should focus more on ensuring sustained wellbeing through effective urban planning for employment generating activity and the smooth connection of industrial land and freight corridors for emissions reduction. Poor planning and increased travel distances for freight result in higher costs and challenged wellbeing.

- **POSSIBLE ACTIONS:**
  - **LAND USE PLANNING SYSTEMS:** Update land use planning systems to accommodate the protection of actual and potential freight corridors and industrial land (in a hubs and spokes pattern across the urban area) for logistics purposes. It is astonishing that the possible actions outlined do not include industrial infrastructure or alternative energy infrastructure, which are critical for sustainability. Transport emissions need to be addressed comprehensively, including the decarbonization of supply chains and freight logistics.
  - **URBAN ENVIRONMENTS AND COMMUNITIES:** Jobs and being able to access employment through effective public transport are probably more important than active transport in promoting health and wellbeing. The document appears to emphasize aspects of amenity rather than the core issues that can provide material gain for our large and diverse populations. Australia's lack of an effective urban policy in Australia for decades now needs to redress fundamental errors of policy and investment, and then amenity becomes possible for all.
  - **URBAN PRODUCTIVITY:** We agree that urban freight and land use planning are crucial. Poorly integrated freight and land use planning leads to congestion and conflicts between industrial and residential development, affecting the efficiency and viability of freight networks. The urban policy paper should provide serious consideration of integrated land use planning.

Key Issues and Recommendations

The ALC has identified the key areas that the Australian Government should prioritise, including specific actions addressing issues raised in the discussion paper, as well as those highlighted directly by our members through their individual submissions.

While there are potentially hundreds of projects regarding current freight, logistics and supply chain concerns, that could fall under the aspirational goals and objectives outlined in the consultation document, we have identified the following areas as being most relevant, impactful and needed.

Government Roles, Policy and Regulatory Settings

The Australian Governments Urban Policy must ensure it creates regulatory consistency for enabling freight logistics and freight transport accessibility across Australia's 546 jurisdictions. The Covid-19 crisis showed us all how important this function is for our society.

Currently, there are no obligations across government to consider Urban Policy or planning for freight objectives in policy formulation or investment decisions. There are no incentives, including criteria for project funding, that would serve as catalysts for policy and regulatory alignment and the coordinated development of infrastructure across state, territory, and local governments. This absence of clear connections between our levels of government hampers the possible integration of the National Urban Policy into decision-making processes across Australia.

As it stands, there are no rewards for considering the National Urban Policy in investment decisions, or penalties for ignoring it. Consequently, there is little motivation to alter the existing approach to planning matters, allowing them to be sidelined.

To address this, the National Urban Policy needs to be supported by an agreement between the different levels of government and across different government departments. Relevant payments to States and Territories by the Commonwealth pursuant to intergovernmental agreements should be based on progress made by jurisdictions on delivering the objectives. This agreement should go beyond mere rhetoric and involve tangible measures. One such measure could be the introduction of a system where the Commonwealth provides payments to States and Territories based on their progress in delivering the objectives as outlined in intergovernmental agreements. By tying financial support to concrete achievements, this agreement would serve as a strong incentive and funding

mechanism, actively promoting alignment with and the fulfillment of the National Urban Policy objectives. This framework should encompass both freight specific and shared transport network projects while also addressing critical issues at the local government level, including those related to freight transport accessibility constraints and the regulations influencing first and last mile deliveries.

The current review of the National Urban Policy coincides with the review of the Australian Government National Freight and Supply Chain Strategy as well as the freight policy reviews in Victoria, New South Wales and Queensland. This provides an exceptional opportunity to develop whole of government policy and strategy across-jurisdictions through the collaboration of the Commonwealth and state territory and local governments, aligning policy goals and processes to drive productivity Aligning these strategies will provide a cohesive framework that supports the seamless movement of freight across state borders, enhancing overall efficiency and reducing regulatory burdens and increased supply chain costs. A coordinated approach is essential for addressing the complexities of freight movements across local, state, territory and national borders in a nationally integrated economy. This includes aligning rules and regulations such as planning controls and freight logistics and transport operating hours.

The effectiveness of the plan is paramount. The ALC urges the Australian Government to implement measures that deliver tangible outcomes. This includes prioritising projects and policies that can be realistically achieved within the existing constraints. Effective implementation will build confidence and ensure that the plan's objectives are met in a timely manner.

Given the limited availability of government funding, the ALC recommends that the Australian Government focuses on areas where it can make the most significant impact through regulations and policy adjustments. This includes streamlining regulatory processes, facilitating private sector investment, and ensuring that infrastructure planning and development are forward-looking and adaptable to future needs.

