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Q1

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Q2

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Q3

What has been your experience with the retain and manage industrial lands policy?

Qube Holdings (Qube) is Australia's largest integrated logistics supplier with extensive lease holdings and port operations in and around both Port Botany and Port Kembla. This includes both our 50% holding of Patrick Terminals and our 100% holdings of AAT Terminals. We also operate significant port intermodal freight facilities adjacent to Port Botany at St Peters and at Yennora, Minto, and Moorebank in Western Sydney.

Qube firmly believes that the Industrial and Urban Services Land 'retain and manage policy (the policy) is a critical policy that must be retained for the benefit of the NSW economy. Not only is the policy the first of its kind in NSW in providing certainty that the industrial lands on which our lease holdings operate will not be rezoned for alternate uses, it is also the only policy of its type nationally in protecting industrial lands for freight and logistics purposes. This places NSW at a significant competitive advantage to the other States and reaffirms Sydney's position as the nation's international trade gateway for the movement of goods. The Greater Sydney Commission should therefore be strongly commended for establishing such a long needed policy. The policy is ultimately recognised by businesses such as ours in providing greater certainty for investment and operations in the State of NSW long term.

Q4

What has been your experience with the review and manage industrial lands policy?

Qube is extremely concerned by the nature of this review and its threat to industrial lands across Port Botany and Port Kembla. Qube was not immediately aware of this review but will be making representations to members of the review Industry Reference Group including the Australian Logistics Council, NSW Ports, Property Council of Australia to ensure no changes to the retain and manage industrial lands policy.

Q5

What suggestions would you make for industrial lands policy in the Greater Sydney Region Plan?

Qube would initially strongly recommend the retention of the existing retain and manage industrial lands policy in its current form. In addition, we would like to see it further strengthened by providing enhanced protections to prevent both encroachment and inclusion by other uses and activities. In effect, the remaining industrial lands need to be fully preserved for freight logistics and port users to support the broader economy and business. Without a strong industrial lands policy, NSW will lose its competitive advantage with the risk that both business and trade will relocate elsewhere at significant damage to the State economy. To this end, the 2019 National Freight and Supply Chain Strategy that Qube played an active part in developing with Government and industry had as one of its key recommendations the protection of industrial land around ports, inland rail terminals and freight corridors.

The advent of Covid 19 has only served to reinforce the need to further protect industrial lands and associated supply chains to ensure a more resilient State economy. The current and ongoing increase in trade will be the key driver in the economic recovery from the pandemic. Without the adequate protection of industrial lands to support logistics based industries this recovery will be jeopardised long term. This should be considered strongly versus any only short term game of converting industrial lands to residential zonings.

Q6

Are there any barriers to industrial lands fulfilling their functions?

Yes. Qube's business activities on industrial lands are impacted and impeded by a number of activities both physical and regulatory. These include: residential encroachment in around Port Botany; access restraint issues for freight such as restricted hours of operation and types of freight vehicles both road and rail; and also noise and environmental restrictions on environmental lands that do not recognise the critical nature of essential freight operations. Equally, residential development within close proximity to Port Botany and its supporting industrial lands with insufficient mitigation measures poses an ongoing and increasing risk to port operations. Furthermore, land use conflict has the potential to adversely impact future planning decisions, particularly for port users.

There is also a lack of Government funded infrastructure to support freight on industrial lands. For example, Qube operates the Cooks River Intermodal Terminal facility at St Peters, Australia's largest empty container park and a key supply chain facility servicing Port Botany. (The terminal is leased from NSW Ports on long term lease). In 2019 Transport for NSW removed freight ramps from the original design of the Sydney Gateway Motorway that would have connected this facility directly with Port Botany. Instead, trucks will now continue to leave St Peters and have to travel through Mascot which is now a largely high rise residential as opposed to industrial area. This urbanisation of a key freight route is putting pressure on the continued operation of Cooks River without which the port has no 'release valve' for both port rail and empty container management.

Q7

From your perspective, what would be the most productive way to manage industrial lands? What are the opportunities to make industrial areas more productive?

