

Department of Planning, Lands and Heritage
6th Floor, Bunbury Tower
61 Victoria Street
BUNBURY WA 6230

Attention: sent by email to waterloo@planning.wa.gov.au

Dear Sir / Madam

**FREIGHT AND LOGISTICS COUNCIL OF WESTERN AUSTRALIA INC – SUBMISSION
DRAFT WATERLOO INDUSTRIAL PARK DISTRICT STRUCTURE PLAN**

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/rail corridors and industrial land.

It is in this context, and further to our submission on the 2017 Draft District Structure Plan, that FLCWA would like to thank you for the opportunity to comment on, and inform, the updated 2019 Draft Waterloo Industrial Park District Structure Plan, which proposes a framework to guide the use, subdivision and development of 1,350ha of land for industrial, service commercial and rail-related purposes in the suburb of Waterloo, on the eastern outskirts of Bunbury.

The FLCWA commends the WAPC, the Department of Planning, Lands and Heritage and the Shire of Dardanup for the strategic planning to support industry and economic growth and is encouraged by the acknowledgement of the future role of the land for transport, freight, logistics and rail related activities and the opportunity to construct a rail spur to support intermodal terminal facilities and rail related activities in association with Bunbury Port and/or the Bunbury to Perth freight rail line.

1. SUMMARY

The freight and logistics industry is a significant economic driver at the local, regional, state and national level. The strategic and statutory planning framework, when prepared in consultation with and informed by industry, supports its efficient operation and continued growth to the benefit of local, regional and national communities and economies.

Enclosed with this letter is a brief summary of the *Strategic Importance of the Freight and Logistics Industry*, which outlines the value of the industry to Australian economies and communities and the early findings and industry priorities of the Federal Government's National Freight and Supply Chain Strategy.

A summary of our key comments and recommendations are outlined below.

1. Reconsider the spatial arrangements of land uses based on capitalising on opportunities for:
 - a. the co-location of larger lots (4ha – 20ha), land uses and industries that will capitalise on proximity, and access, to the freight rail line and proposed rail siding;

- b. reducing traffic conflicts and road congestion; and
 - c. the future expansion of the "Special Use" zone and/or land for related activities and operations;
2. Review commentary relating to lot sizes within the General Industrial zone;
3. Review and amend commentary relating to the type and length of heavy vehicles that will travel on regional and local road networks, both externally and within the Waterloo precinct, to account for the emerging and future growth in 'High Productivity Vehicles' being used by freight and logistics operators;
4. Consideration to be given to increasing the length of the proposed freight rail line spur (rail siding) to 1,800m, which may necessitate a new alignment given the site constraints;
5. The Structure Plan should include commentary on the need to future-proof new road infrastructure, such as the Hynes Road/Martin Pelusey Road overpass, to allow for double-stacking of containers on the freight rail line;
6. Reconsider the opportunities afforded by the District Structure Plan to secure a freight rail corridor connecting the Perth to Bunbury and Bunbury to Balingup freight rail lines and afford an opportunity for future rail related industries to capitalise on access to that corridor; and
7. Postpone the finalisation of the District Structure Plan until there is greater certainty on the area's future role in the context of Bunbury Port, or alternatively amend to the Structure Plan to identify a "future freight rail corridor – subject to further investigation".

Outlined below are our detailed comments on the updated Draft District Structure Plan.

2. PREVIOUS FLCWA COMMENTS

FLCWA's submission on the previously advertised draft Structure Plan centred on encouraging the WAPC to consider three points:

1. Review the commentary in relation to lot sizes within the General Industrial zone. Freight and logistic operators undertaking activities such as freight forwarding, warehousing and distribution, require large land areas (4-20ha), that are often in very limited supply within industrial areas, yet are essential to their efficient operations;
2. Consider introducing an alternative zone to identify and protect strategic land for freight and logistics related land uses specifically, to maximise the efficient use of the freight rail infrastructure and its interface with industrial land;

The FLCWA is encouraged to see that the land abutting the freight rail line at the northern end of the Structure Plan area is now identified as "Special Use" and "Potential to identify specific areas along proposed rail line for industries that are related to rail activities", however the proposed changes to the proposed freight line rail require further consideration to ensure that the opportunity for land use and infrastructure co-location and efficiencies are maximised. Comments on this aspect are detailed below, under headings 6 Freight Rail Constraints and 7 Flexible Rail Network.

