



INDUSTRIAL LANDS POLICY REVIEW GREATER SYDNEY COMMISSION

**JOINT SUBMISSION
20 AUGUST 2021**

1. About Road Freight NSW and the Australian Trucking Association

Road Freight NSW (RFNSW) is the peak industry organisation in NSW representing trucking operators. Its members range from some of the nation's largest transport companies, with many thousands of employees, through to small family businesses operating with less than 5 employees.

The Australian Trucking Association (ATA) and its member associations collectively represent 50,000 businesses and 200,000 people in the Australian trucking industry. Together we are committed to safety, professionalism and viability. RFNSW is a member association of the ATA.

2. Summary of recommendations

Recommendation 1

The Greater Sydney Commission should maintain the 'retain and manage' approach to industrial and urban services land and not introduce residential or other flexible land uses which conflict with trucking and freight operations.

Recommendation 2

The Greater Sydney Commission should ensure that any proposal to increase the flexibility of land use in industrial zones does not decrease the flexibility of trucking and freight operations.

Recommendation 3

The Greater Sydney Commission should continue to prioritise the operational role of industrial and urban services land and the need for freight operations to be within ready access of customers and markets.

Recommendation 4

The Greater Sydney Commission should prioritise industrial and urban services remaining curfew free for freight and trucking operations.

Recommendation 5

The Greater Sydney Commission should prioritise planning for trucks to be incorporated into industrial and urban services land, including the need for high productivity freight vehicle access, urban rest areas and truck parking and decoupling sites.

Recommendation 6

The Greater Sydney Commission should ensure that the industrial and urban services land policy aligns with the National Urban Freight Planning Principles.

3. Industrial lands policy review

RFNSW and the ATA welcome the review of industrial lands policy by the Greater Sydney Commission, as policy and planning for industrial, logistics and employment land needs to be a high priority. However, proposals to increase the flexibility of uses in industrial land are likely to reduce flexibility for trucking businesses, reduce flexibility for freight operations and increasing supply chain costs.

The Greater Sydney Commission's (GSC) industrial lands policy review responds to the NSW Productivity Commission's 2021 White Paper recommendation to evaluate the retain-and-manage approach to managing industrial and urban services land against alternative approaches, to identify what would maximise net benefits.¹

The NSW Productivity Commission identified a number of arguments for increasing zoning flexibility of industrial lands—

- residential development advocates suggesting that existing zoning seeks to protect outcomes which the market does not wish to deliver
- maximising the benefits from using land will enhance productivity
- that loss of dedicated industrial and urban services land does not translate to loss of functions.²

Additionally, the NSW Productivity Commission paper also identified that delivering housing in industrial lands can be easier, due to less community opposition as a result of not redeveloping existing residential areas. RFNSW and the ATA notes that some of the key arguments and stakeholders in favour of enhanced flexibility of uses favour increasing residential uses.

Unfortunately, these arguments do not consider all the issues relevant to trucking and freight businesses. They do not appropriately assess how increasing flexibility in one sector (land use) will reduce flexibility in other sectors (freight and supply chains).

Recommendation 1

The Greater Sydney Commission should maintain the 'retain and manage' approach to industrial and urban services land and not introduce residential or other flexible land uses which conflict with trucking and freight operations.

Recommendation 2

The Greater Sydney Commission should ensure that any proposal to increase the flexibility of land use in industrial zones does not decrease the flexibility of trucking and freight operations.

¹ Greater Sydney Commission, 2021. [Industrial Lands Policy Review – Summary](#). 1.

² NSW Productivity Commission, 2021. [White Paper: rebooting the economy](#). 295-303.

4. Importance and role of industrial and urban services land

Industrial and urban services land, including freight and logistics, play a critical role in urban communities and in particular in Sydney and NSW. They are critical for trucking companies and the members of RFNSW and the ATA. It provides the urban lands which are home to distribution centres, warehouses, cold storage facilities, container parks, heavy vehicle servicing and mechanics, and truck marshalling, decoupling and parking. Numerous RFNSW members own, manage and utilise depots in these zones.

The NSW Freight and Ports Plan 2018-2023 highlights that freight will have volumes in Greater Sydney increase by almost 50 per cent by 2036, resulting from population and economic growth (with freight movements growing over and above the rate of population growth).³

Trucking and freight are critical to driving the economy and require spatial recognition within Greater Sydney. They need the space and accessibility to support Sydney's standard of living.

Economic value of industrial land

As identified in the NSW Productivity Commission paper, arguments in favour of increasing flexibility of uses in industrial and urban services land often focus on the economic or market value of the land. This is reflected by the residential development argument that existing zoning is seeking to protect outcomes that the market does not want to provide, or the NSW Productivity Commission argument that productivity would be enhanced by maximising the economic benefits of industrial land.

SGS Economics and Planning have analysed the argument that industrial operations are low value and that these precincts should transition to the highest and best land uses to boost economic contribution. SGS state –

- this argument fails to understand the full value of industrial and urban service businesses to the economy
- this assessment of productive contribution to the economy is flawed and assumes economic value is based exclusively on land value
- industrial operations are critical translators of value.