Interconnected infrastructure

A paucity of interconnected freight logistics infrastructure across Australia stems from a lack of sophisticated systems knowledge in infrastructure, design, investment and delivery and ineffective coordination of major projects. Investment in intermodal interfaces is hamstrung by dissonant policy positions in land use planning, road and rail economic assessment and policy, and inflexible and cost prohibitive requirements around planning decisions and transport network connections and access.

To address these issues, the Australian Government should establish a dedicated, independent office with direct responsibility and accountability for interconnected freight and supply chain infrastructure investment and operations. This office should be modelled on the office of a Co-Ordinator General and encompass road, rail, ports, air, and urban and regional freight logistics. Its responsibilities should include regulation and network access for road and rail, freight network pricing, and industrial land use planning to encourage investment. The office must have the capability to facilitate planning approval processes for major private sector freight and supply chain investments across various departments, agencies, and utility providers. Additionally, it should hold parties accountable for timely delivery in planning and infrastructure support to avoid prolonged, fragmented, and unproductive outcomes.

To harmonise processes and procedures for assessing and establishing intermodal terminals (IMTs), a whole-of-supply-chain approach should be utilised. Coordination with national and local governments is essential to expedite planning and regulatory approvals for IMTs. Providing funding and facilitation to support network infrastructure connections, especially regarding rail infrastructure network providers and signalling integration, is crucial.

Direct incentives should be provided to drive modal shifts from road to rail and support government goals for modal share. These incentives should address short-term transitional costs associated with the rollout and uptake of metropolitan intermodal terminals. This includes changes to regional service operations that enhance metropolitan rail network productivity and efficient container movements. Furthermore, incentives should target structural infrastructure access costs that hinder rail competitiveness against road access regimes. Cargo owners and shippers should be the primary recipients of these incentives, focusing on reducing the price friction associated with switching between road and rail supply chains. Our cities and regions need rail and a modal shift from road transport to meet Australia's sustainability goals.

Public sector planning and decision making

Government funded university research clearly shows broad ranging public sector planners and decision maker lack of sophisticated awareness of the supply and freight logistics system which continues to result in poor decision making that negatively impacts productivity, sustainability, and resilience. To address this issue and foster an informed understanding and support of freight operations, the Australian Logistics Council (ALC) recommends several key initiatives.

Firstly, it is essential to develop a program that identifies capability gaps across Australian Government Departments and public sector urban planning organisations. Urgent design and delivery of micro-credentials aimed at improving decision-making related to freight and supply chain policy are essential to improve Australia's supply chain future. This program should target the specific educational needs of urban planners and state and local government decision makers, highlighting the importance of industrial land, the protection of actual and potential freight corridors, and the integration of supply chains across urban and regional land use. Additionally, it should address the impacts on urban design and the links to jobs, long term employment and careers.

The findings of targeted university research most recently conducted by QUT in 2022 unequivocally revealed not one of Australia's urban planning undergraduate or post graduate courses accredited by the Planning Institute of Australia (PIA) contains any formal education about supply chains, freight logistics, freight transport, economic trade operations in urban areas, or freight in city systems, or the means to creating supply chain efficiency, productivity, resilience, and sustainability. These courses do however all focus on social planning, amenity, active transport (bicycle riding and walking) and the enjoyment of space.

The research clearly shows a major gap exists in awareness and deep knowledge about the fundamental economic driver supporting our society's way of life – i.e., supply chains and freight logistics. Without effective supply chain policy and planning the cost-of-living increases, as does the number of trucks, truck drivers, emissions, and use of diesel fuel. It is essential this gap is overcome to support the competitiveness of our import, export and domestic supply chains and to reach government targets such as net zero by 2050.

Increasing the use of both formal and informal education is necessary to build freight and supply chain understanding across national, state and local government. This includes engaging with industry bodies to facilitate site visits and awareness-building programs that provide "hands-on" experience for policy staff. Such initiatives will help bridge the knowledge gap and ensure that planners and decision-makers are well-versed in the complexities of freight logistics.

Furthermore, there is a need to assess policy decisions and actions that have successfully supported short-term step-changes in freight and supply chain productivity in response to major disruptions. Examples include the Sydney 2000 Olympics and the recent response to the COVID-19 pandemic. Reviewing these experiences with industry stakeholders will help identify elements that can drive enduring urban improvements.

