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FREIGHT AND LOGISTICS COUNCIL OF WESTERN AUSTRALIA INC

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Mr Andrew Sharpe  
Chief Executive Officer  
City of Albany  
PO Box 484  
ALBANY WA 6331

Dear Mr Sharpe

**FREIGHT AND LOGISTICS COUNCIL OF WESTERN AUSTRALIA SUBMISSION  
CITY OF ALBANY: DRAFT ALBANY LOCAL PLANNING STRATEGY**

The Freight and Logistics Council of Western Australia Inc ('FLCWA') comprises senior decision makers from industry and Government whose charter is to provide independent policy advice to the Minister for Transport on issues impacting the provision of freight and logistics services in this State.

Since its inception, FLCWA has been strongly focussed on engaging with State and Local Government to inform strategic and statutory land use and transport planning and policy to identify, protect and defend strategic supply chain infrastructure, such as ports, intermodal terminals, road and rail corridors.

It is in this context that FLCWA would like to thank you for the opportunity to comment on, and inform, the City of Albany's ('the City') Draft Albany Local Planning Strategy ('the Strategy') on behalf of its industry members.

The FLCWA commends the City on the preparation of a Strategy that acknowledges and elevates the importance of supply chain infrastructure within the region and the integrated land use and transport planning approach to managing the growth of the City.

**FREIGHT AND LOGISTICS ECONOMIC SCALE AND VALUE**

The freight and logistics industry is a significant economic driver at the local, regional, state and national level. In 2014 the Australian Logistics Council and Acil Allen Consulting reported that:

- The Australian logistics industry was estimated to account for 8.6% of the national GDP, adding \$131.6 billion to Australia's economy and employing 1.2 million people in 2013;
- In 2011-12 BITRE estimated that the domestic freight task totalled almost 600 billion tonne kilometres – equivalent to about 26,000 tonne kilometres of freight moved for every person in Australia;
- An increase in Logistics total factor productivity of 1% is estimated to increase GDP by \$2 billion; and
- Many issues currently affecting Logistics will impact the industry's future productivity.



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With Australia's freight task forecast to double in the next 20 years<sup>1</sup>, Local Government will play a central role in planning to service the growing freight task, capitalise on the economic benefits, minimise the cost of living, and maintain the quality and amenity of urban environments.

To provide local and regional context, in regard to Albany Port, Southern Ports reports that:

- In 2017, the Port's total throughput per annum was **5.1 million tonnes (including grain, woodchips, silica sands, logs, fuel and fertiliser)**, representing **\$1.25 billion in value to the WA economy**;
- Between 1996 and 2017, total trade through the Port grew from **1.75 million tonnes to 5.1 million tonnes, representing 291% growth** across the period;
- Bulk grain and woodchip exports are produced by more than **1,300 farming families and 700 forestry workers**; and
- These **2,000 direct jobs** support more than **4,000 indirect jobs** across the region.

CBH Group reports that:

- Over the last 5 years, the Albany Port terminal has shipped an **average 2.9 million tonnes per annum**;
- The **historical five-year compound annual growth rate (CAGR)** of grain exports from Albany is **5.8%**; and
- To March 2018, their operations supported over **970 active deliverers** (excluding share farms and charities) in the region.

Regional producers, manufacturers and resource industries, such as the Great Southern's grain producers (wheat, barley, canola, lupins and oats), timber industry (pine logs, biomass pellets and woodchips) and extractive industries (silica sands) rely on efficient and unrestricted access to road and rail corridors and Albany Port to reduce transport costs and timeframes to remain competitive in the global market. Great Southern exports are sold to global markets that include Belgium, China, Dubai, France, Germany, Indonesia and Japan, to name a few.

Protecting the unfettered operation of freight transport corridors and hubs, maintaining the supply of suitable industrial zoned land and leveraging existing infrastructure within the region are key strategies for Local Government to support the forecast growth of the industry and capitalise on these economic benefits.

### **PLANNING FOR FREIGHT AND LOGISTICS**

Ensuring the efficiency of Australia's freight and logistics industry, intermodal hubs, industrial land and the links to them—on land, air and sea-sides—is of critical importance to the nation's economy.

The Federal Department is working closely with the states and territories and industry to develop and implement initiatives aimed at unlocking the full potential of the supply chain. These initiatives

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<sup>1</sup> *Inquiry into National Freight and Supply Chain Priorities Report March 2018, Commonwealth of Australia, Department of Infrastructure, Regional Development and Cities.*



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include an emphasis on the long-term planning of port infrastructure, supply chain visibility and the mapping of key freight routes that connect the nationally significant places for freight.

A key component to the Federal Government's agenda is the development and implementation of the National Freight and Supply Chain Strategy. The Strategy is in response to Infrastructure Australia's Australian Infrastructure Plan and is being prepared under the guidance of an expert panel that includes the Independent Chair of the Westport Taskforce and Chair of the Freight and Logistics Council of WA Inc.

