

31 May 2024

To Transport for NSW,

Re: Freight Policy Reform: Consultation Paper – Committee for Sydney submission

The Committee for Sydney welcomes the opportunity to provide comment and feedback on the Freight Policy Reform: Consultation Paper.

The Committee for Sydney is an urban policy think tank. We are advocates for the whole of Sydney, focused on developing solutions to the most important problems we face. We are proud to have over 160 members that represent key business, academic and civic organisations across Sydney.

The questions in the Freight Policy Reform: Consultation Paper are framed for businesses in the freight industry. As the Committee represents businesses, industries and communities across Sydney, our response takes a whole-of-Sydney strategic view which we believe adds an important perspective to the focus of this consultation process.

Getting freight right is critically important to the long-term economic prosperity of NSW and Sydney. The opportunity of an interconnected network of ports, airports and freight infrastructure underpins the next wave of economic development for the state.

1. Long-term freight strategy

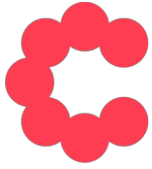
1.1. Coordination of strategic planning efforts

To foster efficient freight operations in Sydney and ensure NSW's freight network supports the achievement of the state's economic objectives, we suggest the NSW Government develops its long-term freight strategy in partnership with the state's economic strategy, industry policy, economic development and land use planning frameworks. This includes current work underway on housing delivery, review of the industrial lands policy, the NSW Innovation Blueprint. It also includes recurrent work undertaken by the NSW Government including the Future Transport strategy, the Greater Sydney Region Plan (and District Plans), the State Infrastructure Strategy, and the NSW Intergenerational Report.

This will ensure these interdependent strategies talk to one another, and that the freight strategy recognises its role in the achievement of strategic objectives of other parts of the NSW Government.

We suggest a long-term freight strategy should have a focus on:

- The likely geographic distribution of population-driven import demand and projected jobs growth in associated industries (which will require collaboration between the Transport Performance Analytics team in Transport for NSW and the NSW Department of Planning, Housing and Infrastructure)
- Efficient use and location of freight infrastructure aligned with state-wide economic strategy, including the current or future concentration of specific industries with freight infrastructure



needs such as logistics and manufacturing and a recognition of future freight infrastructure network constraints

- Growth in new strategic industries identified by the Commonwealth Government in their Future Made in Australia policies and these industries' reliance on import and export networks that will require freight infrastructure to enable them
- The role that NSW's ports will play in the renewable energy sector, including manufacturing, assemblage and servicing of offshore wind and their role in the construction sector (in terms of materials imports)
- An understanding of the long term freight roles of both Kingsford Smith and Western Sydney Airports and their respective land use and freight infrastructure needs to support them.

We believe a more systemic approach to freight network planning would enable a strategic long-term vision for NSW's ports, road and rail-networks, and airports. This will further enable state government departments and local councils to align their own strategies with the freight network's long-term plan.

1.2. Importance of land use planning

The Committee believes land zoned for industrial purposes and distributed throughout Sydney is essential for a well-functioning city.

While land is able to be upzoned for industrial uses (often from agricultural) in the western and south-western parts of Sydney, land values rarely permit the creation of new industrial land in already developed areas, such as those surrounding ports in Eastern Sydney.

As a consequence, there is a strong need for government agencies and councils, who regulate land use through zoning, to recognise the importance of land adjacent to major freight infrastructure to service two important functions:

- Preserve sufficient land dedicated to freight-related uses that require larger lot sizes, sympathetic operational characteristics (such as 24-hour truck access or facility operation) and to ensure land values are suppressed through land zoning to a sufficient level for these operations to be able to locate
- To act as a buffer between the direct freight uses and those land uses, such as residential, that may be incompatible without some sort of transitional use separating the two

It is the Committee's view then, that planning of the freight network not just consider immediate infrastructure needs of ports, airports, rail networks and intermodal terminals, but clearly articulate:

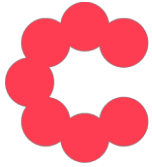
- The demand for adjacent supporting land uses
- Where land use conflicts may exist
- How potential land use conflicts can be mitigated through buffering land uses.

Our submission has more to say on industrial land supply in question six.

2. Increase the share of rail freight

The Committee is of the view that as much as is practicable, the movement of freight into, out of, and through Sydney should be done via rail to reduce truck movement through the city as much as possible.

We believe the share of rail freight should increase so the full capacity of the network is realised. Policies and investment should aim to support this outcome. However, as noted in the Consultation Paper, there are



various complexities to rail freight that first need to be overcome, including different track axle loads, siding lengths, and capacities across different but connected lines.

The NSW Government should work with other states and territories, along with the Federal Government to address this lack of rail network integration in NSW and Australia. We suggest investigating the opportunities to increase interoperability and undertaking cost benefit analysis of works that would be required – taking into account the increase in road freight that will be required into the future if we cannot realise a higher share of rail freight.

Upgrades to the rail network designed to increase interoperability should be prioritised based on a long-term freight strategy, that links to an economic strategy and aligns to national industry priorities – as per above.

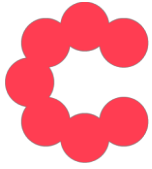
3. Strategically leverage our multiple ports

Building on our response to question one, the Committee recognises the advantageous circumstance of having three major ports as trade gateways to NSW within the Greater Sydney-Hunter-Illawarra region in Port Botany, Port Kembla and the Port of Newcastle as well as the inner harbour port in White Bay.