3. Recognise that the freight and logistics industry is moving towards the use of (larger) 'High Productivity Vehicles', and that consideration should be given to the design of the road network to future-proof the Waterloo Industrial Park and allow it to adapt, and capitalise on, changes in industry operations.

3. PROPOSED LAND USE AND SPATIAL ARRANGEMENT

Whilst the FLCWA is encouraged by the "Special Use" zoning illustrated on land abutting the proposed freight rail line (rail siding), the land is effectively land-locked from the "General Industrial" zoned land by land zoned for "Service Commercial", "Light Industry" and land identified as "Regionally Significant Clay", which severely limits the potential for the co-location of freight and logistics related land uses and activities on appropriately sized (4 – 20ha) and zoned (General Industry) lots.

The Draft District Structure Plan will result in larger lots, suited to freight and logistics operations, being located remote to the proposed "Special Use" zone, the proposed freight rail line (rail siding) and the existing freight rail line.

In the event that freight and logistics operators, with a relationship to the freight rail line and/or a freight rail/siding operator, establish in the "General Industry" zones, as currently proposed, it will result in heavy vehicle movements through the "Light Industry" area (comprising lots smaller than 4,000m²).

In our experience this would be an undesirable and inefficient outcome, based on a detailed understanding of lot sizes, typical land use/development and operations across Perth's major industrial estates (Malaga, Hazelmere, Kewdale/Welshpool and Canning Vale), for the following reasons:

- Light Industry areas generate high volumes of light vehicle movements, that are generally incompatible with heavy vehicle movements and may result in traffic conflicts and road congestion;
- Light industry areas, particularly those with lot areas of less than 1ha generate high demand for on-street parking, which conflicts with heavy vehicle movements and may result in traffic conflicts and road congestion; and
- In recent years the primacy of Light industry areas for "industrial" land uses has been eroded with the introduction and establishment of fitness centres, churches and other land uses that generate substantial volumes of light vehicle and urban commuter traffic that conflict with industrial and heavy vehicle movements.

We encourage the Department to reconsider the spatial arrangements of land uses based on capitalising on opportunities for:

- the co-location of larger lots (4ha – 20ha), land uses and industries that will capitalise on proximity, and access, to the freight rail line and proposed rail siding;
- reducing traffic conflicts and road congestion; and
- the future expansion of the "Special Use" zone and/or land for related activities and operations.

It is also noted that land within the Draft Wanju District Structure Plan, opposite the proposed freight rail line (rail siding) and "Special Use" zone is illustrated as "Public Open Space" and "Local Centre", which is considered a compatible interface to the road and rail (freight and passenger) interfaces of South Western Highway and the Perth to Bunbury railway line.

The FLCWA will continue to monitor, review and comment on land use planning proposals within the Wanju District Structure Plan area to advocate for protection of these key freight transport corridors from inappropriate land use interface, in accordance with State Planning Policy 5.4 Road and Rail Noise.

4. PROTECTION OF LARGE LOTS

FLCWA supports the Structure Plan's intent to safeguard the opportunity for rail infrastructure and related land use and activities. The identification and protection of land for intermodal and freight and logistics related uses (logistics land) is an ongoing concern for FLCWA, as large lots in established industrial areas,

ideally suited to these uses, continue to be eroded and fragmented through inappropriate land use and subdivision.

In FLCWA's experience, freight and logistics operators require larger land areas between 4-20ha to allow for warehousing, outdoor storage and laydown and the turning movements of heavy vehicles (RAV4 and RAV7). This is also applicable to rail and/or port related activities.

In this regard, FLCWA encourages the WAPC to review commentary relating to lot sizes within the General Industrial zone and remove reference to "up to 5ha"..