Industry has identified a number of measures as important to the Strategy, a number of which have relevance, including:

- preservation of transport corridors and protection of access corridors (including shipping channels) and freight precincts from encroachment which reduces efficiency and capacity of key national port, airport and intermodal terminal assets;
- integrated land use and transport planning to ensure adequate land transport and site capacity, including airport/port/intermodal terminal master planning; and
- rail access to ports and intermodals.

Submissions on the Inquiry into National Freight and Supply Chain Priorities Discussion Paper highlighted urban encroachment, port (air, sea and land) corridor protection and the need for planning frameworks that acknowledge the importance of freight movement as key challenges to the supply chain achieving its full potential. The final strategy is expected to be delivered in September 2019.

State and Local Governments play a central role in the long-term planning, provision and management of transport networks, including Port transport corridors, that service Australia's growing freight task thereby ensuring that Australian exports remain competitive and in turn support the growth of local and regional economies.

Beyond protecting physical infrastructure, it is equally important to protect the 24/7/365 operation of hubs and corridors by preventing encroachment by incompatible land uses to reduce land use conflict and road congestion.

### **KEY CONSIDERATIONS FOR INTEGRATED LAND USE AND TRANSPORT PLANNING**

The following key considerations for integrated land use and transport planning to deliver positive outcomes for both supply chain efficiency and urban amenity provide the context to the FLCWA's comments on the Strategy, outlined in the following section.

- State significant economic infrastructure, such as the Albany Port, requires protection through the statutory planning framework to support 24/7/365 operations and to prevent encroachment by incompatible land uses;
- Strategic road and rail freight corridors that connect freight hubs (such as ports) with inland industrial land, producers (agricultural + forestry) and extractive industries, require protection through the statutory planning framework to support 24/7/365 operations and to prevent encroachment by incompatible land uses; and



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- Freight hubs, such as ports and intermodal terminals, need to be supported by suitably located, connected and sized off-Port industrial land and intermodal terminals to key Port customer operations, which in turn support the efficient and productive operation of the Port.

### **DRAFT ALBANY LOCAL PLANNING STRATEGY**

FLCWA agrees with, and supports, statements within the Strategy that acknowledge and reinforce:

- a. The status and strategic significance of Albany Port and the freight network that supports the Port's operations as a regional and state asset, being fundamental to economic development within the Great Southern;
- b. The role and function of the Port and the supporting freight network, and the importance of protecting its continued and unrestricted operation and prevent encroachment by incompatible land uses;
- c. Giving precedence to Port functions and operations over land uses that may detrimentally impact these operations;
- d. The intention to restrict urban growth (sensitive land uses) to areas designated 'Urban Growth' under the Strategy and zoned 'Future Urban' under the Local Planning Scheme;
- e. The maintenance of the Port of Albany's Special Control Area;
- f. The role and function of the priority regional roads, upgrades required and the Albany Highway Port Link;
- g. The role and function of the freight rail network, its connections to the Port, Perth and CBH's grain receival bin network and the need to prevent encroachment from incompatible land uses;
- h. The need for SPP5.4 Road and Rail Noise to be implemented through the Local Planning Scheme and/or a local planning policy - with preference for implementation through the scheme, supported by a local planning policy; and
- i. The need to review the planning framework for the Waterfront Precinct as it relates to the operation of the Port and road/rail freight corridors.

Notwithstanding FLCWA's general support for the objectives of the Strategy, outlined below are a number of specific matters that the FLCWA wish to comment on.

#### **Proposed Albany Port 'Strategic Infrastructure' Reservation**

The Strategy suggests investigating changing the (current) 'Port Industry' zone to a 'Strategic Infrastructure' reserve.

The current 'Port Industry' zones applies to lots and reserves owned by the State Government and five (5) lots owned in freehold by non-government entities.

Southern Ports supports the reservation of land in the ownership of the State Government (including land owned by Southern Ports) for 'Strategic Infrastructure', consistent with the reservation of other major transport infrastructure under local and region schemes, such as Fremantle Ports' Inner Harbour North Quay and the Perth (Kewdale) Intermodal Freight Terminal.

However, Southern Ports does not support the reservation of five (5) privately owned freehold lots currently zoned 'Port Industry'.



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Land use permissibility for zoned land is specified by the zoning table, however the scheme is silent on land use permissibility for reserved land. This creates uncertainty and reduced protection for the Port in relation to the introduction of incompatible land uses on privately owned reserved land within, abutting or within proximity to the Port.

In the absence of land use permissibility guidance for reserved land in the local planning scheme, or another statutory instrument applicable to five (5) lots, the current 'Port Industry' zone provides greater protection for Port operations and clear guidance on land use permissibility.

It is also important to highlight, and consider, the location of the five (5) lots in relation to the:

- The Port of Albany boundary; and
- The Port of Albany Special Control Area under the local planning scheme, and their implications for land use and development control.

The current 'Port Industry' zone, applicable to the five (5) lots, provides greater certainty for the Port, the registered owners and the tenants in regard to the current and future use and development of the land for uses compatible with port operations, as outlined in the aims of the zone and the zoning table.