The most productive way to manage industrial lands is for Government to retain as many of them as possible by prohibiting their rezoning while specifically preventing any expanded permitted uses on freight related industrial lands around Port Botany and Kembla. This includes ensuring that any residential and non-industrial developments around industrial lands have to be designed in such a way that consider ongoing and growth of port logistics uses such as buffer zones, noise mitigation and lower density developments. In effect, sensitive developments within the influence of port operations must be required to implement measures that reduce amenity impacts to freight and logistic providers. Instead of prioritising other adjacent uses, the emphasis from Government should therefore be on protecting the industrial lands from further encroachment given the critical importance and restricted supply of these lands for the NSW economy.

Port-related uses, such as container storage, also require larger parcels of land. The ongoing subdivision of industrial land is preventing these sites from being able to be used for this vital function. Qube supports NSW Ports' proposals for both the prevention of the further subdivision of large parcels of industrial land around the Ports. This includes the introduction of a minimum lot size of 2 hectares for the industrial land surrounding Port Botany to allow for the continued viability of the land for industrial port uses. NSW Ports states in its Port Development Plan that of the 390 hectares of industrial land around Port Botany, only 219 hectares is currently made up of lot sizes exceeding two hectares.

Q8

Are there particular locations in Greater Sydney that are most appropriate to transition to alternative uses for industrial lands? Why?

No. There has been such an erosion of industrial lands in Sydney that there is relatively very little of it actually left. All current industrial lands must be retained and further strengthened.

Q9

Are you aware of any new types of industrial or urban services uses occurring in industrial areas?

Qube is building Australia's largest port intermodal terminal with onsite warehousing at Moorebank in Western Sydney which will be to a cost of well in excess of \$2 billion when fully developed. The terminal will form a key plank in the NSW Government's rail mode share target to and from Port Botany as well as catering for future long term trade of the port itself with capacity of over 1 million containers (TEU) annually. Moorebank is part of an existing and expanded network of future intermodals servicing Port Botany. Qube also operates substantive intermodal terminals at Minto (adjacent to Ingleburn) and at Yennora in Western Sydney. Unless there is long term land use certainty for each of the facilities, this will put both the future growth of Port Botany at risk and the Government's formally stated desire to move more freight by rail.

Q10

Please provide any further comments below

Industrial zoned lands are essential in ensuring the freight logistics operations and infrastructure that allow the growth of the NSW economy while supporting jobs and businesses across the State including intermodal terminal, distribution centres, warehouses and empty container parks. This is critical in light of the forecast freight task in Sydney doubling across the next 40 years with a 4% per annum growth in trade volumes through Port Botany requiring a direct increase in freight and logistics storage facilities to cater for such growth.

Sydney has already experienced a substantial reduction in industrial lands in and around Port Botany as a result of rezoning for residential and commercial uses. This has led to friction between the operations of port based logistics providers and newly established residential developments. Without both the protection of and an adequate supply of industrial land close to port operations and nearby major population areas which are effectively buffered from residential residences, the cost of moving freight and overall supply chain productivity levels will be dramatically impacted. The reduction in available industrial land for freight and logistics operations adjacent to Port Botany has led to increased prices and overheads for these operations in and around the port. Long term this will drive the relocation of these activities away from port areas increasing overall supply chain costs to customers. The corresponding growth and encroachment of residential and other uses on industrial lands has led to operational impediments such as restricted hours of operations (freight curfews), weight restrictions, route access restrictions and noise limitations. All of these inhibit the efficient use of industrial lands and lead to cost increases which are ultimately borne by the NSW consumer.

Covid 19 has also seen a dramatic increase in e-commerce volumes and the reinforcement of freight and logistics as essential services. With the majority of the NSW population to be centred in and around Sydney, the need for port freight and logistics operators to have continued access to industrial lands adjacent to the key population centres will continue to grow. This has been further exacerbated by the increase in customer expectations for high speed delivery and cheaper freight costs.

Qube is concerned that as part of this review property developer groups that support rezoning industrial lands to high rise residential and mixed use development for their own individual benefit may seek to unduly influence the outcomes of the review. This reinforces the need for the review to take into account the broader service and economic benefits to the entire State of industrial lands long term including the substantive losses of such land over time. The intrinsic long term value of industrial land for freight and logistics through ongoing trade facilitation and job creation will far exceed the short term "sugar hit" to Government revenues coffers through rezoning to residential.

Qube reaffirms its absolute position for the review to ensure the protection of Industrial lands in NSW from any rezoning and from non-industrial uses. This continued erosion of freight and logistics lands must be halted if the Government is to deliver effective and efficient freight and supply chains to service the growing freight needs of the people and businesses of the Sydney region into the future.