Further, analysis of industrial land in Sydney's eastern city shows that these employment precincts are more than twice as economically productive from a Gross Value Added perspective than the Parramatta CBD and are higher than the Adelaide CBD.⁴

³ NSW Government, September 2018. [NSW Freight and Ports Plan 2018-2023](#). 18, 19.

⁴ SGS Economics & Planning, 14 May 2021. [Employment precincts have a greater economic value than you probably think, and they will play an essential role in Australia's post-COVID economy.](#)

The GSC has previously recognised that—

- the value of industrial and urban services land should be based on the operational role and function it plays throughout the city
- a working global city needs spaces to ensure key economic uses can survive and thrive within ready access of customers and markets
- ramifications of any displacement of activity as a result of decisions affecting industrial and urban services land need to be fully understood and strategically managed.⁵

RFNSW and the ATA do not believe that proposals to increase flexibility of industrial land uses, including potential residential development, meet the key considerations outlined by the GSC in 2018.

Recommendation 3

The Greater Sydney Commission should continue to prioritise the operational role of industrial and urban services land and the need for freight operations to be within ready access of customers and markets.

5. Negative impacts of increasing uses of industrial land

Incompatible land uses and preventing curfews

Critical to the question of whether to make use of industrial lands more flexible is the issue of incompatible land uses. Potential land uses, including residential, which conflict with freight operations are a significant concern to RFNSW and the ATA. This includes land uses which would have the potential to seek the implementation of curfews – and other restrictions on flexibility – on freight and trucking businesses.

Curfews and restrictions on truck movements and freight precinct operations restrict the flexibility of freight operations. Greater Sydney needs to maintain 24-hour freight precincts to enable the industry to continue to support low-cost supply chains for the NSW economy.

This goes beyond enabling deliveries in Greater Sydney. Trucking depots and warehouses need to be able to receive linehaul and long-distance freight, where truck drivers have to manage fatigue and regulated driving hours. Implementing restrictions in Sydney's industrial lands would impact the ability of truck drivers transporting goods into and out of Sydney to manage their driving hours.

Recommendation 4

The Greater Sydney Commission should prioritise industrial and urban services remaining curfew free for freight and trucking operations.

⁵ Greater Sydney Commission, October 2018. [A metropolis that works](#). 7.

Supply and location of industrial land

As the GSC has previously reported, only 8 per cent of land across Greater Sydney is presently zoned for non-residential uses such as industrial and urban services.⁶ Illustrating that economic value is about more than land value, industrial land provides 19 per cent of jobs across Greater Sydney and 37, 35 and 36 per cent of jobs in the south, central and western districts.⁷

The GSC has also reported that for many operations in industrial land that the spatial scale and locational imperatives have remained focused on local proximity.⁸ This remains the case for many RFNSW and ATA members.

Our members are concerned by the prospect of continuing decline in the supply of industrial land within proximity to eastern Sydney. This area is important, not just for accessibility to the port and freight gateways, but also for proximity to population.

The argument, by residential development advocates, that current restrictions on industrial land use prevent market outcomes ignores the nature of those market outcomes. Continued pressure to shift all freight and trucking operations to the western edges of Sydney would increase –

- truck vehicle trips and kilometres to provide transport services to eastern Sydney
- vehicle emissions
- congestion
- supply chain costs.

It would also slow the potential roll out of zero emission trucks and delivery vehicles for use in Sydney, which will initially have lower vehicle range kilometres when compared to diesel / internal combustion engine trucks.

There is a clear need to understand how introducing greater uses would impact industrial and urban services land. The Planning Institute of Australia (PIA) has noted that –

The introduction of housing into an area with an employment focus causes irreversible change to its land economics. In a market where housing is highly valued it rapidly dominates over other employment uses. The nature of housing tenure reinforces the permanence of this change. In effect, a 'mixed use' zone becomes a housing zone unless there is deliberate planning intervention.⁹

There is also a significant risk that expanding permissible retail uses in industrial lands would lead to increasing land values and uplift for a small number of landowners, loss of an economic and freight land resource within proximity to population centres and promote land speculation.¹⁰

⁶ GSC, October 2018. 10.

⁷ GSC, October 2018. 10.

⁸ GSC, October 2018. 10.

⁹ Planning Institute of Australia, 28 November 2019. [Kickstarting the Productivity Conversation](#). 8.

¹⁰ PIA, 21 September 2020. [Continuing the Productivity Conversation](#). 3.

PIA also argues that reform of business and industrial zones in isolation from how they used to shape places will be counterproductive and blind to the economic consequences.¹¹ In the view of RFNSW and the ATA, industrial and urban services land have significant place values by enabling productive freight operations to support the wider economy and community. This requires accessibility and proximity to population centres.

The protection of industrial land also needs to recognise that freight is about more than international gateways. The NSW Productivity Commission recognised the need to protect Sydney Airport, Port Botany and surrounding industrial hubs from competing uses.¹² This is welcome, especially considering the critical role of Port Botany. It is also vital that connecting transport corridors are protected.