For these reasons, Southern Ports does not support the reservation of the five (5) privately owned freehold lots, currently zoned 'Port Industry', for 'Strategic Infrastructure'.

### **Land Use Diversification**

The Strategy suggests considering land use diversification on private lots within the "Port precinct", where it can be demonstrated that it will not compromise the ongoing operation of the port. However, the 'Port precinct' is not defined so it is unclear what land the comment applies to and therefore what the implications may be for the port, road and rail operations.

It is acknowledged that the intent of the statement within the Strategy may be to encourage and facilitate the redevelopment of existing incompatible and sensitive land uses for (newly permitted) non-sensitive land uses, which would result in better outcomes for port operations and urban amenity, thereby working towards achieving the objectives of the Strategy. However, further clarification on the intent of the statement is required.

Clarification on this matter is sought to enable the FLCWA to provide a considered response.

### **Mirambeena Intermodal (IMT) Facility**

An intermodal terminal in Mirambeena is briefly discussed in the Strategy in the context of future growth.

An intermodal terminal would generate a number of local and regional benefits, including:

- Freeing up land on the Port for high value operations and infrastructure expansion;
- Shifting freight from road to rail, which reduces congestion on regional and local roads and improves amenity for commuter traffic, pedestrians and cyclists; and



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- Provide more land for storage, logistics and/or industrial uses that have a relationship with the Port but do not need to be located on the Port of Albany itself.

The Strategy acknowledges that the Mirambeena IMT and Rail Spur is not viable within the lifetime of the document and as such consideration should be given to shorter term solutions to issues such as industrial land supply, road congestion and supply-chain efficiency.

### **Importance of Protecting the Expansion Potential of Albany Port**

Part 2, Section 5.3.3 outlines that if the Grange Resources Southdown Project is delivered, trade throughput is expected to triple. If this eventuates, the regional freight network will be placed under immense pressure to operate as efficiently as possible to meet this demand. Considering these projected operational requirements, the importance of protecting the Port, freight road and rail corridors and preventing the encroachment of incompatible land uses becomes even more imperative within this context.

FLCWA is aware that there is considerable urban development pressure being placed upon the Port, corridors and the surrounding land. If these are surrendered to and incompatible land uses are permitted to encroach on the freight network and constrain its efficient operation, the supply-chain will be unable to meet future operational requirements. Considering these pressures and the potentially catastrophic impact they could have on the future freight network function, the importance of securing strategic and statutory protection for the supply chain is further reinforced.

### **Freight Corridor Protection**

In addition to comments made above, the FLCWA recommends that all land within 300m of road and rail freight corridors be included within a Special Control Area under the scheme in accordance with State Planning Policy (SPP) 5.4 Road and Rail Noise, to trigger the requirement for planning approval and compliance with specific development requirements for all noise sensitive land uses. It is recommended that the Special Control Area be supported by a local planning policy to provide further guidance to landowners, developers and decision makers.

Furthermore, acoustic modelling shows that although the LAeq metric may be adequate in regard to noise from high volume roads, it is insufficient to measure the impact of intermittent freight road and rail noise. In that regard consideration should be given the use of the LMax metric to guide land use, subdivision and development on land within 300m of freight rail, and possibly road, corridors.

### **Urban Growth**

In addition to comments made above in relation to urban growth, consolidation and infill development, FLCWA suggest that no new residential areas and/or increased residential densities should be considered within proximity (300m) of current (or future) strategic road and/or rail freight corridors and/or within proximity of the Port.

Rural residential land use and development (where lots are greater than 2ha in area) may be appropriate where lots are configured to facilitate the construction of a dwelling outside of areas adversely affected by road and/or rail noise.



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The importance of protecting network operations and efficient freight movement is paramount to the local, regional and national supply-chain. The Strategy recognises the value of this, and that protective buffers (in the form of a Special Control Area) are an effective means of achieving the Strategy's objectives.

**CONCLUSION**

The City of Albany is an important node within the local, regional, state and national supply-chain. The freight network is highly valued by producers, industry and transport operators, and a robust strategic planning framework is required to protect current and accommodate future operations of the network.

The Draft Albany Local Planning Strategy recognises the importance of protecting this function, but the FLCWA would encourage the City to give further consideration to some aspects to secure better protection for supply chain efficiency and urban amenity, consistent with the broader objectives of the Strategy.

The Strategy provides the opportunity to protect and enhance the freight network to capitalise on the opportunities afforded by the area's accessibility and strategic advantage for the freight and logistics industry, as well as other industries (agriculture, forestry, extractive etc) that rely on unfettered access to this network.

The FLCWA would like to thank you for this opportunity to comment on the Draft Albany Local Planning Strategy and would welcome the opportunity to meet to elaborate on the views put here and work collaboratively to amend the Strategy accordingly, if required.

Yours sincerely

Nicole Lockwood  
Chair

26 October 2018

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- David Caddy, Chairman, Western Australian Planning Commission
- Gail McGowan, Director General, Department of Planning
- Richard Sellers, Director General, Department of Transport