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Dear Sir / Madam,

A National Urban Policy for Australia

NSW Ports is responsible for managing the key trade gateways of Port Botany and Port Kembla, which together handle millions of tonnes of diversified trade each year, including containers, bulk liquids and gas, dry bulk, motor vehicles and machinery, and major project trade.

NSW Ports also manages the Enfield Intermodal Logistics Centre and Cooks River Intermodal Terminal. With direct rail links to Port Botany, these intermodal hubs (together with others) play a key role in supporting NSW's freight task and help reduce truck movements on Sydney's roads.

NSW Ports' port and intermodal facilities provide essential supply chain services and play a critical social and economic role within NSW, contributing \$13.6 billion annually to the NSW Gross State Product and supporting around 65,000 jobs. Our ports connect people and businesses with goods and trade opportunities in a global marketplace. We facilitate trade and industry by partnering with port and logistics organisations that operate within our precincts.

The productive operation of our ports and the wider supply chain is critical to a sustainable future.

For our ports to be efficient, transport networks connecting the ports must also effectively and reliably move goods and there must be a sufficient supply of industrial land to accommodate the growing freight task.

Together, these factors are crucial for goods to be delivered on time, cost effectively and sustainably.

Australian Logistics Council

NSW Ports is a member of the Australian Logistics Council (ALC). The 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.

NSW Ports supports the submission of the ALC.

We also stress the importance of consultation with the freight and logistics sector in the development of the National Urban Policy and we remain concerned with the lack of representation from our sector on the Urban Policy Forum.

The ALC are the appropriate representatives of NSW Ports' views in relation to the National Urban policy.

The Importance of Protecting Industrial Lands

Industrial land is critical to the local, state, and national economy.

These sites are used by local job-creating industries, including manufacturing, utilities, mechanics, logistics and other operations to provide goods and services to our cities and the state.

Industrial lands are also required within urban areas for evolving urban services like dark stores, local consolidation centres and re-charging of battery powered delivery vehicles, to support e-commerce, food delivery and 'last mile' logistics.

The freight and logistics supply chain requires large parcels of land for warehouses, depots, and logistics services, located close to end users to minimise transport distances.

Greater Sydney has a scarcity of available industrial lands, caused by a lack of new supply of appropriately zoned and serviced industrial land, as well as historical rezonings.

Impacts on Households and Business

In 2023, Sydney's industrial vacancy rate reached 0.2 per cent - the lowest of any major city in the world at the time.

Industrial lands need to be located close to businesses and consumers, to keep transport and distribution costs as low as possible, and close to workers who work in those businesses. This means industrial lands are required within Greater Sydney to service the state's key business district and largest population centre.

The scarcity of industrial land in Greater Sydney is causing significant challenges for businesses and industry, including:

- Higher rents for Sydney businesses compared to other capital cities, including Brisbane and Melbourne, which have more affordable sites closer to their Central Business Districts and population centres
- Few suitable sites available for businesses to locate their warehouses and distribution centres
- Available sites moving further and further west, away from the most populated parts of Sydney, which increases transport costs, delivery times and emissions
- Businesses are locating, expanding or relocating from Sydney to other Australian cities as a result – taking their investment and jobs with them.

Challenges to Liveability

Industrial lands are a key ingredient for liveable, prosperous cities.

Planning policies must recognise the need to unlock new - and protect existing - industrial lands to ensure Greater Sydney remains sustainable for future generations.

Without adequate strategic planning policy, industry and businesses risk having their operations constrained due to urban encroachment through caps and curfews.

In the absence of minimum design standards for residential developments or adequate buffer zones between residential and industrial precincts, these restrictions will continue to be used to address community amenity concerns, impacting productivity through the supply chain.

Unless the continued decline of industrial land is addressed, Sydney's businesses and communities will continue to be impacted by:

- Fewer job opportunities as businesses base their operations in more affordable states and where there is greater industrial land availability
- Increased cost of goods as higher transport and operating costs are incurred by businesses are subsequently passed on to the end consumer
- Longer wait times for goods to be delivered
- Increased congestion on the roads and higher emissions as trucks transport goods over longer distances.

Sufficient supply of well-located industrial land in Greater Sydney is required to manage the cost of moving freight, while minimising traffic, emissions, and amenity impact.

Retaining and maintaining existing industrial land in Greater Sydney is critical to reduce congestion and avoid increased costs. NSW Ports supports freight policy being linked with land use policy.

Recommendations

To support the growth of our supply chains, the National Urban Policy must:

- **Retain existing industrial land.** Existing industrial land (including in urban areas) should not be rezoned for other uses. Industrial land must not be seen as a solution to providing more housing or be taken up for delivery of new road/rail infrastructure, as this will further impact productivity and the cost of living. This includes protecting small areas of industrial land scattered throughout urban areas e.g. Turrella and Lane Cove West, as well as more significant industrial areas close to urban centres such as those around Camellia and Silverwater.
- **Expand industrial land supply through rezoning and servicing of additional land.** This can be achieved through rezoning of land such as surplus Crown land and servicing/zoning of lands in Western Sydney. For example, servicing the industrial zoned land at Mamre Road Precinct will add 3 years to Sydney's industrial land supply and servicing the enterprise zoned land at the Western Sydney Aerotropolis would add eight years of supply if all of this land was available for industrial purposes.
- **Prevent the subdivision of large parcels of industrial land** into small lots unsuitable for freight, logistics and industrial activities and encourage the consolidation of small industrial lots into larger land parcels. Larger parcels are essential for major freight and logistics activities and manufacturing – they feed last mile logistics and provide services for larger businesses with national distribution networks.
- **Optimise the use of existing industrial lands and avoid constraints from urban encroachment** to grow freight handling and logistics capacity within existing scarce land by:
 - improving the planning approvals process including to provide 24/7 operations,
 - improving design standards of all residential and sensitive use developments and modifications in urban areas; and
 - creating buffer zones to minimise impacts on communities.

If you would like to discuss this submission further, please do not hesitate to contact me at greg.walls@nswports.com.au or on 0498 877 088.

Yours sincerely,



Greg Walls
Public Policy and Planning Manager