However, freight is about more than international gateways. Trucking operations, including warehouses, distribution centres, truck servicing and facilities, are all critical to freight and supply chains and also need to be protected from competing uses.

6. Planning for trucks – access, parking and rest areas

In reviewing industrial lands, the GSC should consider and prioritise how to plan for trucks. The COVID-19 pandemic and the impact on supply chains from lockdowns have illustrated that trucking is critical to moving freight – no other transport mode had the flexibility and ability to keep supermarkets and stores supplied.

However, trucks are often missing from the planning conversation unless it is a conversation about restrictions to truck movement.

Planning for trucks is critical to truck movements, improving productivity, prioritising safety and reducing community amenity impacts from transport. This must include –

- access standards and approvals for heavy vehicles
- rest area parking and facilities
- parking and decoupling sites.

High productivity freight vehicles (HPFVs), which move more freight with fewer vehicle movements, face restrictive road access approvals. The 2019 Australian Infrastructure Audit found that –

- HPFVs reduce total vehicle movements, reduce congestion growth, lower costs of freight, enable faster delivery times and are more likely to be safer, quieter and be less emissions intensive
- despite their benefits, the use of HPFVs on our roads has been limited
- restricting the use of HPFVs locks in high freight costs for businesses and consumers, and limit benefits to road safety, air pollution and amenity.¹³

¹¹ PIA, 21 September 2020. 2.

¹² NSW Productivity Commission, 2021. 303.

¹³ Infrastructure Australia, June 2019. [An assessment of Australia's future infrastructure needs: the Australian Infrastructure Audit 2019](#), 344.

The GSC should prioritise aligning industrial and urban services land and road access with the NSW heavy vehicle access policy framework. The access policy sets out intended heavy vehicle access approvals for major corridors, including the Sydney motorway network.¹⁴ This framework needs to be integrated with local roads to industrial and urban services land. This would allow HPFVs to move goods to and from warehouses and distribution centres with fewer vehicle trips.

Additionally, there is a critical need for urban rest areas and facilities. Rest areas are not just about regional roads: truck drivers need to manage fatigue at urban destinations. This would align with the National Urban Freight Planning Principles and principle six to realise the importance of rest and refuelling facilities. The national freight planning principles recognise that the lack of urban rest area facilities places significant pressure on drivers to meet fatigue regulations, undermining their health and safety.¹⁵

There is also a significant need for truck parking and decoupling sites in industrial and urban services land. Trucking operators, freight businesses and refuelling sites report that truck parking shortages are an increasing issue which undermines productivity, safety and amenity. Fuel retailers have reported that shortages in parking results in challenges managing the parking on their sites. Trucks are not always moving, or always have access to a local depot, and need places to park. Parking and decoupling sites are also critical to enable HPFVs to be broken down into smaller combinations for making deliveries into urban areas without HPFV access.

Recommendation 5

The Greater Sydney Commission should prioritise planning for trucks to be incorporated into industrial and urban services land, including the need for high productivity freight vehicle access, urban rest areas and truck parking and decoupling sites.

¹⁴ NSW Government, September 2018. [Moving more with less: The NSW Heavy Vehicle Access Policy Framework](#).

¹⁵ Australian Government, May 2021. [National Urban Freight Planning Principles](#). 18.

7. Aligning with the National Urban Freight Planning Principles

In May 2021, infrastructure and transport ministers endorsed the National Urban Freight Planning Principles to guide land use decision making across all levels of government to improve planning for freight in metropolitan areas, including NSW.¹⁶

The agreed principles of urban freight planning are –

- understand the value, needs and characteristics of freight movement and incorporate in strategic and statutory transport and land use planning
- safeguard the resilience of all major freight handling facilities and freight corridors within and between neighbouring jurisdictions, including local government areas
- identify and plan areas for new freight facilities and freight-intensive land uses
- plan for efficient freight movements and complementary land uses around freight facilities and precincts, including intermodal terminals
- promote building and precinct design and usage that takes into account freight needs
- realise the importance of rest and refuelling facilities
- respond to changes in freight movements, including smaller scale freight movement and emerging technologies.¹⁷

The principles outline that freight is often considered as a sub-set of industrial activity, resulting in its unique characteristics and value being inadvertently considered in planning, precinct design and development approval.¹⁸ The GSC should ensure that this is not overlooked in reviewing the industrial lands policy, and any resulting policy should align with the National Urban Freight Planning Principles.

Recommendation 6

The Greater Sydney Commission should ensure that the industrial and urban services land policy aligns with the National Urban Freight Planning Principles.

8. Submission contact

Simon O'Hara RFNSW Chief Executive Officer simon.ohara@rfnsw.com.au

Samuel Marks ATA Transport & Infrastructure Adviser samuel.marks@truck.net.au

¹⁶ Infrastructure and Transport Ministers Meeting, 28 May 2021. [15th meeting of Infrastructure and Transport Ministers.](#)

¹⁷ Australian Government, May 2021. 5.

¹⁸ Australian Government, May 2021. 8.