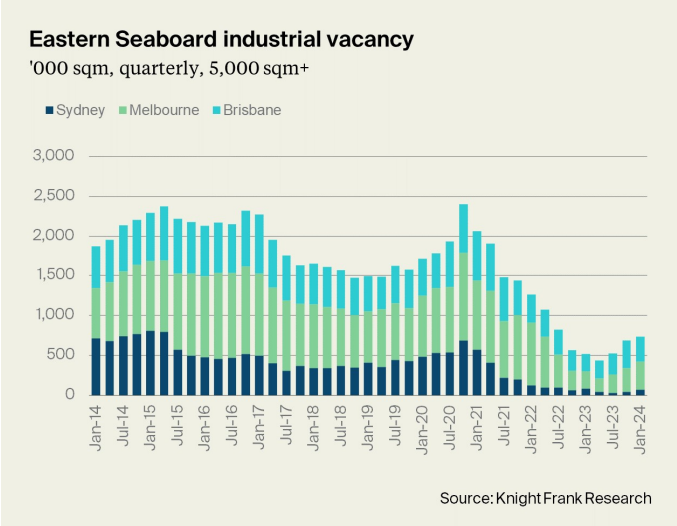
Liveable Cities and Efficient Freight Transport Networks

The availability of industrial land and its impact on logistics in Australia's urban areas are important factors influencing Australia's competitiveness. As an integral part of freight logistics, industrial land serves as the connecting link between suppliers and consumers, encompassing logistics and supply chain facilities such as ports, intermodal freight terminals, warehouses, depots, and freight corridors. The location of these facilities and their integration with surrounding areas play a vital role in the overall efficiency of the supply chain.

Oxford Economics Australia recently reported $1.2 trillion worth of goods flow through Australia's 'big sheds' every year. It goes on to estimate 38 per cent of household consumption in FY22, totalling $423 billion, was from goods passing through industrial assets like warehouses, manufacturing facilities and distribution centres[4]. All places of significant employment.

Despite the significance land use plays in supporting supply chains and the economy, it only makes up a small proportion of overall land use in Australia's urban environments and is being eroded and increasingly rezoned for other competing land uses (especially housing) and commercial activities. Australia's vacancy rate for industrial and logistics land is the lowest globally at 0.6%, according to CBRE as opposed to the global average across the western developed world of 2.6%

[4] https://www.propertycouncil.com.au/property-australia/industrial-propertys-1-2-trillion-economic-impact-revealed-in-new-report



The availability of large-lot industrial zoned land determines where container imports are unpacked. These sites provide the necessary infrastructure for containers to be received and processed, and for goods to be distributed to their final destination.

Industrial lands support local job-creating industries such as manufacturing, utilities, mechanics, logistics, and other operations, providing essential goods and services to cities and the state. Additionally, urban areas require industrial lands for evolving services like dark stores, local consolidation centres, and recharging stations for battery-powered delivery vehicles, which support e-commerce, food delivery, and last-mile logistics.

Industrial lands must be located near businesses and consumers to keep transport and distribution costs low, and close to workers who staff these businesses. This is essential for the efficient and effective servicing key business districts and population centres in Australia.

The scarcity of industrial land in the main cities in Australia presents significant challenges, including:

- Higher rents for businesses compared to international counterparts with more affordable sites closer to their CBDs and population centres.
- Limited suitable sites for warehouses and distribution centres.
- Available logistics sites moving further out and at increasing distances from household, consumers and businesses, increasing transport costs, delivery times, and emissions.
- Supply chain and logistics businesses (especially FMCG) relocating internationally due to these challenges, taking investment and jobs with them.

Planning policies must unlock new industrial lands and protect existing ones to ensure Australia remains sustainable and prosperous. Without adequate strategic planning, industry and businesses risk operational constraints due to urban encroachment and community amenity concerns.

To address these issues, policy settings must:

- **Retain existing industrial land:** Industrial land should not be rezoned for other uses, including housing or new infrastructure projects, as this will impact productivity and living costs. This includes protecting small industrial areas scattered throughout urban centres.
- **Expand industrial land supply:** This can be achieved through rezoning surplus Crown land and servicing new lands. For example, servicing industrial zoned land at specific precincts could significantly extend Melbourne's industrial land supply.
- **Prevent subdivision of large parcels:** Subdividing large industrial lands into smaller lots unsuitable for major freight and logistics activities should be avoided. This current profit maximising trend is being observed across urban areas in response to high and escalating industrial property rents and land prices. Encouraging consolidation of small industrial lots into larger parcels is essential for supporting national freight distribution networks.
- **Zoning and planning for industrial assets:** Transportation is estimated to represent 50% of the total supply chain costs compared to occupancy costs which represent just 10%. This makes the

location of industrial assets a critical component of reducing supply chain costs[5]. Ensuring there is industrial zoned land close to end consumers may reduce supply chain costs.