As highlighted by the Structure Plan, the Waterloo Industrial Estate has excellent road and rail linkages to Bunbury Port, the South West, Fremantle and Kwinana Ports and the Perth and Peel metropolitan regions, making it ideally suited to freight and logistics land uses and activities.

In the absence of appropriately zoned and sized land in the region, Waterloo Industrial Estate should ensure that it delivers land supply to meet the needs of a growing industry, one that may grow exponentially should the Westport Taskforce *Port and Environs Strategy* and the State Government identify a much larger role for Bunbury Port in helping to meet Western Australia's growing freight task.

5. HIGH PRODUCTIVITY VEHICLES

FLCWA encourages the WAPC to review and amend the commentary relating to the type and length of heavy vehicles that will travel on regional and local road networks, both externally and within the Waterloo precinct.

Land use and transport planning, and subsequent detailed design, needs to acknowledge that the State's road transport industry is moving towards the use of High Productivity Vehicles whose dimensions will be larger than are referred to in the draft document.

With this in mind, the FLCWA would like to see the text and mapping amended to include commentary that the Waterloo Industrial Park road layout and intersection design is to accommodate these larger vehicles.

The design of all road reserves should allow for future upgrades to accommodate the movements of 36.5m vehicles and provide greater flexibility and robustness in the evolution and maturity of the Waterloo Industrial Park.

6. FREIGHT RAIL CONSTRAINTS

Further to the points raised in the FLCWA's 2017 submission and outlined above, it is noted that there has been a significant modification to the proposed freight rail alignment through the Structure Plan area.

Whilst it is acknowledged that the rail loop to the west of Waterloo, in the Preston Industrial Estate, provides for a future connection to the Bunbury Balingup railway line, should that line become operational in the future, the FLCWA is concerned that the proposed freight rail line rail spur is not long enough to support efficient and viable operations.

Based on feedback from our industry members on other strategic planning proposals, consideration should be given to increasing the length of the proposed freight rail line spur (rail siding) to 1,800m.

High productivity freight trains can be up to 1,800m in length and double-stacked, which in turn requires longer rail siding interfaces to load/unload efficiently by removing the need for the train to be broken down into shorter lengths.

As Westport explores the possibility of new and/or additional trade through Bunbury Port, the rail spur and surrounding land may play a critical role in its future success or otherwise.

Given the site constraints of the regionally significant clay resource and the proposed Hynes Road / Martin Pelusey Road overpass, consideration should be given to alternative alignments for the proposed freight rail spur to achieve a longer rail siding that can accommodate trains up to 1,800m in length.

In that regard, the Structure Plan should include commentary on the need to future-proof new road infrastructure, such as the Hynes Road/Martin Pelusey Road overpass, to allow for double-stacking of containers on the freight rail line.

7. FLEXIBLE RAIL NETWORK

In response to WA's emerging lithium industry, an opportunity presents to re-open the Bunbury-Balingup rail-line to support mining operations and reduce heavy vehicle movements on local roads and through small regional communities.

In light of this, further consideration should be given to illustrating a future freight rail connection between the South Western Highway rail-line and the Boyanup-Picton Road rail-line (should this line reopen to support the Balingup lithium mines).

Whilst it is acknowledged that the rail connection may be a long term prospect, in regard to demand, funding and construction of a freight rail connection between the two existing lines and the demand for land for rail-related activities, it would not preclude the land being used for activities that are temporary in nature, such as outdoor storage and laydown, in the interim.

Strategic transport corridor identification, preservation and protection was flagged as one of the biggest challenges facing the freight and logistics industry and governments in the Federal Government's Inquiry into National Freight and Supply Chain Priorities Report March 2018.

State and Local Governments play a central role in the long-term planning, provision and management of transport networks, including transport corridors, and in that context the FLCWA encourages the WAPC to reconsider the opportunities afforded by the District Structure Plan to secure a freight rail corridor and afford an opportunity for future rail related industries to capitalise on access to that corridor.