Having been only recently made aware of the review, Qube will makes a formal submission in the week of August 16 and has successfully sought a short extension to the submission date to August 20,2021.

Q11

Respondent skipped this question

Would you like to attach a document?



20 August 2021

Greater Sydney Commission
Industrial Lands Policy Review
Via email ilr@gsc.nsw.gov.au

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Re: Qube Holdings Submission to the Great Sydney Commission Industrial Lands Policy Review

To Whom It May Concern,

Qube Holdings Limited (Qube) is Australia's largest integrated logistics supplier with extensive lease holdings and port operations across New South Wales (NSW). This includes both our 50% holding of Patrick Terminals at Port Botany and our 100% holdings of Australian Amalgamated Terminals (AAT) at Port Kembla. Qube also operates significant port-rail intermodal freight facilities adjacent to Port Botany at St Peters and at Yennora, Minto, and Moorebank in Western Sydney.

Industrial zoned lands are essential in ensuring the freight logistics operations and infrastructure that allow the growth of the NSW economy while supporting jobs and businesses across the State including intermodal terminal, distribution centres, warehouses and empty container parks. This is critical in light of the forecast freight task in Sydney doubling across the next 40 years with a 4% per annum growth in trade volumes through Port Botany requiring a direct increase in freight and logistics storage facilities to cater for such growth.

Sydney has already experienced a substantial reduction in industrial lands in and around Port Botany as a result of rezoning for residential and commercial uses. This has led to friction between the operations of port based logistics providers and newly established residential developments. Without both the protection of and an adequate supply of industrial land close to port operations and nearby major population areas which are effectively buffered from residential residences, the cost of moving freight and overall supply chain productivity levels will be dramatically impacted. The reduction in available industrial land for freight and logistics operations adjacent to Port Botany has led to increased prices and overheads for these operations in and around the port. Long term this will drive the relocation of these activities away from port areas increasing overall supply chain costs to customers. The corresponding growth and encroachment of residential and other uses on industrial lands has led to operational impediments such as restricted hours of operations (freight curfews), weight restrictions, route access restrictions and noise limitations. All of these inhibit the

efficient use of industrial lands and lead to cost increases which are ultimately borne by the NSW consumer.

Qube firmly believes that the Industrial and Urban Services Land 'retain and manage policy' (the policy) is a critical policy that must be retained for the benefit of the NSW economy. Not only is the policy the first of its kind in NSW in providing certainty that the industrial lands on which our lease holdings operate will not be rezoned for alternate uses, it is also the only policy of its type nationally in protecting industrial lands for freight and logistics purposes. This places NSW at a significant competitive advantage to the other States and reaffirms Sydney's position as the nation's international trade gateway for the movement of goods. The Greater Sydney Commission should therefore be strongly commended for establishing such a long needed policy. The policy is ultimately recognised by businesses such as ours in providing greater certainty for investment and operations in the State of NSW long term.

Qube would recommend the retention of the existing retain and manage industrial lands policy in its current form in and around ports and freight facilities. In addition, we would like to see it further strengthened by providing enhanced protections to prevent both encroachment and inclusion by other uses and activities. In effect, the remaining industrial lands need to be fully preserved for freight logistics and port users to support the broader economy and business. Without a strong industrial lands policy, NSW will lose its competitive advantage with the risk that both business and trade will relocate elsewhere at significant damage to the State economy. To this end, the 2019 National Freight and Supply Chain Strategy that Qube played an active part in developing with Government and industry had as one of its key recommendations the protection of industrial land around ports, inland rail terminals and freight corridors.

The advent of Covid 19 has only served to reinforce the need to further protect industrial lands and associated supply chains to ensure a more resilient State economy. The current and ongoing increase in trade will be the key driver in the economic recovery from the pandemic. Without the adequate protection of industrial lands to support logistics based industries this recovery will be jeopardised long term. This should be considered strongly versus any only short-term game of converting industrial lands used for freight and logistics to residential zonings. Covid 19 has also seen a dramatic increase in e-commerce volumes and the confirmation of freight and logistics as essential services. With the majority of the NSW population to be centred in and around Sydney, the need for port freight and logistics operators to have continued access to industrial lands adjacent to the key population centres will continue to grow. This has been further exacerbated by the increase in customer expectations for high speed delivery and cheaper freight costs.