- **Higher density industrial development:** Land constraints have put a greater emphasis on space utilisation of industrial assets, requiring a rethink of height restrictions for industrial zoned land. Developers are now turning to higher density industrial development to make projects viable on expensive land closer to airports and ports. These assets enable a greater volume of goods to pass through the same allocation of land, potentially reducing supply chain costs. However, higher density industrial assets also require reduced height restrictions to enable development of taller buildings.
- **Retaining and managing industrial corridors:** Retaining and managing industrial corridors around Australia's ports and intermodal freight terminals is essential to support productivity of industrial assets. Denser residential use of industrial corridors can put strains on road and rail infrastructure, increasing congestion and reducing the productivity of industrial assets as trucks and light commercial vehicles are delayed by increased congestion. Longer-term planning is required to ensure the growing population doesn't adversely impact industrial corridors.
- **Optimise existing industrial lands:** Improve planning approvals for 24/7 operations, enhance design standards for residential developments, and create buffer zones to minimize community impacts. This will grow freight handling and logistics capacity within the limited available land.

Poor planning is increasing the distances freight must travel across urban areas in trucks,

Given the Australian government's limited financial capacity, it is important to provide opportunities for private sector investment. Removing public sector barriers that currently limit private investment will enable more efficient and effective development of industrial lands, ensuring that Australia's logistics and supply chain sectors remain competitive and capable of supporting the nation's economic growth.

Summary of Recommendations

- **MAKING THE STRATEGY EFFECTIVE:** Industry believes that the proposed plan needs direction, implementable actions, authority, responsibility and accountability to meet its objectives. The disconnect between the various levels and divisions of government, compounded by a lack of sophisticated understanding of regulatory constraints on supply chain and freight logistics, systematically results in inefficiency, decreased productivity and unintended consequences including increased emissions, congestion, raised safety concerns and cost of living pressures. This can be seen in inconsistent approaches to issues such as transport delivery curfews, axle weight restrictions, and provision of rest areas and trucks stops for drivers.

  Develop a national approval process that requires local, state, and territory governments to align their decision-making in urban planning with the national plan. This process would utilise intergovernmental agreements to establish transparent performance metrics, with associated payments contingent upon meeting these metrics.
- **PUBLIC SECTOR PLANNING AND DECISION MAKING:** Develop programs to identify capability gaps across government departments. Implement micro-credentials aimed at improving decision-making related to freight and supply chain policy, emphasizing the importance of industrial land and freight corridors.
- **RETAIN EXISTING INDUSTRIAL LAND:** Industrial land should not be rezoned for other uses, including housing or new alternative infrastructure projects. This includes protecting small industrial areas scattered throughout urban centres. To fail in this objective is to drive down efficiency, to increase emissions (as freight needs to travel further across metropolitan areas) and to increase costs of living through extra fuel, extra vehicles and extra drivers.
- **EXPAND INDUSTRIAL LAND SUPPLY:** This can be achieved through rezoning surplus Crown land and servicing new lands. For example, servicing industrial zoned land at specific precincts could significantly extend Melbourne's industrial land supply.

[5] 7. CBRE. (2022, April). The Rise of Multi-Storey Warehousing

- **Prevent subdivision of large parcels:** Subdividing large industrial lands into smaller lots unsuitable for major freight and logistics activities should be avoided. Encouraging consolidation of small industrial lots into larger parcels is essential for supporting national distribution networks.
- **Zoning and planning for industrial assets:** Transportation is estimated to represent 50% of the total supply chain costs compared to occupancy costs which represent just 10%. This makes the location of industrial assets a critical component of reducing supply chain costs. Ensuring there is industrial zoned land close to end consumers may reduce supply chain costs.
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- **Optimise existing industrial lands:** Improve planning approvals for 24/7 operations, enhance design standards for residential developments, and create buffer zones to minimize community impacts. Ensure Cultural Heritage Management Plans are adequately resourced (the current approvals process can take 18 months plus) and utilities e.g. water and energy supplies in industrial facilities are available to switch on when construction is complete rather than relying on 18 months plus use of diesel generators. This will grow freight handling and logistics capacity within the limited available land.

The Australian Logistics Council supports the Australian Government's efforts to develop a comprehensive and effective National Urban Policy. Addressing the complexities of supply chains and freight logistics through a systems thinking approach is essential for achieving economic growth, sustainability, and resilience.

By implementing the recommendations outlined, the government can ensure that urban planning and policy development effectively support the freight sector's needs. This will not only enhance productivity and efficiency but also contribute to environmental sustainability and the overall well-being of communities across Australia.

A coordinated, integrated policy approach involving collaboration between government, industry, and subject matter experts is crucial for overcoming the challenges posed by climate change, digitization, and urban growth. Ensuring that supply chains remain a focus in policy development will support Australia's economic and social objectives, making cities more liveable, equitable, productive, sustainable, and resilient.