8. CONCLUSION

The role of Bunbury Port (and the surrounding industrial areas, including the Waterloo Industrial Park) within the WA supply-chain is sure to increase in importance within the mid-long term, and in order to future-proof this infrastructure and meet the needs of a growing freight task, flexibility in the planning framework is required.

In the absence of Westport's final recommendations and subsequent State Government decisions, the role of Bunbury Port remains uncertain and FLCWA believes there is value in postponing finalisation of the District Structure Plan until there is greater certainty on the area's future role in the context of Bunbury Port.

Alternatively, the FLCWA would support an amendment to the Structure Plan to identify a "future freight rail corridor – subject to further investigation" so as not to delay the finalisation of the Plan, but providing an

opportunity to revisit the need for a freight rail line, or otherwise, following release of the Westport Port and Environs Strategy and/or State Government decisions.

FLCWA appreciates the opportunity to comment on the Draft Waterloo Industrial Park District Structure Plan and is encouraged by the work of the WAPC, Department of Planning and Shire of Dardanup to identify, protect and plan for future industrial land supply and growth and related transport infrastructure.

FLCWA would welcome the opportunity to meet with the Department to elaborate on the points made here. We can be contacted by email at secretariat@flcwa.com.au to arrange a time to meet.

Yours sincerely,



NICOLE LOCKWOOD
Chair
Freight and Logistics Council of Western Australia

24 May 2019

ENC:

- Strategic Importance of the Freight and Logistics Industry

CC:

- Rita Saffioti, Minister for Transport; Planning
- David Caddy, WAPC Chairman
- Richard Sellers, Director General Department of Transport
- Gail McGowan, Director General DPLH
- Mike Schramm, DPLH Bunbury

ENCLOSURE - STRATEGIC IMPORTANCE OF THE FREIGHT AND LOGISTICS INDUSTRY

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.

With Australia's freight task forecast to double in the next 20 years¹, Local and State 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.

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

The Federal Government is working closely with the states, territories and industry to develop and implement initiatives aimed at unlocking the full potential of the national supply chain. These initiatives include an emphasis on the long-term planning of freight 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 NFSCS'). The NFSCS 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.

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.

The September 2018 House of Representatives Standing Committee on Infrastructure, Transport and Cities report, *Building Up and Moving Out: Inquiry into the Australian Government's role in the development of cities*², acknowledged submissions by Associate Professor Russell Thompson and the Australian Logistics Council, stating that

"One of the key issues identified in the evidence presented to the Committee was the need to protect freight facilities from urban encroachment. ...

... The Australian Logistics Council (ALC) also noted that 'urban encroachment is one of the greatest challenges affecting the longer term operation of freight infrastructure', and argued that 'a truly safe and efficient supply chain needs to be able to operate round-the-clock, so that freight movement is able to occur at all times and operators can take advantage of off-peak road traffic volumes'. It observed, however, that 'current trends in planning policy

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

² Source: https://www.aph.gov.au/Parliamentary_Business/Committees/House/ITC/DevelopmentofCities/Report

tend to favour the interests of residential development over freight efficiency', resulting in 'lost economic opportunities and, very often, higher costs for freight operators'. ..."

The report concluded that:

"... freight connectivity is no less important than passenger connectivity. The efficient movement of freight is essential to the economy and employment. The rapid rise of the freight task with increasing population and economic growth is already presenting challenges ..."

"Urban encroachment is leading to existing freight infrastructure coming into conflict with residential development and being forced to operate at less than optimum levels. There clearly needs to be policy development to protect essential freight infrastructure and routes from the effects of urban development."

And recommended that the Australian Government:

"Give priority to the development of a national freight network, with a view to creating a strong system of multimodal integration based on dedicated freight nodes, prioritising the movement of freight by rail ..."

The NFCSC, place a strong emphasis on the importance of unfettered freight-rail operations, and protecting the flexibility of transport corridors (such as retaining surplus land to accommodate future needs should they arise).

State and Local Governments play a central role in the long-term planning, provision and management of transport networks, including 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.