As previously stated, the Committee for Sydney believes that a vision for the respective roles of the major ports in NSW should be developed as part of a long-term economic strategy for NSW. This approach would consider:

- Long term port capacity (both existing and potential)
- Understanding of long-term freight demand profile to ensure the most appropriate port/s are best connected to relevant markets and existing and future supply chains to ensure their operation is the most effective it can be for NSW
- Maximising recent infrastructure investment in both ports and other infrastructure such as freight line upgrades and inter-modal terminals, as well as recognising freight infrastructure capacity constraints and likely timeframes for these being reached
- The need for policy certainty so that port operators and associated sectors can make long term investment decisions
- The opportunity for creating scale and co-location across port and adjacent land uses that meet both freight servicing and other uses that benefit from proximity to ports (such as renewable energy assemblage and servicing operations for example)
- Region-specific economic development and diversification aspirations, including anticipated regional roles in national industry priorities including renewable energy development and advanced manufacturing. It is also important to recognise that decisions regarding an east coast base for Australia's submarine fleet are yet to be finalised. This will have significant implications for the future use of the chosen port and the industries in that wider region. It will also have implications for the other ports in the region
- Aspirations to reduce road-based freight as much as possible.

NSW has a unique opportunity for its collective port assets to create a profound comparative advantage both for NSW domestically and Australia internationally. This strategic view of port assets in NSW's freight network should be developed in conjunction with a state economic strategy as suggested in our response to Question One.



4. Reduce negative impacts of road freight

As outlined in response to Question 2, we believe rail freight should be prioritised over road freight with the caveat that road freight will always be required for certain distribution purposes. To increase the efficiency of road freight and reduce its impact on the environment, the NSW Government should:

- Investigate how to shift road freight onto toll roads
- Implement incentives for truck operators to decarbonise their fleet – this may be through concessions for toll road use, or transition subsidies.
- Investigate how adverse impacts of road freight on local road networks can be mitigated, including through opportunities to dedicate local roads with increased heavy vehicle loads to the state government to reduce the maintenance cost burden on local councils

5. Do everything possible to decarbonise road freight fast

Transport is the largest source of emissions after the power grid itself. Of Sydney's ~18Mt of transport emissions, road transport accounts for ~88%, with passenger cars emitting almost half (~8Mt CO₂e) and freight vehicles emitting a little less (~7Mt).¹

A clear NSW or Australia-wide strategy for zero emission trucks needs to be developed. Governments, freight companies, truck manufacturers and charging providers should collaborate to help big first movers switch as soon as possible and assist smaller followers to do so later.

Recommended actions for the NSW Government and Federal Government, from our Decarbonising Sydney report, include:

- Create a state or national strategy with logistics companies and local manufacturers to convert truck fleets aided by a consumer awareness campaign
- Group zero-emission light truck orders to secure bulk supply
- Introduce a petrol/diesel truck 2035 sales ban
- Widen truck width standards to improve model availability
- Introduce financial incentives for truck purchase and depot charging infrastructure
- Group zero-emission truck orders to secure bulk supply
- Introduce a CO₂ emissions or fuel efficiency standard for new trucks sales.

6. Create a strategic industrial land supply pipeline

Our answer to this question builds on our answer to question one. Retaining land for future industrial use across the whole of Sydney, but from a freight perspective – particularly around major trade gateways such as ports, airports and inter-modal terminals.

Industrial land supply needs to be strategically located throughout Sydney (and NSW) and well serviced to support freight and logistics functions. This is best achieved by co-locating infrastructure and creating a 10-15-year supply pipeline of serviced industrial land that is planned for in a coordinated way.

This must be done in coordination with the Department of Planning, Housing and Infrastructure to ensure freight and logistic land use needs are factored into DPHI's future industrial land demand analysis.

¹ Committee for Sydney, 2022, Decarbonising Sydney, <https://sydney.org.au/wp-content/uploads/2022/08/Committee-for-Sydney-Decarbonising-Sydney-August-2022.pdf>

7. Consider freight in conjunction with economic strategy and land use planning

In our view, the NSW Government does not currently provide adequate consideration of freight matters in land use planning decision-making. This is because freight is planned for independent of economic strategy and strategic land use planning. Freight already plays an important role in the land adjacent of Kingsford Smith airport and will be an integral part of the future Western Sydney airport's function. It is essential that the long-term future of these air freight gateways is expressed both inland use and economic development strategies as well as through the freight strategy.

As we have highlighted throughout this submission, there is an opportunity to increase the efficiency of freight operations in NSW by developing a long-term freight strategy that links to the State's economic strategy and national industry priorities. A long-term freight strategy can then be used to develop visions for NSW ports, and road and rail freight.

Closing remarks

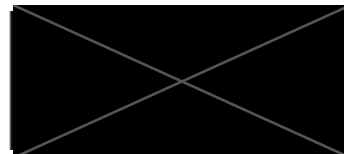
Thank you again for the opportunity to provide feedback and comments on the Freight Policy Reform: Consultation Paper. We are greatly enthused by the intention to reform freight policy with the intention of increasing efficiency and sustainability. Our feedback is intended to help achieve this goal.

If you have any questions or would like to discuss further, we are more than happy to do so.

Kind regards,



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