Currently, Qube's business activities on industrial lands are impacted and impeded by a number of constraints both physical and regulatory. These include: residential encroachment in around Port Botany; access restraint issues for freight such as restricted hours of operation and types of permissible freight vehicles both road and rail; and also, noise and environmental restrictions on industrial lands that do not recognise the critical nature of essential freight operations. Equally, residential development within close proximity to Port Botany and its supporting industrial lands with insufficient mitigation measures poses an ongoing and increasing risk to port operations. Furthermore, land use conflict has the potential to adversely impact future planning decisions, particularly for port users.

Qube believes that the most productive way to manage industrial lands is for Government to retain as many of them as possible by prohibiting their rezoning, while specifically preventing any expanded permitted uses on freight related industrial lands around Port Botany and Port Kembla. This includes ensuring that any residential and non-industrial developments around industrial lands have to be designed in such a way that consider ongoing and growth of port logistics uses such as buffer zones, noise mitigation and lower density developments. In effect, sensitive developments within the influence of port operations must be required to implement measures that reduce amenity impacts to freight and logistic providers. Instead of prioritising other adjacent uses, the emphasis from Government should therefore be on protecting the industrial lands from further encroachment given the critical importance and restricted supply of these lands for the NSW economy.

Port-related uses, such as container storage, also require larger parcels of land. The ongoing subdivision of industrial land is preventing these sites from being able to be used for this vital function. Qube supports NSW Ports' proposals for the prevention of the further subdivision of large parcels of industrial land around the Ports. This includes the introduction of a minimum lot size of 2 hectares for the industrial land surrounding Port Botany to allow for the continued viability of the land for industrial port uses. NSW Ports states in its Port Development Plan that of the 390 hectares of industrial land around Port Botany, only 219 hectares is currently made up of lot sizes exceeding two hectares.

There also needs to be more government funded infrastructure to support freight on industrial lands. For example, Qube operates the Cooks River Intermodal Terminal facility at St Peters, Australia's largest empty container park and a key supply chain facility servicing Port Botany. (The terminal is leased from NSW Ports on long term lease). In 2019 Transport for NSW removed freight ramps from the original design of the Sydney Gateway Motorway that would have connected this facility directly with Port Botany. Instead, trucks will now continue to leave St Peters and have to travel through Mascot which is now largely high-rise residential units as opposed to an industrial area. This urbanisation of a key freight route and lack of Government support to help fund efficient alternatives is putting pressure on the continued operation of Cooks River without which the port has no 'release valve' for both port rail and empty container management.

Furthermore, Qube is currently building Australia's largest port intermodal terminal with onsite warehousing at Moorebank in Western Sydney which will be to a cost of well in excess of \$2 billion when fully developed. The terminal will form a key plank in achieving the NSW Government's rail mode share target to and from Port Botany, as well as catering for future long-term trade of the port itself with capacity of over 1 million containers (TEU) annually. Moorebank is part of an existing and expanded network of future intermodals servicing Port Botany. Qube also operates substantive intermodal terminals at Minto (adjacent to Ingleburn) and at Yennora in Western Sydney. Unless there is long term land use certainty for each of the facilities and the surrounding areas, including protecting the supply chain corridors servicing them, the future growth of Port Botany and the Government's formally stated desire to move more freight by rail will both be at risk.

Qube acknowledges that as part of this review, groups that support rezoning industrial lands in around key freight and logistics facilities to high rise residential and mixed use development will make submissions seeking a change to the current policy. This therefore reinforces the need for the review to take into account the broader service and economic benefits to the entire State of industrial lands long term, including the substantive losses of such land over time. The intrinsic long-term value of industrial land for freight and logistics through ongoing trade facilitation and job creation will far exceed the short-term benefit to Government through rezoning to residential.

In conclusion, Qube reaffirms its position for the review to ensure the protection of NSW Industrial lands for freight and logistics operations from any rezoning and non-industrial uses. This continued erosion of freight and logistics lands must be halted if the Government is to deliver effective and efficient freight and supply chains to service the growing freight needs of the people and businesses of the Sydney region into the future.

Should you require any more information or have any questions, please do not hesitate to contact Paul White at paul.white@qube.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Digney', with a long horizontal line extending to the right.

Paul Digney
Managing Director